

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. †2356

TO BE ANSWERED ON THE 8TH JULY 2019/ ASHADHA 17, 1941 (SAKA)

Merger of PSBs

†2356. SHRIPRATAPRACAPATIL CHIKHLIKAR:
SHRISHANKARLALWANI:

Will the Minister of FINANCE be pleased to state:

- (a) the total number of nationalised Public Sector Banks (PSBs) in the country;
- (b) whether the Government is contemplating to restructure/merge all the Government banks in the country;
- (c) if so, the details thereof along with the benefits of the said proposals and its likely impact on the bank customers in the country; and
- (d) the details of the total number of merger of banks carried out by the Government so far during the last three years?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

(a): There are 17 nationalised PSBs in the country.

(b) and (c): The Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980 provide that the Central Government, in consultation with the Reserve Bank of India (RBI), may make a scheme, *inter alia*, for the amalgamation of any nationalised bank with any other nationalised bank or any other banking institution. Various committees, including Narasimhan Committee (1998) constituted by RBI, Leeladhar Committee (2008) chaired by RBI Deputy Governor, and Nayak Committee (2014) constituted by RBI, have recommended consolidation of Public Sector Banks (PSBs) given underlying benefits/synergies. Taking note of this and potential benefits of consolidation, Government, with a view to facilitate consolidation among PSBs to create strong and competitive banks, serving as catalysts for growth, with improved risk profile of the bank, approved an approval framework for proposal to amalgamate PSBs through an Alternative Mechanism (AM). No proposal is presently before the AM for its consideration.

(d): During the last three years, two PSB consolidations were effected, with State Bank of India (SBI) associate banks and Bhartiya Mahila Bank merging with SBI with effect from 1.4.2017 and Vijaya Bank and Dena Bank amalgamating into Bank of Baroda with effect from 1.4.2019. Further, 21 Regional Rural Banks amalgamated during the same period.
