Jack Henry Investor Day 2026 – Sept. 15, 2026

Vance Sherard

So first of all, I'd like to wish everybody a great afternoon and welcome to Jack Henry's 2026 Investor Day. It's the first one we've had in a couple of years.

My name is Vance Sherard, I'm Vice President, Investor Relations.

And to those on the webcast and those here in Dallas, we're very glad that you could join us. Greg just asked me a second ago, I think this is a record attendance. So we're glad for that as well in addition to the investment community today.

And we are joined by several representatives of Jack Henry's board. I believe they and the management team, many of them are going to stay with us after the presentations are done for the reception where we're going to do some demos and conversations can continue.

So now I just need to do a little bit of business.

I've got the Safe Harbor statement up here. For today's presentation and any future use of these slides, including the appendix, which we will not be presenting today, but is available to you online, we're going to be talking about non-GAAP measures and utilizing the Safe Harbour statement on the screen.

So we've got a full day. I'm not going to speak very long. We've got four presenters who are going to provide a lot of insight into Jack Henry's operations in our financial outlook. And in the middle, we're going to take a short break. There'll be some refreshments.

We're not going to take questions at the end of every presentation. We prefer to take them at the very end of the day.

And then if you'll join us at the aforementioned reception, we're going to do demonstrations of six current products that I think you'll find interesting.

With all that, I'm going to get out of everybody's way. And it's my pleasure to introduce Jack Henry's President and CEO Greg Adelson.

Greg Adelson

Thank you, Vance.

Well, thanks, everybody. As Vance said, just a pleasure to see all of you and to see this large of a crowd. We were really excited about trying to do this.

You know, we talked a lot about culture at Jack Henry and for you to get a chance to be at one of our offices and to experience what one of our offices looks like and the people and the culture that we have here, we’re really excited about today.

So I am going to kick things off, really starting off with what we are about. As you know, we are celebrating our 50th anniversary. We built a foundation that started with Jack and Jerry and continues today. We've added some nuances to that foundation that we'll talk about and we've added a lot of things that we believe are the key differentiators for how this company is run, not just in in the Jack Henry way, but also compared to what the industry runs today. But the one thing that's been consistent for us over the last 50 years is building on the foundation that Jack and Jerry started.

That foundation really starts first and foremost with our people. And you'll hear a lot about our people and a lot about our culture throughout today because it is the foundation of how this company was built and how we continue to maintain, maintain the things that that drive us to new levels.

The second part is that we have never lost our way through the years on who we support. We support community and regional financial institutions in the United States. That's what we do and that's all we do. And I think from that standpoint, you'll see a lot of the focus and the priorities that you'll see later on come to make sure that our institutions are successful.

And then lastly, you know, we've created a different kind of mindset around how we do industry-leading customer service and how we support our clients. But it goes back to two founding principles that Jack and Jerry started with our company: doing the right thing and doing whatever it takes.

And in fact, I actually added my favorite quote from Jack Henry back in the day, that our clients are not in business to make Jack Henry successful. We are in business to make our clients successful. That's something that we remember every single day as we try to move this company forward, the part that we've added to it.

So in 2019, we actually wanted to add a little bit to the foundation. We were working in a more remote environment because if you can remember right around the corner, COVID was coming. We were already 30% remote, but we wanted to make sure that we managed this company and led this company with four key tenets. And those tenets you can read are transparency, consistency, collaboration and communication.

It isn't just about how we led our company on the inside, it's how we led conversations with our clients as well in that exact same manner. And today, those are big foundations for us to continue to move the company forward.

Last year we added kind of a nuance to that, called the Jack Henry Way. If you think about the Ritz Carltons and the Nordstrom's and others that have great service reputations, we wanted to build something in that same type of mindset.

You can see here that everything at the company starts with our people – making sure that our people are successful, have a chance to grow, and that we create an atmosphere to where we continue that service level that we support across the industry, which again is far superior to what is happening with the rest of the industry today. And we continue to elevate in that manner.

Then, ultimately, it's about results. So nobody at this company, nobody in this room, cares about anything on a page other than to see the financial results and the sales results. So bringing the people and the service reputation allows us to have the results that we've been driving over the last couple of years.

One of the things that Jack and Jerry were pretty adamant about was building the foundations for our success. And it really starts with these three pillars. We've talked about people. As I said, we're going to talk about our people a lot, but we believe that if we take care of our associates, our associates are going to be motivated to ensure that they provide that industry-leading customer service.

As you can see over the history of our company, we have maintained a 99-plus percent client retention rate, minus M&A, but we have maintained 99% plus client retention because we make sure our associates are motivated and they do provide that level of customer service.

And then ultimately for our shareholders, we've continued to bring back positive returns – 22 years consecutive years of dividend increase and increasing our shareholder return.

So on that subject, I'm going to take just two quick slides on fiscal year 26 – because nobody's here to talk about fiscal year 26. But I do want to give you an opportunity to kind of go back and understand that the foundation of what I just talked about helped us build the success that we had last year, which, by the way, in our 50th year was an historic year both in financial results and sales results.

As you can see, we finished the year at 7.3% organic growth. That was on a basis of a guidance that we gave back in August of that year, 5.8 to 7%. You can see the basis point margin growth that we had of 92 basis points, again on the basis that we've provided over the last. Now our fourth year is fiscal year 27 of 20 to 40, but that was the third consecutive year that we beat 60 basis points of margin expansion, again coming out of the gate at 20 to 40.

And then return on invested capital again at 23.2%. I think all of you know in this room anything over 20% in this industry is really, really good. So again, we really outperformed what our expectations were there. And then same thing with free cash flow and then our GAAP EPS growth, being double digits for three consecutive years as well.

So we talked a lot about our sales performance, and I did want to put a couple of things in your head to make sure that everybody fully understands, because when we report competitive core wins, it's much different than what you see in the rest of the industry.

58 competitive core wins included 52 logo changes and six de Novo wins. So six of those were brand new institutions that were coming in, so we won't count those as competitive

wins – we did have to win against our competition, but they were not logo changes – but 52 of them were. What isn't counted in that number, which is counted in a lot of our competition, is the fact that we had 36 in-to-outs, meaning that 36 of our customers moved from an in house environment or on-prem environment to our outsourced environment in either Symitar EASE or our Outlink environment. So we had 36 of those, and we also had 14 institutions that moved out to out, meaning they moved from an existing Jack Henry platform. Let's say from our 20/20 core or our Core Director core and they moved to our Silverlake core, so 14 of those. We also had over 40 institutions that moved from Jack Henry to Jack Henry in a merger. All of those numbers are not calculated into this particular.

So if you throw all those numbers together, you know you're up to about 125 to 130 opportunities that this company produced last year with their sales team. Fourteen of those were actually multibillion dollar institutions.

And I have a slide later that I'll show you the level of significance. But 14 were multibillion. And as it states here, we've had 45 of those over the last three years. That's a big deal. Not only did we get 14 of them, we happened to win the largest deal in the history of Jack Henry from a banking perspective as a new deal, a $9.2 billion bank down in Houston, TX who decided to come to Jack Henry after working with one of our competitors. You're going to learn the reasons why as Ben goes through his presentation on the things that we were able to show them that weren't just a PowerPoint or an item that we were going to do in the future. It's something that we were already doing and that really got their interest. And you'll see, you'll see a quote from that CEO later on as well.

The other big metric is something that we started last year to really drive the fact that we needed to focus on bringing more digital and card deals along with our core wins. And so we challenged our sales leaders to be much more focused. We challenged our operations teams to build out the feature parity. And with a lot of work over the last couple years, we got to that point. 59% of our wins last year were what we call trifecta wins compared to 39% the year before.

You hear me on our calls talk a lot about our key differentiators. So what we talked about is culture, service, innovation, strategy and execution. The next set of slides is to show you why we talked about it as a differentiator and some examples of where we see that and what our customers have seen, or prospects before they became customers, have seen as truly key differentiators.

We focus on these five because we believe these five are truly opportunities for us to look different in the market compared to anybody that we compete with. So I'll go each through each one of them with a couple of examples.

I mentioned earlier about our culture and being in this office where, you know, we have a large contingent of associates in the Dallas Fort Worth area. And so we bring a lot of folks in. We do a lot of surveying. One of the things that we do is we survey our associates literally every single day, because every single day I send out an anniversary e-mail to everybody that had an anniversary. Most days it averages about 30 people. But at the bottom of that e-mail that I send out – and I personally send that out – each one of them has a survey that they can fill out, a very short one. So we truly get instantaneous feedback from our associates on a daily basis.

And then once a year we do an annual survey as well. So we gather much more detailed survey information that goes out and covers a lot of different grounds. But these are just some of the results that happened in fiscal year 26 from the survey results.

Again, 95% of our associates believe in the Jack Henry values, 86% believe and trust the leadership team and the executive team, 85% believe that they belong or feel that they're included in it as an inclusion component.

Our average tenure has actually gone up. So when I took over a couple years ago, it was a little under 10, but we're right now at 10.6 years. Our overall attrition rate is down to less than 7% across the organization, and that includes a call center of roughly 400 people. And if you kind of look at that as the final marking here metric, 88% of our associates intend to stay at the company.

Now don't get me wrong, if we have associates that are not performing, then they're, they're not here. We make sure that we hold people accountable and we move things forward, but these are people that we're treating the right way. And when we treat them the right way, they want to stay at the company.

As a byproduct of that, we win a lot of national awards for best places to work. I won't spend any time reading these to you, but the reality is in the cities that we work, and nationally, we win a lot of these. And again, they're very intentional as part of our culture.

Now move on to service. So in this particular slide, there's really kind of four different monikers here. There's 22 quotes and you can read them later. I'll kind of hit the highlights of a couple of them, but one of them is from the CEO of Woodforest Bank. And basically what he said is that innovation keeps our clients competitive. That's what I talked about earlier, and he said Jack Henry stood out as a clear choice because of its modern integrated platform, open architecture and public cloud native services. It's a forward-looking company and we're confident it will help us operate more efficiently, strengthen our digital capabilities and deliver the experiences our customers expect.

The one in the bottom left there is from a credit union CEO and it really talks about something that we have talked about at the company for a long time. We are the most open platform and we have been for many, many years. And why is that important? Because when you have 300 or so products and services, you're not going to be the best in 300 or or so products and services. So we're going to allow the latitude for our clients to pick and choose who makes sense for them. We will integrate to that particular solution set and we'll allow them to have that level of flexibility.

Two things happen there. One, we get a client who's extremely happy and wants to stay with us from a core perspective and buys other products that do make sense for them. And two, it challenges our operational teams to get better to make sure that they're building the right products to make sure that they they have an opportunity to be successful.

So this particular CEO just talks a lot about what we were doing in our open platform and allowing them to integrate the third-party solutions and enabling their members to have the financial services they rely on while easily adding new capabilities as needs change.

In the top righthand corner there. That's really a quote from the Fintech Breakthrough Group. You'll find out that our Tap2Local solution that we created, we'll talk a little bit about in my presentation. We're going to talk a lot more in Ben's, actually was voted as a small- and medium-sized business payment solution of the year. And so that was something that they talked about - the solution itself and why they thought it was kind of redefining how small business payments are operating in the country.

And then the last one is we have several associations that we work with. One of them is the Independent Community Bankers Association, ICBA. They sponsor a lot of our products with community banks and credit unions. And this is them talking about our financial crimes product, Financial Crimes Defender, and the things that that see as differentiators in the space as well.

And then ultimately it comes down to how do our customers feel about us. So one of the things that we do a lot is we survey our customers, both on an annual basis and on their core anniversary date. Every single year on their core anniversary date, we get feedback from the executive level on how we are doing across the organization at a whole bunch of different proof points.

But the other thing that we do is that when we do have a case open up, the person that's submitting the case actually has the chance to respond to a survey if they wish and to respond on how that survey or how that experience was with our team. And overall from a customer service standpoint, what I'll point out here is that a 4.61 customer satisfaction with the customer service experience is based on a five-point scale, where three is “meets expectations” and five is “extremely satisfied.” So we averaged a 4.61, and a 4.75 for the customer service rep themselves. And so again, one of the things I like to point out is that I don't know about you, but when I do surveys, I typically don't answer the ones when I'm happy. I usually do the ones when I'm not. Our customers take the time to respond to our surveys because of the level of satisfaction that they receive.

