



INTERNATIONAL COMMISSION FOR POSTAL FINANCIAL SERVICE BUSINESS  
/ICPFSB/

## Post € Fin - Newsletter



### Special points of interest:

- *The opportunities of cross-selling, online developments and better branch management*
- *Using the channel to sell insurance*
- *The prospects for any new bank operating via the post office network*
- *An alternative to the mainstream banks*
- *Retail makeover for Post Office® branches*

### Inside this issue:

<b>COUNTRY FOCUS - HUNGARY: A distribution battle</b>	<b>2</b>
<b>Second bank rules out joint venture with An Post</b>	<b>3</b>
<b>Retail revolution on the high street - Post Office® launches partnership with ISA retail</b>	<b>6</b>
<b>Swiss Post reports good half-yearly figures</b>	<b>11</b>
<b>Postbank with good first six months</b>	<b>16</b>

### Russian Post and Pension Fund: OK to Pilot in Nizhny Novgorod

August 30, 2005 - [[Press Release](#)]

*“On August, 30, 2005 in Nizhniy Novgorod, a meeting between the first deputy director general of FGUP «Russian Post” - D.D. Chuyko and the vice-chairman of the Pension Fund Russian Federation - L.I. Siskin took place.*

*The purpose of the meeting was to review and discuss the results of the pilot introduction of the new technology for delivery and at payment of pensions and social benefits to the customers living in the Nizhegorodskoy area.*

*The Pilot project based on introduction of the technology for electronic exchange of documents, with the use of electronic digital signature in the process of organization of payment and delivery of pensions, started on 1 December 2004 in the local branch of FGUP «Russian Post” in Nizhniy Novgorod.*

*During the meeting it has been stated that “Using modern information technologies for organization of payment and delivery of pensions and social benefits, brings the postal service on a new level of high-quality servicing the pensionaries and allows to provide transparency of motion of the pensions and other*



*benefits sent for payment, and to carry out operative control after their payment. The offered technology corresponds conceptually to the positions of FTSP «Electronic Russia» due to using the relevant information and communication technologies for the mutual relations of state structures with citizens. It allows creating of an effective system of providing services to the population in the most convenient for them form.”*

*At present the new technology is available in 10 areas in N.Novgorod and the customers appreciate very much the new initiative of Russian Post and its efforts to modernize this important service.*

*Summarizing the results of the meeting both parties gave a*

*positive assessment of the joint experiment and underlined its importance for customer service improvement in this crucial for the Russian Post service - payment of pensions.*

*English abstract*

## COUNTRY FOCUS - HUNGARY: A distribution battle

August 31, 2005 -  
 [European Banker]

**“Despite the dominance of former national sav- ings bank OTP Bank, for- eign banking groups are driving distribution in- novation in Hungary.** The opportunities from cross- selling, online developments and better branch manage- ment are significant in one of Central Europe’s most com- petitive countries, says Peter Falush **Dominated and driven by foreign financial services groups such as Raif- feisen, Erste Bank, ABN AMRO and KBC, Hun- gary’s financial services in- dustry is in good health.** Banks are enjoying growing customer bases and, impor- tantly, growing profitability.

**PSZAF**, the sector super- visor, recently published fig- ures showing a 6.2 percent increase in personal sector lending in the first quarter of this year compared to 2004. The banking sector was able to increase assets under management by 19 percent and profitability was 40 per- cent higher. This was partly due to the modest 6.7 percent rise in operating costs and partly due to a widening of the interest margin from 3.9 percent to 4.1 percent.

A remarkable aspect of this growth is that it has taken place despite a 4 percent drop in Hungary’s bank rate during 2004.

Although internet penetra- tion is well below Western European levels, some com- panies are using the channel to sell insurance. Motor, home and travel insurance are the most frequently pur- chased online products, largely because they are compulsory for Hungarians

and because innovative bro- ker websites are enabling customers to pick the most suitable and least costly products on offer. Although this is common in Western Europe and the US, it is rela- tively new to Hungary.

Insurers such as Allianz, Generali-Providencia and UNIQA are moving in this direction. Most of their activ- ity is aimed at non-life cover, as the take-up of more com- plex life products on the internet has been poor.

**Aegon**, the Dutch insurance outfit ranked second in life business in Hungary, has, in fact, abandoned offering life products this way. Over the longer term, independent intermediaries (brokers) are gaining a larger slice of the life account than in earlier years, but tied, exclusive agents - rewarded only by commission - still account for over one-half of Aegon’s new business. Unlike a number of players in Hungary, Aegon is at a disadvantage due to the absence of significant ban- cassurance links and its par- ticipation is confined to ad hoc deals with banks such as Raiffeisen or HypoVereins- bank (HVB).

The third-largest life com- pany, **OTP Garancia** (which is owned by OTP Bank, the largest financial services group in Hungary), gets about two- thirds of its sales from the parent bank’s branches - though its 2,700 exclusive agents still contrib- ute about one-third of sales. The insurer has closed 100 of its branches, separate from those of its parent bank, as these have become less im- portant as sources of sales and serve more as adminis- trative and customer service centres.

Significant investments The expansion of demand for

financial services from per- sonal customers and from the small- and medium-sized enterprise (SME) sector is pushing banks to extend their branch networks. There is no indication that OTP Bank wants to open more outlets to boost its existing 437 units. However, the middle-sized banks, including Raiffeisen, Central-European Invest- ment Bank and HVB, plan to make significant invest- ments.

These three each want to raise their number of outlets by between 50 percent and 100 percent over the next two or three years. The smaller players (such as Volksbank which targets SMEs, and Inter-Europa Bank which concentrates on multi- purpose financial services) are also planning substantial additions. Not all of the new outlets are to be fully fledged branches as some will be less costly credit points, which will supply basic product advice and application forms for potential customers.

The Hungarian Banking As- sociation recorded that its 17 member banks had 1,168 branches as at March 2005, a figure which could rise to nearly 1,500 by 2008 if the banks achieve their goals. This may be an over- opti- mistic scenario, however, as Hungary’s banking system - which has at least 37 active banks - is due for consolida- tion.

By far the most extensive financial network in Hun- gary is that of **the Post Of- fice (Magyar Posta)**, which has 2,600 outlets, only slightly fewer than the 2,975 ATMs operated by the bank- ing system as a whole.

Two of the most successful recent entrants to the insur- ance scene are the insurance affiliates **(cont. to p. 3)**

---

**Dominated and driven by foreign financial services groups such as Raif- feisen, Erste Bank, ABN AMRO and KBC, Hungary’s fi- nancial services in- dustry is in good health**

---



---

**The Hungarian Banking Association recorded that its 17 member banks had 1,168 branches as at March 2005, a figure which could rise to nearly 1,500 by 2008 if the banks achieve their goals**

---




---

**By far the most extensive financial network in Hungary is that of the Post Office (Magyar Posta), which has 2,600 outlets, only slightly fewer than the 2,975 ATMs operated by the banking system as a whole**

---

## A distribution battle

**(cont. from p. 2)** jointly owned by Talanx, the third-largest German insurer, and Magyar Posta - Magyar Posta Insurance and Magyar Posta Life Insurance. Significantly, these companies have specialist staff in Post Office branches. In the first two years of their operation they have grabbed a 3.25 percent share of the life business market and 0.9 percent of non-life. Magyar Posta and the postal bank Postabank, which was acquired from Magyar Posta by Austria's

Erste Bank in October 2003, have a long-standing relationship that was formalised in a ten-year agreement in December 2002. Erste Bank Hungary and Postabank merged in September 2004 to form Hungary's second-largest retail bank.

The combined entity, known as **Erste Bank Hungary (EBH)**, had market shares of 8 percent and 8.5 percent in retail loans and retail deposits, respectively, by June 2004. EBH, which believes the true sales potential of

Magyar Posta's network has not been exploited, aims to increase its market share of retail loans and deposits to between 20 percent and 25 percent in the medium term. EBH aims to increase its mass market presence by targeting Magyar Posta customers with new products, better sales training for staff and better online banking provision. EBH says it expects Post Office volumes to reach 17.5 percent of investment funds under management by 2007."




---

*The combined entity, known as Erste Bank Hungary (EBH), had market shares of 8 percent and 8.5 percent in retail loans and retail deposits, respectively, by June 2004*

---

## Second bank rules out joint venture with An Post

August 31, 2005 - [\[Irish Times\]](#)

**"Another bank has ruled itself out of a joint venture with An Post for a new banking service.**

An Post is currently accepting expressions of interest from potential joint venture partners, but **Permanent TSB** has already ruled itself out.

Yesterday **Danske Bank** said it would not be submitting an expression of interest either. Danske, a Danish company, owns National Irish Bank (NIB) and a spokesman said the bank was concentrating on building up its market share. It hoped to introduce a new range of online bank accounts and mortgages shortly.

Banks from Ireland and overseas have until September 19th to submit an expression of interest.

**AIB**, which already has a relationship with An Post, is the most likely of the Irish banks to apply, although it has refused to comment officially. **Ulster Bank** said it was too early to say whether it would apply or not. Bank of Ireland is also reserving its position.

An Post is hoping to sign an agreement by January. The banking service could be up and running a few months later. **The postal company will offer a range of new products via its extensive network.**

The company will have to decide during negotiations

what to do with its existing financial offerings. For example, An Post sells a range of products through its One Direct subsidiary.

