

CHAPTER - VI

IMPLICATIONS FOR PSU BANKS IN MIGRATING TO BASEL- III

6.1: INTRODUCTION:

The latest Basel-III Accord strives to make banks financially strong and resilient to withstand shocks of crisis if arises any, by prescribing to maintain robust higher quality capital and other prudent provisions like SRM tools, Capital Buffers, Liquidity and Leverage provisions. We examined in the previous chapter that each of 27 PSU banks¹ are hugely capital deficient as per the RBI's capital adequacy framework and each sample bank in New Pvt. Bank Group is found to be sufficiently surplus in capital adequacy under all the proposed scenarios in all the years up to March end 2019. Thus, the implications and potential challenges in migrating to Basel -III compliance essentially converge only for these PSU banks in India. Accordingly, study of implications of Basel-III on banks would in essence focus on adequate capital infusion in each of these 27 PSU banks only so as to make them TBTF akin to D-SIBs in due course based on BCBS as well as RBI's prerequisites. These banks are treated as public banks or PSU banks as GOI is the majority shareholder in each of them². In short term, for the GOI the most practical solution is to infuse more capital into each of these 27 PSU banks. However, Injecting capital into all 27 PSU banks poses great challenges for GOI as its resources are limited. At the same time allocation of resources for the development is the modern mantra for good governance. This rationalizes the demand of PSU banks from GOI to inject more capital, which would in no way to be construed as bailout³; instead it aims at making the PSU banks more stable and financially strong⁴. Further, as observed by Varma Committee⁵ bank restructuring may be attempted mainly by using one or more of the following modalities: merger or closure, change in ownership, narrow banking and a comprehensive operational and financial restructuring. According to Business Line dated 17-5-2016, Finance Minister Arun Jaitley is in favour of the five SBI associate banks banded into one bank⁶ so that together they become stronger and

¹The existing institutional structure of 27 PSU banks consist of 19 nationalized banks, SBI and its 5 associate banks, IDBI Bank Ltd and a newly established Bhartiya Mahila Bank Ltd.

²The GOI capital infusion into PSU Banks since 1985-2016 July end is given in Annexure III.1A and dividend pay- out from the Profit making PSU banks to GOI (2006-2007) in Annexure No. III.1B at the end of the chapter.

³Strictly speaking, a bailout happens when a bank has failed. In regulatory terms, this means the bank's CAR falls below the regulatory Norm.

⁴ This part is based on the discussion in the paper: 3-myths of re-capitalization of nationalized banks group by GOI by T T Ram Mohan, Professor at IIM, Ahmedabad. (2015).

⁵ RBI, Report on Varma Committee Recommendations (1999), https://www.rbi.org.in/SCRIPTs/Publication_Report_Details.aspx?UrlPage=&ID=46 ; <https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/9156.pdf>.

⁶Two associate banks viz. State Bank of Saurashtra in 2008 and State Bank of Indore in 2010 have been merged with parent SBI.

viable. Further according to, Economic Times dated 16-2-2017⁷, GOI has approved the merger plan of BMB along with 5 Associate Banks with parent SBI, to be completed in the next fiscal year. It is also a well-known fact that nationalized banks have been subject to criticism for competing amongst themselves (often un-necessarily!) without any niche and local area specific characteristics or Unique Selling Proposition(USP) and are engaged in offering the alike vanilla products to the different segment of customers in the country. The recent licensing of 11 Payment Banks⁸ and another 13 Small Finance Banks⁹ by RBI has brought complexity and stiff competition which may pose a greater challenge for all these large number of PSU Banks which all are largely capital deficient as seen in the last chapter. Further, The Committee on Banking Sector Reforms also known as Narasimham Committee-II¹⁰ in 1998 made a recommendation for the merger of the PSU banks in India with an attempt to make them stronger, to enhance their size as well as operational strength so that they stand mighty in international arena etc. The GOI owns majority stake in all the 27 PSU banks and has already pledged to inject Rs. 70k¹¹ Crores in these banks over next 4 years (2015-2019) and has also repeatedly announced to put in more capital if so required, but based on efficiency parameters of a) ROE and b) ROA to stronger banks. However, as noted earlier, GOI's decision to infuse capital on efficiency parameters and thereby denying capital infusion to less efficient PSU banks may have wider ramification on banking industry including leading to setting up the stage for mergers and acquisitions/consolidation amongst PSU banks. In his Budget Speech of 2016-17, Finance Minister Arun Jaitley had said that Government will unveil a roadmap for consolidation of PSU banks¹². Thus, in the light of the above scenarios in this chapter we seek to explore the opportunities of consolidation based on sound business strategy and synergy of operations of PSU banks concerned. The areas of synergy are to be properly identified encompassing, inter-alia, compatibility of businesses,

⁷The Chairperson Mrs. A. Bhattacharya reportedly said that with the merger SBI will be among top 50 banks globally and will have 25% of market share in business.

⁸ Payment Banks: On 23-9-2013, Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, Headed by Nachiket Mor was formed by the RBI. In Nov. 2014, RBI issued guidelines for licensing of Payments banks in India. https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?Prid=32615. On 19 August 2015, RBI gave in-principle licences to 11 entities to launch payments banks. (Three have since surrendered their licenses). Latest guidelines on operations of such recently licensed Payment Banks were issued vide RBI/2016-17/80 DBR.NBD.No.25/16.13.218/2016-17 October 6, 2016.

⁹Small Finance Banks: Vide circular no. RBI/2016-17/81 DBR.NBD.No.26/16.13.218/2016-17 dtd 6/10/2016 RBI has issued Operative guidelines for Functioning of Small Finance Banks. Earlier in Nov 2014 RBI issued procedural guidelines about licensing of Small Finance Banks which is also available at: <https://rbidocs.rbi.org.in/rdocs/Content/PDFs/SMFGU271114.pdf>. Accordingly, 13 banks were granted license to operate as Small Finance banks.

¹⁰ In Action Taken Report (RBI Reports-2001) RBI has "noted" the proposal of merger and allowed merger of Two Private Banks and also Bank with NBFC etc. The said RBI Action Taken Report on Narasimham Committee is also available at: <https://www.rbi.org.in/scripts/PublicationReportDetails.aspx?ID=251>.

¹¹ As reported in Business Line as well as Economic Times dated 9-2-15.

¹² As reported in the Economic Times dated 27-4-2016.

work culture, treasury and IT platform and location advantages.¹³ Under the circumstances we in this study strongly believe that GOI should not only inject the requisite deficit capital every year till the mandated period of March-end 2019 but also higher amount of capital coupled with suitable restructuring of all 27 PSU banks, so that they emerge financially strong not only to become Basel-III compliant by March-end 2019 but also to become financial super market to qualify in due course to be reckoned as D-SIBs.

In sum, Its amply clear that until and unless the restructuring of 27 PSU banks is done comprehensively and booster dose of capital (to make CAR above 12.5%) injected, these banks would continue to be languishing and hence, GOI will have to continue to infuse capital beyond 2019. Therefore, this study proposes one bullet big pocket capital infusion on the novel concept of repatriation basis, which is being suggested perhaps for the first time in the history of banking in India, so that these new PSU restructured entities emerge as TBTF, profit making to repatriate in a decade's time back to GOI, continue to be adequately capitalized and financially strong enough to join the elite group of 100 top banks in the world.

6.2: Bank Mergers in India:

The banking system in India has undoubtedly earned numerous outstanding achievements, in a comparatively short span of time for the worlds largest and the most diverse democracy. There have been several reforms in the Indian banking sector, as well as quite a successful mergers and acquisitions albeit a few under the forced State/RBI policy and others were guided under pure commercial considerations. Briefly, we present the historical perspective of bank mergers and acquisitions here as under. The Imperial Bank of India which was constituted with the amalgamation of three Presidency banks on 27th January, 1921 was nationalized and renamed as SBI on July 1, 1955. It was major achievement in the commercial banking history of India. In the year 1959, banks of the erstwhile princely States were also brought under SBI as its associate banks.

Private sector commercial banks had no social, moral or economic responsibility of the general masses and were also not fulfilling the social and developmental goals of banking. Even though they were operating with public money, the flow of credit was restricted to a chosen few. To orient these private sector commercial banks particularly towards the rural financing/banking, policy of social control over commercial banks was introduced by GOI in 1967 which eventually led to nationalization of 20 major commercial banks in two phases; On July 19, 1969 (14 banks having deposit base of Rs. 50 Crores and above which constituted 87.5% of the total deposits of the schedule commercial banks as on 31-12-1968) and again on April 15, 1980 (6 more banks having deposit base of Rs. 200 Crores and above). Later, the New Bank of India was merged with Punjab National Bank in July 1993.

¹³ Speech by R. Gandhi, Dy. Governor, RBI, Mumbai as reported in Business Line "Consolidation amongst PSBs must be based on Synergy of Operations". Dated 27-4-2016

This was the first merger between nationalized banks, ever witnessed in Indian history and consequently, the number of nationalized banks in India was reduced from twenty to nineteen and that remains the same till date.

The trend of commercial bank mergers and amalgamation even continues today. Many mergers have taken place in India in search of bigger and stronger entity. Indian banks have been continuously upgrading their technology/IT platform to give a bouquet of a latest digital banking products and services to the customers through the various alternate delivery channels. This has further multiplied into fierce competition amongst banks in the market which resulted into several bank mergers and acquisitions in India. The run through of the bank mergers that have taken place since bank nationalization in 1969 is given in Annexure III.2 at the end of the chapter.

