



## **JACK HENRY & ASSOCIATES EXPANDS OFFERINGS BY ADDING CRM SOLUTIONS**

### **JKHY to Acquire Transcend Systems and Partner With ARGO Data Resource**

Monett, MO -- December 13, 2001. Jack Henry & Associates (Nasdaq: JKHY) today announced it will begin offering CRM solutions to financial institutions through two new relationships. The company signed a letter of intent to purchase Transcend Systems Group, Inc, a provider of customer relationship management (CRM) software to community financial institutions. Jack Henry & Associates will also partner with ARGO Data Resource Corporation to provide CRM solutions to large financial institutions.

Headquartered in Sioux Falls, South Dakota, privately held Transcend Systems Group (TSGI) is a profitable company with extensive experience in sales automation and customer service management for community banks. Transcend Systems' flagship software solution, Relationship Explorer<sup>®</sup>, is targeted to our community financial customers and is available to JKHY banking customers immediately. The terms of the transaction were not disclosed. The transaction is expected to be a combination of cash and stock and should close within 30 days.

Headquartered in Dallas, Texas, privately held ARGO Data Resource Corporation provides CRM solutions to some of the nation's largest financial institutions. Jack Henry & Associates will tightly integrate ARGO's Carrit<sup>®</sup> CRM solution into its Silverlake core processing solution to provide sophisticated, enterprise-wide sales management and customer service delivery tools. This product is slated for release at the end of 2002. In addition, JKHY will also begin offering ARGO's BANKPRO<sup>®</sup> solutions for teller and platform functions to customers operating on JKHY's Core Director processing solution for Windows NT or UNIX-based systems. These products are expected to be available to JKHY customers within six months.

"We've been looking for a robust, affordable CRM solution that would meet the needs of all our financial institution customers," said Michael E. Henry, Chairman and CEO of Jack Henry. "After researching the capabilities currently on the market and discussing expected costs and benefits with our customers, we realized that we needed more than just a single solution to fulfill the requirements of our markets. With Transcend Systems, we are acquiring an affordable, proven solution and adding a highly experienced team of professionals that can immediately meet the needs of our small and mid-size community bank clients. Our partnership with ARGO allows us to customize a product offering that will provide the close integration and high-end functionality required by our larger customers."

CRM solutions are one of the fastest growing technology applications in today's market, providing data and tools for cross-selling, customer tracking, sales management, incentive compensation, profitability analysis and customer satisfaction improvement processes. As reported in a November 26, 2001, article on Informationweek.com, "Financial institutions will continue to rely heavily on customer-relationship management applications to drive revenue in coming years, according to research firm the Tower Group. Retail financial institutions will spend about \$4.3 billion on CRM globally in 2001, with \$2.2 billion of that coming from North American businesses, according to research from the Tower Group's retail banking services. That kind of spending is expected to drive a compound annual growth rate of 6% for the CRM industry between 2001 and 2005."

"Our customers are telling us that CRM applications are of interest, if they are affordable and easily adopted," said Terry W. Thompson, President of JKHY. "We believe we will be delivering the right solutions to our customers at the right time. While Transcend Systems will be immediately accretive to earnings, we do not expect CRM products to begin to contribute significantly to our revenues and profits until fiscal 2003. Following full deployment of these new products, we believe CRM solutions can be a significant contributor to our long-term growth. Revenues from CRM could exceed \$100 million in the next five to six years."

Transcend Systems Group, Inc. will continue to operate from Sioux Falls as a subsidiary of Jack Henry & Associates. "Having worked independently with several of their customers, we are very familiar with JKHY's products and services. We are delighted to be joining the Jack Henry & Associates team, whose corporate culture and dedication to excellence mirrors our own," said Steve Sherman, TSGI's President. "Our employees and customers will not only continue to receive excellent service, but also will benefit from the expanded financial and technological resources of an industry leader."

Max Martin, Chairman and CEO of Argo Data Resource, commented: "This partnership with Jack Henry & Associates is a win-win situation. We are able to reach an entirely new segment of the financial services industry and JKHY will be able to offer an industry best-of-breed, fully integrated CRM-enabled branch automation solution that will meet the technology needs of a wide

range of financial institutions."

In related news, Jack Henry & Associates also announced it has acquired System Legacy Solutions, Inc. (SLS), a privately held profitable company providing technology to convert data from legacy systems into formats that can be used by newer technologies. Terms of the all-cash transaction were not disclosed. "SLS has developed and successfully implemented a unique technology to extract data from legacy systems and accurately transfer it to newer operating platforms," said Henry. "While the technology has many applications, we are particularly interested in deploying this capability with our imaging systems, where accessing historical data provides substantial value."

Jack Henry & Associates, Inc. provides integrated computer systems and processes ATM and debit card transactions for banks and credit unions. Jack Henry markets and supports its systems throughout the United States and has over 2,800 customers nationwide. For additional information on Jack Henry, visit the company's web site at [www.jackhenry.com](http://www.jackhenry.com).

Statements made in this news release that are not historical facts are forward-looking information. Actual results may differ materially from those projected in any forward-looking information. Specifically, there are a number of important factors that could cause actual results to differ materially from those anticipated by any forward-looking information. Additional information on these and other factors which could affect the Company's financial results are included in its Securities and Exchange Commission (SEC) filings on Form 10-K, and these statements should be reviewed by potential investors. Finally, there may be other factors not mentioned above or included in the Company's SEC filings that may cause actual results to differ materially from any forward-looking information.