



INTERNATIONAL COMMISSION FOR POSTAL FINANCIAL SERVICES &
BUSINESS
/ICPFSB/

Post € Fin - Newsletter



Special points of interest:

- Agreement concluded between the UPU and Eurogiro to facilitate electronic money transfers
- Electronic transfers are quickly replacing the traditional paper money order
- Money transfers, the second largest source of investment in developing countries

CTT Correios and Ukrposhta now exchange electronic money orders

2 February, 2006 - [[UPU Press release](#)]

“The Portuguese Post, CTT Correios, a member of the Eurogiro network for electronic fund transfers, and the Ukrainian Post, Ukrposhta, which is connected to the Universal Postal Union's financial network, are now exchanging electronic money orders.

The two European Posts are the first to benefit from the agreement concluded between the UPU and Eurogiro to facilitate electronic money transfers for millions of citizens by developing an interface to connect their respective networks.

Thirty-three Posts worldwide are connected to the UPU's international financial network, using the International Financial System (IFS) application developed by the United Nations specialized agency for international postal services.

Posts using IFS can exchange electronic money orders among themselves according to bilaterally agreed service standards.

Electronic transfers are quickly replacing the traditional paper money order,



which has been around since 1878.

IFS enables Posts to make the transition toward an electronic system providing secure and rapid money transfers.

Connecting the UPU network to Eurogiro's now enables IFS users to have potential access to a greater pool of countries for the exchange of electronic money orders. The same goes for Eurogiro members.

Eurogiro has 53 connections in 42 countries.

The connection of the two networks responds to the urgent need for affordable electronic money transfer services, especially for

migrant workers who, according to the United Nations, make up 3% of the world's population.

In 2004, money transfers by migrant workers reached 110 billion USD, an increase of 52% from 2001.

In a recent report, the World Bank indicated that money transfers, the second largest source of investment in developing countries after direct foreign investment, can effectively reduce poverty as they enable migrant workers to help their families left behind gain access to important social benefits.”

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Post Offices Gain Ground as a Financial Services Distribution Channel in Asia

Mass market banking main target of post offices

7 March 2006 – [[Press release, rfasiapacific.org](#)]

“Post offices are fast becoming a popular financial services distribution channel in the region.

Approximately 42 percent of the revenue of post offices across Asia-Pacific is contributed by financial services, as opposed to 12 percent in industrial countries and 14 percent globally, according to the Universal Postal Union.

“Post offices in Asia today offer a wide variety of financial services, either through postal payments or via a postal savings bank. Several Asian postal operators, led by India Post, Japan Post, Korea Post and Taiwan’s Chunghwa Post have long been major providers of postal savings and postal life insurance products”, comments Titten Ahmad, Head of Content, Asia-Pacific, VRL Publishing.

The key advantages Asian post offices have over banks are their extensive network of outlets and that they are more highly regarded by consumers. Post offices are an ideal marketing channel to target the mass low-income consumers, typically neglected by banks.

“The post office offers an opportunity to tap into the unbanked or lower income segment – of which there are many in Asia. More and more post offices are offering low-value, high-volume banking services such as personal loans, savings, insurance and remittances to these

segments. This trend is evident from a study by ING and the World Bank, which found that 289,000 post office outlets across Asia provided the infrastructure for 335 million accounts and US\$83 billion in savings deposits”, declares Ms Ahmad.

For instance, GE Money in Singapore promoted loans through Singapore Post to those earning a minimum of US\$715 a month – the average starting pay for an office clerk – and met with great success. On the day of the product launch, queues snaked outside the post office as early as 6am.

Post offices also offer lower income consumers more alternatives to remittances and money transfer programmes. One such new offering is card-to-card payment initiatives, launched by Visa International.

Banks reluctant to work with post offices

However, banks are taking a cautionary stance towards the entry of the post office into retail banking. They are reluctant to include the post office in their plans for channel expansion, for fear of creating a worthy opponent.

Retail banks are also doubtful of the post office’s ability to link the wide variety of products on offer into one coherent message, as the one-stop-shop concept rarely succeeds, particularly in financial services delivery. This is why some banks have avoided tying up with post offices.

