

# What are we building?

**Vision**  
 "Fabric of the Industry" portfolio of products and expert services. Power the forward transformation of the housing industry.

**Principles**  
 No Limitations—Art of the Possible—  
 Build Not Sell—Execute w/ Integrity—  
 Lead as an Expert—Digital Bias—  
 Operator DNA—Be a Connector

**Brand Differentiation**  
 Domain Expertise—Rapid Solution  
 Deployment—Innovation Services—  
 Operator Experience—Willingness  
 to Invest—Asset IP—FIS Strength—  
 Bold Rocket—Fashion Forward—  
 Capital Markets Bent—Start Up  
 Personality

## FOUNDATION

**Big Bets: "What If Capco Became..."**  
 Mortgage Bloomberg—GSE Servicing  
 Utility—Industry Standard Consumer  
 Portal—Global Delivery Centers—  
 Centralized Operations  
 Command Center—Re-Brand BKFS—  
 Industry Data and Analytics Engine—  
 FHFA Compliance Utility—Global  
 Securities Asset Clearinghouse

**Voice of the Customer**  
 "The industry does not need more consulting. We need vision, ideas, tangible assets. No more stakeholder interviews. We are looking for someone with expertise, bold ideas, courage to invest and build with us. We need someone that can actually deliver value." (Summarization of 25 VOC Interviews)

## Execution Momentum

### Prospect Pipeline

<b>Tier 2 Producers</b> Bank of America, CITI, Sun Life, etc.	<b>Non Depository</b> Sun Life, etc.	<b>Canada/Non US</b> Bank of Montreal, etc.
<b>Wealth Managers</b> Morgan Stanley, etc.	<b>Mega Lenders</b> Bank of America, etc.	<b>PEREITS</b> Fidelity, etc.
<b>Government</b> FBI, etc.	<b>Tier 1 Producers</b> US Bank, etc.	<b>Community Banks/ Credit Unions</b> CIBC, etc.

Category	2014	2015	2016	2017	2018	2019	2020	Total
Mega Player	200	200	200	1,000	1,000	200	200	3,000
Tier 1 Lenders	500	500	500	2,000	2,000	500	500	7,000
Tier 2 Lenders	500	500	500	1,000	2,000	500	500	6,000
Private banking	1,000	1,000	1,000	2,000	2,500	1,000	500	7,000
Ind. Non-Depository	500	500	500	2,000	2,000	2,000	500	8,000
Services	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
Government	1,000	1,000	1,000	10,000	10,000	5,000	5,000	32,000
Non USA	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
<b>Totals</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>	<b>18,000</b>	<b>18,500</b>	<b>11,500</b>	<b>8,700</b>	<b>64,000</b>

<b>Freedom Mortgage</b> Digital Channel Engineering and Platform Development \$5 M / Q1
<b>BAC</b> IBM Palisades Project Take Over Solution Host \$10 M / Q1
<b>Citi Mortgage</b> Servicing Default File Engine \$2 M / Q1
<b>Goldman Sachs</b> Orig Fulfillment Channel Development Assistance \$2 M / Q2
<b>BAC</b> LAS and Consumer Servicing Project and KPO Services \$4 M / Q2
<b>ScottTrade</b> New Web Based Lending Channel Dev \$12 M / Q2
<b>JPMC</b> Sales and Origination Compliance Audit \$12 M / Q2
<b>Citi Capital Markets</b> Loan Delivery Pre Purchase Review Automation/SPO \$10 M / Q2
<b>HUD/FHA</b> Secondary Portfolio Loan Analytics and Reporting \$8 M / Q3
<b>HUD/FHA</b> Servicing Admin GSP ITO and Services \$10 M / Q2
<b>HUD/FHA</b> Servicing Systems GSP \$25 M / Q3
<b>Comerica</b> Origination Utility Development \$5 M / Q1
<b>UBS</b> Origination Utility Development \$5 M / Q3
<b>TIAA CREF</b> Origination Utility Development \$12 M / Q3

## Investment Build Capacity

**Build Capacity- HF Team**  
**\$2.8M Annualized C/B Cost Add**  
 15 FTE HF Team: 7 internal FTE/ 8 external FTE  
 (less based on billability actuals)

