

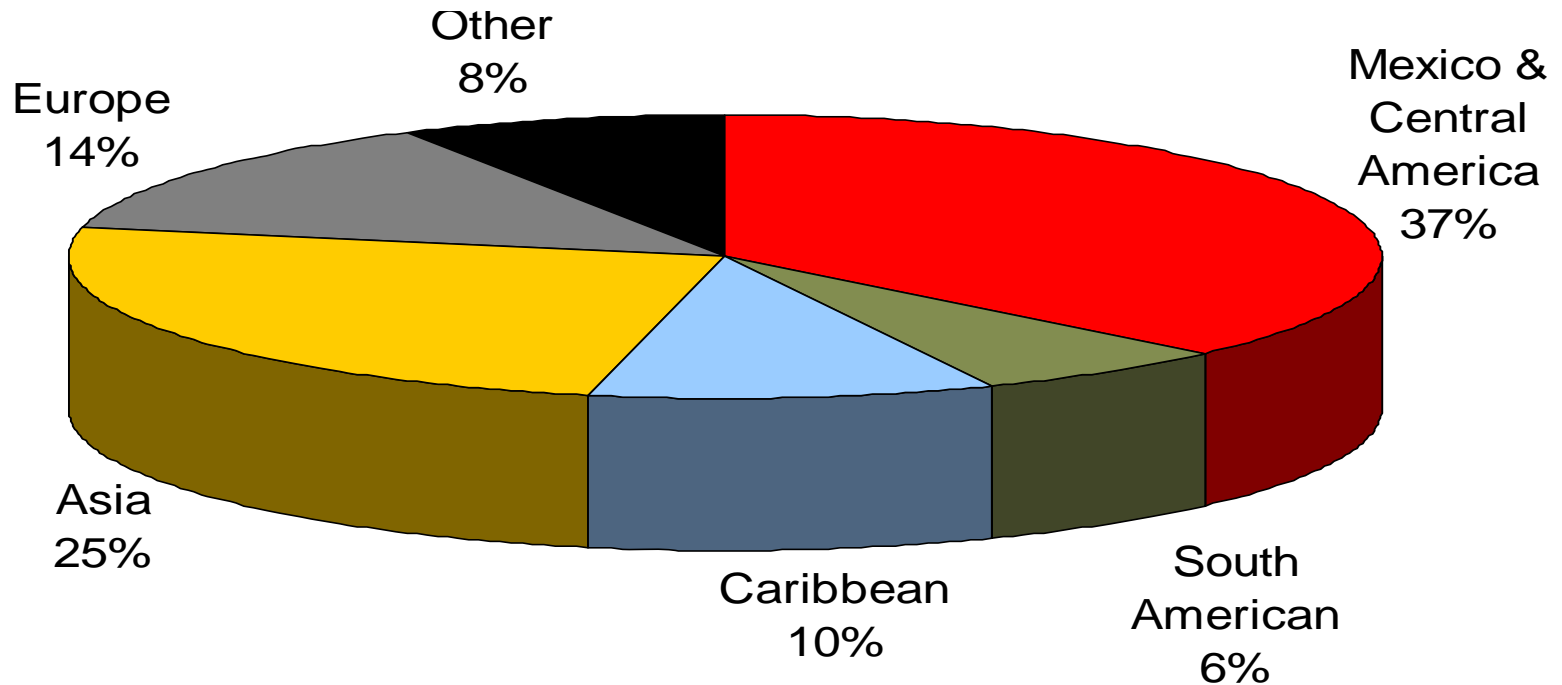
Consumer Remittances

Looking Forward by Reviewing the Past

Daniel I. Ayala
Senior Vice President
Global Remittance Services
Wells Fargo Bank, N.A.