In tender documentation circulated a few weeks ago, An Post said the new banking service would sell savings and insurance products. It is not clear whether mortgage products would be offered.

Some banking analysts are sceptical about the prospects for any new bank operating via the post office network. Many believe it would take many years for such a business to produce strong returns.

However An Post believes the public is looking for an alternative to the mainstream banks."




---

*An Post is hoping to sign an agreement by January. The banking service could be up and running a few months later. The postal company will offer a range of new products via its extensive network*

---

## An Post to Set up New Banking Service by Jan '06

August 17, 2005 - [\[Irish Times\]](#)

By Emmet Oliver

"An Post expects its new financial and banking service

to be ready by January, with the new entity to offer bank accounts, savings products and insurance services. According to a new document circulated by the company, potential partners for the project will submit proposals to An Post on September 9th.

Following evaluation, a partner will be selected in the autumn and a joint venture agreement will be concluded in January to set up the new service."



## Deutsche Bank Offers \$2 bln to Ukraine's Transport Ministry to Fund Projects

September 08, 2005 -  
[Interfax-Russia]

"KYIV. Sept 8 (Interfax) - Deutsche Bank AG London has offered up to \$2 billion to Ukraine's Transport and Communications Ministry to finance projects, the ministry said in a press release.

Ministry officials met with top executives of Deutsche Bank AG London for the CIS and Eastern Europe on Thursday, the release says.

**"For the first time in Ukrainian history, Deutsche Bank has offered up to \$2 billion in financing to the Transport and Communica-**

**tions Ministry. This will first of all go towards railways and development and for sea ports, as well as reforming the postal system," the release says.**

Deutsche Bank said it was ready to offer Ukrainian Railways and ports up to \$300 million in non-guaranteed and non-collateral loans up to the end of the year, the ministry said.

An annual program to raise \$5 billion in investments in the transport and communications sectors was fulfilled in six months, the ministry said.

This includes \$500 million in

investments from Russia's National Container Company, which is rebuilding a terminal at the Illichivsk port until 2010. It also includes \$1 billion in investments from Israel's Ofer Group, which is rebuilding the Odesa port until 2008, \$160 million from the Topfer Group, which is also rebuilding the Odesa port until 2008, \$500 million from Tramp Group, which is building a hotel complex and rebuilding the Yalta passenger port, and up to \$2 billion from leading Russian banks, which are leasing schemes to re-equip railways and ports."

All Material Subject to Copyright




---

**This will first of all go towards railways and development and for sea ports, as well as reforming the postal system**

---

## Strong mid-year result for Norway Post

September 02, 2005 -  
[Press Release]

**"Norway Post's earnings before taxes for the first six months of 2005 were NOK 825 million, an improvement of NOK 314 million compared with the same period last year. This strong improvement is the result of growth in revenues and continued cost reductions.**

"We are very pleased with the result for the first six months of 2005, especially since both our return on capital and our operating margin are now at levels that put Norway Post in a good position to meet increasingly tighter competition in the market," says Kaare Frydenberg, Norway Post's Chief Executive Officer.

The growth in revenues comes largely as a result of acquisitions, but is also due to positive market developments in the direct mail advertising, logistics and express segments. Norway Post's revenues for the first half of 2005 were NOK 9,625 million, an increase of NOK 1,284 million (15.4 per cent) from the same period last year. The acquisition of Nor-Cargo in June of last year contributed to increased operating revenues of NOK 1,375 million in the first half of this year compared with the corresponding period in 2004. Total revenues from continued operations were NOK 69 million lower than in 2004, largely due to a decline in letter volumes for A and B priority mail. The parent company's share of group revenues is 65 per cent, compared with 76 per cent in the same period last year.

**Good profitability and returns**

Norway Post's earnings before interest and taxes (EBIT) for the first six months of 2005 were NOK 790 million, compared to NOK 500 million in 2004. Earnings before tax were NOK 824 million for the first half of 2005, compared with NOK 510 million for the corresponding period last year. The net operating margin for the last twelve months has increased from 5.7 per cent in 2004 to 7.5 per cent after the first half of 2005.

The return on capital employed for the twelve-month period ended 30 June 2005 was 26.8 per cent, compared with 18.2 per cent for the same twelve-month period in 2004. The return on equity for the last twelve-month period was 24.5 per cent.

**Post**  
Total letter volume for the group increased by 2.2 per cent in the first six months of 2005 (cont. to p. 5)




---

**This strong improvement is the result of growth in revenues and continued cost reductions**

---

## Strong mid-year result for Norway Post

(cont. from p. 4) compared with the same period last year. A and B mail volumes for the parent company declined by 7.4 per cent, while unaddressed direct mail advertising increased by 10.7 per cent.

The number of customers visiting post offices in the first half of 2005 declined by 6 per cent compared with the same period last year. This is largely due to a reduction in the number of bank transactions, which declined by 12.6 per cent in the first half of 2005 compared with the same period in 2004. A comprehensive efficiency-improvement programme is currently being implemented at the post offices.

### Express

The volume of parcel products for the group in the first half of 2005 increased by 5.6 per cent compared with the same period last year. This growth is a result of increased e-commerce, as well as the acquisition of Nor-Cargo Bedriftspakker in 2004.

### Logistics

Logistics operations, which largely consist of Nor-Cargo's activities, increased operating revenues by NOK 1,346 million in the first half of 2005 compared with the

same period last year. Nor-Cargo was acquired by Norway Post with effect from 1 June 2004, and the task of realising synergies is proceeding according to plan.

### Electronic services

ErgoGroup's operating revenues increased by NOK 33 million in the first half of 2005 compared with the corresponding period last year, largely due to growth in operating and consultancy services. Operating revenues amounted to NOK 1,294 million in the first six months of 2005. Operating income before depreciation (EBITDA) was NOK 160 million in the first six months of 2005, compared with NOK 202 million in the same period last year.

### Nordic growth

Norway Post pursues a niche strategy in the Nordic countries. The largest operations are CityMail AB, Box Group and PNL (Pan Nordic Logistics). CityMail continued to develop positively in terms of revenues and profitability in the first half of 2005, with growth in letter volumes of 8.2 per cent. Norway Post's revenues from international operations amounted to NOK 856 million for the first six months of 2005, an increase of 10.5 per cent from the same period last year.

### Increased turnover per

### full-time equivalent

The group's workforce at the end of the first six months of 2005 consisted of 20,892 full-time equivalents, compared with 22,194 full-time equivalents at the same time last year. The parent company's workforce was reduced by 1,460 full-time equivalents compared with the same period last year, while the workforce in subsidiaries has increased by 159 full-time equivalents. Operating revenues per full-time equivalent are steadily increasing. Based on the last 12 months revenues, each full-time equivalent sold for NOK 921,000, compared with NOK 727,000 for the corresponding period last year. In the second quarter of 2005, delivery quality for A-priority overnight mail was 88.4 per cent, well above the licence requirement of 85 per cent, but lower than the 89.2 per cent achieved at the end of the same period last year.

### For additional information about Norway Post, please contact:

- Elisabeth H. Gjølme, Senior Vice President Information, phone: +47 901 40 449, or
- Birgitte Lund Nakken, Press Officer, phone: +47 908 88 284, or
- Norway Post's 24-hour media contact: +47 23 14 80 00
- See also: [www.posten.no](http://www.posten.no)




---

**A comprehensive efficiency-improvement programme is currently being implemented at the post offices**

---

## Zumwinkel picks his own Bank

September 2, 2005

**“Deutsche Post, whose chief executive Klaus Zumwinkel also sits on the Morgan Stanley board, has chosen the US investment bank as adviser on its possible takeover of Exel. Just days after he joined Morgan Stanley’s**

board last year, the bank was appointed to advise on Deutsche Post's flotation of Postbank. Mr Zumwinkel denied there was any conflict of interest then and was unavailable for comment yesterday.

During his time at Morgan Stanley he had to face the leadership crisis that resulted in Phil Purcell's resignation

as chief executive. One consequence of Morgan Stanley being drafted on to the Exel takeover is that there is no place for Deutsche Bank, a Deutsche Post adviser.

During the Postbank flotation, Mr Zumwinkel sharply criticised Germany's leading bank for leaking a memo suggesting its valuation was lower than Deutsche Post's”.



## Retail revolution on the high street - Post Office® launches partnership with ISA retail

August 26, 2005 - [[Press Release](#)]

- Retail makeover for Post Office® branches
- First Phase of roll-out across 540 branches underway
- Branches to sell branded products such as greetings cards and stationery plus books, DVD's, electrical items, toys and gifts

The Post Office® has commenced the roll out of a radical makeover of its retail offering through its partnership with ISA Retail.

Customers in the 540 directly managed Post Office® branches in high streets and shopping centres – some of the best retailing space in the UK – will be the first to benefit from the transformation.

ISA's extensive retail experience will enable the Post Office® to introduce an exciting, new, and competitively priced range of products, and at the same time transform its retail areas into bright, contemporary shopping environments - bringing a whole new retail experience to the high street.

The new look retail areas will be supported by a wider refurbishment programme that is transforming all aspects of Post Office® branches, with customers benefiting from

better signage, lighting, decoration, fixtures and fittings.

