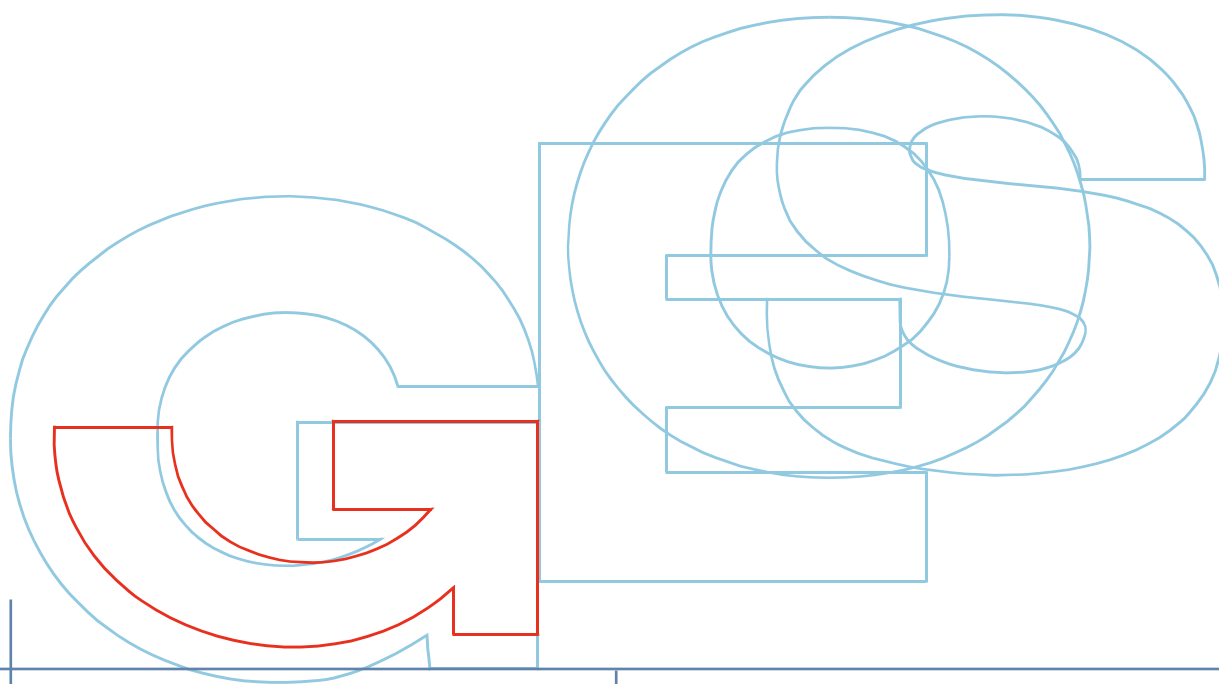


# Trinkaus & Burkhardt Acquires "Geos"



## New Software for Transaction Banks: Already Setting Standards in Austria

Frankfurt, 11 November 2002

In the race to set up a powerful transaction bank, the Geos processing system has already notched up a stage victory. On the first weekend in November, the private bank, HSBC Trinkaus & Burkhardt KGaA (T&B) of Düsseldorf migrated its entire securities processing system to the Geos software solution from SDS Software Daten Service GmbH of Vienna. The migration was seamless according to Paul Hagen, a T&B partner. A solid 50,000 transactions per day were processed in the first few days of live operation, and considerably more were handled in the test runs. The high volumes can be attributed to T&B's clientele of approximately 20 brokers and investment houses. The next project for migration to Geos will be the S-Broker securities processing system - the savings banks online stock market platform.

Processing systems have to handle a multitude of tasks and cost efficiency demands that these be as automatic as possible (straight-through processing). Processing systems must clear and register all types of security transactions, including exotic securities, and also manage deposits. Their activities also include the collection of dividends or the exercise of voting rights on behalf of small shareholders, for example. And let's not forget the numerous tax regulations that have to be observed. Since more and more clients are trading online and want to actively participate in the purchases and sales "live" on-screen, all processes have to take place in real time.

According to SDS CEO, Peter Brössler, some potential clients had their doubts about the capabilities of Geos when the introduction of Geos at Dresdner Bank AG was delayed. Dresdner Bank originally wanted to install the Geos system which it praised highly, but the project got into difficulties when Dresdner Bank and Deutsche Bank began negotiations on setting up a joint transaction bank. Deutsche Bank insisted - and successfully so - on keeping its own system, which will now be the platform for the joint transaction bank for Deutsche Bank, Dresdner Bank and the German Stock Exchange. Experts estimate that Dresdner Bank had to write off a three-digit amount in millions euro which it had invested in adapting Geos to its requirements.

Skeptics gloomily predict that holding on to the older "db trader" processing system could backfire. It might make it difficult to attract new clients to this platform as hoped. However, from Deutsche Bank's point of view, the decision to keep the system has more to do with the fact that "db trader" has been revamped into an up-to-date system - the "Euro Engine".

According to Brössler, Geos is already used by the majority of banks and savings banks in Austria. Bank Austria, a subsidiary of the Bavarian Hypo-Vereinsbank, introduced the system this summer, as did eight cantonal banks in Switzerland. SDS, with 350 employees and annual sales of 30 million euro, has continued to concentrate on the further development of Geos. T&B's business partner, Hagen, said that in an evaluation based on criteria such as cost-efficiency, availability, and real-time capability, Geos was in a league of its own. And Geos also has "multi-client capability"; in other words, it is set up to process the transactions of several banks and brokers completely independently of each other. Hagen estimated the investment volume for the introduction of the state-of-the-art securities processing system at approximately 30 million euro.

Following the successful migration of S-Broker to the Geos platform in Q1 of 2003, the "securities processing" service will be offered to other institutions. These would primarily include

smaller private banks and online brokers. Many of these banks are still using systems from 20 years ago and older. Upgrading these systems to meet modern requirements is becoming more and more difficult and expensive. On the other hand, installing an entirely new system, such as Geos, might also prove too expensive. And it is precisely this predicament that presents such a wonderful opportunity for T&B to be a securities processing "outsourcer". However, there are no plans at present to offer this service to bigger banks.

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