Immigrant Consumer Opportunity

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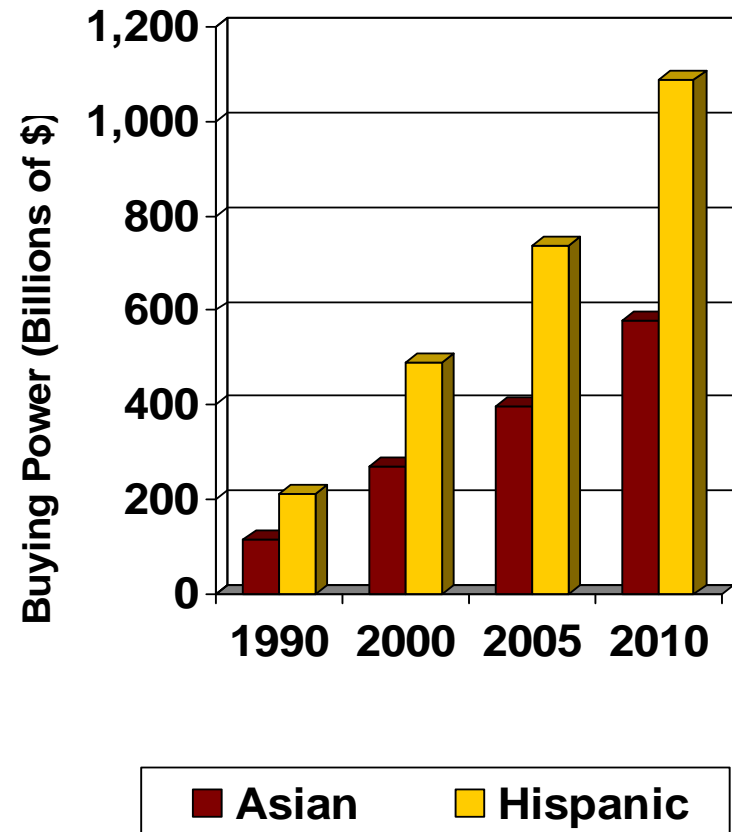
Source: Current Population Survey, March 2003

Today's foreign born accounts for approximately 33.5 million of the U.S. population ~ 11.7 percent

Immigrant Consumer Opportunity

Purchasing Power of Immigrants has Exploded

- Purchasing power growth rate for the Asian and Latino segments is expected to significantly outpace the general population growth rate.
- Between 1990 and 2010 Asian buying power is expected to grow 397% and 412% for Latinos, outpacing the country's average buying power growth of 177%.
- Purchasing power growth is fueled by the above average population growth, continued immigration, and a relatively young population in comparison to the general market.



Source: The Multicultural Economy 2004, Selig Center for Economic Growth, Q3 2004

Remittance Opportunity

- Worldwide remittances increased 7% in 2007 to \$318 billion, of which \$240 billion went to developing countries, according to the latest World Bank report.
- A recent survey on remittance patterns in the first quarter of 2008 by the Inter-American Development Bank (IADB) foresees that remittances from the United States to Latin America will total \$45.9 billion in 2008.
- India tops the global list of the remittance recipients with \$27 billion, followed by China with \$25.7 billion, Mexico with \$25 billion and the Philippines with \$17 billion.

Recent Headlines

- *“There are 45.5 million Hispanics in the U.S., up from 35.7 million in 2000, when they made up 12.6% of the population. Population growth among Hispanics was responsible for half of the U.S. population gains between 2000 and 2007. “*

U.S. Census, May 2008

- *“Growth in spending by Hispanics is likely to outstrip that of the general population in coming years. Hispanics control more disposable income than any other minority group. The figure stands at \$860 billion a year and is expected to hit \$1.3 trillion by 2012”*

Jeffrey Humphreys, University of Georgia's Selig Center.

- *"If you are pro-economic growth, you must be pro-immigration and pro-Hispanic, because we don't have the workers,"*

Donald Terry, Inter-American Development Bank in Washington.

Key Developments

US Remittance Industry is Transforming...

