

Algeria Post
and Postal
Accounts



Australia Post
and Financial
Services



Bawag PSK
and Austrian
Post



AzerPocst Postal &
Banking Services



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Postal Savings Bank of China

Gets another reinforcement package, books microfinance increase



Postal Savings Bank of China will receive another 10 billion CNY capital injection from its parent and only shareholder, China Courier Service Corporation, (CCSC) to increase its registered capital to 30 billion CNY.

The bank's NPL ratio was 0.19 percent at the end of 2009, and its current capital adequacy ratio is 8 percent, the minimum level required on commercial banks by the government.

It is comparably a low level, compared with the 11.5% for large banks and 10% for small and medium banks.

Data from the Ministry of Finance of China shows that Chines Post Corporation sustained a loss of one billion CNY in 2009. The bank is accountable for around 60% profits of the post in 2009.

At the same time, in mid-October, China Postal Savings Bank announced that small lending in 2010 had exceeded 100 billion CNY.

According to the Bank's Vice President Jia-Jin the repayment has increased by 41% over last year. Currently, the services of Postal Savings Bank are provided in more than 4 500 offices nationwide.

China Postal Savings Bank has been operating since 2007. [Reported by Capitalvue and MicroCapital brief, China Daily and others on 22 November 2010]

Kenyan Postbank steps into highly competitive market of money transfers

President of Kenya, Mwai Kibaki, conducted an exhibition tour of Postbank historic transactions, organized by Postbank managing director Mrs. Nyambura Koigi as the bank celebrated its 100 years on Nov 22, 2010 in Nairobi.



Postbank has entered the high-volume money transfer market, which is already highly competitive, with remarkable activity on the part of not only banks, but also telecom companies.

The competitors of the Postbank include an international player, Western Union, and local solutions – Pesapal and M-Pesa, the success story of the Safaricom telecom operator. Telecom firms have introduced other retail financial products that allow bulk remittance payments, loans, payment of bills, salary advances, financial education, and deposits. Banks' solutions include Equity Bank's M-Kesho and Iko Pesa and Family Bank's Pesa Pap. Postbank also has a robust background of providing financial services – it was the first agent of Western Union Financial Services International in Kenya.

Currently it is linked to over 379,000 agents worldwide. Postbank has such services as cash collection, payments of salaries and pension, safe custody and has links with money transfer services.

Postbank has also introduced POS-terminals, debit cards, and a mobile banking product PataCash — an SMS system that allows deposits or withdrawals through Safaricom's M-Pesa platform.

Speaking during its centennial celebrations on Monday, Postbank also renewed its push to have an expanded mandate in business including starting to lend to customers, which currently it is not allowed to do.



“We are also keenly aware that the financial needs of our people have over time evolved due to the changing economic environment. Our potential to provide sustainable financial services for the un-banked low income individuals remains vast. We are hoping the government will allow us to start offering credit in the near future,” said Postbank Board of Directors chairman Wilson Kinyua.

Kenya Post Office Savings Bank was established back in 1910 as Savings Bank.

Countrywide, It has a network of 92 online branches and a further 350 outlets through agency arrangement. The bank has 1.3 million customers and over 658 ATMs, both own and those accessed under partnership agreements with PesaPoint and Kenswitch. The first appears to be an ATM network provider; the other is a consortium of local banks sharing payment infrastructure capacities.

Postbank was the pioneer agent of Western Union Financial Services International in Kenya and is currently linked to over 379,000 agents worldwide.

[Reported by Aram Gareginyan, Business Daily Africa, and others]

Algeria Post raises fees on current postal accounts to keep a manageable portfolio

Algerie Poste raises minimum levels of current postal accounts (CCPs), through the increase of account inactivity and annual maintenance fees, to 150 and 100 DZD.

Account holders at Algerie Poste, with current account balance less than 150 DZD, are therefore advised to replenish their accounts to keep them from closure.

Procedure of account portfolio sanitation is annual, and this year it concerns 13 million accounts, including those which have not been augmented for more than 12 months.



This measure is explained to be designed to manage the number of current accounts, which tends to increase constantly.

About 300 000 new accounts are being opened every year, mostly for student scholarships. In addition to that, an executive decree has been issued, according to which healthcare fees are to be paid through CCPs only. Lastly, but not least, account holders include pensioners.

