

BHARAT SCHOOL OF BANKING

Postal Bank of India

PostalBankofIndia

The government is to set up a **Postal Bank of India** by utilizing its **1,55,000 Post Offices** across the country. Though the final structure is yet to decide, but it seems **Postal banks** will have a **distinct** structure from other **Payment Banks** and will compete with **universal banks**.

RBI Governor's speech

"In the coming year, we will have many new players in the **banking eco-system**, such as **payment banks, small finance banks** and possible a **postal bank** competing with existing **universal banks, regional rural banks, cooperative banks**, and a variety of **non-bank finance companies**", said RBI governor **R. Rajan**, outlining the developments in the **central bank** at an event to commemorate **RBI's 80th anniversary**.

Expected Structure

- The government is planning a **non-payments bank** structure for **Postal Bank of India**
- This will leverage the **Postal Department's real estate infrastructure**, vast **distribution network** (1,55,000 Post Offices across the country)
- It will also facilitate **Financial Inclusion** plan

Note that the **Postal Department** has already applied for a **payments bank licence** after **RBI** initiated the **licensing process** last year. But it is expected that if it gets **licence**, **Postal Bank** will be a **non-payments bank, or universal bank**.