



The Only Surcharge Free ATM Network in Canada

Member Newsletter

APRIL 2015

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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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Meet our new Operations Manager

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Member Spotlight- Alterna Savings & Bank, FICANEX Services 2015 Board of Directors and more

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MESSAGE FROM THE PRESIDENT

We kick off our first newsletter issue of 2015 with an update from **Andrew Obee, FICANEX Services new President & CEO.**

I am thrilled to have been given the opportunity to take on this leadership role at **FICANEX**. I am excited to be working with the **FICANEX** Board of

Directors, the **FICANEX** team, our partners, members, and suppliers, to continue to cultivate what has always made **THE EXCHANGE®** Network a valuable part of the Canadian financial services landscape. I am also very pleased to be able to work to plan an expanded view of the value we can bring to our members by leveraging the collective assets, distribution, and individuality across the country. As the Canadian financial services system works to determine how it must evolve to continue to be relevant in an increasingly open and global market, I look forward to being able to leverage our position as an entity owned by and operated for the benefit of our partners and members to drive innovative solutions to the challenges we all face within the ever changing payments world.

2014 was another great year for **FICANEX Services** and **THE EXCHANGE®** Network. Together, we provided Canadian cardholders with surcharge-free access to over **2,500 ATMs** coast to coast, as well as access to over **425,000 Accel® ATMs** and over



3 million merchant POS terminals south of the border, providing even greater convenience for your mobile cardholders. Now that's the kind of access your cardholders expect and deserve, and it is possible only by working together.

This expanded connectivity not only provides the necessary convenience for your cardholders, but financially benefits each Financial Institution Participant within our network:

- In 2014 Canadian Exchange cardholders performed close to **10 million transactions**, of which over **6.9 million** were withdrawal transactions, saving cardholders over **\$14 million** in needless surcharges and saving our network participants over **\$2 million** in interchange expense as our Issuer interchange fees are lower than that of Interac.
- Members of **THE EXCHANGE®** network earned over **\$6.6 million** in interchange revenue, helping offset the cost of ATM ownership and providing a valuable source of non-interest revenue.
- In the United States, member cardholders conducted over **1.9 million** point of sale transactions giving them access to a cross border service that they would otherwise not have access to, all while providing our Participants with over **\$480 thousand** in interchange revenue.

At **FICANEX services** we clearly understand a cardholder's need for anytime, anywhere access to their funds, and we understand how providing them with that access is critical to your business. With this in mind, we were the first to provide you with an **ATM Locator Application** for smart phones, tablets and GPS devices, and access to our ATM locator service for you to call directly from your own mobile banking or online banking applications. Our goal is to make it easy for the cardholder to find the closest surcharge-free ATM no matter where life takes them. To date, our Apps have been downloaded over **68 thousand** times by your cardholders, and they used this service more than 260 thousand times in 2014; over **20 thousand** times each and every month.

We implemented the **ATM Partner Program** that further promotes both our Participant and Network's brand in local communities with cash only, surcharge-free ATMs. The program provides for no upfront costs whatsoever to be paid by our Participant in the program. There is a nominal monthly lease payment that can be eliminated if the ATM transactions surpass a threshold. This program has been successful with **G&F Financial, Westminster Savings, and Meridian Credit Union**, to name a few.

We are also doing our part to raise awareness of our network value and brand with our national **"We're On Your Way"** marketing campaign. We have produced a complete suite of marketing material; including in-branch take one stands and flyers and cardholder giveaways that are free to Participants. We have also worked with many members to integrate **THE EXCHANGE®** Network brand into their own marketing material.

As we speak, we are on radio stations from St. John's, Newfoundland to Prince George in BC; and train travellers can see us on Vancouver's SkyTrain and Toronto's GO Train!

We want to let you know we are working hard so that we continue to provide value to your Financial Institution and your cardholders; and we are not stopping here. As you know the world of payments is continuing to change. We have seen the introduction of NFC with contactless payments and non-traditional players enter the payment space with mobile. We are following these, and many other trends closely and where there are opportunities for us to leverage our network effect to your benefit, we will seek to do so.

At **FICANEX Services** our network is uniquely positioned to embrace and support the future needs of the system while continuing to provide expanded ATM access and convenience to your customers. I want you to know that, along with your **FICANEX** Board, the team and I are in the process of planning for the future to ensure continued differentiation and innovation within the space so please stay tuned.

Finally, I would like to share that stakeholder engagement is one of my highest priorities. I will be at many industry events, and will do my best to find opportunities to meet as many of you as possible in the future. Please feel free to reach out to me or any member of the team at any time as we are extremely interested in hearing your thoughts on how we can enhance our collaboration in the future.

