



LogicaCMG Cards Architecture Smarter cards

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The emerging global cards market

Banks, issuers, processors and acquirers face a growing number of challenges. As well as the global rollout of EMV smart cards, current drivers in the market include improving the time to market for new services and channels, and increasing transaction levels.

There is the pressure to reduce ownership and transaction costs, and improve efficiency through infrastructure or business process outsourcing. Most, if not all environments are based on legacy platforms and applications, with bespoke card systems and switches. Many of these are tailored to the needs of the individual institutions to the extent that they are now difficult and expensive to maintain. Knowledgeable technical support is in short supply, and consequently charged at a premium. Meanwhile, evolution in the market

structure to deliver greater economies of scale calls for the centralisation of disparate systems and acquired businesses.

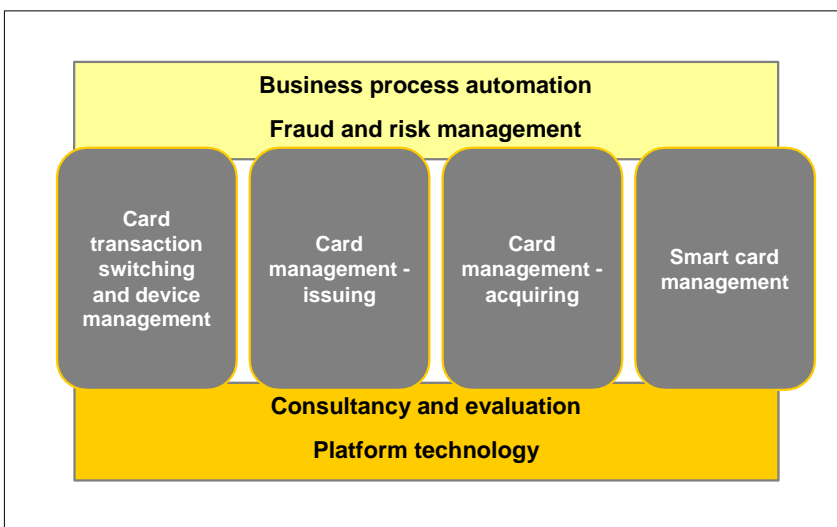
LogicaCMG cards architecture

The LogicaCMG Cards Architecture addresses these issues. It is a complete solution that encompasses everything from transaction switching through to multi-application smart card management, business process automation and risk management. The long-term benefits are cost and process efficiency, increased responsiveness and greater security.

Our solution for the next generation of card systems covers three broad areas, enabling all processes across all cards organisations to benefit from our expertise:

- core application components for card issuing, transaction acquiring, merchant management, transaction switching and POS and ATM driving as well as smart card management
- customer service and business process workflow - addressing issues and opportunities around the richer functional and technological features of these systems
- platform technology - focusing on emerging corporate platform standards.

The cards architecture uses a product mix to ensure that clients benefit from the most relevant and cost effective solutions. We have a track record in implementing modern open systems, which deliver outstanding reliability levels, significantly reduced cost of ownership and faster time to market for new services. We work with clients through the entire project lifecycle, from scoping and initiation to implementation and testing.



Card transaction switching and device management

With transactions outside of the EMV standard, financial exposure is considerable. Our transaction switching and device management solutions minimise any risk through adherence to the standard, as well as support of new payment channels such as those via the Internet and mobile devices.

We have over 20 years' experience implementing and supporting these systems, and conducting vendor analysis and selection on behalf of banks and processors. As a leading systems integrator and business consultancy, we match an organisation's strategy with the best solution.

Card management – merchant acquiring and accounting

Card acquirers need systems that cope with developments in a rapidly evolving market, such as the growing burden of compliance and changes in the European merchant landscape. Central national acquirers are on the decline and there is a rise in cross-border acquisition. Legacy systems are incapable of handling the new requirements.

We bring clarity and flexibility to charging and acquiring, through solutions which:

- allow flexible merchant plans to support specialist requirements
- have cross-border acquiring capability and a merchant hierarchy to support any configuration
- contain multi-currency and multi-settlement options
- enable flexible pricing and servicing including 'interchange plus' pricing.

The key benefit is transparency in charging – for transactional and non-transactional services. LogicaCMG is already helping a Nordic processor to deliver this advantage to their customers, to help them manage the switch in emphasis from organic account growth to maximising profitability from existing merchant portfolios.

Card management – issuing

As the EMV standard is rolled out globally, the ability to launch compatible cards will be crucial. To cope with current and future client requirements, we work with partners to help issuers offer solutions which:

- are chip and EMV ready
- allow flexible product configuration
- allow sophisticated application processing
- are integrated with chargebacks and exception handling

LogicaCMG delivers the ideal card issuing solutions to suit specific requirements, rather than a 'one size fits all' approach. We are currently engaged in the largest card technology refresh in the Nordics and have completed over 70 card-based projects in the last two decades.

Smart card management

Inability to track the lifecycle of a chip card, especially where changes have been made to it in the field, inhibits the wider adoption of multi-application technology. We provide full lifecycle management systems as well as the ability to support finance-based and non-financial programmes. Our global experience leads the way in the application of smart technology, including biometrics, identification, passport and payment.

Business process automation and fraud and risk management

LogicaCMG's Card Architecture includes an elegant workflow system that integrates the main components and allows end users to benefit fully from the new technology.

The fraud management components sit alongside the business workflow. Adherence to payment association mandates to report on criminal activity is impossible without a mechanism to alert and track such fraud. Currently, the choice is between slow reaction in dealing with new types of fraud, or a reliance on external organisations, which may also be unresponsive.

Our solutions include a combination of rules-based and neural networks to detect, alert and manage all fraud cases, enabling faster detection and action. There are also solutions for authentication and enterprise-wide security that solve the current problem of phishing.

About LogicaCMG in financial services

LogicaCMG provides solutions and services in payments, effective operations as well as risk and compliance, helping financial services organisations to resolve complex market and regulatory challenges. We have worked with 70 per cent of the world's top financial institutions including corporate and retail banks, financial clearing houses, general and commercial insurers, card issuers and acquirers and central banks. Throughout our history we have shaped the financial services industry.

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LogicaCMG is a major international force in IT services and wireless telecoms. It provides management and IT consultancy, systems integration and outsourcing services to clients across diverse markets including telecoms, financial services, energy and utilities, industry, distribution and transport and the public sector. Formed in December 2002, through the merger of Logica and CMG, the company employs around 20,000 staff in offices across 34 countries and has nearly 40 years of experience in IT services. Headquartered in Europe, LogicaCMG is listed on both the London and Amsterdam stock exchanges (LSE: LOG; Euronext: LOG). More information is available from www.logiacmg.com