



INTERNATIONAL COMMISSION FOR POSTAL FINANCIAL SERVICES &
BUSINESS
/ICPFSB/

Post € Fin - Newsletter



Special points of interest:

- *A well-structured postal financial network, accessible everywhere and to everyone*
- *Affordable international electronic money transfers*
- *More than three billion people around the world still without access to financial services*
- *An international migrant population of some 200 million*
- *UPU project addresses an urgent economic and social need*

Inside this issue:

<i>Bancpost branch in Bistrita takes on a new look</i>	3
<i>Postbank Launched Fast Loans by Phone</i>	5
<i>Commission gives go-ahead to conversion of the financial services business of La Poste into a subsidiary</i>	6
<i>Postbank has a new branch structure</i>	10
<i>Access to postal financial services vital to economic and social development</i>	13
<i>Want a loan? Try your luck at the Post Office</i>	18

*ICPFSB WISHES YOU MERRY CHRISTMAS AND A
HAPPY NEW YEAR*



Dear readers and colleagues,

*The ICPFSB secretariat wishes you a very successful
year 2006 !*

The Honorary Chairperson of Bancpost and ICPFSB' President Mrs. Elena Petculescu celebrates fifty years of professional activity



15 December, 2005 -
[[Bancpost](#)]

“On the 8th of December Bancpost hosted a great event: the celebration of fifty years of professional activity of Mrs. Elena Petculescu, Honorary Chairperson of Bancpost.

This momentous happening was honoured in a special atmosphere, full of many emotional instances, by prominent professionals of the banking system, renowned personalities of the political world, Bancpost stakeholders.

That day marked a moment of great significance for the numerous guests attending this special event out of the wish to partake in the celebration of an outstanding career and to express their appreciation for a very special lady, who is both a distinguished professional and a remarkable human being.”



Bancpost branch in Bistrita takes on a new look

20 December, 2005 -
[[Press Release](#)]

“Today, Bancpost is opening a branch in Bistrita with a new look. Thus, the former subsidiary, relocated for a short period of time, reopens with a completely different look.

The opening of this branch is part of the EFG Eurobank policy for the modernization of Bancpost units by dissolving the closed counters of the bank tellers, by organizing space on a platform-based system, creating spaces for client-service officers and tellers, being the first branch of this type inaugurated by Bancpost this year in the North-West Region.

The branch provides the public with an entire range of banking operations:

- current accounts
- bank deposits
- RON and foreign currency loans
- debit and credit cards
- exchange services
- payment of invoices
- savings instruments etc.

It is also equipped with an ATM and POS terminals which accept all types of cards, from VISA, Maestro and MasterCard to the recently introduced American Express cards with electronic reading.

With its 14,860 valid cards issued by this branch, Bancpost remains one of the main card issuers in the region.

The daily schedule of the new unit is from Monday to Friday, between 9:00 and 17: 00.

The Bistrita branch began its activity in 1992 in a Romtelecom location, and in 1995 it began operating at its office in Petru Rares nr. 10, whose modernization we celebrate today.

Throughout the entire county, the Bistrita branch has 9 ATMs which operate all day long, and a network of 12 POS distributed with merchants.

In addition, due to the convention concluded with the National Company of the Romanian Post Office, Bancpost clients from other areas of the county are given ac-

cess to the Bank's products by means of 19 post offices.

The new units comply with the requirements of the majority shareholder and are aimed to facilitate the access to the Bank's products and services of an increasing number of clients.

EFG Eurobank is the majority shareholder of Bancpost, with a stock of 62.73%.

Bancpost currently has 148 operating units located throughout the country, of which 59 branches, 67 agencies and 22 outlets. “



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Poczta Polska Liberalization Update

15 December, 2005 -
[[Polish News Bulletin](#)]

"As of 1 January 2006, the Poczta Polska national postal service monopoly will be further limited.

The January freeing of the postal services market will not cause an increase in competition. Courier companies are giving up the fight over the letter delivery market.

The weight of letters reserved

for it will fall from 350 to 50 grams. However, this will not cause a turnaround on the postal services market."



As of 1 January 2006, the Poczta Polska national postal service monopoly will be further limited

Magyar Posta expects to end year with operating profits of HUF 7bn

12 December 2005 -
[Mtieco]

“State-owned Hungarian postal company Magyar Posta expects to end 2005 with operating profit of HUF 7bn on revenue of HUF 157bn, business daily Napi Gazdasag reported on Monday.

Deliveries of letters generated 60pc of revenue, and

package delivery accounted for 5pc. The rest of revenue came from charges for financial services, newspaper deliveries and international transactions, Magyar Posta spokesman Tamas Tomecska told Napi Gazdasag.

Magyar Posta deputy-managing director Laszlo Szivi added that Magyar Posta’s deliveries during the holiday season were expected

to increase 10pc over the same period last year and account for 10-11pc of annual turnover.

Mr Szivi noted that Magyar Posta will be converted into a closed share company before the end of the year, confirming a report by business web site Figyelonet.

(HUF 100 = EUR 0.3911)”



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Postbank Launched Fast Loans by Phone The Bank Announces Its Annual Percentage of Credit Expenses

6 December, 2005 -
[Press Release]

“Tomorrow, December 7, Postbank is to announce its annual percentage of expenses on Fast Loans, it was announced by the financial institution. The Bank is one of the first to put into practice the agreement of the Association of Commercial Banks to make real announcement of expenses on consumer loans. Annual percentage of expenses on Postbank Fast Consumer Loan is ... The percentage was estimated on the basis of credit promotional

terms – 11, 5% interest rate for the first year and 16, 95% interest rate for the remaining period of acquittal, announced Postbank. This week Postbank launched Fast Loan by phone at the promotional interest of 11, 5% for the first year. Clients can apply for “Fast Loan by Phone” by making a free call at 0800 16 000, which is available from 9 a.m. till 9 p.m. every working day. Postbank grants up to BGN 10 000 at up to 60-month acquittal term, it was announced by the financial institution. The Fast Loan is

offered with or without warrantors.

Clients can apply for Fast Loan at all Postbank branches or by phone in return for an identity card only. The application procedure is simplified and the approval is fast – within a working day. Every credit applicant is given a bonus Euroline credit card and an international debit card free of issuance fee. Postbank announced also the promotion is valid till the end of the year.”



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Postbank Opened Three e Business Centers for Corporate Clients in Four Weeks

These Are Unique for Bulgaria Business Centers Offering VIP Services to Corporate Clients

1 December, 2005 -
[Press Release]

“Postbank opened three unique for Bulgaria Business Centers for corporate clients in less than a month. The new locations in Sofia, Plovdiv and Rousse offer to the corporate clients of the financial institution the full range of

bank services and personal professional advice by the Bank experts in a VIP atmosphere. “The opening of these Business centers would provide our clients with yet another opportunity to make use of all that Postbank stands for – trust, friendly attitude and flexible solutions. Moreover, as a financial institution that has always considered the care for its clients as its first priority,

we appointed real professionals at these Centers who will devote 100% of their time and efforts to meet the needs of our corporate clients”, said Mr. Anthony Hassiotis, Chief Executive Officer of Postbank.

Postbank is to open two more Business Centers in Varna and Bourgas till the end of the year 2005.”

State aid: Commission gives go-ahead to conversion of the financial services business of La Poste into a subsidiary

21 December, 2005 - [[EC Press Release](#)]

"The European Commission has approved, under the EC Treaty rules on state aid, the transfer of the banking and financial business of the French Post Office (La Poste) to its subsidiary, Banque Postale. Following a thorough analysis, the Commission has found that the operation as such will not confer an economic advantage on Banque Postale. The French authorities have entered into commitments ensuring this outcome. The associated issues, not directly linked to the transfer, such as the special right to distribute the "livret A" (a tax-free savings account for which La Poste has enjoyed a special distribution right since 1881), the unlimited state guarantee granted to La Poste and the welfare schemes for La Poste employees reassigned to Banque Postale, will be examined separately.

