

Postal banking

A bank for everyone!

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A bank for everyone
Support P❤Postal Banking

What is a Postal Bank?

Services that are provided by postal banks include:

- Savings and checking accounts
- Bank machines, online banking
- Credit cards, debit cards, pre-paid cards
- Money transfers, including remittances
- Insurance (home, auto, travel, etc.)
- Loans and mortgages, lines of credit, emergency financing
- Financing for social housing, NGOs, renewable energy initiatives
- Investment products (RRSPs, mutual funds, annuities)
- Foreign currency exchange
- Other services such as financial counselling

**Is postal banking a practical
idea in 2016 ?**

Postal banking is expanding in most of the world

- Postal banking is not a new or radical idea. Postal banks already exist in many parts of the world.
- One billion people have accounts at post banks
- Postal Banks:
 - ⇒ increase financial inclusion
 - ⇒ promote economic development
 - ⇒ generate revenue to preserve public postal service and jobs



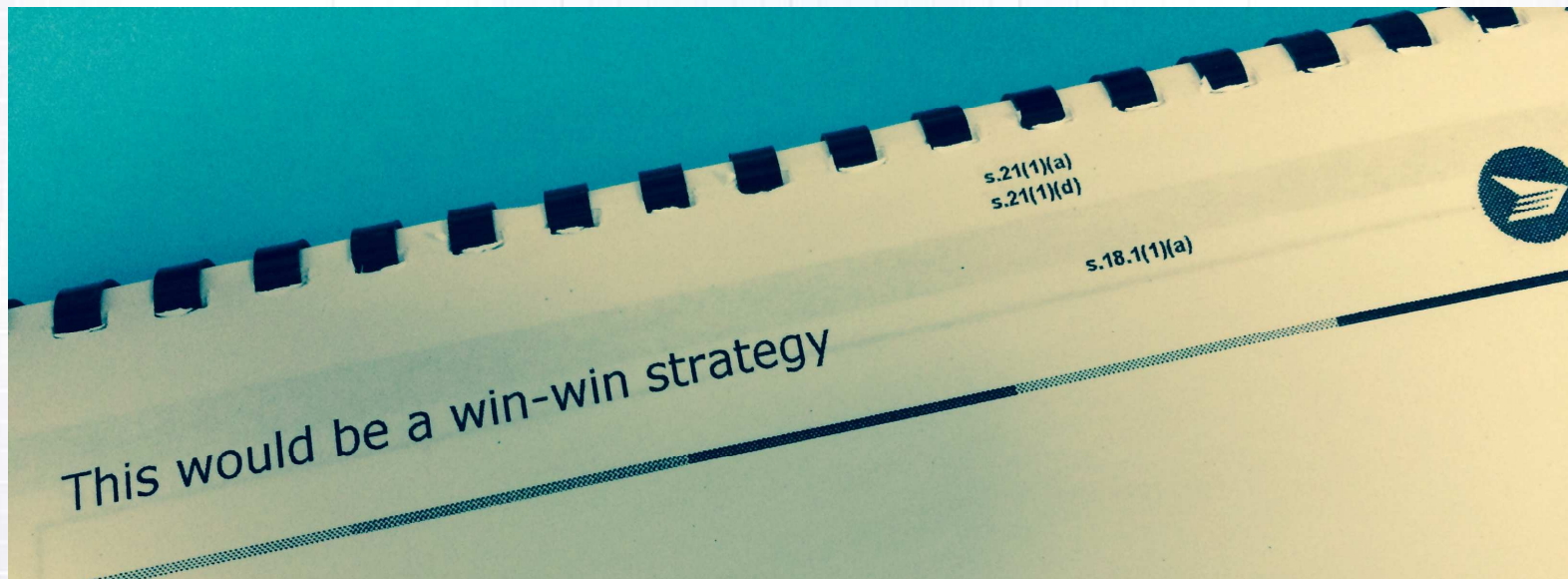
Posteitaliane



Canada had a postal bank



Even people in Canada Post's management think postal banking is a good idea



Why a postal bank in Canada in 2016 ?

