



SIS INTERNATIONAL
RESEARCH™

Navigate the Global Economy™

**SIS International Research
Work with a Federally-Chartered
Wholesale Bank**

March 2015

Overview of SIS Work with the client

Background

For the past five (5) years, SIS International Research has provided the client a bi-weekly summary report of key financial services news information that is of interest to its staff. SIS sends this report to the client on a bi-weekly basis. The report is in an excel spreadsheet layout and incorporates the following topics:

General Market Movement

Competition:

- Innovative retail deposit gathering programs
- Promontory/CDARS
- Brokered Deposits
- Wholesale Borrowing
- Municipal Deposits
- Other: CP, Government programs, municipal bonds

Membership

- Banks
- Internet only banks
- ALM/Interest Rate Risk

Current Focus

- Covered bonds
- CDFI
- Credit unions
- Reverse Mortgage/HECM
- Flow of Funds: Depository Trends
- Loan Sales/Securitization
- Freddie Mac/Fannie Mae
- Private Equity buying banks
- Local/regional economic stats
- CRE/multifamily activity
- Local/regional economic stats (states)

Regulatory and Legislative Actions

- Federal
- State

Methodology

- Various sources including but not limited to the following are researched on a daily basis and are utilized for the report:
- Paid databases ranging from Factiva to Gale Group for tracking financial magazines and newspapers
- Daily financial news from websites such as American Banker, Credit Union Times, Reverse Mortgage Daily
- Financial topics review in Google, Yahoo, Reuters, Bloomberg
- Monthly and quarterly financial magazines
- Federal and local government websites related to the FDIC, OCC, EXIM, SEC, CFPB, Census Bureau
- Daily monitoring of news on the top 15 large banks and community banks
- Association websites like CUNA, ICBA, ABA, and MBAA
- National Indices regularly tracked for economic activity every week such as Case-Shiller Home Price Indices, Realty Trac
- Survey reports from institutions like Emerson College Polling Society, Center for Financial Services Innovation, NCPA, Harvard Joint Center for Housing Studies and companies such as Javelin Strategy, Carlisle & Gallagher Consulting, HSBC, Clear Capital
- Several financial sector and personal blogs, discussion forums and editorials
- Quarterly outlook reports from various agencies like the Fed Beige Book, Freddie Mac quarterly review

Overview of SIS Work with the client (cont'd)

Deliverables:

- An excel spreadsheet with summaries of articles in the above-mentioned categories, with links to the actual articles.
- In addition, a list of full surveys available for the client to obtain either free, or through purchase. This is delivered every 2 weeks, usually on Monday.
- The client sometimes chooses to add or remove categories. This can be accommodated provided there is enough notice given, the information is readily obtainable and the overall report retains its current length.
- The client sometimes requests ad hoc research. If the ad hoc request is similar in scope to the biweekly report, the information requested is available and enough notice is given (generally 2 weeks), these requests can be accommodated in place of the biweekly report.
- If the ad hoc is above the bi-weekly report's scope, SIS will provide the client a price for doing the research, which will then be undertaken only upon the client's approval of the price.

About SIS International Research

SIS International Research is a leading global Market Research & Market Intelligence firm providing comprehensive research services and strategic analysis of information. We have served many of the world's largest and most influential companies, serving over 70% of the Fortune 500.

Founded in 1984, we offer many other innovative products and services for our client's decision-making. Our company conducts Market Research, Business Intelligence and Competitive Intelligence for over 50 industries in over 120 countries.

Only SIS International (formerly Strategic Intelligence Systems) has the expertise, global resources, thought leadership and Integrated Research for full-market insights into the entire market landscape. With our Integrated Research and Intelligence, our clients gain advantage from comprehensive insight for decision-making.

For 30 years, SIS International Research has conducted research projects in over 120 countries and continues to expand its coverage.