So again, this is ingrained into all of our customer service reps, but also all of us, myself and everybody on my leadership team takes calls when we need to proactively or reactively innovation. So culture and service have been a part of our company for 50 years. Like I said, it goes all the way back to Jack and Jerry's days of starting this company.

And really innovation was a big part of how this company started. It was one of the first cores ever built. And actually still today, we are of the big providers, the only one that's built a core. And so I think that's extremely important to understand, but we're not finished. We have a lot of things that we're working on that you'll see between Keith and Ben, but we also just have a lot of things that we're building outside of what you'll see today. So we're continuing.

Over the last several years, we've been investing 14 to 15% of our top line back into our products. And so that's really kind of the general expenses that happen in the technology side, that's our cap software development, that's internal use software. It's an amalgamation of those 3 components that make up this 14 to 15%.

Again, you can see on the other side of the slide of the where the key focus areas are. And again, you're going to see some of the examples of this and what we've been building through the years today either in this session or as demos later on after we're completed.

So the one thing that we want to emphasize today, and there's several, but one of them that Ben will emphasize is that the Jack Henry platform is not just a digital core. It's actually the instrument that drives all the innovation for our company. It is different than any of the other digital cores that you've seen out there in the space today for a couple of reasons. And again, I don't want to take Ben's thunder, which I think we all know that nobody can take Ben's thunder. But the reality is what you're going to see today are the things that we did that were very hard to build out the differences in our digital core. And one of them in particular is the integration to our existing cores.

So our digital platform not only houses the core components that you will see today, but it houses all of the innovation, the SMB strategy, our stablecoin tokenization, deposit strategies, everything sits on top of that platform and it's all fully integrated and runs through our existing cores, which creates a really simple way for our customers to adopt that technology and move forward.

The other thing is that it's fairly sophisticated on both its user experience and its user interface. And so it's the only new core, only new platform that you can actually operate from a mobile phone. You can use any device as we like to say that you can purchase at any of the electronic stores. But basically you get the same optimal experience whether you're using it on your laptop, an iPad, a mobile device, you're able to do that. And again, that's very unique, all powered by 100% native web components.

And then the other part is, and this is extremely important these days, it's fully ADA compliant out-of-the-box, which is important for a lot of our customers.

You're going to see this slide, you know, really brought to life with the demos and the things that Ben is going to do. But this really serves as kind of the impetus to what I was talking about earlier, where the digital core itself sits on top of the foundational core, fully integrated, and allows all of that innovation to be built on the platform. So whether that's card utilization, mobile utilization, payment utilization through different rails, all that's built on top of the platform.

And so one of the things that we'll be talking a lot more about later today, but more in the future, is about our focus on tokenized deposits and stablecoins. I mentioned a couple of earnings calls ago that we had several clients that were ready to go live with USD moving USDC and we were actually waiting on the regulators. There were supposed to be, I don't know whether it changed on the vote on the Clarity Act today. I don't know whether that happened or not. But so we need some clarity from the Clarity Act to kind of continue to move some things forward.

But also you know there's a ton of use cases that this particular technology can be utilized in. So whether that's cross-border payments, treasury payments and of course liquidity oversight, but you'll see how we're taking this technology and building it into not just the platform, but also to other products that are been out there today.

So you'll see what we're doing with our Victor FI acquisition, our Treasury platform, things along that line where we're building more and more feature sets into the overall platform itself.

I talked a little bit about Tap2Local. So again, something that we have been extremely focused on. We've been in partnership with Moov on this. We actually got live in roughly 7-8 months in total, from a certification standpoint, to building out the technology.

If you remember two years ago at this particular event, we talked about the rollout and we talked about what we were going to build as part of that particular session and we went and did it all. And so now we are out. So roughly 1,000 of the Banno clients have the access to it. We have roughly about 900 that are truly live on the Tap2Local product. Ben's going to do a demo, show you some more of that stuff live. And then of course, upstairs after, we'll do a lot more demonstration and you can ask a lot more detailed questions. I mentioned earlier that it was the Fintech Breakthroughs product of the year, and we're very proud of, proud of that. But again, the speed that we were able to build this and the sophistication of the product, which includes two patents pending as well on some of the technology that we built.

So now we'll move into strategy. So when I took over the chair two years ago, this is actually a chart with a couple of updates that I put together as part of my, you know, starting out as far as what I wanted to articulate to the team.

And again, it's kind of starting at 1. Everything starts with our people. So making sure that we did not lose the culture that was, you know, built long before me and maintained by the CEOs before me. That was extremely important. But also just making sure that we double down on the innovation that we're doing and hence what we're talking about or what we did talk about on innovation.

I am a big believer that it really doesn't matter what you do or say if you don't have execution. So I don't care whether you got a great strategy or you got a great level of innovation, if you can't execute on what you say you're going to do, it really doesn't matter.

So we spent a lot of time, Shanon (McLachlan), our COO and myself, talk a lot about execution, and the team's doing a great job of making that happen.

Our SMB strategy, what you see today with Tap2Local and Rapid Transfers is just the beginning. We have a whole host of things that we'll be talking about and some things that we've already built that we'll be releasing here in the near future and maybe even just a little surprise on something today.

And then ultimately, Keith's going to talk a lot about what we've been doing with AI. So AI is not only building efficiency for the company, but it's also helping us deliver better products, more products that we think will be more highly penetrated things along that line as a big driver and then delivering our platform and our components along with other solutions upmarket.

So I talked already about the 45 wins that we had in the up, the above billion this year. I'll kind of bring that back to light here in a second.

Security and compliance, there isn't anything that you can do in this industry when you're supporting the number of clients that we have or security and compliance can't be top of mind. I'll give you a little hint of that in kind of the frontier model, a component here in a second.

We talked a lot about evaluating kind of low-margin, low-growth businesses that we needed to either look at sunsetting or what we call end-of-lifing or potentially even you know, selling off. And so we have several of those that we've been working on. I'll give you an update real quick at a high level, but that is still a focus of ours. Process takes a little more time, but it is definitely a focus of ours and has been for the last couple years.

And then ultimately it's about doing what we say we're going to do. I think the one of the primary reasons why we continue to win is because we have proof points that we're doing what we say we're going to do. And I'll show you a couple of examples of that as well.

So I mentioned this several times. So we're winning larger deals. So this gives you a depiction of where we were the three fiscal years prior. So starting in fiscal year 21, 22 and 23, we won a total of 23 new multibillion dollar institutions. The other thing that's important to note, of those 23, most of them really were around the billion, billion and a half billion, maybe 2 billion. They really didn't start to creep up to the 5 billion, the seven and a half billion, the 9.2 billion that we won. And that started to happen in fiscal year 24 through 26, of which we've won 40, 45.

Of those, we've won several $5 billion institutions during this timeframe, a couple of 7 1/2 and 8 billion. And then of course the one I referenced already, the $9.2 billion Woodforest deal.

So as a byproduct of that in a market that is continuing to decline with banks of all sizes through M&A, Jack Henry's market share has actually grown in both the banking and credit union in the above billion dollar space. So as you can see, we now have a combined market share of 32% both banking and credit union in the above billion space. And we grew almost 5% on the banking side of our business and almost 4% on the credit union side of our business, again in a shrinking market during M&A through the wins that we've had over the last several years.

So we bought a company back in September of last year, so roughly a year ago, called Victor FI, which we've now renamed Jack Henry Payments Orchestrator. This particular product and solution set is extremely important to us and some things that we're doing again with the Platform, what we're hooking in some of the functionality into our treasury products. But it was at the time the only direct to core solution set that was out there. There has been another company that's now bought a company or created a relationship with a company that does do direct to core. But it's mostly on the card side. It isn't on the on the full payment side that we have in place today. But again, this is something that we're going to continue to double down. We've created a really strong pipeline both in the banks that are interested and the fintechs that are interested because we're bringing, we're kind of a matchmaker in this world. We're bringing fintechs and banks together to work together in the banking as a service type of mindset.

So here's just a quick thing that is important for the financial institution itself. Obviously all of our institutions are looking for deposit growth and non interest fee income. So those are two of the biggest things. And then there's an opportunity here for lower cost of funds. And again, we have a whole team and we have a sales team that's fully dedicated to just this portion of our business and opportunities.

And then ultimately it, it comes down to execution. So as I mentioned earlier, I'm a big believer that if a strategy, you know, like I always say, and it's not, you know, something that's rocket science. But again, strategy and innovation without execution is meaningless. And so nobody cares about what you're talking about. They only care about what you did. And so that's really where we've been focused.

So this is a depiction of something that we started actually in 2020. By the time we got it done, the first road map that we showed was in 2021. And in 2021 across our organization, we had no consistency on how we built road maps. We had no consistency on how we measured our success and that's something that we focused on.

And so when we put this very first chart together and I happened to be COO at the time when we did this, we were only hitting at 69% of what we said we were going to do for our clients. And there's nothing more frustrating for our clients than believe that a company is going to build something for them and it not get done in the time frame that they said it was going to get done because they're banking on the things to be at that level so they can go make their own decisions. So we put this into place and we put it into place for over 60 different products across our organization, all in a consistent format. And we actually show this to our customers every six months. It sits out on on what we call the For Clients portal, which is only available to our clients, but they have the ability to go out and look at these road maps and see what features are planning to be accomplished over that next six months.

One of the reasons that we did six months is that the the world is changing very fast. And if we're going to hold ourselves accountable, then we need to make sure that we're working in increments that we can actually execute in. Now we have other road maps that are longer term and we share those and we do joint road map planning with our customers and things along that line. But this is what we would say we were going to do across those particular product groups and it's all of our big product groups.

And so as you can see over the last several years, this last iteration which was in July of 26 because we show it in August time frame in February, but in July of 26, we hit almost 90% of what we said we were going to do. The six months before that we actually hit 94%. So you can see the evolution over time of that. I think anything over 90% is incredible. And if, again, if you talk to the consultants in the industry, they'll tell you anything over 80% is better than what most of the companies in our industry do. So we track this very thoroughly. We hold our teams accountable. And you can kind of see the amount of throughput that we have with 650 or so different features that are are added each and every year.

And then I mentioned earlier about product rationalization. So the rationalization component of this, again is important for us if we're going to talk about focus and priorities and execution. We can't be spending time on things that truly aren't going to move the needle for our customers. And again, if they're not moving the needle for our customers, then they're not going to move the needle for us. And so over time, a whole host of things have been built. Some of them maybe shouldn't have been built. That is what it is. Other things are where they are as far as their maturation process or maybe they're, they're kind of the laggard from a standpoint where we built something better and we need to just kind of get rid of that and move them to the new platform.

So one of the things that Shanon's been highly focused on over the last couple years is making sure that we do the right diligence on these particular initiatives. So a whole host of things that we go through to evaluate those products and kind of where they should fall in our product market. Again, we’ve got 300 products, probably too many to be honest with you, right? There's just only so many things that you can be really, really good at and that's what we're focused on.

So, so far in the last two years, we've put 18 products into product retirement. Our process again, like what we do with everything with our clients, is a very fair process where we give them anywhere from 24 to 36 months to move off of that particular initiative. We either help them move to another Jack Henry solution or give them enough time to find something else. And each of these have have kind of gone through their level of innovation and evolution. But again, we're going to continue to, to double down on this. I expect this number to continue to increase. And then there could be some that are candidates for some level of divestiture. All of these solutions are very small. You would never even know any of the names. That's how small they are. But the reality is they take away focus, they take away dollars. And again, for us to get where we want to get, this needs to be part of the priorities.

AI is a big part of what we've been building over the last several years as well. So again, Keith's going to do a really good deep dive into this. But we've been focused on AI for four years. We built our governance framework. And something that I think is very unique is that we had a really good collaboration between the CTO, our Chief Information Security Officer, our Chief Risk Officer and our COO, four key leaders in the organization that spent hours upon hours building out a framework and getting to a point where everybody felt comfortable, which isn't easy. And we did it.

