

# Growing Remittances to Brazil



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# Vigo Remittance Corp.

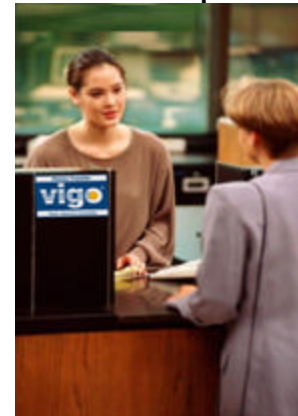
- Third largest electronic funds transfer company in the world
- Largest privately held electronic funds transfer company in the US
- Purchased by Management and Private Equity Fund in March 2003
- 17 years of experience in the most competitive US & LATAM markets
- 3,500 neighborhood-based agents in 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:
  - Educational programs
  - Personal contact with regulators, government officials and policy makers
  - Industry Conferences
  - 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)
  - Add additional costs and hinder efficient service
  - Limit the growth of the formal remittance market
- Examples:
  - CPF requirements
  - Foreign exchange contracts
  - Foreign exchange rates
  - Fees charged to beneficiaries in Brazil
  - Exclusive arrangements with Brazilian payers
  - Parallel market
- Brazil should encourage a more competitive payment environment
  - Work with licensed, fully compliant FORMAL remittance companies
  - Open up banking system for ease in payments to all banks
  - Streamline current rules and regulations