The slow adoption of technology by post offices is another factor limiting the growth

opportunities for Asian post offices. Compared to retail banks, post offices lag far behind in using technology as part of their financial services delivery.

One postal system bucking the trend though is Singapore Post. The leader in technology adoption among the region’s post offices, it currently offers 24-hour self-service machines that accept bill payments, prepaid phone top-up cards, licence renewals and stamps.

Evidently there is much potential for Asian post office banks to develop in the retail banking industry. But whether retail banks and post office banks can work together or become direct competitors, remains to be seen.

The evolving role of the post office in the retail banking industry is a key discussion topic at the Retail Finance Asia-Pacific 2006 Conference & Expo, a premier banking event organised by VRL Publishing. The discussion on post office banks will be moderated by Ms Ahmad and Ms Diane Sim, Group Editor, Retail Finance Services.

For more information about Retail Finance Asia Pacific 2006, please visit the website www.rfasiapacific.org.”

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Bancpost - ambitious projects for 2006

23 February, 2006 -
[[Bancpost](#)]

"The year 2005 represented for Bancpost a ground-preparing phase aimed at turning the bank, in a relatively near future, into one of the top players on the Romanian banking market. For that purpose, Bancpost underwent an extensive restructuring process that included the implementation of a state-of-the-art IT system, a new business model based on centralised, specialised and automated processes, the training of the staff towards a pro-active attitude and sales abilities improvement.

Despite the fact that the main focus of the bank management was on the restructuring process, Bancpost continued to grow at a fast pace. Although it was among the banks most affected by the measures introduced by the National Bank of Romania with the aim of slowing down the expansion of lending activities, especially those in foreign currency, Bancpost obtained in 2005 a growth of total assets by 46% in EUR, namely from 1091 mil. EUR-equiv. at the beginning of 2005 to 1589 mil. EUR-equiv. at the end of the reporting period. Bancpost ranked 6th in the Romanian banking system from the point of view of total assets, gaining one position as compared to the previous year.

During 2005, Bancpost increased its activity volumes both in lending and in attracting resources, as follows: total loans +36% (out of which: total corporate loans +26%,



total retail loans +41%), total deposits +46%. This growth was obtained while rigorously respecting the prudentiality principles, thus preserving the financial soundness of the bank. Therefore, at the end of 2005, non-performing loans and losses ratio in total loan portfolio amounted only 4.1%. Also, the capital adequacy ratio at the end of 2005 was of almost 25%, well above the banking system average.

The ambitious objectives included in the business plan were sustained by consequent financial efforts. The volume of investments amounted to about 22 million EUR-equiv. The expenses related to the voluntary exit plan stood for approx. 12 million EUR-equiv. Moreover, the bank's profitability was strongly affected by the increase in the minimum mandatory reserve in foreign currency. But even under such circumstances, the bank did not register - under the international financial reporting standards (IFRS) - but a marginal loss of 2.2 million EUR-equiv.

The bank's restructuring efforts were energetically supported by its shareholders, who participated in the increase of its share capital by

about 80 million EUR-equiv. Consequently, at the end of 2005 the bank's own funds totalled about 209.5 million EUR-equiv.

All these substantial efforts are to take effect starting this year, when the bank's growth targets are highly ambitious: to triple the productivity by employee, to grow assets by another 42%, to increase the loan/total asset ratio from 44% in 2005 to 68% in 2006, to enlarge the number of ATMs, to increase the number of branches, to optimize the operations with the clientele, to launch novel products and services in all business lines. Furthermore, even if the bank's restructuring was by and large completed, efforts shall continue with the aim of improving the quality of rendered services and of the bank's image, by continuing the branch modernisation activity.

In 2006, Bancpost shall also make best use of the synergy owed to the presence in Romania of other companies belonging to its major shareholder, Eurobank EFG. We would like to remind on this occasion that Euroline Retail Services, EFG Eurobank Mutual Funds Management Romania SAI, EFG Eurobank Finance, Capital Securities, EFG Eurobank Leasing, EFG Property Services were set up



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Bancpost - ambitious projects for 2006 (cont.)

or acquired in 2004 and 2005, while EFG Eurolife is envisaged to become operational in 2006. All these companies plan to become leaders in their fields and Bancpost's cooperation with them will allow the bank to offer its customers integrated products that will better meet their needs. Likewise, Bancpost begins to assert itself as an IT regional centre

within the group.

