

THE NEWSLETTER FOR OUR CUSTOMERS

35th Edition

June 13th, 2017

Dear Readers!



The year 2017 is a special jubilee year, because 50 years ago the first ATM was put into operation. Today more than 3 million ATMs are installed worldwide, and new sites are added every day. We are proud that with our customer-oriented expertise and our own multivendor ATM solutions, we made a valuable contribution to the success of

the ATM in the DACH region (Germany, Austria, Switzerland) for almost 30 years.

In addition, we are informing you in this SBS aktuell about the relaunch of our multivendor ATM management solution KIXOperator and numerous extensions of our own multivendor platform.

Linking mobile devices with the ATM is one of the major issues that the entire industry is currently dealing with. We are pleased to report in this context about a project with our customer Payment Services Austria,

where the first NFC-enabled ATMs were installed in Austria.

We also inform you about the newly established subsidiary Salzburger Banken Software Schweiz GmbH, with which we are now represented in the entire DACH region.

I invite you to join us to feel the SBS spirit and our solutions!

With best regards,

Wolfgang Braunwieser
Salzburger Banken Software
Deputy for the entire SBS team

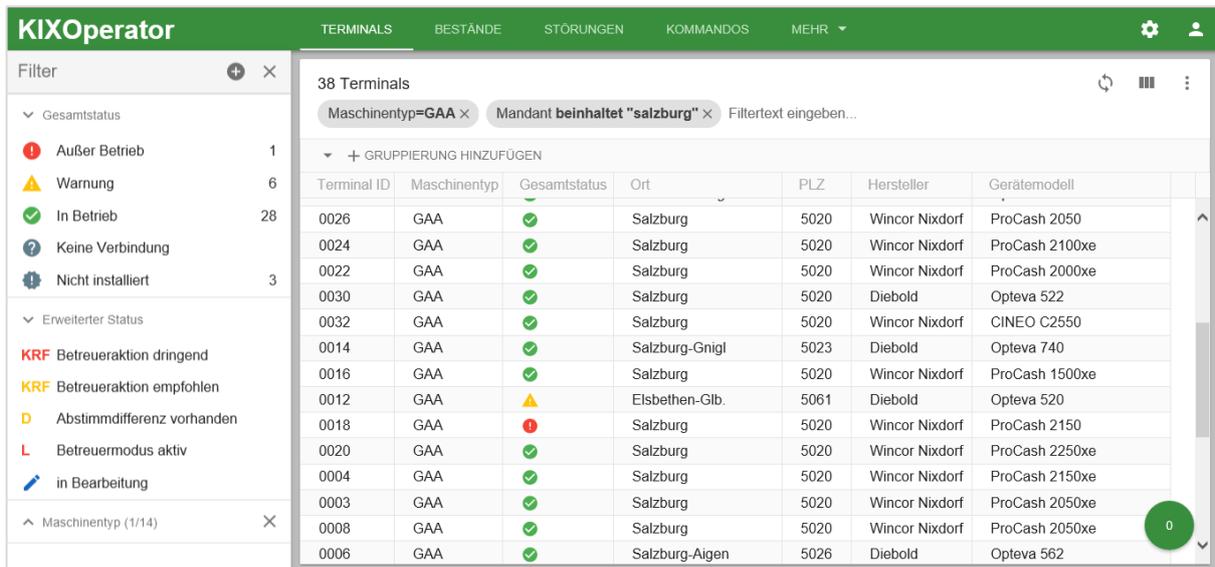
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KIXOperator 4.3 with even more ease of use

Managing ATMs with web solutions is state of the art today. But the expectations of the users have changed.

Users have become more sophisticated, and today a user experience is expected, which exploits all technical



Terminal ID	Maschinentyp	Gesamtstatus	Ort	PLZ	Hersteller	Gerätemodell
0026	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2050
0024	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2100xe
0022	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2000xe
0030	GAA	✓	Salzburg	5020	Diebold	Opteva 522
0032	GAA	✓	Salzburg	5020	Wincor Nixdorf	CINEO C2550
0014	GAA	✓	Salzburg-Gnigl	5023	Diebold	Opteva 740
0016	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 1500xe
0012	GAA	⚠	Elsbethen-Glb.	5061	Diebold	Opteva 520
0018	GAA	✘	Salzburg	5020	Wincor Nixdorf	ProCash 2150
0020	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2250xe
0004	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2150xe
0003	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2050xe
0008	GAA	✓	Salzburg	5020	Wincor Nixdorf	ProCash 2050xe
0006	GAA	✓	Salzburg-Aigen	5026	Diebold	Opteva 562

figure: KIXOperator terminal view, selected table content

possibilities. This was also the reason for SBS to implement further improvements in the layout of our own ATM management and monitoring solution KIXOperator and to use the latest web technologies to enable users to work more efficiently and comfortably.

