

Russia to Get Massive New State-Owned Postal Bank

By [The Moscow Times](#)

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Prime Minister Dmitry Medvedev

The government has green-lighted the creation of a new bank that will have a branch network more than double the size of Russia's biggest lender, Sberbank, and guarantee the provision of banking services in remote areas.

Post Bank, a joint venture between Russia's state-run postal service and VTB, the country's second largest state bank, will have access to the 42,000 offices operated by Russian Post, according to a statement published on the government's website on Wednesday.

The move to create the bank comes as Sberbank, the state-owned lender that dominates Russia's banking sector, closes hundreds of unprofitable branches to boost efficiency. Prime Minister Dmitry Medvedev in August warned the bank that “nature abhors a vacuum” and said a new Post Bank could scoop up regional business, according to news agency RIA Novosti. Sberbank has about 17,000 branches in Russia.

VTB will meld one of its subsidiaries, Leto Bank, into the new lender. The bank will start work early next year, Dmitry Rudenko, who is to head the new bank, told news agency RBC.

The arrival of Post Bank is part of a sweeping modernization at Russian Post that aims to transform the company from a loss-making firm famous for months-long delivery delays and leaving a backlog of 500 tons of parcels at Moscow airports in 2013 into a modern postal service fit for privatization later this decade.

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