Growing Remittances to Brazil

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Vigo Remittance Corp.

- Third largest electronic funds transfer company in the world
- Largest privately held electronic funds transfer company in the US
- Purchased by Management and Private Equity Fund in March 2003
- 17 years of experience in the most competitive US & LATAM markets
- 3,500 neighborhood-based agents in 38 US states and expanding
- Over 14,000 payment locations in 36 countries and expanding
  - Paying over 7 million transactions and US$3 billion annually
  - Major markets: Mexico, Colombia, Ecuador, Guatemala, Dominican Republic and Brazil
- Fully compliant with all US federal and state laws
- Relationships with major financial institutions and retailers throughout US and Latin America
- Leader in forging alliances with regulated financial institutions including banks, Credit Unions, and Exchange Houses
National Money Transmitters Association (NMTA)

• Established in 1999 to empower US money transmitters to have a voice in the remittance industry

• Promotes “Best Practices” among members

• Promotes the interests of money transmitters through:
  o Educational programs
  o Personal contact with regulators, government officials and policy makers
  o Industry Conferences
  o Dissemination of accurate, updated industry and compliance information
What do remittance customers want?

- **Speed and Reliability**
  - Money sent quickly and efficiently
  - Responsive, proactive Customer Service

- **Safety and Trust**
  - Experienced companies that can guarantee that the money will arrive

- **Convenience and Competitive Prices**
  - Extended hours of operations including weekends and evenings
  - Choice of currencies (Local or Dollars/Euros) and Competitive Prices

- **Varied distribution channels**
  - Banks, retailers, post offices, exchange houses, card products
Vigo and Mexico Experience Model

- Vigo is a leading player in the Mexico remittance market, #2 in market share (delivering **Speed and Reliability**)

- We transmit every 5 minutes to a wide variety of Correspondent payers and guarantee our services (**Safety, Trust & Convenience**)
  - Through banks (HSBC/Bital, Bancomer, Banorte)
  - Retailers (Famsa)
  - Credit Unions (Caja Popular Mexicana, BANSEFI)
  - Regulated Exchange Houses (CISA)
  - Government Telecommunications Network/Post Offices (Telecomm)

- Mexican government policies towards remittances have created an open transparent environment resulting in (**Competitive Prices**):
  - Increased competition and consequently lower prices (Range 3.5% to 5.5%)
  - **Vigo operates at the low end of the average pricing range**
  - No limitations on foreign exchange conversion
  - Payment in US dollars available
Creating an Environment for Growth in Brazil

• Brazil should leverage remittances more efficiently via its strong and sophisticated banking system

• Current practices (FX exchange laws and lack of formal channels)
  o Add additional costs and hinder efficient service
  o Limit the growth of the formal remittance market

• Examples:
  o CPF requirements
  o Foreign exchange contracts
  o Foreign exchange rates
  o Fees charged to beneficiaries in Brazil
  o Exclusive arrangements with Brazilian payers
  o Parallel market

• Brazil should encourage a more competitive payment environment
  o Work with licensed, fully compliant FORMAL remittance companies
  o Open up banking system for ease in payments to all banks
  o Streamline current rules and regulations