The banks are failing us

- Canadian banking industry portrayed as model of stability and good management: Due to regulation
- But not meeting the needs of growing numbers of Canadians
- Focused on profits not service: service cuts, branch closures, foreign investments, high fees
- Most profitable sector of the economy
- Big five banks profits (2015) - \$ 35 billion
- \$100 million per day
- Profits up 19% in last 2 years

Banking problems and trends

- Canadians pay, on average, service fees of \$185.00 annually
- Oxera Consulting Ltd study: Canada had among the three highest annual fees on current accounts for students, low income families and pensioners
- Better record servicing medium and high income customers
- ATM fees are among most expensive
- 1990 - 2014 - Canada's population up by 20%
- Bank branches decreased by 22%, largely in rural areas and low-income areas of urban centers

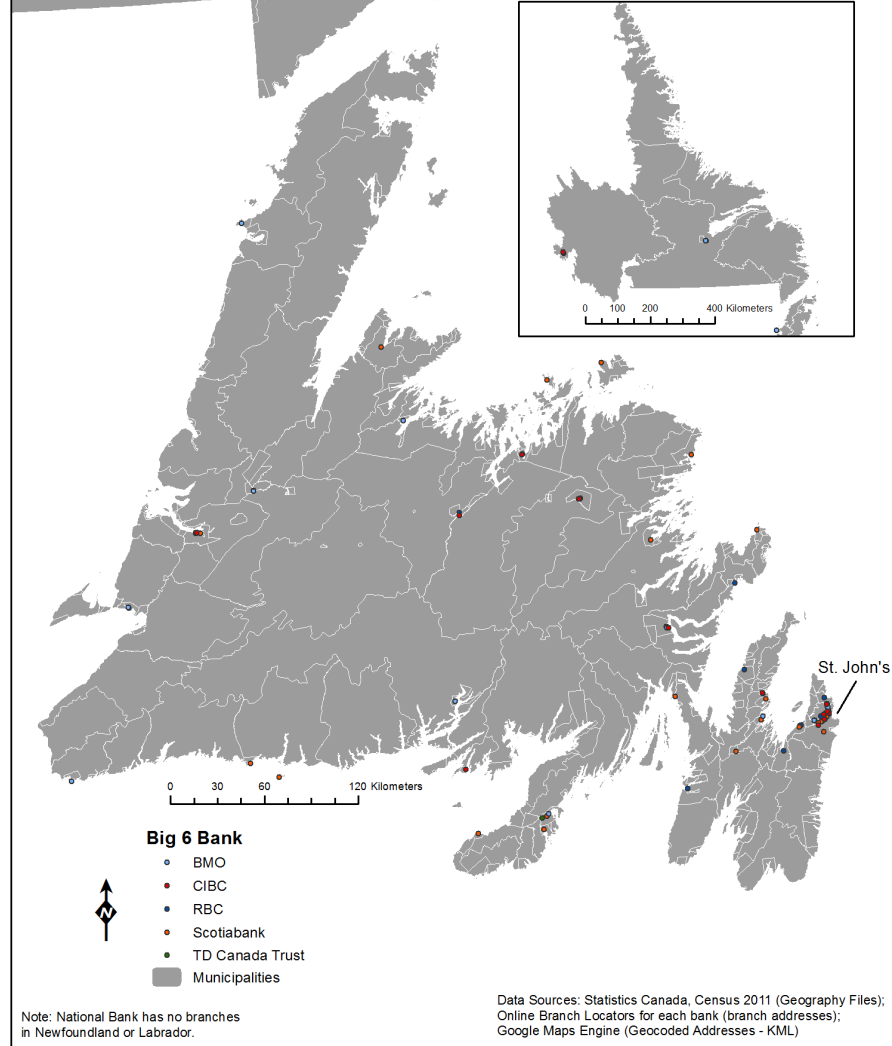
Class, race and geographic exclusion

- The National Symposium on Financial Capability found evidence of financial exclusion of low-income people
- Many unbanked - 3% to 15%.
- Many underbanked too - Rural Canadians with bank accounts that rarely access banking services *plus* people with bank accounts that rely on fringe financial institutions, especially low-income people and Indigenous people.
- Prince George B.C. study: Found that 50% of the Indigenous population who used fringe financial institutions such as payday lenders had bank accounts.