Best regards,

Andrew



MEET OUR NEW OPERATIONS MANAGER

Please join us in welcoming our newest team member, Tarak Saha. Tarak has a strong background in financial services having worked at DC Payments, and prior to that at Threshold Financial Technologies. In his time at Threshold and DC Payments, he focused on building out business solutions for Financial Institution clients, as well as investigating potential acquisitions for the company. He has experience in real estate and retail, having worked at Mattamy Homes and Sears Canada. His analytic, strategic and operational mind set is a welcomed addition to **FICANEX**

Services. Tarak holds an honours bachelor's degree from the Richard Ivey School of Business at Western University. Welcome aboard Tarak!

 FICANEX **2015 BOARD OF DIRECTORS**

FICANEX Services is pleased to announce the results of the 2015 Board of Directors recommendation process. Joining **Chris Goodman, Rick Kelln, Darrell Jagers, Steve Richard, Mohamed Ladak** and **Rob Paterson** are **FICANEX Services'** newest Board members; **Jamie McLeod** from Community First Credit Union in Sault Ste. Marie, Ontario and Yann Jodoin from National Bank of Canada in Montreal, Quebec.

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.

We also say goodbye and give great thanks to **Fred Cook**, past Chairman of the Board of **FICANEX Services** for his many years of leadership, guidance and service.



MEMBER SPOTLIGHT- ALTERNA SAVINGS & BANK

In this issue of our Member Newsletter we put the “spotlight” on **Alterna Savings** and **Bank**. **THE EXCHANGE®** Network kicked off 2015 with our continued **“We’re on Your Way”** national marketing campaign and so did Alterna! Using our campaign creative, Alterna has reinforced to ATM users and passerby’s that a surcharge-free ATM is always on your way no matter where life takes you! They used both official language visuals to ensure everyone gets the message! “We love the vibrant visuals that reinforce to ATM users that, as an Alterna cardholder, they have access to thousands of surcharge-free ATMs, and literally a surcharge-free ATM is on their way” said **Tanya Hart, Manager, Marketing & Promotions at Alterna Savings**.

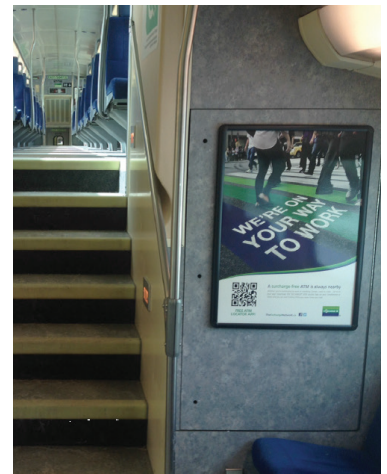


Way to go Alterna! We look forward to seeing increased network usage from your cardholders, saving them that needless ATM surcharge, as well as saving Alterna money in reduced interchange fees!

ON AIR & RIDING THE RAILS COAST TO COAST!

On March 2nd, 2015 Toronto’s GO Train and Vancouver’s SkyTrain commuters started to see us ride the rails! The vibrant posters illustrate to passengers that if they are a cardholder of one of our participating Exchange network Financial Institutions, they have surcharge-free access to thousands of ATMs coast to coast, which means we’re on your way no matter where life takes you!

Also on March 2nd our **“We’re on Your Way”** radio jingles started to play on radio stations coast to coast. And just a reminder that these jingles can be found in the FI area of our website and are available for you to use on your phone systems and local radio stations. In the FI area of our website, under category **“We’re On Your WAY”**, you will find the vast array of marketing visuals for all to use- free of charge!



UNITED STATES EMV MIGRATION UPDATE

The United States continues to move towards implementing EMV (EuroPay, MasterCard and Visa) Chip cards and terminals. Although the US is well on their way with this migration, many published reports indicate that there will still be networks, links, payment terminals and ATM’s that will not be upgraded for some time. As a result, it is important for members to recognize that the number of interoperability issues cardholders may experience when performing transactions south of the border will likely increase significantly before it stabilizes, and that they will likely never completely go away. Unlike the Canadian implementation where, due to the relative simplicity of our environment, all parties agreed in advance on how to implement EMV and scheduled the implementation to minimize disruption, however, the US has not and cannot do the same.

As the US continues their migration activities, we will keep you abreast of any issues that are brought to our attention that may impact Canadian Exchange cardholders and will work closely with our US partners to resolve issues where possible.



FICANEX is also working with our US partner, Fiserv, to upgrade our connection to support chip transactions to ensure both Canadian and US cardholders are able to perform Chip card transactions. Although there have been delays in this project, we expect it to conclude in the coming months.

THE EXCHANGE® NETWORK'S ANNUAL EMPLOYEE CONTEST IS NEARLY HERE!

Your favorite contest is fast approaching! Each year **THE EXCHANGE®** Network hosts an annual employee contest where employees of our Financial Institution Participants answer a weekly question for a chance to win weekly cash prizes over a 3 week period. The contest is designed to excite and enlighten everyone about the unique value and benefits of **THE EXCHANGE®** and **Accel®** networks.

The contest will be held in June so watch your in-box for an announcement to be released soon. As in previous years, the contest answers will all be easily found in the public areas of our website and the entry process will be fast and simple.