And so as a byproduct of that, we've been actually very active utilizing AI tools over the last several years. Again, Keith's going to talk a lot about that, but the utilization of almost 100 tools that we have in play today that is allowing us to be very successful. So as of today, and I mentioned this on the last earnings call, 22 of our products with AI are in production today. Some of them are built into existing product sets like Financial Crimes Defender, some of them are in Banno. Some of them will be have the capability to be monetized, others are not going to be monetized or just going to help the penetration of the product itself, which allows us to continue to to grow in that particular group. We have another 20 or so that we're planning to release in the next six or so months. Again, Keith's going to give you a taste of some of these. He's actually going to show you some of the things that we have built, but we've had things that we do within the organization that's extremely important as well.

So you can see that as of today, we have 30% of our associates that have been trained on AI. So we have nine AI coaches. They spend a lot of time with our team helping to build the skill level and honestly just the confidence to go out and be able to work with vibe coding or whatever the key things are. 85% of those folks that have gone through the training said that immediately they felt more comfortable with the skills that they learned that will allow them to go out and be successful building out, whether again, it's small vibe coding initiatives or other things. But 85% immediately that week provided that feedback.

But some of the things that we've seen already were what an example there, where it says 90 seconds where it used to take 40 days to actually review some things in a previous process. Now they're able to do in 90 seconds. We have three times the daily capacity in some of our areas related to code development. So we've had some groups that have really taken off in some of our areas and others that are kind of getting up to speed, but we've seen as much as three times. So projects that maybe would have taken us three years to do, we're able to do in say, you know, a year, 18 months.

Our mantra with, with AI has been very direct, which is if you look at our company, you know, we've always been a company that tries to again, back to people doing more with the same. That's really the mantra and the message to our associates is you're not going to lose your job in particular because of AI. You're going to lose your job in particular if you're not using AI to make yourself better. And somebody across the room is doing that. So our message to our team is get embraced, get comfortable, use it, make your job better, make us more successful, allow us to do things more quickly.

And that's really embraced the mindset of our associates to be much more willing to get involved with AI and use it. So again, a couple other things there with the creating some process that used to take some week or used to take weeks that we're now doing in hours where we create an architecture diagram for a lot of our clients.

And then lastly is really around, I touched on Frontier models. So one of the things that, you know, we've mentioned before is that we have been part of Glasswing, you know, one of roughly 100 companies that have access to that. We've been heavily involved again at the CTO level, the CISO level, the COO level, and really across our organization. But the reality here is that people aren't able to plug the holes of vulnerabilities at the speed that is needed with these types of frontier models. You need AI to do that. And we've been able to utilize AI in our environment to where things that used to take 72 hours to do, we can now do in less than 10 minutes where we can plug vulnerabilities. And so again, you're going to continue to see us spending a lot of time protecting a lot of assets and a lot of customers. And so this will always be, as I said before, security and compliance will always be at the top of of our food chain to making sure that we keep our customers safe.

So that is a kind of a quick run through. I was the appetizer for the main events that are coming up. But I think you guys will get a chance to really understand what we have built over the last couple of years. Ben's going to show you where we were at this time two years ago to where we are today. And when I talk about the speed of innovation, I talk about what we're able to do on the platform. It'll come to life when you get a chance to see all that.

So without further ado, again, we talk a lot about our five differentiators. Hopefully you got a chance to see those in action, but ultimately it's about trust and building relationships and making sure that the things that we're doing truly matter and our customers believe in that. So ultimately our number one strategy is to enable our clients to win in the markets they serve and that's all that our focus is about. So hopefully you got a chance to see some of that in a short order and you'll see a lot more of it here in the next coming slides.

So I'm not able to advance this. OK.

So I'm pleased to introduce Keith Fulton, who is our Chief Data and AI Officer at the company. Keith came to us about almost two years ago, December will be two years. He's got a strong background in core development. He actually was at one of our competitors for a long time, ran all their core development. He also has a strong background in AI and things along that line. So we got him to come over to the good, good team side and got an opportunity to move forward. So Keith, all righty, glad to have you.

Keith Fulton

Thank you. Yeah. All righty. So thanks for that great intro, Greg, and nice job on your section.

All righty. So let's dive in and talk about AI. I've got four main topics today on AI. We're doing so much in this area, and I know like, I'm obsessed with it. Not everybody's as big of a nerd as me, OK? But I never stop thinking about this. I never stop reading about it. And maybe you're sick to death of it, but I'm going to try to make it interesting for you so you can see what Jack Henry is doing all over the place.

So we're going to talk about these four big sections. And the first one I want to talk about is just how are we doing this to accelerate our own development?

Greg touched on it a little bit. We're accelerating all over the place. And just in general, how is Jack Henry reaping the benefits of AI?

So I put some tool counts up there for you to see. You'll see in the dev side of those ones on the right, GitHub, Copilot 1200 people, Cursor 840. I did that slide like three weeks ago or four weeks ago. We're now up over 1,000 licenses on Cursor. We've got developers everywhere learning this. It's going viral and we're seeing acceleration across the board. The growth is crazy in the way we're using these licenses, and we're doing that in a smart way, like the reason we're using some of these tools is because they're cheaper than other tools. And so we'll get into that and touch on it in a minute.

But we're seeing across the board where we've got broad adoption of this over sort of somewhere in the 80 to 90% range. This team, JH Origination, they've been able to really prove and they've been very good with their metrics and their stats to show 90% acceleration in terms of features per release that they're able to do. So if they could do 10 features per release before, now they can do 19. And it doesn't take too many quarterly releases before that starts to be felt in the market. And so we're really seeing this as a competitive advantage for us.

Another one just on a more individual level, Foresight is our product that does check image archiving for check 21 images and it's a legacy product. It's not a fancy cloud thing. And even those guys were seeing 3X the contribution rate in their Githubs and what they were before.

Ipay, again, bill pay services, not super sexy, 2X documented progress with what they're doing.

And then I put this one up here that we're doing a modernization effort as we kind of bring together Ipay, which is our core sort of bill pay platform and Payrailz, which is our recent acquisition. Well, it's not that recent, four or five years ago, we're bringing those together to make them into one solution for the market. And that team has been using AI to port all the APIs from one language and architecture to another one. And at the beginning of this year, you see that's February of 26, they were doing five APIs a month. And then last month, they did 48 of them in a month. And they're on pace to do 54 this month, I think. But we'll see if they get there. But already that's nearly a 10X upgrade, 10X acceleration in our ability to deliver new code.

So this idea of translating and upgrading legacy code to new modern stacks, I think that there's some sort of hype out there in the market about this. I think we're starting to figure out how to really make that real.

And it's exciting to see tokenomics. I just put one slide in here on this, which is to say we are tracking this very closely, maybe watches me like a hawk on this. We are very concerned about this and we are not going to waste money on token maxing games and trying to squander billions of dollars on this stuff. We're trying to do in economical ways. We have multiple providers involved. I showed you Google and GitHub and Copilot, which is Microsoft, and then Cursor, which is SpaceX AI. We play these competitors against each other and we work with whoever is the cheapest and we do not sign long-term agreements on these things and we're going to ride the prices down as the price war continues on this stuff.

OK, so that's a quick touch on how that kind of development capabilities are progressing. So now let's talk about AI inside our products.

We have 7500 FIs that use at least one Jack entry product. We have 1700 roughly that use our cores. The average customer of our core uses between 40 and 50 of our products. And so one of the ways to get community banks all over the country to use AI is for us to put AI into our products. And then when they get the next version of the product, all of a sudden they're using AI too, OK? And so that's what we're doing here.

So I think of this as injecting the turkey, OK. This is a funny metaphor, I hope, but it's like we're going to take the turkey, which is our product, and we're going to make the turkey more delicious, OK. And so we have, we are taking, we've built an architecture that allows every product team that we have to use AI and benefit from that in a very standardized way with very little learning curve. We don't have to have each one of them go through their own independent safety inspections about prompt injection and privacy and PII data. We can build that one time in a central way and then each product team can take advantage of that. So this is the reusable injector idea with this.

So for example, Financial Crimes Defender, so a product that does BSA compliance that does a lot of things, but one of those is something called an SAR narrative. So a SAR is a suspicious activity report. And whenever a bank teller or a banker sees something that they think is suspicious for any reason, it's the law that they have to flag that transaction and somebody in the bank has to investigate it. That so each bank in the country has an investigative arm that looks into, is there money laundering, is something shady going on, is there human trafficking, drug dealing, yadda, yadda. OK. So they have to fill out an official form on that. And then they actually have to write an an essay about what they found. And that essay is called the SAR narrative. They send those off to FinCEN in Washington, DC. And then FinCEN aggregates those across FIs and looks at them in aggregate.

That essay is a chore, and what we've done is, we're not trying to automate the investigation. Human investigators are needed. I think the idea that you can take an autonomous agent and completely outsource the investigation to AI is crazy. This is something bankers go to jail for if they get it wrong. We have got to have humans doing the investigation. However, can we save them time writing the narrative? I think we can here.

Here's a quick summary of this. You'll see he's using Financial Crimes Defender. He's entering in some specifics and I went through and abbreviated the section quite a bit, but it's $13,000 in ACH for potential fraud. And now we're going to use AI assistance to help us generate the narrative. And the AI says, hey, I don't have enough data here. Who was it that did this? It was an accountant who this is our passport number. And now boom, I'm going to generate a narrative. Then this is just a dummy quickie narrative, but then I'm going to take this and I can now edit it or send it off for approval and click a button and submit. But there's a human being using it the whole time.

OK, so we have this in five banks in closed beta right now, and we're seeing some amazing results from this. You see that it used to take them 60 to 90 minutes to do this, our narrative by hand, and now it's taking them 10 to 15 minutes. So that's 85% faster. That's enabled them to go from five SARs a day to 25 a day, on the average. And now their error rate, look at that, their error rate went from 10% to 2% for those. So not only is it faster, but they're not sacrificing quality to get that. They're raising quality. They're getting better compliance. And then of course, if the time goes down, the cost goes down, obviously.

OK, there. I looked it up and there's 4.1 million SARs being filed every year in America, not by Jack Henry, but just in aggregate FinCEN's dealing with 4.1 million of these. So think of that as, you know, 4.1 million manhours of time that this one feature that I just showed you a 30-second clip of could save if it was universally adopted.

So that's an example of where clients already use Financial Crimes Defender today. They already do SARs today, they already write these narratives today. We're just giving them an easy button and giving them something, a way to do it faster and better.

The next one I have is just a protocol. We call it JH Analytics, and it's a set of Cognos reports that become reports and dashboards for our clients to use. And so what we did in this case was we built the, you see the Ask Jack panel on the right over there. We built a plug-in for Cognos and I'll just let this one run too if I can advance it. OK here. So now we have JH Analytics and here you can drop in your chat assistant. And now you have a chatbot and you add it to your dashboard. And now you can talk to your chatbot about the dashboard. And the interesting thing about this one is that the chatbot can see the screen you're looking at. They can see the statistics and the graphs. And you can say what's the most important thing on here? Where did this number come from? Or why is this this, or I don't understand the definition and it has a rag database behind it. But since it can also see your dashboard, it has a lot more context about what you're trying to do and it can give you much more direct advice. So this is another case where we're not, it's not getting sent to fence in. It's just a way to make executives more productive and lower their cognitive load when they're looking at their dashboards.

The last one I'm going to show you is Loan Vantage, the credit narrative that goes when you approve or you decline a loan, you've entered in all this data, you've got all this collateral. We've all been through the process on a car loan or a mortgage, OK. And so we put in all the stuff. Now we need a document for the underwriter to say why are we approving this loan? And so I put this one in here because it generates a Word document and it and it doesn't just work inside the system, but it actually gives you a deliverable that then you can forward around in your organization and keep on file in the way that you normally do. So we've got AI helping with tasks inside an application. We have AI in a Cognos product that's not even a Jack Henry product, that's looking at your data. And we have this that's creating Office documents on the side to help you do your job and to help you work with your coworkers on this stuff.

OK, so I showed you three. We have a bunch of these that are coming. I put the chart up here to just show that between July and January, we have nine of them or ten of them coming. So every month boom, boom, boom, things are coming out. And this is where closed beta comes in. OK, we'll go GA, generally available, at a later point. But with our products now we've all adopted a standard process that when we have major new products or major new features, we put them in what we call a closed beta. And there's a certain number of clients who are the inner circle who get that first and they help us tune it and they help us preview it. We make sure that they're referenceable and they say nice things about it. So then when we GA it, we know we have something that's really going to have product market fit out there.

