



The Only Surcharge-Free ATM Network in Canada

Member Newsletter

APRIL 2016

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MESSAGE FROM THE PRESIDENT



Having now been with **FICANEX Services** for just over a year, and with yet another exciting year for **THE EXCHANGE® Network** behind us, I would like to reflect on the success and learning in 2015 and what has led to our initiatives planned and underway in 2016.

In 2015, Canadian cardholders at Canadian Exchange ATMs performed just under **8.8 million** transactions. Although this represented a year-over-year decrease from 2014 volumes, in **Q4 2015**, Canadian Exchange transactions increased by **3%**, compared to the same quarter in 2014. This increase demonstrates the results of our collective efforts to grow the size of the network and the number of cardholders that have access to it.

A significant contributor was certainly the **30%** increase in our surcharge-free ATM fleet resulting from **Manulife Bank** installing **830 ATMs** in select **Mac’s, Couche Tard**, and **Circle K** convenience store locations across the country. Even more significant than the absolute number of ATMs added to the network was the impact on the areas that are serviced by Exchange Network ATMs. This wasn’t simply a number of new ATMs placed near other pre-existing service points, but rather we increased the number of

Feedback

We welcome your feedback on what information would be most valuable to you in the newsletter and other communications. Please send an email with suggestions to michael.barr@ficanex.ca and let us know.

Message from the President

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FICANEX Services’ 2016 Board of Directors

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CU NEXTGEN™ First Ever 2016 Sponsorship Award

FICANEX Services’ founding partner in BCTIA

Member Spotlight

THE EXCHANGE® Network Tutorial and Contest, and much more!

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communities and areas served by 43% and with the addition of **192 ATMs** in Alberta alone, we continue to fill in the small number of areas that have not been fully serviced in the past.

In September 2015 we welcomed our newest network participant, **First Nations Bank of Canada**, and in February 2016 eight First Nations Bank ATMs were successfully added to the network. With three of these ATMs added in the three territories, Exchange surcharge-free ATMs are now available in every province and territory in the country, making your network truly coast to coast to coast.

In December 2015 our Canadian Exchange cardholder count increased by over **1 million**, bringing our cardholder count to over **5.5 million** when one of our financial institution participants successfully added their credit cards to **THE EXCHANGE® Network** to process PIN change transactions. This is great news for our network and for financial institutions that wish to give the same service to their credit card holders as they do with their debit cards.

We are very proud that, because of your participation in **THE EXCHANGE® Network**, you can now tell your cardholders that they have access to the 2nd largest financial institution ATM network in the country with access in every part of this great nation.

Despite our efforts at expanding our unique ATM channel, welcoming new financial institution Participants and expanding card usage we still find, for many cardholders, we are still the “best kept secret”. Paying surcharges when they do not need to is costing cardholders millions of dollars each year when using Interac ATMs. With this in mind we have many initiatives, planned and underway, for 2016 that you will read about in this edition of our newsletter; all aimed to educate Canadians on the unique value of our network to the benefit of all network Participants and your cardholders.

In March 2016 we were delighted to announce that **FICANEX Services** has been named as a founding partner in **The B.C. Technology Industry Association (BCTIA) FinTech Program**. **BCTIA** is Vancouver’s first FinTech Program, and is a great fit for **FICANEX Services**, with our strong roots in Financial Services in British Columbia. Our investment in **BCTIA** is perfectly aligned with our goal of leveraging our track record of success, our unique, collaborative network, and our inclusive governance model to bring together Financial Institutions, entrepreneurs, investors and payments professionals in a meaningful way that helps deliver innovation to the market.

Over this past year, I have had the pleasure of meeting many of our Participants face-to-face through regional and one-on-one meetings, as well as attending conferences and trade shows from coast to coast. Our FICANEX Services team has been out meeting with our partners more than ever and I want you to know that we will continue to do so in 2016 and beyond.

Best regards,

Andrew

FICANEX SERVICES CREATES FIRST EVER 2016 CU NEXTGEN™ SPONSORSHIP AWARD



FICANEX Services is pleased to announce the introduction of our **2016 CU NEXTGEN™ Sponsorship Award** designed specifically to give a young and emerging employee from one of the Canadian credit unions the opportunity to **connect** and **collaborate** with credit union system peers at the **CU NEXTGEN™ 2016 Session**, as well as attend the **National Conference for Canada’s Credit Union**. The 2016 session and conference will be held **April 30th to May 4th in Saskatoon, SK**.



Coast to coast **connecting** and **collaboration** has been essential in **FICANEX Services'** success, and we believe contributing to the success of the annual **2016 National Young Leader Committee's CU NEXTGEN's™** 2-day event is a great way to do so.

FICANEX Services is looking for a young and passionate credit union employee in Canada who believes that attending the **2016 National Young Leader Committee's CU NEXTGEN's™** session will benefit their current role at their credit union, as well as assist with their career objectives within the national credit union system.