The Post Office® intends that all its 14,600 network outlets, no matter how big or small, will benefit from the exciting new offer. It will be working with ISA and its network of independent sub-postmasters to ensure they have access to the new product ranges by early 2006

Post Office® Sales and Marketing Director, Gordon Steele said: "Our partnership with ISA is set to revolutionise the Post Office®'s retail offer.

"We know that customers trust us to provide great value - and that's exactly what we intend to do and more. Post Office® branches occupy some of the best retail space in the country. Through transforming these outlets with new fixtures, layout and lighting and offering great value for money products we will set a real challenge to high street retailers across the UK."

ISA has an excellent reputation for providing an industry leading service in sourcing the best products at the lowest possible prices. Its customers already include leading retailers such as Boots, Sainsbury's and John Lewis. A trial of the new concept proved to be a great success, with sales figures

doubling, when tested in six Post Office® branches earlier this year.

### The new products on offer will include:

- A new core range of Post Office® branded products such as stationery, printer cartridges, greetings cards and packaging – featuring the Post Office® brand alongside the highly successful Post Office® Ant characters
- Leisure and entertainment items such as books, videos, DVDs, CDs, mini hi-fis and DVD players - all competitively priced
- Seasonal promotions that will expand and adapt in line with customer demand.

ISA's Chief Executive, Bruce Robinson said "Our partnership with the UK's biggest high street retailer is an extremely exciting move for ISA. We're looking forward to working with the Post Office® to bring a whole new shopping experience to its 14,600 branches across the UK."

Ends

Issued by Post Office Ltd: 148 Old Street London EC1V 9HQ [www.postoffice.co.uk](http://www.postoffice.co.uk)




---

**Customers in the 540 directly managed Post Office® branches in high streets and shopping centres – some of the best retailing space in the UK – will be the first to benefit from the transformation**

---

## Post Office® research reveals that UK savers are big "dippers"

August 26, 2005 - [[Press Release](#)]

"74% of people say they save

- every month
- But nearly half (49%) admit they are Dippers – 'delving into their personal savings' on a regular basis
- Women revealed to be

worse Dippers than men

A study into the nation's savings habits by Post Office® Savings has revealed that people (**cont. to p. 7**)



## Post Office® research reveals that UK savers are big "dippers"

**(cont. from p. 6)** in the UK are big 'Dippers' when it comes to saving. Three quarters of people surveyed (74%) believe they are saving money every month, but almost half (49%) of these savers admit to 'Dipping' into their savings on a regular basis. The main reasons given by people for 'Dipping' are:

- Emergencies (47%)
- Holidays (37%)
- Big purchases (car / kitchen etc) (30%)
- Buying new clothes (12%)
- Socialising (7%)

'Dippers' don't Dip back Although they are happy to remove money from their savings, 'Dippers' are less happy to return it – over a third (32%) of 'Dippers' admit they don't usually replace the money they've removed from their savings. Almost half (43%) say they sometimes replace it, with only 23% of people saying they always do. Women are most likely to be 'Dippers' The research also reveals women to be the worst savers of all – just over one in ten (11%) have no savings at all compared to just 5% of men. Female 'Dippers' are also half as likely (16%) to replace the money they have removed from their savings than men (29%).

Claire Oldstein, Head of Post

Office® Savings, urges people to become more structured with their savings to avoid missing out in the future:

*"Although it is sensible to keep some money easily accessible for emergencies, if you really are serious about having a long term saving plan it is best to avoid temptation by putting your cash into a place where you can't just dip in on a whim – such as for the summer sales!*

*"An ideal home for your savings is a scheme which offers a good return but requires you to invest for a fixed period of time. Such as Growth Bonds or Guaranteed Equity Bonds which keep your capital safe and at the same time offer the potential for a great return"*

*Make the most of your money with a Post Office® Guaranteed Equity Bonds (GEB) Post Office® GEBs offer an ideal half-way house for savers who are looking for investment opportunities but want to avoid sleepless nights by taking big risks with their capital.*

*Post Office GEBs feature the option of investing over a three or five year period. As with previous offers, the five year GEB will immediately become one of the best GEBs on the market providing a competitive participation*

*rate of 125% of the FTSE 100 growth and a guaranteed return of the original amount invested.*

*The offer period for the current GEB is until 9th September, with another planned for the autumn. the minimum investment is J500 and the deposit is guaranteed, enabling investors to make a smart bet on the stock market and ensure the return of the original sum invested.*

Full product details:  
Post Office® Guaranteed Equity Bond – five year term

- 125% participation rate
- Only J500 minimum investment
- Linked to FTSE 100-Index
- 4% interest rate during offer period
- Offer open from 11th July until 9th September

Post Office® Guaranteed Equity Bond – three year term

- 75% participation rate
- Only J500 minimum investment
- Linked to FTSE 100-Index
- 4% interest rate during offer period
- Offer open 11th July until 9th September

To find out more about the Post Office savings account log onto [www.postoffice.co.uk/savings](http://www.postoffice.co.uk/savings) or call 0800 169 7500.




---

***"An ideal home for your savings is a scheme which offers a good return but requires you to invest for a fixed period of time. Such as Growth Bonds or Guaranteed Equity Bonds which keep your capital safe and at the same time offer the potential for a great return"***

---

## Six million travelers blow holiday cash on last-minute dash for shops

August 26, 2005 - [[Press Release](#)]

“. More than a third (38 per

cent) of UK holidaymakers panic spend to use up their overseas holiday cash

- Almost three quarters (72 per cent) regret last-minute purchases
- One in ten spend leftover

money on unwanted souvenirs with straw donkeys and sombreros still popular

With the end of the summer looming, UK travellers will be regretting **(cont. to p. 8)**



## Six million travelers blow holiday cash on last-minute dash for shops

**(cont. from p. 7)** more than just too much sun and sangria when they return home. According to research released today from Post Office® travel services six million UK holidaymakers claim to have blown all of their leftover holiday cash on last-minute unwanted souvenirs and gifts.

The survey, commissioned to understand the spending habits of UK holidaymakers, reveals that more than a third of travellers (38 per cent) will go out of their way to use up the last of their foreign currency before returning home. However, nearly three quarters (72 per cent) will end up regretting their last-minute purchases of holiday gifts and souvenirs. Almost a quarter of respondents (22 per cent) admit that their last-minute purchases are a complete waste of money, and a further 28 per cent end up giving them away when they return home.

According to the research, more than a quarter (26 per cent) of respondents budget between £50 and £100 per day for their holiday spending money. In addition, two out of five (41 per cent) UK holidaymakers admit to 'last-minute splurging', spending more than their daily budget on the last day of their holi-

days. Hugh Stacey, head of travel services at the Post Office®, said: "Our research demonstrates that the phenomenon of the "last-minute holiday splurge" results from holidaymakers trying to use up their cash on the final day of their holiday. With almost three quarters of people regretting their holiday purchases, we are reminding UK travellers of the benefits of keeping hold of their currency and changing it back when they return home."

Novelty clothing tops the list when it comes to last-minute purchases, with almost one in ten (eight per cent) buying holiday t-shirts and baseball caps. Traditional souvenirs still prove surprisingly popular with a further eight per cent returning home with straw donkeys and sombreros.

Boredom is the number one reason for impulse buying, with nearly two-thirds (63 per cent) of UK travellers shopping on the last day of their holidays to help 'kill time'. However, nearly a quarter (22 per cent) later wish they had saved their leftover money.

To help holidaymakers avoid wasting money on last-minute unwanted goods, Post Office® travel services is

reminding UK travellers that they can cash-in leftover foreign currency, commission-free, at any of the Post Office®'s 14,600 branches nationwide.

The Post Office® is the market leader with a 25 per cent share of the foreign currency exchange market with foreign exchange services available at 14,600 branches across the country.

Ends

Hugh Stacey, head of travel services at Post Office Ltd, is available for interviews.

For further information please contact:

Cohn & Wolfe  
Jo Agnew 020 7331 5466  
jo-anna\_agnew@uk.cohnwolfe.com

Lisa Crane 020 7331 5474  
lisa\_crane@uk.cohnwolfe.com

Post Office Ltd  
Hayley Fowell 020 7320 7440  
hayley.fowell@postoffice.co.uk

Ruth Barker  
020 7320 7238  
ruth.barker@postoffice.co.uk




---

**The Post Office® is the market leader with a 25 per cent share of the foreign currency exchange market with foreign exchange services available at 14,600 branches across the country**

---

## Final countdown to new European health insurance card

**August 18, 2005 - [Press Release]**

• E111 replacement available from 1 September 2005  
• Check & Send service available from all Post Offices®  
The Post Office® is remind-

ing travellers that from 1 September 2005 the new European Health Insurance Card (EHIC) application form will be available from all of its 14,600 Post Office® branches nationwide.

The EHIC is a direct replacement for the current E111

form, which will be phased out by January 2006.

Although traditional E111s will no longer be available from 31 August 2005, any current forms will remain valid until the end of the year (31 December), allowing consumers a **(cont. to p. 9)**



## Final countdown to new European health insurance card

**(cont. from p. 8)** four-month transition period. The Post Office® is therefore urging anyone planning to travel in the European Economic Area (EEA) or Switzerland during 2006 to apply for an EHIC well in advance of travel.

