



*A new Statement of Direction for the
Remittances business In Dominican Republic...*



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Our vision



Vision Statement

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

Traditional Channels



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

Distribution Channels
Bank Branches



Banco BHD



- 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**

Distribution Channels

Affiliated SMEs



- 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”

SAVINGS

OBJECTIVE

ANNUAL
SAVINGS

% AVG

RE-ENGINEERING
PROCESS

RD\$ 3,420,000

RD\$ 2,524,988

74%

COST
CONTROL

RD\$ 1,500,000

RD\$ 1,349,000

90%

CASHFLOW
PLANNING

RD\$ 3,000,000

RD\$ 4,800,000

160%

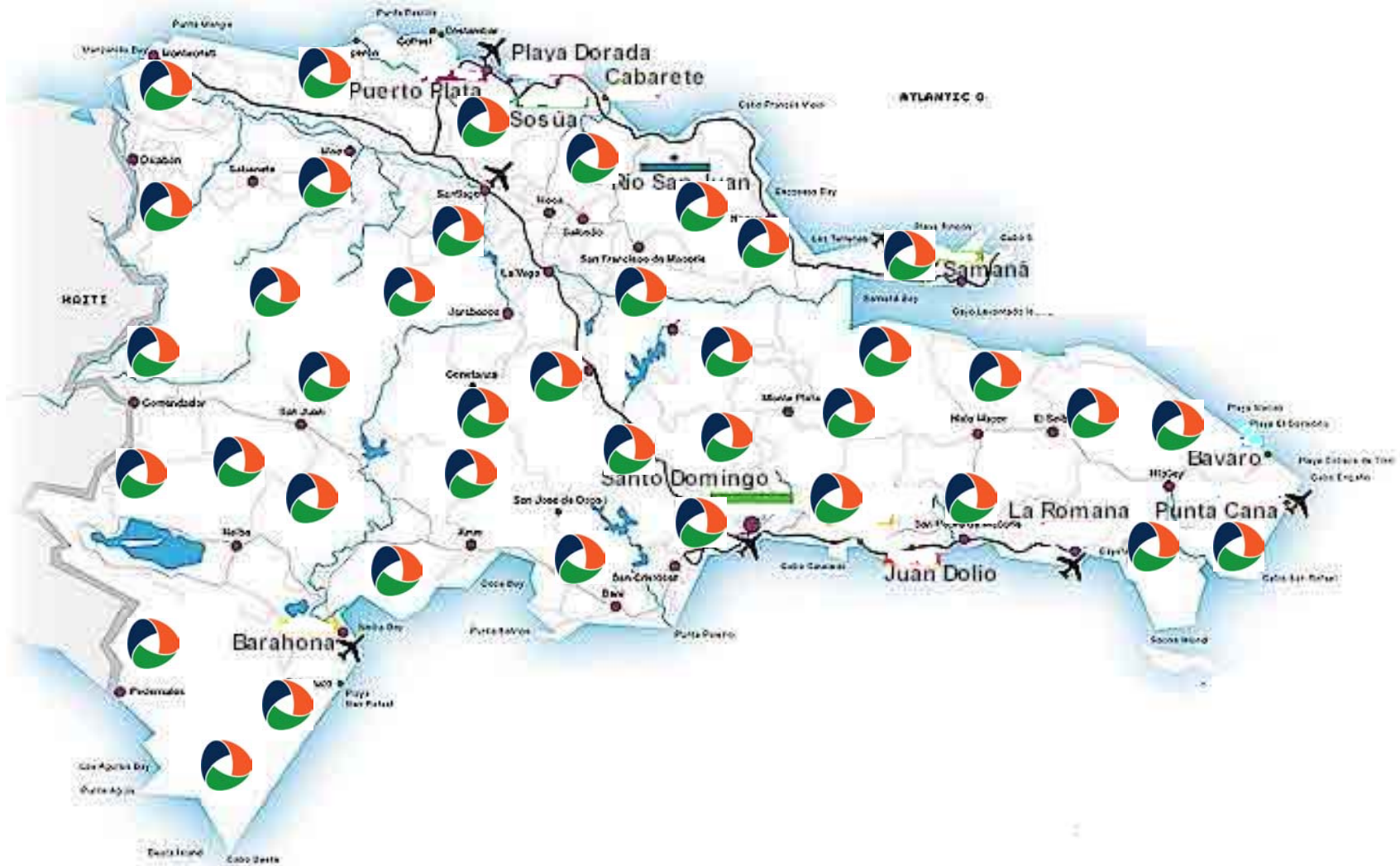


**TOTAL SAVINGS
(ANNUAL)
USD\$ 231,306**

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...

