



# Mobilizing Worker Remittances

Presentation Prepared For the Conference:

**Remittances and Microfinance:  
Colombian Case Study and Best Practices in the  
Region**



In Collaboration With

**Women's World Banking  
and the Federation of Latin American Banks**



*Cartagena, Colombia, September 8, 2004*

- Viamerica founded in 1999; processing remittances since April 2001
- Viamerica Strategy:
  - ◆ Low cost, high service level
  - ◆ Strategic partnerships with financial institutions in recipient countries
  - ◆ Service innovation
- Global market share: less than 1%
- Top sources of remittance flows:
  - ◆ United States
  - ◆ Spain
- Revenue and transaction growth every quarter
- Rapidly growing agency base
- Annual volume over \$150 million
- Strong operating margin in all countries

- Existing products
  - ◆ Cash to cash
  - ◆ Cash to account
  - ◆ Account to account
  - ◆ Account to cash
  - ◆ Bill payment
- New products
  - ◆ Medical insurance premiums



U.S. Banks

	<u>Monthly Transactions</u>	<u>Number of Agencies</u>	<u>Sample Competitor</u>	<u>Approximate Market Share</u>
<b>Incumbents</b>	6,000,000*	159,000*	Western Union (* worldwide) Money Gram	50 to 60%



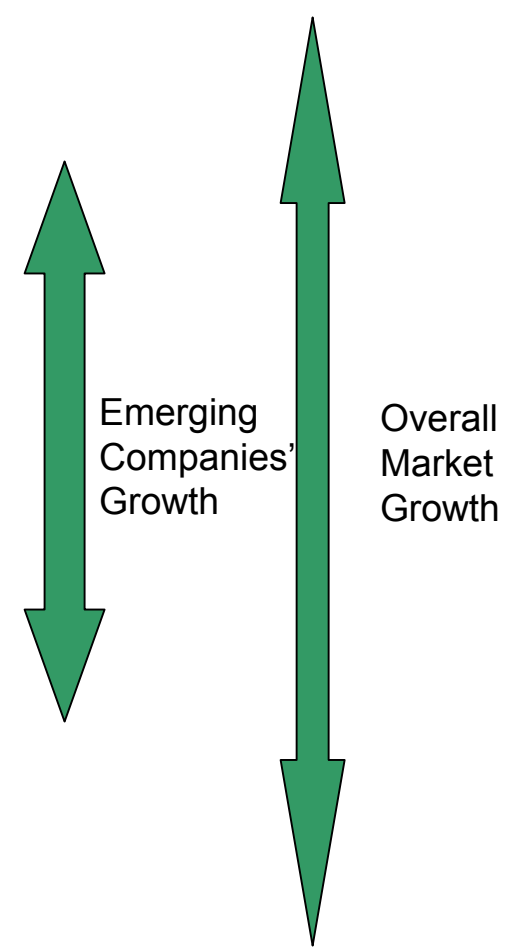
Latin Banks

<b>Emerging</b>	600,000	2,000	Vigo	25 to 35%
	500,000		Ria Envía	
	200,000		Afex	
	90,000	800	Uno	
	6,000	50	IberoAmericana	
	1,000,000 +	180 small companies		



Regulators

<b>Informal</b>			Couriers	5 to 10%
			King Express (Money Orders)	
			Unlicensed Wire Services	



# Competitive Differentiation

Market Segment	Sample Companies	Approximate Market Share		Viamericas' Differentiation
<b>Incumbents</b>	Western Union	50 to 60%		30 to 50 % lower cost Equivalent service
	Money Gram			
<b>Emerging</b>	Vigo	25 to 35%		Dedicated account reps Premier bank partners COGS Advantages Technology Platform
	Ria Envia			
	Afex			
	Uno			
	IberoAmericana			
	180 Fragmented Companies			
<b>Informal</b>	Couriers	5 to 10%		Legal operation High quality compliance program Scope of payout network Technology platform
	King Express (Money Orders)			
	Unlicensed Wire Services			

- CASA de Maryland is a day laborer employment center and immigrant advocacy group
- Viamericas' alliance with CASA began in 2003
- Viamericas staffed a remittance counter, trained CASA staff
- Remittance fees now help fund CASA programs
- CASA helped with outreach to low income senders





- Blue chip partnerships with strong brand names
- Extensive country coverage
- Expanding network: Bital, Banco Pichincha

- Conavi and Viamerikas have worked together since 2001
- Initial service: Account to account; later expanded to cash payout throughout extensive Conavi network
- Real time funds availability
- No infrastructure investment required
- Highly successful alliance:
  - ◆ Thousands of accounts opened
  - ◆ Thousands of dedicated customers
  - ◆ Fee income for Conavi
  - ◆ Mutual customer retention





- Viamerikas and FIE have worked together since early 2004
- FIE reaches poorest segments in Bolivia through microcredit programs
- Realtime funds availability
- No infrastructure investment required
- Successful initiation to service
  - ◆ Customer “pull” through FIE clients
  - ◆ Very strong customer service ethic
  - ◆ Growing volume and customer base; accounts being opened



- Technology is fundamental to lowering the cost of excellent service
- Effective money laundering control and other compliance programs depend heavily on technology
- Not all aspects / markets lend themselves to technological solutions
- ATM based models have limited appeal and uptake in many markets, especially rural areas
- The key is to use technology to bridge existing infrastructure and drive down the cost of providing service



For further information contact:

Paul Dwyer, CEO

[Pdwyer@viamericas.com](mailto:Pdwyer@viamericas.com)

[\(301\) 215-9194 ext. 102](tel:(301)215-9194)

[www.viamericas.com](http://www.viamericas.com)