Competition Commissioner Neelie Kroes said: "The conversion of the financial business of La Poste into a subsidiary is in itself a major step towards greater transparency in the banking sector in France".

The French State and La Poste have decided to bring the financial business of La Poste under the ordinary rules. All the assets, rights and obligations attached to the financial services of La Poste will be transferred as of 1 January 2006 to Banque

Postale, a limited company initially 100% owned by La Poste.

The European Commission's role is to ensure that the transfer does not result in any advantage being conferred on Banque Postale.

Following notification by the French authorities, the Commission examined, in the light of the EC Treaty rules on state aid, the measures forming part of the conversion operation that were liable to confer an advantage on Banque Postale: the provision of own funds by La Poste to its subsidiary, the state guarantee covering regulated savings products (other than the livret A) and the service agreements between La Poste and its subsidiary.

The provision of own funds by La Poste to its subsidiary

The Commission has checked that the own funds transferred to Banque Postale, in line with the accounting standards applicable to operations of this nature, correspond to the own funds currently assigned to the financial services of La Poste. In the absence of additional capital from the French State, the Commission takes the view that, having due regard to the situation at the time of transfer of the business, this provision does not constitute state aid.

Verification that the level of own funds of Banque Postale is sufficient for the volume and nature of its business is not a matter for the Commission: it is the responsibility of the national prudential authorities.

The state guarantee cov-

ering regulated savings products (other than the livret A)

Funds deposited in accounts and savings accounts^[1] transferred to Banque Postale will be covered by the state guarantee between 1 January and 31 December 2006. Under an agreement, Banque Postale will remunerate the State for this guarantee in respect of the fraction of deposits made after 1 January 2006 that exceeds €70 000. The Commission has checked that the premium paid by Banque Postale for the grant of the state guarantee will be set in line with market conditions so that the state guarantee does not confer an economic advantage on Banque Postale.

The service agreements between La Poste and Banque Postale

The Law on postal activities requires La Poste and Banque Postale to conclude one or more service agreements "to determine the terms on which the credit institution makes use, with a view to achieving its object, of the resources of La Poste, in particular its staff".

On the basis of relevant case law^[2] and following a thorough examination of the analytical accounts of La Poste, the Commission takes the view that:

- The total cost base of La Poste (the costs incurred in carrying on economic activities, used for calculating the remuneration paid by the subsidiary to its parent company) is not underestimated. Mechanisms preventing the potential transfer of advan-



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State aid: Commission gives go-ahead to conversion of the financial services business of La Poste into a subsidiary (cont.)

tages are in place to prevent any leakage between La Poste and its subsidiary. Among other things, the French authorities have undertaken to ensure that Banque Postale is financed at market conditions.

- Calculation of the costs generated through the provision of services by La Poste to its subsidiary is based on analytical accounting principles that are applied consistently and are objectively justifiable in line with Community legislation and case law.

- The remuneration paid by the subsidiary under the service agreements covers the costs attributed to the financial services.

In other words, the Commission's examination has shown that Banque Postale does not receive any economic advantage via the remuneration it pays to La Poste under the service agreements."

[U] Accounts referred to in Articles 2 and 4 of Decree No 2005-1068 of 30 August 2005 implementing Law No 2005-516 of 20 May 2005 on

the regulation of postal activities.

[U] The reference framework for the state aid analysis of the remuneration for services provided by La Poste to its subsidiary is the judgment handed down by the Court of Justice of the European Communities on 3 July 2003 in Chronopost.

EC ruling sought as opposition to la Banque Postale grows

15 December, 2005 - [European Banker]

"The European Commission (EC) is being called on to make a ruling on the planned launch of the new French post office bank, la Banque Postale, which was recently granted final approval to open for business on 1 January 2006 by French post office authorities.

The consent, which was granted at the end of November, was immediately followed by further opposition to the new post office bank from four major French banks – BNP Paribas, Banque Populaire, Crédit Agricole and Société Générale. They now plan to take combined action against the decision to the EC.

The four banks claim that la Banque Postale will enjoy unfair advantages due to its

relationship with the post office and the government. This, they say, will distort competition in the French banking market and, by implication, the wider European banking sector.

According to the banks: "The creation of la Banque Postale introduces significant competitive distortion, particularly as regards the marketing of the Livret A passbook, a tax-free savings account over which the post office enjoys a monopoly."

Distorted competition

Industry analysts believe that any recourse to the EC will be based on European Union (EU) legislation that forbids member states from providing subsidies and other support to domestic businesses which lead to distorted competition between EU member countries.

One line of argument the

banks could take is to impress on the EC that non-French banks, active on the French markets, would be disadvantaged by the existence of a post office savings bank which benefits from government support and can offer tax-efficient savings products to its customers.

French post office authorities are going ahead with the launch of la Banque Postale, despite the opposition, although few details on how the new bank will operate are available. It is widely known that the new bank will take over and develop the limited range of financial products and services that are currently offered through the French post office's network of about 17,000 branches.

Patrick Werner, deputy general manager of the French post office and future chairman of la Banque Postale, pointed out that transformation into a full service bank



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EC ruling sought as opposition to la Banque Postale grows (cont.)

will notably enable the post office bank to develop its mortgage lending activities – a move which will help it to retain existing customers.

Business expansion

Against a background of booming property markets and relatively low interest rates, French retail banks currently offer mortgage loans to homebuyers to attract new customers and then seek to service them with a wider range of financial products.

Accordingly, by extending its mortgage offering, la Banque Postale could expand its business rapidly.

Even though la Banque Postale has now received full recognition under French banking regulations, it still needs government permis-

sion to engage in a number of other financial activities, such as consumer lending that is not linked to property acquisition, and the distribution of non-life insurance policies. This is due to provisions that were included in the special legislation under which the bank was created.

Werner added that la Banque Postale will initially aim to capture a 9 percent share of the financial product markets in which it is allowed to operate at present – essentially, mortgage lending and savings products.

He added: "One of the bank's key goals is to remain the cheapest of the big retail banks in our offer to customers of average and modest means."

However, the bank will have to operate like other French

banks as a commercial entity, and it will also have to compete for higher net worth customers.

Many analysts believe that for this reason, the French post office bank may consider going to the markets in the future to attract capital. It may also enter alliances with other financial institutions.

Any arrangements could, prospectively, one day involve equity or partnership relationships with institutions outside France, including other European banks."



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La Poste Expects Profit Growth for 2005

12 December, 2005 -- [Les Echos]

"La Poste, the French postal service operator, is expected to show a stable operating margin of 3.5 per cent for 2005, compared with the 3 per cent budgeted.

This is due to steps taken to control costs and to stronger-than-expected development of mail volumes. Turnover is

expected to amount to between 19bn euros and 19.3bn euros, while net profit is expected to be up from the 374m euros generated in 2004 to more than 400m euros.

The expected lack of growth in the operating margin has been explained by one-off start-up costs for projects, notably in the network and in mail activities. For the coming year, the company is

planning investments of 1.2bn euros, from which all areas of activity stand to benefit, but notably mail operations.

Around 1,200 post offices are due to be modernized in 2006, while steps will be taken to improve service quality.



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French banks claim Banque Postale unfair

2 December 2005 - [FT]

By Martin Arnoldin Paris
Published: December 2 2005 02:00 | Last updated: December 2 2005 02:00

"The creation of a state-owned postal bank in France moved a step closer yesterday despite a hostile reception from the country's biggest listed banks, which filed a complaint to the European Commission claiming unfair

competition.