KIXOperator is used today to manage more than 30,000 self-service units. More than 19,000 users - from the bank staff to the central systems management specialist - work with KIXOperator in our largest customer installation. Many of them work simultaneously with the KIXOperator to keep the self-service devices available to end users around the clock. In order not to interfere with the operating process, the conversion to a new user interface must be considered with a minimum conversion effort. With KIXOperator version 4.3, we have succeeded in the exemplary way and the

enthusiasm of the users who are already working with the new user interface is great.

The sorting and grouping of the monitored ATMs is made particularly easy so that the user can quickly and efficiently access the information he needs to intervene the ATM operations if required.

With an additional caching mechanism in the KIXOperator Server, the central event database is also relieved and causes a lower CPU consumption in the central systems and thus for lower operating costs.

Outlook: in 2017, statistical functions are available in the KIXOperator Availability Reports with a very high comfort in usability. With a few clicks, the user can get statistical information about the availability and the problems of individual ATMs or the entire ATM network.

Terminal ID	Ge...	Gesamt (E...	EUR 5	EUR 10	EUR 20	EUR 50	EUR 100	Geldrückzüge	Kartenrückzüge	L2 (N)
0003	✓	143.255,00	203	1094	450	1330	558	0	0	
0002	✓	94.180,00	68	38	1053	278	585	0	0	
0008	⚠	51.665,00	217	455	549	577	62	3	0	
0006	✓	127.640,00		1536	1284	52	840	0	0	
0010	✓	39.335,00	27	1988	676	36	40	0	0	
0003	⚠	78.310,00	16	129	752	668	285	0	0	
0004	✓	102.570,00		999	94	1490	162	0	0	
0007	✓	87.640,00		1790	1477	256	274	0	0	
0009	✓	58.295,00	137	674	891	261	200	0	0	
0023	✓	71.290,00		71	1884	500	79	0	0	
0025	⚠	48.710,00	696	9	172	620	107	0	0	
0027	⚠	99.975,00	139	100	779	746	454	5	0	
0029	✓	128.440,00		88	478	646	857	0	0	0
0003	✓	148.870,00		68	172	1163	866	0	0	

figure: KIXOperator inventory view, table content reduced to cash dispensers and cash recycling units only

Upgrading the KIX platform

We often meet customers who are looking for an ATM application that can be reliably used on any desired ATM hardware. They want to reach a partner directly and flexible, which contributes to the development and exchange of information. The partner is expected to be solid and constant and it should be aware of all trends in the banking industry. This requires a vendor-neutral expertise!

With approximately 50,000 ATMs on which the KIX platform is now running, SBS is the market leader for multivendor ATM solutions in the DACH region. The top data centres trust the innovative and stable solutions for decades.

With the multivendor solutions SBS is always in demand, to quickly embed the new technologies of the ATM vendors. This know-how in the technologies is rapidly scalable through unique software products and all customers benefit from it. Currently, there are more than 140 models of self-

service terminals that customers can easily select and install. This peculiarity grants a free and independent selection process for the marketing departments, increases the technical availability and reduces the time to market significantly.

As a multivendor software development company, SBS already talks with the ATM vendors about new models of ATMs in a very early stage. This ensures an optimum time-to-market for all parties involved (customer, ATM vendor, SBS) for the introduction of new ATMs.

Our own ATM solutions, combined with a short, fast decision-making process, also enable the integration of vendor-specific, innovative functions as required. Just as the market demands from its technology partners.

