

# Bank of Baroda Now Second Largest PSB After Dena, Vijaya Acquisition

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## Our Bureau

**Mumbai:** Bank of Baroda will acquire Vijaya and Dena Bank effective Monday to create India's second largest public sector bank after State Bank of India (SBI). This is the first three-way merger of banks in India. The combined bank will have more than 9,500 branches, more than 13,400 ATMs and 85,000 employees serving 120 million customers.

**The entity will have a 22% market share in Gujarat and between 8% and 10% market share in Maharashtra, Karnataka, UP and Rajasthan**

The combined entity will have deposits and advances of Rs 8.75 lakh crore, and Rs 6.25 lakh crore, respectively.

"The complementary branch presence will add to the network in western and southern states—Maharashtra,



Gujarat, Kerala, Tamil Nadu, Karnataka and Andhra Pradesh.

The bank will have a 22% market share in Gujarat and between 8% and 10% market share in key states of Maharashtra, Karnataka, Rajasthan and Uttar Pradesh," Bank of Baroda said in an emailed statement.

Dena Bank, which is under RBI watch under the so-called prompt corrective action framework, will have renewed

access to credit facilities immediately.

"Both banks will have access to Bank of Baroda's international presence at 101 offices. Unique programs of Vijaya Bank like SRTO funding, plantation financing will be available to customers of the other two banks," BoB said.

The bank said the resultant cost and revenue synergies post the merger from wider product offering, improved cross-selling, deeper micro market penetration on account of potential for branch relocations will result in higher revenue and improvement in fee income.

The branch and administrative office rationalisation and tech spend optimization offers potential cost synergies. An action plan for realisation of these synergies is being put in place.

"We would work for the success of amalgamation by effective execution of all the activities to build a stronger organisation and collectively deliver more to the stake holders than that of sum of individual entities," said P S Jayakumar, CEO at BoB.

"The diverse bouquet of products from the three banks, substantial investments made in technology and centre of excellence on analytics & AI and technology will help in benefiting a wider customer base."