Early Warning System

IFC-35461

PSBC Equity

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Quick Facts

Countries	China
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2015-06-09
Borrower	Postal Savings Bank of China
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 300.00 million

Project Description

According to IFC website, the Postal Savings Bank of China (PSBC) is the 5th largest PRC commercial bank in terms of total assets and 5th largest in terms of total deposits as of March 31, 2016. It is a subsidiary of China Post Group Corporation (CPGC). As of March 31, 2016, PSBC had a total of 40,057 business outlets covering all cities in China and 98.9% of the county areas, and had a retail client base of 505 million. Leveraging its large network and broad coverage in urban and county areas in China, PSBC strategically focuses on providing financial services to communities, SMEs and Agriculture/ Rural/ Farmers customers and are committed to meeting the financial needs of its customers.

The project is expected to have a high development impact in the following areas:

1. Promote access to finance for MSMEs and rural sector.
2. Create jobs, alleviate poverty and boost shared prosperity.
3. Promote best practice in banking and governance.
4. Promote SOE equity reform, aiming for a more balanced shareholding structure, a market-oriented business model and higher operation efficiency.

Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Postal Savings Bank of China (Financial Intermediary)

Private Actors Description

PSBC is a new client. PSBC is the 5th largest PRC commercial bank in terms of total assets as of March 31, 2016 and was a wholly-ownedsubsidiary of China Post Group Corporation (“CPGC”), a state-owned enterprise owned by the whole people, prior to the pre-IPO private placement. CPGC is principally engaged in domestic and international mail delivery, distribution of publications such as newspapers, journals and books, stamp issuance, postal remittance, confidential correspondence, postal financial business, postal express delivery, postal logistics, e-commerce, postal agency and other businesses conducted in accordance with law. In 2007, PSBC was incorporated during a restructuring of the former postal savings organization. In 2012, PSBC was restructured from a limited liability company to a joint stock bank. In December 2015, PSBC offered approximately 16.92% ownership stake through a private placement which introduced 10 strategic investors in an aggregate amount of approximately RMB45, 140 million (approximately US$7 billion). The shareholding now includes 6 foreign entities (UBS AG, Canadian Pension Plan Investment Board, JPMorgan China Investment Company II Limited, Fullerton Management Pte Ltd, DBS Bank Ltd., and IFC) and 4 domestic companies (China Life Insurance Company Limited, China Telecom Corporation, Zhejiang Ant Small and Micro Financial Service Group Ltd. and Shenzhen Tencent Domain Computer Network Company Limited).

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/