In recent months SBS graded up the KIX platform significantly increasing the selection of ATMs for its customers. In addition to many minor updates on

almost all models, we also support these self-service terminals:

- Diebold Nixdorf series CS 55xx (Cash Dispenser)
- Diebold Nixdorf series CS 37xx (Intelligent Deposit)
- GRG Banking H68N series (Cash Recycler)
- NCR series SelfServ 19 (Statement Printer), SelfServ 23/27 (Cash Dispenser) and SelfServ 83/87/91 (Cash Recycler)

SBS is investing in the cooperation with all the ATM vendors, which are well represented in the DACH region. This combined expertise from software and hardware helps us to meet the requirements of our customers as best as possible.

If you miss your desired equipment model in the list, please contact us directly, we appreciate your confidence in our confidentiality regarding currently ongoing development projects.

We understand the customers and the ATM vendors faster, try and experience us!

NFC ATMs with KIXCustomer



According to RBR's study: Global Payment Cards Data and Forecasts to 2020 the number of contactless cards will rise to just short of 700 million cards. But there will be cards with alternative form factors like key fobs or NFC enabled mobile phones. To enable ATM cash withdrawals with contactless devices PSA Payment

Services Austria decided to install the SBS multivendor ATM application with NFC extensions. The first NFC ATMs have already been released.

Initial situation

The so-called Bankomat system is the biggest ATM network in Austria. Nearly every bank in Austria is a member of the Bankomat system. They connect their ATMs to a central ATM transaction switch operated by PSA Payment Services Austria. The Bankomat solution offers the following consumer transactions: cash withdrawal, balance inquiry, mobile top-up, electronic purse load and unload transactions.

A creative idea

The Austrian banks decided to integrate contactless technology on the so-called Bankomatkarte - by far the most popular debit card in Austria. Forseeing the NFC-based mobile payment trend PSA additionally started a project called "Bankomatkarte mobil", implementing the Bankomatkarte on the mobile phone. Therefore PSA signed contracts with the most important mobile network operators in Austria to build an infrastructure that allows the remote installation and the management of a virtual Bankomatkarte on the SIM card of the mobile phone of the consumer.

The goal was for the "Bankomatkarte mobil" to be fully supported on POS terminals and on ATMs to offer a wide variety of locations where the contactless technology is accepted. Under the lead of PSA selected ATM vendors, mobile network operators, the mobile software expert RISE and the ATM software expert SBS implemented the first NFC-based ATM solution. To reach the optimal customer convenience PSA offers a mobile wallet and an additional mobile



figure: Bankomatkarte mobil, PSA

App for ATM transactions that enables the consumer to prefill data elements like the withdrawal amount on the mobile phone.

The base for an integrated NFC solution

The ATMs operated by PSA are equipped with the SBS multivendor ATM application called KIXCustomer. The solution has been extended with full multivendor NFC support so that customers can initiate an EMV-based cash withdrawal with a contactless card or an NFC enabled mobile phone as well.

The advantages for both customers and operators of contactless transactions on the ATM are:

- Faster transactions
- No magnetic stripe skimming
- Increased customer convenience

More Information: www.bankomatkarte-mobil.at

About our client PSA

PSA Payment Services Austria GmbH is THE Competence Centre for debit card-based payments and the Austrian ATMs called Bankomat.

PSA is a reliable partner of the Austrian banks and executes stable and secure transactions of 9.1 million debit cards and 7600 ATMs with a focus on customer service and innovations.

Deutsche Kreditwirtschaft confirms the approval of the SBS ATM solution KIXCustomer

SBS is the first company in Germany to be licensed according to ATM Agreement 2015 including the online administration of smart cards

As a consortium of the top five financial institutions in Germany, Deutsche Kreditwirtschaft (DK) publishes a set of rules and procedures for the German ATM system. This is to ensure that the banking client has the same high standard of security and service on all participating ATMs. The most recent specification is the so-called "GA Vereinbarung 2015". It has been extended by the additional function of online administration of smart cards (OAC) and enables the sending of commands or command sequences from an online administration service to the chip card via a secure channel before or after a consumer transaction. Thus, the card issuer can control various functions of the chip card, e.g. the activation / deactivation of the NFC function.

In order to enable the use of the new solution on all ATMs used by our customers in the German market, SBS has carried out the approval tests with a total of 16 type approvals, notably ATM models of the ATM vendors Diebold Nixdorf, GRG Banking, Keba and NCR.

