

Bank Austria and Den norske Bank to issue ecash™ the electronic cash for the Internet

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Today, DigiCash bv announced that Den norske Bank and Bank Austria — the largest banks in Norway and Austria, respectively — will be the first banks in their countries to issue ecash™, DigiCash's electronic cash for use over the Internet.

Using only a PC connected to the Internet, the bank's clients will be able to pay for a wide range of products and services, including database searches, mail-order products, stock quotes, news, entertainment, and software.

Ecash is unique among Internet payment systems, in offering both security and user privacy. Security, a key requirement for making payments over the Internet, is ensured by public key cryptography, where the user and the bank exchange cryptographic keys thereby allowing secure encoding of all payment related messages sent over the Internet. Ecash also ensures the privacy of the user, permitting payments which do not reveal the customer's identity. Due to the low transaction costs of ecash low-value purchases, or so-called micro-payments, are not only practical but cost effective for both the banks and merchants, and help broaden the cyber-marketplace in terms of products and services on offer. Another important feature of ecash is its bi-directionality, meaning that the customer can also receive ecash from another ecash user. These peer-to-peer payments allow any user to become a seller of goods on the Internet. The ecash™ software also has a unique recoverability feature, which allows customers to recover their money in the event of a hard disk crash. Both Bank Austria (<http://www.bankaustria.com>) and Den norske Bank (<http://www.dnb.no/>) will work together with selected merchants in offering a diverse range of products to their ecash customers.

Apart from a PC, Den norske Bank's and Bank Austria's customers will not need any special hardware or cards. Once users have installed the free software, they can simply connect to their bank's Internet site and download digital coins from their ecash™ account directly onto their PC's hard disk. These coins can then be spent with participating Internet merchants using ecash's simple point and click interface.

David Chaum, DigiCash's founder stated: "These new agreements mark an exciting new series of partnerships we are forming with the banking community. They demonstrate that DigiCash and its partners are committed to making ecash™ — already recognised as the pre-eminent Internet payment technology — into a widely-adopted industry standard."

Robert Macho, Bank Austria, Senior Advisor Electronic Banking stated: "Since the beginning of 1995 Bank Austria offers - as one of the first international banks - direct online-account services on the Internet. The current existence of smart-card and electronic-purse services in Austria proves that the Austrian market is ready for the issue of digital money for the Internet. Therefore the implementation of ecash is the next logical step in the path to real electronic commerce. It will fill the gap between banking and credit-card business and will meet the needs of both private and commercial customers."

"There has been a lot of interest already, and in preparation for the ecash launch we've recruited some leading merchants. Interflora, the leading CD retailer (Akers Mic) and the leading financial newspaper (TDN) will be participating during the trial period, before we make ecash available to other merchants" said Bjørn Kloster, Deputy General Manager, Commercial Banking Division, Den norske Bank.

Robert Zipplies, DigiCash Business Development Manager, added: "We are very pleased to be working with two more leading banks in Europe to introduce a cutting-edge payment system to their customers. Ecash, like real cash, will allow consumers to shop in a secure and private manner which is both convenient and user-friendly. These ecash implementations will significantly stimulate the electronic commerce markets in both Austria and Norway."

Recent licensees of ecash, Deutsche Bank (Germany) and Advance Bank (Australia) are now in the final stages of implementing ecash and will soon be issuing ecash to their clients.

Two weeks ago DigiCash also announced its co-operation with Nomura Research Institute (NRI). NRI will be the first in Japan to license ecash technology for the development of an electronic money payment system. NRI will use ecash, denominated in Japanese yen, for a unique intranet based system that will allow NRI employees, departments, and associated companies to exchange value in real time, without the need for smart cards, paper, or complex systems.

DigiCash: Company background (summary)

Founded in 1990, DigiCash is the leading pioneer in the development of electronic payment systems that provide security and privacy. Available for open, and closed systems and network use, DigiCash's products are based on patented developments in public key cryptography devised and owned by Dr. David Chaum.

DigiCash's first product was DyniCash, a road-toll system capable of collecting fees from pre-paid smartcards carried on moving vehicles that was developed for the Dutch government.

In recent years increasing media attention has been focused on ecash™, DigiCash's software-only form of electronic cash developed especially for use on the Internet. It can be used online (via the World Wide Web) or via email, and is suitable for implementation with many other digital media. There are already five ecash-issuing banks on the Internet and a rapidly growing number of cyber-merchants. With enthusiastic responses from financial institutions interested in ecash-licenses for the future, and the continuing support of industry opinion-makers, the company's team of experts is now making presentations around the world.

Banks already supporting- or issuing ecash™ include: Mark Twain Bank (Missouri, USA), Merita Bank/EUnet (Finland), Deutsche Bank (Germany) and Advance Bank (Australia).

DigiCash's leading position in cryptographic technology has already enabled it to develop smartcards for a diverse range of applications including CAFÉ, the smartcard-based payment system operated by the Headquarters of the EU in Brussels. The CAFÉ project started as a scientific project (ESPRIT) funded by the EU, just one of the several EU technology projects with which DigiCash has been involved, and designed smartcards that feature pre-paid cash replacement functions, loyalty schemes and access control.

Founder

Dr. David Chaum, Founder and Chief Technical Officer of DigiCash, received his Ph.D. in Computer Science from the University of California at Berkeley, then taught at New York University Graduate School of Business Administration and at the University of California, and headed the Cryptography Group at CWI, the Dutch nationally-funded centre for research in mathematics and computer science, before taking his current position. He has published over 45 original technical articles on cryptography and also founded the International Association for Cryptologic Research.

DigiCash Products

Facility Card: Complete Facility Management Smart-Card/Reader System

Cash replacement, access control, and time/attendance system; now in schools, hospitals, industry, offices, recreation; interfaces to vending machines, point-of-sale, access control, copiers, phones, gaming;

Downloadable & upgradeable card-readers work on-line and/or off-line; There are already over 120,000 cards in use in the Netherlands.

Mars Electronics International licensed the DigiCash facility management system technology in 1996, and incorporated it into their 'Multicard Smart' product line which was launched worldwide in January 1997.

Blue: Smart Card Technology For EMV & Prepaid With Dynamic Public Key

Conforms to joint Europay, MasterCard, Visa specifications. Multiple applications, including loyalty and closed systems. Superior data integrity in case of malicious or accidental interference or interruption.

Requires only the smallest and most proven chips, e.g. SC-24 or ST601. Mask technology licensing.

(DigiCash and ecash are registered trademarks and should always be referred to as such)

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