As a direct replacement for the current E111, EHICs will be valid in all 27 EEA countries plus Switzerland and will entitle the cardholder to medical treatment they require whilst visiting any of these countries.

From 1st September 2005, UK residents will be able to apply for an EHIC in the following ways:

§ Online at [www.dh.gov.uk/travellers](http://www.dh.gov.uk/travellers) (delivery within seven days)

§ By post – EHIC application pack available from all 14,600 Post Office® branches nationwide (delivery within 21 days)

§ Please call the EHIC enquiry line on 0845 605 0707 if you have any questions

When applying by post, unlike the traditional E111, the EHIC application form must be sent for validation and card distribution, so travellers are strongly advised to ensure they apply for

an EHIC well in advance of their trip.

The EHIC is a wallet-sized card featuring the holder's name, date of birth and personal identification number as well as NHS and the Department of Health contact details. Each EHIC will be valid for a variable period of between three to five years from the date of issue.

Everyone that has applied for an E111 since 19 August 2004 and ticked the appropriate box on the application form will automatically receive an EHIC prior to the E111 expiry date of 31 December 2005.

From 1 September 2005, the Post Office® will offer an optional Check & Send service to help people accurately complete their EHIC applications.

For a fee of just J2.00, application forms processed through this service will be checked for errors by Post Office® staff, helping to reduce the probability of the form being rejected.

The EHIC is not a substitute for travel insurance and Post Office® travel services strongly recommends that travellers take out travel insurance to cover any poten-

tial costs such as theft and loss of belongings, medical expenses and repatriation.

Ends

For further information please contact:

Cohn & Wolfe  
Joanna Agnew 020 7331 5466

Joanna Agnew  
[anna\\_agnew@uk.cohnwolfe.com](mailto:anna_agnew@uk.cohnwolfe.com)

Lisa Crane 020 7331 5474  
[lisa\\_crane@uk.cohnwolfe.com](mailto:lisa_crane@uk.cohnwolfe.com)

Post Office Ltd  
Hayley Fowell 020 7320 7440  
[hayley.fowell@postoffice.co.uk](mailto:hayley.fowell@postoffice.co.uk)

Ruth Barker 020 7320 7238  
[ruth.barker@postoffice.co.uk](mailto:ruth.barker@postoffice.co.uk)




---

**The Post Office® is reminding travellers that from 1 September 2005 the new European Health Insurance Card (EHIC) application form will be available from all of its 14,600 Post Office® branches nationwide**

---

## Postal Order fees to increase

**August 18, 2005 - [Press Release]**

“The Post Office® has announced that from 11 August fees for a number of its postal order denominations will increase.

“The increase brings fees in line with the rise in inflation over the last year. It is simple

commercial common-sense to cover increased costs,” said Simon Carter, Post Office Ltd. “Postal orders remain an inexpensive and convenient way to send money, especially for customers who don't want to use a bank account.”

Postal orders can be bought and cashed at all UK Post Office® branches. They can be used for a wide range of

services including mail order purchases, bill payment and as a secure alternative to cash or providing credit card details when shopping on the internet.

Ends

Issued by Post Office Ltd.  
London  
EC1V 9HQ  
[www.postoffice.co.uk](http://www.postoffice.co.uk)



## Acquisition of majority control at Nacionalna štedionica Banka in Serbia

August 25, 2005 - [[Press Release](#)]

**“The EFG Eurobank Group has reached an agreement with private shareholders of Nacionalna štedionica – banka in Serbia (National Savings Bank - NSB) to acquire shares representing 49% of the share capital of NSB. This will increase the EFG Eurobank Group’s stake in NSB to ca. 60%, as it already controls a 10% stake approximately.**

The EFG Eurobank Group intends to make a public offer for all of the issued shares of the Bank, not held by it, in accordance with Serbian law on securities and financial institutions and the rule book on takeover bids.

The remaining shareholding is held by the Republic of Serbia and other minority shareholders. The transaction is

subject to regulatory approvals; details on the transaction will be disclosed upon submission of the public Take-Over Bid in the coming days.

NSB is active in universal banking and operates a network of 70 branches in Serbia, with Total Assets of € 122 million at the end of June 2005.

Through this acquisition the EFG Eurobank Group further strengthens its position in Serbia-Montenegro, which is emerging as an important market in South and Eastern Europe, with significant growth potential.

It is worth noting that the Group has a presence in Serbia-Montenegro since 2003 through EFG Eurobank AD Beograd which operates an expanding network, currently comprising 20 branches in Serbia.

NSB will benefit from signifi-

cant synergies, combining its own commercial base, which includes a significant number of retail and corporate clients, and nationwide branch network with the know-how, financial strength and significant regional market expertise of the EFG Eurobank Group.”




---

**The EFG Eurobank Group has reached an agreement with private shareholders of Nacionalna štedionica – banka in Serbia (National Savings Bank - NSB) to acquire shares representing 49% of the share capital of NSB. This will increase the EFG Eurobank Group’s stake in NSB to ca. 60%, as it already controls a 10% stake approximately**

---

## EFG Eurobank in Poland

August 24, 2005 - [[Press Release](#)]

“EFG Eurobank Ergasias Group has obtained the approval to establish a branch in Poland from Greek regulatory authorities.

It is expected that the branch

will commence operations in Warsaw in early 2006.

The establishment of an EFG Eurobank branch in Poland is consistent with the announced strategy of the Group to expand its activities in the wider region of Southern and Eastern Europe.

Within this framework, EFG Eurobank is examining the creation of a branch network in Poland in order to develop its operations.



## Hellas On Line: share transfer of 100% to Intracom

August 05, 2005 - [[Press Release](#)]

“EFG Eurobank and INTRACOM S.A. announced that today (Friday, August 5, 2005) a pre-

agreement was signed, for the share transfer of 100% of the share capital of EFG Eurobank’s subsidiary “HELLAS ON LINE” to INTRACOM S.A.

Signing of final agreement and finalization of share

transfer, are subject to regulatory approvals and to completion of legal and financial due diligence processes.”



## Swiss Post reports good half-yearly figures

August 24, 2005 - [[Press Release](#)]

### Semi-annual report 2005

**“Swiss Post turned in another good performance in the first half of 2005. Group profit (at CHF 421 million) was CHF 40 million up on the year-back figure.**

**All units achieved good results. Additional earnings and the ongoing optimization measures contributed to Group profit.**

**This good result improves the preconditions for Swiss Post to continue offering a high-quality public service at reasonable prices, to finance the ongoing and upcoming major investments from its own resources, to further improve its inadequate equity base and to remain a socially responsible employer.**

**From today’s standpoint, Swiss Post expects the second half of the year to be rather weak.**

In the first half of 2005, Swiss Post beat the strong half-yearly result of the previous year by around 10%.

As at mid-year, Group profit came to CHF 421 million (adjusted year-back figure CHF 381 million), according to the semi-annual report drawn up in accordance with International Financial Reporting Standards (IFRS).

All segments contributed in varying degrees to Group profit. Compared with the year-back period, operating

income rose by CHF 110 million to CHF 3,718 million. Thanks to the positive half-yearly result, consolidated equity grew to CHF 680 million as at 30 June 2005. However, Swiss Post is still quite a way off its target of an equity base in line with the sector.

Investments came to CHF 168 million, well above the previous year’s figure (CHF 63 million).

The main investments were in real estate and equipment relating to the restructuring of the letters processing business (REMA).

Investments will be higher in the second half – due primarily to REMA. The investments were financed entirely from Swiss Post’s own resources.

### Sustained drop in volumes

The decline in letters and parcels volumes continued in the first half of 2005. Swiss Post carried 1.4% fewer addressed letters, 2% fewer unaddressed items and 7.3% fewer parcels than in the year-back period. The decline in Priority letters (mainly “A” Mail) at 0.8% was less pronounced than the fall in non-priority mail (mainly “B” Mail), which declined by 1.7%.

### Varying profit trends for the segments

Despite a sustained fall in volumes and earnings, Mail was able to match the previous year’s result (CHF 133 million compared with CHF 132 million in 2004).

Logistics lifted its operating result slightly from CHF 36 million to CHF 40 million,

despite lower operating income.

**The financial services unit (PostFinance) exceeded the year-back result of CHF 133 million, posting a figure of CHF 159 million.** An inflow of new money amounting to CHF 2,042 million was partly responsible for this result. The increased scheduled and commission-based transport volumes for Passenger Transport resulted in higher earnings, but these were offset by an increase in staff costs, resulting in a decline in operating profit from CHF 23 million to CHF 15 million.

The International segment posted a lower operating profit, although operating income was substantially higher as a result of acquisitions. It was not possible to pass on all of the increase in payments to partner companies abroad to customers.

The post office network saw a substantial increase in sales of non-postal brand-name articles from CHF 6 million to CHF 14 million. The volume-based decline in operating income was not fully offset by efforts to optimize postal services.

From today’s standpoint, Swiss Post expects the second half of the year to be weaker. Group profit for 2005 will probably be lower than the 2004 figure.”




