A new Statement of Direction for the Remittances business In Dominican Republic...
Our vision
1. Increase the flow of remittances, while reducing costs, and mitigating risks.
2. Motivate the migration of current remittances flows through banking channels.
3. Create value-added services as a tool for economic development.
4. Promote the participation of SMEs as value-added distribution channels.
Growth Strategy

ReD Growth Strategy

- Expand distribution system, thru “ReD” to reach 20% market share (up from 13%).
- Improve operation efficiency.
- Develop local markets.

- Consolidate the position as the first choice for distribution.
- Advertising campaign, educational and loyalty programs.

- Accomplish Full Brand Development.
- Reduce impact of intermediaries (To accomplish a fee-based pricing structure).
- Advertising Campaign by means of community projects.
- Introduce loyalty programs.
Fitting our company looks!

Original Company Logotype

ReD
Remesas Dominicanas
Distribution Channels
Distribution Channels
Traditional Channels

• 37 branches located in main cities
• 175 messengers for door-to-door delivery
• Door-to-door average delivery time: 2.5 hours
Bank Branches

- 70 bank branches countrywide
- End-to-End delivery time: 10 minutes
- Extended hours availability
Distribution Channels

Rural Coop´s

- Cooperativa La Vega Real
- 10 Branches
- Located in rural and Sub-urban areas
- End-to-End delivery time: 2.5 hours
Affiliated SMEs

Distribution Channels

- More than 170 points of delivery (PODs).
- Supermarkets, drugstores, covering the entire Dominican territory
- 10 minutes end-to-end delivery.
- Flexible schedules.

Deploying now...
Distribution Channels

ATM Cards

Future deployment.
Streamlining our operations through “Process Re-engineering”

<table>
<thead>
<tr>
<th>SAVINGS</th>
<th>OBJECTIVE</th>
<th>ANNUAL SAVINGS</th>
<th>% AVG</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE-ENGINEERING PROCESS</td>
<td>RD$ 3,420,000</td>
<td>RD$ 2,524,988</td>
<td>74%</td>
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<tr>
<td>COST CONTROL</td>
<td>RD$ 1,500,000</td>
<td>RD$ 1,349,000</td>
<td>90%</td>
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<tr>
<td>CASHFLOW PLANNING</td>
<td>RD$ 3,000,000</td>
<td>RD$ 4,800,000</td>
<td>160%</td>
</tr>
</tbody>
</table>
Results

TOTAL SAVINGS (ANNUAL)
USD$ 231,306
Where we are standing...
Provide the largest coverage on the island...
**RED Growth**

Our recent past demonstrates our strengths: A consistent strategy and a quick adaptation to our markets reality...

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2004</th>
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</thead>
<tbody>
<tr>
<td>Delivery Outlets</td>
<td>8</td>
<td>287</td>
</tr>
<tr>
<td>Number of remittances</td>
<td>80,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Market Share</td>
<td>3%</td>
<td>13%</td>
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</tbody>
</table>
Since 2002 business volume has increased by 33%...
Walking in Horizon 2...

- Consolidate the position as the first choice for distribution.
- Advertising campaign, educational and loyalty programs.
Economic Impact
PyME BHD

- Over 350,000 SMEs.
- Contribute over 20% of GDP.
- 25% of the Workforce works for an SME.
- 60% of SMEs are located in Santo Domingo and inland cities.
- 40% are rural “subsistence” SMEs.
- 17% produce for exports.
Why the connection?

- Remittances are a source of capital.
- 89% are one owner SME; 7% are relatives ownership.
- 60% share the family house as premises.
- 66% customers are in same neighborhood.
- Sales range depend on size and they can reach U$14M.
- Under served by banks.
International alliances, which facilitate the Development in the Dominican Republic Pilot Program

- More than 5,000 branches
- 50% lower costs for immigrants to send their money

Market
- SPAIN

La Caixa de Barcelona
- More than 5,000 branches
- 50% lower costs for immigrants to send their money
International alliances, which facilitate the Development in the Dominican Republic Housing Project for Immigrants

- More than 5,000 branches
- 50% lower costs for immigrants to send their money

Market
- SPAIN

La Caixa de Barcelona
- More than 5,000 branches
- 50% lower costs for immigrants to send their money
• Building a “social innovative” fund to finance small community projects, such as school repairs...

• Small project to better sanitary conditions, health services, etc.
Conclusions
Conclusions

- We are convinced that remittances are an instrument for the economic development of our countries.

- We are working to build the infrastructure to support it efficiently.

- We are committed to accomplish it.