

BANK EXECUTIVES DISCUSS CARDS INNOVATION STRATEGIES

CSC

Caixa Geral de Depósitos Supports Growth with New Card Management Technology

In this Q&A, the bank's central director, Antonio Rui Mendes, and subdirector of Payment Services, Zélia Livramento, discuss their strategies for using technology to bring innovative products to market.

When did you find the need to implement CAMS II?

Livramento: CGD had an application – Cardpac – that was outdated and not able to support the business requirements. It became necessary to look for a new solution in the market. Several IT providers with different solutions were evaluated, and at the end CAMS II was chosen. Why? Because after we compiled and prioritized a requirements list from all the different functional areas, it was obvious that CAMS II was the best solution as it is flexible, evolves with market changes and supports different specific business operational needs. Even today our CAMS II implementation is updated to support business needs and allow for innovation. This was possible because going in, the majority of our business requirements were already met by CAMS II.

When was CAMS II implemented?

Livramento: The process began in 2001. The first product in CAMS II was

launched in 2003, and in 2004 it was implemented across the entire bank agency network.

Once the decision was made to proceed with CAMS II, how was the implementation process?

Livramento: From the beginning, CSC recommended their proven CAMS II implementation model. It was necessary to set up a multidisciplinary team that reflected the business, IT and organizational requirements. The team was identified and began operations in our office in Lisbon, in order to better leverage the synergies of all departments contributing to the success of this project. The business area knew exactly what they wanted to get from the application, so it was easier to have that group nearby. From the beginning, tests were conducted and issues identified for continuous improvement.

Mendes: It started with a single pilot product. After stabilization, we gradually extended CAMS II. Several products were migrated from previous applications to the new one. Currently, all our credit cards are managed within the application. Last year we began to migrate the debit cards too. Our goal is to have all cards addressed by the application in two years time.

- Caixa Geral de Depósitos (CGD), Portugal's largest bank, chose CSC's CAMS II® Card & Merchant System in 2001 to modernize and establish a strategic platform to execute its cards and payments strategy. At the time, CGD was managing more than 1.5 million cards. Since then, the state-owned bank has launched many innovative card products, growing from about eight basic credit and debit cards in 2002 to almost 300 different types in 2008. CGD used CSC's software to streamline processes and position the bank for growth.

CAIXA GERAL DE DEPÓSITOS

"Our current strong position in the market is the result of the business innovations supported by CAMS II. You typically don't hear this, but IT presents no obstacles to our business development."

**Antonio Rui Mendes, Central Director
Caixa Geral de Depósitos**



Talking about the financial market, how were CGD payment systems in the past and how are they now?

Mendes: We have been expanding our presence in the credit card market. CAMS II has been an important tool to support growth for some products that in the past were complicated to implement. Our current strong position in the market is the result of the business innovations supported by CAMS II. You typically don't hear this, but IT presents no obstacles to our business development.

Livramento: To be clear, when we had Cardpac, we could only offer a few corporate products, such as "gold" and "classic" and company cards. Nowadays, we have a large and varied range of products. We have been able to innovate to support several partnerships, offer co-branded cards, cards for different company segments, cards with different types of loyalty programs, miles, points and cashback.

The beginning of CAMS II was basically creating a range of products before migration?

Livramento: As you know, CAMS II is a whole world. Even today we haven't fully explored the solution, but initially the approach was to prepare CAMS II for migration of our existing products.

Mendes: We can create about 80 to 90 percent of the product without the need of IT. The last 10 to 15 percent do require this support. In fact, IT does this without creating any issues. It is really the best reference we can provide in this area.

Do you feel that CAMS II's structure helped you grow and diversify your business?

Mendes: In the short term, CAMS II has continued to evolve, incorporating new functionalities due to the changes

CSC'S SOLUTIONS

CAMS II software supports card issuers, acquirers and merchants in managing multiple card types including credit, debit, smart cards and consumer loans. Designed for 24x7, in-house card processing, CAMS II's architecture is built to support the current and future requirements of the worldwide payments industry.



in the industry. Nevertheless, we had to work with CSC to develop some specific CAMS II functionalities specifically for CGD when we started in 2001. Some of these functionalities have now become relevant for other clients.

Innovation is a key issue in your payment services department?

Livramento: The products have always been innovative. I remember the Caixa Works, a very innovative card, which profits from the partial payments and the parallel credit lines for small companies, allowing them to manage cash flow needs. This was not possible in Cardpac without significant programming.

Mendes: In fact, this business is increasingly a synergy between technology and marketing. Marketing generates ideas and technology is responding. If the technology did not exist, there are things we could not do.

How do you position yourselves in the payment services market?

Mendes: We were not considered innovative, with products that were too conservative. In the last few years we have introduced some exciting products to the market, which contributed to our success. Today, we are considered at least a market challenger. Some colleagues from other banks tell us that we have been very active, a strong competitor. This is a great satisfaction for us.

Do you feel that the initial investment, which was a smart speculation, has paid off?

Mendes: We can say today that we have reached a return on investment. We have achieved a wide array of cards managed by CAMS II, probably more than 3 million issued debit and credit cards. Basically, in two years we expect to manage something like 4.5 million cards.

For more information about CAMS II cards software, call +1.800.345.7672 (or +1.469.499.9981 if outside the U.S.) or e-mail inforequests@csc.com.

CSC's CAMS II is protected by U.S. Patent No. 6,446,086.

About CSC in Financial Services

CSC distinguishes itself through its time-tested ability to plan, build and operate highly reliable, efficient and secure business and IT solutions for leading financial services firms around the world. To complement its capabilities in consulting, systems integration and outsourcing, CSC brings financial services industry knowledge and experience, a comprehensive portfolio of financial services application software and an extensive network of industry and technology partners. More than 10,000 CSC employees are dedicated to serving financial services clients, including more than 1,200 major banks, insurers and investment management and securities firms.



Financial Services Sector | 200 W. Cesar Chavez | Austin, Texas 78701 | +1.800.345.7672
CSC Americas Headquarters | 3170 Fairview Park Drive | Falls Church, Virginia 22042 | United States | +1.703.876.1000
www.csc.com

© 2009 Computer Sciences Corporation. All rights reserved. Printed in USA 959BANK