6.3: GOI initiatives in Recent Years on Consolidation of PSU Banks:

GOI is not averse to merger of weak PSU banks with stronger banks¹⁴. The Finance Ministry has sought the RBI's views on the matter, suggesting that lack of enthusiasm on the part of banks may prompt the GOI to push for mergers as it looks to create stronger and specialized PSU banks. The Finance Ministry is looking at the possibility of merging at least five PSU banks from the likes of Andhra Bank, Bank of Maharashtra, Dena Bank, Punjab & Sind Bank, Vijaya Bank, and United Bank of India with larger PSU banks after their performance and bad asset levels improve. The move has also been recommended by the Working Group on Consolidation and Restructuring of PSU banks¹⁵ set up by Ministry of Finance, Department of Financial Services, GOI. Similarly, GOI as majority shareholder in these PSU banks has been proactive and sensitive to the needs of capital requirements, overall financial health, operational efficiency etc. Accordingly, various Committees/Working Groups have been set up to examine PSU bank's financial health, need for recapitalization¹⁶ and to recommend remedial measures including legislation and regulations to make these banks more effective, competitive and efficient. Basel-III Norms requires big size strong banks with robust capital base so as to be more resilient to the shocks of the economy, if any. Accordingly, the domestic PSU banks need to merge or organically grow into larger entities (a kin to D-SIB of Basel Norms) in the long term before the financial market is opened up to foreign banks. SBI had already kick-started the process of consolidating its associate banks now almost a decade ago with taking over of State Bank of Saurashtra (2008) and State Bank of Indore (2010). Currently, it has five associate banks. Recently, (as per GOI stance)

¹⁴ "Govt. not averse to merger of weak nationalized banks group with stronger lenders": Times of India, Sept 10, 2015. Finance minister Arun Jaitley, however, made it clear that the government's first objective was to strengthen the fragile banks in the public sector. "After this (measures) if there is a fragile bank, we are looking at consolidation with stronger banks. So it's not that banks don't get a priority. In fact, after inheriting the banks in a fragile situation, we are systematically trying to address each of these problems."

¹⁵ First step in PSU banks merger"; the Telegraph, Calcutta dated 27-4-2015.

¹⁶ The year wise capital infusion by GOI is given in the Annexure No. III.1.A at the end of the chapter.

SBI and its 5 associate banks and also Bhartiya Mahila Bank have decided to merge and create a big banking entity¹⁷.

In a bid to facilitate modernizing of PSU banks, inducing further Reforms, Recapitalization, Consolidation and professionalizing these Banks Boards and other key issues¹⁸, the GOI convened a two days bankers retreat at National Institute of Bank Management, Pune, called Gyaan Sangam in January 2015 and again in March 2016 at SBI Academy, Gurgaon, which was attended by Heads/CEOs from each of the state-run banks and Senior officials of the Finance Ministry as well as from RBI, Mumbai which was inaugurated by Hon. Prime Minister and also addressed by Hon. Finance Minister and others including the knowledge partners McKinseys. Gyaan Sangam saw banking officials conduct various seminars and group discussions on key issues such as ensuring greater autonomy for banks, improving risk management practices, their re-capitalization needs, improve asset quality, Curb Black Money, NPA Management, Restructuring (Mergers and Acquisitions), Credit Growth, Technology issues etc. The Groups had intense debates on the issues facing the sector, potential solutions and key initiatives to be taken to help resolution. Further, on August 13, 2015 the GOI launched a seven pronged plan, called “Indradhanush” to revamp functioning of PSU Banks. The seven elements include Appointments, Board of Bureau, Capitalization, De-stressing, Empowerment, Framework of Accountability and Governance Reforms.

6.4: Basel-III Norms Require Strong and Big Banks alike D-SIBs:

The reforms in banking were introduced in the last decade of bygone century and proactive stance taken by RBI to enable banks to adopt and adept to the global best practices. The deliberate policy initiatives under the aegis of liberalization and globalization RBI mandated banks to conform to the purview of international capital adequacy Norms popularly known as Basel Accords so as to make banks to be globally competitive and resilient to withstand shocks of financial crisis, if any. Basel- I and II Norms primarily focused on quantity of capital and also capital charge for all the three broader categories of risks Viz. Credit risk, Operational risk and Market risk. We have seen in chapter-II that most of the banks in India were sufficiently capitalized as per the Basel-II criteria. However, under Basel-III Norms higher quality as well as quantity of capital is required which has been made more stringent by RBI by prescribing as high as minimum 11.5% of RWAs. Accordingly, Basel Norms envisages emergence of big banks in India with strong financials and robust capital base

¹⁷Merger of associates on track despite demonetization: SBI MD Rajnish Kumar: Indian Express dated Dec 05, 2016:The merger of five associates and the BMB is planned to be wrapped up by 2016-17 end. In August-2016, SBI had said all its associate banks along with BMB will be merged into it, SBI will become a global-sized bank and could compete with the largest in the world.

¹⁸ http://www.moneycontrol.com/news/economy/gyan-sangam-takeaway-did-govt-agree-to-nayak-panel-recos_1266962.html?utm_source=ref_article

capable of taking on competition from any global banks. So far only SBI & ICICI Bank Ltd. have been identified by RBI as D-SIB¹⁹.

A developing economy and vastly populated country like India needs more such big banks to fit into the scheme of things. Accordingly, study makes an attempt to propose setting up of more such D-SIBs by merger of all existing 27 PSU banks into total 5 Big banks a kin to D-SIBs, on 31-3-2019 coinciding with the time line given by RBI so that such newly established 5 PSU D-SIBs emerge as financial superpower/markets with international ranking into top 100 banks.

6.5: Objective of the chapter and period of study:

To suggest the possible emerging institutional framework by restructuring through mergers of all the existing 27 PSU banks into big five PSBs a kin to D-SIBs as envisioned in Basel-III. The study also proposes that after setting up of these new 5 entities with infusion of heavy capital and gaining financial strength in next five years period of implementation of Basel-III Norms by March-end 2024, these proposed new D-SIBs would start repaying annually in the equal amount of the injected deficit capital to GOI in next ten years from April 2024 to March-end 2034 while maintaining robust CAR all along the period well above the Basel-III prescribed threshold of 11.5%. Last but not the least,

The objective of the study is to make an attempt to determine that even in the post repatriation period of GOI infused capital, these 5 D-SIBs will continue to grow with accelerated growth in RWAs @ of 10% per annum during 2035-2037 and beyond with continued maintenance of CAR higher than proposed 12.5%.

6.6: Methodology Used:

In the last chapter, we estimated for each of the 27 PSU banks the annual capital deficiency/surplus separately under all the 4 scenarios as described in table No. 5.2 by assuming (with justification) a certain uniform linear annual growth in i) RWAs, ii) Profit and iii) Profit Plough back up to March-end 2019. The estimations for all the 4 different scenarios were based on the actual data taken from 'Performance Highlights of PSU Banks in 2014-2015', Published by IBA, Mumbai. Among all the 4 proposed scenarios of determining the PSU banks' capital deficiency, we concluded that scenario-III (with estimated parameters of, RWAs growth @10%, Profit Growth @10% and profit plough back @80%) will be more likely to be feasible and attainable. Accordingly, each of 27 PSU banks' capital deficiency as on mandated date of 31-3-2019 is given at the end of Chapter no. 5, in the Annexure No. II.3.

As said earlier, in this chapter study proposes change in the existing institutional structure of all existing 27 PSU banks by way of merger as on 1-4-2018, into five new state owned Big Banks to be financially strong and better equipped to withstand the economic turn-down and

¹⁹ As per RBI press release no. 2015-2016/545 dated 31-8-2015. SBI has been identified as D-SIB in Bucket No. 3 (.6% additional CET1) and ICICI Bank Ltd. in Bucket No. 1 (.2% additional CET1)

even sectorial crisis, if any arises. Accordingly, we propose the merger of 27 PSU banks into state owned 5 Big Banks to be reckoned as D-SIBs in due course and to emerge as Basel-III compliant by March-end 2019, by estimating the enhanced capital deficiency calculated at the more strict parameter of 12.5%²⁰ of RWAs for each of the 5 new D-SIBs, based on the combination of following 5 parameters viz., I) common technology platform (Core Banking systems, CBS), II) almost equal business size (Deposits and Advances), III) almost equal Pan-India presence (No. of branches in all states and Union Territories), IV) amount of equal capital, and lastly, V) to form almost equal CAR (capital ratios). The information regarding each of the 27 PSU banks regarding i) CBS technology platform and ii) Amount of actual Deposits and Advances for the period end March 2015²¹ is given in Annexure-III.3. State wise each PSU bank's branch network²² is given in Annexure-III.4. Lastly, each PSU bank's estimated i) RWAs, ii) Total Capital (made of T1+T2+CCB) and iii) CAR for the March-end 2018 is given in Annexure-III.5.

6.7: Merger Proposal with Capital Infusion on Repatriation Basis:

Merging weak PSU banks into strong banks which the GOI was once contemplating so far has its own peril. The merger pain of PNB (after consuming New Bank of India) and that of OBC (after consuming Global Trust Bank Ltd.) is already well known as both PNB and OBC suffered in their performance post merger. Going beyond merger of only weak banks may be more dangerous as the merged entity itself may become 'sick' or at least exhibit signs of incipient sickness. Therefore, in our study emphasis on synergies of the strength of the merging banks by carefully examining and then selecting the appropriate set of banks based on the 5 parameters as stated above. Accordingly, this study most humbly suggest to "Merge All" 27 PSU banks simultaneously into new big 5 banks. Let all existing names be forgotten. Merged entity will have new name and great financial strength. So that there is no heart burns about who merges into whom, who is bigger or smaller, who is stronger or weak, from this region to that region, as all existing PSU banks would lose old identity and would start afresh in new incarnation. Thus no resistance from trade unions which was earlier perceived as a great road block for such mergers especially if its PSU banks.

6.8: Opportunities anticipated in merger of 27 PSU banks into 5 Big Banks:

1. CBS system is very critical component of any bank giving it the technical edge. The huge number of customers running into Crores for all banks, it is very essential to have smooth merger with minimal disruption of customers data and records. Accordingly the study has proposed as far as possible to have similar technological platform (CBS). Based this

²⁰ Higher CAR bucket for D-SIBs; RBI framework for D-SIBs wide press release no. 2014-2015/155 dated 22-7-2014 and frame work of 2012; Re produced here in the Annexure no. III.9 given at the end of chapter.

²¹ Performance Highlights of PSU Banks in 2014-2015, Published by IBA, Mumbai.

²² Collected from individual PSU Bank's website.

principle the formation of 5 BIG Banks has been drawn. Hence, the study is optimistic that the technological challenge in the merger plan would be easily managed. Further we are of the opinion that “technology is not a show stopper but in these days it’s an enabler”.

2. In the recent history, migrating to new technology by adapting to a new CBS system is not big challenge as most of the banks have migrated to new or higher version of modern CBS platform and the same has been smoothly done by all banks. So far so 24 Bank Mergers (Please refer to Annexure III.2 given at the end of the chapter) have taken place during the last 2 and half decades and the merging banks have adopted and adapted to the new technology. The challenge if any, in familiarizing the Staff (Operator) with new CBS and making staff conversant with new steps/procedure/design/ menu option etc. has been largely overcome with minor teething trouble. And, last but not the least;

3. It is often argued that mergers among PSU banks would kill competition which may not be congenial for healthy banking system in India. However, recently as RBI/GOI has opened up banking sector by licensing of 2 new commercial banks, 12 new Payments Banks, 13 Small Finance Banks, and apart from the existing large number of Big Banks in the private sector which are strong in capital base, there is thus enough competition in the commercial banking system in India. On the contrary, now it is “problem of plenty” i.e., too many banks vying for the same segment of business and client base. So by reducing the number of PSU banks from existing 27 into 5 Big Banks, the study in effect, proposes to set a stage for emergence of large size PSU Big Banks to facilitate a level playing field to compete with the large private banks and other new foreign banks (who would also be licensed in due course upon further opening of banking sector).

