



## TMG FINANCIAL SERVICES

### For Immediate Release

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### **Collaboration, Marketing Key to Account Growth**

Des Moines, Iowa – May 27, 2010 – Three years after entering the market as the only credit-union centric solution available to credit unions seeking to sell their credit card portfolios, TMG Financial Services continues to see growth across its portfolio – not only from acquisitions but organic growth.

The increase is in part to a recently completed 45-day employee incentive contest that generated a 56% increase in new accounts as compared to a similar time period just prior to the contest.

“Since we began purchasing credit card portfolios three years ago, a significant portion of our portfolio growth can be easily explained by acquisitions of new portfolios, but as you dig into the numbers, there is sustained organic growth across the portfolio as a whole that exceeds the market,” said Jeff Russell, president and CEO. “This is the result of careful, deliberate marketing strategies executed in collaboration with our individual credit unions partners.”

The employee incentive contest encouraged credit union staff to promote the ATIRACredit MasterCard program to members who did not currently have the credit union’s credit card. Employees received \$10 for each application that was approved, and then received a chance to win the grand prize of 100,000 ATIRACredit rewards points, a prize valued at \$1,000. Ellen Holtz with Nishna Valley Credit Union won the grand prize.

In addition, TMG Financial Services worked with the credit unions to set an overall credit union goal for the contest. More than 25% of the participating credit unions exceeded their goals, each receiving free lunch for their entire credit union from TMG Financial Services.

St. Cloud Federal Credit Union exceeded their goal by 54%.

Bill Winter, president and CEO of St. Cloud Federal Credit Union, one of the first portfolios TMG Financial Services purchased, wasn’t surprised. “We’re in an economic environment where members are making financial decisions based on trust and fairness, and they are extremely wary of offers that look like gimmicks. Our members look to us to provide them with a competitive credit card program that is fair, and that’s what they get with this credit card.”

Since 2007, TMG Financial Services has 39 portfolios and more than 48,000 accounts and \$100 million in assets under management.

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“The TMG Financial Services portfolio is geographically diverse,” Russell said. “When we purchase a credit card portfolio, we are investing in a collaborative partnership to provide a member-friendly, competitive product. To ensure we have effective marketing programs, we have to work closely with each of the credit unions to make sure we understand what will resonate with the members and encourage to them to carry a credit union credit card.”

In the past year, TMG Financial Services has grown balances on portfolios on book by an average of 12%, while industry sources report credit unions overall saw a 1% increase and national issuers experienced a more than 10% decrease. Russell said in the past year the overall organic growth has been driven by at least three factors – the economy, the CARD Act and a continuous, targeted marketing campaign.

“Consumers were rightly outraged throughout most of 2009 by actions of the country’s largest credit card issuers, and made their voice heard by seeking different options,” he said. “We’ve continued to maintain, as have many credit unions, that there are still competitive options open to consumers. It is clearly resonating. We saw growth through the holidays, when many issuers saw declines. When we look at year-over-year analysis of our individual credit unions, we have seen new account growth at each credit union.”

Russell also added that the growth has not come at the expense of increased charge-offs and delinquencies.

“Our experience continues to reinforce the idea that most cardholders want to pay their bills and will pay their bills. Our delinquencies and charge-offs are well below the overall industry standard, and at or below the credit union industry average,” he said.

#### About TMG Financial Services:

TMG Financial Services is a credit card agent issuing company dedicated to providing a credit union-centric solution that is collaborative and focuses on providing value for both credit unions and cardholders. TMG Financial Services is a sister company to The Members Group, a leading provider of credit, debit, ATM and prepaid processing solutions. For more information, visit [www.TMGFinancialServices.com](http://www.TMGFinancialServices.com).

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