Pre-2002

- Limited information on global migration and migrant remittance activity.
- Remittances originated almost exclusively by non banks in the US
- Barriers to entry into the remittance business were generally limited. Emergence of many new MTOs.
- Average remittance costs estimated between 20% - 30% of transaction value.
- Prevalent high fees and rich FX spreads receive limited attention from consumer advocates and regulators.
- Almost exclusive industry product focus on cash to cash remittances.
- Most remittance companies have limited relationship and loyalty focus.



2002 - 2008

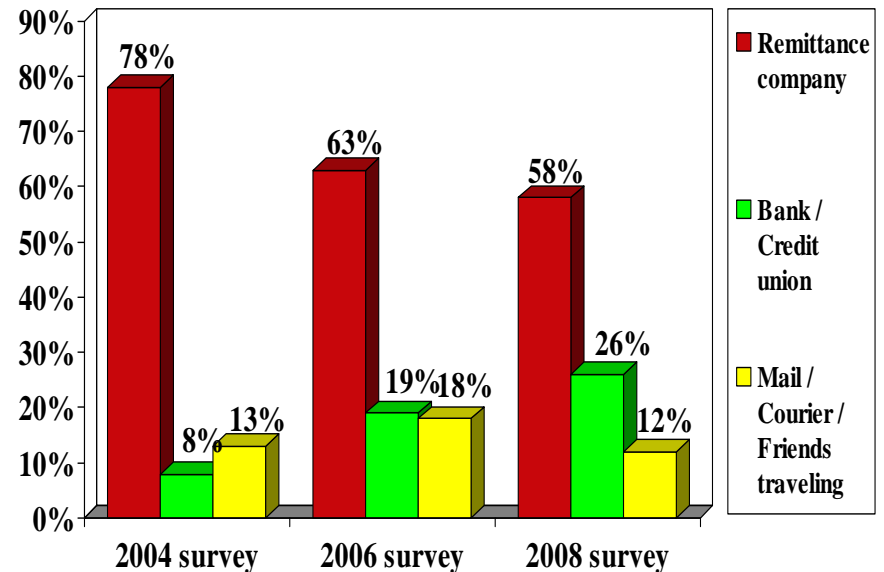
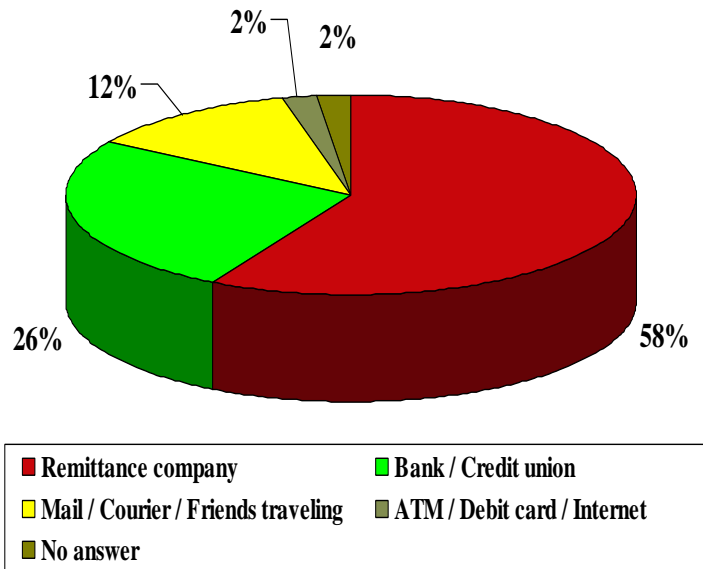
- Widely available information on global migration and migrant remittance activity.
- US banks and online players increase focus on the the remittance market opportunity.
- New and existing remittance companies facing significant compliance scrutiny by regulators and the banking system.
- Average remittance costs estimated between 4% - 7% of transaction value due to competitive pressures and increased awareness of costs.
- Legislators and regulators driving enhanced consumer disclosures. Consumer advocacy groups increase focus on pricing practices.
- New remittance solutions offered by banks and remittance players.
- Increasing focus on customer relationship and loyalty.