OK, so those are three examples. I have examples of all of them, but I thought it might get too tiresome in this room for everybody, although I'd love to show them. So if you want to see them, just raise your hand.

All right, so we have the injector, right, the turkey injector, but that injector turns out to be really valuable. So what if we took the injector itself, the AI architecture, and we productize that. So that's the next thing we did was, we want to give that injector out to clients. So the clients, banks and credit unions, who have technical IT teams and building custom solutions or integrations, they want dev acceleration, they want AI features and their stuff. And they don't, they have a learning curve. They don't want to all learn Python and Lang chain and all these fancy things. They just want to call an API and get a result. And they don't want to think about prompt injection filtering and PII leakage and so on. They just want all that handled.

And so we're going to give them an architecture that does that. And so we built something called the AI Fabric. And the first part of Fabric, it's what we call the AI Gateway. And so what we built is a set of restful APIs that allow you to call an AI behind the scenes at Jack

Henry and you ask a question, get an answer, and in a matter of an hour or two, you can get a credential and one of your developers at your banks can wire up and start to build their own chatbot. OK, real easy. And if you want to build a Cognos plug in or a Sr. narrative generator or Word document generator, you can do all that with these APIs, prompt injection and PII filtering. Any kind of sensitive information is already handled for you. So if you're a CEO of a bank and you don't necessarily, you want your IT group to start to experiment with AI, but you're worried about safety and risk and liability, just use the Jack Henry APIs and all that safety stuff is handled for you. You don't have to guess that your IT team is working it out.

And then the last thing is it gets more fancy than just ask a question, get an answer retrieval augmented generation MCP servers, end-to-end capabilities for agents to call it other agents. There's a lot of fancy things under the covers. We abstract all that away just into fixed APIs.

OK, so our clients love this. We have three clients in closed beta with us right now and they're out there using this banking on this every day. And so this will be GA very soon. But it's amazing to see how the mission of Jack Henry to help our clients win and all these little banks across the country that even in something as technical and as esoteric as AI, we can bring something to market to help them even the playing field.

The second one is the crazy cat lady problem. OK, vibe coding. Vibe coding is a process of using an AI tool to just describe an application that you want and then the AI tool will code it for you. And in a matter of sometimes even minutes, you can get an AI to write you a solution.

We had a case at Jack Henry where we had a lady in our procurement department and she wanted a tool to help the procurement lead and the purchasing manager and the legal lead keep in sync on who had the meatball on each particular deal across the list of all the different procurement things. And in a weekend, she vibe coded an app that does that. And she's not a technical person, she's a procurement person. And she vibe coded this thing and she showed it to me and I was like, holy cow, like that's neat. And you're solving a problem. You're solving a business problem for Jack Henry with this, but, but where is this thing? And she had built it in Replit. And so it was out on replit.com somewhere in some e-mail server.

And I got this vision of Microsoft Access in my head of we're going to have all the shadow IT and shadow vibe coding things. We've got to somehow bring some sunlight to that. So those could proliferate kind of like cats. And so we have to help those people do that. We need to unleash their innovation. We need our Jack Henry associates to be able to solve their own problems and scratch their own itches. And, and the idea of using vibe coding to help people build solutions that they don't have is an amazing idea. But if we don't have control over them, it could be an unmitigated nightmare. And so this bike is rolling.

So what we've done well, by the way, our clients have the same problem. What we've done is we've built this thing which is the AI Garage. Jack Henry itself, we'd always talk about Jack and Jerry and they started in this exact car mechanic garage when they started the company. And kind of to honor that, we decided to call this thing the AI Garage. And so now if you vibe code something in Replit or in Gemini or in whatever you use, you can export it out of that tool and import it into our garage. We will scan it for security, we scan it for secrets, we scan it for vulnerabilities. We try to make sure, you know, all that kind of stuff gets done. We then containerize that in a Docker container and we deploy it to GCP and we put the code in GitHub under a name that you choose all the Jack Henry domain. So now we have security, we have control of the code. We know exactly what we have, where we're hosting it in our tenant. It's not being hosted at a random site like Replit. We have all of our normal controls around our GCP security. We're all there.

And guess what? Now we're going to let clients do it too. So we're opening up the garage so that our banks and our bankers out there, if they have solutions and they're creative and they're innovative people, they can now vibe code their own things and put that in their own tenant in the cloud using our garage and unleash all the innovation of hundreds of thousands of bankers.

Everywhere we already have, I think Greg had it on a slide more than 120 vibe coded applications within Jack Henry that have been put in the garage that we're running across the company solving business process problems across Jack Henry. And when I first proposed the idea that we needed a garage was in March. And at the time I, I kind of said it as this aspirational long-term thought of, you know, these are three, I had three examples in that presentation. I said, you know, what if we had, I said 7000 associates are not all going to vibe code something. But what if a hundred of them did? How much better would Jack Henry be if a hundred of them did that? And now six months later we got 120. I thought that would take years. So who knows how many we'll have might be 500 in a year.

But these kinds of things where we can solve problems but also build control over those and not have it be shadow IT, but have it be real innovation, real business stuff. That's important for Jack Henry. It's important for our clients. Our clients are really excited about this. They love this.

So this is not yet ready for closed beta because we got to be the success rate of things, passing the tests, all the different privacy and security tests right away is not as high as we want. So we're working on so that we don't want to make the load on the person doing the vibe coding too hard. We want the AIs to do the work for them. So we're trying to make that experience a little bit more perfect inside. Jack Henry is fine for clients. We got to make it a little nicer for them. We're hoping for January on that.

The last thing I'm going to talk about of the AI fabric, the sovereignty, OK, I used to call this AI privacy, but the industry seems to have picked the term sovereignty now. And that is that, you know, the more our clients use AI, the more Jack Henry uses it, the more of our proprietary data, the more of our clients proprietary data is getting pushed out to enterprise models, third parties, Anthropic, Google, Open AI, whoever, OK.

And you know, we've signed enterprise contracts, we have licenses, we have contracts that says they're not allowed to use our data, they're not allowed to retain it, they're not going to train on it, etcetera. And they've signed those and we've signed them and we've negotiated all that. But the reality is the more sensitive our data gets, the stronger of a guarantee we need that it really is absolutely private. And so this is even more so true of our clients. And imagine if we get to an agentic world where you're starting to talk to your bot about nonperforming loans in your bank.

I put that on the list up there. Well, if your chat bot is running at chatgpt.com, you're giving Sam Altman every nonperforming loan in your bank. OK. And they he promises on the contract he's not going to use that data. Is that enough? I'm not sure, but maybe for some people will be. I think, I'm sure that for some it won't. So we need to do something about that. I think we need to be their AI provider. So we're now calling that the Jack Henry part of the Jack Henry Fabric, the model Enclave. And we're going to run local models, open source models.

And I say locally, but I mean, instead of in a third-party cloud provider, we'll run it in our GCP tenant and we'll run these models in boxes that are as trusted as the boxes that we run our outsourced data centers in. So if you think about us without link on the bank side and ease on the credit union side, we are already hosting the bank's data. We already have all their loans, we already have all the deposit, we have all the transactions. So for them to then have a chatbot experience to talk about their loans. And if it's a Jack Henry bot, then they're not telling us anything we don't already know. They trust us to hold that data and they can trust us. And so the idea of hosting models in a private tenant that's only ours and not at a third party.

We talked to our clients about this and they flip out and I think – and I'm not making a forward-looking statement – I think we will sell trillions of tokens on this. Everybody we talked to loves this and wants this and is extremely worried about third-party privacy at the hyperscalers. So the last thing I'd say on the privatization of AI as we help our clients and hold their hands to help them be successful, like Jack Henry's being successful is the consulting services side.

So this really breaks down into four categories. There's board-level services, the board of directors at a bank in, you know, Amarillo, TX, they're reading about AI and they want to, they feel pressure that they need to be taken advantage of AI for their financial institution, but they don't know how and they don't know where to start. And they're worried about liability and risk and they hear nothing but safety hand wringing from the Internet about it.

And yet they feel this pressure. So what should they do? That's what board services are for: governance and policies. It's the same thing for the chief risk officer and the the administrative groups that run the bank. What is their policy?

So you can have adoption coaching in Step 3 of training people how to use AI, but until you have a policy that determines what's permitted and what's not permitted, you can't even do

Step 3. And then the question of what's permitted is what's going to fly with the regulators and what is the FBA going to raise an eyebrow at versus what are they going to be OK with? We can help them with that. We're living that. We're living through that today.

And then the last thing up there is the number 4 is tech consulting. OK. And that is how do you use our AI fabric? How do you use the model Enclave? How do you use the vibe coding Garage? Let's do some POC's with you. We'll be there too. We'll call them the four deployed engineers if it helps, and we'll come work with you and get you going on all this.

So anyway, this is exciting and I'm interested to see how this goes. I don't see this as a giant part of the future of Jack Henry. I see it as helping our clients be successful and helping them accelerate their work as we're accelerating ours.

OK, so let's talk about machine learning for a minute. Before it's all been LLMs and generative AI. But now let's talk about the other side of statistical machine learning, because this is another area where we can really help our clients win. The first thing is we need to build a data consortium. Right now we have thousands of FIs. We hold all their data and in general, each one of them is its own silo. And we can't treat all that data in a pool.

And so we're working right now and it's very active on getting our all of our different FIs to, to join forces so that we can start to do fraud modelling and market modelling and all kinds of stuff and do all that in a much larger way across the entire base of our institutions.

If Jack Henry account holders were all treated as one institution, we'd be the third largest bank in the country. We should act that way and we should treat our data that way. Once we have that, then we're going to build out what we call the the data science App Store. So we have an app marketplace today at Jack Henry and we're going to start to have predictive models that predict the future for our for our FIs. And instead of them having to hire a team of data scientists to go solve data strategy problems, we're going to have those people. And then they'll be able to basically just with a couple clicks, activate data science app, agree to the terms of service and the bill and then click and go and they'll be able to use it right away.

So I've got a couple of examples up here. One is this issue of retail is commercial. How many small businesses are being run from retail accounts? The ABA would tell you it's 26% of all the retail accounts in America are doing this. That's a huge number. But if you think about Gen Zers creating companies, you know, sole proprietorships at a record rate. And that's what I kind of think it is. I think the Gen Xers are tired and don't start companies and I think the millennials and Gen G's all start companies and on the average is 26% OK.

But those companies doing that, their money is at Stripe, you know, Square block, it's not at the bank. And so and we're not taking care of them. It's out of sight, out of mind to us that they have any kind of commercial stuff going on. So what if we could give a sales team at a bank the top 100, most likely most lucrative commercial accounts that we should upsell to and we could charge better fees, we could take better care of those people and we could win all the way around. Now, all of a sudden, instead of just having pretty Cognos dashboards, I'm talking about business strategy. I'm talking about the growth of the bank.

And I tell you, I'm in rooms with CEOs and CIOs every single week. And I get to this and they go, wait a second, you're going to be able to do that. And they're amazed.

The next one that I have is another tie to the actual business performance of the bank. And this is about customer churn. How do you predict what customers are going to leave your institution? So imagine if we had a model. Well, let's just talk about the problem, OK? In any given year, in the average at a bank, about 10% of the people will leave your bank. It could be 8 to 12, I think I put up there, but think of it as 10%. So in a 500,000-account bank, that's 50,000 accounts you're losing every year, which means you have to make up 50,000 accounts just to stay even.

OK, so $250 average revenue per account is a low number. Some banks will tell you it's 500 an account, but let's just say it's 250. So that tells you it's 10 million to 15,000,000 in loss from the 8 to 12%. You then have to go find 40 to 60,000 new accounts just to back just to get back to flat. The rule of thumb at a bank is it costs 2 years of revenue to get a new client. That means it costs $500 per client to get a new client in the door. So what is that? That's $20 to $30 million in cost to get back to flat number of depositors.

So now if you take the revenue loss plus the cost to replace, that's 30 to $45,000,000 a year for a large bank that there it's the churn is costing them.

So how can Jack Henry help? Real cost, real losses. So we've got something we're building called the Turn Sentinel. I've seen iteration 1 of this. It's amazing. OK, the idea is we look at all the customers that have left recently and we look at their behaviours before they left.