KIXCustomer is the first solution that has received approval from the DK for the "GA Vereinbarung 2015", including the online administration of smart cards (granted in December 2016).

This allows the more than 18,000 ATMs operated with the SBS KIXCustomer solution in Germany to be converted and operated according to the latest standard of the Deutsche Kreditwirtschaft.

50 years with ATMs

In 1967 the first automated teller machine was put into operation



The first ATM 1967
Photo: De La Rue Cash Systems

On the occasion of the 50th anniversary of the invention of the ATM, we are currently printing extracts from an article, which has been already published in an SBS *aktuell* edition in 2007.

Wolfgang Braunwieser, managing director of SBS,

had the opportunity to meet the inventor of the ATM in an ATMIA conference in Orlando in February 2007.

The speech is by John Shepherd-Barron, who unfortunately died on May 15th 2010. He took the opportunity to talk about the development and introduction of the first cash dispensers in a very personal and humorous way. So Shepherd-Barron did not shy away from mentioning that he designed the basic idea of the cash dispenser in the bathtub.

At that time Shepherd-Barron was managing director of De La Rue Instruments. To what extent this personal success story proved to be decisive for the development of the cash dispenser, Shepherd-Barron makes himself clear: "At first my interest was in the printing of money, then it was the transport of money. The next step, which seemed to me to be logical, was the automatic issuance of money. This allowed the process to be completed."

However, it still required an everyday event that led Shepherd-Barron to invent the cash dispenser. Since shepherd-Barron lived with his wife Caroline in the country, he took cash from the local branch of his bank. His habit was to settle his checks there on

Saturdays in order to have enough money for the weekend. However, when Shepherd-Barron one day found his bank with locked doors, he realized that this way of cash supply could be a hurdle. This little annoyance had a big impact, for Shepherd Barron it was the reason to think: "On that night, lying in the bathtub, I thought there must be a way to get my money at every day and every hour. After a while the machines selling chocolate bars, which were often seen on railway platforms, came to my mind. There I put a penny inside, pull the lever and the chocolate bar falls down into the output tray. "

"A bundle of 10 pounds should be enough for the weekend. "

Now Shepherd-Barron combined thoughtfully. Piles of about ten banknotes should be wrapped in envelopes and filled into the vault of the cash dispenser. The bundle should then fall out of the tray as soon as the user's check was read by the machine. On the check, various data should be recorded in order to ensure the security of the payment. In addition, a method had to be found with which the user could be automatically identified. It was necessary for each customer to have its own identification number. Shepherd-Barron thought of the six-digit identification numbers, as they were common in the army. As Shepherd-Barron himself tells, however, it should not be long: "The next morning I discussed my idea with Caroline. She doubted, however, that customers are able to memorize six digits." Thus, the four-digit code became a worldwide standard.

In the same week it became clear what importance Shepherd-Barron's invention should have for banking. As chairman of the Security Express, Shepherd-Barron hosted one of the lunch parties organized by De La Rue on a regular basis. Among the guests was Harold Davill, the general manager of Barclay's Bank and Shepherd-Barron with no hesitation in approaching him confronted him with his invention. "During the second dry martini, I harassed my guest Harold Davill and asked him about 90 seconds of his time to show him my not yet mature idea." Already after 85 seconds, Davill's answer came: "If I could develop such a device, he would buy it on the spot."

This short conversation took place on a Friday and on the following Monday Shepherd-Barron was visited by the CEO of Barclay's Bank. What Shepherd-Barron seems to have remembered in the first place is that the CEO of Barclay's had a Rolls-Royce and it was difficult to find a parking space for him before Shepherd-Barron's little office. After finding a solution, the CEO turned to Shepherd-Barron and said he would not leave before signing a contract. The content of this agreement obligated Shepherd-Barron to develop and implement six prototypes, followed by another 250 cash distributors in 50 branches. This rapid success story still amazes Shepherd-Barron today.

"Can you imagine this - from an idea Saturday night to a contract with one of the largest banks in the world within just nine days?"

On June 27, 1967, the first cash dispenser was put into operation at the Barclay's Bank branch in Enfield, north of London. Shepherd-Barron admits, "however, that the commissioning was not quite smooth.