Increasing relevance of banks in the remittance space

US Banks and credit union's market share of the remittance business has increased over the past three years.

A number of key industry developments have influenced this trend:

- Increased regulatory oversight is pushing less efficient remittance companies out of business.
- Remittance companies are consolidating (M&A) due to economic and/or compliance pressures.
- Foreign Banks are actively acquiring U.S. banks and remittance companies at an increasing rate.
- Remittance companies begin to establish alliances with select banks in the US.



Source: Survey of Latin American Immigrants in the United States, Sergio Bendixen 2008.

Impact of US Economy Slowdown on Remittance Flows

- A slowdown in remittances began in mid 2007 and is expected to continue throughout 2008.
- The decline of the US dollar against most currencies is also impacting the ultimate value of remittances in the receiving countries.
- The economic impact of lower remittance values as a result of US economy hardships is having an impact on some of the countries that have large populations dependent on remittances from their US relatives.

Remittances Quarterly Growth 1Q 2006–1Q 2008 (percent)

| | 2006 | | | | 2007 | | | | 2008 |
|--------------------|------|------|------|------|------|------|------|------|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Mexico | 29.1 | 21.4 | 12.9 | 7.7 | 3.0 | -1.2 | 2.7 | -0.2 | -0.3 |
| El Salvador | 24.6 | 16.4 | 12.1 | 9.2 | 7.9 | 7.1 | 8.0 | 3.1 | 6.1 |
| Guatemala | 20.2 | 21.2 | 27.4 | 14.4 | 11.9 | 13.3 | 17.3 | 14.7 | 9.8 |
| Honduras | 38.6 | 41.9 | 26.8 | 20.9 | 12.0 | 9.0 | 12.4 | 6.9 | 6.9 |
| Nicaragua | 13.0 | 13.2 | 18.7 | 8.7 | -4.9 | 7.7 | 6.4 | 14.8 | 15.4 |
| Colombia | 17.1 | 26.9 | 14.3 | 12.3 | 11.0 | -2.0 | 23.2 | 29.1 | 19.9 |
| Ecuador | 9.4 | 17.2 | 23.3 | 26.8 | 3.5 | 8.5 | 6.9 | 3.0 | 12.3 |
| Jamaica | 3.6 | 7.6 | 7.4 | 9.9 | 7.8 | 10.0 | 11.8 | 13.9 | 11.9 |
| Dominican Republic | 10.6 | 18.6 | 17.6 | 5.6 | 17.2 | 10.7 | 7.2 | 8.8 | 5.6 |

Source: Central banks of each country.

Wells Fargo's Consumer Remittance Focus Evolution

Wells Fargo's Consumer Remittance Products

Wells Fargo Vision:

Satisfy all of our customers' financial needs and help them succeed financially...

Stated Corporate Strategy

Be our customers' payments processor. Make sure that Wells Fargo adds real value that enables us to be the intermediary – electronic or paper – whenever and wherever our customers buy services.

Global Remittance Services Goals

*Support the growth and Retention of ethnic households
Maintain a dominant bank player position in the remittance business.*

Wells Fargo ExpressSend Service

- Wells Fargo customers now have more choices in how they transfer money to Mexico, El Salvador, Guatemala, China, Vietnam, India, and the Philippines.
- With Wells Fargo ExpressSend Service, beneficiaries can easily access their money - either deposited into an account at the receiving bank; or designated for cash pick up in the foreign country
- The transfer fee is competitive and with our special offer on some of our checking packages, customers may receive a discount or have such a fee discounted or waived.
- Wells Fargo ExpressSend is a Patent Pending product worldwide

Wells Fargo ExpressSend - Key Benefits

Economical

- Send money for one low transaction fee
- Open a Wells Fargo Checking PackageSM and the transfer fee can be discounted or even waived
- Get more of your money to your beneficiary with our competitive exchange rates