Hence, Bancpost Data Center was set up in January 2006, this being the unit running all the operations carried out by Polbank - Eurobank EFG subsidiary in Poland; in future this unit will run all the operations performed by the other south-eastern European subsidiaries of Eurobank EFG.

In 2006, Bancpost is determined to accomplish its assumed objectives and to reassert itself as a sound, trustful financial institution that offers genuine high-quality products and services for its customers, at European standards."



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Greece: Postal Savings Bank's 25-30% Stake to be listed before the summer

07 February 2006 - [reporter.gr]

"Postal Savings Bank's Chairman said that the listing of a 25%-30% stake in PSB will take place before the summer stating that the bank will be valued after the release of its

2005 results, adding that the transition to IFRS won't have a large impact on the results. He added that profits in 2005 will be at least equal to that of the previous year. Note that PSB posted EBT of €181m in 2004 under Greek GAAP.

PSB's chairman finally said that the Greek government is considering a 10% equity swap deal between PSB and the Greek Post (PSB and Greek Post to buy a 10% stake in each other), which could add 800 branches to PSB's network."



Postbank Opens Three New Branches in Sofia

2 February, 2006 - [Postbank]

"A unique event – simultaneous opening of three new branches in Sofia, marked the jubilee number of 140 Postbank locations all over the country. The offices in Vitosha 1, Madrid and Maria Louisa Boulevards were inaugurated with an official ceremony, which could be viewed live on special screens at the three locations. Mr. Anthony Hassiotis, Chief Executive Officer, Mr. Asen Yagodin, Executive Director and Mrs. Petya Dimitrova, Chief Financial Officer and Procurator of Postbank simultaneously cut the ribbons of the three branches.

Last year Postbank invested over BGN 40 million in its

branch network, information technologies and human resources, announced Mr. Hassiotis at the inauguration. This event strengthened the Bank's policy for offering to its clients more than conventional banking services.

"The aim of Postbank is to continue to offer high-quality professional service in a modern and cozy atmosphere. We strive always to offer such products and services to meet the lifetime financial needs of our customers", added Mr. Anthony Hassiotis. He reminded that last year the Bank had opened more than 40 new and renovated locations and promised it will preserve the tendency for dynamic organic expansion in year 2006.

Mr. Hassiotis said also Postbank outperformed the market growth in key areas such

as mortgage and consumer loans, credit cards.

Being one of the most dynamically developing financial institutions on the market in Bulgaria, Postbank has a widespread network of branch offices in 140 locations around the country.

Postbank has the highest possible credit rating in Bulgaria – BBB, by the global rating agency Fitch Ratings.

The high esteem for the introduced modern products and services, as well as for the Bank's socially active role, are its numerous awards, such as the award from the Ministry of the Economy for the Bank's trainee programs, two awards for the e-banking service and "Best product of the year" for its house loans from the prestigious "Banks, Investments, Money" exhibition."



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Norway Post notes record profits for 2005

20 February 2006 -
[\[Press release\]](#)

“The Norway Post Group’s preliminary results for 2005 show earnings before tax of NOK 1,424 million, up NOK 172 million from 2004. This record-breaking profit is the result of positive market development, acquisitions, and product and service developments, in addition to efficient operations

The Group’s earnings before tax were the best recorded since Norway Post became a limited company in 1996. Earnings before interest and tax (EBIT) were NOK 1,377 million in 2005, an improvement of NOK 140 million from 2004. Non-recurring items totalling NOK 518 million relating to final settlement with the Norwegian Public Service Pension Fund and restructuring costs were charged against EBIT. The net operating margin in 2005 was 6.9 per cent, on a par with the level achieved in 2004.

“Norway Post’s record-breaking result for 2005 shows that we have succeeded in our growth strategy, and that our successful restructuring efforts have yielded results,” says Dag Mejdell, Norway Post’s Chief Executive Officer.

“In the future Norway Post will focus on continued growth and the development of Nordic solutions.

