



Launch of Mobile Pay in Canada:

Collaboration In Action



Agenda

Overview of Credit Unions in Canada

How we collaborate in Canada's Credit Unions

Mobile Pay: Collaboration in Action

CCUA's 315 credit unions & caisses populaires



5.6 million members
(outside Quebec)

1 in **5** Canadians
is a member



More than
1,800
locations



More than
2,800 volunteer
directors

7

Guided by the **seven**
co-operative principles



+\$188
billion in
assets



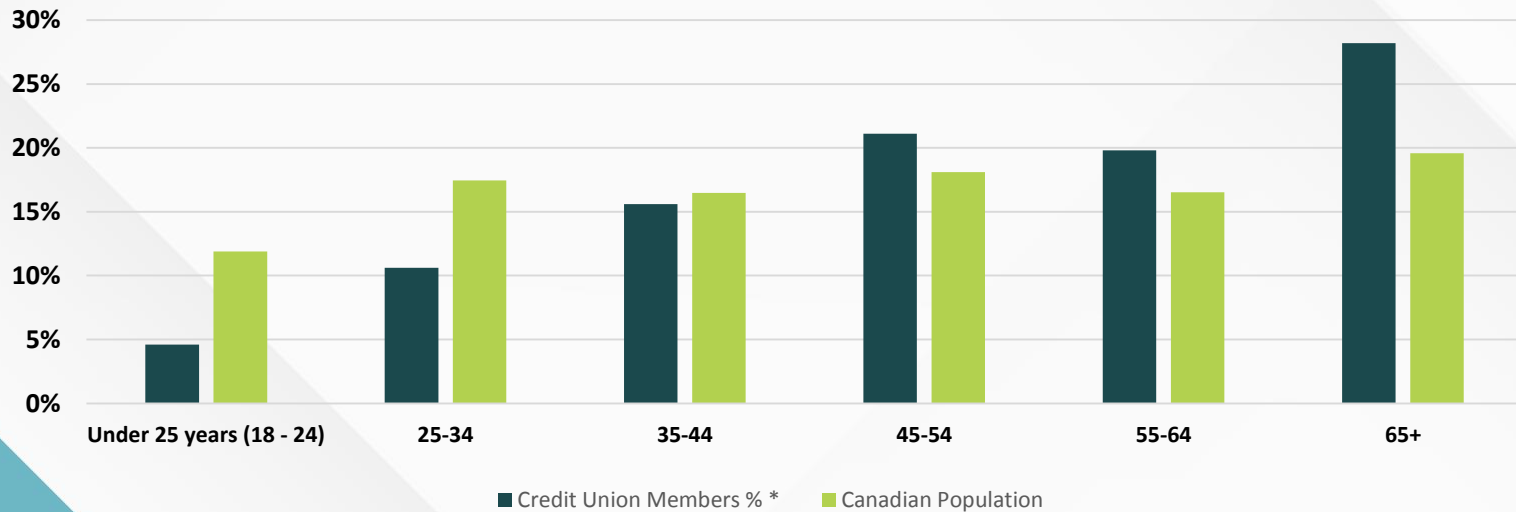
380 Canadian communities
with no other brick-and-mortar
financial institutions



