

Russian Post Launches New State Bank to Serve Remote Regions

By [The Moscow Times](#)

January 28, 2016



One of Russia's largest state banks has teamed up with the country's postal service to create a new lender with thousands of branches to guarantee banking services in remote areas.

The move comes as other banks close hundreds of unprofitable offices in poor, sparsely populated regions to boost efficiency amid a deep economic slump.

VTB24, the retail banking arm of state-owned VTB group, announced the launch of Post Bank in a press release on Thursday, calling it “a momentous event not just for Russian Post and VTB, but for our country in general.”

The press release said the bank would start work within weeks and would within three years be providing services in 15,000 branches across the country — rivaling the network of Sberbank, the state-owned lender that dominates Russia's banking sector.

Post Bank has access to infrastructure and around 40,000 offices operated by Russian Post,

allowing it to expand cheaply. Low operating costs are essential — many of Russia's regions are extremely poor, and a recession that began last year is squeezing banking sector profits while cutting wages and pensions.

The new bank is part of a sweeping modernization at Russian Post, which aims to transform a company famous for months-long delivery delays and leaving a backlog of 500 tons of parcels at Moscow airports in 2013 into a modern, profitable postal service.

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