

# Merged bank trio enter big league

## OUR SPECIAL CORRESPONDENT

**Mumbai:** The merged entity of Vijaya Bank, Dena Bank and Bank of Baroda (BoB) will become the second-largest PSU lender in the country from April.

All branches of Vijaya Bank and Dena Bank will function as branches of the BoB from Monday as part of the merger scheme.

According to an RBI notification, customers, including depositors of Vijaya Bank and Dena Bank, will be treated as clients of the BoB with effect from this date.

While the merged entity will be the second-largest PSU

bank in India, it will be the country's third-largest bank overall after the SBI and HDFC Bank. It will have a geographical reach of more than 9,500 branches, 13,400 ATMs and more than 85,000 employees serving 120 million customers.

The business mix of the merged Bank of Baroda will be at over Rs 15 lakh crore, with deposits at Rs 8.75 lakh crore and advances at Rs 6.25 lakh crore.

The BoB disclosed in a statement the interoperability of key banking services across all branches would be introduced by the end of April and its scope will be expanded gradually. The integration of IT functions is expected to be

## WHAT IT MEANS

- Dena, Vijaya merged into Bank of Baroda
- Dena, Vijaya branches to become BoB branches from today
- Dena, Vijaya account holders to become BoB account holders
- Customers of all banks to be integrated into core banking in 18 months

completed over a period of 12-18 months when customer accounts of all the three banks will be migrated to a single core banking system.

The bank added that the

merger will bring in cost and revenue synergies. This will be possible through wider product offerings, improved cross-selling and deeper micro-market penetration on account of branch relocations, besides an improvement in the fee income.

The BoB now plans to build upon the strengths of the three lenders and their synergies and scale up operations by deepening relations with a wider customer base.

It is expected that the complementary branch presence will add to the network in the western and southern states that includes Maharashtra, Gujarat, Kerala, Tamil Nadu, Karnataka and Andhra

Pradesh.

The bank will have a 22 per cent market share in Gujarat and 8-10 per cent share in Maharashtra, Karnataka, Rajasthan and Uttar Pradesh.

Customers are expected to benefit from an increase in number of touchpoints and enhanced geographical reach apart from a bigger product range.

"We are extremely pleased that BoB, Vijaya Bank and Dena Bank are coming together to create the second-largest (PSU) bank in terms of network and customer base. We would work for the success of amalgamation," P.S. Jayakumar, MD and CEO of Bank of Baroda, said.