2.1 INTRODUCTION

The Indian Overseas Bank was founded on 10th February 1937, by Shri M.Ct.M. Chidambaram Chettyar, pioneer in many fields - Banking, Insurance and Industry with the twin objectives of specializing in the Foreign Exchange Business and the Overseas Banking.

The Indian Overseas Bank had the unique distinction of commencing business on 10th February 1937 (on the inaugural day itself) in three branches simultaneously- at Karaikudi and Chennai in India and Rangoon in Burma (presently Myanmar) followed by a branch in Penang. At the dawn of independence the Indian Overseas Bank had 38 branches in India and seven branches abroad, and its deposits stood at Rs. 6.64 crore and advances at Rs. 3.23 crore at that time.

2.2 PRE-NATIONALISATION ERA (1947 TO 1969)

During the period, the Indian Overseas Bank expanded its domestic activities and enlarged its international banking operations. As early as in 1957, the bank established a training center which has now grown into a staff college at Chennai with nine training centers all over the country. The Indian Overseas bank was the first bank to venture into consumer credit. It introduced the popular Personal Loan scheme during this period. In 1964, the bank made a beginning in computerization in the areas of inter branch reconciliation and Provident Fund accounts. In 1968, The Indian Overseas Bank established a full fledged department to cater exclusively to the needs of the agriculture sector.