La Banque Postale, a subsidiary of the national post office, is due to be created on January 1, after winning approval from the French regulator on Wednesday



French banks claim Banque Postale unfair (cont.)

night. With 28m clients, €4.3bn (\$5bn) of revenues, and 17,000 retail outlets, it will increase fierce competition in French banking.

Within minutes of the regulator giving its green light, four of France's biggest banks, Société Générale, BNP Paribas, Banque Populaire and Crédit Agricole, lodged an appeal to the Brussels competition authority, asking it to block the postal bank's creation.

The Commission said yesterday it would announce before Christmas whether it would approve the creation of La Banque Postale or open an inquiry.

Despite enjoying a recent run of record results, BNP, SocGen, Crédit Agricole and Banque Populaire claim the postal bank will be an unfair competitor in an already over-banked market.

They argue it will benefit from unfair support from its state-owned parent La Poste, particularly in the transfer of a €70bn pension deficit for its mostly public-sector workers to the state and its duopoly on the distribution of the highly popular Livret A savings product, held by 21.6m of its customers.

Ariane Obolensky, head of the French banking federation, said there were "serious

concerns" over the competition implications of the postal bank, as it would be "almost impossible" to judge how much it had benefited from using La Poste's branch network, staff, and brand.

La Banque Postale, which already offers sight deposit accounts, savings products and insurance, has been granted a limited licence, allowing it to start selling mortgages to customers who do not already have property savings accounts.

It still cannot sell some products, such as consumer credit, but is expected to seek permission to sell these soon."



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Pin-striped postmen

2 December 2005 - [FT]

"French banks long feared competition would come from abroad. So they busily constructed (often with state help) defensive mergers among themselves to forestall foreign takeovers. But now, they suddenly find themselves bitten in the ankle from behind by the state itself. For the government has pushed its postal service, La Poste, into setting up a banking subsidiary as a full competitor in the lucrative mortgage market. The country's four main commercial banks have now cried foul to Brussels about this new Banque Postale using its special advantages to distort competition.

All European postal systems are diversifying away from their traditional mail delivery business, which is in decline because of the rise of e-mail and is increasingly open to cross-border competition

under European Union rules.

Governments are also using electronic bank transfers rather than post offices to deliver welfare benefits. So most post offices are trying to capitalise on their large networks to sell financial services products, to the general displeasure of commercial banks.

In Japan, banks fear that the eventual privatisation of the country's post office will unleash a formidable competitor against them. Italy's Poste Italiane already earns half its revenue from financial services.

The UK Post Office offers an increasing range of financial products, and its request to link into automated cash machine networks is opposed by UK banks. A slight exception to the diversification trend is Deutsche Post, which has built on mail delivery to become a global logistics specialist; but it, too, has created a banking subsidiary.

The competition problem

created by France's Banque Postale is probably not that it will benefit from cross-subsidisation from its state-owned parent, La Poste. The French government appears well aware that the EU competition authorities have taken a dim view of the way state ownership can lower the cost of capital below what private sector competitors have to pay. To remove such an unfair advantage, Brussels forced Germany's regional governments to renounce the guarantees they gave their Landesbanken.

The real problem in France is rather that La Poste has a near monopoly on the sale of Livret A government savings schemes, which benefit from specially high interest rates and low taxation. Significantly, the two existing banks which also have the right to sell Livret A and similar products are not among the plaintiffs to Brussels.

The obvious remedy to create a level playing field would be either to abolish such special

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Pin-striped postmen (cont.)

savings schemes or, better, to make them available to all banks.

If France's commercial banks were still to find the Banque

Postale taking business off them at home, their further remedy would be to launch themselves more boldly into cross-border retail banking that is still underdeveloped in

Europe."

Bank rivals in France appeal post office plan

1 December 2005 - [\[Bloomberg News\]](#)

"PARIS A group of leading French banks said Thursday that they had appealed a decision by the French regulator approving plans of the state-owned mail service La Poste to open its own bank in January 2006.

The move, which is sure to intensify competition in the country's banking industry, comes as other countries like Japan are seeking to break up the financial power of their post offices.

In France, La Poste secured the approval on Wednesday of the Cecei, the country's banking regulator, to set up its own retail banking operation. La Poste, the second-biggest European mail operator, already gets 23 percent of its revenue from financial services, including checking accounts and long-term savings.

The approval riled banking rivals Crédit Agricole, BNP Paribas, Société Générale and Banques Populaires,

which are among France's biggest banks. The group has lodged an appeal to the European Commission to block the move, they said in a statement.

"The creation of a postal bank causes several distortions to competition," the four banks said in the joint statement.

The banks' main complaint concerns the near-exclusive right of La Poste, which has about 9 percent of the French consumer banking market, to sell tax-free interest-bearing saving accounts, known as Livret A, which help finance public housing in the country.

As a result, they stand to lose clients in the high-margin investment services market, as well as for home loans, a business that is benefiting from the buoyant real estate market.

"We must fulfill our ambitions with an original and profitable model of retail banking," Jean-Paul Bailly, La Poste's chief executive, said in a statement late

Wednesday.

The company, which currently has 12 million checking account customers, is spinning off its financial services business into a separate subsidiary with full banking status.

The new bank will be able to sell home loans to clients without savings accounts for the first time, and may later offer consumer loans and property and casualty insurance, Patrick Werner, head of the financial services division, said in May.

The new bank will employ 1,000 people, including 500 at its Paris headquarters, Werner said.

La Poste will own 100 percent of the new unit."



A group of leading French banks said Thursday that they had appealed a decision by the French regulator approving plans of the state-owned mail service La Poste to open its own bank in January 2006

France's Post Office Bank Wins Approval

1 December, 2005 - [\[AFP\]](#)

"France's planned Postal Bank received official operating authorization

Wednesday, allowing it to serve some 28 million clients who currently use the financial services of the postal system.

The bank, expected to begin operations by January 1, 2006 at the latest, won ap-

proval from the CECEI, a committee that supervises the activities of credit and investment establishments."



The bank, expected to begin operations by January 1, 2006 at the latest, won approval from the CECEI

Postbank Pays EU986 Million for 850 Post Branches

20 December, 2005 -
[\[Bloomberg\]](#)

“Deutsche Postbank AG, Germany's biggest consumer lender by clients, agreed to pay 986 million euros (\$1.18 billion) to its parent Deutsche Post AG for taking over management of 850 branches in a bid to boost earnings.

The lender expects the cash deal to contribute about 150 million euros annually to profit before taxes and refinancing costs, the Bonn-based company said in an e-mailed statement today. Earnings will be increased by about 43 cents a share, it added.

Postbank, which in October agreed to buy German financial-services broker BHW Holding AG for as much as EU1.79 billion euros, is pushing sales of more profitable products such as pension policies and funds. Fixed

costs at the branches, which generate about 87 percent of its business now, should allow it to raise profit margins as volumes increase, the bank said today.

Shares of Postbank rose 1.32 euros, or 2.8 percent, to 48.07 euros at 12:37 p.m. in Frankfurt. The stock has gained 48 percent this year, outpacing the 78-member Bloomberg Europe Banks and Financial Services Index, which advanced 22 percent.

Last year, the bank paid 496 million euros for services provided by Deutsche Post workers. It expects to pay about 150 million euros to the parent company next year for services provided in the remaining branches, it said.

Postbank will receive 470 million euros a year from Deutsche Post for postal services that will continue to be provided in the 850 branches

and an additional contribution for marketing and training of initially about 80 million euros.

Running the branches, including 9,600 employees, will add about 750 million euros in annual costs for Postbank. The lender has an option to gradually transfer 1,050 employees to Deutsche Post by 2012.