---

**Swiss Post turned in another good performance in the first half of 2005**

---




---

**The financial services unit (PostFinance) exceeded the year-back result of CHF 133 million, posting a figure of CHF 159 million**

---

## PostFinance creates new jobs

**July 22, 2005 - [Press Release]**

**“PostFinance continued to grow in the first half of 2005.**

**The average headcount has increased by 98 full-time equivalents since January and is set to rise by a further 36 by the end of the year.**

**PostFinance has created a total of over 700 new jobs since 1998.**

**New customer deposits in the first six months came to over two billion Swiss francs.**

**The trend in the lending business was also positive with loans totalling 2.4 billion Swiss francs two years after PostFinance entered this segment.**

**The number of users of the yellownet e-banking service rose to 624,022.**

PostFinance continued its uptrend in the first half of 2005. The situation for the labour market was particularly encouraging with 98 new skilled full-time positions created since January, thus bucking the industry trend.

They are mainly in the fields of distribution and IT. There are plans to add another 36 jobs by the end of the year. In a saturated market, PostFinance has created over 700 new jobs since 1998.

**Over 2 billion Swiss francs in new customer deposits**

New customer deposits in the

first half came to 2,04 billion Swiss francs. In parallel, the number of customer accounts rose by 49,000 to 2,93 million. E-banking is still successful.

PostFinance increased the number of yellownet customers to 624,022 by the end of June. Since January this means an increase of around 35,000 users who manage their accounts electronically.

PostFinance has thus consolidated its position as the leader in the Swiss e-banking market. It considers the inflow of new money, growth in accounts and the increase in yellownet as a major vote of confidence from its customers.

**Mortgages of one billion Swiss francs**

The trend on the mortgage market is encouraging: PostFinance entered the market two years ago and, though as a relative newcomer, has already financed residential property worth one billion Swiss francs. This sum is spread between 3,337 private mortgages.

The offering is being continuously expanded: since July, self-employed persons have been able to take out a mortgage for owner-occupied property with PostFinance. Moreover, there are plans to introduce mortgages with a term of up to ten years this year.

Loans to business customers rose by 60% to 1.4 billion Swiss francs in the first half. Total loans thus amount to 2.4 billion Swiss francs.

**Consolidating its leadership with innovations**

PostFinance is the leader in the Swiss payments sector with a market share of around 60% for all transactions. It is further strengthening this position with innovations.

PostFinance was the first financial institution in the world to introduce a mobile payment service in May 2005 which enables users to access their Yellow Accounts online.

Shopping with a mobile phone is being tested in the city of Berne from July to December. Participating partners include McDonalds, Coop, Migros and the Swiss Federal Railways (SBB). Beginning in summer 2006, Yellow Account holders will be able to load entry tickets for events marketed by Ticketcorner onto a Postcard.

PostFinance is also innovative in terms of distribution. Beginning in mid-September, mobile advisors will be deployed in selected regions and will visit private customers at home upon request.”




---

**PostFinance increased the number of yellownet customers to 624,022 by the end of June. Since January this means an increase of around 35,000 users who manage their accounts electronically**

---



---

**PostFinance was the first financial institution in the world to introduce a mobile payment service in May 2005 which enables users to access their Yellow Accounts**

---



## Postbank grants scholarships to 207 students

August 22, 2005 - [[Press Release](#)]

**Over BGN 80 000 will be given out as scholarships under the "High Start with Postbank" Program**

"207 high-school students will be granted scholarships under the "High Start with Postbank" program.

These are one-time scholarships, each of them amounting to BGN 400. 112 of the total number of winners have passed the national independent assessment with flying colors and the other 95 with rates between 5,88 and 5,99.

Postbank shall grant 7 more scholarships than the initially announced 200, due to the higher number of students with 5,88 points (23 students), reported by the financial institution.

Each of the 24 000 high-school students, who took the National Foreign Language Examination, carried out by the Ministry of Education and Science, had the chance to apply for scholarships by "High Start with Postbank" program. 4 133 of the students who showed excellent results at the exam competed for scholarships by Postbank with the cooperation of the Ministry of Education and Science. Pupils who were

granted scholarships have completed their 8th grade at the specialized schools all over the country.

"High Start with Postbank" project is an extension of Postbank's sponsorship line for support of Bulgarian education, proving its already strong image as a traditional partner in socially-important campaigns in the sphere of education, culture and sports.

"The aim of High Start with Postbank program is to make students take a different view of education as an investment in their successful future", said Anthony Hasiotis, Chief Executive Officer of the Bank. It is the first of its kind program for support of Bulgarian secondary education launched by a financial institution in Bulgaria.

The families of all high-school students who applied for scholarships by Postbank will be offered preferential conditions to various products and services of the Bank.

At the end of September, all scholarship students will be bestowed their prizes and participant diplomas at special ceremonies in five districts – Sofia (Sofia, Sofia district and Blagoevgrad); Plovdiv (Pazardjik, Plovdiv, Kustendil, Kardjali and Asenovgrad); Veliko Turnovo (Vidin, Vratsa, Montana,

Veliko Turnovo, Gabrovo, Pleven); Varna (Varna, Dobrich, Targovishte, Shumen, Razgrad, Ruse, Silistra); Burgas (Haskovo, Smolian, Yambol, Sliven, Stara Zagora, Burgas).

More detailed information about scholarship winners can be found at [www.postbank.bg](http://www.postbank.bg).

Postbank is one of the biggest banks in Bulgaria. It is part of the Greek EFG Eurobank Ergasias, which holds 70.02% of its assets. Being one of the fastest growing financial institutions in the Bulgarian market, Postbank has a wide branch network of more than 131 locations all over the country.

A week ago, the international Fitch Rating Agency gave BBB credit rating to Postbank, which is the biggest one in the country, and pointed out the good prospects of the financial institution.

The great number of awards, among which was the one given by the Ministry of Economy for Postbank Internship Programs and the two ones given at the prestigious Banks, Investment, Money Exposition for its e-banking service and its house loan product, served as high appraisal of Postbank modern products and services and its social program."




---

**Postbank is one of the biggest banks in Bulgaria. It is part of the Greek EFG Eurobank Ergasias, which holds 70.02% of its assets. Being one of the fastest growing financial institutions in the Bulgarian market, Postbank has a wide branch network of more than 131 locations all over the country**

---

## French Postal Workers Invited to Protest Festival

August 22, 2005 - [[Le Figaro](#)]

"The postal sector branch of the French trade union CGT has asked employees of the French post office, La Poste,

to take part in what it calls a day of festivities and demands on September 20, the post office's pay day.

The event is intended as a protest against the French parliament's recent reform of

French postal services, including the establishment of a postal bank.

It will also feature demands for pay rises. The CGT is La Poste's biggest union."



## Finland Post: First-Half Interim Report

August 17, 2005 - [[Press Release](#)]

**"Finland Post's consolidated net turnover for 1 January-30 June 2005 rose by 2.3 per cent, to EUR 625.8 million (EUR 611.5 million during 1 January-30 June 2004), with all core business areas – Messaging, Information Logistics and**

**Logistics – showing net turnover growth.**

Messaging improved its net turnover by 2.1 per cent, to EUR 407.3 million (EUR 398.9 million).

Addressed letter delivery volumes grew slightly as a result of growth in addressed direct mail volumes compensating for a minor fall in let-

ter mail volumes.

Direct-mail volumes experienced rapid improvement thanks to growth in unaddressed direct-mail deliveries.

Newspaper and magazine delivery volumes rose by 3.1 per cent, with free sheets showing the strongest growth."



## Post Office Pochta Rossii Eyes the World At Large

August 16, 2005 - [[Kommersant](#)]

**"State-run post office Pochta Rossii announced Friday it will enter the foreign market of money transfer before late this year by sealing bilateral agreements with post offices of a raft of countries and using its Cyber-money system to make payment via the server of Universal Postal Union in Bern.**

Today's targets of the company are more moderate, just to grab a portion of money transfer markets in some countries of CIS.

To this effect, Pochta Rossii is slashing tariff rates for respective services by several times.

**The company's objective to approach world market of money transfer was announced by Igor Mandrykin, head of Pochta Rossii's sales operations management board on Friday.**

In technical terms, it is ready for expansion even today.

All it needs is to connect to the server of Universal Postal Union located in Bern. But to transfer money, Pochta Rossii has to conclude bilateral

agreements with local post offices.

**This year, it plans to do it in France, Germany, the United States, China and Israel."**



**Pochta Rossii announced Friday it will enter the foreign market of money transfer before late this year by sealing bilateral agreements with post offices of a raft of countries and using its Cyber-money system to make payment via the server of Universal Postal Union in Bern**

## Postbank halts Phishing

**Indexed TAN stops fraudsters / Mobile TAN extended / Extensive security package generates improvements**



**August 17, 2005 - [Press Release]**

“Postbank wants to put a stop to Internet fraud. In recent months, wave after wave of criminals have tried to obtain transaction numbers (TAN) from those doing online banking. A stop is to be put to this. As the first large bank, Postbank is introducing the so-called indexed transaction number (iTAN). It has the following advantage. Previously the bank accepted any TAN from the list. As of now, it requires the customer to use a specific TAN. Even if the fraudster obtains this iTAN, it is without value.

For the bank computer demands another iTAN the next time an online booking is made. Of course, Postbank customers may still not divulge their data should fraudsters ask them to do so. Banks never request customers to enter personal data on an unsecure site. What is more, Postbank urges the deployment of virus scanners and a firewall, as well as the use of operating system updates to prevent Trojans.

