

Indian Overseas Bank (IOB) has taken steps to reorganize its management structure as part of a strategy to improve its control over branch banking and business growth. This move comes as the bank is expanding its branch network after a long pause of nearly 10 years.

Key Points:

1. Branch Expansion:

- IOB has begun expanding its branch network, adding 90 new branches this financial year.
- The bank plans to add another 100 branches in FY26.
- The bank now operates 3,322 branches as of March 31, 2022, up from 3,214 branches the previous year.
- 58% of the branches are located in rural and semi-urban areas.

2. Regional Office Expansion:

- The bank is also expanding its regional offices to maintain better management control.
- In this fiscal year, IOB added three new regional offices and plans to add another four in the next fiscal year.
- A regional office typically oversees 60-65 branches.

3. Restructuring After RBI's PCA:

- Between 2015 and 2021, IOB faced restrictions under the Reserve Bank of India's Prompt Corrective Action (PCA) framework, which limited its business operations.
- These restrictions were removed in May 2022, and the bank started its branch expansion after that.
- The bank had previously closed down 10 regional offices during the PCA period, reducing the total to 49.

4. Loan Recovery and Non-Performing Assets (NPA):

- The bank has improved its monitoring systems, which has helped reduce loan slippages.
- In Q3, IOB reported loans worth ₹284 crore turning into NPAs, compared to ₹331 crore in the same quarter the previous year.
- The bank recovered ₹957 crore during the same period, including ₹677 crore from loans that had been written off previously.

5. Other Operations:

- IOB also runs 8 retail loan processing centers, 3,503 ATMs, and has 9,041 business correspondents across India.

Facts and Figures:

- **Branches:** 3,322 (as of March 31, 2022)
- **Branch Expansion:** 90 branches added in FY25, 100 planned for FY26
- **Regional Offices:** 3 added in FY25, 4 planned for the next fiscal
- **Loan Recovery:** ₹957 crore recovered in Q3
- **NPA Reduction:** NPA reduced from ₹331 crore to ₹284 crore

- **ATMs:** 3,503
- **Business Correspondents:** 9,041

In summary, IOB is restructuring to keep up with its rapid branch expansion, improve its financial health by managing NPAs, and ensure better oversight of its growing operations.