These results will be challenged, however, by a decline in the volumes of A and B mail and banking transactions, at the same time as the potential for additional effi-

ciency gains is less now than it was before. Competition in the market is growing even though liberalisation of Norway Post’s remaining licence area has been postponed to bring it in line with the EU,” says Dag Mejdell.

GROWING REVENUES
 Norway Post’s revenues for 2005 increased by 11.3 per cent, or NOK 2,027 million, to NOK 19,986 million.

The largest growth has been in the Logistics segment, where the acquisition of Nor-Cargo in 2004 has had the greatest impact. Logistics now accounts for 20 per cent of Norway Post’s revenues. Acquisitions of entities such as HSD Transport AS, Euro-Dynamic AS, Frigoscandia AB and the Johs Lunde Group will contribute to further growth in 2006.

Turnover from the Express segment increased as a result of growth in e-commerce and mail order transactions.

Express now accounts for 18 per cent of Norway Post’s revenues. Parcel volumes increased by 3.2 per cent in 2005.

The total volume of letter mail in Norway increased by 2.7 per cent in 2005. While volumes of A and B mail declined by 5.5 per cent following a shift to electronic solutions, unaddressed direct mail advertising has risen by 11.6 per cent, and addressed direct mail advertising by 3.2 per cent compared with 2004.

In CityMail Sweden, letter volumes rose by 4.9 per cent in 2005. CityMail will establish separate operations in Denmark in 2006. The Post segment accounts for 52 per cent of Norway Post’s revenues.

Basic banking services offered through Norway Post’s sales network declined by 10.5 per cent in 2005. Revenues from the sale of savings and loan products show a reduction of 2.3 per cent compared with the previous year. The decline in banking services has resulted in a five per cent reduction in the number of customers in post offices in 2005. The reduction in banking transactions is primarily due to a transition to internet banking services and the use of payment terminals.

GOOD PROFITABILITY AND IMPROVED EFFICIENCY

Return on capital employed (ROCE) was 26 per cent compared with 23.2 per cent in 2004. Return on equity in 2005 was 22.4 per cent compared with 21.0 per cent in 2004.

Norway Post’s workforce totalled 20 541 man-years at the end of 2004, a reduction of 681 from the previous year. Sickness absence was 8.7 per cent in 2005, down from 9.1 per cent in 2004.”

For further information, please contact:
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 - Or Norway Post’s 24-hour media contact: +47 951 48 000



The Norway Post Group’s preliminary results for 2005 show earnings before tax of NOK 1,424 million, up NOK 172 million from 2004

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Government approves An Post negotiations with Fortis

14 February, 2006 -
[\[Press release\]](#)

“An Post welcomes Government approval of its proposal to enter exclusive joint venture discussions with major Belgian/Dutch-based International financial services company, Fortis, on the formation of a new Irish Financial Services company.

Assuming successful conclusion of negotiations regarding product specifics and retail strategy, An Post and Fortis expect to bring products to the market early next year.

“We are very pleased with the Government’s decision to sanction the next stage of An Post’s development strategy. This is a highly significant step forward for An Post, its staff, its contractors and its customers, both private and corporate,” commented An Post Chief Executive, Mr Donal Curtin.

“An Post has a unique role in providing a broad range of services to Irish people of all ages and backgrounds. We expect to continue this proud tradition through the provision a suite of financial products that will be relevant and accessible to all customers including the significant portion of Irish consumers who are currently unbanked.

“We now have the opportunity to generate a substantial and strategically important new revenue stream which is key to supporting our unrivalled network of urban and rural post offices. This will

secure and grow the future income of dedicated Postmistress and Postmaster contractors in post offices across Ireland,” he added.

Given the strength of the An Post brand, its pre-eminent retail network and established reputation in savings, the joint venture is well positioned to offer An Post’s substantial customer base a highly competitive, modern range of Financial Services offerings. As a new player in the financial services market, it will build on the experience of many international postal operators who have successfully entered this arena in recent years.

The development of a Financial Services model was one of the key elements of the strategic recovery plan for An Post announced by Chief Executive Donal Curtin in September 2003.

