

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 1257

TO BE ANSWERED ON THE 19<sup>TH</sup> SEPTEMBER 2020/BHADRAPADA 28, 1942 (SAKA)

Merger of Banks

1257. SHRI P.C. GADDIGOUDAR:

Will the Minister of FINANCE be pleased to state:

- (a) the names of state run banks which have been amalgamated so far;
- (b) whether the Government has any fresh proposal to amalgamate more state run banks;
- (c) if so, the details thereof and the time by which the above proposal is likely to be implemented; and
- (d) its impact on the work force and the efficacy of banking sector in the country?

ANSWER

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

(a): Public Sector Banks (PSBs) amalgamated so far are as under:

- (i) New Bank of India, which was amalgamated into Punjab National Bank (PNB) in 1993;
- (ii) Vijaya Bank and Dena Bank into Bank of Baroda in 2019; and
- (iii) Oriental Bank of Commerce and United Bank of India into PNB, Andhra Bank and Corporation Bank into Union Bank of India, Syndicate Bank into Canara Bank, and Allahabad Bank into Indian Bank, in 2020.

(b): No specific proposal to amalgamate more PSBs is currently under consideration of the Government.

(c): Question does not arise.

(d): The amalgamations were aimed at enhancing the efficacy of the banking sector by creating strong and efficient banks by leveraging economies of scale and synergies for, *inter alia*, operational efficiencies, thrust on adoption of technology for efficient banking and greater financial capacity to support economic growth through lending.

As regards the work force, the amalgamation Schemes envisaged that every permanent employees of the amalgamating bank became an employee of the amalgamated bank on the day of amalgamation, and therefore, no employee lost his/her job due to the amalgamation. Further, the amalgamated banks have informed that employees, have, instead benefited from the amalgamation as a result of, *inter alia*, improvement in employees' perquisites through harmonisation of the same across the banks that amalgamated and wider career opportunities through introduction of new verticals in cutting-edge areas.

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