6.9: Sound Merger Proposal of all 27 PSU Banks with Capital Infusion from GOI on the novel concept of ‘Repatriation Basis’:

The idea of merging weak PSU banks into strong banks has its own pain and pitfalls as experienced in the past. The merger pain of PNB (after consuming New Bank of India) and that of OBC (after consuming Global Trust Bank Ltd.) is already well known as both PNB and OBC suffered in their performance post merger. Further, merger of only weak banks may be more dangerous as the merged entity itself may become ‘sick’ or at least exhibit signs of incipient sickness. Therefore, in our study we emphasis on synergies of the strength of the merging banks by carefully examining and then selecting the appropriate set of banks to form a new merged entity based on the 5 parameters as stated above. Accordingly, this study most humbly suggest to “Merge All” 27 PSU banks simultaneously to form new big 5 banks. Let all existing names be forgotten. Merged entity will have new name and great financial strength. So that there is no heart burns about who merges into whom, who is bigger or smaller, who is stronger or weak, from this region to that region etc. as all existing

PSU banks would lose old identity and would start afresh in new incarnation. Thus, no resistance from trade unions as well as employees who in the past reacted negatively to the fear of loss of jobs etc. which were earlier perceived as a great road block for such mergers especially if its PSU banks.

On the basis of 'Merge All' existing 27 PSU banks, this study forms the following 5 new Big Banks using the data for all the 5 parameters given in the Annexure III.3, III.4 and III.5 at the end of the Chapter. The vital 5 parameters of mergers as noted above were carefully examined as well as balanced while identifying the merging banks synergies for forming the best fit combination into the new 5 Big Banks from amongst the 27 existing PSU banks.

From earlier Chapter No. V, Annexure II.3 (Estimated Annual Capital Deficiency as on mandated 31-3-2019 prepared for scenario number III of assumed annual growth rate of, i) @10% in RWAs, ii) @10% in Profit and iii) @80% of profit plough back into capital), we took amount of RWAs (from Col. No. 3), Amount of capital available (from col. No. 11), and amount of T1, T2 and CCB (from col. number 4,5 and 6 respectively) for each of 27 PSB banks for the March end 2018. And, the same has been shown in the Annexure no. III.4 presented at the end of this chapter

Accordingly, the new 5 Big Banks are formed as on 1-4-2018 and their profile which is sum total of all the merged banks estimated performance parameters as on 31-3-2018 (as given in the Annexure II.3 in the Chapter V) is given in the following table No. 6.1.

Table No.: 6.1

The Formation of Proposed New 5 Big Banks as on 1-4-2018.

(Amount in Rs. Crores)

New Big Bank	Proposed New Big Bank	Names of Merging PSU banks	Total Business	Capital	CBS platform	Total No. of Branches
1	2	3	4	5	6	7
1	Big Bank 'A'	SBI, 5 Associates and BMB	3715913	237155	TCS & FIS(BMB)	24800
2	Big Bank 'B'	BOB, UCO, IOB, P&S Bank and Syndicate Bank	2264089	112027	Finnacle (4) & Flexicube (1)	16904
3	Big Bank 'C'	PNB, Andhra Bank, OBC, Corporation Bank, and Vijaya Bank	1950115	110163	Finnacle (All)	16207
4	Big Bank 'D'	BOI, Union BOI, Indian Bank, Dena Bank and Allahabad Bank	2956858	107656	Finnacle (3) & TCS (2)	16492
5	Big Bank 'E'	Canara Bank, IDBI Bank Ltd., United Bank of India, BOM and CBI	2100,965	1103274	Finnacle & 1flexicube	16,533

(Source: Based on Annexure III.3 to III.5 and a summarized Annexure III.6)

It may be noted that while 4 Big Banks B,C,D, and E are almost equal in capital and geographical presence pan-India in all parameters. However, New Big Bank A (Erstwhile SBI Group and BMB) will remain bigger in size for obvious reasons. Post merger, the State-wise number of branches of all new 5 Big Banks is given in Annexure No. III.7 at end of the chapter.

After forming the framework of merger of 27 PSU banks into above 5 Big Banks as on 1-4-2018, study attempted to determine the likely capital deficit of these new 5 Big Banks as on 31-3-2019, so as not only to be Basel compliant but also to become financial super markets a kin to D-SIBs (which require not only CAR of minimum of 11.5% but around 12.5% as per RBI guidelines) in due Course based on the extant RBI guideline on setting up of D-SIB and the same is given in Annexure III.5 at the end of the chapter.

Determining Capital Deficiency of 5 Big Banks and Capital Infusion to make them eligible for D-SIB as on 31-3-2019

We merged all these 27 PSU banks into 5 Big Banks as discussed above. Similarly, we projected that the Profit of the merged entity will also grow@10% during the merger year of 2018-19, and also projected that profit shall be ploughed back @80% as on March end 2019. At the same time, to attain the CAR of minimum 12.5% as on 31-3-2019, we determined the total capital requirement as of 31/3/2019 @ 12.5% (not at 11.5% which is minimum mandated under Basel Norms) of RWAs to make each of the new 5 Big Banks a kin to D-SIB.

Accordingly, we present here under the estimated capital deficiency of each of the proposed 5 Big Banks as on 31-3-2019 separately in Table No. 6.2 to Table No. 6.6.

Table No.: 6.2

The profile of newly formed 'Big Bank A' as on 31-3-2019: (Amount in Rs. Crores)

Sr. No.	Name of Merged Banks and resultant 'Big Bank A'	Capital	RWAs	CAR (Col. No. 3/4)	Profit
1	2	3	4	5	6
1	State Bank of India	258,766	2375,611	10.9	19,181
2	State Bank of Bikaner and Jaipur	11,677	99,838	11.7	1,136
3	State Bank of Hyderabad	18,320	154,603	11.8	1,928
4	State Bank of Mysore	7,838	75,451	10.4	599
5	State Bank of Patiala	11,893	122,891	9.7	530
6	State Bank of Travancore	7,853	89,193	8.8	490
7	Bhartiya Mahila Bank	1,125	782	143.8	28
	Total for the Big Bank 'A'	317,472	2918,369	10.9	23,892

(Source: Annexure II.3 in the previous chapter)

From the above Table No. 6.2 the total capital deficiency for Big Bank A to be akin to D-SIB as on 31-3-2019 can be determined as under:

Required Capital @ 12.5% of RWAs (In Col. No. 4 above Rs. 2918,369 Crores) is equal to Rs. 364,796 Crores. Whereas, the available capital is (as in Col.3) Rs. 317, 472 Crores. Hence, the amount of deficit capital to be injected by GOI into Big Bank A as on 31-3-2019 would be required capital (Rs. 364,796) Minus already available capital (Rs.317,472) = Rs 48,324. This is the amount of estimated total Capital Deficit for 'Big Bank A' as on 31-3-2019. This deficit amount is required to be injected by GOI during the year 2018-2019 on repatriation basis so that as on 31-3-2019 'Big Bank A' is capital adequate, with CAR of 12.5% and also eligible to be reckoned as D-SIB in due course.

As discussed above the 'Big Bank A' after gaining further financial strength and consolidation of its operations during next 5 years (2020 to 2024) would repay to GOI annually @ Rs. 4,832 Crores per annum in next 10 years period commencing from the March 2025 to March end 2034. The same is tabulated in the Annexure no. III.8 and is given at the end of the chapter.

Similarly, Capital requirement of Big Bank B is estimated as under:

Table No.: 6.3

The profile of newly formed 'Big Bank B' as on 31-3-2019: (Amount in Rs. Crores)

Sr. No.	Name of Merging Bank	Capital	RWAs	CAR (Col. No. 3/4)	Profit
1	2	3	4	5	6
1	Bank of Baroda	68,368	580,000	11.6	4,976
2	UCO Bank	21,093	313,809	6.7	1,137
3	Indian Overseas Bank	20,304	360,239	5.6	399
4	Punjab & Sindh Bank	6,942	126,958	5.5	177
5	Syndicate Bank	24,325	234,619	10.4	2,228
	Total for the Big Bank 'B'	141,032	1615,625	8.73	8,917

(Source: Annexure II.3 in the previous chapter)

From the above Table No. 6.3 the total capital deficiency for Big Bank B to be D-SIB as on 31-3-2019 can be determined as under:

Required Capital @ 12.5% of RWAs (In Col. No. 4 above Rs.1615625 Crores) is equal to Rs. 201,953 Crores. Whereas, the available capital is (as in Col.3) Rs.141032 Crores. Hence, the amount of deficit capital to be injected by GOI into Big Bank B as on 31-3-2019 would be required capital (Rs.201,953) minus already available capital (Rs.14,032) = Rs 60,921 Crores.

This is the amount of estimated total Capital Deficit for 'Big Bank B' as on 31-3-2019. This deficit amount to be injected by GOI during the year 2018-2019 on repatriation basis so that as on 31-3-2019 'Big Bank B' is capital adequate, with CAR of 12.5% and also eligible to be reckoned as D-SIB, in due course.

As discussed above the 'Big Bank B' after gaining further financial strength and consolidation of its operations during next 5 years (2020 to 2024) would repay to GOI annually @ Rs. 6092 Crores per annum in next 10 years period commencing from the March 2025 to March end 2034. The same is tabulated in the Annexure no. III.8 and is given at the end of the chapter.