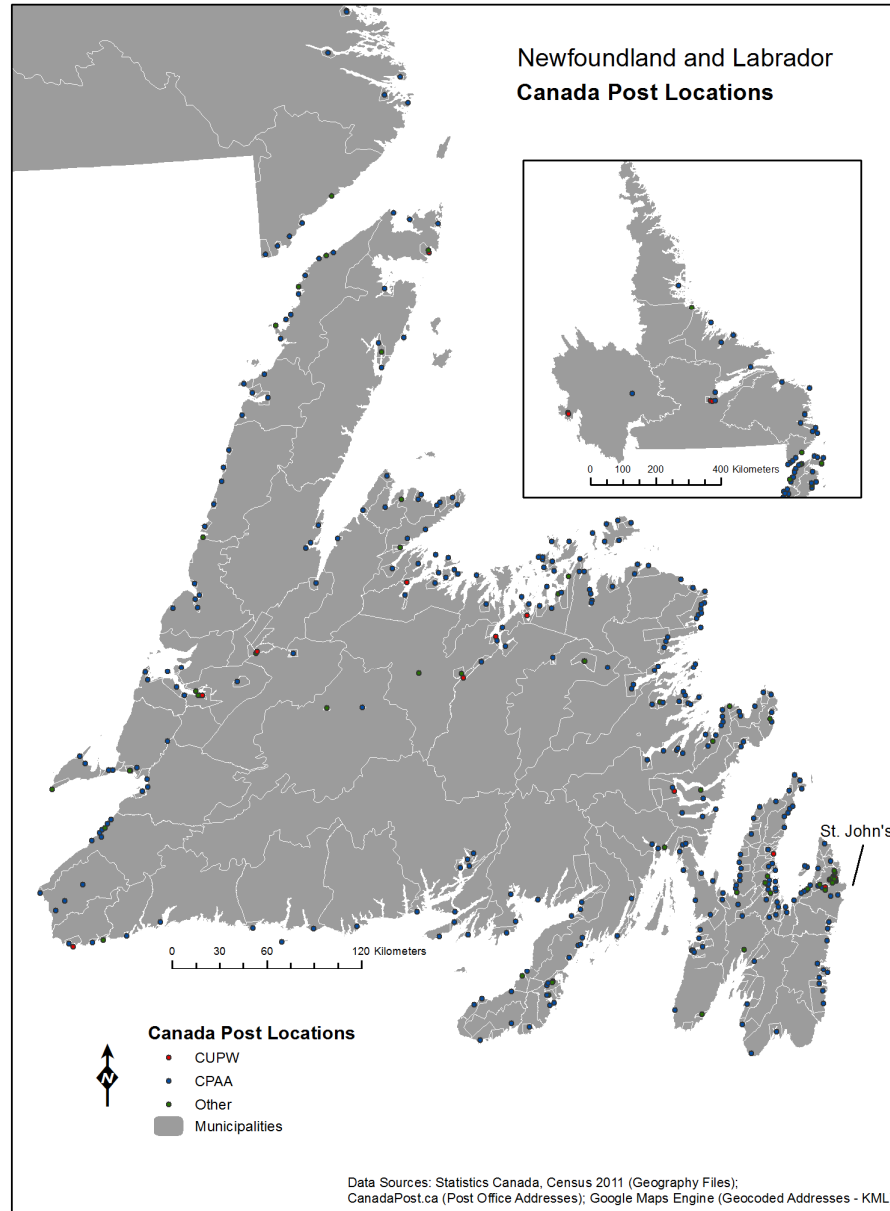
Rural exclusion

- Large banks have been closing operations in small towns and villages.
- CPAA study found 1178 communities with a post office (out of 2620 that responded) have no bank or credit union in their community.
- Provinces with high rates of financial exclusion (no bank in communities with post offices)
 - Newfoundland and Labrador: 84%
 - Nova Scotia: 65%
 - British Columbia: 61%

Newfoundland and Labrador Big 6 Banks



Newfoundland and Labrador Canada Post Locations



Postal Banking to the Rescue

Across the world, postal banks exist to provide high quality, affordable service

- * to everyone
- * everywhere

with a mandate to promote financial inclusion and economic development.