**Build Out Brand and Capability Capacity**

<b>Content \$1.5 M</b> Freedom Mortgage Digital Channel Development -- HUD Servicing Data Analytics DOMO Origination Data Visualization--Pre-Purchase Review Data Engine-- Compliance Rules Engine-- Internal Training and Development Content	<b>Marketing \$500k</b> Offering Collateral- Digital Stories --Video--Web Site Customization --Stream POV Content Conference Attendance-- Industry Council Formation-- White Paper Publishing--ILAB Content
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**Proposed Hiring & Talent Deployment (Worst Case)**

Talent Role	Q1	Q2	Q3	Q4
SA, Ed Watson	50%	50%	50%	50%
MP, Don Mulberry	50%	50%	50%	50%
MP, Michael Piretz	25%	25%	25%	25%
PA, Michael Smothers	25%	25%	25%	25%
PA, Jamal Hussain	50%	50%	50%	50%
MP, Michael Blair	50%	50%	50%	50%
MP, Stephen Bonetz	50%	50%	50%	50%
<b>External New Hires</b>				
AP: GFI Client Trans. Sol.	80%	20%	20%	20%
AP: MIS BI Analytics	0	50%	100%	100%
AP: Industry Strat. & Prod.Dev.	0	100%	20%	20%
MP: Mort Orig Utility Dev.	25%	75%	100%	100%
MP: Servicing Utility Dev.	0	0	100%	100%
SC: Sales Engineer	25%	50%	100%	100%
SS: Digital Sol. and Marketing Spec.	25%	25%	100%	100%
SC: Multi-Family and BPO Sol. Arch.	25%	50%	100%	100%

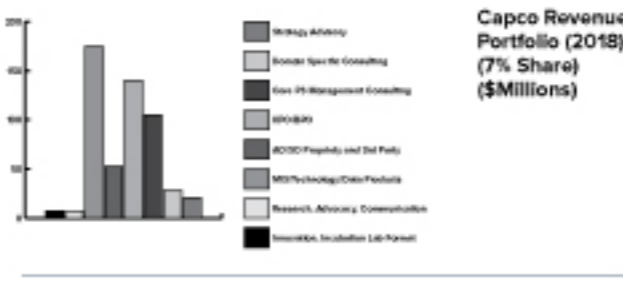
**2015 P/L Pro Forma**

	Q1	Q2	Q3	Q4
Sales	6,000	8,400	12,000	15,000
Revenue	2,000	4,000	14,000	20,000
Full Time Delivery Resources W-2	2,100	2,940	4,410	5,880
Contract Resources (15%)	1,000	1,260	1,890	2,520
Commissions/Marketing/Rebates (3%)	180	252	378	504
Dedicated Housing & Finance Staff	287	389	583	777
Internal FTE				
Project Margin	2,533	3,334	5,036	7,080
Project Margin %	42%	37%	40%	42%
Non Reimbursable T/E	60	84	126	168
SGA and Indirect Allocations	600	840	1,260	1,680
Contribution Margin(\$)	1,873	2,290	3,450	4,932
Contribution Margin % of Revenue	28%	26%	29%	27%

## Market Opportunity

The Market Wallet is \$8B Spent Across A Fragment Supply Chain

Strategy Advisor	System Developer	Consulting & Program Manager	Industry Shared Services (KPO)	Operator Full Time (FTE)	System Integrator (SI)	Software & Platform (SaaS)	Research & Data Provider	Innovation & Future Development
Capco	Capco	Capco	Capco	Capco	Capco	Capco	Capco	Capco