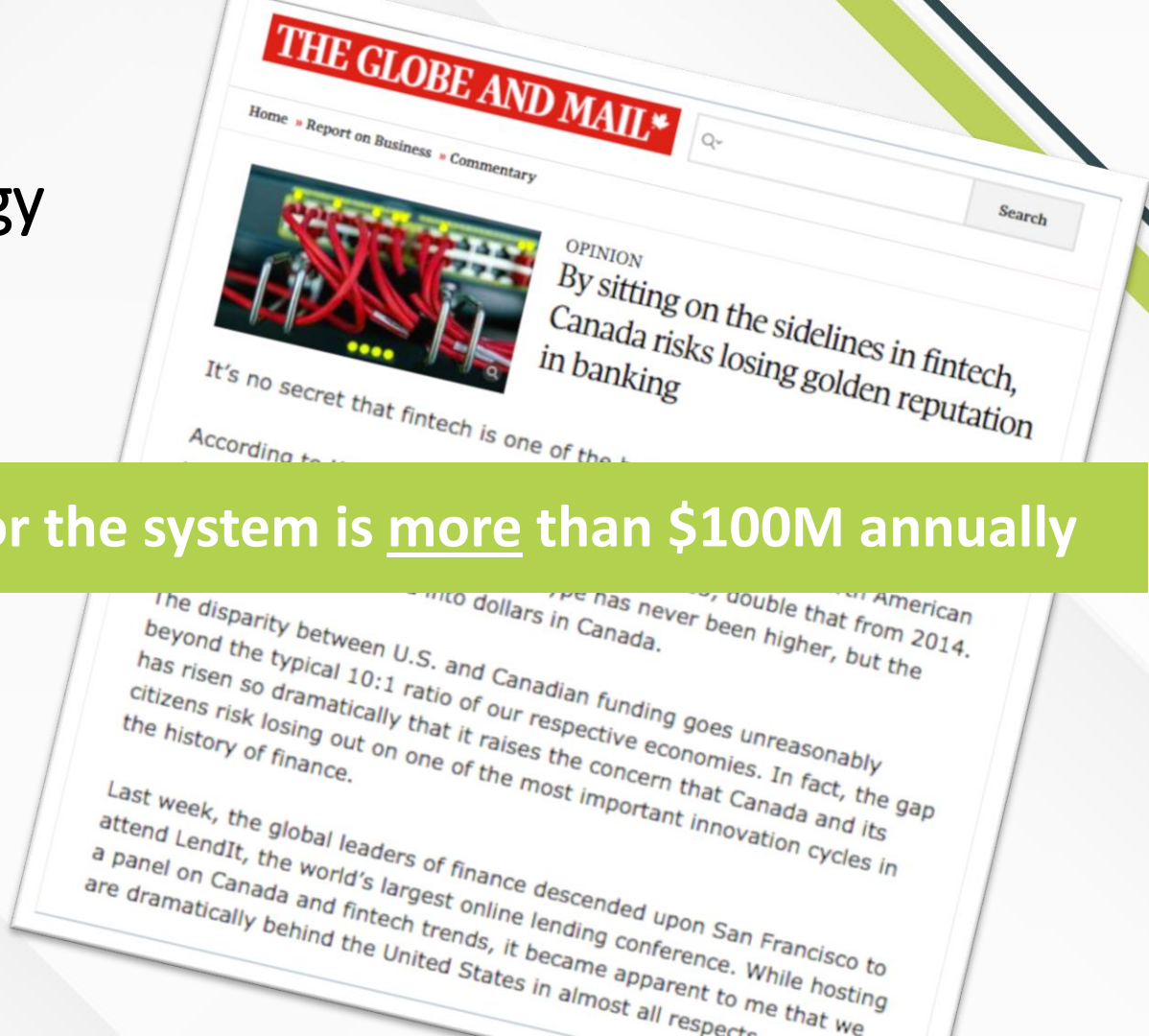
+27,000
Canadian
employees

Canadian Credit Unions are focused on attracting a younger cohort to the movement

Member Demographics vs Canadian Population 2015



Why a National Payments Strategy Makes Sense



The opportunity for the system is more than \$100M annually

What is the National Payments Strategy?

A long-term strategy based on three themes:

Control
our destiny



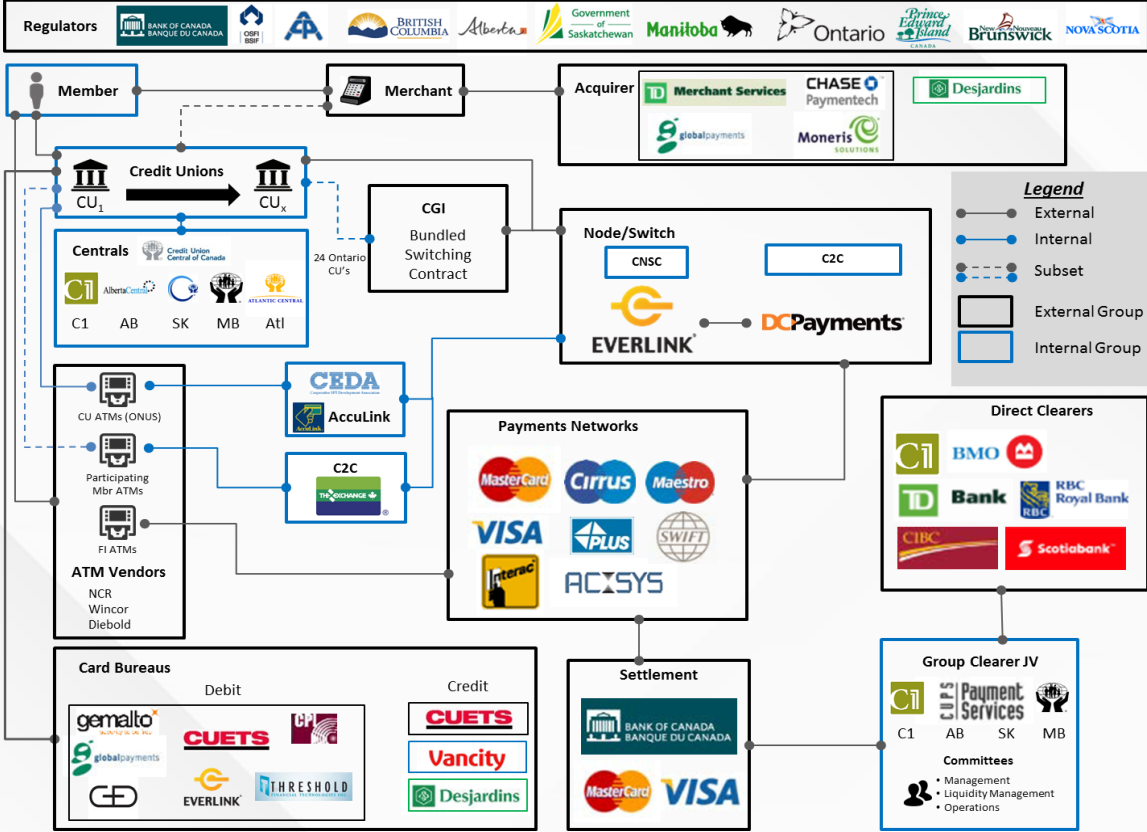
Ensure member
relevance &
competitiveness