The last measure before closing the account is notification of the holder about upcoming closure by registered mail. This helped to revive no less than 200 thousand accounts, said N. Boufenara, the Head of Communications Service of Algerie Poste. The exact number of accounts inferior to fees is volatile due to continuous replenishments. (Source: LaTribune/AllAfrica, 14 september 2010)



Australia Post: Employing financial services to counterbalance struggling mail delivery

Latest financial report by Australia Post for financial year 2009 – 10 (ended June 30) revealed a decrease of mail delivery volumes. Compared to the FY 2008 – 09, it fell by 4, 2%. The decline looks like setting a trend, following that of 4, 1% last year.

According to the executive and managing director, Ahmed Fahour, the decline of letter volumes is fundamentally changing the economics of Post's business - as it is affecting postal businesses across the globe.

Financial services are one of the most appealing options to strengthen the enterprises bottom line. But here the post needs to recognize its target audience. Chairman of the state investment fund of the country, Australian Future Fund, David Murray says the Post could provide entry-level banking services, such as loans and deposits, as well as pension savings and ATM networks. But becoming a bank does not exempt the state owned enterprise from compliance to the banking regulation.

Murray reminds that if Australia Post creates a banking arm, it would have to capitalize it, and make additional investments in IT infrastructure and staff training. Therefore he proposes the Post to serve as a vessel to provide financial services of other institutions.

Currently Australia post performs a considerable volume of agent services, including deposit and withdrawal services. Australia Post today acts as an agent for 750 businesses, and in 2009-2010 it processed about 77 billion AUD worth of payments and banking transactions.

However, at least some of small and medium businesses of the country will help Australia Post to get a better footing in the competition.

Not all the SME's are currently happy with the lending policy of major banks. Council of Small Business of Australia chief executive Peter Strong expressed support to banking activities of the Post, saying it will increase competition in the sector, and will give an opportunity to actualize his idea of portable account numbers. The banking sector downplays any possible accusations of chasing excess profits. Steven Munchenberg, the CEO of the Australian Bankers Association, said: "Calls for additional obligations through a social compact are unwarranted. Banks already recognize their obligations to the community."

On the other hand, entering into the underserved rural areas does not mean a priori prevalence. The competition will be there again – this time with the regional banks, including Suncorp, Bank of Bendigo and Adelaide and the Bank of Queensland. (sources: SMH, SmartCompany, and others)



National postal operator of Azerbaijan seeks ways to penetrate in transit freight forwarding

National postal operator of Azerbaijan, AzerPocht, is studying possibilities to engage in the market of international cargo transportation, as Azerbaijan negotiates with neighboring Iran on transit cargo shipments. Azerbaijan wants to position itself as a good bridge between Iran (and other countries in the South Asia) and Russia, thus integrating itself into the North – South transport corridor.

"Through AzerPocht cargo is carried from Iran to Georgia. We also find it interesting to transit Iranian goods to Russia, which are mainly carried by private transportation carrier. The Iranian side, in its turn, is interested in transporting Azerbaijani cargo to Afghanistan, Pakistan and other neighboring countries," Novruz Mammadov, the Director of Postal Affairs Office of the Ministry of Communications & Information Technologies of Azerbaijan.

AzerPocht has gained admission to Baku interbank currency exchange (BBVB), an activity for which it had applied in late October. Today, AzerPocht has the mandate to provide 5 financial services - opening and managing accounts, money transfers, issuance of debit cards, buying and selling currency and collection of cash. Ideas on attracting deposits and issuing credit cards will be revisited in 2011. (Source:



Preparations for Performing Financial and Banking Services Countrywide

AzerPocht will render financial and banking services along with the termination of the World Bank's financial Service Development Project (FSDP), as told by Iltimas Mammadov, the Deputy Minister for Communications and Information Technologies. He underscored the importance of postal banking for remote and hardly accessible areas.

So far, the Central Bank has certified a little above 1/3 of the AzerPocht offices – in total, 41 postal branches and 426 postal offices, which equal 35.5% of the whole network of AzerPocht. Today, AzerPocht has about 1600 offices, of which about 1200 had existed by the time the FSDP project started. They will be a priority for the program, with the rest of the offices joining the program in 2 – 3 years.