And then we apply those behaviours and we look for those behaviours and people who haven't left yet. So for example, if they redirect their direct deposit, they've had direct deposit at a certain bank for years and then one day that direct deposit stops, they might be changing to a different primary bank holder. It also could be that they lost their job and their in between jobs. So that in and of itself doesn't mean anything or doesn't mean enough. But then let's say they start their transaction, volume goes down, their every daily balance goes down. Other indicators happen, we can see from the way previous people who've left behave, how the new people behave.

So what if we gave a weekly sheet to the de risk team of who they need to go call to try to save every week? And what if they gave them? It could be that they just need to apologize. Like what's going on? Is something happening? Did something go wrong? Or it might be, hey, if you'll bring your direct deposit back to us, you know, do that for 90 days, then we'll give you a 200 extra bucks for switching back to us. Or it might be we'll give you a break on your car loan if you'll stay with us kind of thing. So these are offers that a bank can make to be proactive.

And what if we could get, you know, 8 to 12%, turn down to 7 to 11%, let's cut 1% off of it. Then all of a sudden, we're going to save one and a half, one to one and a half million in revenue loss avoidance and we're going to save 10% of the replacement cost was just two to three million. That's overall now three to four and a half million dollars a year, just because I built a Turn Sentinel in the data science App Store.

This is where we're taking data out of the realm of just better and better dashboards into actual business execution and strategy. Now this is going to affect the way banking gets done everywhere. Big banks, giant jumbo banks, they're doing this. They've got teams that do this. Community banks don't. We have to give this to them. It's going to be a game changer.

So the closed beta for the data science stuff is in January. Each machine learning app will be priced separately. Some will be very cheap, others could be very, very valuable. We'll see how that goes. Instant activation and then membership in the data consortium that I mentioned at the beginning is required. If you want to benefit from the data consortium, you have to be a part of the data consortium. That's typically called a give to get model. That's how we're going to run this.

OK, my last topic, which is my favorite topic, is agentic AI. OK, so I put the agentic AI future of Jack Henry. Is that grandiose enough for everybody? OK, this is where I think we're all headed. The current state, if you just think about the architecture of any software system today, it looks something like this. You have a user, they're using a web browser on a laptop or wherever that web browser is using APIs, and then the APIs are causing a system of record, the back end system to do work. And the systems of record can be very simple and they can be very, very complex. There's all kinds of stuff that could be happening there. This is dumbed down to the Nth degree, but this is how they mostly work.

And as I mentioned before, there's a thing called vibe coding, which allows amateurs to just make whatever they want with coding. You don't need to be a coder anymore to code. And so it's a little bit like if you've, if you've tried it, it's a little bit like conjuring the rabbit out of the hat, which is I think it feels like magic. And so if you haven't tried it, you should definitely try it. It's easier than you think. Give it five minutes, you'll do it. It'll be amazing.

OK, so what's that going to do? That's going to create a whole bunch of different front ends. Oops. I'm adjusting something it's going to create a whole bunch of different front end possibilities. But guess what? At Jack Henry, the system of record and the APIs are they still are what they are. You still need the banking core, you still need Financial Crimes Defender, you still need the new platform, you still need the services that Banno provides under the covers behind its web services. OK, so APIs and systems of record are what matters most. And the good news is that that's what the business of Jack Henry is building those.

The next thing is that you can have agents. And so I, I think of that as a little bit of, so the magician conjuring, it's more like a remote control car where you just twiddle a button and then the car does what you say, drives away. So what that does is now I've got a human on their phone talking to an AI bot. And now the AI bot is calling the APIs and the APIs are still calling the system a record.

So what happens there? Now all of a sudden it's too much work to launch a browser. I just want to talk to my bot and my bot will do the work. So the UI has become an impediment for some users, not all users. This isn't an overnight process. This is a 10-year process. I'm just trying to predict the future here.

Where is this all headed? APIs will not be Agents will not be one to one with apps. So once agents are using APIs, there's no reason why they shouldn't use multiple APIs. So what that gives you is something like this, where now you're talking to your phone, on your agent on your phone, and then your agent is now calling multiple things. So now the new SORS don't have to be comprehensive. Agents become the glue, which is the kind of orchestration layer between all these things.

So I did a non-Jack Henry example just to illustrate my concept because it's getting a little bit abstract. But I said go through my Salesforce opportunities and compare them to my inbox and Outlook. Build me an Excel spreadsheet of anyone who's asked me a question that I haven't responded to or anyone who hasn't corresponded with me in the last 30 days. Now go through all the people I haven't corresponded with. Add a comment in the spreadsheet to the right of each row with two relevant ideas for messages. OK, so now I'm using Salesforce Excel and Outlook and in two seconds I wrote a prompt that I could run every day and have my To Do List if I'm in sales.

Agents don't always need humans though. I had a human texting with an agent on the phone to my previous examples, right? But kind of like what triggered that light when that intruder came in as a motion sensor, we're going to have similar things in our systems. And so I think of it as triggered by scheduling, triggered by an outside event like e-mail or it could be a thing that I was describing earlier where agents are calling agents. And so in that world, the humans become less relevant.

So when we talk about automation of the banks, automation of any industry, the humans eventually get less relevant.

So how about this? I have a trigger by timing example here. At the beginning, every weekday night at 5, check all three of my banks for the highest savings rate and transfer any balance over 5,000 from all my accounts to the highest yielding savings account. You could write that query in 30 seconds. Every night at 5, it runs, it calls all the APIs, and the banks are now suddenly in a sweeps competition based on interest rate and they don't even know they're in it. All they're doing is giving up interest rate and balance data. They don't know what's happening. OK. That's how powerful these things get.

The other one I made on an event driven basis rather than timing is every morning at 8:00 AM, check my inbox for E bills and notifications. Use my online banking to pay them, if they're under 300. If it's over 300, send me a text. Transfer money from my savings to replenish the checking account.

OK, again, that's a three cents thing that now takes care of my bill pay forever. What are both of these doing though? Both of them are calling Jack Henry APIs to make that work.

The inquiries, the highest savings rate, the balances, the transfers, the bill pays, the transfer back to replenish the money, that still needs Jack Henry behind the scenes to do it.

So we love this model and I think it's going to, it's going to be interesting to see how it explodes. I made a business one for a Silverlake for a banker as well. Every morning at 7:15, go through all the exception items using Silverlake. For each one, check the customer's previous transactions to see how we handle prior exceptions. Check their history of Synapsis. Synapsis is our CRM tool for those who don't use Salesforce. Decide on the exception disposition of fees according to our bank policies and stage them up. And then if you recommend waiving the fees, put a note in Synapsis and CRM tool and stick an an e-mail to the customer in my drafts folder. I don't want to send it. I need a human in the loop. But now I've just with a couple of prompts, I've changed the way we do exception item at the bank forever.

So what you end up with here, if you tie all this together is you have humans, but you also have all these events talking to agents. They're running anywhere with agent APIs, system of record. We think Jack Henry needs to be the key enabler in the middle of all this.

So what do we do based on this? How do we execute on this? So now I've got a little primer on what agentic AI is, an analogy with restaurants. So the way we've always done it before is that we had AI inside our products. And I demoed 3 three of those examples for you. It's very comfortable. It's like this guy going into the McDonald's to order. But in the future, we need to be a drive through. We need people outside the restaurant to also be able to access our features inside the restaurant.

And so here I said millions of independent agents, it could be anthropic agents running in SpaceX data centres, open AI running at Azure, all of them are running anywhere and they're all calling our APIs to do work. And you might say, well, I'm a fancy restaurant. I don't want to drive through, OK, but guess what? You, you're going to need drive-throughs. And I use the analogy sometimes of Shake Shack. You know, Shake Shack has a policy of not having drive-throughs. You're supposed to go into a Shake Shack. But if there's a Shake Shack on the left, there's an In-n-out Burger on the right, which one has 50 times more cars and more customers The In and Out Burger does. People route around Shake Shack because it's too much work to go there.

And so if we don't offer drive throughs in our APIs, then people are going to route around us. Luckily, Jack Henry's had a strategy of being open and having APIs and being leaders in 3rd party integration for years. And so this plays to our strengths. So I think this is going to be a fantastic time for Jack Henry.

We're harness agnostic. Again, harness is one of those words that is a little bit technical, but if you think about, you know, Claw, Cowork, Copilot, Hermes, Langrack, Rock, Rock bot, Asian Forest, etcetera, everybody is trying to be the harness. And I've spent most of 2025 thinking we needed to build our own harness and be a harness ourselves. But now I don't think that's true. I think we are the drive through. And so for us to say, well, we only serve pickup trucks or we only serve Toyotas, that would be a bad way to run a McDonald's. We need to provide the drive through and we need to be agnostic as to who drives up and what they want. And so if whoever comes there, however they come, how do the people at the drive thru know what to order? We need to stick a menu out there in front or behind the restaurant. And we say this is what we offer, this is what you call it, this is how much it costs, etcetera. This is the function of an MCP server.

OK, so there's a lot of tech talk out there about model contact protocol and there's a lot of esotericism. At the end of the day, the people at the drive thru need to know what they can order before they come to the drive thru. And so this is how we do it. We're going to build our own MCP layer to handle all this for our clients and our products system to record.

The last thing I would say on this is even though we need drive-throughs, not everything's accessible in the drive through, is it? If you're the Brinks guy, you can't get the the bags of cash from yesterday's receipts handed to you through the drive through window. You got to go, you got to park, and you got to go in to get the bag of cash. And so what we need is a risk framework for what constitutes a burger and what constitutes a bag of cash. And we're going to use that to respect with our APIs that inside the risk framework, not all risks are created equal.

So the verdicts of all this are SORs are what matter. And Jack Henry's in the SOR business. OK. The stone tablet here is intentional. Trust is of paramount importance and customers trust our banks as the custodians of their money, as a ledger of everything that means anything in the real world. We, we will continue to provide that to all these people. We're actively working on a gentic APIs across our road map.

I use this example of the sous chefs making the little dessert there or whatever it is. And he that chef might like those sous chefs and he's training them and he trusts them, but nothing goes out to the customer in a Michelin star restaurant until the main, the head chef reviews everything. So we always need human in the loop. That's what we do.

And we need to get used to the fact that we're going to have exposure outside our walls. This is the drive through window side. Every product in Jack Henry needs to establish this drive through window for themselves so that things on the outside, the agents can get out of what they're doing.

So I put all this together into I did that was a lot of slides for without a lot of practical examples. So I put together another demo to show what is it like to chat with Silverlake. OK, so here I'm now in Microsoft Teams and I'm looking up a guy named Humberto Bahgren and we found his customer ID in Silverlake. And I'm like, yes, I want you to pull up the account. And then it thinks for a minute and then it shows the account and look, Oh my gosh, there's 40 outbound checks for $1.00. That looks like testing or structuring of some sort.

And then the teller is like, OK, I don't like that. I want you to suspend that account, put a restriction on there, block it, and then it says done restriction placed, status number six restricted. OK, that person never logged into Silverlake. They never launched a browser, they never searched a query for that. They didn't click a flag, they didn't drop down a box. They just told the bot what they wanted. The bot did it.

Now I accelerated that quite a bit. There's a lot of thinking time in there and so forth that we cut out of the video. But I just want to show you like, this is the simplest example I can think of to show you guys what the future is that we think Jack Henry's headed towards.

So I went back to harness agnostic. This is our risk framework that we use. We have L5 is level 5 risk deleting data or moving money. That's the Brinks truck example. We're not going to do level 5. Level 4 is where you get into embarrassment if you contact outside customers or even data exfiltration. If you can buy reading and querying data with L4 of sending data outside, you can get into bad combinations. So we're not going to do that.

But guess what? There's a lot to do with levels one through 3. This is a little framework we made to help our portfolio think about their own priorities. So what you see here is read-only APIs, rules and statuses, comments, cases and others, reset passwords, update limits and so forth. Those are all yeses. And then I put in the L5 execute transactions as a no all the way down the line because that's moving money. It's difficult to undo and we don't need to support that. So I wanted to emphasize that we're not doing that right now.

And then the idea is that then if we had all the things that are wise and they're working, then now they're like Lego blocks and we can make composable interlocking sets and then saying, well, we want to query this and lock that and update the limit on that and put a note there. We can do all that stuff. And banks will be able to take entire work flows that they operate today, click, click, clicking alt tabbing between different tools, and they'll be able to orchestrate that in a single prompt. And in the not too distant future. This is what we're building toward.

