

Harvard Business Publishing features merger of Allahabad Bank, Indian Bank as a case study

FE BUREAU

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INDIANBANK HAS featured in the Harvard Business Publishing for its successful merger with Allahabad Bank. The first-of-its-kind seamless merger of equal-sized Indian banks, with prominence in the southern and eastern regions of the country, has been well recognised and published by Harvard Business Publishing as a case study.

Curated by Indian School of Business (ISB), this unique case study titled 'Merger of Equals: The Amalgamation Story of Indian Bank and Allahabad Bank' encapsulates the remarkable journey that Indian Bank embarked on to successfully execute the amalgamation process.

'Merger of Equals' narrates the entire integration process, which comprised rigorous strategic planning and execution by Indian Bank, with special focus on the challenges faced and their answers found. The merger has made Indian Bank a pan-India lender, with significant presence in southern,



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northern and eastern parts of the country.

A release by Indian Bank said the amalgamation exercise 'Project Sangam' entailed a three-pronged approach on product / process, employee-customer communication and IT integration. The synergy benefits of the merger have started reflecting in terms of cost efficiencies as evidenced in the

decline in cost-to-income ratio of the bank (40.86% for QE June 2021). The integration of IT operations and systems have also resulted in economies of scale through vendor rationalisation, finer pricing on AMCs and improved operational efficiencies.

Padmaja Chundurur, MD and CEO of Indian Bank, said, "We are privileged to witness our amalgamation process featured in the leading publication of one of the most prestigious institutions of the world. This is a testimony to the constant dedication and sincerity of the entire Indian Bank team which helped achieve this strategic merger. We would like to take this opportunity to thank ISB and Harvard Business Publishing for acknowledging the efforts of Indian Bank. The merger has given Indian Bank a distinct experience of building synergies between two banks with vast legacies. We hope this case study will help readers understand the big picture of this exemplary merger."

The two banks merged efficiently while addressing the challenges of human capital, varied cultures and geographic locations.