Convenient

- Use the Wells Fargo ExpressSend Service at any Wells Fargo store location or through the Wells Fargo Phone BankSM *Note: Phone Bank not available for From Cash transfers.
- Your beneficiary can easily access the money – either for immediate cash pick up* or into an account at the receiving bank *Note: Not available for transfers made to China or India
- You may open a Wells Fargo account using a Matrícula Card from various countries or other approved Consular Cards as primary identification

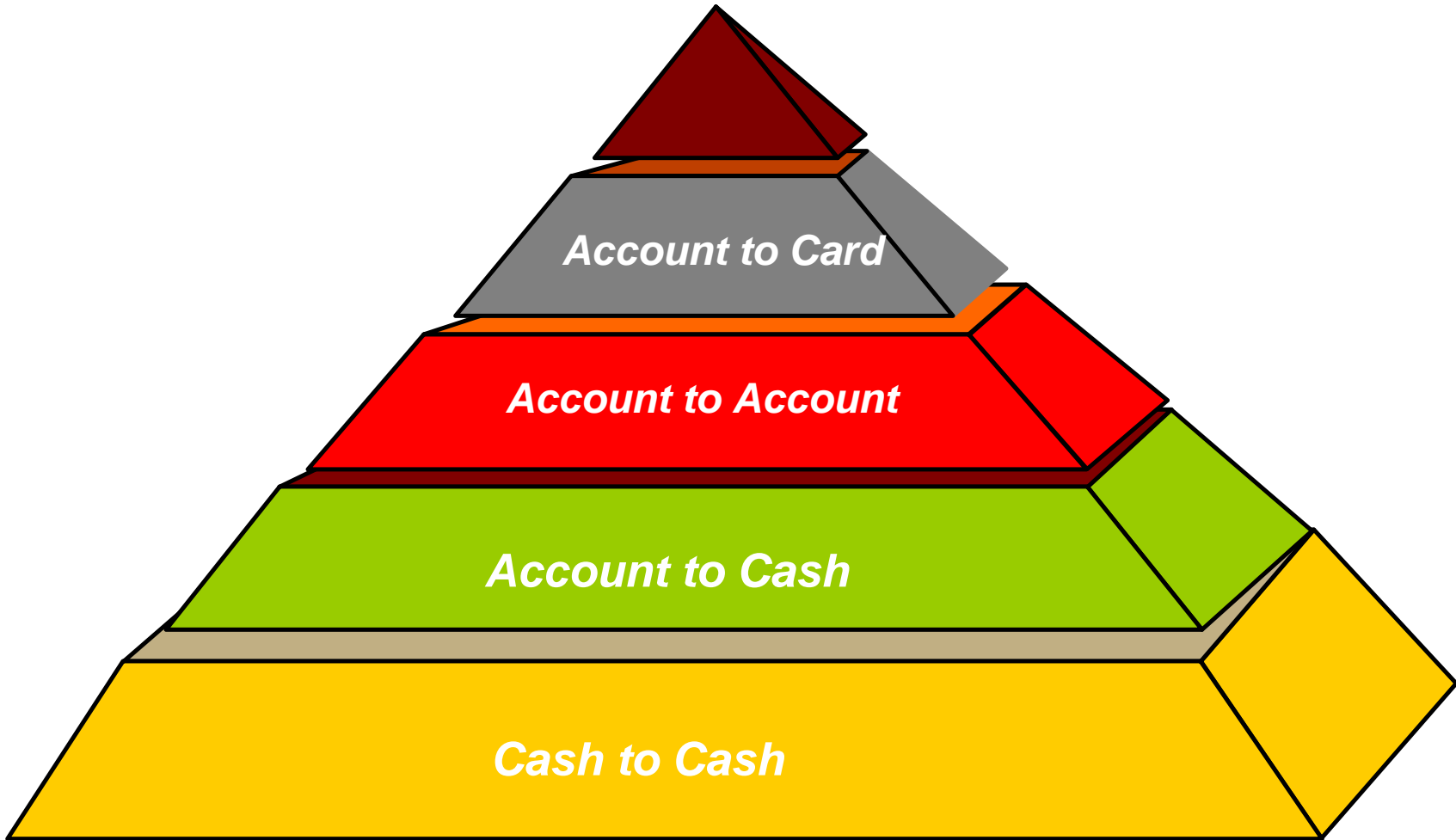
Dependable

- Your money is delivered quickly and safely by a financial institution you trust
- Wells Fargo has more than 150 years of experience, and it is our commitment to achieve customer satisfaction