So the last thing in my wrap up is going to be that's Jack in the middle there. And 50 years ago, his innovation was that large banks had computer systems and small banks didn't. The largest banks in the country had armies of programmers and mainframe computers the size of buildings, you know, and those punch card readers and so on. And no, and the small banks couldn't afford to do that. They were all still ledgers like they were in the 1800s.

And Jack was like, you know what, I bet I could build a piece of software and if I made it configurable, I can make it to where more than one bank could run on the same software. And that's how they can afford to run it. And that's what he did.

So now it's 50 years later, we're going to revolutionize community banking again with all this API stuff. That's what's coming. We're very excited. There's a mountain of work to do to get there. But me and my partners and Mr. Ben over here, we're cranking on this every single day.

So anyway, that's what I got for you today. Thank you.

BREAK

Ben Metz

Really appreciate Keith. We're really glad that Keith is here. He and I are AI partners in this new world, so I'm glad you got a chance to hear him.

We're not going to waste any time. We're going to get right into it. We're going to talk about platforms in the AI era. So I'm going to kind of pick up where Keith left off talking about what we're building. We're going to talk about the Jack Henry platform and specifically what makes Jack Henry different.

Of course, Greg talked a lot about a lot of different things that make us different as a company. I'm going to talk to you about what makes our technology different and why that's really mattering and why we're winning new deals because of it. I'm also going to just talk you through what ship since I last saw most of you.

I know I saw a few of you at SI and I've seen a few of you at different events that Vance has brought me into. But for the most part, I haven't seen most of you since September of 2024. So we're going to go through everything we've shipped since then, provide an update for you all on what we're doing with business across the board, not just tap the local, also Banno business and Treasury. So you're going to kind of see our strategy there.

And then I have two new announcements for you guys.

So all right, buckle up. We're going to go fast.

Oh, sorry, one more thing. I am going to show live demos. So you're going to see live software. You're going to see the platform in action. It's right here.

You're also going to see real live consumer software. This is going to be Banno running on IncredibleBank. So anymore I'm just tired of pure slideshows. We're going to show you some software as we go all right, so you get to see it for real, all right, for real.

So without further ado, in 2020, I think you all know this, we set out to build a new kind of core system. The company had decided we actually needed to do this. There's a lot of different ideas.

You know the market had had these new side cores showing up OK and beginning to build to direct to digital experiences at this point in time. Back in 2020, we'd had a lot of early success building out the banner digital platform inside the company.

We'll talk about that a little bit today, but we really wanted to build a new core.

The other thing is long term Jack Henry has a strategy for consolidation over time, right? So we've been working on this for a while. The ideas actually were percolating for two years pre 2020. But I wanted to kind of give you a timeline for what happened and how we ended up building a platform.

So we had a vision to build a new core, and that was in 2020. In August of 2022 was when, well before this, Greg had asked me to be the CTO of the company and take on this project.

It was being run by a team, a small team inside the company. And we did that. And what we worked on as a team is, hey, let's realign this idea of building a core to let's build a platform. All right?

And basically we work the entire plan, but a big part of like building a platform in the cloud with all of the the language that comes with that is we needed a cloud partner. So we announced the GCP deal. Big shout out to Google and the GCP team. They've been an amazing partner, absolutely stunning partner for us in this build out. Can't say enough great things about them.

And then we updated the road map. Some of you who were here several investor days ago might Remember me showing you a three-year road map. How many of you remember that? All right, we hit every single thing on that road map on time and under budget.

All right, so this core is basically done and we're going to show it to you. All right, so updated road map in 2022 and right after that we hit ChatGPT era. All right, I mean, you guys just got to see a great presentation by Keith talking you through where we are in that journey.

And but I just wanted to articulate the fact that we actually decided to build a platform be API first long before this happened. Then back to Investor Day of 2024. I'm going to come back to this in a minute.

We get SAS apocalypse to the beginning of this year. And really, you know, at the end of the day, I think most analysts and I've had the good fortune. We've had a lot of inbound inquiry for the management team to meet with with the large consulting firms. I just collected a few quotes from Gartner and McKenzie.

But the bottom line here is the companies that win in this next age are going to be platform first companies, OK? They're going to be API first companies, cloud native headless architectures, OK. Those companies are going to establish significant competitive moats, and we are one of those companies. But value's going to accrue to people who integrate the stack. I'm going to say that again, value accrues to people who integrate the stack. That's how this is going to work.

Some quick quotes from McKenzie here. So what we're building is a new structure, a new platform around our foundational course to enable a faster pace of innovation. Our customers get a connected workspace to run their financial institution. This allows them to evolve at their pace, at their strategy, OK, the things that they want to do.

I'm in the fortunate seat to get to meet with our customers every single week. I love it. It's one of my favorite things and I don't meet anybody who has the exact same strategy as the last person or the last financial institution I met with. They all have unique strategies for how they want to grow, what they, what technology they want to adopt and how they want to build their bank or credit union.

So the other big thing, you all know this, this is a big part of our message, but being on the Jack Henry stack allows you to avoid a large core conversion. OK, this is a very big deal for our customers. It also is attracting new customers.

Greg talked about Woodforest as an example, where they want to be on the Jack Henry stack because they see a world where in which they won't have to do another one of these conversions, if that makes sense. All right. And then like this gives them a chance to launch and evolve new products on the platform. All right, so which is a big deal.

So now we're going to just dig into what makes Jack Henry different. I did show these slides, I don't know, I can't remember, it was 2022 or 23, but I did show these slides. I want to revisit them. I built these way back in 2022 to really explain what I felt was the problem in the market with side cores.

I just want to say this upfront. I have a lot of respect for our competition in the side core market. I just saw a challenge that our customers are going to face if they were to adopt side core technology.

And again, why did they do it? Just remember, it was for digital experiences. They needed to build new digital experiences and they felt like they couldn't do this on traditional core systems, OK. And so we wanted they, they, they wanted these four to build new digital experiences on side cores.

The fundamental problem is there's no integration with the foundational core that runs the bank or the credit union, sells and clears every single night and every single weekend. That's the problem. This is the problem in the entire industry. This little guy here, OK?

And there's a few other things. And again, there's no shade to these competitors. Most don't have a UI or UX. They're headless.

Now I want to stop and talk about headless for a second. We are also headless, but we have a full UI and you're going to get to see that today. And if you want to see more details, you can go up and check out the demos upstairs, OK? But our thing was, hey, a lot of customers, even like larger customers who have big teams, they don't want to spend their time building out a new UI/UX even with AI tooling, right? That needs to be fit and finished and ready out-of-the-box for them.

But we are also headless. So we have 100% coverage of APIs, and I'm just going to show you this, you can, I'm sure you won't go look at this for yourself. But if you do want to, all the API docs are here on the open Internet at jackhenry.dev. OK, everything's here. All right. So when we say we're API first, platform first, that is the case.

However, we chose to build a UI, we knew we had to build a UI. And the other thing I wanted to mention is I, I often say there's so much innovation that's possible for our customers where in which there's no AI required. We're doing a ton of stuff in AI. I'm going to show you some live demos. You're going to see some cool stuff, but there's a lot of low hanging fruit for efficiency gains that our customers can get if we just bring really good design into the back office of a bank or credit union. OK, and I'll give you some examples.

Every time they bring one of these side cores in, they have new compliances and regulatory and security concerns. Also, generally speaking, they need an additional team to run it. All right. So they have the team that's running their foundational core, then they need to run their side core. All right. And then at the end of the day, as it stands today, and I think this will change, just to be clear, sometime in the future, I'm not smart enough to to know when, but sometime in the future, these side corps will be able to set a clear settle and clear a bank, they or a credit union. They cannot do it today.

All right, OK, so my idea was very simple, like super simple. We had built this digital platform inside the company called Banno. You guys know it well, all right. And I was just like, why don't we just build a platform and connect it to our foundation, of course, and make this easy and help our customers avoid a conversion.

Because how this could have gone OK is we could have said, hey, we're going to build a side core and we're going to go compete with the likes of the Thought Machine Fins Act, etcetera.

And we could be sitting here talking you to you today explaining that we're now going to go to market and tell our customers that they have a conversion if they want to use the new technology. OK, how well do you think that would have gone over? Not very well.

OK. So we needed to offer them a path. I'm going to kind of Cliff climb you through what that path looks like for our customers and a bunch of stories about customers that are taking that path today. So the idea is, hey, build a platform connected to the foundational core. And if we did that right with really good integration to our existing core, our customers would have optionality and that would allow them to modernize and convert at their own pace.

I think everybody knows that conversion is like a really scary thing for a CEO and a management team at a bank or credit union. So we needed to break that up and allow them to take that at their own pace. So this is the mental model. You guys have seen this before in my presentations, but I just do it every single time. So everyone understands this is a foundational core system. All right? We enable the public cloud on top of that foundational core system. This is our wonderful partners at Google and the Google Cloud Platform. OK, again, like I said, this has been an amazing partnership, full build out. I'll give you some stats on that later.

So we enable a public cloud for our foundational core systems that enables data in AI. You saw Keith give you a wonderful presentation about Jack Henry, AI, Fabric and Gateway. OK, so that Fabric and Gateway runs on this platform. OK, so this platform is we and I would say there, you know, anytime you sit down to build something new, you need a little luck. OK, you do need a little luck and we got lucky. We didn't. I didn't know if ChatGPT was going to happen. I'm not that smart, but we wanted to build AI native.

We had talked to Google about it even pre ChatGPT that we wanted to build an AI native platform and enable the Google AI stack at the time. And that has just evolved to where we are now and we are just basically natively AI ready and you saw a bunch of examples of that in Keith's presentation.

So that gets us to kind of where we were in the build out in in 2024. I'm going to come back to this in a second, but right here is where the magic is and where all the hard work is. We integrated this new platform to our foundational course and a lot of people think like, well, why is that magic band? Well, this is the reason. This is one of the big reason why Woodforest bank came to Jack Henry just this year, because anytime you go buy a side core and you realize, oh, I got to integrate a bunch of payment systems. I got to integrate a bunch of but things on my foundational core. Every time that happens, you're now spending a lot of money and folks have spent millions and millions and millions and millions. I'm not exaggerating. We know the numbers, millions of dollars integrating these side cores into their foundational core systems. All right, this is a huge problem.

What we offer is out-of-the-box integration to our foundational cores for every single product that we offer on the platform. All right, OK, I'm going to give you a quick example. So you have a mental model for how this works. We've done this dozens of times at this point. OK, very simple. What you see on the left hand side of your screen is the Fed. We manage all this orchestration to the Fed. My team runs all the internal integration here at Jack Henry. And what we can do is on a Friday, we can coordinate with the bank or the credit union to stop using their wires module. Our conversion team actually runs a small conversion that's mostly automated OK. We reroute for the Fed and now that wires platform is running here, it's not just moving off of foundational cores.

A lot of our customers actually use third party wires platforms, OK, competitive wire wires platforms and they're now moving to our wires platform, OK. So it's not just coming off of our foundational core, it's also coming from third party systems. And it works the same though. Makes sense. All right, so on a Friday, this happens and our goal, what we say is CEO and CFO should never know this happened. This should be a non event at the bank or the credit union.

All right, I'm going to stop and give you a fun story. We actually did five of these on the ISO conversion cutover. You're familiar with ISO 20022. It was a big day in financial services for a lot of us, all hands on deck, massive change in the wire protocol. OK, we actually converted 5 institutions that night. One of those was a credit union customer. And the feedback we got back on Monday was the CEO said that was the easiest thing my credit union has ever done. Absolutely amazing. Right?

OK. And then the next day they get a new UI/UX, OK, that they're running their wires on, all right, you get a new wire room. They get a new functionality that they've never had before. They get some AI assistance. They get a bunch of other things that we bring to the table. But that's not all. Remember I said, hey, we deliver UI/UX, but let me tell you the rest of the story. We did that conversion for them last year during the ISO cutover. I just met with them again actually just several weeks ago in Monett, the CIO and their head of technology was there. And then what he explained to me is that they had gone in to Jack Henry Dev, him and his team, OK, and they had worked with our API documentation.