Similarly, the Capital requirement of Big Bank C is estimated as under:

Table No.: 6.4

Estimated parameters of 'Big Bank C' (as on 31-3-2019): (Amount in Rs. Crores)

Sr. No.	Name of Merging Bank	Capital	RWAs	CAR (Col. No. 3/4)	Profit
1	2	3	4	5	6
1	Punjab National Bank	69,317	617,030	11.2	4,482
2	Vijaya Bank	11,038	113,961	9.7	643
3	Andhra bank	13,553	181,746	7.5	82
4	Oriental Bank of Commerce	20,546	298,690	6.9	497
5	Corporation Bank	18,356	204,125	9.0	855
	Total for the Big Bank 'C'	132,810	1415,552	9.38	6,559

(Source: Annexure II.3)

From the above Table No. 6.4 the total capital deficiency for 'Big Bank C' to become akin to D-SIB as on 31-3-2019 can be determined as under:

Required Capital @ 12.5% of RWAs (In Col. No. 4 above Rs.1415552 Crores) is equal to Rs.176,944 Crores, whereas, the available capital is (as in Col.3) Rs.132,810 Crores. Hence, the amount of deficit capital to be injected by GOI into 'Big Bank C' as on 31-3-2019 would be required capital (Rs.176,944) minus already available capital (Rs.132,810) = Rs 44,134 Crores.

This is the amount of estimated total Capital Deficit for 'Big Bank C' as on 31-3-2019. This deficit amount to be injected by GOI during the year 2018-2019 on repatriation basis so that as on 31-3-2019 'Big Bank C' is capital adequate, with CAR of 12.5% and also eligible to be reckoned as D-SIB, in due course.

As discussed above the 'Big Bank C' after gaining further financial strength and consolidation of its operations during next 5 years (2020 to 2024) would repay to GOI annually @ Rs.4413 Crores per annum in next 10 years period commencing from the March

2025 to March end 20134. The same is tabulated in the Annexure no. III.8 and is given at the end of the chapter.

Similarly, the Capital requirement of 'Big Bank D' can be estimated as under:

Table No.: 6.5

Estimated parameters of 'Big Bank D' (as on 31-3-2019): (Amount in Rs. Crores)

Sr. No.	Name of Merging Bank	Capital	RWAs	CAR (Col. No. 3/4)	Profit
1	2	3	4	5	6
1	Bank of India	49,493	536,979	9.2	2,501
2	Union Bank of India	36,684	372,111	9.9	2,608
3	Indian Bank	20,215	247,762	8.2	1,471
4	Dena Bank	10,550	169,740	8.2	388
5	Allahabad bank	19,128	223,685	8.6	950
	Total for the Big Bank 'D'	136,070	1550,277	8.78	7,918

(Source: Annexure II.3)

From the above Table No. 6.5 the total capital deficiency for 'Big Bank D' to become akin to D-SIB as on 31-3-2019 can be determined as under:

Required Capital @ 12.5% of RWAs (In Col. No. 4 above Rs.1550277 Crores) is equal to Rs.193,785 Crores, whereas, the available capital is (as in Col.3) Rs.136,070 Crores. Hence, the amount of deficit capital to be injected by GOI into 'Big Bank D' as on 31-3-2019 would be required capital (Rs.193,785) minus already available capital (Rs.136,070) = Rs.57,715 Crores.

This is the amount of estimated total Capital Deficit for 'Big Bank D' as on 31-3-2019. This deficit amount to be injected by GOI during the year 2018-2019 on repatriation basis so that as on 31-3-2019 'Big Bank D' is capital adequate, with CAR of 12.5% and also eligible to be reckoned as D-SIB, in due course.

As discussed above the 'Big Bank D' after gaining further financial strength and consolidation of its operations during next 5 years (2020 to 2024) would repay to GOI annually @ Rs.5771 Crores per annum in next 10 years period commencing from the March 2025 to March end 2034. The same is tabulated in the Annexure no. III.8 and is given at the end of the chapter.

Similarly, the Capital requirement of 'Big Bank E' can be estimated as under:

Table No.: 6.6**Estimated parameters of 'Big Bank E' (as on 31-3-2019):** (Amount in Rs. Crores)

Sr. No.	Name of Merging Bank	Capital	RWAs	CAR (Col. No. 3/4)	Profit
1	2	3	4	5	6
1	Canara Bank	49,768	502,759	9.9	3,956
2	IDBI Bank Ltd.	44,088	418,839	10.5	3050
3	United Bank of India	8304	158,287	5.2	375
4	Bank of Maharashtra	13,350	136,797	9.6	659
5	Central Bank of India	24,596	374,183	6.6	887
	Total for the Big Bank 'E'	140,106	1590,865	8.8	8927

(Source: Annexure II.3)

From the above Table No. 6.6 the total capital deficiency for 'Big Bank E' to become akin to D-SIB as on 31-3-2019 can be determined as under:

Required Capital @ 12.5% of RWAs (In Col. No. 4 above Rs.1590865 Crores) is equal to Rs.198,858 Crores, whereas, the available capital is (as in Col.3) Rs.140,106 Crores. Hence, the amount of deficit capital to be injected by GOI into 'Big Bank E' as on 31-3-2019 would be required capital (Rs.198,858) minus already available capital (Rs.140,106) = Rs.58,752crores.

This is the amount of estimated total Capital Deficit for 'Big Bank E' as on 31-3-2019. This deficit amount to be injected by GOI during the year 2018-2019 on repatriation basis so that as on 31-3-2019 'Big Bank E' is capital adequate, with CAR of 12.5% and also eligible to be reckoned as D-SIB, in due course.

As discussed above the 'Big Bank E' after gaining further financial strength and consolidation of its operations during next 5 years (2020 to 2024) would repay to GOI annually @ Rs.5876 Crores per annum in next 10 years period commencing from the March 2025 to March end 2034. The same is tabulated in the Annexure no. III.8 and is given at the end of chapter.

Now, the summary of Total capital to be injected by GOI during the year or on 31/3/2019 into these '5 Big Banks' to enable them to be akin to D-SIBs in due course is depicted in Table No. 6.8 below:

Table No.: 6.7**Summary of Capital Infusion from GOI into 5 Big Banks during or as on 31-3-2019**

(Amount in Rs. Crores)

Big Banks	RWAs	Required Capital	Available Capital	Capital Deficit (3-4)
1	2	3	4	5
Big Bank-A	2918,369	364,796	317,472	47,324
Big Bank-B	1615,625	201,953	141,032	60,921
Big Bank-C	1550,865	176,944	132,810	44,134
Big Bank-D	1550,277	193,785	136,070	57,715
Big Bank-E	1590,865	198,858	140,106	58,752
All 5 Big Banks	Cumulative Deficit: Amount Rs. 268,846			

(Source: As estimated by study)

It may be pertinent to note here that study determined the estimated capital deficit of around RS. 270K with 5 Big Banks as on 31-3-2019 and same is expected to be injected by GOI into the 5 Big Banks on the novel concept of repatriation basis.

As noted earlier, GOI has consistently pledged/committed to contribute by way of budgetary allocations the total capital infusion aggregating to Rs. 70k Crores during the period 2015-2019.

In sum, GOI has to contribute additionally Rs. 200K Crores on the novel concept of repatriation basis into these proposed 5 Big Banks in order to restructure all 27 PSU banks into 5 Big banks not only to comply with the RBI mandated Basel-III Norms but also to create foundation of large in size and financially strong but limited in numbers for better control and supervision. With this, study is confident that these newly amalgamated Big Banks will join the league of top 100 international banks with international presence.

6.10: Justification for the basis of parameters of proposed amalgamation of 27 PSU Banks into 5 Big Banks from March-end 2019 to onwards period:

i) Estimated growth rate of profit @ 15%: it was observed earlier, that during the preparatory years of 2009-2014 for Basel-III compliance, the actual rate of growth of profit for PSU banks was well above 10%. It is observed that although as many as 14 PSU banks had registered loss in the years 2015-2016, yet profit figures for these PSU banks for the year 2016-17 has shown remarkable signs of turn around as majority of PSU banks have shown profits in Q2. This indicates that the balance sheet of PSU banks is largely cleaned now and the outlook for coming years is bright. Further, with the heavy booster dose of capital infusion by one time bullet payment by GOI as per the study proposal into new strong power-house 5 BIG Banks a kin to D-SIB it is very much realistic to estimate to assume that profit to grow @15% annually from 2019 March end onwards.

ii). Estimated growth rate of RWAs @5%: It is observed that the PSU bank's credit and deposit growth in the years 2015-2017 was muted. It may be pertinent to note that as per our study in Chapter IV, during the preparatory years of 2009-2014, the actual mean growth rate of assets for Other PSBs Bank group had come down from @22% in 2009 to @14 % in 2014 and that of State Bank Group it came down from 13% to 6% (for same period). Similarly, the growth rate of RWAs for the two Bank groups came down from 18% to 12% (other PSBs) and 15% to 9% (SBI group banks). These facts and figures indicate that with advent of stricter Basel-III Norms banks have become risk averse in lending and as such, assets and RWAs rates will continue to go down because of Capital Charges for various risks (CC-Credit, CC-Market, CC-Operations etc.). Moreover, as the study has now proposed big size 5 D-SIBs like Big Banks after merger of all 27 PSU banks into 5. These new 5 Big Banks shall be very conservative and cautious about high risk assets. Accordingly, it is very much realistic to estimate to assume that RWAs of these 5 Big Banks would to grow about @5% only annually on conservative stance and also due to their exceptionally large size from 2019 March end onwards

iii) Profit Plough back @80%; PSU banks since the preparatory years from 2009 have been consistently ploughing back at least @ 75% of annual profit into capital. Further, as per BIS study ploughing back of profit into capital has been the proven tool of boosting CAR globally to be Basel-III compliant. Also, in view of above two assumed annual growth rates in Profit and RWAs, it is expected that 5 Big Banks a kin to D-SIBs would also continue to plough back 80% of annual profit as capital. Finally, as tabulated in the annexure III.8 given at the end of the chapter, these Big Banks are also estimated to repay to GOI the additional capital injected during 2025 to 2034 adequately.

In sum: As seen in the last chapter that essentially implication of Basel-III capital adequacy Norms is in essence for all 27 PSU banks as all the sample private sector banks were found to be more than adequately capitalized in all the 4 proposed scenarios. Reviewing the International best practices to augment capital the BIS study identified that globally banks with international presence have increased their capital ratios mainly by ploughing back of maximum possible annual profit into capital. Using secondary data from the annual reports of sample banks, this study in chapter IV also found that during the preparatory years of 2009-2014 all the sample banks in India were also ploughing back the profit more than $\frac{3}{4}$ of the total into the capital as a strategy to boost CAR.

In the backdrop of 24 bank mergers in the past and the latest one proposed for SBI and its 5 associate's banks and also in view of the fierce competition initiated by RBI by licensing two new commercial banks in the private sector, 11 Payments Banks and another 13 Small Finance Banks, this study took it as an opportune time to consolidate the PSU banks by amalgamating all 27 into 5 Big Banks to create a level playing stage where these new Big

banks in PSU sector may compete with other big banks in Private sector as well as with foreign banks.