Wells Fargo ExpressSend Service Distribution

| Country | Remittance Network Members | Number of Locations |
|--|--|--|
| Mexico  |    | 1,700+ Branches 4,700+ ATMs 950+ Branches 3,150+ ATMs 1,400+ Branches 5,500+ ATMs |
| El Salvador  |  | 60+ Branches 300+ ATMs |
| Guatemala  |   | 340 Branches 1,150+ ATMs 400 Branches 1,100+ ATMs |
| India  |  | 650+ Branches 3,000+ ATMs |
| Vietnam  |  Industrial and Commercial Bank of Vietnam | 700+ Branches 400+ ATMs |
| China  |  中国农业银行 AGRICULTURAL BANK OF CHINA | 25,000+ Branches 15,000+ ATMs |
| Philippines  |  BANK OF THE PHILIPPINE ISLANDS | 700 Branches 1,300 ATMs |

Wells Fargo ExpressSend Service



Sample Customer Marketing Materials

WELLS FARGO

Balang Araw, May Doctor, Architect O Teacher Na Ang Pamilya

Ngayong araw magpadala ng pera sa mga mahal mo sa **Pilipinas** with the **Wells Fargo® ExpressSend™** Service

- Serbisiyong maasahan, convenient at economical
- Iisang mababang flat transaction fee lang
- Maaaring i-pick up ng mga beneficiaries ang pera as cash o ipa-direct deposit sa kanilang Bank of the Philippine Islands accounts

Ang transaction fee ay discounted or even waived with a **Wells Fargo Checking Package™***
Makipag-usap sa inyong Wells Fargo banker ngayong araw!



MAGPADALA HANGGANG SEND UP TO

\$3,000

FOR ONLY

\$5*

Someday, A Doctor, An Architect Or A Teacher In The Family

Today use the **Wells Fargo® ExpressSend™** Service to send money to your loved ones in the **Philippines**

- An economical, convenient and dependable service
- One low flat transaction fee
- The beneficiaries can pick up cash or have money deposited directly into their Bank of the Philippine Islands accounts

Transaction fee is discounted or even waived with a **Wells Fargo Checking Package™***
Talk to a Wells Fargo banker today!



* Wells Fargo ExpressSend (Global Remittance) Service Transaction Fee discounted 50% for each remittance if you own and maintain a Wells Fargo Custom Management® Package. Fee discounted 100% for each remittance if you own and maintain a Wells Fargo PMA® Package, Wells Fargo Complete Advantage® Package or Wells Fargo Premium Membership® Package. These discounts do not apply to customers who use the Wells Fargo International (Global Remittance) Service with an eligible Wells Fargo funding account. A Wells Fargo Checking Package™ consists of a checking account plus three additional qualifying accounts and services. Talk to a banker today for more details on the qualification requirements for any of the Wells Fargo Checking Packages™ included in this offer.
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WELLS FARGO

Algún día les darás lo que siempre han querido.

Hoy envía dinero a **México, Guatemala o El Salvador** con el Servicio **Wells Fargo ExpressSend™**.

La tarifa de envío es descontada o incluso no aplica con un Paquete de Cuenta Corriente de Wells Fargo (Wells Fargo Checking Package™)*.

Tu beneficiario no necesita tener una cuenta bancaria. ¡Puede recoger el dinero en efectivo!



