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Jack Henry & Associates Announces Next-Generation Technology Strategy

Cloud-native strategy to help community and regional financial institutions innovate faster and meet the evolving needs of their accountholders

Monett, Mo., Feb. 7, 2022 – Jack Henry & Associates, Inc.® (NASDAQ:JKHY) announced today a next-generation, cloud-native technology strategy that will help community and regional financial institutions innovate faster, differentiate strategically, and compete successfully while serving the evolving needs of their accountholders.

The multi-year strategy centers on the company's ongoing development of a single, modern, open-banking platform that enables easy access to a broad ecosystem of Jack Henry solutions and high-grade, third-party fintechs. The initiative builds on Jack Henry's industry-leading, open-API, digital banking platform.

"We've been working on this strategy for more than two years and are sharing it now because many of the recent innovations we've made – and will continue to make – are directly tied to the strategy," said Board Chair and CEO David Foss, who will share details on the company's second quarter fiscal year 2022 earnings call on Feb. 9. "In addition to our current core systems, we are building our full stack of solutions on the cloud and augmenting them with open integrations and real-time data to help community and regional financial institutions compete and capitalize on the opportunity presented by the latest disruptions to our industry."

Foss said many non-traditional banks have entered the market, taking advantage of consumers' shift to digital banking during the pandemic and blurring the lines between traditional and non-traditional providers. "The emergence of new financial apps has created an unprecedented level of financial fragmentation," Foss said. "It's not uncommon for consumers to use between 30 and 40 different financial service providers." He also cited disruption from the rising demand for digital currencies such as crypto.

"Community and regional financial institutions are the lifeblood of Main Street America, and we have a successful 45-year history of helping them adapt to changes in the technology landscape," Foss said. "As a well-rounded financial technology company, Jack Henry is in a unique position to help these institutions strengthen connections with accountholders by offering a full array of solutions backed by modern technology and a wide network of fintech partners. Our strategy also supports the evolving need of our clients to offer Banking-as-a-Service (BaaS) options."

Jack Henry will continue to evolve and support its existing core systems and complementary solutions as it builds new core component services on the cloud, including new account opening, wire processing, deposit processing, and account servicing over the next several years. The company is currently beta testing the first of these services.

"Over time, our clients can choose whether and when they want to use cloud-native services, and they will not be faced with a full core conversion," Foss said. "Meanwhile, we will continue to invest in and support our existing cores at the same rate we have in the past."

In recent years, Jack Henry has made significant investments in innovation, including digital banking, payments, lending, and financial crimes. Under the long-term strategy, Jack Henry will provide a single

platform of its best-of-breed capabilities plus access to a vibrant ecosystem of leading fintechs and third parties. The company has already integrated more than 850 fintechs into its ecosystem, and it is the only platform provider with relationships with all four major financial-data aggregators, which eliminates screen scraping and reduces the financial fragmentation consumers are experiencing.

"This single open-banking platform will put our community and regional financial institution clients at the center of their customers' financial lives and fundamentally define the evolution of our company and industry," Foss said. "Our clients will be able to build and customize digital products and experiences, incorporate leading-edge services and capabilities, and provide personal service in moments of need and moments of relevance to sustain their competitive advantage of service and trust in the digital age."

About Jack Henry & Associates, Inc.

Jack Henry (NASDAQ:[JKHY](#)) is a leading SaaS provider of technology solutions primarily for the financial services industry. We are an S&P 500 company that serves approximately 8,500 clients nationwide through three divisions: **Jack Henry Banking**® provides innovative solutions to community and regional banks; **Symitar**® provides industry-leading solutions to credit unions of all sizes; and **ProfitStars**® offers highly specialized solutions to financial institutions of every asset size, as well as diverse corporate entities outside of the financial services industry. With a heritage that has been dedicated to openness, partnership, and user centricity for more than 40 years, we are well-positioned as a driving market force in future-ready digital solutions and payment processing services. We empower our clients and consumers with the human-centered, tech-forward, and insights-driven solutions that will get them where they want to go. Are you future ready? Additional information is available at www.jackhenry.com.

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