



THE MEMBERS GROUP*

Celebrating the holidays often starts with a shopping trip—or two. For Tim, that means rounding up the kids and heading to the mall. He makes his list, checks it twice and hopes everything is on there.

Finding the right gifts for everyone in the family can be a challenge. There's the search, the selection and the struggle to dig out the right credit card at checkout. That's why Tim chose to simplify his payment transactions with Apple Pay. By loading his credit cards into this mobile payment solution, he can complete his purchases with a single touch. No need to fish out his wallet!

Tim's simplified purchase experience was made possible by a strategic partnership between his credit union and its payments processor TMG (The Members Group). Although other financial institutions are giving cardholders access to Apple Pay, Tim's credit union benefitted from the streamlined Apple Pay enrollment process TMG created.

TMG is a Des Moines-based company that equips credit unions and community-based banks across the nation with the best in card processing technologies for credit, debit, ATM, prepaid and alternative payment solutions, like Apple Pay. Led by CEO Shazia Manus, a natural disruptor and passionate proponent of the "exploit and explore" mantra, TMG is blazing a new trail in a decades-old industry.

"The financial institution clients that partner with TMG do so because of our proven experience and early-to-market proficiency," said Manus. "Instrumental to implementing the nation's first credit union-issued EMV chip credit card, and the first CUSO [Credit Union Service Organization] to go live with Apple Pay, TMG is comfortable acting as an industry pacesetter. Financial institutions rely on that expertise now more than ever because they can see how the payments evolution – in everything from EMV to biometrics – has a direct impact on the overall consumer experience."

Once TMG clients like Tim's credit union begin an Apple Pay project, TMG implements a simple, expedited enrollment process that has saved clients 60 percent of the total implementation costs. TMG's role within an Apple Pay project begins with the setup of the tokenization infrastructure with the card brands (Visa/MasterCard). TMG works closely with its strategic partner First Data to ensure processing readiness for each client initiating a project. TMG also facilitates a mix of smaller functions throughout a given project. This includes coordination of contracts and paperwork, card artwork, meta data, testing, reporting, training and call center readiness.

Today, more than 75 percent of TMG's financial institution clients are live or have a project underway with Apple Pay. Usage of Apple Pay among cardholders continues to climb. From January to October of this year, the number of Apple Pay transactions processed by TMG increased by a factor greater than 10. Per-transaction totals have also experienced a significant lift. Whereas the average Apple Pay transaction amount was \$14.43 in January of this year, it was \$36.25 in October.

TMG's streamlined approach to Apple Pay and tokenization enrollment is similar to the process it built for its clients' migration to chip cards supporting the EMV standard. This process, rolled out in 2010, simplified the conversion process for clients implementing EMV for both credit and debit portfolios. Clients are now able to get EMV cards to market more quickly, which gives them a competitive edge with today's smart, tech-savvy consumers. Today, more than 98 percent of TMG's credit-issuing clients have completed or initiated EMV migration.

Chip cards allow cardholders like Tim to complete in-store transactions with minimal hassle and maximum security. Although EMV transactions represent only a small percentage of credit card transactions TMG processes, that number is growing. "We've been seeing month-over-month growth rates near 30 to 40 percent consistently since January of 2015," said Chole Casber, TMG's EMV product manager. "We expect the number of EMV transactions to increase significantly after today, as more merchants come online with EMV."

Making life easier for clients and cardholders like Tim is a top priority at TMG. Continuous innovation to simplify enrollment processes and payment transactions sets TMG apart from its competitors. So, when Tim uses Apple Pay or his chip card at the checkout, he feels the TMG difference.