

## Merged PSBs to ensure no disruption to credit flow, enhanced customer experience: FinMin

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By PTI



**Finance Minister Nirmala Sitharaman on March 12 held meetings with chief executives of these banks, including Andhra Bank, Corporation Bank and Union Bank of India.**



The merged public sector banks will ensure that there is no disruption to credit flow and customer experience is enhanced, the finance ministry said on Thursday. Ten public sector banks are to be merged into four from April 1. The finance minister is holding meetings with the lenders to review their preparedness.

Finance Minister Nirmala Sitharaman on March 12 held meetings with chief executives of these banks, including Andhra Bank, Corporation Bank and [Union Bank of India](#).

"Amalgamating PSBs made a presentation to Hon. FM @nsitharaman on their preparedness. Amalgamated PSBs to ensure no disruption to Credit & enhanced customer experience," the Department of Financial Services said in a tweet.

The Union Cabinet had last week approved the mega bank consolidation plan under which Oriental Bank of Commerce and United Bank of India will merge into Punjab National Bank; Syndicate Bank into Canara Bank; Andhra Bank and Corporation Bank into Union Bank of India; and Allahabad Bank into Indian Bank.

In August, the government had announced a merger plan for public sector banks, which will bring the number of PSU banks in the country to 12 from 27 in 2017.

The merger would result in creation of seven large PSBs with scale and national reach, with each amalgamated entity having business of over Rs 8 lakh crore.

This will be the third round of PSU bank consolidation. Earlier, the government had merged five associate banks and Bharatiya Mahila Bank into State Bank of India, followed by a three-way merger of Vijaya Bank and Dena Bank with Bank of Baroda.

The bank consolidation programme is aimed at creating banks with scale comparable to global banks. Also, greater scale and synergy through consolidation would lead to cost benefits which should enable them to enhance their competitiveness.

Further, with the adoption of technologies across the amalgamating banks, access to a wider talent pool and a larger database, PSBs would be in a position to gain competitive advantage by leveraging analytics in a rapidly digitalising banking landscape.

Following the merger, Punjab National Bank will become the country's second largest bank, with business size of Rs 17.94 lakh crore, after SBI which has business of over Rs 52 lakh crore. Bank of Baroda will become the third largest bank, followed by Canara Bank, Union Bank of India, Bank of India, and Indian Bank.

The other PSBs are Central Bank of India, Indian Overseas Bank, UCO Bank, Bank of Maharashtra, and Punjab and Sind Bank.

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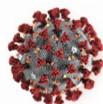
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