Full Service Capabilities

Custom Research and Data Collection

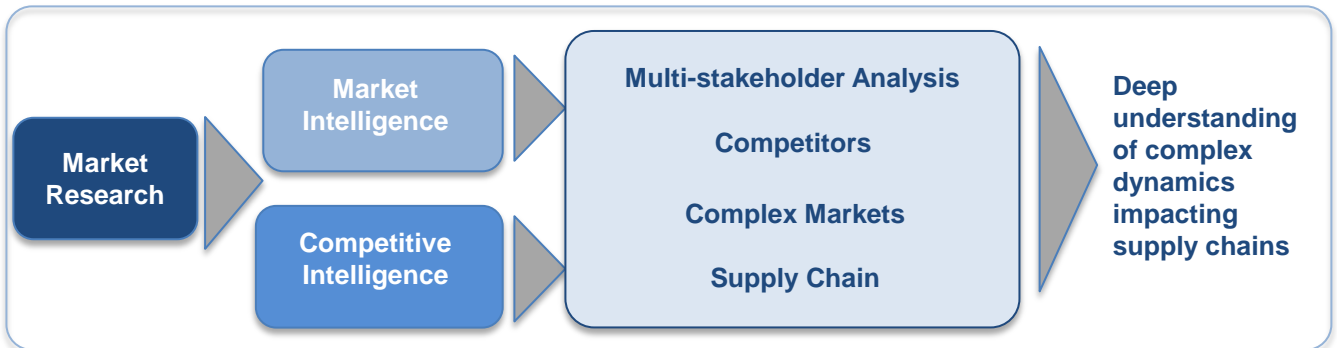
SIS offers dynamic full-service consumer market research solutions in almost every industry globally.

B2B Research

SIS is well known for its B2B research capabilities and ability to reach top executives and professionals.

Strategic & Competitive Intelligence

SIS conducts comprehensive strategic intelligence, employing sophisticated analytical tools and expertise.



Market Intelligence

- On-the-Ground Data Collection
- Qualitative Research
 - Focus groups
 - Mystery shopping
- Quantitative Research
 - Telephone surveys
 - Online surveys
- Ethnographic Research
 - In-home interviews
 - Shop along's

Competitive Intelligence

- Market Feasibility and Research
- Competitive, Business Intelligence
- M&A Advisory
- Financial Modeling & Enterprise Valuation
- Competitive Intelligence
- Competitive Benchmarking
- Company Profiling
 - Financial modeling
 - SWOT Analysis
 - Supply Chain Analysis

Data points in SIS deliverables are concise, actionable and linked to core objectives of each research project

3D Printing

The emergence of 3D printing, or additive manufacturing, is transforming virtually every industry, from pharmaceutical to consumer goods.

Advantages

3D Printing represents an evolution in the larger printing sector and has far to go before hitting its "tipping point". One move toward this point has been in HP's recent launch of the Multi Jet Fusion Technology, which offers new levels of part quality, 10 times faster and at breakthrough economics relative to similar systems".

Other companies like French office supplier **3ia Office** offer 3D printing to the public, similarly to the way the company offers photocopying services.

The essential economic issue behind 3D printing is that the price per unit produced is higher than traditional manufacturing, but the tooling cost is zero. For large production runs, traditional manufacturing processes will cost less per unit produced. High up-front tooling costs, however, make traditional manufacturing more expensive for small production runs.

Time to produce a 3D printed product is much shorter than the time to make tooling, though actual production time for each unit is longer than in traditional manufacturing.

Opportunities

Automotive
Lightweight materials

Healthcare
Prosthetics

Mass customization
A product made for just one customer. A good example is **Nautil**, which makes custom teabags using 3-D printing, each pair optimized for an individual customer.

Digital inventory
Digital inventory is the final frontier of 3-D printing. If a company needs to replace some component that is broken, it now might go to a local hardware store to look for that part. In the future, it will pull up the item number on their computer, find the component that needs to be replaced, and either print it at home or, more likely, order it made at the hardware store. They can pick it up later or have it delivered. Businesses talk about just-in-time inventory, but they often stock "just in case" inventory. 3-D printing allows no inventory at all.



Reasons for lower hotel bookings

Agent Approach

Several respondents noted a change in approach to book more hotels.

Amadeus can further improve this through targeted training and/or sharing best practices (e.g., "meet or beat" strategy as with Day's Travel)

Respondent 1: "(Before) customers have their own hotel booking covered and the agents don't respond [appropriately]. Now they are asking to 'beat or meet'."

PRODUCT ANALYSIS

RATES: GUARANTEED
AND CRUISE OR WE WILL...
EMAIL US FOR DETAILS

Booking Request

The major reason for not booking hotels however has more to do with the nature of the booking (Corporate vs. Leisure, or Customer type) than with any behavior or limitation in Amadeus

Respondent 2: "We are hoping to see more on the hotel side. We know we lose opportunities with clients who book directly as customers. So we know there is an opportunity for us in the hotel business. [We will try to do this through] better campaigns in-house, cross-selling [etc.]"

Respondent 3: "The nature of corporate travel. The majority of bookings is done through travel coordinators for the meetings. They do mostly the hotels where we do the air and other scheduling."

Respondent 4: "I think because we are not the ticketing for Binghamton University. Often times the secretary will book the hotel which is just as well with us so we don't book corporate hotel stays. Sometimes we'll do the hotels as courtesy."