### Mobile TAN extended

As of now, the mobile TAN (mTAN), used in the Retail portal “Postbank direct” since 2003, can be used in classical online banking.

The mTAN offers a high degree of flexibility and the highest levels of protection against fraudsters.

Only when the order is released is the mTAN generated by online banking and sent to the customer via a text message. The mTAN is valid only for the requested transfer and only for a short period. It thus has no value for a fraudster.

### Further security functions

What is new is a transfer limit which can be lowered individually. Previously there was a top amount of EUR 3000 per transfer. Now each customer can set his or her own limit and change it at any time. New TAN lists which the customer receives by post only apply after activation. In online banking, a TAN for the old list is used to activate the new list. This activation requirement excludes the risk of delivery by post. Also new is the fact that the security status in online banking can be displayed at any time. At one glance, the customer can see when he or she last accessed the account, how many TANs are still available and which services were activated.

### How iTAN functions

Previously online banking orders were made on the

basis of any TAN from a list of 100 TANs. Now online banking demands a specific TAN from the list, for example, TAN with the number 70. Only this indexed TAN is valid for this transaction. No other TAN works. This foils the phisher attempts to trick customers with forged e-mails into divulging their TANs. A person attempting to initiate a fraudulent transfer with a stolen TAN is now thwarted by the secure iTAN method.

Successively all online customers are to be automatically sent new TAN lists. With each TAN list a brochure is enclosed explaining the new method in detail. Until the new TAN lists have been sent, the old TAN lists can be used in the normal manner. Those who do not want to wait can request the new TAN lists. To do this, in Online Banking select “Settings”, “Order new TAN list”. There is no fee for this conversion. This changeover does not impact the customer’s online PINs.

For further information, access [www.postbank.de/itan](http://www.postbank.de/itan) and [www.postbank.de/mtan](http://www.postbank.de/mtan). If you have any questions on online banking, call the hotline in Germany under the toll-free number 0800 – 100 89 06. “

---

**Postbank wants to put a stop to Internet fraud. In recent months, wave after wave of criminals have tried to obtain transaction numbers (TAN) from those doing online banking**

---

## Postbank with good first six months

**July 27, 2005 - [Press Release]**

“In the first six months of 2005, Deutsche Postbank AG continued its successful course. At EUR 338 million,

profit before tax was 17% up on the first half of the previous year. The result was also positive in a quarterly comparison. Against the strong first quarter, Postbank improved profit before tax by 4.8%, on a year-on-year basis by as much as 18.5%.

After six months, the cost-income ratio was 68.6% against 70.8% in the comparable period of the previous year. In its traditional banking business (without Transaction Banking), the figure declined from 69.9% in the first half (cont. to p. 16)



## Postbank with good first six months

*(cont. from p. 15) - year of 2004 to as low as 65.9%. Return on equity before taxes increased to 14.0% after 12.6% in the comparative period of the previous year.*

*The growth driver was again higher income, up 10.6% to EUR 1.39 billion. Administrative expenses increased comparatively moderately by 7.3%, due to the start of the new Transaction Banking business division. The 25.6% higher allowance for losses on loans and advances was in line with expectations and moved parallel to expansion of the loan business.*

*Balance-sheet related income, i.e. the total of net interest income, net income from investment securities and net trading income, moved up by 4.7% to EUR 1.04 billion. Despite the historically low interest environment, net interest income developed very positively. Particularly as a result of the successful customer business, it moved up by 14.0% year-on-year to EUR 848 million. At EUR 99 million, net income from investment activities was 20.2% lower year-on-year. For net trading income there was a comparable decline, by 25.2% to EUR 95 million.*

*The significant increase of net fee and commission income by 33% to EUR 351 million reflects the new Transaction Banking business division, which was only partly included in the previous year period. But ongoing cross-selling success in the core business also impacted here. The share of net fee and commission income to total income was raised from 21.0% in the first six months of 2004 to a satisfying 25.2%.*

*In the reporting period, the*

*allowance for losses on loans and advances developed in line with expectations. At EUR 103 million (+25.6%), it moved up somewhat less strongly than the customer loan volume, which increased by 28.7%.*

*Postbank was very satisfied with the moderate increase in administrative expenses by 7.3% to EUR 956 million due to Transaction Banking. As a result of the scheduled alignment in Transaction Banking, the number of employees in the Postbank Group declined to 9,554 after 10,006 on December 31, 2004.*

*At EUR 4 million (EUR 3 million in HY1 2004), net Other operating income / expenses was at the usual low level.*

*In the first six months of 2005, Postbank increased profit before tax considerably against the equivalent period of the previous year, by 17.0% to EUR 338 million.*

*To June 30, total assets at Postbank were EUR 136.8 billion, approximately EUR 8.6 billion higher than at the end of 2004.*

### **Customer growth stabilizes as a high level**

*Customer growth of the Postbank in its core business again achieved a satisfyingly high level. For Postbank, 2004 was an exceptional year due to the initial public offering and the higher marketing expenditure and the corresponding media presence. In this year it gained 890,000 new customers. In the first six months of 2005, the Bank gained 362,000 new customers after 454,000 in the first six months of 2004. In the second quarter of this year alone, there was an increase of 172,000 new customers.*

*In the first six months of*

*2005, Postbank opened 239,000 new checking accounts after 280,000 in the first half-year of 2004. Savings volume improved slightly against the end of 2004, by 1.2% to EUR 41.3 billion. The key growth driver was Postbank "Gewinnsparen", with which the Bank achieved a deposit volume of EUR 1.3 billion to June 30, 2005, after EUR 850 million at the end of 2004.*

### **Deposit overhang further reduced**

*In its private mortgage lending, Postbank posted strong gains. Against the end of the year, volume increased by EUR 4.5 billion or 20.2% to EUR 26.8 billion. There were no additions to the portfolio in the second quarter. Consumer loan volume also increased, from EUR 1.2 billion at the end of 2004 to just under EUR 1.4 billion as of June 30, 2005.*

*As of June 30, 2005 overall customer deposits reached a volume of EUR 72 billion and customer loans EUR 40.8 billion, so that Postbank reduced its deposits overhang from EUR 37.4 billion to the end of 2004 to EUR 31.2 billion on June 30, 2005.*

*Even in a relatively unfavorable interest environment, Postbank retains its 2006 objective of achieving a return on equity of 15%, related to shareholders' equity of approximately EUR 5.1 billion and reducing the cost-income ratio in the traditional banking business to under 65%."*




---

***In the first six months of 2005, Deutsche Postbank AG continued its successful course. At EUR 338 million, profit before tax was 17% up on the first half of the previous year***

---



---

***Customer growth of the Postbank in its core business again achieved a satisfyingly high level. For Postbank, 2004 was an exceptional year due to the initial public offering and the higher marketing expenditure and the corresponding media presence. In this year it gained 890,000 new customers***

---

## Danske Bank reports a net profit of DKr6,054m for the first half of 2005

August 11, 2005 - [[Press Release](#)]

“Danske Bank has today announced its financial results for the first six months of 2005. The report can be viewed at [www.danskebank.com/reports](http://www.danskebank.com/reports). Highlights are shown below:

- The Danske Bank Group recorded a net profit of DKr6,054m, against a net profit of DKr4,060m for the first half of 2004. This is better than expected at the release of the report for the first quarter of 2005.
- Earnings per share increased by 55% to DKr9.6.
- Income rose by 21% to DKr16,863m, up from DKr13,960m in the first half of 2004.
- The cost/income ratio improved from 54.0% to 51.3%.
- The Group recorded a

net positive entry for credit loss expenses of DKr225m in the first half of 2005, against a charge of DKr621m in the first half of 2004.

- Bank loans and advances, including lending extended by the banks in Northern Ireland and the Republic of Ireland, grew by 31%.
- The integration of Northern Bank and National Irish Bank is going according to plan. The Group still expects to complete the IT conversion at Easter 2006.

The Group upgraded its full-year profit before tax, which is now expected to be about 10% higher than in 2004.

Commenting on the results, chief executive Peter Straarup said, “We have achieved a satisfactory result which is even better than we had expected at the release of the report for the first quarter of 2005. This is due primarily to increases in lending and trading volumes, which were

higher than expected. All our business areas contributed to the increase in profit. On the basis of the result achieved in the first half of 2005, we have upgraded our expectations for the full year.”

### Contacts:

Thursday, August 11, from 2.00pm CET  
Peter Straarup, Chairman of the Executive Board,  
tel.: +45 33 44 01 07

Tonny Thierry Andersen, Chief Financial Officer,  
tel.: +45 33 44 11 47

Martin Gottlob, Head of Investor Relations,  
tel. +45 33 44 27 92

The Interim Report for the first half of 2005 will be presented at a press conference at 2.00pm CET. It is possible to follow the presentation, subtitled in English, at [www.danskebank.com](http://www.danskebank.com), where the presentation material will be published.