While AzerPocht obtained its license in April, each post office should be examined and licensed separately to verify its capacities to provide compliant financial services. Requirements include security provisions – cash storing warehouses with security system, armored cash-in-transit vehicles and high-security conditions for exchange points, including appropriate information systems and technical base.

AzerPocht strategy for 2009-11 envisages introduction of new financial and banking services and increase of Company's profitability. According to the MCIT experts, since 2011 annual profit will increase up to 20%. (Source: Fineko abc.az, 30 October 2010)



Financial year 2010 has been quite a success for the Tunisian Post. A growth, recorded in 2010, has smoothed the outcomes of a drop in mail delivery.

Particularly, La Poste Tunisienne has filed 13% growth in savings in the first 9 months of the current year. With 2 400 million TND, the Post maintains 23% of the national aggregate amount of savings. Number of the holders of savings accounts at the Tunisian Post reached a record level of 3, 2 million.

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Widening the array of financial services, Poste Tunisienne has introduced a new investment product, intended both for individuals and corporate customers - «SICAV TANIT». So far, the service has attracted 1700 clients and an amount of savings of 30 million TND.

To remind, in 2009 the total incomes of Tunisian Post have increased by 6, 3% to 194, 5 million TND, compared to 2008. 62% of the total turnover has been generated by financial and technological services and 38% by postal services. 44% of the total postal service revenues were generated by mail service, 36% by express mail service. Major sources of income among financial services were electronic money transfers (31%) and savings (30%), certified checks (27%).

Out of total 1030 post offices of Tunisian Post, 40 have obtained an ISO 9001 certificate for providing financial services, including savings and money transfers. These offices are located in the provinces of Tuns, Sousse, Bizerte, Manouba and Beja.

In the market of inbound cash transfers, Tunisian Post has succeeded to deliver around 540 million TND in currency in the first 9 months of the year, sent by individuals, businesses, and tourists.



Instant money transfers within the country have too been robust. The service «Mandat Minute», working paperless and online, has served 8.5 million transfers, and a total of 460 million TND.

Lastly, at the end of 2009, within a partnership with Microsoft, Poste Tunisienne has launched a «MailPost» service of e-correspondence for citizens, which could serve as an initial step for the plans of State to establish a sound e-government network.



PT Pos will boost financial services and logistics business for future growth

State-owned postal company PT Pos Indonesia will focus on developing its logistics and financial payment services to offset the steady decline of revenue from the company's standard postal business over the last eight years due to the rise of email, the company says.

Sugiarta Yasa, the company's senior executive, said in Jakarta on Sunday that PT Pos logistics service had seen revenue grow sharply in recent years in line with the growth of the country's economy.

With the expansion in the logistics service, PT Pos hopes it can maintain a healthy growth, he said, adding that the national logistics service, which had a total sales turnover of about IDR75 trillion (US\$8.4 billion) a year, was quite promising for the future growth.

In order to be able to compete with other logistics companies, PT Post had incorporated modern technology in its delivery business such as online search and trace technology that enabled customers to track their mail. "We have to be able to compete with at least 300 courier companies in the country if we want to succeed in this business," he added.

PT Pos would also continue to expand its financial payment services in order to be able to offset drop in the revenue from the postal services, especially individual mail, which had declined significantly in recent years as people preferred to send emails to communicate with friends and relatives.

Due to this change in public demand, the company was now focusing on corporate mailing services, such as delivering billing statements to customers.

Logistics services were expected to contribute between IDR 500 to 700 billion to the company's revenue target of IDR 3 trillion this year. Mail and financial services are projected to bring in IDR 1.7 trillion and IDR 1 trillion, respectively. This year, the company expects to book IDR 170 billion in net profit, a significant increase from IDR 80 billion in net profit in 2009.

PT Pos booked losses in six consecutive years between 2003 and 2008. (Source : The Jakarta Post, 22 November 2010)



Iran Government Sold Postbank

5% block of shares for \$65 million within another privatization round

A 5% block of Postbank of Iran's shares and an 89.4-percent block of shares of Shiraz Petrochemical Company were sold on the stock market on Tuesday.

The Postbank of Iran's shares, in the quantity of 28,057,150, were worth some IRR 650 billion (some USD 65 million), the Islamic Republic of Iran News Network reported.

To remind, post office of Iran started to provide financial services in 1987.