This is a big auto lender. So if you imagine disbursements for auto lending, OK, the very manual process inside the credit union, and they took our headless platform, all right, and they orchestrated a bunch of automation inside the credit union. And he walked me through that. Now there's a bunch of really great people at that credit union that can go do other things, OK, at that credit union to provide value. All right, they automated the entire stack and they're over the moon, OK, because they get a UI/UX, but they also get this headless automation.

All right, again, I'm going to make T-shirts to just say there's no AI required. Massive, massive efficiency gain inside the credit union.

So that's just one story of many that we're now seeing on the ground. So obviously this enables a faster pace of innovation. When I say this, I mean this in 2 dimensions. One is it enables Jack Henry to deliver faster innovation. OK, So all the things I'm building in this Fabric for Keith. Then the rest of the company goes faster, right?

The rest of our company gets to there, the pace of engineering and development and product development all is increasing, right. So we get a faster pace of innovation because we're building a platform, all right. But then our customers get a faster pace of innovation because they can build, OK, all right. And again, I'm going to say this 8000 times in this presentation, but without a major conversion, without a major conversion. This is why people are moving to the Jack Henry Platform, OK, what I call the Jack Henry full stack.

All right, OK. September 2024, how many of you remember September 2024 over at the Hyatt, I think is where we were. All right. Yeah. OK, in September 2024, I spent a lot of time trying to explain to you all what I call stuff below the water line, right? Engine room. Stuff like this is what we're building and how we're building it and why we literally had only 1 module running on this platform. All right? Now, we had done a lot of work here, a lot of work below the water line up to that point, a ton.

But here's everything we've built in the last two years. I'm just going to do this a couple of times. In case you missed it. This is like my favorite part of the presentation. We're just going to sit. Maybe we'll just do this for the rest of the time. Is that enough? All right, OK, now these are actually, there's actually more than this. I just wanted to decide to look nice, so I just left it at this. There's a bunch more, but not only that, all that's running on platform, both headless and with the UI. OK, isn’t that cool? Can we do it again? See. It's amazing.

All right, all right. And then those modules can be combined to build new kinds of products. So these are 6 examples of products that we have launched in our live with customers in some form. All right, a new general Ledger. Amazing. You'll get a chance to see this in a second. We talked about domestic wires two years ago, but we now have international, we're just now rolling out international wires. All right, exception item processing, you're going to get a demo of that in a second. Tokenized deposits and stablecoin, yes, Clarity Act just failed. I think that's kind of rippling its way through the markets. Hopefully you're short Bitcoin, I don't know anyway, but just a reminder, we do have the Genius Act, which is a great beginning for stablecoins, all right? But there still is a big fight over how those will be effectively quote un quote banks, right? Interest accrual and those kinds of things. But we have tokenized deposits and support for USCC and we're part of the open USD efforts. We have a full module that supports that today. We'll come back and explain that later.

We have built out a whole new ACH platform, early stages phase one deliverable. It's now live at customer sites. And then last but not least because we have a real core, a new one, we have deposit accounts. Couple of things about deposit accounts. Obviously our foundational course have amazing optionality for deposit accounts. They can, they can combinatorially they can put together all kinds of different types of deposit accounts and, and that's great. But what we focus on with the platform is building deposit accounts that a bank or credit union could not build themselves on their foundation accord. Does that make sense? So stuff like roundup checking, all right, stuff like that, things that they would have to go have a third party either build, do custom with us etcetera, etcetera, OK.

Also things like stablecoin can now be bundled and combined into a deposit style account, then offered say to a consumer or a business. OK, all right, so as you hopefully know, side cores often go to market and pitch customers to launch a new brand. OK, well, we are doing the same. We now have our first customer live on this platform running a new brand. All right.

And the way this works, remember we built this awesome digital platform. I'm a little biased, we'll talk a little bit more about that later. But Banno actually works natively on this platform, works against this new core system in this technology that we've built. And much like some of our competitors, our customers can build a separate go to market brand, but they get one awesome feature. It settles and clears and integrates to their foundational core. So they don't need a big team to run it. They can run it with their existing team, OK. They don't need new vendor due diligence because we're the vendor of choice. We're the primary vendor at the bank or the credit union, OK? They don't need a new security team. They don't need new anything. So it's way more efficient to run a new brand on Bano plus platform, OK, way more efficient like orders of magnitude efficient than any of our competitors.

All right. So anyway, I'm a little excited about this big shout out to hope credit union, who's an awesome partner. The brand that they're launching is a new type of brand to go bank the unbanked. Really amazing effort on their part.

OK, So just some numbers. We are now running active, active across 2 regions in GCP. The digital platform is now at 16,000,000 users. It's actually more than that. But who's counting? I am, I'm counting. I'm sure you are too.

And then we have 1,030 financial institutions. So that's running and really kind of burning in scaling this platform. So it's not like this platform is just like barely having a few users on it. We now have millions of users running through it. OK, all right. So it's not just that we're building, OK, and we're building a lot. You just saw what we built since we last saw you, right. We've also been building and developing partnerships and give our CEO Greg Adelson, the management team and Erica Pillon, you get a chance to meet her for a lot of work and help in these efforts. But we are working really hard.

And I want to, you know, we, we announced the Moov partnership and we'll go through that here in a bit, but Moov is now a primary partner on Platform. So everything we built with Moov is available actually here in our API docs in a headless way, OK. And I'm explaining why that matters here in a second.

But then we have Circle, which we've enabled for USDC, we've announced that we're part of USDC and USD and then Visa, MasterCard, big time partners for us for real time money movements and merchant acquiring etcetera.

All right. So as these partners come on platform, what we do here is the same thing we're doing with our cores is we integrate, deeply integrate to these partners, OK, All right. So literally somebody can come along and put an agent on the system and do exactly what we do and tap the local against what we built for a move. Does that make sense to everyone?

All right. So we're both headless and we have products. What this does is it enables all kinds of new ideas from our customers and enables us to then build new products that our customers can buy from us, things like tap to local etcetera. That also enables new add on sales for existing products. And I have a few examples for you.

OK, Treasury, just a couple quick notes about Treasury. I'll go into a little bit more detail about this later, but I think we're now at the point where we can say this. We have one of the premier Treasury products in the United States. We have customers going into places like New York City and competing directly with JP Morgan Chase and the bigs on Treasury. Fun fact, I think Greg has said this publicly in earnings calls, but we are now winning core deals simply because of our treasury platform.

All right. It is such a compelling product for them to go build big deposit bases, OK, and go compete. So we're very competitive, but what we've got here is we've got a bank that actually is going to New York City, closing 6700 new accounts per month up against the big banks and they're winning and it's awesome. They're growing like a weed adding literally, I'm not, I'm not exaggerating, billions of deposits in months, OK with our Treasury product, super cool.

But in order to compete, they needed access to stablecoin rails, all right, they need access to stablecoin. So they are now piloting this in lower environments. So this is a little bit of engine room or below the waterline. But I wanted to explain this. I've seen questions coming in about regulatory etcetera. There's two things to understand about regulatory duress in our world. One is we don't get to talk to regulators at the bank or credit union. Everybody got that. We don't get to talk to them. And the credit union and the bank don't get to talk to our regulators that regulate us. If Ben could fix one thing in Washington DC, Ben would fix that because it'd be really nice if we could get a check mark.

OK, that was good to go for a regulator at a bank or a credit union, but they can't see the regulatory duress that we have. OK, by the way, I'm a big believer in the United States regulatory system. I'm a big believer, OK, like it's great. It's hard, but it's great. So anyway, why is this important? Why does this matter at all? Well, we provide lower environments for the platform. So our customers get a chance to take something like stablecoin, run it in lower environments, non production and bring their regulators in to look at it.

And you'll get a sense to see, you get a chance to see some of our regulatory functionality in the platform itself because the regulator can actually come in and audit the entire thing themselves. All right, super cool. And this allows them to get comfortable, educate their regulators, do their due diligence on us, which we're already a primary vendor. Again, this is a huge efficiency gain. It's easier for them to come to us to license this technology than it is for them to go outside and take on new due diligence efforts. Does that make sense? OK, huge efficiency gain for them. So that's Treasury.

I want to talk about Victor FI. Greg mentioned it and talked about at length. We love this acquisition and we're in the process of moving Victor, we call it now Jack Henry Payment Orchestrator, Orchestrator onto the platform. Now let me give you a future intuition about why this matters. This has already come up in deals that we have for Victor. So in combination with what we've done with Moov and our card network partners, Visa, MasterCard, right, we can now offer Visa Direct and MasterCard send natively to customers via Victor. That makes sense. Do you understand the strategy now? Why would we buy Victor? Well, we can bring that in. Also cool thing, Victor has some functionality that the platform doesn't have and we'll be utilizing that. OK, super awesome. Basically sub accounting. OK, and this gives us a combinatorial effect of what I call 1 + 1 + 1 = 10.

All right, so again over here on the left, what you see is some of the modules on the platform that we're using out-of-the-box to enable some of this functionality. All right, cool. I want to just call out Graph. All right, I've not talked in public about Graph at all and it's important to probably start talking about it. This is what I call below the water line technology, but it's actually way simpler than you think.

This is just entitlements, rights and permissions, entitlements, rights and permissions. If you and I are running a business together and we have to entitle a bunch of people to go do stuff on our behalf like initiate a wire, OK, and then say you and I approve it, all those kinds of things. That is what the industry refers to as entitlements. What we realized because we had built a large digital platform and we're the only core processor that's built one inside the core, inside a core company, we realized that we needed to build a substrate that worked for both the bank and the consumer, right? And that's because traditionally this gets super boring. So I won't bore you, but traditionally rise entitlements and permissions have been split between core systems and digital systems. This is a huge inefficiency for their customer, massive. There's not a single customer that you can go talk to, if you ask them about this, about entitlements in their digital system versus entitlements on their core, they will all go, oh, it's horrible.

OK, so we saw a chance to go solve this. In addition, we already had an identity platform that we had built for Banno. We've now overall that identity platform that is now getting rolled out to all of our customers. So everybody gets Jack Henry ID. And the other thing to understand about Graph and our identity platform is that it is a big part of the middleware that we're building for outside the base. So this is a multi year build as we're targeting getting outside, getting Banno and treasury outside the base, which Greg has talked about enough in public.

OK, so fine grain permissions, we actually built this design, we call it fine grain permissions at every level. Hi, what do you need for AI agents? You need fine grain permissions at every level. OK, all right, so let me explain. My simple way of explaining this is I've always said when we built Data Hub, so everything Keith is doing on the data side is being built on top of Data Hub. We built that. We talked about that in 2024. If we didn't have, if we hadn't built data hub, Keith would be two years behind on his efforts. OK, so I always say like no data, no AI, no identity, no fine grained permissions, no AI agents. All right, well, we had we built one of these things already.

Now let me give you a quick intuition for this. If you have an AI agent, OK, on the consumer side, that's doing something and then back to you and I running a business and let's say we enable business agents to help us do our work. OK, that identity of that agent is going to be linked to you and I right as business owners. And if that agent does something, OK, who's responsible? You, me, right. That's how the regulators will see it. We already have prize for this.

This is not that complicated because we have had workflow for how long? Like 2 decades. OK, So how does that work? The identity of the person who built and designed the workflow, right. OK, when the regulator comes and looks at a workflow automation inside the bank, they're going to be like, hey, yo, who built this? OK, there's an identity of somebody who did it. Then they're going to be like, well, OK, how did it run? Because that's the automation and then OK, who's running it? Who is the human in the loop that did the final approval? All right, that's co-linked agent identity with human identity and who's responsible.

Fun fact is real, this real story, doing my one-on-one with Greg, right? Driving back from Chicago with my wife in my self-driving car. I'm not paying attention. I have it in Max mode. Don't judge me, have it in Max mode. Just talking to Greg and drinking coffee. I'm not kidding. I'm just drinking coffee in my self-driving car. My wife's in the passenger seat. I get pulled over. Who's getting a ticket? It ain't a car, OK? It's not the self-driving system. I get the ticket, right?

I had to tell Greg. Well, I got pulled over. He's like were you speeding. I'm like, oh yeah, definitely speeding. And I was really fortunate that the police officer came up to the passenger side and talked to my wife first because I would have got a ticket. For sure. Anyway, didn't get a ticket, got a warning. Gentleman was really nice to my wife. I think it was just me. I get a ticket. Anyway, you get the point. No identity, no fine grained permissions, no agents. We are in full rollout for both graph and Jack Henry identity.

