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— **Danny Gurizzan,**
Executive vice president of operations,
Payment Solution Providers (PSP)

PRESS RELEASE

ARMONK, N.Y. and TORONTO,19 Apr 2011:

IBM (NYSE: IBM) today announced that Payment Solution Providers (PSP) is consolidating its entire IT infrastructure on the IBM System z® mainframe server with IBM information management software to support key business operations such as credit card processing and payment switch technology. In addition, PSP expects to improve operating efficiencies and lower IT costs up to 35 percent.

PSP is an 11-year-old Canadian corporation and a recognized industry leader in business consulting, smart card solutions, e-payment networks and the integration of financial transaction processing systems. The company selected the IBM mainframe to run PSP Atlantics Payment Switch technology and offer it to clients as a license or cloud service. The IBM mainframe will also support new business opportunities for PSP's card processing business.

The rollout of an HP and Oracle infrastructure lacked the security PSP required, making it difficult to comply with the banking industry's PCI compliance standards. In addition, PSP was using separate servers for each of its clients' development, production and availability requirements. As a result, PSP anticipated having a sprawling, inefficient infrastructure that would take up too much space and rack up excessive costs for IT management, power and cooling and software licenses.

The company wanted to grow its business in North America and selected the z10 Business Class mainframe with tightly integrated IBM z/OS® and DB2® software to support the development of new business channels for card processing. PSP will use the new technology to offer banking clients worldwide PSP's Atlantics Payment Switch Technology as a license or cloud service that will allow them to rapidly support Europay, MasterCard® and Visa® (EMV) "chip card" or smart card transactions. PSP will also use Atlantics Switch Technology for its own PSP Card Services card processing division in North America.

"The HP, Oracle infrastructure simply couldn't support our growing business," said Danny Gurizzan, executive vice president of operations, Payment Solution Providers (PSP). "By teaming with IBM, we are actively pursuing new clients and opportunities, confident that our technology can keep pace and hold operating costs to a minimum. Further, selecting the IBM mainframe gives PSP instant credibility with potential clients thanks to its well-known security and reliability."

The mainframe with DB2 provides PSP the 99.999% availability needed to support its payments business, which includes solutions for secure transaction processing, issuing credit cards and ATM transactions. PSP also selected IBM technology for its ability to support PCI compliance with the highest level security and unmatched scalability. By running on the IBM System z mainframe, PSP's Atlantics Payment Switch can process up to 5,000 transactions per second (TPS). This ensures PSP has the transaction power needed to meet spikes in demand in its PSP Card Services division created by holidays like Christmas.

The IBM System z mainframe server will allow PSP to dramatically simplify its infrastructure and lower IT costs per client transaction by reducing the number of servers needed as well as costs associated with power and cooling, database licensing, administrative staff and compliance.

"Leading edge, innovative businesses such as PSP are increasingly consolidating business critical workloads from HP and Oracle on to IBM System z," said Greg Lotko, vice president of IBM System z. "System z delivers unsurpassed efficiency, providing real business advantage. Its reliability, availability and security allows clients to pursue new business opportunities while realizing superior IT economics."