

This Symbiotic Union Aims for Bigger Reach

Our Bureau

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

The combined entity will have deposits and advances of ₹8.75 lakh crore, and ₹6.25 lakh crore, respectively. "The complementary branch presence will add to the network in western and southern states - Maharashtra, Gujarat, Kerala, Tamil Nadu,

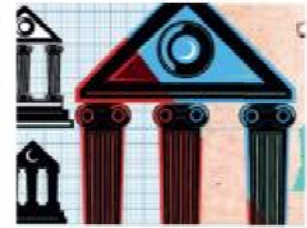
Karnataka and Andhra Pradesh. The bank will have a 22% market share in Gujarat and an 8-10% market share in Maharashtra, Karnataka, Rajasthan and Uttar Pradesh," Bank of Baroda said.

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 BoB's international presence at 101 offices. Unique programmes of Vijaya Bank like SRT0 funding, plantation financing will be available to customers of the other two banks," BoB said.

The bank said that 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 optimisation offers potential cost synergies. An action plan for realisation of these synergies is being put in place. "We would work for the success of the amalgamation by effective execution of all the activities to build a stronger

BANK OF BARODA'S MERGER WITH VIJAYA AND DENA BANK EFFECTIVE FROM TODAY



organisation and collectively deliver more to the stake holders than that of the sum of individual entities. 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," said PS Jayakumar CEO at BoB.