Another item put up for sale was the 89.4-percent block of shares of the state-run Shiraz Petrochemical Company, which was sold on the stock market by an initial public offering scheme. Total worth of the block of shares, equal to 2,284,664,569, amounted some IRR 9.56 trillion (some USD 9.56 billion).

According to Iran's Fourth Five-Year Economic Development Plan (2005-2010), the Iranian Privatization Organization, affiliated to the Ministry of Economic Affairs and Finance, is in charge of setting prices and ceding shares to the general public and on the stock market. (Source: The Tehran Times, 3 November 2011)

Polish Post plans to save money by shifting from offices to service points

Polish Post plans to curtail the number of post offices by about 3 thousand, but alongside plans to increase the number of service points at diversified locations (hypermarkets, petrol stations, etc.), informed the management of the Post. Besides, a network of 1, 5 – 2 thousand operation points will be established, particularly to accept parcels for business clients.



Mariusz Popek, the spokesman for the Polish Post, told that the new development action plan is supposed to save the post 150 – 200 million PLN yearly (approx. USD 60 million).

Andrzej Polakowski, the president of the company, thinks that reshaping of the Post, initiated in 2009, and is starting to bring about positive results. However, he told that in the first 9 months of 2010 the sales of Polish Post have equaled PLN 140 million, compared to PLN 200 million in the same period of 2009. He expects a zero or around balance in 2010. He also told that in several years the number of employee is going to be reduced to around 8 thousand. Post will do its best to part with pensioners, and not working-age employees, as much as possible.

The first steps of closure of post offices and opening of service points will start in the south of the capital city, Warszawa, and in some other cities. 300 offices were turned into service points in 2009.

At the same time, an MP from a centrist PSL party, Janusz Piechocinski, applied to revise the company development strategy. According to him, decreasing offices will strike the market and diminish the incomes of the Post still more.

Poczta Polska S.A is a state-owned enterprise, with 92 thousand employees. The Post has about 8 thousand service centers throughout the country. (Source PAP, 3 November 2010)



Czech PSB Seeks to Increase the Number of Customers with 1 million more

Head of the Postal Savings Bank wants to get a million customers more. Vlasta Dolanská, the Director of PSB started in the bank at the counter, is now one of the top women among Czech business.

Advertising its cooperation with the Czech and Moravian Post, a building society and through their branches or consultants today PSB serves about more than two million customers across the country.

But now it is an ambitious plan - "For another million new customers, we have embarked on a new trend in retail banking, which is called multi-channel distribution," says director Vlasta Dolanská PSB.

To keep up with the times has been always essential for Vlasta Dolanská. Her achievements, upon her appointment as an executive director, include successful stories about changing the perception of Postal Savings Bank in the country as if it for mainly for the retired generation.

"I see the future in Internet banking. Thus, we are working on a brand new add-on portal, through which a client can implement savings bank card purchases, insurance, and permits, and consumer credit or loans for housing or education," says the banker.

We believe that this will be much easier for the young generation, who is more knowledgeable and aware of the new and advanced technology,

"I think I succeeded, and the evidence of my success are our products, client base and the volume of financial servicemen rendered", said the highest ranking woman in the Czech banking sector.

"I made a good test of mathematics at school, and would rather choose the Department of Statistics, however..," she recalls.

Vlasta Dolanská graduated from the Faculty of National Economy. After school, she joined the National Bank and the parent partition for commercial banks. It was quite a challenge for her to be involved in the creation of an Investment and Postal Bank branch.

"We started there with four, it was a difficult time. We had no idea about the big problem of loans and very often we faced big disappointment," recalls Dolanská.

"But even during those these hard times, we always kept in mind that the kitty always sat on the crown," says the manager.

"The fact that I have progressed from a small branch, where I was serving regular clients, allows me to lose touch with reality and stay positive for the changes both good and bad," says Vlasta Dolanská. (From: Gazeta Hospodarka, 24 November 2010)



Turkish Post and Telegraph Enterprise (PTT) To add 830 ATMs to its access network within a deal with Diebold