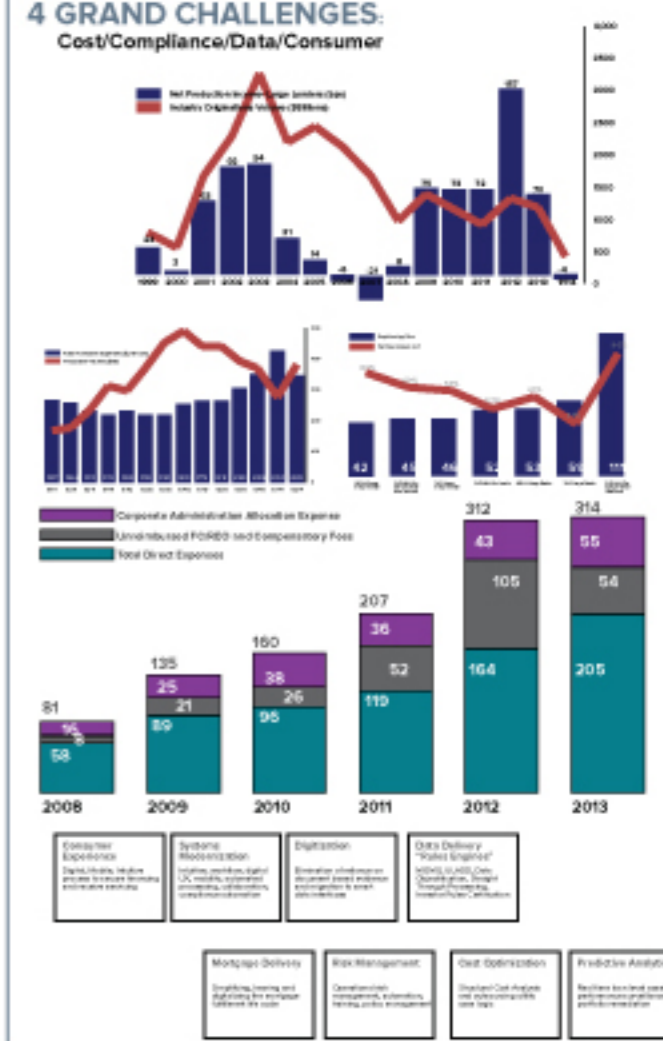
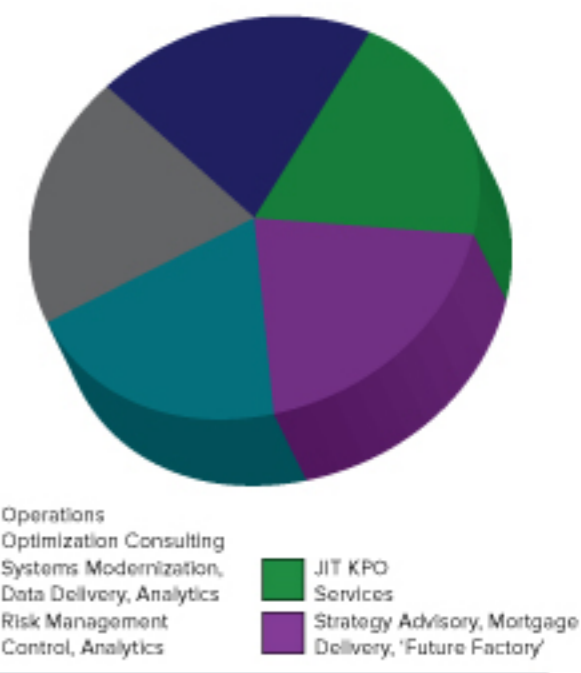


**2015 Challenge Metrics (See Pipeline and To Sell Categories)**

\$64M-\$42M (Book to Bill)	\$40M-\$28M (Book to Bill)
37% PM 26% CM \$11M CR	33% PM 22% CM \$6M CR