This exciting sponsorship announcement went out to all credit union participants March 29th, and the submission **deadline is April 15th, 2016!**

FICANEX SERVICES 2016 BOARD OF DIRECTORS



FICANEX Services is pleased to announce the results of the 2016 Board of Directors recommendation process. We are thrilled that this year saw a fantastic slate of capable and dynamic candidates putting themselves forward as well as record breaking participation by the limited partners in the decision making process.

Joining **Chris Goodman** (Chair), **Mohamed Ladak**, **Rob Paterson**, **Jamie McLeod**, and **Yann Jodoin** is returning Directors **Rick Kelln** (Vice-Chair) and **Steve Richard** and **FICANEX Services'** newest Director, **Marie Mullally**, President & CEO of CUA (Credit Union Atlantic) in Halifax, Nova Scotia.

We welcome our new and returning Board members and look forward to their expertise and guidance as we position our company and unique network for the future.

FICANEX SERVICES IS A FOUNDING PARTNER OF THE BCTIA FINTECH INNOVATION HUB



The **B.C. Technology Industry Association (BCTIA)** is establishing Vancouver's first FinTech Program, which includes programs supporting technology companies innovating in the financial services

industry in areas such as emerging payments, e-commerce, alternative lending, peer-to-peer transfers, investing, cryptocurrencies and block chain technologies.

FICANEX Services, with its roots in Financial Services in British Columbia, is extremely excited to contribute to the FinTech community and to be exploring opportunities that can help all of its network participants compete effectively in an ever changing landscape of financial services in Canada.

This investment by **FICANEX Services** demonstrates our commitment to the continuous evolving financial services space, with the goal of leveraging our track record of success, our unique, collaborative network, and our inclusive governance model to bring together Financial Institutions, entrepreneurs, investors and payments professionals in a meaningful way that helps deliver innovation to the market.

*"FICANEX Services was founded to help its limited partners and network members collaborate and achieve the scale necessary to provide their customers with access to a breadth of services and distribution that they could never achieve on their own. We have been doing this with physical distribution using **THE EXCHANGE® ATM Network** for over 16 years and are actively engaged in finding new ways to do the same thing in the FinTech space,"* said **Andrew Obee, President & CEO of FICANEX Services**. Andrew also stated that *"As a founding partner of **BCTIA Fintech Program**, we look forward to being*

able to act as a connector, bringing new and innovative solution providers together with the members of **THE EXCHANGE® Network** who are looking for ways to innovate and be competitive in this evolving financial services market”.

If you would like to find out more information about our involvement with **BCTIA**, or any of the other exciting initiatives **FICANEX Services** is currently undertaking, please do not hesitate to contact us.

MEMBER SPOTLIGHT



In this issue of our Member Newsletter, we put the “spotlight” on **Auto Workers Community Credit Union (AWCCU)**. **AWCCU** has created a member postcard to reinforce that, with **THE EXCHANGE® Network**, **AWCCU** members have access to thousands of ATMs coast to coast to coast and finding a surcharge-free Exchange ATM is at your fingertips with the **AWCCU’s App**. Way to go, **Auto Workers Community Credit Union!**

If your financial institution is advertising the value of **THE EXCHANGE® Network** in a creative way, let us know and we will spotlight your financial institution in an upcoming issue of our newsletter.



ARE YOU READY TO BECOME “EXCHANGE CERTIFIED”?



Despite our efforts at letting out the “**best kept secret**”, many cardholders are still unaware that they can use the thousands of **Exchange surcharge-free ATMs** as if they were owned by their home financial institution. This is costing Canadian cardholders millions of dollars each year in needless surcharges and costing our Financial Institution Participants millions of dollars each year in premium interchange fees!

Well, this is all about change! We believe the key to increasing network awareness, and changing cardholder

behaviour, lies in enlightening and educating our financial institution employees’ on the unparalleled value of our network.

This is exactly why we are developing **THE EXCHANGE® Network Certification Tutorial**. The tutorial will help educate your staff on the unique value of our network to your cardholders and your financial institution in a fun and exciting way that will take less than 10 minutes to complete!

Once employees have completed **THE EXCHANGE® Network Tutorial**, they will be “**Exchange Certified**”!

To make our tutorial even more exciting, we will also be rolling out another **employee contest**, giving employees who complete this short tutorial a chance to **WIN 1 of 12 cash prizes of \$200** that will be drawn over a 1-month period starting in April. *Good luck to everyone on **THE EXCHANGE® Network’s Tutorial and Contest!***

THE EXCHANGE® NETWORK CERTIFICATION TUTORIAL

Despite our efforts at letting out the “**best kept secret**”, many cardholders are still unaware that they can use the thousands of Exchange surcharge-free ATMs as if they were owned by their home financial institution. With over 2,000 ATMs on THE EXCHANGE® Network from coast to coast, we are the 2nd largest financial institution ATM in Canada. We need to let out the “**best kept secret**” nation wide and need your help.