Integration of the branches will cost 25 million euros next year and 15 million euros in 2007, the bank said. “

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Postbank will receive 470 million euros a year from Deutsche Post for postal services that will continue to be provided in the 850 branches and an additional contribution for marketing and training of initially about 80 million euros

Postbank has a new branch structure

20 December, 2005 -
[\[Press Release\]](#)

“Deutsche Postbank AG will take over 850 branches from Deutsche Post AG as planned on January 1, 2006. This was resolved by the supervisory bodies of both companies on Tuesday in Bonn.

The purchase price for the branches is EUR 986 million, reflecting the future positive contribution to earnings of this unit.

Postbank's profit before tax will rise by around EUR 150 million a year. The transaction will be

settled purely in cash.

Along with the change in ownership, around 9,600 employees will also switch employer.

In future, they will work directly for Postbank. In the other branches of Deutsche Post which Postbank uses – of which there are currently around 8,100 – everything remains as it is.

In addition, Postbank announced on October 25 that it wanted to acquire the BHW-Group, based in Hamelin. This will provide it with a unique sales network. 4,200 BHW financial advisors and 800 Service Centers will be added to the branches. Postbank also

has its own mobile sales arm with just under 500 asset managers.

This step does not change anything for the customers of Deutsche Post in terms of offering. They can also use the Deutsche Post services in the new Postbank branches.

The aim of the measure is to further strengthen the sales effectiveness of Postbank which has developed into Germany's leading retail bank over the past few years. Deutsche Post's long-term majority interest in Postbank is not affected by the transaction.

The branches in question are mainly today's Postbank Centers. They can be found in inner-city locations and were



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Postbank has a new branch structure (cont.)

already the flagships to date in the branch network. 87 percent of Postbank's new business is currently conducted here. This indicator has increased by more than 20 percentage points over the last three years.

Postbank previously made

variable, i.e. performance-related, payments for the services in the branches of Deutsche Post. In 2004, it paid EUR 496 million and in the year before that EUR 454 million.

In future, only approx. EUR 150 million will be incurred.

In taking over the branches, Postbank is remunerated by Deutsche Post for the postal services it performs, with the result that net profit before taxes of EUR 150 million can be expected below the line at Postbank. "



EC Approval for Belgium's Post

20 December, 2005 - [\[Brussels Review\]](#)

"The European Commission today cleared, under EU merger regulation, acquisition of joint control of Belgian Post by Luxembourg-based CVC group and Post Danmark (via Post Invest Europe) and the Belgian State.

In October, 50 per cent of Belgian Post, minus one share, was acquired by Post Danmark with a capital injection of £300 million. The Belgian government contrib-

uted an additional £40 million to the capital retaining control with 50 per cent plus one share.

"The operation was examined under the simplified merger review procedure," said the European Commission in a brief statement.

After two loss-making years, Belgian Post had profits of £40 million euros in 2004.

Restructuring, liberalization, new competitors and the increasing dominance of other electronic forms of communication are forcing further

restructuring.

Post Danmark had a net revenue in 2004 of £73 million despite having a population half that of Belgium's ten million. "Our aim is to establish appropriate strategies and modernize structures," said Helge Israelson, Post Danmark CEO, on acquiring Belgian Post. The operator has also radically reduced the number of postal offices and employees."



In October, 50 per cent of Belgian Post, minus one share, was acquired by Post Danmark with a capital injection of £300 million

Don't put your home on a burglar's gift list this Christmas

16 December 2005 - [\[Press Release\]](#)

- **Almost one in five people will leave their home empty over the festive period**
- **720,000 homes in the UK have no security protection**
- **Traditional security methods prove most popular: window locks and asking a neighbour to take in the milk**

Post Office® Home Insurance today urges homeowners to ensure their property is protected over Christmas as a survey reveals almost one in five people will leave their

home empty over the festive period.

The Post Office® study found that almost one in five (17%) people are intending to leave their home empty for one or more nights over the festive season. Most people will be relying on a range of traditional security methods such as window locks (86%) and asking a neighbour or friend to pick up the newspapers and milk (73%) to protect their homes.

Yet worryingly, many homeowners will not be taking full advantage of simple technologies such as timer switches on lights which can help deter would-be-thieves. Two thirds (64%) of people will use some form of secu-

rity lighting – with burglar alarms proving popular with half the population.

This is a savvy move which not only provides an effective burglar deterrent but can also help save cash on home insurance - some providers, including Post Office®, offer lower premiums on homes protected by a burglar alarm system.

Phil Ashkuri, Head of Home Insurance at Post Office®, said:

"With over four million* homes set to be left empty at some point during the festive period, homeowners should check they have taken steps to guard against burglars. "With people in the UK



Post Office® Home Insurance today urges homeowners to ensure their property is protected over Christmas as a survey reveals almost one in five people will leave their home empty over the festive period

Don't put your home on a burglar's gift list this Christmas

(cont.)

spending around J800 each year on Christmas presents, which will be stored in their homes, we strongly advise people to ensure they are adequately covered in terms of their home and contents. Post Office® Home Insurance automatically increases contents cover by 10% over the Christmas period.

However, the best advice is to avoid giving burglars the opportunity in the first place." Roy Rudham, Chairman of NWA said:

"At the National Neighbourhood Watch Association, we advise homeowners to take steps to ensure that their homes are secure from opportunistic thieves during the winter months.

Whilst traditional security methods such as window locks and asking a neighbour to keep an eye on things (such as picking up the papers and milk) are important, modern tools such as timer switches on lighting and external security lights are vital to ensure the festive season is hassle-free."

Post Office® Home Insurance:

- **Optional extras to supplement the policy**
- **Building insurance offers a minimum cover of J35,000 and a maximum cover of J750,000, with a maximum no-claims discount of 35%**
- **Contents insurance of**

fers a minimum cover of J15,000 and a maximum cover of J99,000, with a maximum no claims discount of 35%. Minimum "all risks" cover is J2000. To get more details on the range and availability of Post Office® financial services at your local Post Office® branch, visit www.postoffice.co.uk or call 0845 7 223 344.

Ends



Post Office® Home Insurance:

- **Optional extras to supplement the policy**
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- **Contents insurance offers a minimum cover of J15,000 and a maximum cover of J99,000, with a maximum no claims discount of 35%**

PayShop Mozambique – It's real!

30 November, 2005 - [\[Press Release\]](#)

"December 2nd, 2005 was the chosen date for the kick off of payshop's first international project:

PayShop Mozambique! Maputo's Post Office is the chosen site for this

event that will count with numerous personalities from Mozambique and Portugal, including His Excellency the Minister for Public Works, Transport and Communications, Dr Mário Lino. With payshop, the Mozambicans will now have available a simple and free new form of paying their bills and top up

their mobile phones. Payshop's agent network will be developed firstly in the province of Maputo and then in Sofala and Nampula.

By the end of 2006 there will be a total of 500 payshop agents throughout the country, among them there will be the Mozambican Posts. "



UPU to link 120 nations for quick money orders

24 December, 2005 - [\[The Peninsula\]](#)

"DOHA: The Universal Postal Union (UPU) is developing an electronic network to link some 120 countries across the globe that would facilitate speedier remittances of money orders from

migrant workers, Edouard Dayan, Director General, UPU, said here yesterday.

The organisation's fund to help underdeveloped countries to establish a modern postal system, he said, had witnessed a 250 per cent increase in revenues this year.

In an interview with The Peninsula, Dayan, said, the

UPU estimates there are about 200mn migrant workers around the world as compared to just some 70mn, three decades ago. Hence, the demand for an economically priced yet reliable money transfer system had increased manifold. Postal administrations worldwide, he said, currently account for some \$300bn worth money orders. Despite this staggering amount, there were no



UPU to link 120 nations for quick money orders (cont.)

individual solutions offered in the local market and hence, the UPU was developing its electronic network, he added. The official revealed, 120 countries would initially be connected to this state-of-the-art network, which would facilitate speedier money transfer between postal administrations and to the customer.