	1998	2004
Delivery Outlets	8	287
Number of remittances	80,000	1,300,000
Market Share	3%	13%

*Since 2002 business volume
has increased by 33%...*

2002

US\$ 200 mm

2003

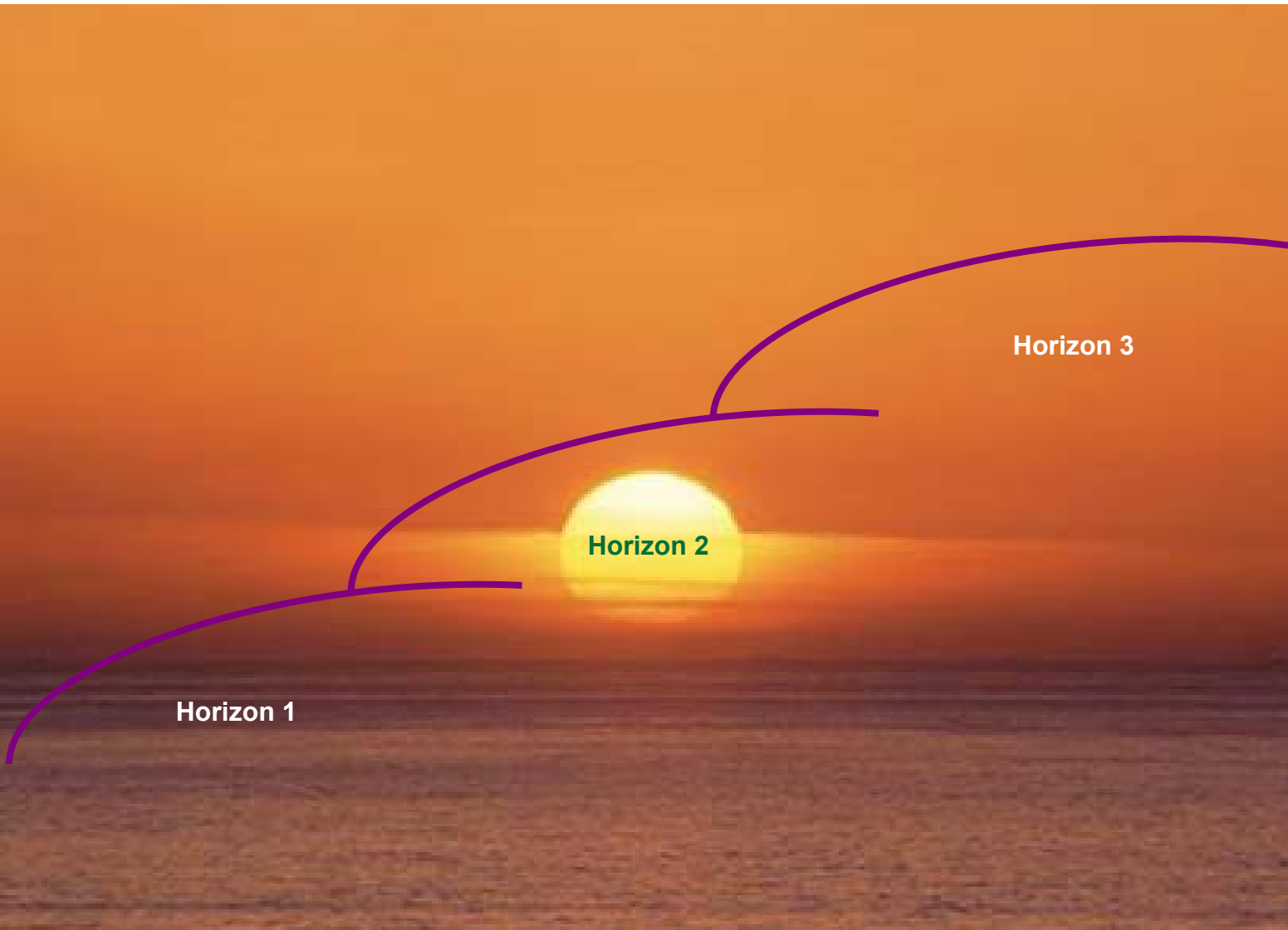
US\$ 233 mm

2004

US\$ 265 mm

Walking in Horizon 2...

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




Economic Impact PyME BHD


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- 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.

Capitalization And Socio Economics

Why the connection?

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- A woman with dark hair, wearing a floral top and a necklace, is smiling and talking to a man with glasses and a blue shirt. They are in a hair salon, with a mannequin head and a hair dryer visible in the background. The man is holding a blue pen and looking at some papers.
- 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

- 
- 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

Market


- **SPAIN**

La Caixa de Barcelona

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



Social Contribution

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- A photograph of a group of young children, likely in a classroom, looking attentively towards the left. They are wearing colorful beaded headbands. The image is partially covered by a large green curved graphic element on the left side.
- 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.

