



LogicaCMG Payments Architecture

All payments. On time, every time

LPA brings together LogicaCMG’s knowledge of the payments and financial services industry and practical implementation experience, to deliver a compelling model for the transformation of payments businesses.

An evolving global payments market

The payments business has evolved into a complex operation where the multitude of options and ageing processes make it difficult to keep up with the demands of a constantly changing market. The business needs highly flexible solutions to meet requirements changing faster than applications can be adapted and built. Change is fuelled by a growing need for real time services and coordinated customer management, driving increasingly complex integration of services and operations. And these pressures in payments are additional to the finance industry witnessing:

- increasing globalisation
- a heavier burden of regulation
- consolidation among financial services institutions
- a growing willingness of customers to seek out more cost-efficient and flexible payment services

The challenge to make payments more efficient is real and urgent. Recent EU regulation mandates that commercial banks charge for a growing proportion of Euro payments in the same way as domestic payments. This reduces payments revenues, while the costs of maintaining systems are rising.

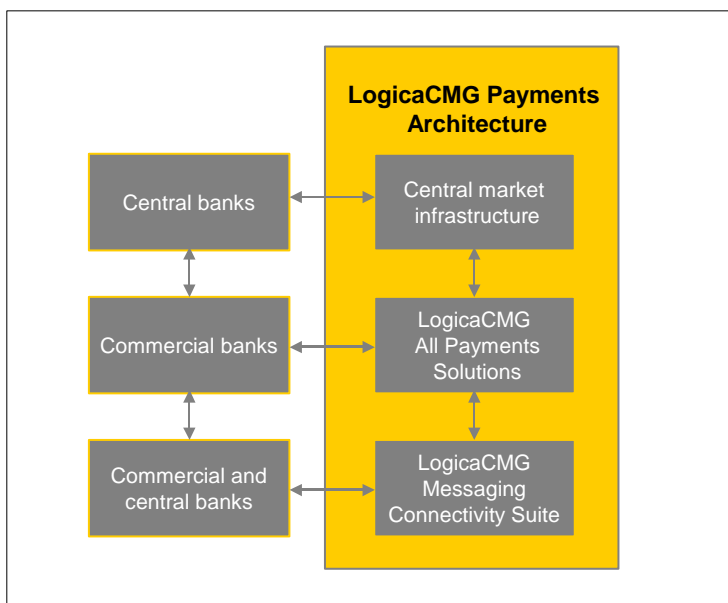
Simply continuing to enhance existing payment systems is unlikely to satisfy customers’ demands for new services, service providers’ requirements for lower costs or the regulators’ need for compliance. Nor will it meet the growing competitive pressures from other providers. What is required is a strategic approach that transforms payments operations and gives them the flexibility to cope with the future. Without significant operational and systems re-engineering, banks may be unable to remain competitive and profitable in payments. LogicaCMG’s Payments Architecture (LPA) resolves these issues.

The LPA

LPA brings together LogicaCMG’s knowledge of the payments and financial services industry and our practical implementation experience, to deliver a compelling model for the transformation of payments businesses.

Across the payments industry, there is a growing recognition that marginal enhancement to existing operations is inadequate to meet the market challenge. Fundamental transformational changes are needed that place new requirements on models of operation and technical architecture. LPA addresses this, based on:

- our business and IT knowledge of payments



- a shared risk approach to delivering business transformation
- our extensive experience of technology and applications integration projects
- our unrivalled experience in payments delivery and long-term support.

LPA breaks down traditional thinking in payments and applies to all payments systems and process, high and low value, simple and complex and covers all participants in the payments value chain. It provides flexibility, rapid differentiation in payments services, significant cost savings and business growth opportunities, helping banks to realise their payment strategies.

Under the LPA banner LogicaCMG provides a service oriented approach based on discrete business components from central market infrastructure, through commercial payments to corporate connectivity.

LPA in central market infrastructure

The LPA approach helps central banks to provide modern, scalable national payment systems. With Central Accounting System LogicaCMG has the world's most popular real time gross settlement system. Meanwhile our award-winning Central Securities Settlement provides effective management for settlement of Government debt. Further components are

powered by our expertise in automated clearing.

LPA in commercial payments

The challenge for commercial banks that need to grow their payments operations is to be sure they have the right infrastructure to cope with changing demand and regulation. Building on the component-based approach of LPA, the LogicaCMG All Payments Solution (LAPS) provides a safe and progressive transformation of payment systems allowing the best of existing systems to be reused. It releases business components from their individual operational silos – migrating, over time, to a flexible payments architecture that supports a bank's payments strategy.

This strategic approach to reengineering payments will enable banks around the world to transform their payments operations and to deliver high quality services to customers with a significantly lower cost of ownership.

LPA in messaging

The LPA also provides the underlying base for our solutions for corporate connectivity and messaging. We help organisations reduce costs by rationalising network access. Our expertise in messaging and SWIFT integration is world-renowned. LogicaCMG is a worldwide SWIFT business partner and enjoys a relationship with SWIFT as old as the

organisation itself. We have been closely involved with SWIFT from the initial feasibility study to today.

A coherent, flexible approach to all payments

Given growing commercial and regulatory pressures, there has never been a better time to address the requirements of the payments operation - current and future. LPA can transform the business into a more robust and scalable operation, capable of coping with commercial and regulatory demand, now and into the future.

The LPA delivers flexibility and coherence; two essentials for any modern payments infrastructure.

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.

To discuss the application of IT in financial services, please contact

LogicaCMG
United Kingdom House
180 Oxford Street
London W1D 1NN
T: +44 (0)20 7637 9111

Email: financial.services@logiacmg.com

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