---

**“We have achieved a satisfactory result which is even better than we had expected “**

---

## Oporto’s public transport passes through payshop!

July 05, 2005 - [[Press Release](#)]

“As it was done in February in Lisbon, this time it’s **Oporto’s public transports passes Andante and Andante Gold to allow its purchase through payshop.**

**ACE (TIP – Oporto Intermodal Transports)** will soon make the purchase of their passes available through the payshop service, making it **the largest commercialisation network**

**for this product.**

It will be possible to purchase the Andante passes in **more than 80 Post Offices and 300 payshop** agents, through OPorto and its suburbs. As in Lisbon, in OPorto the new service will **reduce waiting queues**, since it provides a large retail network, with **wide opening hours, several of them open throughout the weekend.**

With this association, **ACE (TIP)** will increase its electronic sales network, improving its clients accessibility to the public transports, with all

the advantages raised with the new technologies.

To **payshop**, this association means one more purpose achieved, consolidating its **leadership in retail networks with contactless technology in Portugal** and standing out even more the **payshop** agents in the North of the country. “



## New guaranteed fund in Slovakia - ESPA European Guaranteed Fund 1



August 04, 2005 - [[Press Release](#)]

“Asset Management Slovenskej sporiteľne together with Erste-Sparinvest - an Austrian asset management company offers to local investors the possibility of subscribing shares in Slovak crowns in the first guaranteed ESPA fund in Slovakia - the ESPA European Guaranteed Fund 1.

Clients can make deposits in the ESPA European Guaranteed Fund 1 **from 22 August to 30 September 2005** whereby, as of the maturity date - 30 September 2010 - return of the initial investment increased by the yield defined in advance in the amount of 7% is guaranteed. In the period of five years, the fund seeks to achieve, besides the minimum (secured) return, up to 40% bonus return from the development of the European capital markets. Benefit of the fund is **zero front fees**, whereby investors are **exempted also from redemption fees** on the fund's maturity date.

**Guaranteed return en-**

**ables allocation of part of funds under management in instruments with the so-called fixed yield (bonds, term deposits, etc.). Asset Management Company selects such volume of investment that guarantees appreciation of clients' deposits on the fund's maturity date at least on the level of 107% (original investment amount plus secured return).**

**Bonus return depends on the DJ EuroStoxx 50 index development. In the period of five years of the fund's existence, asset management company will monthly monitor the index values of which the average shall consequently be calculated. If its value on the fund's maturity date shall not exceed the defined 7%, investor has a 107% return of the deposited amount guaranteed. In case the average index value appreciates by more than 7%, the clients have besides the original investment right also the bonus return in the amount of maximum 40%.**

ESPA European Guaranteed Fund 1 **targets mainly conservative investors who**

**can deposit funds for longer period and want to participate in higher return resulting from the positive development of capital markets.**

Asset Management Slovenskej sporiteľne received **permission** for distribution of ESPA mutual funds **on the basis of the license granted by the Austrian Financial Market Authority**. The Fund is managed in line with the Statute and the Sales Prospect that are available on the website [www.amslsp.sk](http://www.amslsp.sk) and in the points of sale of Slovenská sporiteľňa.

Asset Management Slovenskej sporiteľne is a 100% daughter company of Slovenská sporiteľňa. At present, the company manages investment of more than 150 000 unit certificates owners in total amount SKK 30 billion. Asset Management Slovenskej sporiteľne offers to its clients the possibility of investing in four SPORO funds, four SPORO Investment Profiles as well as in ESPA mutual funds managed by the Austrian partner company Erste-Sparinvest.”

---

**The Fund is managed in line with the Statute and the Sales Prospect that are available on the website [www.amslsp.sk](http://www.amslsp.sk) and in the points of sale of Slovenská sporiteľňa**

---

### Non European experience and PFS development practice

#### Selected news from Africa, ME and Asia

##### Africa

### KCB to Offer Money Transfer Services

August 18, 2005 - [[The Nation - Kenya](#)]

By Kaburu Mugambi

“Kenya Commercial Bank

has entered a partnership with a global money transfer company.

Launched on Tuesday evening at the Serena hotel in Nairobi, the partnership between the bank and Western

Union will allow the bank to offer the money transfer service in all its branches.

“This is an incremental business for the bank as we currently have a low share of the transfer **(cont. to p. 19)**

## KCB to Offer Money Transfer Services

**(cont. from p. 18)** business," said the bank's chief executive, Mr Terry Davidson.

Western Union is present in 220 countries, while the bank has 115 branches in the country. Western Union regional director, Adrien Monsengo, said the business exceeds the total amount of aid given to Africa.

"Money transfers to Africa have led to sustained local production, as well as im-

provement in school attendance," he said.

Currently, besides the bank, Western Union agents are Diamond Trust Bank and Postbank.

The Finance Permanent Secretary, Mr Joseph Kinyua, said the partnership will enable more Kenyans abroad to send money to their relatives back home.

Western Union controls over 70 per cent of money trans-

fers into and out of Kenya.

However, Mr Kinyua asked the two institutions to reduce the cost of transferring funds from abroad to encourage "an even large volume of transfers to Kenya."

Distributed by AllAfrica Global Media. ([allafrica.com](http://allafrica.com))

## Kenya gives commitment to host 2008 UPU Congress

August , 2005 - [[UPU Press Release](#)]

**"The Government of Kenya has given her full commitment to the hosting of the 24th Universal Postal Union (UPU) Congress in Nairobi in 2008.**

Addressing a press conference at the end of the two-day official visit to Kenya by the Director General of the UPU, Edouard Dayan, the Minister of Information and Communications, Raphael Tuju said Kenya and the International Bureau had agreed on a roadmap to the Nairobi Congress that will include upgrading of conference facilities and enhancement of security measures to ensure a successful event.

The minister said Kenya felt greatly honoured by the international community and assured Dayan that the Government would establish a level of infrastructure for the Congress that matched international expectations.

The Director General said Kenya had the capacity to host the Congress to the satisfac-



tion of all stakeholders. He said the Nairobi Congress would provide a forum for the international postal community to map out the future of postal services.

The postal sector, he said, was changing rapidly making it necessary for the Nairobi Congress to come up with new strategies to respond to the challenge.

Dayan said world governments and the private sector were putting more resources into postal development and creating more opportunities for Africa to bridge the digi-

tal and economic divide. He said he would emphasize Africa's key role in postal development, particularly on improvement of quality of service and use of new technologies to deliver postal services.

In this regard, he said the International Bureau and the government of Tunisia was working closely to ensure effective participation of postal industry players in the forthcoming World Summit on the Information Society (WSIS) Exhibition and Forum in Tunis in November this year. **(cont. to p. 20)**




---

**The Government of Kenya has given her full commitment to the hosting of the 24th Universal Postal Union (UPU) Congress in Nairobi in 2008**

---

## Kenya gives commitment to host 2008 UPU Congress

**(cont. from p. 19)** Speaking on the same occasion, the Postmaster General, Dan K. Ameyo who is the Deputy Chairman of the UPU's Postal Operations Council, said Kenya would work closely with the International Bureau to successfully host the Congress in Nairobi. He said preparatory arrangements

were already underway through the various structures that had been inaugurated by the minister.

Earlier, Dayan paid courtesy calls on the minister, the Permanent Secretary, James Rege, the Postmaster General, Dan Ameyo and the Acting Director General of

the Communications Commission of Kenya, Wilson Chepkwony. He also visited the Kenyatta International Conference Centre and several five-star hotels nearby to assess their capacity to host delegates during Congress.



## Arab countries meet on the postal sector's role in narrowing the digital divide

August 02, 2005 - [[Press Release](#)]

**"The development of new technologies should be perceived as a great opportunity to adapt our services and position the postal sector as essential infrastructure for the development of an Information Society that can keep all its promises to business, consumers and the public at large.**

"This was the message Edouard Dayan, Director General of the Universal Postal Union, delivered at the opening of a three-day international conference in Hammamet (Tunisia) on the role of the postal sector in narrowing the digital divide.

The meeting, held under the auspices of the Universal Postal Union, the United Nations specialized agency responsible for postal services, in conjunction with the French and Tunisian Posts, brings together senior managers of close to 20 Arab countries.

It is intended as a springboard for postal sector par-

ticipation in the World Summit on the Information Society, from 16 to 18 November 2005 in Tunis.

"This conference comes at a critical time, because it reflects both the need to regionalize UPU activities and the challenge of determining the postal sector's role in the Information Society," added Dayan.

With more than 660,000 postal outlets that unite the physical, digital and financial dimensions of a worldwide communication network, the UPU and its 190 member countries have committed to making the postal sector a key partner in implementing the objectives of the Action Plan adopted in Geneva 2003, during the first phase of the WSIS.

**The UPU is also a founding member of the "Connect the World" initiative, launched on 16 June by the International Telecommunication Union, with its IFS (International Financial System) project.** By facilitating electronic fund transfers worldwide, this project contributes to economic development and poverty reduction for millions of peo-

ple, especially for migrant workers who need reliable, affordable services.

The conference opening ceremony was also attended by Montasser Ouaili, Tunisia's Minister of Communication Technologies, El Hadj Gley, CEO of the Tunisian Post, Marc Lepage, the Deputy Regional Coordinator of the United Nations Development Programme, and Jean-Paul Forceville, Director of European and International Affairs of France's La Poste.

During the conference, the UPU will explain how information and communication technologies in the postal sector slot seamlessly into the Bucharest World Postal Strategy, the definitive roadmap for postal sector development over the next four years.