Achieve greater
productivity and
efficiency

National Payments Strategy

Current Credit Union Payment System



Collaboration among Large Credit Unions Canada

“Large Credit Unions of Canada” (LCUC)

- Association of the 15-largest CUs in Canada
- Established January 2011
- Broad National coverage
- Total assets represent 56% of the Canadian Credit Union Assets
- Total member/owners: 2.8 Million or 51% of Canadian Credit Union membership



LCUC CIO Group Mission & Objectives

Mission

To align on a common purpose and use our collective knowledge and national presence to provide technology leadership and innovation to enrich the financial lives of our members, and strengthen the competitiveness of Canadian credit unions.

Objectives

1. Spearhead critical technologies with a strategic fit
2. Leverage knowledge, experiences and reduce risk for the credit union industry as a whole
3. Leverage our combined buying power
4. Adopt and drive standard platforms and architecture across the industry
5. Provide knowledge and expertise to the system through webinars and other communications tools
6. Provide a shared funding model i.e. R&D fund



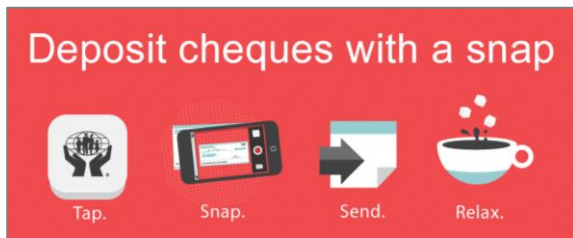
And Some Implicit Assumptions...

- Foster agility
- Embrace informed risk-taking (seizing opportunities!)
- All participant CUs would hopefully benefit equally over time, relative to their contributions
- Outwardly focus: provide a credible and competitive alternative to the Big Banks
- Champion credit union...
- Work independently, undeterred from bureaucracy and politics



Collaborative initiatives launched

DEPOSIT ANYWHERE



- First in Canada – April 2013
- # of CUs in production: 126, including some very small ones
- Cumulative \$ deposited: \$2.9B
- Cumulative transactions: 1.9M