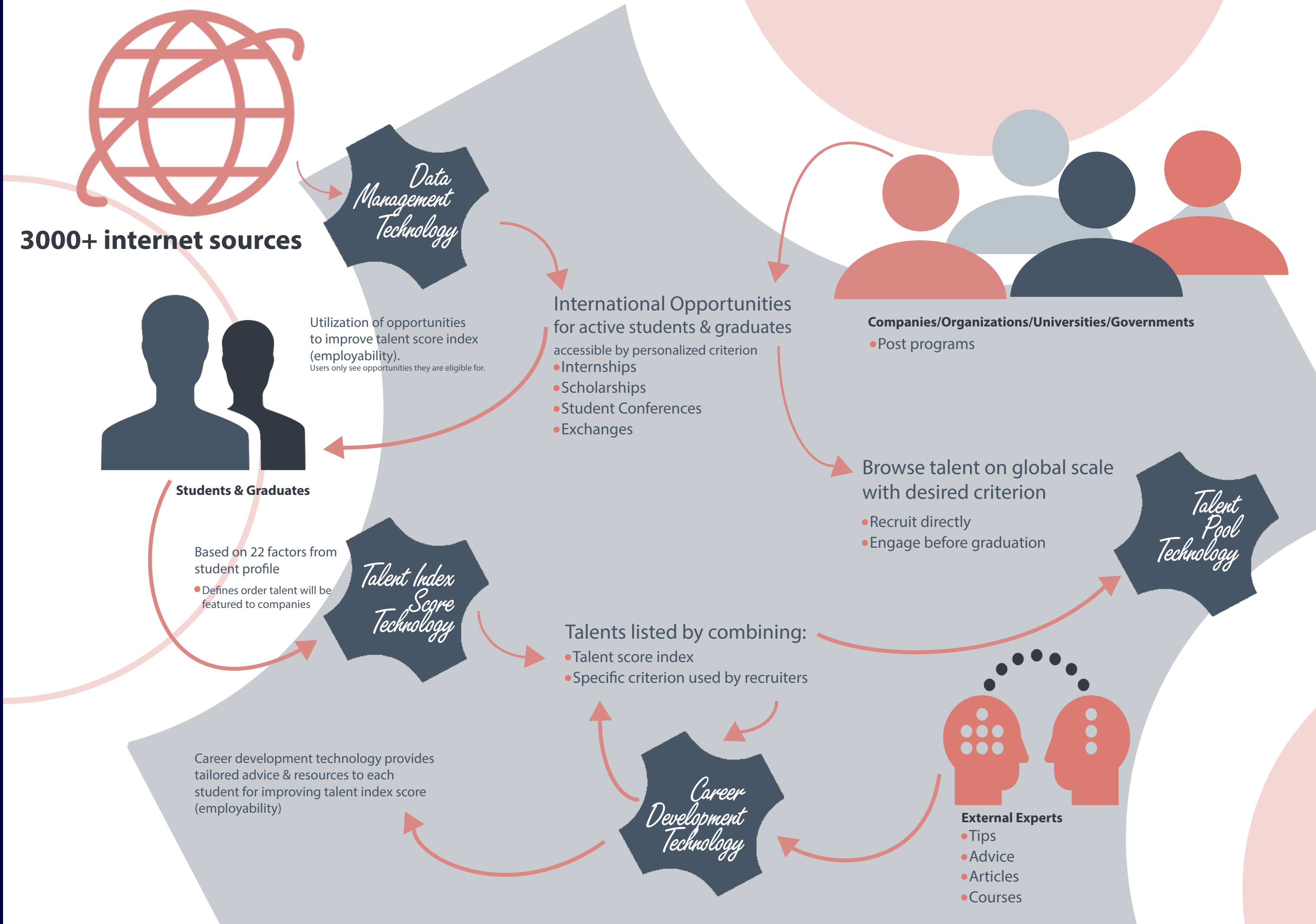
## Capability Focus

Focus on the Vitals  
 Cost/Compliance/Data/Consumer



# 2018

Sub-Practice	Capco Offering	Market Issue it Addresses	Benchmark Competitor
<b>1.0 Professional Services &amp; Delivery</b>	<ul style="list-style-type: none"> <li>1.1 Strategic Advisory</li> <li>1.2 Industry Speciality Adviser</li> <li>1.3 Core PS Management Consulting</li> <li>1.4 Lean Six Sigma Process Renovation</li> <li>1.5 Industry Shared Services - KPO</li> <li>1.6 Industry Shared Services - BPO</li> <li>1.7 Industry Shared Services - Data Analytics</li> </ul>	<p>Market disruption &amp; business model transformation</p> <p>Solutions to complex, technical industry constraints and challenges</p> <p>Need for scale and flexibility to manage change efficiency, scale and cost efficiency</p> <p>Rising costs to operate, need to internally drive efficiency, scale and cost efficiency</p> <p>Rising prohibitive cost of maintaining high fixed cost skilled labor force</p> <p>Need for specification, as a business process transformation, reduction in risk, conversion of fixed cost to a variable</p> <p>Appetite for big data solutions, third party provisioning of business analytics</p>	<p>McKinsey/EY</p> <p>Compliance Ease</p> <p>Accenture, Deloitte</p> <p>Offer</p> <p>Core Logic</p> <p>Accenture, PHH, Allsource</p> <p>Core Logic, First American</p>
<b>2.0 Technology and Products</b>	<ul style="list-style-type: none"> <li>2.1 Origination Delivery Platform Design</li> <li>2.2 Mortgage Systems Advisory</li> <li>2.3 Mortgage Systems Integration</li> <li>2.4 Mortgage System Application Outsourcing</li> </ul>	<p>Lack of modern investor delivery system for loan manufacturing that eliminates risk and re-purchase</p> <p>No single source of truth on systems comparative analysis</p> <p>Absurd cost and complexity of systems installation and UAT</p> <p>Cost, complexity, cycle time of maintaining legacy systems, complexity of re-platforming projects</p>	<p>IMB</p> <p>KPMG, PWC</p> <p>Accenture, IBM, KPMG</p> <p>IBM, FIS, BKFS, Accenture</p>
<b>3.0 Industry Engagement and Thought Leadership</b>	<ul style="list-style-type: none"> <li>3.1 Research, Benchmarking, Content Mgt.</li> <li>3.2 Mortgage Systems Advisory</li> <li>3.3 Mortgage Systems Integration</li> </ul>	<p>Demand for consumable real time data insight and business intelligence</p> <p>Need for diverse thinking and influence on policy development impacting Capco client base</p> <p>Need to shape and define standards that will influence Capco/FIS IP and service delivery constraints</p>	<p>Gardner, Forrester, Stratmor Group, MBA</p> <p>MBA, IMBA, SMA, CMBA</p> <p>ISMO etc</p> <p>IBM, FIS, BKFS, Accenture</p>