ENVÍA HASTA | SEND UP TO

\$2,500

POR SÓLO | FOR ONLY

\$5*

Someday you'll give them what they always wanted.

Today send money home to **Mexico, Guatemala or El Salvador** with The **Wells Fargo ExpressSend™** Service.

Transaction fee is discounted or even waived with a Wells Fargo Checking Package.*

Your beneficiary doesn't need to have a bank account. They can pick up cash!



* La tarifa de envío del Servicio Wells Fargo ExpressSend (Remesas Globales) se descuenta un 50% por cada envío o incluso se elimina si el titular de la remesa es un Paquete Wells Fargo Custom Management®. Esta tarifa se descuenta en 100% por cada envío si el titular de la remesa es un Paquete Wells Fargo PMA® con Paquete Wells Fargo Complete Advantage® o un Paquete Wells Fargo Premium Membership®. Estos descuentos sólo aplican a los clientes que usen el Servicio Wells Fargo ExpressSend (Remesas Globales) con una cuenta de financiamiento de Wells Fargo elegible. Un Paquete™ de Cuenta Corriente de Wells Fargo (Wells Fargo Checking Package™) está comprendido por una cuenta corriente más tres cuentas y servicios adicionales que califican. Pídale con su representante bancario hoy para obtener más detalles sobre los requisitos para calificar a cualquiera de los Paquetes™ de Cuenta Corriente de Wells Fargo incluidos en esta oferta.
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 *Wells Fargo ExpressSend (Global Remittance) Service Transaction Fee discounted 50% for each remittance if you own and maintain a Wells Fargo Custom Management® Package. Fee discounted 100% for each remittance if you own and maintain a Wells Fargo PMA® Package, Wells Fargo Complete Advantage® Package or Wells Fargo Premium Membership® Package. These discounts only apply to customers who use the Wells Fargo ExpressSend (Global Remittance) Service with an eligible Wells Fargo funding account. A Wells Fargo Checking Package™ consists of a checking account plus three additional qualifying accounts and services. Talk to a banker today for more details on the qualification requirements for any of the Wells Fargo Checking Packages™ included in this offer.
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Key Results