ATM STRATEGY



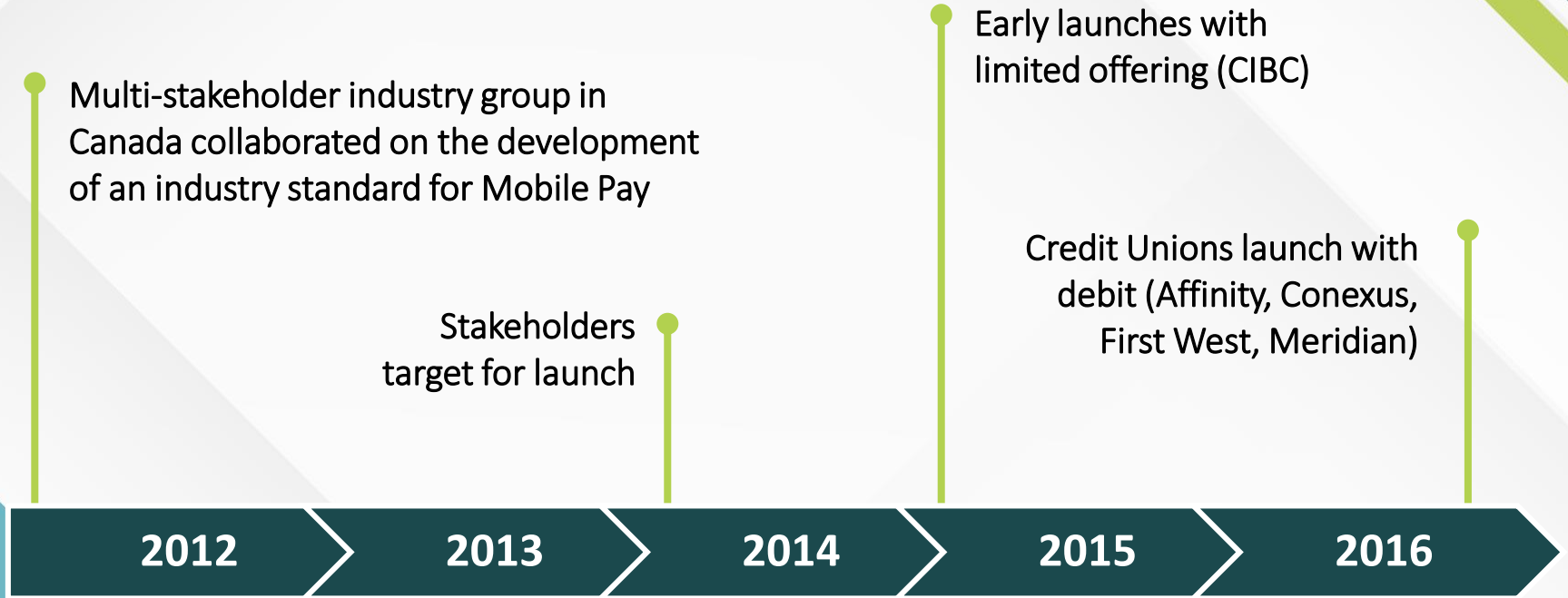
- 4th largest fleet in Canada: 2,100 ATMs
- Objective: Single source and collective procurement of ATMs
- Overall savings exceed \$10 Million in procurement
- Established in June 2016