<b>4.0 Innovation Services</b>	<ul style="list-style-type: none"> <li>4.1 Multi-Tenant Innovation Labs</li> <li>4.2 Client IP Solution Prototyping/Testing Labs</li> <li>4.3 Industry Platform Engineering</li> <li>4.4 Client Process Improvement Incubator</li> <li>4.5 FIS/CAPCO Technology Development</li> </ul>	<p>Needs to shape and define standards that will influence Capco/FIS IP and service delivery constraints</p> <p>Appetite among industry segments to share expense and corporate to find transformation opportunities</p> <p>Need for office, safe harbour, to test concepts without creating chaos and disruption to day to day operations</p> <p>Hosted environment for innovators and investors to test emerging innovation, IP and investments</p> <p>Our investment lab to prototype transformative, disruptive IP and assets to bring to market</p>	<p>N/A</p> <p>N/A</p> <p>Fortree, Lone Star, NYCA</p> <p>N/A</p> <p>N/A</p>



3000+ internet sources

*Data Management Technology*

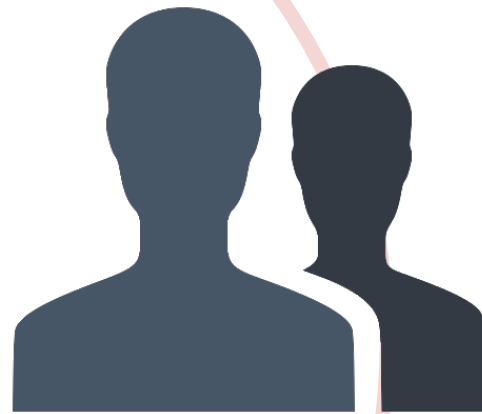
Utilization of opportunities to improve talent score index (employability).  
Users only see opportunities they are eligible for.

International Opportunities for active students & graduates accessible by personalized criterion

- Internships
- Scholarships
- Student Conferences
- Exchanges

Companies/Organizations/Universities/Governments

- Post programs



Students & Graduates

Based on 22 factors from student profile

- Defines order talent will be featured to companies

*Talent Index Score Technology*

Talents listed by combining:

- Talent score index
- Specific criterion used by recruiters

Browse talent on global scale with desired criterion

- Recruit directly
- Engage before graduation

*Talent Pool Technology*

Career development technology provides tailored advice & resources to each student for improving talent index score (employability)

*Career Development Technology*



External Experts

- Tips
- Advice
- Articles
- Courses



3000+ internet sources



**Companies/Organizations/  
Universities/Governments**

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Browse talent on global scale with desired criteria

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Talents featured to recruiters by combining:

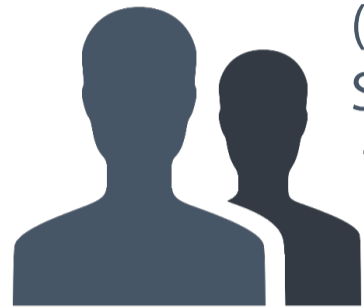
- Talent index
- Specific criterion used by recruiters



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