

# PSU bank merger: Transfer policy should not put employees at unease, says minister

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The merger in public sector banking sector will bring down the total number of PSU banks to 12 from 27. Union Finance Minister Nirmala Sitharaman had earlier this year allayed fears of any job losses following the proposed merger.

**NEW DELHI** : Union Minister of State for Finance and Corporate Affairs Anurag Singh Thakur has urged public sector banks "to form such HR policies that transfer and other policies do not put employees at unease." He was speaking at a event in Mumbai on Monday to mark the 101st Foundation Day of Union Bank of India, which will be merged with Andhra Bank and Corporation Bank to build India's fifth-largest public sector bank with ₹14.59 trillion in business.

The minister said that the merger of Union Bank with Andhra Bank and Corporation Bank will add to Union Bank's strength with acquisition of more customers and assets. He urged the bank to focus more on lending to MSME sector apart from giving loans to big corporates. Stating that banks have a vital role to play in achieving the target of turning India into a 5 trillion dollar economy, the minister said that banks must fearlessly take normal business decisions in good faith.

Union Finance Minister [Nirmala Sitharaman](#) had earlier this year allayed fears of job losses following the proposed merger of public sector banks, saying not even one employee shall be removed following the amalgamation.

Union Bank of India also launched many new banking products to commemorate the occasion.

In August, in the biggest consolidation exercise in the banking space, the government announced major mergers of public sector banks, bringing down their total number to 12 from 27 in 2017, a move aimed at making state-owned lenders global sized banks.

United Bank of India and Oriental Bank of Commerce will be merged with Punjab National Bank, making the proposed entity the second largest public sector bank (PSB). As part of the same exercise, Syndicate Bank will be merged with Canara Bank, while Allahabad Bank will

be amalgamated with Indian Bank. Similarly, Andhra Bank and Corporation Bank will be consolidated with Union Bank of India.

Earlier this year, Dena Bank and Vijaya Bank were merged with Bank of Baroda.

In April 2017, State Bank of India (SBI) merged five of its subsidiaries—State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Travancore, State Bank of Hyderabad and State Bank of Patiala—and Bharatiya Mahila Bank with itself.

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