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How mobile pay came about



Canada mobile device market

18.9M
SMARTPHONES

68%

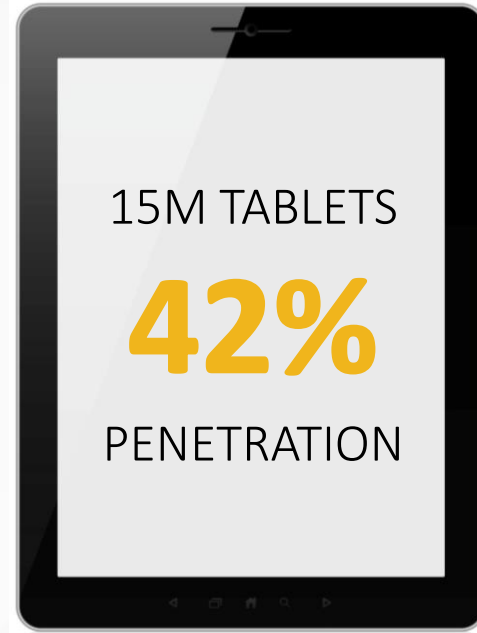
PENETRATION



15M TABLETS

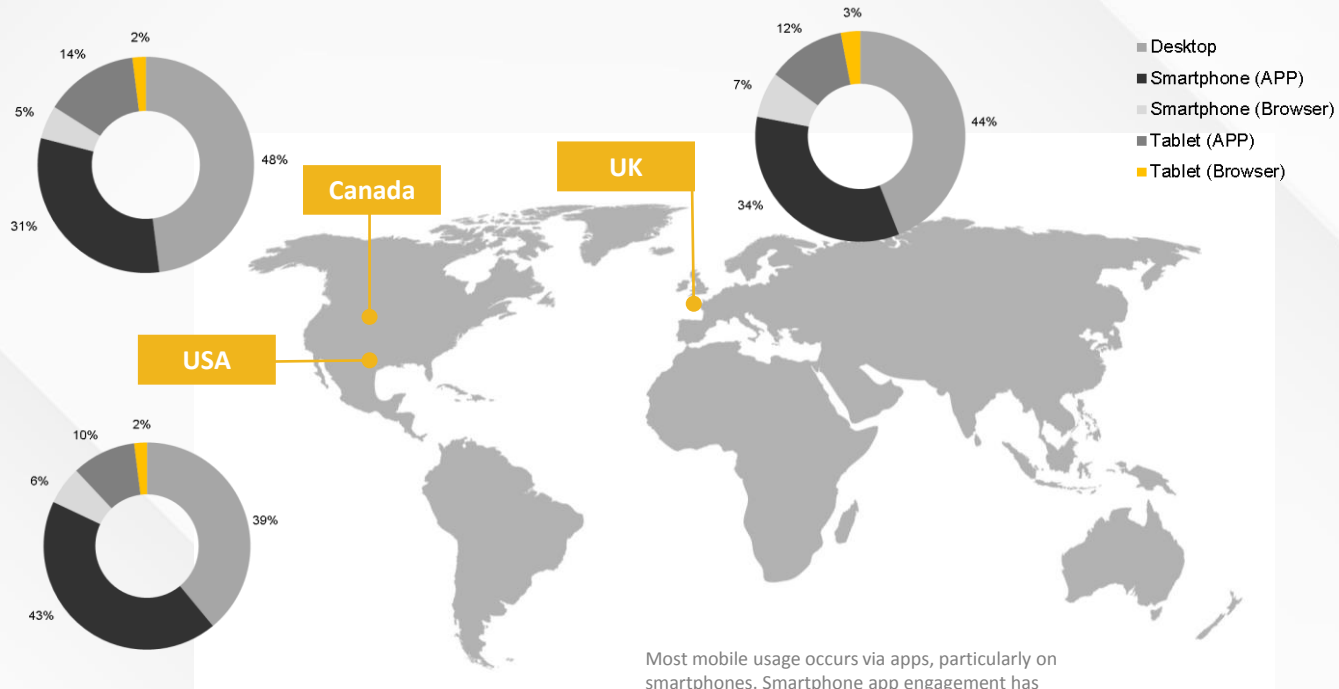
42%

PENETRATION



Source: [<http://catalyst.ca/2015-canadian-smartphone-market/> and <http://www.emarketer.com/Article/Majority-of-Canadas-Internet-Users-Use-Tablets-This-Year/1012452>]

Canadians now spend a little over half of their digital time (52%) on mobile



Source: comScore MMX Multi-Platform, US, Canada, UK, March 2015

Most mobile usage occurs via apps, particularly on smartphones. Smartphone app engagement has already surpassed desktop in the US.

Change is coming from many directions

1

Mobile continues to experience substantial growth in Canada

2

Scope and nature of use is evolving

3

New technology is enabling new consumer and business experiences

4

New players are entering the market and transforming the experience and business

Mobile Pay Solution developed for Canada

- Mobile Interac Flash debit payments for Android
- Uses Host Card Emulation (HCE) technology
- Compliant with EMV (CHIP) specifications
- Uses tokenization for better security
- Functionality integrated into CU mobile apps
- Interfaces with Interac Token Service Provider
- First-ever production transaction on April 13, 2016
- GO-live with champion Credit Unions June 28th, 2016



CHAMPION CREDIT UNIONS



LCUC

SUPPLY CHAIN

MARKETING

MOBILE DEVELOPER



WAX

Target Segments



Millennials



Mobile Moms



Mobile Men

Key Messages

Modern

Fast

Your Money

Easy

Safe

Mobile Pay Marketing Toolkit

Objectives:

- Shift perceptions
- Drive engagement in Mobile Banking and with Younger customers
- Re-active Members
- Drive Debit card and Flash Usage


Toolkit list:

- Videos
- Print Ads
- Web, Social & mobile assets
- Social Media Playbook
- Branch collateral
- Street / Campus
- Transit
- CCUA Mobile Pay MicroSite
- Staff Training


White Label Print & Digital Campaigns

Mobile Pay

**ITCHING FOR
FASTER CHECKOUTS?**




Life's tricky, paying shouldn't be. Introducing Mobile Pay — the fast, easy, secure way to get what you need when you need it.




Generic

Mobile Pay

**WARM UP TO A
FASTER WAY TO PAY**



Life's tricky, paying shouldn't be. Introducing Mobile Pay — the fast, easy, secure way to get what you need when you need it.



Generic

Mobile Pay

**Perfect for all life's
hairy situations**




Life's tricky, paying shouldn't be. Introducing Mobile Pay — the fast, easy, secure way to get what you need when you need it.




conexus
Credit Union

Mobile Pay

**Go from owww
to wow**



Life's tricky, paying shouldn't be. Introducing Mobile Pay — the fast, easy, secure way to get what you need when you need it.



Affinity
Credit Union

7 more Credit Unions to launch in 2016

CHAMPION CREDIT UNIONS



7 additional Credit Unions
by December 2016

WAVE 1

WAVE 2