Detailed preparatory work was undertaken over the following 18 months which resulted in the appointment in early 2005 of independent consultants to assist with a rigorous evaluation process to identify a preferred banking partner.

The process comprised several stages and culminated in Autumn 2005 with the presentation of substantial proposals from four major Irish and European financial institutions. Fortis emerged as the preferred partner based on their financial proposition, proposed strategy and their particular expertise in postal banking.

Fortis is an international

financial-services provider engaged in banking and insurance.

With a market capitalisation of EUR 37 billion, Fortis ranks among the twenty largest financial institutions in Europe with a presence in 44 countries and a workforce of 56,000.

Fortis occupies a leading position in banking and insurance in the Benelux countries and provides expertise in niche markets such as shipping, commodities, export and project finance and fund administration.

Fortis also provides retail-banking services in France, Poland and Turkey and successfully combines its banking and insurance expertise in growth markets in Europe and Asia and leads the bancassurance markets in Spain and Portugal.”



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PostFinance: 144 new jobs and 129,000 new accounts

14 February 2006 - [[Press release](#)]

“Continuing growth at PostFinance has again helped to boost the labour market. In 2005, the financial services unit created 144 full-time jobs for skilled staff, bringing the total headcount to 2,390. The opening of 129,000 new accounts meant that the three million mark was exceeded. In addition, PostFinance more than doubled its volume of loans to CHF 3.5 bn.

In the past year, PostFinance created 144 skilled positions. These are mainly in the fields of distribution, IT and compliance. The organization’s average headcount rose to 2,390. As PostFinance has grown to become a comprehensive provider of financial services, the number of full-time jobs has increased by about 800 over the past eight years. The prospects for the current year are also bright: PostFinance plans to create another 135 jobs (full-

time equivalent).

More than three million Yellow Accounts

Despite market saturation, PostFinance achieved another sharp rise in the number of accounts, bringing the total to over three million. The number of accounts rose by 129,000 overall. These comprise 89,000 Deposito accounts and 40,000 Yellow Accounts. With its yellownet product, PostFinance has consolidated its position as market leader in e-finance. 83,000 customers opted for yellownet this year, bringing the number of users to 672,000. The good performance of the Swiss stock exchange prompted many customers to invest in funds or shares. PostFinance benefited from this trend as well, the volume of fund and trading business rising by CHF 543 m.

Loans volume more than doubled

In November 2004 PostFinance completed its range of loans by extending this facility to business customers. The figures clearly show that the

market appreciates the standardized, straightforward products offered by PostFinance. In 2005, loans to private and business customers rose by CHF 1.9 bn to CHF 3.5 bn, thus more than doubling year on year. In the fiercely contested mortgage market, PostFinance increased the volume of loans to CHF 1.4 bn. This sum is spread over 4,500 private mortgages. Loans to business customers rose by CHF 899 m to CHF 2.1 bn between 2004 and 2005. “

Nr. 060214
Bern, 14 February 2006

Information for PostFinance

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Deal of the week: Post Office® slashes travel insurance prices

14 February 2006 - [[Press release](#)]

“Savings of up to 30% on annual travel policies The Post Office® has permanently cut the prices of its annual travel insurance by up to 30 per cent, creating savings of up to J50.00 for holidaymakers.

SAMPLE SAVINGS:

- A family of four taking out a Worldwide policy (excluding US) would now pay J110 - a saving of J50 or 30 per cent

A couple taking out a European policy would now pay J80.00 – a saving of J25 or 24 per cent

Hugh Stacey, head of travel services at the Post Office®, commented: “People are going abroad more frequently than ever before with

cheaper flights making weekend trips and short breaks much more accessible. People can often get a much better deal by buying an annual travel insurance policy – they get cover and peace of mind the whole year through and avoid the hassle of having to buy policies every time they travel. Our new prices make Post Office® annual travel insurance policies even more compelling for travellers wanting a great deal from a brand they trust.”



Our new prices make Post Office® annual travel insurance policies even more compelling for travellers wanting a great deal from a brand they trust

Deal of the week: Post Office® slashes travel insurance prices (cont.)