Accordingly, in this chapter our study made an attempt to merge all the 27 PSU banks by carefully selecting the parameters of synergy of these merging banks so as to form 5 Big Banks with almost equal size and pan India presence as of April 1, 2018. Next, we determined using the parameters of scenario-III, the likely capital requirement @12.5% of RWAs as on 31-3-2019 so as to make them not only Basel-III compliant but also a kin to D-SIBs. The proposed 5 D-SIBs shall continue to be owned by GOI as such study strongly recommends that GOI shall be injecting the total deficit capital on the novel concept of repatriation basis. Accordingly, study finds that after infusion of around Rs. 200K Crores (Apart from Rs. 70K already committed by GOI during the 2015-2019) into these new 5 Big Banks as on March end 2019 (as mandated time line of RBI), they would emerge so strong that after a consolidation period of 5 years 2019-2024) they would even repay the extra capital injected by GOI in equal annual installment in next 10 year (From 2025 to 2034). Its heartening to find in the study that these new proposed D-SIBs would continue to gain financial strength during the repayment period of 10 years and would also maintain a higher CAR of around 12.5% through out to be reckoned as D-SIBs in due course.

Annexure No.: III.1.A

Historical Perspective of Recapitalization of PSU Banks by GOI

Re-capitalization by GOI to PSU banks is not a one-time-exercise. Instead it is need-based periodical exercise which GOI has been doing over the years as majority owner/ shareholder as under:

The GOI capital infusion into PSU Banks since 1985-2016 July end.

(Amt. in Rs. Crores)

Year	Amount of New Capital infused by GOI	Capital Divested / Returned	Net Capital Contribution by GOI
1985-86 to 1992-93	4000	0	4000
1993-94	5700	0	5700
1994-95	4363	0	4363
1995-96	850	0	850
1996-97	1509	842	667
1997-98	2700	138	2562
1998-99	400	0	400
1999-2000	0	0	0
2000-01	0	48	0
2001-02	1300	176	-48
2002-03	770	386	1124
2003-04	0	110	384
2004-05	0	88	-110
2005-06	500	0	-88
2006-07	0	0	500
2007-08	9996	0	0
2008-09	0	0	9996
2009-10	0	0	0
2010-11	18617	0	0
2011-12	12000	0	12000
2012-13	12517	0	12517
2013-14	14000	0	14000
2014-15	6990	0	0
2015-16	7940	0	0
2016-17(Till September end)	22915	0	0
TOTAL	89222	1788	87434

(Source: Reports on Currency & Finance by RBI & Union Budget Documents)

The dividend pay- out from the Profit making PSU banks to GOI is presented in Annexure No. III.1.B

Annexure No. III.1.B

The dividend pay- out from the Profit making PSU Banks to GOI

(Amt. in Rs Crores)

Year	GOI Receipt of Dividend from PSU banks
2006-07	1720
2007-08	2810
2008-09	3520
2009-10	4130
2010-11	4920
2011-12	5580
2012-13	6650
2013-14	4453
2014-15	4506
2015-16	1619

(Source: Reports on Currency & Finance by RBI and Union Budget Documents)

Annexure No.: III.2**Bank Mergers in India post bank nationalization period**

Sr. No.	Year of merger	Acquirer Bank	Merged Bank
1	2014	Kotak Mahindra Bank Ltd.	ING Vysya bank
2	2010	ICICI Bank Ltd.	Bank of Rajasthan Ltd.
3	2008	HDFC Bank Ltd.	Centurion Bank of Punjab Ltd.
4	2007	Indian Overseas bank	Bharat Overseas Bank Ltd.
5	2007	Federal Bank Ltd.	Ganesha Bank of Kurandwads Ltd.
6	2006	IDBI Bank Ltd.	United Western Bank Ltd.
7	2006	ICICI bank Ltd.	Sangli Bank Ltd.
8	2006	Centurion Bank of Punjab Ltd.	Lord Krishna Commercial Bank Ltd.
9	2005	Bank of Punjab Ltd.	Centurion Bank Ltd.
10	2004	IDBI Ltd.	IDBI Bank Ltd
11	2004	Bank of Baroda	South Gujarat Local area Bank Ltd.
12	2004	Oriental Bank of Commerce	Global Trust Bank Ltd.
13	2003	Punjab national Bank	Nedungadi Bank Ltd.
14	2002	Bank Of Baroda	Benares State bank Ltd
15	2002	ICICI Bank Ltd.	ICICI Ltd
16	2001	ICICI Bank Ltd.	Bank of Madura
17	2000	HDFC Bank Ltd.	Times Bank Ltd.
18	1999	Bank of Baroda	Bareilly Co-op Bank Ltd.
19	1999	Union Bank of India	Sikkim Bank Ltd.
20	1997	Oriental Bank Of Commerce	Bari Doab Bank Ltd.
21	1996	Oriental Bank of Commerce	Punjab Co-op Bank Ltd.
22	1995	State Bank of India	Kashinath State Bank
23	1994	Bank Of India	Bank of Karad Ltd.
24	1993	Punjab National Bank	New Bank of India

(Source: From Various RBI Publications)

ANNEXURE: III.3
Technology Platform and Business Profile of PSU Banks (as of 31-3-2015)

Amt. in Rs. Crores

Sr. No.	Name of Bank	CBS Platform	Deposits	Advance	Total Business
1	2	3	4	5	6=4+5
1	Allahabad Bank	TCS	193376	149877	343253
2	Andhra Bank	Finnacle	155012	12591	167603
3	Bank of Baroda	Finnacle	531,906	402,025	933931
4	Bank of Maharashtra	Finnacle	122118	98599	220717
5	Bank of India	Finnacle	531906	402025	933931
6	Bhartiya Mahila Bank	FIS*	751	351	1102
7	Canara Bank	Flexicube	473840	330035	803875
8	Central Bank of India	Finnacle	188477	198429	386906
9	Corporation Bank	Finnacle	199346	145066	344412
10	Dena Bank	Finnacle	778934	84729	863663
11	IDBI Bank Ltd.	Finnacle	286073	259835	545908
12	Indian Bank	TCS	125863	117625	243488
13	Indian Overseas Bank	Finnacle	171756	194365	366121
14	Oriental Bank of Commerce	Finnacle	145261	158945	304206
15	Punjab & Sind Bank	Finnacle	63870	56648	120518
16	Punjab National Bank	Finnacle	515245	404614	919859
17	State Bank of Bikaner & Jaipur	TCS	84239	69548	153787
18	State Bank of Hyderabad	TCS	130166	105053	235219
19	State Bank of Mysore	TCS	65058	53296	118354
20	State Bank of India	TCS	1,576,793	1,300,026	2876819
21	State Bank of Patiala	TCS	92704	78604	171308
22	State Bank of Travancore	TCS	91076	68720	159796
23	Syndicate Bank	Flexicube	255388	202719	458107
24	United Commercial Bank	Finnacle	147351	126368	273719
25	Union Bank of India	Finnacle	316869	255654	572523
26	United Bank of India	Finnacle	76761	66798	143559
27	Vijaya Bank	Finnacle	126343	87692	214035
(FIS * = Fidelity National Information Services Inc.)					
Source: "Performance Highlights of Public Sector Banks in 2014-15": Published by IBA, Mumbai					

Annexure: III.4

Projected RWAs, T1 & T2 Capital, CCB, and CAR of PSU Banks on proposed date of Merger(31-03-2018)

Sl. No.	Name of Bank	RWAs	Total Capital	Required capital : out of which			Total Capital	CAR
			Availabl e	T1	T2	CCB	Required	
1	2	3	4	5	6	7	8=5+6+7	
1	Allahabad Bank	203350	18368	14235	4067	5084	23386	9
2	Andhra Bank	165224	13487	11566	3304	4131	19001	8
3	Bank of Baroda	527273	64837	36909	10545	13182	60636	12
4	Bank of Maharashtra	124361	12122	8705	2487	3109	14301	10
5	Bank of India	488163	47492	34171	9763	12204	56138	10
6	Bhartiya Mahila Bank	711	1103	50	14	18	82	155
7	Canara Bank	457053	46603	31994	9141	11426	52561	10
8	Central Bank of India	340166	23886	23812	6803	8504	39119	7
9	Corporation Bank	185568	17437	12990	3711	4639	21340	9
10	Dena bank	154309	10240	10802	3086	3858	17746	7
11	IDBI Bank Ltd.	380763	41648	26653	7615	9519	43787	11
12	Indian Bank	225238	19037	15767	4505	5631	25903	8
13	Indian Overseas Bank	327490	19984	22924	6550	8187	37661	6
14	Oriental Bank of Commerce	271536	199964	19008	5431	6788	31227	74
15	Punjab & Sind Bank	115416	6800	8079	2308	2885	13272	6
16	Punjab National Bank	560937	65732	39266	11219	14023	64508	12
17	State Bank of Bikaner & Jaipur	90762	10768	6353	1815	2269	10437	12
18	State Bank of Hyderabad	140548	16778	9838	2811	3514	16163	12
19	State Bank of Mysore	68592	7359	4801	1373	1715	7889	11
20	State Bank of India	2159646	243421	151175	43193	53991	248359	11
21	State Bank of Patiala	111719	11469	7820	2234	2793	12847	10
22	State Bank of Travancore	81085	8099	5676	1622	2027	9325	10
23	Syndicate Bank	213290	22542	14930	4266	5332	24528	11
24	United Commercial Bank	143897	8004	10073	2878	3597	16548	6
25	Union Bank of India	338283	32597	23680	6766	8457	38903	10
26	United Bank of India	143897	8004	10073	2878	3597	16548	6
27	Vijaya Bank	103601	10524	7252	2072	2590	11914	10
(Source: Compiled by this study as presented in Annexure II.1 to II.4)								