Respondent 5: "For every 10 air bookings, most are not with hotels, because we do a lot of meetings and incentives and so those hotels are on contract basis. Typically we can't find [the hotel] or maybe it's not available in Amadeus."

Reason for not using Client

The method of payment (now vs. later) may drive the Agent to choose a separate system

Respondent 6: "Depending on the customers need. I want to go to NY, say, 3 night hotel there. Then my first response is vacation.com because I know that person is paying right now. With vacation.com we have to pay upfront. If [customers] want to book hotel 3-4 nights in Frankfurt - then I go to Amadeus."

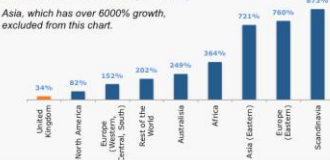
While this grouping was found, in general, among Underperformers, a similar grouping for Overperformers could not be identified

The demand for Prince2 courses has been growing since its early days in 1996. Based on Prince2 historical data (1996-2011), SIS estimates the total worldwide demand for Prince2 in 2014 to be around 500,000, with the UK accounting for roughly half of this number, or around 80,000 tests (there is strong growth in internationality).

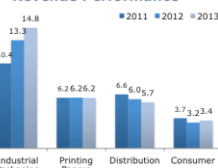
Students taking Prince2 Courses



Growth in Prince2 Courses (1996-2011)



Revenue Performance



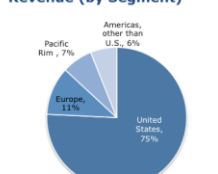
EBIT Margin (%)



Stock Performance



Revenue (by Segment)



| Legend | International Paper | Industrial Packaging | Printing Papers | Distribution | Consumer Packaging |
|-----------|---------------------------------|--|-----------------------------|---------------------|-------------------------|
| Pure Play | R.R. Donnelley | Publishing and Retail Services | International | Variable Print | Strategic Services |
| 75%+ | Rock-Tenn | Corrugated Packaging | Consumer Packaging | Consumer Packaging | Consumer Packaging |
| 50-75% | Avery Dennison | Pressure-sensitive Adhesives and Materials | Retail Information Services | Healthcare & Safety | Industrial |
| 25-50% | Headwestvaco | Food & Beverage | Specialty Chemical | Rigid Case & TDP | Rigid Case & TDP |
| >25% | Berry Plastics | Engineered Materials | Print & Related Services | International | Flexible Packaging |
| | Quad/Graphics | Proportional Packaging | Envelope | Print | Labels and Packaging |
| | Global Packaging | ACCQ Brands Americas | ACCQ Brands International | ACCQ Brands Europe | Computer Products Group |
| | Canvus | North America | Europe | Most of World | |
| | ACCQ | Print Procurement | Technical Product | Fine Paper | |
| | Vistaprint | Ennis | Ennis | Apparel Segment | |
| | InnerWorkings | | | | |
| | Neehan Papers | | | | |
| | Ennis | | | | |
| | | Envelopes | Commercial Printing | Packaging | Labels |
| | WS Packaging Group | | | | |
| | Imagine Graphics & Printing | | | | |
| | Malnove | | | | |
| | Tension Envelope | | | | |
| | Double Envelope | | | | |
| | Western States Envelope & Label | | | | |
| | Copac Global Packaging, Inc. | | | | |
| | Fort Dearborn | | | | |