The newly priced annual policies are available now and start from J50.00 (for individual cover to Europe). Post Office® annual travel insurance policies can now also be tailored to reflect what customers want. Ski and winter sports cover, which was previously part of all annual policies, is now offered as an optional add-on, and customers can now

choose to exclude USA, Canada and Caribbean on worldwide policies thus receiving a cheaper rate. Furthermore, all policies benefit from the Post Office®'s Kids Go Free offer.

The Post Office® is also holding its very successful Single Trip travel insurance policies at 2004 prices, meaning customers still get a great deal

whichever type of policy they choose.

Policies are available to purchase either in-branch, by visiting www.postoffice.co.uk or calling free on 0800 169 9999.

Ends



The newly priced annual policies are available now and start from J50.00 (for individual cover to Europe)

UPU to host international conferences for the postal sector

8 February 2006 - [[UPU Press release](#)]

“As part of ongoing efforts to reinforce its position as a worldwide postal forum, the International Bureau of the Universal Postal Union plans to bring together senior representatives of the postal sector to discuss the major challenges facing the industry, in a number of conferences to be held during 2006 and 2007.

A one-day meeting exploring the development models that some of the world's more modern and innovative Posts have adopted in response to growing competition and increased market liberalization will kick off the series in April.

Participants will discuss such topics as postal sector investment, initial public offerings, public/private partnerships, and the alliances formed by certain Posts with a view to international expansion and strategic

positioning for the future.

Some of the postal sector's top CEOs and experts have been invited to take part, including Edouard DAYAN, UPU Director General; Peter BAKKER, CEO of TPG; Helge ISRAELSEN, CEO of Post Danmark; H.E. Abdulla Ibrahim AL DABOOS, Director General of Emirates Post; and Pierre GUISLAIN, Manager of the World Bank Group's Information and Communication Technologies Policy Division. Representatives of business banks and investment funds, such as CVC Capital Partners Ltd., Morgan STANLEY, UBS, Credit Suisse and Merrill LYNCH, will also be present.

“With the creation, at the 2004 Bucharest Congress, of the Consultative Committee, representing postal sector members other than public operators and regulators, the Universal Postal Union has truly become a worldwide forum for the industry” says Daniel LE GOFF, the UPU's External Stakeholder Relations Coordinator.

“The UPU wants to use this new role to foster greater discussion and exchange

among these members, explore best practices and find solutions to some of the important issues they face today, as well as highlighting the postal sector's economic and social role in the ever-evolving world of communications”.

The UPU expects the one-day conference to attract up to 200 participants. It will take place at UPU headquarters in Berne on 28 April 2006.

Another conference on postal regulation is planned for 30 June 2006. In addition, UPU headquarters will be playing host to the annual sessions of the Postal Operations Council, from 27 March to 7 April, and the Council of Administration, from 9 to 20 October. The UPU Strategy Conference will be taking place in Dubai from 14 to 16 November 2006.”



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Non European experience and PFS development practice

Selected news from Africa, ME and Asia

Asia

Is new postal bank friend or foe? / Creation of world's largest financial institution to change banking landscape

28 February, 2006 -
[Business-standard]

By Tadashi Isozumi Yomiuri
 Shimbun Staff Writer

“Private banks seem ambivalent about the postal savings bank, which will start operations in 2007 and be the world's largest financial institution. But a question hangs over the private banks: Should they compete or aim at a friendly coexistence with the new financial goliath?”

The postal savings bank will take over the savings division of Japan Post when it is liquidated in October next year. Along with the three other postal services companies--mail delivery, post office operations and postal insurance services--the bank, after starting as a government-owned company, is due to be fully privatized by 2017.

The outstanding balance of savings deposited with the bank is expected to be more than 200 trillion yen, making

it the world's largest bank in terms of assets. Any one of the nation's three megabanks--Mitsubishi UFJ Financial Group, Mizuho Financial Group and Sumitomo Mitsui Financial Group--are no match in size to the postal savings bank.

Given that specific business operations of the new bank are not yet clarified, some private sector bankers are worried that it will become a potent rival.”