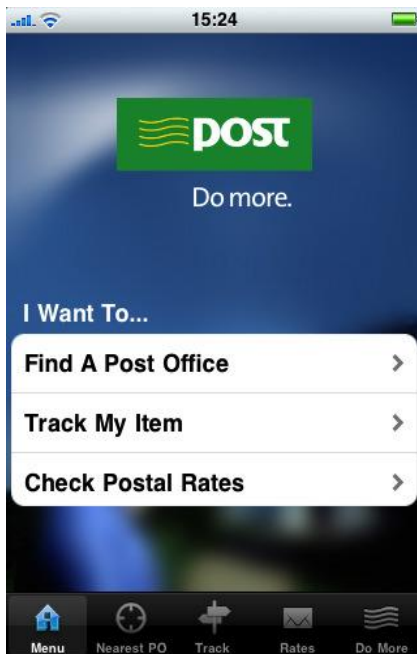
Posta Telegraf Teskilati (PTT), General Directorate of Turkish Post, signed an agreement with Diebold, Incorporated to on purchasing 830 ATMs to further expand its network. Diebold will provide its 830 Opteva machines, which will be run with Agilis software. Machines will be equipped with coin dispensers, for the comfort of the population, and will be enabled with cash deposit and bill-pay functions. Thus, PTT intends to reduce operating costs, introduce self-service points and maximize consumer satisfaction. First two hundred of the ATMs are going to

be installed by the end of 2010; the remaining number will be deployed by the end of the 1st quarter 2011. This will be a considerable replenishment, as today the ATM network of PTT is but a little above 200. Diebold will not only supply equipment, but also act as a project implementation unit, together with a local company.

“The new ATMs ordered from Diebold will enable our customers to benefit from our services both with and without a card. This project will offer our customers

non -stop PTT Bank services, while providing us efficiency. Our target is to expand our ATM network making our services available throughout our country", said Osman Tural, chairman of the Board and General Director of PTT.

Today, Posta Telegraf Teskilati has 4 059 offices, which are grouped into 86 general directorates. 1,050 head offices, 2,221 branches and 788 agencies. The company and its suppliers employ about 37 000 people. (Press release PTT and Diebold, 4 November 2010)



Irish Postal Operator launched an orientation app for customers

An Post, Irish postal operator, introduced a new mobile application, which enables to locate the nearest post office (updating the information on the move on a GPS locator), calculating the postage and track & trace the mail items.

The An Post Mobile App is made available through App Store. It will be updated regularly to include new services. Already the App is ranked as the number one free Utility app in the App store, reports the press service of An Post.

The App was developed by An Post subsidiary Post Consult International (PCI) specialists in software solutions, database design, web development and systems integration.

An Post opens an online shopping directory in preparation for the Christmas

Irish postal operator, An Post, launched a new online shopping directory, **iloveshopping.ie**, as a department store for multiple domestic and international brands. The site is equipped with browsing tools to search shopping items and retailers, has advertisement areas and a gift finder tool.

Manager of the newly opened website, Louise Cronje noted that developed inline shopping helps to capture the attention of Irish customer, which is generally more selective than those on the Continent. "Customers can browse the range of retailers, plan a shopping list, contact the e-tailors directly with questions and sign-up to get hot offers and promotions in our newsletters. This site particularly suits the Irish market, where, compared to European shoppers our customers spend a long time browsing and even making sample purchases before finally buying online", she said.

The new marketing tool gives good opportunities both to retailers and to the Post, which is going to see an increase in parcel shipments.

The new website is the revisited version of the older one, launched in the end of 2009 and renovated to meet the growing demand.



State Competition for Capitec, African Bank

PostBank hoping to get banking license by 2011



JOHANNESBURG - Postbank said it hopes to acquire a banking license by 2011 and will play in the same market as (and no doubt offer stiff competition to) Capitec. It will offer the six million of underbanked South Africans simple and affordable banking, leveraging on the Post Office infrastructure to operate its business.

John Wentzel, acting MD of PostBank said once it was registered as a fully-fledged bank, PostBank would be owned by the state and would adhere to a mandate of delivering to the developmental agenda of the state.

Wentzel said a Bill had gone through the National Assembly and the National Council of Provinces enabling PostBank to apply for a banking license and we are hopeful that before the end of next month President Jacob Zuma would sign it into law creating the framework for it to apply for a banking license.

"I think by 2011 if everything goes well, we would love to be in a position where we have a banking license and are registered as a fully-fledged bank," said Wentzel.

He also added that Postbank had met Reserve Bank's capital adequacy requirement of holding ZAR 250 million in capital and the project costs associated with getting the license, estimated to be around ZAR 50 million.