Dayan said, the UPU, which operates under the United Nations, had floated a fund to help economically and technologically backward nations to develop their postal systems. This year, this fund had recorded a 250 per cent increase in its reve-

nues. The functioning of this fund, he explained, was simple: Developed and industrial countries were now required to pay higher charges to backward nations for handling all incoming mail.

This higher fee, paid by developed nations, is channeled through the UPU, which utilizes the additional revenue to provide software and other technology to needy nations. Qatar, he said, was unfortunately not one of the donor nations since it was yet to be classified as a "developed" or "industrialised" country.

The Internet and modern telecommunications technol-

ogy, Dayan said, was presenting the UPU and postal administrations worldwide with new opportunities rather than challenges. Internet and e-mail, for example, he said, had indeed helped the postal system to be more efficient by offering services such as track-and-trace of parcels and registered mail items. Orders placed by customers of various goods on the Internet, using e-commerce portals, had vastly increased the volume of parcels handled by postal systems worldwide, he noted. "



Postal administrations worldwide currently account for some \$300bn worth money orders. Despite this staggering amount, there were no individual solutions offered in the local market and hence, the UPU was developing its electronic network

Access to postal financial services vital to economic and social development

UPU's "Connect the World" project focuses on affordable international electronic money transfers

16 November, 2005 - [UPU Press release]

"A well-structured postal financial network, accessible everywhere and to everyone, that offers affordable international electronic money transfers... this is the aim of the Universal Postal Union's "Connect the World" project presented in Tunis today. With more than three billion people around the world still without access to financial services and an international migrant population of some 200 million, the UPU project addresses an urgent economic and social need.

The initiative was presented by UPU Director General Edouard DAYAN at a round table organized by the International Telecommunications Union (ITU), as part of the World Summit on the Information Society (WSIS).

United Nations Secretary General Kofi ANNAN and ITU Secretary General Yoshio UTSUMI joined the discussions aimed at connecting all communities by 2015.

"More than three billion people around the world still lack access to financial services, because traditional players in this field have failed, up to now, to respond adequately to social needs," DAYAN explained.

"Meanwhile, the number of international migrants continues to grow, and has now reached 200 million. Many of these migrants are earning a living in a foreign land to support their families, but they often have to pay charges of up to 20% just to send their money back home. These workers should be able to send cash abroad under the best possible conditions."

According to DAYAN, the provision of postal financial

services at affordable prices represents an effective means of meeting this important social challenge, developing economies and reducing poverty. He cited a recent report by the Global Commission on International Migration, which said that the full potential of international migration – "essential to the development of industrialized countries and developing ones" – had not been exploited. The report also pointed out that in the developing countries, sums transferred from abroad by migrants each year amounted to some 150 billion dollars – three times the amount of public development aid.

DAYAN went on to explain that Posts, by developing their world postal financial network, were pursuing their national mission as financial service providers. One hundred and twenty-nine countries are signatories of the



A well-structured postal financial network, accessible everywhere and to everyone, that offers affordable international electronic money transfers... this is the aim of the Universal Postal Union's "Connect the World" project presented in Tunis today

Access to postal financial services vital to economic and social development (cont.)

UPU's "Connect the World" project focuses on affordable international electronic money transfers



UPU Postal Payment Services Agreement, which dates back to 1878 and the introduction of the first international money order service. More than two thirds of the world's Posts offer financial services; in many cases these extend into isolated regions where traditional financial institutions don't exist. They perform some ten billion transactions each year, including 14 million international money orders for a total value of over four billion USD.

Thanks to new technology, the UPU is now helping Posts to make the switch from traditional paper money orders to a faster, more affordable and secure electronic transfer service based on its international financial network (IFS).

"A secure electronic version of our service, enabling identification of the sender and

recipient and tracking of the transaction, brings real benefits, not least in terms of the transparency of money transfers," said DAYAN. "It thus helps to combat international criminal activities such as the funding of terrorist activities through informal cash transfer networks, or money laundering."

The UPU will prioritize strategic partnerships and regional approaches with a view to getting Posts throughout the world connected to its network as quickly as possible. The UN specialized agency is in talks with institutions such as the World Bank Group and the Inter-American Development Bank, and is in the process of connecting the Arab countries to its international network, in a project resulting from a recommendation by the Arab Permanent Postal Commission which was endorsed this year by the Coun-

cil of Arab Ministers for Telecommunications and Technology. Other regional projects with similar goals are in the pipeline.

"From little streams mighty rivers flow," said DAYAN.

Thirty-two countries are connected to the UPU's IFS network, and there are some 20 projects under way in other countries. And the network will grow still further thanks to the partnership concluded between the UPU and Eurogiro, an alliance of European Posts and banks; the two organizations have linked up their respective networks to facilitate exchanges of ordinary tele money orders. Portugal, a member of the Eurogiro network, and Ukraine, connected to the UPU IFS network, were the first countries to sign an agreement on the exchange of tele money orders, a joint UPU/Eurogiro

The UPU will prioritize strategic partnerships and regional approaches with a view to getting Posts throughout the world connected to its network as quickly as possible

Successful launch of the EU/US Retail Banking Forum

28 December, 2005 - [WSBI]

"On the 14th of November 2005, WSBI/ESBG launched the EU/US Retail Banking Forum with its first conference. The two day event was opened by Commissioner Almunia and focused on the issues of supervision, payments and capital markets regulation.

Next year's conference will take place in Washington in the autumn. Other events will also be organised in the context of the Forum, including

the publication in the spring of 2006 of a WSBI/ESBG study comparing the EU and US retail banking markets. Mr. Almunia, the European Commissioner in charge of Economic and Monetary Affairs, opened the Forum by stressing the importance of strengthening the internal market and integrating financial services in order for Europe to remain globally competitive.

Introducing the Forum, Mr. De Noose, Chairman of the WSBI-ESBG Management Committee, spoke about how "globalisation has put the onus on one better understanding one's neighbour,



and on respecting his culturally determined needs", adding that "in our increasingly diverse and complex world, the need for tailored and adapted responses to our local circumstances, beliefs and aspirations has never been stronger". He then went on to explain that the Forum, the very first initiative of its kind, would bring stake-

The two day event was opened by Commissioner Almunia and focused on the issues of supervision, payments and capital markets regulation

Successful launch of the EU/US Retail Banking Forum

(cont.)

holders from the US and the EU together in order to foster a trans-Atlantic dialogue on issues of importance to all retail banks, whatever their business model or legal form and regardless of whether they are mainly internationally or domestically focussed.

Expressing himself on the debates that the Forum

would promote Mr. De Noose declared: "It should be about going in the same direction on issues in which it makes sense to do so, as we each attempt to develop a system of regulation for our own markets that reflects the realities of life in a more globalised world while also meeting the needs and ambitions of the actors in those markets

at the local level."

The three topics that were the focus of this first conference of the EU/US Retail Banking Forum were supervision, payments and capital markets regulation."

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8th WSBI Postal Savings Banks Forum

December, 2005 - [WSBI]

"Postal savings banks from Burkina Faso, Comoros, Côte d'Ivoire, Croatia, Czech Republic, Greece, India, Japan, Romania, South Africa, South Korea, Senegal and Vietnam met in Brussels on 29-30 November to discuss about the future of postal savings institutions in a competitive and technology-driven market environment under the chairmanship of Japan Post.