Kiwibank: A New Zealand Postal Bank Success Story

2002: 7 Branches

: \$34 million investment

2003: 100,000 customers

2005: First profitable year

2006: Voted most trusted bank in New Zealand'

2014: \$100 million profit

Today: Offers full range of personal and commercial banking services , insurance, credit cards etc.

800,000 customers

Operates through 280 “PostShops

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Bank@Post: Australia Post

- Provides banking services on behalf of more than 70 banks and financial institutions, at over 3,500 participating Post Offices

With Bank@Post service, customers can:

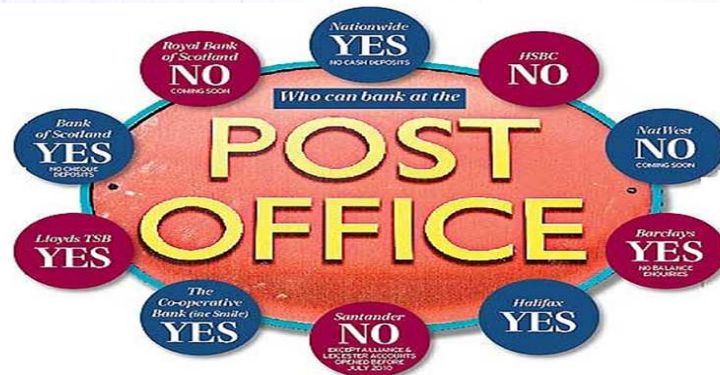
- make deposits and withdrawals
- check account balances
- pay credit card bills
- perform banking transactions for their business



UK: Post Office Money Expands

- The UK [Post Office](#) intends to become one of the UK's biggest financial services providers by the end of this decade.
- Post Office Money offers a range of mortgage, current account, savings, travel insurance and foreign currency products.
- The business currently has 3 million customers for banking and insurance products and 9 million for its foreign currency services.
- Customers of other banks can conduct transactions at post offices

Post Office Money Matched Credit Card



So how do we
make it happen
In Canada ?

We have support!

- **Municipalities** - Over 600 municipalities have passed resolutions that support postal banking.
- **Public** - Almost two out of every three respondents (63%) to a 2013 Stratcom poll supported Canada Post expanding revenue-generating services, including financial services like bill payments, insurance and banking.

Canada Post - 1980s to now



- Canada Post President Deepak Chopra does not support postal banking
- Predecessors have considered and even promoted
- 1982 - Michael Warren said that there were 2,000 communities in Canada which had a post office but no bank and suggested that the postal service could step into this service vacuum.



Canada Post - 1980s to now



1998 - André Ouellet told a parliamentary committee that Canada Post used to provide banking services and suggested that the corporation could do it again.



2010 - Moya Greene told a standing committee of Canada's Senate that she was giving serious consideration to providing “a more traditional and generalized banking offer.”

USPS Office of the Inspector General



May 2015 - USPS Office of the Inspector General issued a report suggesting that USPS expand financial and banking services

Puffy supports us!



2016 review of Canada Post

Opportunity of a lifetime



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Support Postal Banking

Canada charges some of the highest banking and ATM fees in the world.

Nearly two million Canadians are resorting to predatory payday lenders, especially young families and lower-income Canadians.

In many communities, especially in rural and northern Canada, there's a post office but no bank.

63% of Canadians and over 600 municipalities support adding financial services to Canada Post.



cupw.ca/PostalBanking

Ready for liftoff.

CUPW-SCFP 1079