I remember trying to teach the chairman of the bank how to enter his four-digit code - obviously he had not pushed a single button in his entire life! Finally, we had to fake the input from the rear. So everything went smoothly at the event, at least for the BBC evening news. "

The American chapter of the success story of the money dispensing machine started 1969 in Florida. Shepherd-Barron was the first non-American to be invited to the "American Bankers' Association Automation Conference" to give a speech. Shepherd Barron had 15 minutes available to present his cash system. The response to Shepherd-Barron's presentation was also limited: polite applause, no questions, and only 12 information brochures printed in 2000 could be distributed.

The general opinion in the audience seemed to be dominated by the question of who needs cash at any hour. Six weeks later, however, Shepherd-Barron got a call from First Pennsylvania Bank. The bank ordered "six of the things the Englishman spoke about in Miami." As little as flattering this chapter in the history of the money dispensing machine may sound, the cash dispenser was used for the first time in the USA.

After the first equipment had been installed, it rained in London avalanche-like inquiries from banks and their suppliers. At this time De La Rue began to position itself as an OEM supplier for mechanical money machines.



SBS Managing Director Wolfgang Braunwieser & John Shepherd-Barron
Photo: ATM Industry Association

Asked if he had believed in the invention of the money dispensing machine that would result in a big industry like this, Shepherd-Barron replied, "Yes, I thought it would. I knew it would change the banking system ".

SBS locally in the DACH region

Germany, Austria and Switzerland

Since the founding of SBS in 1988, the family business has grown continuously and successfully.

In the original home market Austria, as well as in Germany and Switzerland, projects in the self-service sector have been developed and supported in recent years; Always with the focus on the right software solution for self-service units in the cash and non-cash area. Our company has decisive advantages with the local market presence. We know the technical history in the self-service industry for almost 30 years and we understand the cultural specialties of our home region DACH.

The customer proximity is crucial for self-service projects. With a direct exchange on the ground and short communication paths, misunderstandings are eliminated even before they occur and the risk of delays and cost overruns is reduced to the minimum.

In order to ensure this customer proximity, the SBS, in addition to its headquarters in charming Salzburg, founded the branch office in Germany a few years ago. And since the beginning of 2016, there is also an SBS branch office in Switzerland. In the projects on site, SBS uses its own experts locally and thus creates a constructive environment for a pragmatic and solution-oriented development, hand in hand with the customer.

Company names of subsidiaries:

D: Salzburger Banken Software GmbH

A: SBS Software Ges.m.b.H

CH: Salzburger Banken Software Schweiz GmbH

We invite you to experience us as SBS and our solutions in the DACH region!

SBS News

New employees at SBS

Our development teams in Salzburg and Linz were strengthened by Eric Svata, Christian Reifberger, Robin Schmied and Marina Braumann. Hannah Schmidbauer supports IT security. Benedikt Scholz, Bastian Mildenerberger and Christian Netz are in the

service as technical customer support for SBS Germany in Münster. Johannes Kritzingler moved to the SBS in Switzerland. Kristina Doppler is active as an intern in the personnel and marketing sector.

SBS supports FIVE ID

On the 20th of January 2017, two students (Arno and Christoph) presented their "MIVE" project "FIVE ID" (FINGER VEIN IDENTIFICATION) on the open day of the Higher Technical University of Applied Sciences and Arts (HTBLuVA). The bridge at the Salzburg site between highly qualified technical training as an engineer and highly specialized requirements of a software company is very important to us at SBS as an employer. Creativity and research inspire us and young people through their support as a sponsor of their matura projects and by the demand of the business in the Salzburg region to get their ideas and solutions an additional motivation for their work.



FIVE ID Presentation
Photo: Project-Team

About SBS aktuell

SBS *aktuell* is issued twice a year and is published on the SBS webpage. Furthermore you will find old editions of the SBS *aktuell* in .pdf format for download also on the SBS homepage. The German version is also delivered by post.

<https://www.salzburgerbankensoftware.com>.

SBS *aktuell*

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Place of Publication: Salzburg
Registered Company: FN 53919,
registered at the Regional Court in Salzburg,
DVR: 0563307
Certified according to ISO 9001

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Please contact me:
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Information about the following products is requested:

- KIXOperator*** – the multivendor ATM monitoring and management solution
- KIXCustomer*** – the multivendor ATM application
- KIXBranch*** – Integration of peripheral devices in the counter area

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