The Forum did focus first on "Introducing modern payment services". The payments industry has experienced a radical change in many economies with a significant shift from heavily paper-based to increasingly electronic procedures. Payment cards, ATMs and Point of Sale (POS) devices are part of the daily life of most consumers and this overwhelming trend is reaching even poor developing regions although at a lower pace. The participants had the opportunity of listening to speakers from Swedbank (Sweden), the Groupe Cartes Bancaires (France) and Eufiserv (Belgium) on various critical aspects related to the card services such as: issuance,

acceptance, branding, cooperation, etc. These presentations were then complemented by the experience of the postal savings bank in Croatia, which has managed to enter aggressively and successfully into the card business. Recent progresses in the telecommunication sector are driving further innovations with the advent of novel payment devices such as mobile phone, internet, etc.

Although for some postal savings institutions, multi-channel banking is still a distant concept, others have successfully tested this business approach as demonstrated by the Korean Post. Online channels have proven useful as a complement to the traditional channels and payments can be a major source of revenues for sustaining competition indeed. Recently, remittances have emerged as a real and underestimated business case, but also a global phenomenon. According to the World Bank, recorded annual international flows amounts to US\$ 225 billion in 2005 and the trend is upward. Many postal savings banks both from sending and receiving countries are playing a remarkable role in facilitating remittance flows. But, they

could further enhance their market position by providing account-based remittance services, as stressed by Eurogiro.

The Forum stressed that the full benefits of remittances remain undervalued and highlighted some major challenges both from business and policy perspectives. First, use remittances as a stepstone for expanding access to financial services both for the migrants in originating (and receiving) countries and the beneficiaries at home. Second, improve the development impact of remittance by reducing remittance costs and channelling remittance flows towards productive activities. Finally, breaking through the "last mile" for reaching out the beneficiaries.

The second item on the agenda was about "Institutional changes of postal savings banks". The Forum highlighted that the traditional model of post office savings banks operating as a vehicle for mobilising small deposits for funding government debt is no longer relevant. In general, many postal savings institutions have undergone institutional changes over the past few years leading to the de-

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8th WSBI Postal Savings Banks Forum (cont.)

velopment of new organisational models and structures that stimulate efficiency and improve governance.

Although reform processes are often complicated and lengthy because of conflict of interest between stakeholders (post, postal savings bank, savings banks, government, labour un-

ions, competitors, clients etc.), the experiences of the Greek Postal Savings Bank and Banc Post, Romania, clearly demonstrate that postal savings institutions can be successfully transformed into fully-fledged retail banks.

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8TH POSTAL SAVINGS BANKS FORUM

"INTRODUCING MODERN PAYMENT SERVICES AND UNDERGOING INSTITUTIONAL CHANGES?"

29 November, 2005 - [WSBI]

OPENING SPEECH By Mr. Chris DE NOOSE

Chairman of the Management Committee of the WSBI

"Dear Chairman, members and distinguished guests

It is with great pleasure that I welcome you today on behalf of the World Savings Banks Institute. I am pleased to observe 12 of our member institutions from all around the world gathering here today. We are also honoured to count among the participants the representatives from the UPU, Eurogiro, Eufiserv.

I would also like to show my appreciation to Mr. Onda, who chairs this forum on behalf of Mr. Saio, Senior Vice President and Director General of the Postal Savings Business Headquarters of Japan Post.

It has been 6 years since WSBI hold the Postal Savings Banks Forum in Brussels with the cooperation of Japan Post, and we are all very

satisfied with this fruitful cooperation.

Before coming to the agenda of this Forum, let me briefly introduce the World Savings Banks Institute, for those of you not yet familiar with our organisation. The WSBI is the global voice of savings and retail banking. The main missions of WSBI are to represent its Member banks and organisations with the various international institutions and policy-making bodies, and provide them with a platform for cooperation, leading to business opportunities. But WSBI also seek to support and accompany all its member banks and organisations in upgrading their standing, development and strength, so that they operate as proficient and efficient banking institutions.

So far the WSBI has 104 member institutions from 86 countries and more than one third of them are postal savings institutions. The Postal Bank Forum aims at recognising the identity of these institutions among other members. Therefore, we are glad to provide this opportunity for our member postal savings institutions to exchange their views and share best practices in the industry.

The theme before us today is "Introducing modern payment services and undergoing institutional changes". This is about how postal savings banks worldwide can flourish whilst pursuing major structure reorganisation. For the next two days, we have structured the agenda around two items.

The first item is about "Sustaining competition with modern payment services". The financial service industry is characterised by the advent of a range of new distribution channels, the arrival of new innovative market players and the increasingly sophisticated demands of customers. These changes mean that it is becoming increasingly important to deliver higher quality customer services, both to retain and attract new customers.

Over the past two decades, the payments industry has experienced a radical change in many developed economies. This has resulted in a significant shift from heavily paper-based to increasingly electronic resources. Payment cards, ATMs and Point of Sale (POS) devices have thus become part of the daily life of most consumers. Increasingly, transition,

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8th WSBI Postal Savings Banks Forum (cont.)

emerging and developing economies are following a similar trend, although at different pace.

In many respects, online financial services represent the most important revolution over the last ten years in the area of customer relationships. Although for some financial institutions, multi-channel banking is still a distant concept, other players have successfully tested this business approach. Obviously, the integration and use of online services remain strongly influenced by external factors: multi-channel tradition, cultural aspects, penetration of technologies and access to high-speed Internet. Still, online channels have proven useful as a complement to the traditional distribution means .

Overall, such a dramatic shift has had many impacts on banks' businesses. Depending on the market focus, payments can be a major source of revenues. In addition, new payment options and technologies are generating new market opportunities for tra-

ditional, as well as non-traditional payment service providers.

Postal savings banks have to adapt to this technology-driven market environment in order to sustain competition. There is no doubt that the provision of secure, reliable, inexpensive payment services plays a major role in enhancing their customers' satisfaction.

Let's take the example of remittances. Records still seem to underestimate their full scale because payments made through informal, unrecorded channels are not captured. But you might be aware that that recent estimate supports that annual international flows exceeds 200 billion US Dollars.

The economic impact of remittances on recipient countries is undisputable. According to a recent study authored by the World Bank: "While the impact of remittances on growth is unclear, remittances do play an important role in reducing the incidence and severity of

poverty" .

A major challenge ahead for the international community is to improve the development impact of remittances through appropriate policies, both in originating and recipient countries. In this respect, WSBI held an international conference on "Remittances and financial inclusion" last May in Brussels. The conference did explore policy measures for facilitating remittances and leveraging their positive impact. Indeed, channelling remittance flows to more productive economic activities might turn them into a formidable source of finance for investment opportunities, thereby generate sustained growth and employment in recipient countries. "

A major challenge ahead for the international community is to improve the development impact of remittances through appropriate policies, both in originating and recipient countries

Non European experience and PFS development practice

Selected news from Africa, ME and Asia

Asia

Think Tank Chief to Head Japan Post Privatization Plan

December 27, 2005 --
[\[Japan Economic News-wire\]](#)

"The government Monday named Naoki Tanaka, presi-

dent of the 21st Century Public Policy Institute, as head of a committee to be created on April 1 **to supervise the process of the privatization of Japan's postal services.**

Earlier in the day Prime Minister Junichiro Koizumi met

with Tanaka, 60, who holds an economics doctorate from the University of Tokyo, to ask him to accept the job, government officials said.

The government also selected four committee members, including Hiroko Ota, a professor at the National Gradu-

Think Tank Chief to Head Japan Post Privatization Plan

ate Institute for Policy Studies, and Shuya Nomura, a professor at Chuo Law School.

Under related laws the Diet passed earlier this year, the 10-year privatization process for Japan Post will begin in October 2007, when the pub-

lic corporation for postal services will be split into four companies under a holding company.

The committee will advise ministers so that Japan Post and the four companies to be created from it will not squeeze

the private sector by expanding their business in the privatization process.