HERE IS YOUR CHANCE TO
WIN \$200 CASH
April 18 to May 15, 2016

1. VISIT TheExchangeNetwork.ca
2. CLICK the “Exchange Certified” tutorial icon
3. COMPLETE the tutorial and you are entered to win 1 of 12 cash prizes of \$200 over the four week period

You must be an employee of a participating financial institution on THE EXCHANGE® Network to enter. You are eligible to enter the contest only once. Contest is not open to residents of Quebec.



HERE WE GROW AGAIN!

FIRST NATIONS BANK

The Aboriginal Bank

OF CANADA

In October 2015, FICANEX Services announced our newest network participant, First Nations Bank of Canada. We are pleased to report that First Nations Bank of Canada's 8 ATMs were added to the network in February 2016. As part of the ATM installation, an ATM in each of Canada's 3 territories was connected to the network, making THE EXCHANGE® the only truly surcharge-free coast to coast to coast network with ATMs in every province and territory in the country.

THE EXCHANGE® NETWORK ATM DECALS ARE HERE!



Let's get the message out – that finding the thousands of surcharge-free Exchange ATMs has never been easier!

Over the past several years FICANEX Services has developed our Exchange Network ATM Locator Application for smart phones, tablets, GPS devices, and even Apple Watch; all to ensure that a surcharge-free Exchange ATM is right at your cardholder's fingertips.

We evolved these applications to include the ability to include your own advertising, social media links, share functionality (either by email or social media) and a landmark field to help make finding the right surcharge-free ATM even easier!

We even increased the value of the network and the convenience factor for your customers when, in 2015, 830 ATMs were deployed in select Mac's, Couche Tard, and Circle K convenience stores across Canada.

We know this, but does your cardholder? If they don't, they will now! FICANEX Services has produced a, FREE to order, English or French ATM Decal that can easily be applied to an Exchange ATM further promoting the unique value of THE EXCHANGE® Network to current and potential cardholders.



We would like all Network Participants to display this FREE 4x4 Exchange Network Decal on your ATMs further promoting the value, size and convenience of our surcharge-free ATM network. To order THE EXCHANGE® Network ATM Decals in English and/or French, please email or contact Megan Brab at Megan.Brab@FICANEX.ca or 1-888-581-2867.

UNITED STATES EMV MIGRATION UPDATE

As the U.S. continues their EMV (chip card) migration activities, we have continued to see an increase in interoperability issues when cardholders are transacting south of the border. As a result, in December 2015 FICANEX Services issued a member communication detailing cross-border issues identified to date, the EMV technical details, and what our financial institution Participants can do as we navigate through the United State's migration. If you did not receive this important communication, please contact Michael Barr at Michael.Barr@Ficanex.ca, and he will send you a copy.

FICANEX Services is pleased to announce that it has completed the development effort to support chip transactions across



our connection to our U.S. partner, Fiserv. This will help ensure both Canadian and U.S. cardholders are able to perform chip card transactions. We are now working with our EDSSPs (Everlink, DC Payments National Bank and HSBC) to test this connection upgrade. Testing will occur in April, and we hope to roll out connection development early this summer.

Upgrading our link to support EMV will help, but is only one piece of the puzzle. We also want to remind all financial institutions that it is important that you contact your switch provider, if you have not done so already, and advise them to approve transactions from the U.S. that are only being declined because they are fallback transactions. Although this isn't something that happens in the Canadian environment, it is expected to be typical for cross-border transactions for the foreseeable future. If you have any questions, or require more details, please contact **Tarak Saha** at Tarak.Saha@Ficanex.ca.

CONNECT WITH THE FICANEX SERVICES TEAM

At FICANEX Services, we continue our focus on having regular communication with all network Participants so that everyone understands the full value of the network, is aware of our initiatives, both planned and underway, and can support our mutual success in 2016 and beyond. In addition to our regular face to face meetings, eMemos, bulletins, and our report on network performance; we held a **national "Town Hall Meeting" webinar on March 17th** to further communicate our 2015 performance and 2016 plans. We had tremendous turnout, however many staff were unable to attend as this was during the March break so a **"repeat performance" was scheduled for March 31st**.

The FICANEX Services team is planning on attending the following spring events, as these are a great way to connect with many network Participants face to face throughout the country.

SPRING EVENTS

Atlantic Central AGM — April 18th–20th, Halifax, NS

Central 1 AGM & Trade Show — April 28th–29th, Toronto, ON

CCUA Conference for Credit Union Leaders — April 30th–May 4th, Saskatoon, SK

We look forward to seeing you there. Please stop by for a chat!