

FINANCIAL SERVICES UPDATE #5

Recently, Canada Post announced that it had entered into a strategic alliance with TD Bank to begin offering a new, personal loan product at select post offices across the country. It's important to take stock of what this partnership means for CUPW and its vision for an independent, publicly-owned postal bank.

Postal Banks and Partnerships

Around the world, partnering with banks is the most common way for postal banks to offer loans. This is the case in Switzerland, for example, where the postal bank has partnered with two private banks to offer mortgages under the postal bank brand.

More importantly, partnering with a bank does not put an end to the goal of an independent postal bank. Looking at France's La Banque Postale is helpful. La Banque Postale took a step-by-step approach to develop its banking services, using partnerships to develop expertise, enter new business lines, and keep costs low; all the better to serve customers.

In its early years, La Banque Postale partnered with one bank to offer mortgages, another to improve access to credit for low-income customers, and another to offer a range of consumer loans.

Today, La Banque Postale is one of the world's most successful, full-service postal banks, with a mandate to serve the public good. In 2020, the bank earned more than €1 billion in profits, all while offering innovative products to meet the needs of the underserved.

Eyes on the Goal: An Independent Postal Bank for Everyone!

As we've said before, we welcome Canada Post's new loan product – as a first step. This does not mean we've lost sight of our longstanding goal, outlined in Delivering Community Power: an independent postal bank for everyone. The current market test has the potential to help us get there.

STAY TUNED FOR UPDATES ON FINANCIAL SERVICES!

In Solidarity,



Julee Sanderson
1st National Vice-President



Beverly Collins
National Secretary-Treasurer

On behalf of the Appendix "T" Steering & Working Committees

/mps-cope225