The government Monday named Naoki Tanaka, president of the 21st Century Public Policy Institute, as head of a committee to be created on April 1 to supervise the process of the privatization of Japan's postal services

Japan Post Privatization Schedule Unveiled

12 December, 2005 -- [Kyodo News Service]

"At a news conference, Heizo Takenaka, minister of internal affairs and communications, unveiled the schedule of events leading up to January's formation of the planning company.

According to the schedule, the government will convene the first of a series of task force meetings Tuesday to pave the way for the planning company's establishment, he said.

The government will then officially devise the articles of an association for the planning company Jan. 11 at the

second of the task force meetings.

On Jan. 20, the government will organize a plenary meeting to select the board of directors and other executives to take up a range of duties at the planning company. Under legislation that cleared the Diet in October, Japan Post, the public corporation in charge of postal services, will be split into four stock firms Oct. 1, 2007, which will be placed under the holding firm.

The four will then be privatized over the subsequent 10 years. The government has

picked former Sumitomo Mitsui Financial Group Inc. President Yoshifumi Nishikawa as the holding company's chief.

Three of the four will be tasked with taking over Japan Post's three major functions postal savings, postal insurance and mail delivery. The fourth will provide a range of over-the-counter services at the nationwide post office network."

Japan has taken the first steps towards reform

7 December, 2005 - [FT]

By Thomas Riley

"With Japan's big banks reporting strong results and the postal privatisation process moving forward, the government's ambitions have moved beyond the original goal of stabilising its financial system.

The country is striving to become an internationally oriented, high-technology financial services nation.

Given the progress over the past few years, there is every reason to believe that it can and will achieve these goals.

Reasons for optimism include the commitment of Junichiro Koizumi's administration to change and the positive role Japan's regulators are playing in financial system reform. The growing strength of Japan's financial institutions and the powerful impact of the privatisation of the post office and other government-affiliated financial institutions will add to market vitality.

Although the big-bang re-

forms of Ryutaro Hashimoto, former prime minister, in 1996 marked a first step in the process of liberalising financial markets, the financial position of Japanese banks continued to deteriorate as a result of the failure to reduce non-performing loans. Mr Koizumi was elected prime minister in 2001 on the basis of his commitment to achieving greater structural reforms.

The establishment of Japan's Financial Services Agency in the same year created a body with the ability to implement effective policy. Mr Koizumi's appointment of Heizo Take-

The growing strength of Japan's financial institutions and the powerful impact of the privatisation of the post office and other government-affiliated financial institutions will add to market vitality

Japan has taken the first steps towards reform (cont.)

naka, chief architect of change, as minister for financial reform in September 2002 gave the effort sharper teeth.

FSA regulators forced banks to reclassify loan portfolios, recognise bad loans on their books and then dispose of them. As a result, the ratio of non-performing loans at all banks in Japan, which peaked just below 9 per cent, declined precipitously to about 4 per cent by March 2005. Now, some banks - including regional banks - are upgrading the quality of loans after successful corporate restructuring at borrowers. The FSA is focusing on three objectives: rules to protect customers; information technology; and internationalisation. These are the right priorities. The FSA has already made significant progress on the regulatory and legislative front to ensure that individual investors are protected.

The new investment services law will build upon this. As a result, investors should increasingly have the confidence to join the booming number of day-traders in the markets. New legislation that allows banks and the post office to sell insurance and investment products will also increase the accessibility of these products. With the FSA's encouragement - and big stick if they get things wrong - Japan's

big banks are investing heavily in IT. These investments will not only improve customer experience and security, they will reduce transaction costs and ultimately give customers access to a wide variety of new services. These investments should further support the banks' profitability.

The regulators are also making progress toward internationalisation. Over the past three years, they have clarified rules and brought them into line with global practices to ensure an even playing field for foreign and domestic firms. Going forward, a high level of regulatory transparency and an active dialogue between regulators and the regulated will be important to the development of Japan's markets.

Privatisation of the post office and other government-affiliated banks is critical to Japan's lofty goals for the financial sector. With \$3,000bn in assets in postal saving accounts alone, there would be a huge potential benefit from the flow of these assets into higher-performing products and the securities markets. Such a shift will ultimately lead to more efficient use of capital, more vibrant capital markets, increased returns for all and higher tax revenues for the government.

The comprehensive approach

to financial reform will provide a supporting framework for these privatisations. As a result, assets are likely to be put to more productive use and they should contribute to the government's goal of stimulating a broader shift within Japan from a savings to an investor economy.

In addition to significant foreign capital inflows, individual investors have started to return to the markets. Confidence, however, remains fragile.

The development of a thriving domestic investment culture will be essential for Japan to become a financial service nation as has been the case in the US and the UK.

While it is still early days, there are reasons for optimism that this goal can be achieved.

The writer is branch manager of Morgan Stanley Japan Limited"

With Japan's big banks reporting strong results and the postal privatisation process moving forward, the government's ambitions have moved beyond the original goal of stabilising its financial system

Privatisation of the post office and other government-affiliated banks is critical to Japan's lofty goals for the financial sector

Gov't to Privatize Philpost in 2006

December 12, 2005 -- [\[Michelle V. Remo, Philippine Daily Inquirer\]](#)

"The government has

decided to privatize Philippine Postal Corp. (Philpost) through a direct sale of government shares as it placed the state-owned firm under the list of major public

assets to be sold in 2006.

ANZ pushes ahead with rural banking

9 December, 2005 - [\[Nation\]](#)

Submitted by [Moffat Mamu](#)
on 9 December, 2005 -
10:26am.

“THE ANZ Bank and Solomon Islands Postal Corporation are moving ahead rapidly with establishing rural banking throughout the provinces following their latest joint fact-finding mission to Buala, capital of Isabel Province.

The mission was the latest in a series of joint provincial missions the ANZ and Solomons Post have carried out this year. It was led by the General Manager of ANZ Solomon Islands, Mr Tait Jenkin and the Post Master General, Mr Samuel Sive.

The main aim of the visit which took place between the 29th November and 1st December was to consult with the leaders and people of Isabel province about plans to establish an ANZ rural banking service in Isabel through the bank's partner-

ship with Solomon Post.

The joint mission met with the provincial government, local business houses and many other members of the community.

The General Manager of ANZ, Mr Tait Jenkin, said that the trip was particularly useful to hear the specific concerns of the community in relation to financial services. These concerns included the availability of micro-loans for potential projects because of the lack of capital in the province and interest in exactly what products ANZ can offer including the fees that will be charged.

“In fact ANZ already has a product especially designed for the rural community but it is very important for us to hear exactly what the people of Isabel need.”

The premier of Isabel, James Habu, said, that the Provincial Government welcomes an improved banking service through ANZ's partnership with Solomon Post.

“The Isabel people do need an extended banking service, as well as access to loans and assistance in improving their financial literacy.”

Isabel's paramount chief,

retired bishop, Sir Duddley Tuti, said it was very true that there was a big and urgent need to improve banking services in the province. “People are struggling with banking services on Isabel,” he said. “We need a bank so that we can have links with our credit union, as well as advice on appropriate banking products to suit the needs of the rural people.”

Solomon Islands Postmaster General, Sam Sive said: “We are fortunate to work with ANZ Banking in innovative ways which can improve and empower the lives of people in the Solomon Islands.”

ANZ and Solomons Post signed a Memorandum of Understanding in June this year to jointly investigate the feasibility of providing access to ANZ banking services through Solomons Post Offices throughout the country. The ANZ Bank and Solomon Postal Corporation are scheduled to start a pilot project in Munda, Western province, in January 2006.

Others are expected to follow throughout the year.”

