

Remittances

- a new perspective -

June 2011





1

Setting up the scene

2

Allevo's approach

An international remittance is
a cross-border, person-to-person payment
of relatively low value

The World Bank

- ☐ Typically by migrant workers to their families. Especially from developed to developing countries
- ☐ Person-to person, low value – i.e. not commercial or wholesale payments
- ☐ **Domestic remittances also exist**
- ☐ Recurrent - but typically made by individual transfers (e.g. not by standing order)
- ☐ Typically credit transfers
- ☐ For remittance service providers (RSPs), often indistinguishable from any other retail cross-border transfers

Worldwide

- remittances totaled \$440 billion in 2010
- involved some 250 million migrants or 3.2% of world population
- annual transactions: 1 to 1.5 billion
- average transaction value: +/- \$ 300

Romania

- inward remittances flow totaled \$4,5 billion in 2010
- outward remittances flow totaled \$310 million in 2009

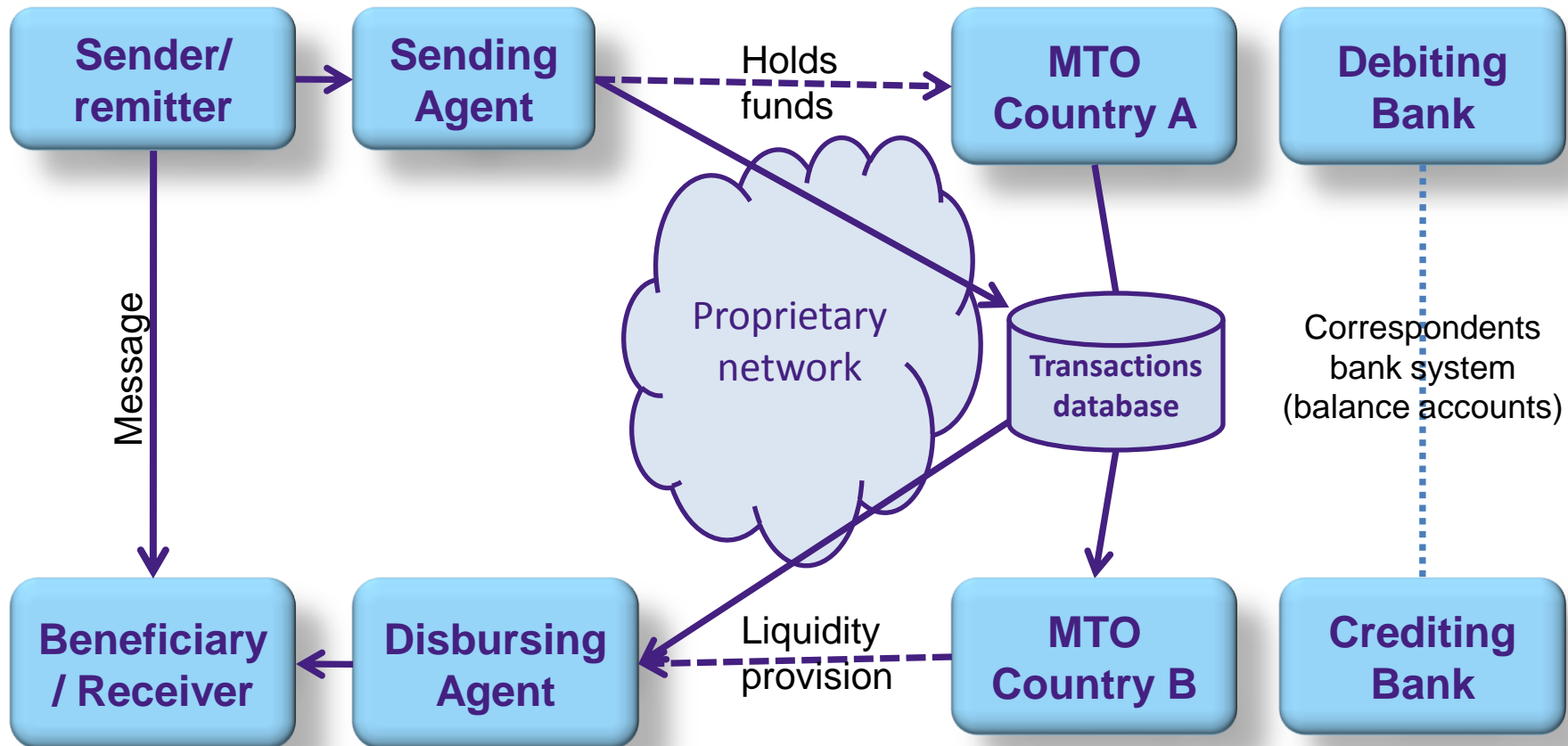
EMIGRATION, 2010

- Stock of emigrants: 2,769.4 thousands
- Stock of emigrants as percentage of population: 13.1%
- Top destination countries: Italy, Spain, Hungary, Israel, the United States, Germany, Canada, Austria, France, the United Kingdom