Annexure: III.5

1/3

State wise Distribution of PSUs Banks Branches as on 31-03-2015

	Banks States	State Bank of India	State Bank of Mysore	State Bank of Patiala	State Bank of Bikaner & Jaipur	State Bank of Travancore	State Bank of Hyderabad	Bhartiya Mahila Bank	Total
1	2	3	4	5	6	7	8	9	10
1	Andhra Pradesh	1565	40	5	5	15	1130	4	2764
2	Anadman & Nicobar Island	25	0	0	0	0	0	0	25
3	Arunachal Pradesh	55	0	0	0	0	0	0	55
4	Assam	385	0	0	1	0	0	1	387
5	Bihar	980	0	3	15	0	0	1	999
6	Chandigarh	45	1	35	3	1	1	1	87
7	Chhattisgarh	390	0	3		2	1	2	398
8	Dadra & Nagar Haveli	4	0	0	0	0	0	0	4
9	Delhi	355	15	50	35	20	30	2	507
10	Goa, Daman & Div	110	3	1	0	2	2	1	119
11	Gujarat	1350	5	10	20	5	5	2	1397
12	Haryana	385	3	245	25	5	10	2	675
13	Himachal Pradesh	225	1	130	1	0	1	2	360
14	Jammu & Kashmir		0	5	0	0	1	1	7
15	Jharkhand	590	0	1	5		1	2	599
16	Karnataka	765	865	10	5	40	200	3	1888
17	Kerala	520	10	1	1	865	5	4	1406
18	Lakshadweep	2	0	0	0	0	0	0	2
19	Madhya Pradesh	1175	3	5	10	3	5	3	1204
20	Maharashtra	1555	30	45	35	35	0	6	1706
21	Manipur	30	0	0	0	0	0	0	30
22	Meghalaya	35	0	0	0	0	0	1	36
23	Mizoram	885	0	0	0	0	0	0	885
24	Nagaland	65	0	0	0	0	0	0	65
25	Odisha	885	3	1	5	1	15	5	915
26	Puducherry	30	1	0	0	2	1	0	34
27	Punjab	470	1	555	15	3	5	2	1051
28	Rajasthan	390	3	50	1050	4	4	3	1504
29	Sikkim	30	0	0	0	0	0	1	31
30	Tamil Nadu	1105	55	15	10	170	40	4	1399
31	Telengana	15	1	0	2	0	0	1	19
32	Tripura	65	0	0	0	0	0	1	66
33	Uttar Pradesh	2250	3	80	30	5	10	4	2382
34	Uttarakhand	420	0	20	2	0	5	2	449
35	West Bengal	1295	10	4	20	5	10	1	1345
	TOTAL Branches	18451	1053	1274	1295	1183	1482	62	24800

State wise Distribution of PSUs Banks Branches as on 31-03-2015

Sr. No.	Banks States	Bank of Baroda	Indian Overseas Bank	United Commercial Bank	Syndicate Bank	Punjab & Sind Bank	Vijaya Bank	Andhra Bank	Corporation Bank	Punjab National Bank	Oriental Bank of Commerce	Total Branches in State
		Finncle	Finncle	Finncle	Flexicube		Finncle	Finncle	Finncle	Finncle	Finncle	
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	175	290	70	560	10	170	1585	225	110	90	3285
2	Anadman & Nicobar Island	1	2	1	10	0	2	0	0	2	0	18
3	Arunachal Pradesh	1	1	2	2	0	5	0	0	2	1	14
4	Assam	30	30	140	30	10	20	5	15	65	15	360
5	Bihar	235	60	230	55	10	30	25	40	590	45	1320
6	Chandigarh	10	10	10	5	25	5	5	5	40	10	125
7	Chhattisgarh	75	45	50	25	10	20	25	20	120	40	430
8	Dadra & Nagar Haveli	4	1	1	0	0	1	1	1	1	1	11
9	Delhi	135	85	60	165	115	65	65	105	250	125	1170
10	Goa, Daman & Div	30	30	10	31	1	1	4	50	6	5	168
11	Gujarat	985	140	110	100	10	100	50	150	175	65	1885
12	Haryana	100	60	95	140	95	35	65	95	540	240	1465
13	Himachal Pradesh	25	15	165	10	25	5	5	15	315	30	610
14	Jammu & Kashmir	5	4	20	55	15	3	4	4	110	15	235
15	Jharkhand	90	40	65	35	15	10	15	10	315	30	625
16	Karnataka	110	250	65	795	10	605	100	510	115	45	2605
17	Kerala	100	190	45	220	3	125	35	110	80	20	928
18	Lakshadweep		0	1	5	0	0	0		0	0	6
19	Madhya Pradesh	175	60	165	80	35	50	35	60	305	70	1035
20	Maharashtra	515	190	175	225	30	155	115	205	255	145	2010
21	Manipur	4	2	10	1	0	5	0		2	0	24
22	Meghalaya	5	3	5	5	4	5	1	2	10	1	41
23	Mizoram	1	1	3	2	1	2	0	0	1	0	11
24	Nagaland	5	1	5	1	1	5	0	1	1	0	20
25	Odisha	125	130	245	95	15	20	155	45	165	60	1055
26	Puducherry	3	20	5	4	1	2	4	3	3	2	47
27	Punjab	100	105	165	45	620	40	65	85	725	390	2340
28	Rajasthan	570	65	215	85	45	55	60	75	485	195	1850
29	Sikkim	2	3	5	1	1	1	1	1	1	3	19
30	Tamil Nadu	180	1220	105	265	10	135	175	210	185	55	2540
31	Telangana	5	0	2	10	1	0	70	5	5	0	98
32	Tripura	3	5	25	5	2	3	1	0	2	1	47
33	Uttar Pradesh	1125	235	270	555	220	130	95	190	1360	390	4570
34	Uttarakhand	115	45	50	35	40	5	10	25	250	75	650
35	West Bengal	195	170	375	120	35	50	55	55	285	100	1440
	TOTAL Brs.	5239	3508	2965	3777	1415	1865	2831	2317	6876	2264	16904

Annexure: III.5

3/3

State wise Distribution of PSUs Banks Branches as on 31-03-2015

Sr. No.	Banks	Bank of India	Indian Bank	Union Bank of India	Dena Bank	Allahabad Bank	Canara Bank	Central Bank of India	IDBI Bank Ltd.	United Bank of India	Bank of Maharashtra	Total Branches in State
	States	Finncle	Finncle	Finncle	Finncle	TCS	Flexicube	TCS	Finncle	Finncle	TCS	
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	215	290	245	45	70	395	220	100	30	45	1655
2	Anadman & Nicobar Island	1	1	1	2	1	2	1	1	2	0	12
3	Arunachal Pradesh	4	2	1	2	1	5	5	1	4	1	26
4	Assam	50	35	65	5	75	65	130	25	245	10	705
5	Bihar	330	55	140	40	225	220	460	60	90	10	1630
6	Chandigarh	10	5	10	2	5	20	10	5	4	5	76
7	Chhattisgarh	55	15	60	100	45	65	130	65	25	35	595
8	Dadra & Nagar Haveli	1	1	1	5	0	3	1	2	1	1	16
9	Delhi	100	60	95	50	95	175	120	50	35	40	820
10	Goa, Daman & Div	50	5	16	19	5	56	37	11	4	15	218
11	Gujarat	385	60	275	600	60	145	330	115	30	70	2070
12	Haryana	60	55	105	35	90	180	140	60	25	30	780
13	Himachal Pradesh	15	5	20	5	15	55	55	15	4	5	194
14	Jammu & Kashmir	10	4	10	3	5	30	15	5	1	2	85
15	Jharkhand	465	15	80	20	140	130	85	55	80	5	1075
16	Karnataka	125	100	165	60	55	1020	120	90	30	60	1825
17	Kerala	100	125	245	15	15	445	135	75	10	10	1175
18	Lakshadweep	0	0	0	0	0	0	0	0	0	0	0
19	Madhya Pradesh	425	25	290	60	225	205	475	100	10	140	1955
20	Maharashtra	860	120	545	315	125	395	660	485	45	1170	4720
21	Manipur	3	0	1	0	3	4	5	1	15	1	33
22	Meghalaya	4	2	5	1	2	10	10	2	15	1	52
23	Mizoram	3	0	1	0	0	5	2	5	4	1	21
24	Nagaland	2	1	1	0	4	3	5	3	3	1	23
25	Odisha	225	90	125	15	90	160	110	65	135	5	1020
26	Puducherry	5	35	3	1	1	10	4	2	2	1	64
27	Punjab	160	70	145	40	140	195	150	75	15	25	1015
28	Rajasthan	130	30	135	45	75	140	175	70	30	40	870
29	Sikkim	2	1	5	2	2	5	15	5	3	1	41
30	Tamil Nadu	220	975	230	40	60	830	235	115	40	30	2775
31	Telangana	5	10	4	2	1	30	5	4	0	0	61
32	Tripura	10	3	5	1	3	10	5	5	60	1	103
33	Uttar Pradesh	505	135	930	80	930	535	615	120	105	80	4035
34	Uttarakhand	30	135	85	10	40	80	40	30	10	5	465
35	West Bengal	355	75	180	50	535	275	355	100	860	30	2815
	TOTAL Brs.	4920	2540	4224	1670	3138	5903	4860	1922	1972	1876	16492

ANNEXURE: III.6

Key Parameters as on 31/3/2015 of Banks Merging into new Bank called - "BANK A", "BANK B", "BANK C", "BANK D" and "BANK E".
(Amt. in Rs. Crores)

Key Parameters as on 31/3/2015 of Banks Merging into new Bank called - "BANK A"								
	Merging Banks	Capital	RWAs	CAR	Profit	Branches	Business	CBS
1	State Bank of India	194779	1622574	12	13101	18451	2876819	TCS
2	State Bank of Bikaner & Jaipur	7887	68191	12	776	1295	153787	TCS
3	State Bank of Hyderabad	11888	105596	11	1317	1482	235219	TCS
4	State Bank of Mysore	5840	51539	11	409	1053	118354	TCS
5	State Bank of Patiala	10125	83936	12	362	1274	171308	TCS
6	State Bank of Travancore	6933	60920	11	335	1183	159796	TCS
7	Baratiya Mahila Bank Ltd.	1032	534	193	19	62	1102	FIS
	Total for new Big Bank A	238484	1993290	12	16319	24800	3716385	

Key Parameters as on 31/3/2015 of Banks Merging into new Bank called - "BANK B"								
	Merging Banks	Capital	RWAs	CAR	Profit	Branches	Business	CBS
8	Bank of Baroda	51766	396148	13	3398	5239	1045624	Finnacle
9	UCO Bank	15376	214336	7	1137	2965	273719	Finnacle
10	Indian Overseas Bank	19643	246048	8	-454	3508	366121	Finnacle
11	Punjab & Sind Bank	6351	86714	7	121	1415	120518	Finnacle
12	Syndicate Bank	18891	160248	12	1522	3777	458107	Flexicube
	Total for new Big Bank B	112027	1103494	10	5724	16904	2264089	

