

# Union Bank denies merger talk with Dena Bank

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*Since the NDA government came to power amidst a deep crisis in the state-run banks profitability following a massive spike in bad loans, there were many talks about consolidation in the industry.*

run [Union Bank](#) of India today denied having any talks with its smaller peer [Dena Bank](#) BSE -0.21 % for a possible merger of the two banks within hours after the former claimed to have had a meeting with the latter on this.

"There was a report quoting Dena Bank chairman and managing director which stated about some merger talks with Union Bank. The fact is there is nothing of that sort even remotely," Union Bank chairman [Arun Tiwarisaid](#).

Earlier in the day Dena Bank chairman and managing director [Ashwini Kumar](#) said in Kolkata that he had some initial discussions with his counterpart at Union Bank for a possible merger of the two banks.

"There has been discussion regarding the merger between me and the chairman of Union Bank," Kumar said earlier in the day.

Since the NDA government came to power amidst a deep crisis in the state-run banks profitability following a massive spike in bad loans, there were many talks about consolidation in the industry.

But the only merger that has finally got the go ahead so far has been the merger of the five associate banks of [SBI](#) with and that of Bharatiya Mahila Bank with SBI. But even this has been delayed now as the plan was to complete the process by March, which the bank said would not be possible now.



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The consolidation talks gained momentum as government finances did not allow it to recapitalise banks properly to meet the Basel 3 norms. While it has given Rs 25000 crore this year, only a similar has been budgeted for next year as well, even when banks need around \$90 billion in fresh capital.