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HCL Technologies Acquires Capital Stream, Inc., a US based Industry Leader in Lending Automation Solutions

Strategic acquisition will enhance HCL's offerings in financial services sector

Sunnyvale, CA and Noida, India, February 20, 2008

HCL Technologies, today announced the acquisition of Capital Stream, Inc., a US based leader in providing comprehensive end-to-end lending and straight through processing solutions to commercial banks and finance companies in North America, including prospecting and sales, credit analysis, due diligence, documentation and portfolio monitoring. The acquisition is an all cash deal worth approximately US\$40 million.

HCL's transformation journey is focused on creating customer value in select industry verticals combining domain depth, innovative multi service offerings and business models that focus on output and outcome. This philosophy is also reflected in HCL's acquisition strategy, which is proactive and selective focused on achieving long term goals and to invest in companies and platforms that will create more value in key vertical sectors and micro verticals. HCL follows a thorough and diligent selection process while choosing the targets for acquisition, and looks at it from a long-term strategic intent as opposed to being opportunistic.

This strategic acquisition of Capital Stream enhances HCL's ability to provide end-to-end solutions through product and multi-service delivery capability to commercial and retail financial institutions. FinanceCenter, CapitalStream's flagship product, is a multi-tier, web-based application and is a leading solution in the market today for the automation of business and commercial lending institutions. FinanceCenter can be customized and delivered to different segments of financial industry from large to mid-tier banks to credit unions. The product is currently is used by more than 20% of the top banks in North America and has transformed several large and mid-tier banks.

CapitalStream has helped leading financial institutions to improve relationships, streamline operations, reduce risk and achieve significant revenue growth. CapitalStream solutions accelerate the origination and management of commercial credit relationships to enable mid- market and small business lending, equipment finance and commercial lending operations to double or triple transaction throughput with no increase in headcount.

The HCL acquisition of CapitalStream provides a number of synergies, benefits and opportunities, including:

- The addition of a focused product portfolio to HCL's multi-service capability will enable the company to provide commercial banks and other financial institutions comprehensive end-to-end solutions globally, with significantly reduced implementation time;

- The offerings from CapitalStream complements HCL's lending technology capabilities in financial services;

Commenting on the acquisition, **Mr. Ramkrishna, Corporate Vice President, Head Mergers & Acquisitions, IT Services**, said, "This acquisition is part of a well structured M&A strategy to fulfill HCL's aspiration to be a global leader in selected industry verticals by using acquisition to either bridge gaps or enhance the capabilities in our service offerings".

Premkumar. S, Corporate Officer & Global Head - Financial Services, HCL Technologies Ltd. said, "CapitalStream has the unique blend of a superior product and technology in the commercial banking space, a team that is as committed to value delivery to its customers as HCL and above all, a portfolio that lends itself to offer integrated solutions. This will enhance our capability in the financial services sector to deliver large scale enterprise solutions. The modular architecture would also help HCL to localize the platforms across various global financial centers."

"We have been using CapitalStream solutions since 2002 and have since grown our banking operation from 193 branches to over 700 branches and commercial banking offices. CapitalStream has been a key partner in our success by helping us significantly reduce the time and cost to approve and process a new loan," **said Debra Fournier, Senior Vice President for BusinessLink at Bank of the West**, one of the 25 largest banks in the US. "The acquisition will now allow banks outside of North America to take advantage of CapitalStream's innovative software solutions and should also offer us greater access to integrated services and technologies from HCL."

Patricia Hines, Senior Analyst for Wholesale Banking at TowerGroup said, "As outlined in TowerGroup Research Note 2008 Top 10 Business Drivers, Strategic Responses, and IT Initiatives in Wholesale Banking, the top business drivers in wholesale banking and commercial lending for 2008 include risk mitigation, regulation, revenue growth, declining profitability, and inefficient processes, which are driving technology initiatives to improve relationship management tools, create workflow tools for straight through processing, and enhance data management and analytics. As banks evaluate commercial and business lending software investments, they look for providers with robust technology, deep domain expertise, strong financial results, and satisfied clients. Providers that combine proven technology, extensive industry experience, and strong business process management skills help banks maximize the benefits from investments in loan origination technology."

Kevin Riegelsberger, current CEO of CapitalStream said, "We are delighted to join an organization such as HCL with its clearly differentiated strategy and focus on delivering value to the customer. We see this as a great opportunity for CapitalStream to leverage HCL's global reach and to cross sell our product portfolio with their multi-service offerings. At the same time, CapitalStream clients gain access to HCL's world-class business process and technology skills and global resources."

About HCL Technologies

HCL Technologies is one of India's leading global IT Services companies, providing software-led IT solutions, remote infrastructure management services and BPO. Having made a foray into the global IT landscape in 1999 after its IPO, HCL Technologies focuses on Transformational Outsourcing, working with clients in areas that impact and re-define the core of their business. The company leverages an extensive global offshore infrastructure and its global network of offices in 18 countries to deliver solutions across select verticals including Financial Services, Retail & Consumer, Life Sciences & Healthcare, Hi-Tech & Manufacturing, Telecom and Media & Entertainment (M&E). For the quarter ended 31st December 2008, HCL Technologies, along with its subsidiaries had last twelve months (LTM) revenue of US \$ 1.6 billion (Rs. 6715 crores) and employed 47,954 professionals. For more information, please visit [HCL Tech](http://www.hcltech.com).

About HCL Enterprise

HCL Enterprise is a US \$ 4.7 billion (Rs. 19215 crore) leading Global Technology and IT enterprise that comprises two companies listed in India - HCL Technologies & HCL Infosystems. The 3-decade-old enterprise, founded in 1976, is one of India's original IT garage start-ups. Its range of offerings span Product Engineering, Custom & Package Applications, BPO, IT Infrastructure Services, IT Hardware, Systems Integration, and distribution of ICT products. The HCL team comprises approximately 53,000 professionals of diverse nationalities, who operate from 18 countries including 360 points of presence in India. HCL has global partnerships with several leading Fortune 1000 firms, including leading IT and Technology firms. For more information, please visit

[HCL Enterprise](#).

About CapitalStream

Established in 1995, CapitalStream develops straight through processing solutions that enable banks and finance companies to transform paper-based lending operations into integrated financial supply chains. CapitalStream solutions accelerate the origination and management of commercial credit relationships to enable small business lending, equipment finance and commercial lending operations to double or triple transaction throughput with no increase in headcount. As an established industry leader, CapitalStream has helped leading financial institutions to improve relationships, streamline operations, reduce risk and achieve significant revenue growth. For more information, please visit [CapitalStream](#).

Forward Looking Statements

Certain statements in this release are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies/ entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company. Other product or service names mentioned herein are the trademarks of their respective owners.

For details contact

Media

Sandy George
Citigate Cunningham for HCL
Phone: +617-374-4210
E-mail: sgeorge@citigatecunningham.com

Investor Relations

Sanjay Mendiratta
HCL Technologies
Phone: +91-93120 65108
E-mail: sanjay.mendiratta@hcl.in

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