There will also be presentations on projects demonstrating the use of ICTs in postal sector development in Arab and other countries, and workshops will encourage participants to define the postal sector's potential role in narrowing the digital divide and spreading the digital culture.

---

**The UPU is also a founding member of the "Connect the World" initiative, launched on 16 June by the International Telecommunication Union, with its IFS (International Financial System) project**

---

## Postal Unions Face Many Challenges

August 02, 2005 -  
[[NewsNet](#)]

**"Representatives from the Universal Postal Union (UPU), Pan African Union (PAU), Postal Operators Associations and representatives from different African countries have expressed their views on the challenges that the postal sector is facing within the developing countries.**

The permanent secretary in the Ministry of Transport, engineer Kudenga says the postal service unions in developing countries are witnessing dramatic changes in recent years, which includes, deregulation and globalization of markets, commercialization and new technologies

such as internet and electronic commerce among other changes. He also noted that in response to these changes Zimbabwe has embarked on an extensive five year postal reform program in an effort to position our postal service more competitively in a rapidly changing environment.

Engineer Kudenga also noted that inline with the requirements of the new Post and Telecommunications Act of year 200 former Post and Telecommunications Corporation was divided into three commercial entities, Telone for the fixed network, NetOne for cellular business and Zimpost for postal services. Zimpost managing director Mrs Gladys Mutyavaviri also echoed the same sentiments

saying the postal sector is facing challenges, emanating from environmental changes both locally, regionally and internationally.

Hence she called other postal sectors to develop new financial systems and approaches in an effort to embrace the changes. Mrs. Gladys Mutyavaviri also took the opportunity to **thank the Universal Postal Union for developing cost accounting models for developing countries which she says will go a long way to ensure implementation of robust pricing and cost systems within African countries."**

---

**the postal service unions in developing countries are witnessing dramatic changes in recent years**

---

## Asia

### LDP Wins Japan Elections & Mandate for Postal Sale

September 9, 2005 -  
[[Bloomberg](#)]

**"Japan's Liberal Democratic Party won national elections, giving Prime Minister Junichiro Koizumi an extension to his four and a half year term**

**in office and the mandate to sell the state-owned post office, the world's biggest financial institution.**

Koizumi's party and coalition partner New Komeito won a majority 282 seats in the latest official count, while the

opposition had 81.

The LDP alone has a majority of 256 seats in the lower house. An exit poll earlier by national broadcaster NHK predicted Koizumi's coalition may win many as 361 seats in the 480-seat lower house."

---

**Koizumi's party and coalition partner New Komeito won a majority 282 seats in the latest official count, while the opposition had 81**

---

### Poll: 70% of Firms Back Japan Postal Reforms

September 8, 2005 -  
[[Hiroko Nakata, Japan Today](#)]

**"More than 70 percent of firms believe privatizing Japan Post is a necessary part of state restructuring plans, according to a survey released Wednesday**

**by credit research agency Teikoku Data-bank.**

The survey comes ahead of Sunday's election, which Prime Minister Junichiro Koizumi has said is to give him the political backing to pursue his postal privatization plans.

the respondents believe postal privatization is necessary, with some saying it would lead to other budgetary and political reforms.

At the other end, 7.8 percent said privatization was unnecessary."

---

**More than 70 percent of firms believe privatizing Japan Post is a necessary part of state restructuring plans**

---

The poll found 73.6 percent of

## Japan Gov't May Delay Postal Privatization Start

September 7, 2005 - [\[Japan Today\]](#)

**"The Japanese government may delay the commencement of the planned privatization of the postal system for up**

**to one year until April 2008 depending on the development of information systems, sources close to the matter said Tuesday.**

Since the six postal system bills to launch the privatiza-

tion in April 2007 failed to pass the Diet in early August, the government has been reviewing them for resubmission to the Diet after the House of Representatives election on Sunday."

---

**The Japanese government may delay the commencement of the planned privatization of the postal system**

---

## LDP Pledge to Pass Japan Post Bill in Next Session

August 19, 2005 - [\[Japan Today\]](#)

**"The ruling Liberal Democratic Party pledged Friday in its policy platform for the upcoming general election to resubmit Prime Minister Junichiro Koizumi's defeated postal**

privatization bills for passage in the next Diet session.

It also promised to boost Japan's ties with the Untied States, lead Japan to take the lead in Asian diplomacy and announce a proposal on revising the Constitution by the 50th anniversary of the

party's founding Nov 15. The pledges cover five areas — fiscal and administrative reforms, the economy, public security, measures for future generations, and the country's role in the world."

---

**Defeated postal privatization bills for passage in the next Diet session**

---

## Japan Post to Sell Trusts, Challenging Banks

August 10, 2005 - [\[Bloomberg\]](#)

**"Japan Post, the world's largest savings bank, will proceed with a plan to offer investment trusts, challenging Mizuho Financial Group Inc. and other lenders for their fastest-growing source of revenue. The state-owned company, which has 209.5**

trillion yen (\$1.9 trillion) of deposits, will start selling the trusts at 575 branches on Oct. 3 and assign 4,700 employees to the task, Japan Post Financial Business Headquarters Senior Manager Kazuharu Matsuoka said in an interview today.

Banks will face increased competition from Japan Post

after the nation's parliament voted on Aug. 8 to keep the company in public hands.

The postal service has almost 25,000 branches in the world's second-largest economy, compared with 492 for Mizuho, and its deposits are guaranteed by the government."

---

**The postal service has almost 25,000 branches in the world's second-largest economy**

---

## Postal Vote Rejection Big Loss for Japan

August 09, 2005 - [\[Japan Today\]](#)

**"Postal privatization minister Heizo Takenaka said Monday that Japan faces a huge loss due to the upper house's rejection ear-**

lier in the day of bills aimed at privatizing state-run postal services.

"For the future of Japan and the nation's economy, it's a considerably huge loss," he told reporters.

Naosumi Atoda, a professor of public economics at Keio University, voiced a similar view, saying that structural reforms in Japan may be delayed 10 to 20 years because of the bills' rejection."

---

**Structural reforms in Japan may be delayed 10 to 20 years because of the bills' rejection**

---

## Japan House Rejects Postal Reform Bills

August 08, 2005 - [\[Joseph Coleman, Associated Press\]](#)

**"Japan's upper house of Parliament voted down legislation to divide and sell the country's postal service Monday, prompting Prime Minister Jun-**

**chiro Koizumi to follow through on calling snap elections that could shake the ruling party's grip on power. (cont. to p.23)**

## **Japan House Rejects Postal Reform Bills**

**(cont. from p. 22)** Defections from Koizumi's own Liberal Democratic Party helped down the reform package by a 125-108 vote, dealing a setback to the prime minister's longtime quest to privatize the postal savings and insurance businesses and open their massive \$2.9 trillion in holdings

to private investors.

Koizumi called an emergency Cabinet meeting, and ministers with one dissenting vote decided to dissolve the lower house of Parliament, Foreign Minister Nobutaka Machimura said.

The order was later read by

lower house speaker Yohei Kono at a specially called session, after which the disbanded lawmakers filed out of the chamber."

---

**Koizumi called an emergency Cabinet meeting, and ministers with one dissenting vote decided to dissolve the lower house of Parliament**

---

## **Japan Post Privatization Vote Postponed to Aug 8**

August 05, 2005 - [\[AFX\]](#)

**"Leaders of Japan's ruling coalition parties agreed to postpone until Monday the vote in the Diet's upper house on privatizing the nation's postal system, the Yomiuri Shimbun reported.**

**Prime Minister Junichiro Koizumi has repeatedly**

**threatened to dissolve parliament and call a general election if the upper house votes against the legislation, or fails to vote on the bills before its current session ends on August 13.**

The legislation was passed by the lower house last month by a narrow margin. The

upper house was initially expected to vote on the bills today, but leaders of the ruling coalition parties decided to postpone the vote until Monday to gain more time to lobby wavering party members."

---

**The legislation was passed by the lower house last month by a narrow margin**

---

## **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; "

### **ICPFSB**

#### **Secretariat**

Members:

- **Hermina Apostol**
- **Elena Popovici**

#### **SC Bancpost SA**

#### **Communication Division**

Phone: +40 21 308 0901

Fax: +40 21 326 8520

E-mails:

[hermina.apostol@bancpost.ro](mailto:hermina.apostol@bancpost.ro)

[elena.popovici@bancpost.ro](mailto:elena.popovici@bancpost.ro)



#### **The coming Agenda:**

##### **3-4-5 October, 2005 - Paris**

*The 9<sup>th</sup> International Postal Technology  
Exhibition and Congress  
Post - Expo 2005*

##### **5 - 6 October, 2005 - Riga**

*International Commission for Postal Financial  
Service Business  
General Assembly*

##### **19 October, 2005 - Bern**

*UPU' Postal Operations Council (POC)  
Postal Financial Services Group (PFSG)  
meeting*

**Postal address: - SC Bancpost SA**

**Sediul Libertății**

**Bd. Libertății nr. 18-20,**

**Bl. 103-104, Sector 5,**

**050706 București,**

**România**

**SC Bancpost SA - Sediul Central**

**Sediul Vitan**

**Calea Vitan 6-6A, Sector 3,**

**031296 București,**

**România**

**Please visit us at:  
[www.icpfsb.org](http://www.icpfsb.org)**