Wentzel said he had seven years' experience in banking having worked for the likes of Standard Bank and Postbank would recruit skilled bankers to ensure the bank was operational.

To the question as how Postbank would take on the likes of Capitec (formerly Teba Bank) in a very competitive environment, he answered, that the state-owned bank benefits from the Post Office's more than 1000 outlets.

"We aim to provide financial access to the poor and rural ... We believe there is a substantial market for Postbank. Banks like Capitec and African Bank ... they are strong in the sector that we are targeting. So the space is highly competitive," said Wentzel.

"But we are hopeful that our reach through the infrastructure of the Post Office will give us advantage in terms of making our products and services accessible. Our target is our products should be affordable and simple to use...The market is big enough to allow us to operate as the player."

To the question as how it would function as a state bank, he said: "The concept of the state bank relates to the ownership and obviously as ultimate shareholder, the state owns 100% of the bank."

"Whether we are the only state bank and whether we are one of many I think that's an issue for the shareholders and that's an issue for the politicians to make a determination of What we are trying to do is to discharge the mandate from the state and that is: deliver on the developmental agenda of the state."

Wentzel said their role was to make sure the products marketed were simple to understand affordable and accessible. He conceded Postbank had technological problems, which led to many people shying away from the bank for Capitec. One of the problems was the delay in the clearing of deposited money. It is the single biggest challenge and we acknowledged our systems are not at the level we would like them to be ...We need to ensure that our systems are better than what they are right now."

Wentzel said over the next three years Postbank has assigned close to ZAR 500 million in developing its technology. (Source : Financial, 20 October 2010)

Plan to Corporatize Postbank 'on track'



Roy Padayachee, the Minister of Communications said on Thursday that his department would finish the plan to corporatize the Postbank within the next month.

The draft bill could see the bank being able to provide full banking services for minimal charges to the poor.

He also said the ICT Rural Development Strategy would be finished by March 2011.

Padayachee said improving television services was part of his program.

"Nineteen low power transmitters will be built to afford about 5 million inhabitants access to television services," he added.

Bawag PSK and Austrian Post set up a joint network of „convergent “branches by 2012

Bawag PSK bank and Osterreichische Post plan to set up a nationwide branch network. These 520 Bawag-Post branches will be nationwide spread, 81 of them will be located in mountainous Upper Austria, told managing director of the Austrian Post Herbert Götz. Today, post has more than 131 offices in the country.



„We will increase the number of post offices in the Upper Austria and countrywide“, told Götz. Today there are 131 offices and 198 Post-Partners (small shops and other similar locations providing basic postal services). The number of offices by the end of 2012 is supposed to grow to 275. Bawag has 150 branches, of which 13 in Upper Austria. This will make a considerable impact of the financial inclusion in rural areas and make a strong competition to well-penetrated banks like Raiffeissen.

As of April 2009, 52^8% of the Austrian Post equity belonged to the state holding ÖIAG, the rest is in the free float. (Source : Austrian Post, 1 November 2011)

Bulgarian Post

Intends to refinance its arrears by raising 15 million euro through a bond issue, the company told a news conference on November 12 2010.

The offering, part of the postal operator's development strategy, will have a five-year maturity. Bulgarian Posts has already called a tender to select the financial entities, which will handle its debt restructuring.

The company posted BGL 822 000 loss for the first nine months of 2010, compared with a positive result of BGL 2.8 million in the corresponding period of the previous year, while its debt reached BGL 30 million.

The unsatisfactory figure was attributed to the decline in revenue from postal services.

The postal operator also unveiled plans to close part of its offices located in populated areas of fewer than 800 people, currently numbering 1000, or 30 per cent of its network. (Sofia Echo, 15 November 2010)



Between 2011 and 2016, the company will also shut 100 branches each year in places where they earn too little money to justify keeping them open

Announces tender for 15 million euro bond emission

Bulgarian post has announced a tender to select a bookrunner to arrange bond emission of 15 million euro. The bonds will be released to countervail the weakened financial position of the post operator. The bookrunner will be responsible for bond emission, which will have a 5 year maturity and 24 months grace period. Interest rate of the obligations is equal to 3 month Euribor + a margin. The participation in the tender is open for local and international banks resident in Bulgaria. The applying institution must also have a good credit rating with Moody's, S&P, or Fitch. The rating must be at least Baa3 at Moody's, BBB- at S&P and Fitch. Another conditionality is a positive external audit for 2009 financial year.

