



बैंक ऑफ बड़ौदा **Bank of Baroda**

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## प्रेस विज्ञप्ति /Press Release

### **Bank of Baroda Now 2<sup>nd</sup> Largest Public Sector Bank on Strength of 'Power of 3'**

- *First three-way consolidation of banks in India*
- *Combined bank to have 9,500+ branches, 13400+ ATMs, 85,000+ employees serving 120 million+ customers with a business mix of INR 15 lakh+ crore*
- *Customers to benefit from wider reach and diverse bouquet of products and services*
- *Significant cost and revenue synergies*
- *Interest of all employees to be protected*

**Mumbai, March 31, 2019:** From April 1, 2019, the amalgamation of Bank of Baroda, Vijaya Bank and Dena Bank comes into effect to create India's second largest public sector bank. Since the time, the 'in-principle' approval to the amalgamation was granted by the boards of the three banks in end-September 2018, the process has been completed in record time.

As per notification dated March 30, 2019 by Reserve Bank of India, all branches of Vijaya Bank and Dena Bank will function as branches of Bank of Baroda from April 1, 2019. Customers, including depositors of Vijaya Bank and Dena Bank will be treated as customers of Bank of Baroda with effect from said date.

### **The Consolidated Bank**

The consolidated bank will be the second largest public sector bank in the country. It will have a wider geographical reach with 9,500+ branches, 13400+ ATMs, 85,000+ employees serving 120 million+ customers and business mix of INR 15 lakh+ crore with deposits and advances of INR 8.75 lakh+ crore, and INR 6.25 lakh+ crore, respectively.

The Bank plans to build upon the strengths of the three banks, their synergies and scale up the operations by deepening relations with a wider customer base. 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 to 10% market share in key states of Maharashtra, Karnataka, Rajasthan and Uttar Pradesh.

### **Benefit to Customers**

The customers of all three banks stand to benefit in the process. The 120+ million customers will experience superior banking services and benefit from wider product range including cash management solution, supply chain financing, financial planning, wealth management services etc. Foreign currency funding will



now be available to customers of Vijaya Bank and Dena Bank. These benefits will be supplemented by increased number of touch points numbering 22,000+ with enhanced geographical reach.

Dena Bank customers will have renewed access to credit facilities immediately. NRI customers of the three banks will now have access to a larger network in India. The customers of Vijaya Bank and Dena Bank will have access to Bank of Baroda's international presence at 101 offices.

The Centers of Excellence in Analytics & Artificial Intelligence and Technology of Bank of Baroda would enable improved processes and increased cross selling.

Unique programmes of Vijaya Bank like SRTTO funding, plantation financing will be available to customers of the other two banks.

### **Customer Experience**

The technology integration would be a two-stage parallel process. A consistency in customer experience will be established soon with uniformity in processes for delivery of customer services. The interoperability of the key banking services across all branches would be introduced by end-April 2019, the scope of which will be expanded gradually. The IT integration is expected to be completed over a period of 12-18 months when customer accounts of all three banks will be migrated to single core banking system.

### **Cost and Revenue Synergies**

The consolidation offers cost and revenue synergies. The realizable revenue synergies arise from wider product offering, improved cross selling, deeper micro market penetration *inter-alia* on account of potential for branch relocations, improvement in fee income, etc. The branch and administrative office rationalization and tech spend optimization offers potential cost synergies. An action plan for realization of these synergies is being put in place.

### **Employee Interests Protected**

Bank of Baroda has been ranked amongst top 50 companies on People Capital Index (PCI). It believes that its human resources are the biggest differentiator having significant impact on operations.

The employees of the amalgamated bank will benefit from the diverse opportunities provided by a larger bank with significantly expanded size and scale. The employees would have improved professional exposure and prospects, including the global exposure. The service conditions of the employees will not be impacted and the interests of employees will be fully protected. The best of HR practices adopted by each of the banks will be examined for adoption.

### **Stronger Brand**

The Bank strongly believes in creating a strong brand connect with customers. The Bank has rolled out various initiatives towards enhancing the aided and unaided recall of the brand. As per Interbrand –Best Indian Brands 2019, the brand of “Bank of Baroda” is ranked 23rd. The brand value will be further strengthened with brand power of Vijaya Bank and Dena Bank.



Commenting on the occasion, **Mr. P.S. Jayakumar, MD & CEO, Bank of Baroda**, said, “We are extremely pleased that Bank of Baroda, Vijaya Bank and Dena Bank are coming together to create the second largest bank in terms of network and customer base. We would work for the success of amalgamation by effective execution of all the activities to build a stronger organization and collectively deliver more to the stake holders than that of 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. The customers of Dena Bank will be able to avail credit facilities immediately. We would use this unique opportunity to leverage upon the rich legacy of three banks to build a modern and world-class banking institution for our customers, employees, partners, and other stakeholders. I thank Mr. Sankara Narayanan and Mr. Karnam Sekar, MD& CEOs of the two amalgamating banks, for facilitating the seamless and frictionless transition.”

### **About Bank of Baroda**

Bank of Baroda (“The Bank”) established on July 20, 1908 is an Indian state-owned banking and financial services organization, headquartered in Vadodara (earlier known as Baroda), in Gujarat, India.

Bank of Baroda is one of India’s largest banks with a strong domestic presence supported by self-service channels. The Bank has a significant international presence with a network of 101 branches/offices subsidiaries, spanning 21 countries. The Bank has wholly owned subsidiaries including BOB Financial Solutions Limited (erstwhile BOB Cards Ltd.) and BOB Capital Markets. Bank of Baroda also has joint ventures for life insurance with India First Life Insurance and for asset management with Baroda Pioneer Asset Management. The Bank owns 98.57% in The Nainital Bank. The Bank has also sponsored three Regional Rural Banks namely Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Gramin Bank and Baroda Gujarat Gramin Bank.

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