Key Parameters as on 31/3/2015 of Banks Merging into new Bank called - "BANK C"								
	Merging Banks	Capital	RWAs	CAR	Profit	Branches	Business	CBS
13	Punjab national Bank	54367	421440	13	3061	6876	919859	Finnacle
14	Vijaya Bnk	8894	77837	11	439	1865	214035	Finnacle
15	Andhra Bank	13279	124135	11	56	2831	167603	Finnacle
16	Oriental Bank of Commerce	18119	204009	9	497	2264	304206	Finnacle
17	Corporation Bank	15504	139420	11	584	2371	344412	Finnacle
	Total for new Big Bank C	110163	966841	11	4637	16207	1950115	

Key Parameters as on 31/3/2015 of Banks Merging into new Bank called - "BANK D"								
	Merging Banks	Capital	RWAs	CAR	Profit	Branches	Business	CBS
18	Bank of India	41151	366744	11	1708	4920	933931	Finnacle
19	Unon Bank of India	25985	254157	10	1781	4224	572523	Finnacle
20	Indian Bank	15306	169225	9	1005	2540	243488	TCS
21	Dena Bank	9256	115936	8	265	1670	863663	Finnacle
22	Allahabad Bank	15958	152780	10	649	3138	343253	TCS
	Total for new Big Bank D	107656	1058842	10	5408	16492	2956858	

Key Parameters as on 31/3/2015 of Banks Merging into new Bank called - "BANK E"								
	Merging Banks	Capital	RWAs	CAR	Profit	Branches	Business	CBS
23	Canara Bank	36571	343391	11	2702	5903	803875	Flexicube
24	IDBI Bank Ltd.	33914	286073	12	2083	1922	545908	Finnacle
25	United Bank of India	7054	108112	7	256	1972	143559	Finnacle
26	Bank of Maharashtra	11152	93434	12	450	1876	220717	Finnacle
27	Cenral Bank of india	21636	255572	8	606	4860	386906	Finnacle
	Total for New Big Bank E	110327	1086582	10	6097	16533	2100965	

ANNEXURE: III.7

1/5

Statewise Distribution of Branches of New BIG BANK-A.

Sr. No.	Banks	State Bank of India	State Bank of Mysore	SB Patiala	State Bank of Bikaner & Jaipur	State Bank of Travancore	State Bank of Hyderabad	Allahabad Bank	Bhartiya Mahila Bank	Total
	States							TCS	FIS	in State
1	2	3	4	5	6	7	8	9	10	11
1	Andhra Pradesh	1565	40	5	5	15	1130	70	4	2834
2	Anadman & Nicobar Island	25	0					1	0	26
3	Arunachal Pradesh	55	0					1	0	56
4	Assam	385	0		1			75	1	462
5	Bihar	980	0	3	15			225	1	1224
6	Chandigarh	45	1	35	3	1	1	5	1	92
7	Chhattisgarh	390		3		2	1	45	2	443
8	Dadra & Nagar Haveli	4						0	0	4
9	Delhi	355	15	50	35	20	30	95	2	602
10	Goa, Daman & Div	110	3	1		2	2	5	1	124
11	Gujarat	1350	5	10	20	5	5	60	2	1457
12	Haryana	385	3	245	25	5	10	90	2	765
13	Himachal Pradesh	225	1	130	1		1	15	2	375
14	Jammu & Kashmir			5			1	5	1	12
15	Jharkhand	590	0	1	5		1	140	2	739
16	Karnataka	765	865	10	5	40	200	55	3	1943
17	Kerala	520	10	1	1	865	5	15	4	1421
18	Lakshadweep	2						0	0	2
19	Madhya Pradesh	1175	3	5	10	3	5	225	3	1429
20	Maharashtra	1555	30	45	35	35		125	6	1831
21	Manipur	30						3	0	33
22	Meghalaya	35						2	1	38
23	Mizoram	885						0	0	885
24	Nagaland	65						4	0	69
25	Odisha	885	3	1	5	1	15	90	5	1005
26	Puducherry	30	1			2	1	1	0	35
27	Punjab	470	1	555	15	3	5	140	2	1191
28	Rajasthan	390	3	50	1050	4	4	75	3	1579
29	Sikkim	30						2	1	33
30	Tamil Nadu	1105	55	15	10	170	40	60	4	1459
31	Telangana	15	1		2			1	1	20
32	Tripura	65						3	1	69
33	Uttar Pradesh	2250	3	80	30	5	10	930	4	3312
34	Uttarakhand	420	0	20	2		5	40	2	489
35	West Bengal	1295	10	4	20	5	10	535	1	1880
	TOTAL Brs.	18451	1053	1274	1295	1183	1482	3138	62	27938

Statewise Distribution of Branches of New BIG BANK-B.

Sr. No.	Banks	Bank of Baroda	Indian Overseas Bank	Punjab & Sind Bank	Syndicate Bank	United Commercial Bank	Total
	States						in state
1	2	3	4	5	6	7	8
1	Andhra Pradesh	175	290	10	560	70	1105
2	Anadman & Nicobar Island	1	2	0	10	1	14
3	Arunachal Pradesh	1	1	0	2	2	6
4	Assam	30	30	10	30	140	240
5	Bihar	235	60	10	55	230	590
6	Chandigarh	10	10	25	5	10	60
7	Chhattisgarh	75	45	10	25	50	205
8	Dadra & Nagar Haveli	4	1	0	0	1	6
9	Delhi	135	85	115	165	60	560
10	Goa, Daman & Div	30	30	1	31	10	102
11	Gujarat	985	140	10	100	110	1345
12	Haryana	100	60	95	140	95	490
13	Himachal Pradesh	25	15	25	10	165	240
14	Jammu & Kashmir	5	4	15	55	20	99
15	Jharkhand	90	40	15	35	65	245
16	Karnataka	110	250	10	795	65	1230
17	Kerala	100	190	3	220	45	558
18	Lakshadweep		0	0	5	1	6
19	Madhya Pradesh	175	60	35	80	165	515
20	Maharashtra	515	190	30	225	175	1135
21	Manipur	4	2	0	1	10	17
22	Meghalaya	5	3	4	5	5	22
23	Mizoram	1	1	1	2	3	8
24	Nagaland	5	1	1	1	5	13
25	Odisha	125	130	15	95	245	610
26	Puducherry	3	20	1	4	5	33
27	Punjab	100	105	620	45	165	1035
28	Rajasthan	570	65	45	85	215	980
29	Sikkim	2	3	1	1	5	12
30	Tamil Nadu	180	1220	10	265	105	1780
31	Telengana	5	0	1	10	2	18
32	Tripura	3	5	2	5	25	40
33	Uttar Pradesh	1125	235	220	555	270	2405
34	Uttarakhand	115	45	40	35	50	285
35	West Bengal	195	170	35	120	375	895
	Total Brs.	5239	3508	1415	3777	2965	16904

Statewise Distribution of Branches of New BIG BANK-C.

Sr. No.	Banks	Punjab National Bank	Andhra Bank	Corporation Bank	Oriental Bank of Commerce	Vijaya Bank	Total
	States					Finncle	in state
1	2	3	4	5	6	7	8
1	Andhra Pradesh	110	1585	225	90	170	2070
2	Anadman & Nicobar Island	2	0		0	2	2
3	Arunachal Pradesh	2	0		1	5	6
4	Assam	65	5	15	15	20	55
5	Bihar	590	25	40	45	30	140
6	Chandigarh	40	5	5	10	5	25
7	Chhattisgarh	120	25	20	40	20	105
8	Dadra & Nagar Haveli	1	1	1	1	1	4
9	Delhi	250	65	105	125	65	360
10	Goa, Daman & Div	6	4	50	5	1	60
11	Gujarat	175	50	150	65	100	365
12	Haryana	540	65	95	240	35	435
13	Himachal Pradesh	315	5	15	30	5	55
14	Jammu & Kashmir	110	4	4	15	3	26
15	Jharkhand	315	15	10	30	10	65
16	Karnataka	115	100	510	45	605	1260
17	Kerala	80	35	110	20	125	290
18	Lakshadweep	0	0		0	0	0
19	Madhya Pradesh	305	35	60	70	50	215
20	Maharashtra	255	115	205	145	155	620
21	Manipur	2	0		0	5	5
22	Meghalaya	10	1	2	1	5	9
23	Mizoram	1	0	0	0	2	2
24	Nagaland	1	0	1	0	5	6
25	Odisha	165	155	45	60	20	280
26	Puducherry	3	4	3	2	2	11
27	Punjab	725	65	85	390	40	580
28	Rajasthan	485	60	75	195	55	385
29	Sikkim	1	1	1	3	1	6
30	Tamil Nadu	185	175	210	55	135	575
31	Telengana	5	70	5	0	0	75
32	Tripura	2	1	0	1	3	5
33	Uttar Pradesh	1360	95	190	390	130	805
34	Uttrakhand	250	10	25	75	5	115
35	West Bengal	285	55	55	100	50	260
	TOTAL Brs.	6876	2831	2317	2264	1865	9277

Statewise Distribution of Branches of New BIG BANK-D.

Sr. No.	Banks	Bank of India	Allahabad Bank	Dena Bank	Indian Bank	Union Bank of India	Total
	States		TCS				in state
1	2	3	4	5	6	7	8
1	Andhra Pradesh	215	70	45	290	245	865
2	Anadman & Nicobar Island	1	1	2	1	1	6
3	Arunachal Pradesh	4	1	2	2	1	10
4	Assam	50	75	5	35	65	230
5	Bihar	330	225	40	55	140	790
6	Chandigarh	10	5	2	5	10	32
7	Chhattisgarh	55	45	100	15	60	275
8	Dadra & Nagar Haveli	1	0	5	1	1	8
9	Delhi	100	95	50	60	95	400
10	Goa, Daman & Div	50	5	19	5	16	95
11	Gujarat	385	60	600	60	275	1380
12	Haryana	60	90	35	55	105	345
13	Himachal Pradesh	15	15	5	5	20	60
14	Jammu & Kashmir	10	5	3	4	10	32
15	Jharkhand	465	140	20	15	80	720
16	Karnataka	125	55	60	100	165	505
17	Kerala	100	15	15	125	245	500
18	Lakshadweep	0	0	0	0	0	0
19	Madhya Pradesh	425	225	60	25	290	1025
20	Maharashtra	860	125	315	120	545	1965
21	Manipur	3	3	0	0	1	7
22	Meghalaya	4	2	1	2	5	14
23	Mizoram	3	0	0	0	1	4
24	Nagaland	2	4	0	1	1	8
25	Odisha	225	90	15	90	125	545
26	Puducherry	5	1	1	35	3	45
27	Punjab	160	140	40	70	145	555
28	Rajasthan	130	75	45	30	135	415
29	Sikkim	2	2	2	1	5	12
30	Tamil Nadu	220	60	40	975	230	1525
31	Telengana	5	1	2	10	4	22
32	Tripura	10	3	1	3	5	22
33	Uttar Pradesh	505	930	80	135	930	2580
34	Uttarakhand	30	40	10	135	85	300
35	West Bengal	355	535	50	75	180	1195
	TOTAL Brs.	4920	3138	1670	2540	4224	16492

Statewise Distribution of Branches of New BIG BANK-E.

