

A Leading Provider of End-to-End, Innovative and Integrated Banking Software and Ranked Amongst Top Vendors by IBS Intelligence, Capital Banking Solutions Offers a Suite of Integrated and Modular Products for Financial Institutions

Business Services Integrated Banking Software

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Nicolas Jabbour
President and CEO

BIO: As President and Group CEO of Capital Banking Solutions, Nicolas Jabbour is responsible for defining and executing the strategies for growth of the company. Nicolas is an entrepreneur and a technology veteran with unique skills blending leadership, vision and a proven execution record. Prior to joining Capital Banking Solutions, Nicolas was CEO of Prolifics, a NY based consulting firm that he turned into one of IBM's largest regional SI. Prior to arriving to the US in 2000, he co-founded the French office for JYACC, a NY based Software vendor. He also held positions as Product Manager

and Solutions Architect at a subsidiary of the French Post, and was involved in highly visible, large scale International projects, funded by the European Community in the Postal and Financial Services fields, as well as other positions in Telecommunications and IT research at Olivetti and Sharp. Nicolas holds an Engineering degree in Telecommunications and Information Systems from Ecole Centrale, France, and Ecole Supérieure d'Ingénieurs de Beyrouth (E.S.I.B.).

About Capital Banking Solutions:

Capital Banking Solutions is a leading provider of end-to-end, integrated banking software for businesses across Europe, Africa, the Middle East and the Americas. The company offers a suite of integrated and modular products for retail, corporate and private banks, as well as financial institutions.

Ranked amongst the top vendors by IBS Intelligence, Capital Banking Solutions has attained double digit growth helping over 200 customers worldwide, including Bank Audi, Bank of Africa, Banco Sabadell, Credit Suisse, Rothschild, Iraqi Middle East Investment Bank, Al-Khaliji Bank, and Aruba Bank to manage all of their front office and back office IT needs, expand to new markets and meet local compliance and regulations.

Capital Banking Solutions combines its rich history of banking expertise with innovative, proven software systems and a comprehensive portfolio of professional services, to deliver full service solutions that meet the highest quality standards. From consultancy to development, customization, migration,

integration, training and support, we work with you to create regional, tailor-made solutions that support the current and long-term needs of your business.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Jabbour, would you tell us the vision at Capital Banking Solutions?

Mr. Jabbour: Our company is a provider of banking solutions for Tier III and Tier IV banks. Our vision is to be able to provide the smaller banks with "as sophisticated" and "as complete" solutions that the Tier I and Tier II banks are able to create using their own IT department; basically, being able to provide the lower tiers with the same quality solutions, while also affordable from a pricing and time-to-market perspective.

CEOCFO: Why the decision to work with that level of banks? What was attractive for you on that level of banking? Was it opportunistic? Did you see a market need?

Mr. Jabbour: First of all, the growth in those tiers of banks is much higher than the highest tier. If you look at emerging markets, these are the kinds of profiles of banks and financial institutions that you will find. Therefore, we felt the market opportunity was there. And the customers are very demanding. They need a high level of sophistication but lack the IT resources and budget, compared to the bigger banks. Our goal is to package the core capabilities in a consumable way, which is what we did with our cloud strategy, lowering the cost of adoption

without sacrificing the features and the functionality.

CEOCFO: What are some of the differences in the different geographic regions that you need to accommodate for?

Mr. Jabbour: That is a very good question. Regarding banking business models, core functionalities are pretty much ubiquitously the same. What you would find across regions that are radically different are the unique business requirements. For example, any product around credit cards will have little value in Africa. Anything around card management and payment by cards will not exist because those countries lack the infrastructure, security and usage. Nevertheless, we need to dematerialize the currency and the financial exchanges so today if you go to Africa you will see that mobile payments are far more evolved than even in developed countries like the US, because they kind of skipped a generation. Strategically we are seeing that one kind of financial product may be irrelevant in one region but may be of extreme importance in another. Now, this complicates work for us as a vendor, because we have several products that can target a global market, but you really cannot leverage some of them in a subset of that market. Therefore, we have to be very careful about what we go after; otherwise you will find yourself producing products that are not widely saleable. You also have another dimension which is very interesting; the cultural dimension – how people behave or relate to the banks or financial institution in different regions. If you go to the Arabic Gulf, the private banker is more of a friend; someone you trust with your money and who seems to know how to manage your wealth. If you go to Western Europe the private banker is a trusted advisor and legal advisor; someone who beyond being a money manager is in tune with taxation and other laws. Therefore, we see that cultural behavior in terms of how people relate to the bank and relate to their

money differently drives completely different business concepts.

CEOCFO: How do you keep up with the various regulatory issues?