THE ANZ Bank and Solomon Islands Postal Corporation are moving ahead rapidly with establishing rural banking throughout the provinces following their latest joint fact-finding mission to Buala, capital of Isabel Province

The ANZ Bank and Solomon Postal Corporation are scheduled to start a pilot project in Munda, Western province, in January 2006

Banks to use postal network for credit push in rural area

16 December, 2005 - [\[Times News Network\]](#)

Johan Mudad and Amit Bhandari

“MUMBAI: State Bank of India (SBI) and its seven associates have a total of 14,000 outlets all over India, primarily located in urban centres. Compare this to the Indian Postal Department with nearly 1,20,000 post offices in rural areas, giving it unmatched reach

across rural India.

The postal department and banks are finally waking up to this reality and collaborating to usher in a new era in rural banking.

Post offices along with the Indian Banks Association (IBA) are working on a pilot project, which would see post offices metamorphise into a quasi-financial institution involved in the origination and servicing of bank loans.

The IBA and the postal department are understood to be in talks over using the department's rural network in Maharashtra for the disbursement of rural credit. IBA expects the project to go live in the next couple of weeks. The main focus of IBA would be on rural credit, especially credit for agricultural purposes. The project would involve around 12,000 post offices across Maharashtra and the Goa circle.

IBA and the postal department are in the process of identifying post offices that would qualify for the project.

Banks to use postal network for credit push in rural area

Once this is done, each district or circle would then be allotted to a bank or two. This would allow a bank to take responsibility for each region or district. Under the scheme, the lending decision would still rest with the bank but the origination and servicing of loans would be undertaken by the post office.

The responsibility of collecting loan applications and interest payments would rest with post offices, while the credit appraisal process would be the responsibility of banks. This would allow banks to maintain control over the credit quality of the portfolio.

Banks would pay the post office a fixed amount as fees for loans originated through the system. This would help post offices to increase their profitability by employing their workforce much more

productively, feels K Unnikrishnan, senior vice-president, IBA.

He says that the project offers banks a chance to increase their share of priority sector lending. Banks are required to maintain nearly 40% of their advances to priority sectors and within the sectorial caps nearly 18% in agricultural advances. Many a times banks are strained for these targets because of the lack of a well spread rural network.

Moreover, with post offices coming in to the picture, banks can expect to have much more reliable and accurate information regarding rural borrowers allowing them to price risk much more effectively. Bankers also feel that involving postal staff who has dealt with the region for years would help them a

lot in fulfilling the KYC norms (know your customer).

For post offices it is another way of diversifying their revenue and reorienting themselves towards a market-oriented approach. The current plan does not entail any additional expenditure for the postal department.

Currently, post offices have arrangements with UTI Mutual Fund and GE Countrywide for the distribution of mutual fund units and personal loans through select post offices. The postal department is also in talks with ICICI Bank for disbursal of tractor loans through the rural postal network."



The postal department and banks are finally waking up to this reality and collaborating to usher in a new era in rural banking. Post offices along with the Indian Banks Association (IBA) are working on a pilot project, which would see post offices metamorphise into a quasi-financial institution involved in the origination and servicing of bank loans

Want a loan? Try your luck at the Post Office

22 November, 2005 - [The Times of India]

Devraj Dasgupta, Mumbai
22-11-05

"Imagine visiting your local post office for an ICICI Bank home loan. Even better, the postmaster giving you advice on UTI mutual funds or general insurance policies from Oriental! Surprised? Don't be because your staid neighbourhood post office is now becoming a onestop shop that cross sells a range of products, which require the humble postman to reinvent himself as a savvy marketing man.

Realising that the primary business of postal delivery is on a steady decline due to

technologically-superior mediums of communication, the postal department is trying to adapt to the new paradigm.

It all started in 2001 when the department entered into a partnership with Western Union for money transfer. There has been no looking back since then.

Last month, the department signed an agreement with ICICI Bank to cross sell its loans through selected post-offices. "The bank nominates a person who sells all loan products at our post office. The postal department gets a decent commission per loan," said Colonel K C Mishra, postmaster-general (marketing-Maharashtra & Goa circle).

The loan products of ICICI bank will be available at 200

post offices in the state, mostly in semi-urban and rural areas where the postal department has an enviable retail presence.

The post office started approaching banks to cross sell their products after the success of sharing space with leading NBFC, GE Countrywide late last year. "GE Countrywide has been approving about 200 loans every month through post offices," he said.

Adnan Ahmed, assistant PMG (marketing), Mumbai region, admits that the biggest challenge is to encourage ageing staff to accept the changing work profile. "They realise that delivering letters cannot be the only job because of stiff competition. Slowly, they are coming forward to cross sell other prod-

... post office is now becoming a onestop shop that cross sells a range of products

Last month, the department signed an agreement with ICICI Bank to cross sell its loans through selected post-offices

Want a loan? Try your luck at the Post Office (cont.)

ucts as it gets them hand-some incentives," said Ahmed, who organises workshops for interested employees.

Encouraged by the success of cross selling financial products, the department is now starting a new format called 'Finance Smart'. Under this format, the post office will have a separate swank air-conditioned unit where a customer can expect sound

financial advice on which mutual funds to invest, policy to buy or loan to avail.

"The Finance Smart outlet has been started at the Malabar Hill post office. It will be set up at seven more crucial locations in Mumbai on a pilot basis," said Mishra.

Last but not the least, the postal department is also entering into tie-ups with daily consumer product com-

panies for across-the-counter sale. "Our postman will sell Mysore Sandal soaps, Duncan tea and even Aloe Vera beauty products to customers, who visit the good old post office," signed off Mishra."

The post office started approaching banks to cross sell their products after the success of sharing space with leading NBFC, GE Countrywide late last year

Africa

Posta to Unveil Electronic Money Services Next Year

8 December, 2005 -[The Nation]

Posted to the web December 8, 2005

Nation Correspondent Nairobi

"The Postal Corporation of Kenya plans to launch an electronic money order service early next year. A pilot project is already under way in a number of centres ahead of the official launch, western regional manager Jane Mutuha said yesterday.

Mrs Mutuha said the service would enable customers to send money orders electronically to all postal offices countrywide. The order

would be used to pay school fees, among other transactions with no "hidden charges".

Posta, she added, had upgraded its facilities in Western Province to improve services and tap the region's market. The corporation had taken the initiative as part of a programme to revitalise services and stay ahead of competitors. "Our biggest strength now is the network we have built in the last two years," Mrs Mutuha said, speaking as she called on deputy provincial commissioner Addy Kaaria.

All the 60 offices in the region had been given a face-lift and networked to improve ser-

vices, she said.

"We have diversified our services and products in the last two years to exploit the potential in the market," said.

The regional manager said Very Small Aperture Terminals (Vsat) had been installed in 33 offices to provide Internet services.

The corporation had bought a new fleet of vehicles to speed up mail delivery, she said, adding that employees had been retrained in a programme to improve service quality."

The Postal Corporation of Kenya plans to launch an electronic money order service early next year. A pilot project is already under way in a number of centres ahead of the official launch

From the Statute of ICPFSB—2005 Brasov’s meeting

“The ICPFB has the following objectives:

- to contribute to the realisation of the strategy of the UPU in the business field;
- to collaborate with the UPU to rejoin the common objectives and to improve the relations between the member countries and between them, the UPU and the other international organizations;
- to represent and support at the UPU and other international organizations the demands of the different members to establish collaboration relations and development on the business basis;
- to facilitate the exchange of experience and the best practice among members;
- to take into account needs of the customers and of the markets from the business and marketing field; “

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The coming Agenda:

2 – 3 February 2006 - Vienna

*“The EU (payments) challenges and opportunities for
CIS and Eastern European financial institutions”*

Eurogiro - EE and CIS conference

26 March - 07 April 2006, Bern

UPU Postal Operations Council

4 May 2006 - Dresden

Eurogiro - Strategic Forum

14 - 16 November 2006 - Dubai

UPU Strategic Conference

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