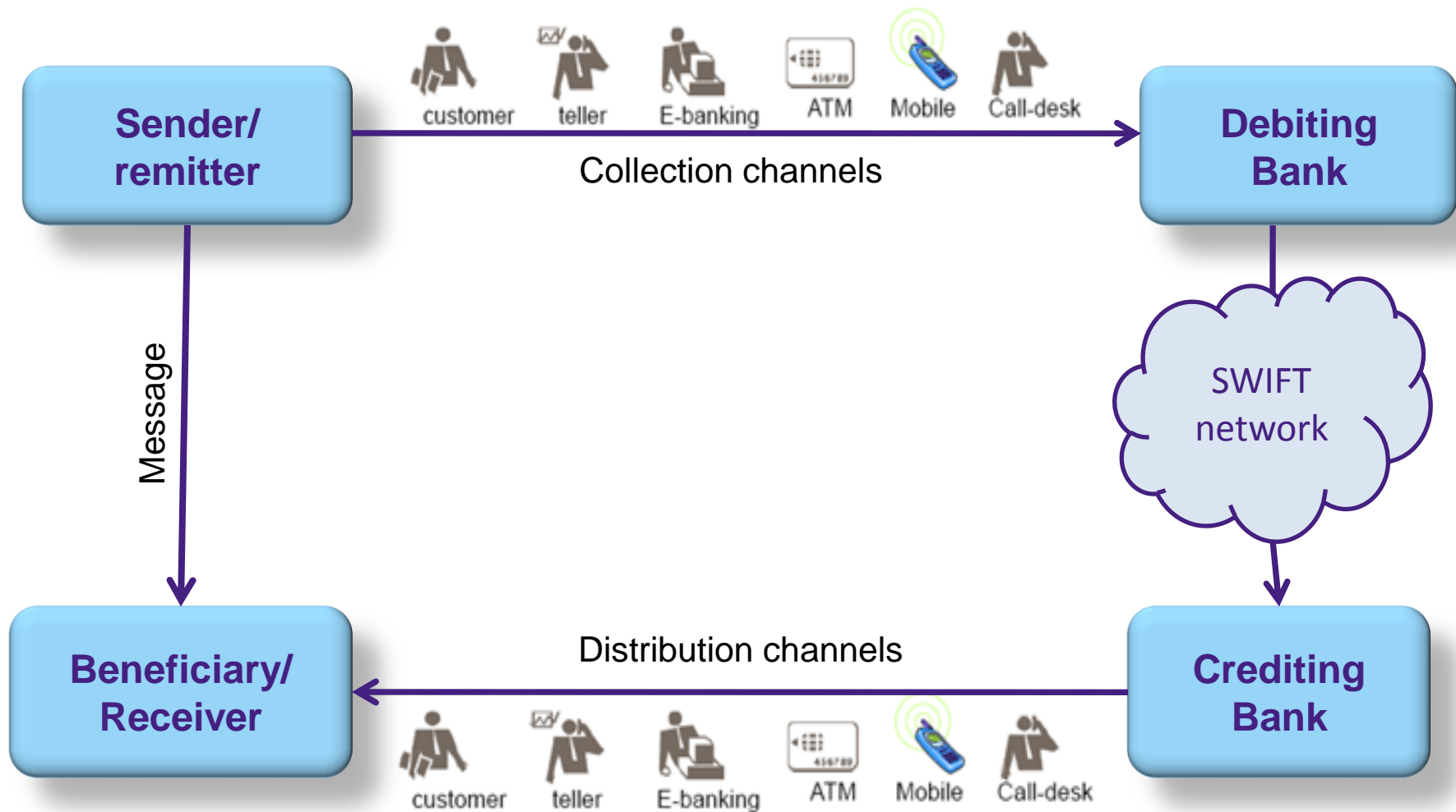
IMMIGRATION, 2010

- Stock of immigrants: 132.8 thousands
- Stock of immigrants as percentage of population: 0.6%
- Top source countries: Moldova, Bulgaria, Ukraine, the Russian Federation, the Syrian Arab Republic, Hungary, Greece, Turkey, Italy, Germany

How it works now ...



How it could work ...



Focus on...

Collection /Distribution Channel

- agents, mobile, ATM, online ...

Market environment

- regulatory environment
- Other players (exclusivities)
- Compliance (AML/KYC)

Marketing strategies

The challenge is to reach the rural areas

Agenda

- 1 Setting up the scene
- ➔ 2 Allevo's approach

Allevo's approach