According to the CEO of the company, Dejan Dneshki, poor liquidity had been caused by the financially unsecured development program. Despite a negative bottom-line in the first 9 months, he expects to conclude the year with a profit of BGL 250 thousand and income of BGL 148 million.

He says the financial gains can be achieved through cost-efficiency and optimization of expenditure. Functioning of offices in locations with fewer than 800 people will be reviewed – non-profitable ones will be closed. Currently those post offices total about 1000, or 30 per cent of the Post's whole network. The post also plans to reduce staff by approximately 1000 people. By January 2011, the refashioning of the Post must be accomplished.

Also, from the beginning of 2011, the post plans to launch a new software system which will enable the post to work on a one-window basis. The system will accept bill payments and purchasing transport tickets. Payments by credit card will also be accepted.



'Bank of Friends' lends over GBP 7 billion in last 12 months

The effects of the recession have caused a new type of lending to emerge, as people turn to the 'Bank of Friends' to borrow over GBP 7 billion (US\$11 billion) to cover the gaps in their income, according to new research from the Post Office.

The study, which looked at lending between adults in the UK, highlighted that over a quarter of adults (26%) have lent money to an average of four friends in the past 12 months, each borrowing an average of GBP 133 (US\$213).

However, as financial conditions remain tough for households the research showed that less than half of the money borrowed in the last year has been repaid, with an outstanding balance of just under GBP 3 billion (US\$4.8 billion) owed by friends to friends.

The 'Bank of Friends' has uniquely put its customers first despite the balance of its books, with 18% of friends lending more than they can actually afford. Worryingly, 19% of lenders can't even remember how much they lent to friends, but a generous 10% of these said they do not need the cash back.

Doug Strachan, Director of Financial Services at the Post Office, said: "Understandably, millions of households across the UK have needed to tighten their purse strings as the recession has taken its toll, and with money hard to come by from many lenders, people can be thankful that they have such good friends they can rely on.

"Not only does this research show another side effect caused by the recession, but it highlights how people want to help others, outside of their immediate families, through tough times. However, our survey did reveal that one in five people are lending more than they can afford, so the is Post Office urging people to make sure they don't put themselves, or their household, into financial difficulty when helping others."

People's bank bites the dust

ConDems treat Post Offices as if they don't matter

The closure of thousands of post offices over the past decade was disgraceful.

So it was good that the coalition government said no more will be shut and better still that it claimed the remaining ones would become part of a new "people's bank".

Except that isn't going to happen. The concept of a people's bank has been replaced with a juvenile idea to turn post offices into a chain similar to internet cafes.



Despite the growth of emails and opportunities to conduct business on the internet, there are the long queues in them shows. They are important in towns and cities, and essential in the countryside. But this government treats them as if they don't matter.

Making them part of a new people's bank would give post offices a lease of life and create the sort of bank needed by the millions denied the services of the big, greedy banks. It now looks as if this government will soon be reading the last rites over this country's wonderful post office network

Post Bank decision 'breaks promises' The government today decided against setting up a Post Bank, a move described by campaigners as a major setback for financial inclusion.



Announcing GBP 1.34bn of funding to modernize the post office network, postal affairs minister Ed Davey said establishing the bank would be too 'time consuming and extremely expensive'.

The Post Bank proposal was put forward by a coalition including unions, the Federation of Small Businesses (FSB) and think tank the New Economics Foundation (Nef) as a way to plug the gap in financial services in many communities left by high street lenders.

'The government has made an incredibly short-sighted decision and broken the promises made in the Coalition Agreement,' said Stewart Wallis, executive director of Nef.

The Post Bank would have been a lifeline for Britain's struggling small businesses, offering the kind of credit that the mainstream banks still aren't providing.

'It would have brought financial services to the millions of people across the UK who has no bank account and no means of saving. It would have strengthened the social glue of local communities. But sadly the government has given up before it even tried.'

The FSB has argued a Post Bank would not only ensure small businesses get much-needed support but also strengthen the post office network.

Outlining its plans, the government said it was keen for branches to offer more financial services and would look in to ways for post offices and credit unions to work closer together. (Source: The Mirror, 7 November 2011)

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