Private banks seem ambivalent about the postal savings bank, which will start operations in 2007 and be the world's largest financial institution

Japan Post Expects 2005 Net Profit of 2 Trillion Yen

27 February, 2006 --
[Kyodo News]

"Japan Post is likely to chalk up a net profit of about 2 trillion yen in fiscal 2005 to March 31, up from the previous year's 1.2 trillion yen, President Masaharu Ikuta said Friday. Of the public corporation's three core op-

erations, the mail-delivery business is expected to stay in the black, with a net profit of more than 20 billion yen, for the third year in a row, Ikuta said at a lecture meeting held by Kyodo News.

The strong earnings outlook is ascribable to higher prices of Tokyo stocks resulting in an

increase in returns on investment by the postal savings division, another of the three core operations which also include the postal life insurance business, according to analysts. Japan Post is due to be privatized over a 10-year period starting in October 2007.”

The strong earnings outlook is ascribable to higher prices of Tokyo stocks resulting in an increase in returns on investment by the postal savings division

Post tense over Rs 1,450 crore bill

28 February, 2006 -
[Business-standard]

Our Bureau / New Delhi

Post offices must be made one-stop shops for multiple financial ser-

vices.

With the subsidy given to the Indian postal network projected to touch Rs 1,450 crore during 2005-06, the Economic Survey has asked the government to explain the rationale behind continuing the heavy expenditure.

“Clarifying the rationale, the mechanism and the size of the subsidy constitutes an important policy question at this juncture,” the Survey said, pointing that the subsidy is expected to rise from Rs 1,364 crore in 2002-03.

Post offices must be made one-stop shops for multiple financial services

Post tense over Rs 1,450 crore bill (cont.)

To meet the rising expectations, the Survey has recommended that the ambience of the Postal Finance Services be improved and brought under one roof of a financial super market.

There is also a need for making post offices one-stop shops for multiple

financial services, including small services, called postal finance marts. The department of posts, which had receipts of Rs 4,432 crore during 2004-05, had a deficit of Rs 1,382 crore.

The Survey, however, goes on to say the deficit, pro-

jected at Rs 1,450 crore for the current fiscal, is justified due to the public-good nature of the postal services and its wide reach.

. a need for making post offices one-stop shops for multiple financial services, including small services, called postal finance marts

ME

Iran, UAE go postal

28 February , 2006 - [\[Ameinfo\]](#)

“Iran Post and Emirates Post have signed an MoU for increased cooperation in IT, money transfer, parcel delivery and

mail hub services.

The aim is to improve efficiency in postal and money transfer services between the two neighbours. The agreement calls for increased cooperation in the Money Order service as well as the In-

stant Cash service that allows fast-track money transfer to any part of the world.”

Iran Post and Emirates Post have signed an MoU for increased cooperation in IT, money transfer..

Israel Postal Authority Becomes Government Co. March 1, 2006

28 February, 2006 -- [\[Judy Siegel-Itzkovich, Jerusalem Post\]](#)

"Israel will have a new state postal company as of Wednesday. The company will replace the Postal Authority and will be required to face competition from the private sector. Called Doar Yisrael in Hebrew, the new company aims at making profits by adding advanced new services and becoming more efficient while continuing to provide mail services to the whole population. The decision to establish a for-profit government postal company was made by the

government in September 2003, but there were delays due to concerns by the Postal Authority's staffers about their rights and jobs. Israel Postal Company chairman Ya'acov Edri said:

"Becoming a state company will have its advantages, as during the last few years, the authority accumulated heavy debts that could have led to financial collapse. We have now turned from a collapsing postal service to a coping one."

The Postal Bank becomes a subsidiary of the Postal Company and is expected to serve as a major en-

gine for the company's financial growth. Its annual turnover is NIS 180 billion, and it will be allowed to offer more services than ever, including deposits and the sale of stocks and bonds.

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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:

26 March - 07 April 2006, Bern

UPU Postal Operations Council

28 - 30 March 2006, Bern

UPU PFSG and its SG meetings

30 March 2006, Bern

**Round table on "UPU Worldwide Electronic
Payment Network"**

4 May 2006 - Dresden

Eurogiro - Strategic Forum

9 - 20 October 2006, Bern

UPU Council of Administration

14 - 16 November 2006 - Dubai

UPU Strategic Conference

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