Sr. No.	Banks	Canara Bank	Bank of Maharashtra	Central Bank of India	IDBI Bank Ltd.	United Bank of India	Total
	States				finncle		in state
1	2	3	4	5	6	7	8
1	Andhra Pradesh	395	45	220	100	30	790
2	Anadman & Nicobar Island	2	0	1	1	2	6
3	Arunachal Pradesh	5	1	5	1	4	16
4	Assam	65	10	130	25	245	475
5	Bihar	220	10	460	60	90	840
6	Chandigarh	20	5	10	5	4	44
7	Chhattisgarh	65	35	130	65	25	320
8	Dadra & Nagar Haveli	3	1	1	2	1	8
9	Delhi	175	40	120	50	35	420
10	Goa, Daman & Div	56	15	37	11	4	123
11	Gujarat	145	70	330	115	30	690
12	Haryana	180	30	140	60	25	435
13	Himachal Pradesh	55	5	55	15	4	134
14	Jammu & Kashmir	30	2	15	5	1	53
15	Jharkhand	130	5	85	55	80	355
16	Karnataka	1020	60	120	90	30	1320
17	Kerala	445	10	135	75	10	675
18	Lakshadweep	0	0	0	0	0	0
19	Madhya Pradesh	205	140	475	100	10	930
20	Maharashtra	395	1170	660	485	45	2755
21	Manipur	4	1	5	1	15	26
22	Meghalaya	10	1	10	2	15	38
23	Mizoram	5	1	2	5	4	17
24	Nagaland	3	1	5	3	3	15
25	Odisha	160	5	110	65	135	475
26	Puducherry	10	1	4	2	2	19
27	Punjab	195	25	150	75	15	460
28	Rajasthan	140	40	175	70	30	455
29	Sikkim	5	1	15	5	3	29
30	Tamil Nadu	830	30	235	115	40	1250
31	Telengana	30	0	5	4	0	39
32	Tripura	10	1	5	5	60	81
33	Uttar Pradesh	535	80	615	120	105	1455
34	Uttarakhand	80	5	40	30	10	165
35	West Bengal	275	30	355	100	860	1620
	TOTAL Brs.	5903	1876	4860	1922	1972	16533

ANNEXURE: III.8**1/5****Post Merger Estimated Parameters of New BANK-A up to March-2037 "****(Amt. in Rs. Crores)**

Year	Capital	RWAs	CAR	Profit	Repayment	Appropriation
A	B	C	D	E	F	G=E-F
31/3/2019	364796	2918369	12.5	23892	-	23892
31/3/2020	383910	3064288	12.5	27476	-	27476
31/3/2021	405890	3217502	12.6	31597	-	31597
31/3/2022	431168	3378377	12.8	36337	-	36337
31/3/2023	460237	3547296	13.0	41787	-	41787
31/3/2024	493667	3724661	13.3	48055	-	48055
31/3/2025	532111	3910894	13.6	55264	4832	50432
31/3/2026	572457	4106439	13.9	63553	4832	58721
31/3/2027	619434	4311761	14.4	73086	4832	68254
31/3/2028	674037	4527349	14.9	84049	4832	79217
31/3/2029	737411	4753716	15.5	96656	4832	91824
31/3/2030	810870	4991402	16.2	111155	4832	106323
31/3/2031	895929	5240972	17.1	127828	4832	122996
31/3/2032	994326	5503021	18.1	147002	4832	142170
31/3/2033	1108062	5778172	19.2	169053	4832	164221
31/3/2034	1239439	6067080	20.4	194411	4832	189579
31/3/2035	1391101	6673788	20.8	223572	-	223572
31/3/2036	1569959	7341167	21.4	257108	-	257108
31/3/2037	1775646	8075284	22.0	295674	-	295674

ANNEXURE: III.8**2/5****Post Merger Estimated Parameters of New BANK-B up to March-2037 "****(Amt. in Rs. Crores)**

YEAR	Capital	RWAs	CAR	Profit	Repayment	Appropriation
A	B	C	D	E	F	G=E-F
31/3/2019	201953	1615625	12.5	8917	-	8917
31/3/2020	209087	1696406	12.3	10255	-	10255
31/3/2021	217290	1781227	12.2	11793	-	11793
31/3/2022	226724	1870288	12.1	13562	-	13562
31/3/2023	237574	1963802	12.1	15596	-	15596
31/3/2024	250050	2061992	12.1	17935	-	17935
31/3/2025	264399	2165092	12.2	20626	6092	14534
31/3/2026	276026	2273347	12.1	23719	6092	17627
31/3/2027	290127	2387014	12.2	27277	6092	21185
31/3/2028	307076	2506365	12.3	31369	6092	25277
31/3/2029	327297	2631683	12.4	36074	6092	29982
31/3/2030	351283	2763267	12.7	41485	6092	35393
31/3/2031	379598	2901430	13.1	47708	6092	41616
31/3/2032	412891	3046502	13.6	54864	6092	48772
31/3/2033	451909	3198827	14.1	63094	6092	57002
31/3/2034	497510	3358768	14.8	72558	6092	66466
31/3/2035	550683	3694645	14.9	83442	-	83442
31/3/2036	617437	4064110	15.2	95958	-	95958
31/3/2037	694203	4470521	15.5	110352	-	110352

ANNEXURE: III.8

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Post Merger Estimated Parameters of New BANK-C up to March-2037

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(Amt. in Rs. Crores)

YEAR	Capital	RWAs	CAR	Profit	Repayment	Appropriation
A	B	C	D	E	F	G=E-F
31/3/2019	176943	1415545	12.5	6722	-	6722
31/3/2020	182321	1486322	12.3	7730	-	7730
31/3/2021	188505	1560638	12.1	8890	-	8890
31/3/2022	195617	1638670	11.9	10223	-	10223
31/3/2023	203796	1720604	11.8	11757	-	11757
31/3/2024	213201	1806634	11.8	13521	-	13521
31/3/2025	224018	1896966	11.8	15549	4413	11136
31/3/2026	232926	1991814	11.7	17881	4521	13360
31/3/2027	243614	2091405	11.6	20563	4521	16042
31/3/2028	256448	2195975	11.7	23648	4521	19127
31/3/2029	271749	2305773	11.8	27195	4521	22674
31/3/2030	289888	2421062	12.0	31274	4521	26753
31/3/2031	311290	2542115	12.2	35965	4521	31444
31/3/2032	336446	2669221	12.6	41360	4521	36839
31/3/2033	365916	2802682	13.1	47564	4521	43043
31/3/2034	400351	2942816	13.6	54698	4521	50177
31/3/2035	440492	3237098	13.6	62903	-	62903
31/3/2036	490815	3560808	13.8	72338	-	72338
31/3/2037	548685	3916888	14.0	83189	-	83189

ANNEXURE: III.8

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Post Merger Estimated Parameters of New BANK-D up to March-2037

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(Amt. in Rs. Crores)

YEAR	Capital	RWAs	CAR	Profit	Repayment	Appropriation
A	B	C	D	E	F	G=E-F
31/3/2019	193785	1550277	12.5	7919	-	7919
31/3/2020	200120	1627791	12.3	9107	-	9107
31/3/2021	207405	1709181	12.1	10473	-	10473
31/3/2022	215783	1794640	12.0	12044	-	12044
31/3/2023	225418	1884372	12.0	13850	-	13850
31/3/2024	236498	1978590	12.0	15928	-	15928
31/3/2025	249241	2077520	12.0	18317	5771	12546
31/3/2026	259277	2181396	11.9	21064	5771	15293
31/3/2027	271512	2290466	11.9	24224	5771	18453
31/3/2028	286275	2404989	11.9	27858	5771	22087
31/3/2029	303944	2525238	12.0	32036	5771	26265
31/3/2030	324956	2651500	12.3	36842	5771	31071
31/3/2031	349813	2784075	12.6	42368	5771	36597
31/3/2032	379091	2923279	13.0	48723	5771	42952
31/3/2033	413452	3069443	13.5	56032	5771	50261
31/3/2034	453661	3222915	14.1	64437	5771	58666
31/3/2035	500594	3545207	14.1	74102	-	74102
31/3/2036	559875	3899727	14.4	85217	-	85217
31/3/2037	628049	4289700	14.6	98000	-	98000

ANNEXURE: III.8**5/5****Post Merger Estimated Parameters of New BANK-E up to March-2037**

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(Amt. in Rs. Crores)

YEAR	Capital	RWAs	CAR	Profit	Repayment	Appropriation
A	B	C	D	E	F	G=E-F
31/3/2019	198858	1590864	12.5	9405	-	9405
31/3/2020	206382	1670407	12.4	10816	-	10816
31/3/2021	215035	1753928	12.3	12438	-	12438
31/3/2022	224985	1841624	12.2	14304	-	14304
31/3/2023	236428	1933705	12.2	16449	-	16449
31/3/2024	249588	2030390	12.3	18917	-	18917
31/3/2025	264721	2131910	12.4	21754	5876	15878
31/3/2026	277424	2238505	12.4	25017	5876	19141
31/3/2027	292737	2350431	12.5	28770	5876	22894
31/3/2028	311052	2467952	12.6	33086	5876	27210
31/3/2029	332820	2591350	12.8	38048	5876	32172
31/3/2030	358558	2720917	13.2	43756	5876	37880
31/3/2031	388862	2856963	13.6	50319	5876	44443
31/3/2032	424416	2999811	14.1	57867	5876	51991
31/3/2033	466009	3149802	14.8	66547	5876	60671
31/3/2034	514546	3307292	15.6	76529	5876	70653
31/3/2035	571068	3638021	15.7	88008	-	88008
31/3/2036	641475	4001823	16	101210	-	101210
31/3/2037	722443	4402006	16	116391	-	116391