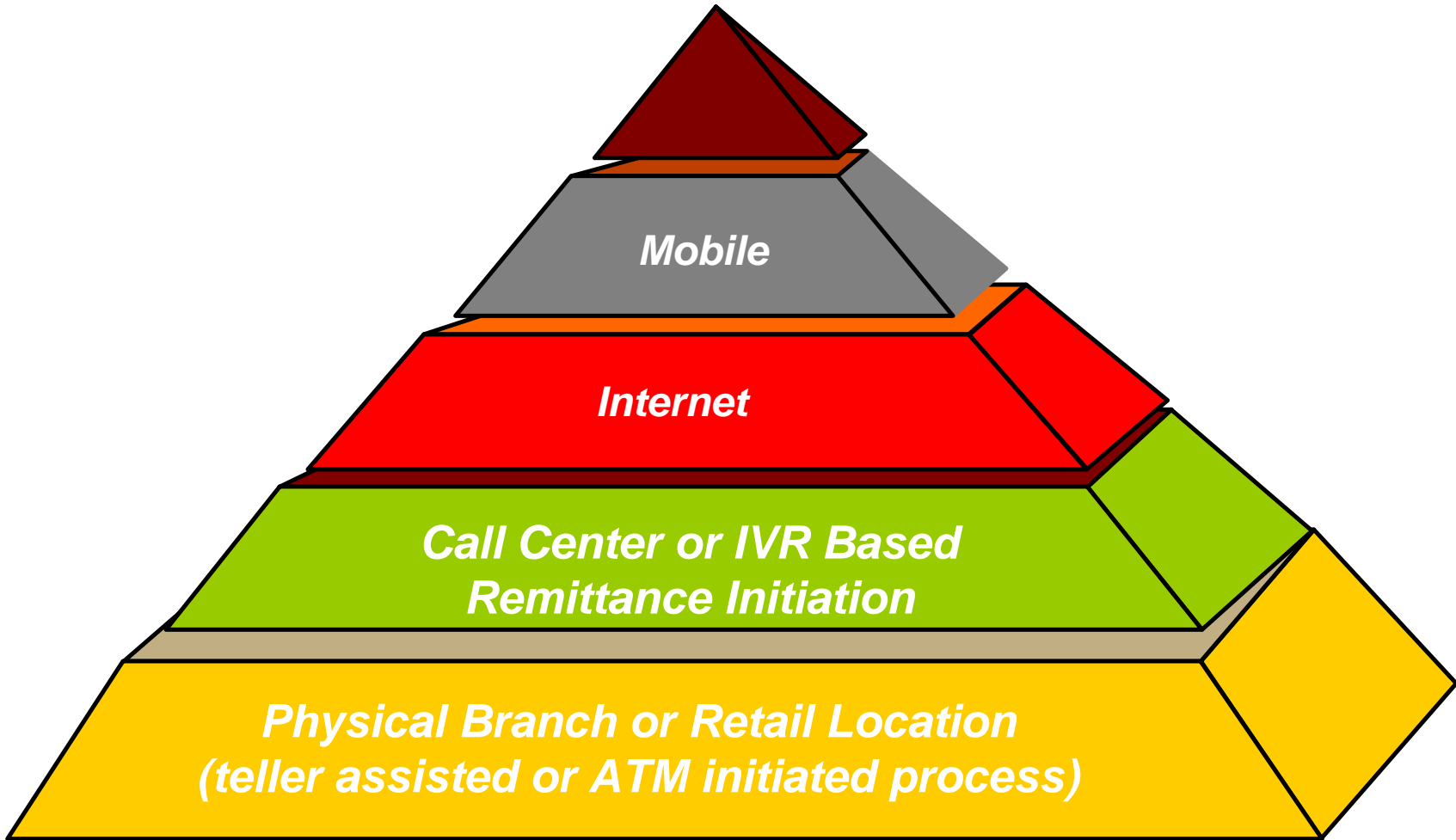
- High growth business
- High product cross sell
- Increased household acquisition
- Loyalty effect -> Referral & retention
- Expansion into other products

Key Elements of Success

- Bank should be a diversity-focused company. Walk the talk.
- Bank branches must be focused and aligned (product awareness)
 - Cultural references, language capability, product knowledge, understanding of remittances vs. wires, appropriate sales incentives
 - Product acquisition roadmap must be in place and aligned to the segment opportunity
- All customer touch points should be aligned in terms of language capabilities, product knowledge and product acquisition roadmap
- Financial literacy must be a key element of customer engagement
- Understand remitter and beneficiary needs and wants
 - Remittance recipient in Latin America and Asia is often unbanked
 - Ensure product quality in all fronts (Beneficiary experience is key)
- Treat and manage remittances like any other product line
- Maintain strong focus on regulatory compliance and manage key controls closely

Future Consumer Remittance Direction

Channel direction



Future Challenges and Opportunities

- Moderate to high value remitters will increasingly shift their business towards alternative services that offer and truly deliver enhanced convenience, lower fees and better foreign exchange rates.
- Mobile channel will emerge as a key channel in the global remittance business, but it will coexist (not replace) with all the other channels.
- US card companies have an untapped opportunity to leverage their bank and merchant networks worldwide in the remittance space.
- Major banks around the world have the opportunity to create large alternative proprietary send/receive networks to facilitate remittances worldwide.
- Old economy exclusivity and high margin revenue sharing agreements overseas maintain some remittance distribution networks off limits to emerging bank and non-bank players in some key countries.
- Remittance transaction history will be increasingly used to qualify remitters for entry level credit products.
- Banks will play an increasingly important role in the origination of remittances in the US

Thank You

Daniel I. Ayala
Wells Fargo
Senior Vice President
Global Remittance Services
daniel.ayala@wellsfargo.com
(925) 686-7466