

Remittances: Bring Money Home

Earthport's 'Bring Money Home' is a white label service designed to be operated either by a bank or major corporation which has a trusted global financial brand and is based in a major remittance receiving country. It enables the firm to operate a service targeting nationals of that country who are working and living abroad, helping them send funds home cost-effectively. As well as generating a strong income stream, it addresses the needs of a growing set of banked and internet-savvy customers that require easy and cost-effective, yet secure and reliable international funds transfers.

Time for a New Model?

According to the UN, between 1960 and 2005 the number of international migrants doubled, and in 2005 about 190 million people –about 3% of the world population- lived outside their country of birth. With these record numbers, there is a massive global need to provide people with cost-effective ways to send money back to their country of origin. These services are used not just by current migrant workers, but also by second-generation migrants whose families have resettled abroad but still support family members and friends back home. They are also useful for families whose children are studying overseas.

The majority of services available today are operated by firms based in money sending countries, using a “many to many” model. This existing approach services people of all nationalities, across multiple sending countries, transferring money to a wide range of destinations around the world. Targeting the sender incurs substantial marketing and distribution costs. Fees earned by remittance service providers are substantial, in some cases accounting for more than 20% of the value of a transaction. A fee of between 5% and 10% is typical.

Recapturing Economic Value

Global remittances are estimated to total up to \$1 trillion annually. According to the World Bank, at the end of 2009, there are 31 countries where the fees associated with inbound remittances amount to more than 5% of GDP. This leaking of value to overseas providers has drawn the attention of G8 political leaders, who are exploring ways to enhance the economies of developing countries.

It also presents a substantial opportunity for a new business model, where firms in receiving countries provide services aimed at capturing remittances from their nationals living abroad. A firm with a strong and trusted brand name in its domestic market can avoid many of the marketing and cash handling costs, particularly if it already uses Internet-based marketing approaches. This “many to one” model can market to local recipients, encouraging them to request receipt of funds through a trusted local brand.

Earthport's account-to-account payments service is ideally suited to supporting Money Service Providers whose business is to provide remittance services. Account-to-account transfers are the least costly, most reliable method to transfer funds safely and quickly internationally, while offering high levels of customer service.

Extending Reach

Earthport can also help address one of the key issues facing the developing world: how to promote financial inclusion and attract more people to use established banking services. The Bring Money Home service can also make use of new retail delivery channels, making banking services available to additional segments of the population. For example, the solution supports delivery to mobile phones through established mobile payment schemes, as well as delivery to bank-issued prepaid cards in circumstances where recipients do not hold a traditional bank account.

Earthport's white label service helps meet the payment needs of the growing market of "white-collared" (as compared to "blue-collared") overseas nationals, who are mostly banked and have access to the Internet. With Earthport, you are able to offer them a highly competitive, secure, reliable money transfer channel, easily available from their desktop.

Earthport's wide network, covering most of Europe, North America and Australia and rapidly growing in Asia, Latin America and Africa, allows existing workers' remittance services to be extended to new corners of the globe that, until now, could not be reached effectively.



How Earthport's "Bring Money Home" Benefits your Organisation:

- *Generates deposits for participating banks*
- *Establishes a new low-cost, reliable and secure payments channel*
- *Services are transparent, with fees, foreign exchange rates and service levels provided to the service provider, who in turn can make them clearly visible to the sender*
- *White-label service enhances the brand of the service provider, while Earthport assures smooth service from behind the scenes;*
- *Multiple options for service provider to generate income from value-adds, such as foreign exchange*
- *Very low up-front investment; usage-based fees*
- *Makes use of the service provider's standard retail delivery channels – cash, prepaid card, mobile, cash courier and others*
- *Fast to value. Based on an existing service, typical time-to-live is measured in weeks*
- *Management Information Services available to service provider, facilitating self-service enquiries and transaction tracing, as well as providing messages and alerts*
- *In most cases, next day processing (T+1), subject to timely pay-in of funds*

**Earthport's "Bring Money Home":
How it Works in Practice:**

- *The Internet portal is set up and maintained by the service provider. At all times you communicate with your own customers.*
- *For each new customer, Earthport provides you with a unique Sender Identifier.*
- *The Sender accesses the Internet portal*
- *You inform the Sender of Earthport's bank account details in the relevant country, as well as the Sender Identifier.*
- *The Sender makes the pay-in to Earthport through his own, local, Internet banking service with the relevant Sender Identifier as reference.*
- *Earthport credits your account daily via a single bulk transfer, together with all Sender and Transaction details.*
- *You make the local pay-outs through your chosen, often already existing, local delivery channels, which can include card pay-outs, over-the-counter pay-outs, mobile phone top-ups, or pay-outs into a local bank account.*

Earthport is Taking Local Payments Planet-wide:

There's no easier or more cost-effective way to make payments than in your domestic payments system. It's the cross-border payments that cause banks, businesses and consumers a real headache. Wherever possible, Earthport processes a payment like a domestic payment – saving on cost, cutting out hassle and reducing the time taken for funds to reach the ultimate beneficiary. Using its extensive and unique global network of segregated accounts, **Earthport makes international payments as simple as domestic payments.**

Further Information:



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Tigerland Asia Pacific provides Consultancy Services, Project Management Services and Solutions for the Financial Services Industry, specializing in Cross-Border Payments, Clearing and Settlement, Workers' Remittances, Anti-Money Laundering and Countering Payments Fraud.

For more information on Earthport Plc:

www.earthport.com