Mr. Jabbour: That is a real challenge. So far, we have developed our own model and architecture that adopts to change, because in banking you always have to adjust to new compliance rules and regulations. The problem is that in some cases it is very hard to understand those changes and to keep track of those changes. Therefore, it is becoming a huge maintenance challenge that is an important part of my business, but is not a differentiator. As part of my growth strategy, I am focusing the company into the core and the distinctive offer. And for the common

“We have young blood in this company, but yet we offer the depth of experience through our team of our bankers that have been with us and are still with us for twenty and thirty some years – guiding us with their expertise in this domain. Plus, in the past couple of years, we added the same depth of expertise from a technology perspective and brought in some very creative people and technologies. You are going to have the ambition and forward looking ideas from one side and the technology might from the other.”
- Nicolas Jabbour

capabilities that are not ‘core,’ we may partner with other specialty vendors. That will allow me to give my customers a complete solution, but by way of partnering, rather than becoming the creator of every single module. This kind of thinking that we set a couple years back was realized recently by our newest product offering called CapitalBanker. We redesigned the product to have a core and to have modules that easily plug in to the core. Therefore, every module can come from us or can come from another partner. Regulatory reporting is one of those modules that we provide today, but could move to a partnering model in the future.

CEOCFO: Is there much competition? Are there many companies that work

with such a wide range of geography and companies or banks?

Mr. Jabbour: Our approach is not common at our size. You will find the big couple of names, who have broad coverage. I honestly do not know if they are making money at all of these services and their level of investment. The smaller ones are niche players focusing on a specific area and a small customer set. That is not really our strategy at Capital Banking. We grew by acquisition. We have a company in New York. We have a company in Paris and another one in Monaco. Therefore, by definition and by design, the company is spread with existing customers in all of these regions. We focused on applying the best of breed capabilities from each of our offers into a comprehensive platform, and now we are going to go to the market with a single platform that has all of these concepts. When a new module is not considered core we will look to partner and OEM, which will allow us to keep focus on key value and enable rapid time-to-market, while at the same time we can continue providing a complete offer.

CEOCFO: How do you keep on top of the new technologies? For example, how did you decide when mobile application is needed

here in the US or some other method?
Mr. Jabbour: Regardless of the business that I am in, I have always found that common sense is what drives decisions. You gain insight from your experiences, from talking to people, from reading and consulting. When you “shake and bake” all of these dimensions that we all individually and professionally garner, that is what I consider to be the foundation of common sense that helps to come up with a decision. Today take mobile. For me mobile is no longer a new technology because the adoption is real. Ten years ago I would not have said that. Any vendor like us would have to have a mobile strategy for their offering. However take social media and banking – a domain that few people talk about. I

have two kids; seventeen years old and fourteen years old. In five or six years my daughter will be making money, hopefully. Will she have the same relationship with the bank that I do? Will she go to the bank branch the same way I do, or will she do banking online only through an interface application like the one that you and I are using today? The realities that I just listed makes me believe that social media and banking will have to intersect in the future. Therefore, when I come to that point of common sense I provoke a research project first; ask for reflection, thought, and requirements around it and from there we will adapt the technology in order to go after that very targeted project idea.

CEO CFO: How do you reach out to potential banks worldwide?

Mr. Jabbour: Today we have a direct reach. We have a General Manager, an Associate General Manager and account executives in every region that we cover. This is the approach up until now, but we are also looking at growing our go to market strategy. As an example, we signed a global deal with IBM last quarter to embed their technology within our offering. IBM as a global partner is very interested in us having industry solutions that are empowered by their technology. This is a great channel for me to spread more offers – through their business development and their sales forces – all over the globe and in those areas that are hard to reach. We are also looking for technical partnerships. We have a couple hardware partners, in Africa and in the Middle East, that are

in tune with those markets and have many customers across all verticals. They have no value added software like ours, so a partnership could become really key in emerging markets. It is kind of a varying strategy, depending on the market. Predominantly we do direct selling, but we are growing through business developments with global vendors and technical partnerships.

CEO CFO: How is business these days?

Mr. Jabbour: I have to say that we have been doing really well among the top companies out there in the software vendor market in banking. Our sales were across all regions. Last year we sold licenses in the North American market, the Caribbean, Europe, Africa and the Middle East. Our customers have no complaints and there is zero attrition. Therefore, from all of those angles I would say business is stable plus growing well. However, we did not yet complete the ambitious plan that involves new, creative product offers. Therefore, I think that the exponential growth will come toward the end of this year when we are delivering the first of these products. From there on I think that the future will be even brighter than now.

CEO CFO: Why should investors and people in the business community pay attention to Capital Banking Solutions? What makes Capital Banking Solutions an exceptional company?

Mr. Jabbour: First our culture – very diversified, from multiple regions, yet we have a unique and single vision

now in the company. We are a citizen of this new world, which is not the case of many companies in our space. The traditional global companies are larger organizations where it is most likely too late to invest in them. We are a global company in terms of reach; we are present everywhere. Yet we are small and we are a very interesting and exciting company. That is one dimension. For the second dimension, we are this very interesting mix of experience. We have young blood in this company, but yet we offer the depth of experience through our team of our bankers that have been with us and are still with us for twenty and thirty some years – guiding us with their expertise in this domain. Plus, in the past couple of years, we added the same depth of expertise from a technology perspective and brought in some very creative people and technologies. You are going to have the ambition and forward looking ideas from one side and the technology might from the other. And those bankers keep us grounded, helping us to execute the great ideas in a way that maps to how the bank's business is run. Therefore, when you blend these three together in a profile like ours – a small to medium sized company, well established in many geographies, and with many customers – you end up with a start-up without having the risk of a start-up. I feel that this is our differentiator. Anyway, the new future will tell, right? I am very, very excited about this and looking forward to it.



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