GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4872
ANSWERED ON MONDAY, MARCH 23, 2026/ CHAITRA 02,1948 (SAKA)

Proposed Merger of Banks

4872 COM. SELVARAJ V:
SHRI RAMVIR SINGH BIDHURI:
SHRI SUBBARAYAN K:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to merge some more banks;
(b) if so, the details thereof;
(c) whether the Government has made any assessment of the banks that have been merged so far; and
(d) if so, the impact of such merger of banks in terms of growth?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Presently, there is no proposal under consideration of the Government on merger or consolidation of Public Sector Banks.

The amalgamation of PSBs helped create stronger competitive banks with economies of scale and scope while enabling realisation of wide-ranging synergies. Leveraging of networks, better access to low-cost deposits, increased ability to support larger ticket-size lending and competitive operations by virtue of greater financial capacity has provided the amalgamated banks a substantial rise in customer base, market reach and operational efficiency. Synergy was also gained due to increased scope of operations, and improvement in cost efficiency with adoption of best practices and digitisation.

The amalgamation of PSBs, as envisaged, has contributed in improving operational efficiency and financial soundness of banks through streamlining of operations and reduction in costs, thereby resulting in increasing consolidated business of banks. As per Reserve Bank of India data, consolidated total business of-

(i) Bank of Baroda, in which Vijaya Bank and Dena Bank were amalgamated w.e.f. 1.4.2019, grew from ₹16.1 lakh crore in Mar-19 to ₹27.0 lakh crore in Mar-25.
(ii) Punjab National Bank, in which Oriental Bank of Commerce and United Bank of India were amalgamated w.e.f. 1.4.2020, grew from ₹18.3 lakh crore in Mar-20 to ₹26.8 lakh crore in Mar-25.
(iii) Union Bank of India, in which Andhra Bank and Corporation Bank were amalgamated w.e.f. 1.4.2020, grew from ₹15.3 lakh crore in Mar-20 to ₹22.9 lakh crore in Mar-25.
(iv) Canara Bank, in which Syndicate Bank was amalgamated w.e.f. 1.4.2020, grew from ₹15.7 lakh crore in Mar-20 to ₹25.3 lakh crore in Mar-25, and
(v) Indian Bank, in which Allahabad Bank was amalgamated w.e.f. 1.4.2020, grew from ₹8.6 lakh crore in Mar-20 to ₹13.3 lakh crore in Mar-25.

*****