

Image of JBA's Proposal for Postal Savings Reforms

Current Postal Savings

Japan Post

【 Government-run public corporation,
concurrently operating three businesses 】

(services provided)

- accepting ordinary savings, time deposits ("Teigaku Savings"), etc.
- operating funds through Zaito (Fiscal Investment Loan Program), JGBs, etc.
- providing payment/settlement services (independent from payment networks of private financial institutions)
- selling JGBs

(management)

- running three businesses (mail, savings and life insurance) as one entity
- running the nationally integrated business
- enjoying privileges of a governmental business (government guarantee, tax exemption, different regulations and supervision from private financial institutions)

Accepting ordinary savings, providing payment/settlement services and selling of JGBs will be succeeded by Post Bank

Acceptance of time deposits ("Teigaku Savings," etc.) will be halted and existing time deposits ("Teigaku Savings") shall be transferred together with corresponding assets

Reformed Postal Savings

Post Bank

【 Joint-stock company and a narrow bank 】

(services provided)

- accepting ordinary savings
- operating funds through JGBs and others
- providing payment/settlement services (joining payment networks of private financial institutions)
- selling JGBs and financial products of private financial institutions
- repaying time deposits ("Teigaku Savings") to depositors on behalf of the special resolution account

(management)

- separating three businesses (though these services will continue to be provided through post offices)
- implementing appropriate regional splits
- abolishing privileges of a governmental business

Special Resolution Account

- governmental guarantee of repayment of separated time deposits ("Teigaku Savings") until maturity
- selling JGBs equivalent to the repayment amount of time deposits ("Teigaku Savings")

To avoid drastic changes in employment and the post office network, a certain amount of net interest income from the resolution account will be provided to the Post Bank as a subsidy.