SIS is global with a 30 year history

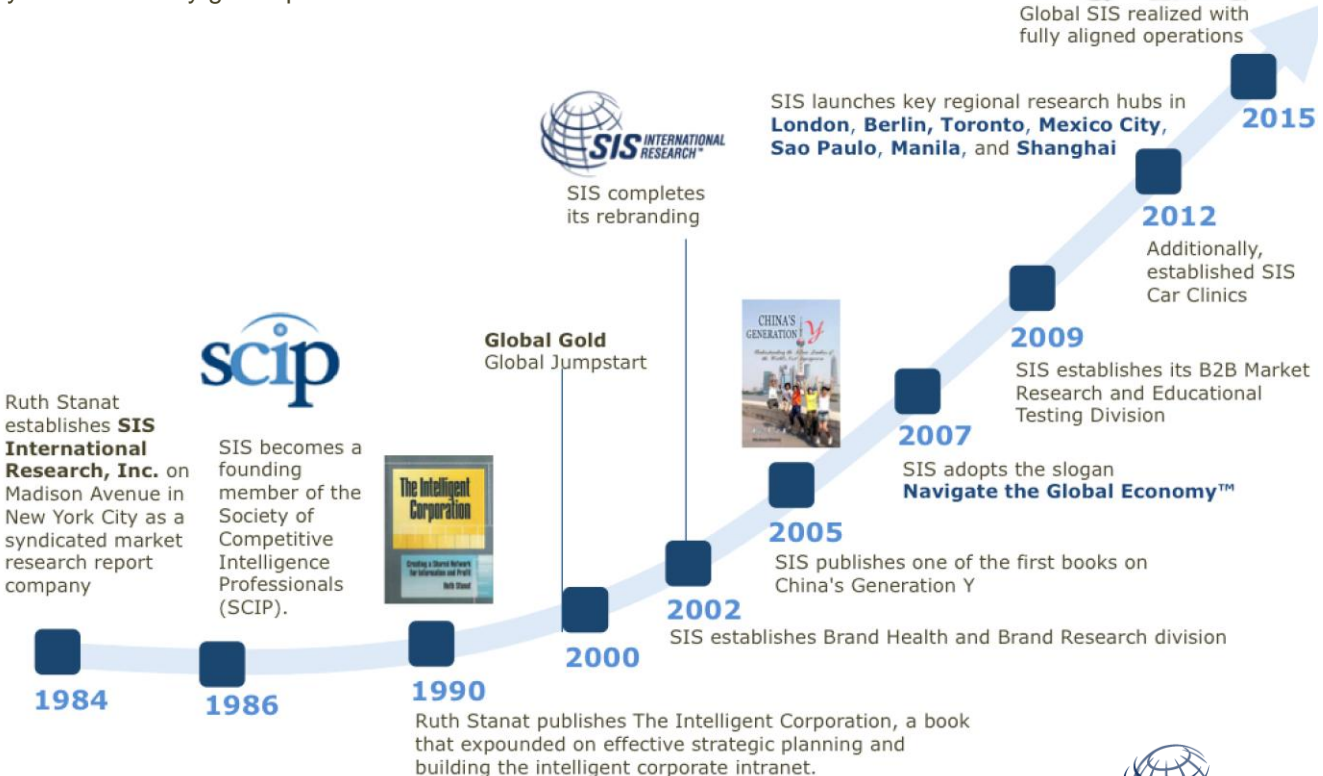
SIS Global Locations

SIS capabilities span the globe through direct and affiliate offices along with global partnerships in over 120 countries



Corporate History

SIS has been operating since 1984, growing significantly over the last several years into a truly global platform



Contact SIS International Research today:

SIS Worldwide Headquarters

11 East 22nd Street
2nd Floor
New York, NY 10010
Tel: +1 212 505 6805
Ruth Stanat
research@sisinternational.com

SIS Los Angeles

5405 Wilshire Boulevard
Suite 375
Los Angeles, CA 90036
Tel.: +1 326 677 2508
Michael Stanat
research@sisinternational.com

SIS Canada

SIS International Research 105 Victoria
Street
Floor 408
Toronto, Ontario M5C 3B4

SIS EMEA Headquarters

7-10 Adam Street
The Strand
London WC2N 6AA
Tel.: +44 207 520 9026
Federica Sacchi
fsacchiemea@sisinternational.com

SIS International Research

Deutschland GmbH
Friedrichstraße 90
10117 Berlin
Tel.: +49 30/20 25 31 01
Christoph Bodden-Brux
c.boddenbrux@sisinternational.com

SIS Asia Headquarters

SIS Market Research
333 Huai Hai Zhong Road
Shui On Plaza, 12th floor A06
Shanghai 200021, China
Tel.: +86 21 5116 0734
Mandy Pan
SISAPAC@sisinternational.com

SIS South East Asia Headquarters

L29 Joy Nostalg Centre
17 ADB Avenue
Ortigas Center, Pasig City 1600
Philippines
Tel.: +632 798 8184
Iris Lorenzo
ILorenzobi@sisinternational.com

SIS Singapore

14 Robinson Road 13th Floor
Far East Finance Building
Singapore 048545
Tel.: +86 21 5116 0734
researchasia@sisinternational.com

SIS Korea

26 Euljiro 5-gil, 27th Floor,
West Center 1, Jung-gu,
Seoul, Korea
Joseph Kim
jkimkorea@sisinternational.com

SIS Japan

japan@sisinternational.com

SIS India

1105 Pinnacle Business Park
Corporate Road
Pralhadnagar, Ahmedabad
380015, Gujarat, India
Shibu Sayed
india@sisinternational.com

SIS Investigaciones de Mercado

International
Avenida insurgents Sur N 800
Colonia del Valle
Mexico City 03100, Mexico
Tel.: + 52 55 8421 4755
Stephanie Echeverria
researchlatam@sisinternational.com

SIS Brazil

Avenida Paulista, 37
N4 Andar Sao Paulo, 01311-902
Brazil
researchlatam@sisinternational.com