All right, OK, we're going to keep moving here. Tap2Local. Again, just an example of Tap2Local is leveraging our platform. Obviously move being a partner here, ledgering exceptions, orchestration and our entitlements permissions layer, OK, but it gets it's going to get more interesting for you all as investors because we're going to go do more high grade partnerships.

We have two more. We wanted to announce them here, but we're just not quite ready. We got some more Is to dot and Ts to cross, two more amazing partnerships coming. We will announce those at Connect that will enable even more new products again with a combination of things we build things we buy and then these partnerships, really high grade partnerships.

But I want to make sure I explain this. When we bring these partners in, we will build all the hard heavy lifting work to integrate them to the platform. That's what makes them valuable. Remember back to my opening slide, the value is going to accrue to people who integrate the stack, OK? Value accrues to people who integrate the stack. Value accrues to people who integrate the stack. And that over time, we're going to keep doing this and we're not going to stop. Also, this isn't fancy work. This is hard work. This is what I call dirt shovel ditch, sweat equity work, right? And it's like it requires analysts, cries Julie Morlan’s whole team. It requires people who really understand how systems work, partners working in the trenches with us.

OK. And then my engineering team who is super AI pill and has software factories and just print and code. All right, OK. Basically then I already said this, but to repeat it, this is going to allow us to build a whole new suite of products, OK? So this should get really fun for you all over the next couple of years because we're done with the below the waterline. So now the products are coming. Now the revenue is going to start to flow because customers then can purchase these as add-ons.

I know you guys don't care about this slide. You can ask me about it later if you actually do. All right, we're in the early stages of rollout. Like I said, all of the primary component parts that you need for a true core processor are complete. I would argue that again, again, there's no shade of competitors. I would argue that almost all the competitors don't actually have a complete core system. They don't. We do all right. And like I said, running active, active on the public cloud and it shifts with integration to our existing foundational cores.

And we got to do a demo. How many of you all want to see the software? OK, let's go. OK, real quick side note, if you care, this is our design system. So Greg talked about it, but it is open source and it's on the Internet. We actually don't think this is, we actually think having this open source is amazing. You know, Keith talked about the acceleration of development, having a design system, literally anybody on my team can connect the design system, log code and generate like 13 prototypes, send it to a customer, get the feedback. So the pace of iteration just works like crazy.

So this is open source. Our customers can use it, our partners can use it, but that's effectively how we get the UI we have. And now you're looking at the UI.

OK, so this is the Platform. I'm going to just kind of give you a quick two or through a number of things. I'm going to start in the most boring part, and that's because I was fielding some questions in and around regulatory, but I thought, I never really actually ever talk about this or show this.

But I'm going to do this really quickly because we actually built this first because my team has seen and felt a lot of regulatory duress and I've spent a good part of my life under regulatory duress, as has most of my team.

We're going to actually move this to audit and I'll hit this really quick. So you can see this. We actually built this first, but there's a thing underneath the hood that you can't see. So this is our entire audit trail for the entire platform. OK. But there's a special thing that we did that we actually can put controls in the platform and then this is actually the work surface that the the regulator can use to audit. So what you just saw here's here's basically what happens in a regulatory exam. They look at a control, it says you do XY or Z and then they say, OK, we want to see if you do XY or Z for this. Say three months, all right, then they will pull that up and they will audit you, thus an audit log or audit trail.

All right, and I'm just giving you a quick look at what this looks like. What we wanted is that for the regulator to actually for our ability to hand this to a regulator and they can actually pull it up on an iPad and audit and regulate the system. OK, live on the platform. OK, this is all real time. That's the most boring part.

All right, OK, we'll talk about Wires. This is our wires platform. Also, if you like dark mode, you know, pretty cool, we got dark mode. OK, if you're tired of staring at a bright screen, you might think like, oh, Ben, that's not that. Like every this is actually a big deal for people that are working on a computer screen all day, especially processing wires, etcetera. I'm going to go back to light mode just because it's a little easier to see.

All right, OK, so this is wires. Now we're multi tenant SAS obviously, but we also are multi institution for a single tenant. What that supports is people that run multiple charters. We have a bunch of them, OK? They're known as holding companies. OK, often we have a bunch of those. So I'm actually just going to switch to a different tenant. This is how easy it is, just switch to a different tenant. All right, so I'm in a completely different tenant and you can see in this tenant I have international wires enabled. So international wires is here.

OK. All right. We're going to switch back to the other one, which is Garden and we're going to continue our little tour. All right, we're going to hit ACH really quick. We just launched ACH. You know, it's been a long time since somebody built a new ACH warehousing platform. You should check that out in the market - who's building these kinds of things? Almost no one. This is now an additional module on the platform.

Let's jump in to General Ledger. So this is our GL. We built Data Hub in the early days below the waterline because we knew we needed something for all of these modules. And that was a built in reporting system. All right, I'm going to just hit reports for GL, which is a huge part, part of any General Ledger product. And these are just examples of dashboards that customers can build out on their own. And this is using a platform we call Jack Henry Insights. All right? It's a built in reporting platform that's in every single module. All right, the customer actually buys this from us and pays for it.

OK, so that's the General Ledger. We're going to jump into exception item processing, one of the most boring parts of the bank. All right, and give you a taste of what we're doing with AI. So I had this pre loaded just so you know, sorted. So I had a particular item that I could work with. So in this particular exception, if I'm working this desk, I'm reading this thing like what is going on? I've got some notes and I got this AI assistant that has given me some info on this. And if I look at this, if I look at the details, OK, it's saying, hey, suggestion is move this to checking. And I just want you to notice that we've actually highlighted the fact that this is marked savings and it need to be, it needs to be marked checking. OK, You can see that little AI note there. We'll mark this as checking and then you can see that oh, OK, that's what the AI suggested. All right, and now we can approve it. These AI assistants are going to be all over the platform for every single work queue.

Let me give you the quick intuition for this. If I'm a person running this on this desk, let's go back to you and me running a business and let's just say we've been at the bank for eight years. We have a payroll file come through ACH and it NSF ends up here, but we've never had a late payment in our life. What do you think one of our banks or credit unions is going to do? They're going to put that through and give you a phone call, right? Well, that is institutional knowledge that's just not captured in existing systems today. So we capture that and we will present that as the next best option. Again, human in the loop.

All right, so that's exception item processing. Let's jump into digital assets again. We have support for Circle and USDC. Over time, we'll have support for open USD as that comes to full mature fruition and we can start building against that platform. In addition, we're doing tokenized deposits, but I want to give you a quick preview to that. We also have smart contracts on the platform. How many of you know how smart contracts work? Smart contracts are literally the opposite of LLMs, OK? They're 1000% deterministic. Don't you think that banking needs a deterministic layer of automation? Yeah, smart contracts, it's amazing already in the platform.

All right, we'll announce some more stuff when we're at Connect, but that's part of the platform that is being utilized today to pilot things like stable coins, etcetera.

OK, I'm, I'm trying to slow myself down as I get rolling. OK, we're going to we're going to jump over and just show you Insights really quickly. So remember back over here under

General Ledger, we had this reporting system, this reporting system, the underlying technology we call JH Insights and that is a first class citizen, first class primitive on our platform.

All right, and I'm going to jump into our help desk conversation platform. What this is, is we have this thing called Banno Conversations. You guys have probably seen it over the years. It's a lot, a big reason why people buy Banno. It's a built in help desk that allows them to do digital self-service in a really high grade way. So this is just a dashboard built against that data. And we're solving like a really interesting kind of boring problem inside the credit union or the bank. You saw Keith's presentation, he's building this awesome analytics data platform. But one of these we find inside a bank or a credit union is they have a good data team a lot of times, or they have a data warehousing product with a team working on that. But then there's like somebody, John Doe at a desk who needs a report and he's literally asking them to build a report. Well, that report could just be built with natural language and easily generated right on the platform.

So we built this out. This is what we call insights. So I'm going to just jump into this particular one and you can see and maybe like my boss hit me up and was like, hey, I want to see an 8 month view of this and I'm looking at this thing. I only got 3 months, six months, 12. I don't see eight. OK, can I see eight months? All right, so we have a little AI assistant down here. We've got these all over the place in the platform. And so this is going to repaint and give me 8 months. I'm going to say, hey, how about 18 months now?

Could I hit enter? Could I come up here and muck with this report builder and, and build all that out? Short answer is yes, I can for sure. Let me give that a thumbs up. We don't need to give you the feedback now. All right, we'll run this for 18 months. But what we're doing is we're giving a normal person who doesn't understand how the data works, they don't understand anything. They can very quickly generate a report. All right, and a dashboard. Their boss asked them for something, they can go get that. And then like in this particular case, if I'm running the help desk, say for the bank or the credit union, I can just put this on my iPad and roll into a presentation, plug it in and I can go through my dashboard.

All right. OK. So that's Jack Henry Insights.

You got one more thing before we switch gears. I'm going to switch over. So what you've been looking at is really the banking side of the platform. Now I'm going to show you the credit union side and I'm going to show you the integration. So now we've switched gears. Now we're in a credit union. Now you might say, well, Ben, that isn't a real live use case. We actually have, Shanon, helped me find customers, 12 that run both Silverlake and Symitar, one financial institution.

We have a phenomenon in which credit unions are buying banks, OK, we now can run this platform across both of them. You just saw me do it with one click. OK, but I'm going to jump into Symitar. Well, what's Symitar doing here? Well, when I said we had real integration, I wasn't kidding because what I'm doing now is pulling a member up that is on Symitar. All right, so we're actually completely overhauling our user interface for Symitar. And this is going out to customers. So I can like, like all this information is on Symitar.

So when I say we're doing deep integration to our existing foundational core systems, I'm not kidding. Not only can I see Meg's data, by the way, Meg's awesome. She leads our sales engineering team in the CTO office. She works with me. It's really great. But not only can I see all of Meg's information, I can also take actions, OK, I can take actions. I can move money, I can put stops in. I can loan recast, I can pay a loan. I can manage cars. I can edit a member, OK. And there's a bunch more functionality coming, all right, for our customers.

OK, so that's the tour. Just doing a quick time check. I'm actually doing pretty good for once, Greg, doing good. All right.

OK, so that's the demo of the platform. What do you think? Good.

Yeah, yeah, yeah. None of that existed 2 years ago. Like none of it.

All right, OK, so in 2018, we're going to switch gears and talk about Banno and Treasury and Tap2Local. So in 2018, we began building the Banno digital platform inside Jack Henry. I'm going to come back and explain this. I realize this is just something we haven't explained a lot in public. So really wanted to make sure our investors understood this part.

In 2019, right before the pandemic, Greg came to me and he said, hey, since you own Banno, I'd really like you to take on a Treasury product. There was a fledgling project inside the company to build a new Treasury product. So we had the good fortune and privilege of taking that product on in 2019 and begin working in earnest. This is part of the story.

I wanted to make sure you guys understood this is just a quick cross section of the top digital competitors in our market. OK, you can see the names. I think all of these names should be familiar to you. These are great platforms. Nothing negative to say about them. And also they're partners of ours, OK? They're actually real partners of ours. They actually resell a lot of our products.

But what I wanted to articulate is that all of their founding dates are before Banno. Banno is the newest platform that's been built and it has the unique class that it was built inside a core company. All right. I always wondered when I was just a fintech hacking code with Wade in Iowa, I always wondered like what would happen if somebody really built one of these things inside a core processor. And that's what we did in 2018, the management team came to me and asked me what it would take to rebuild Banner from scratch inside the company with our core systems as the primary target. And we did that.

And that then got us to where we are today with 1030 financial institutions. We are, I believe the largest platform by financial institution count, not user count, OK, but by financial institution count, OK, pretty awesome. And like I said about 16,000,000 users, OK, I don't think there's any debate about this. Banno's best in class on retail and what we've been up to for the last four or five years is building out the business side of this OK, which is always the hardest build. If you go talk to any of these folks that are on the screen, they will all tell you this. And if you were closely following folks like you know, Q2 or Alchemy, they'll tell you how long it took them OK, to build out the treasury functionality and the entire business functionality. And kudos to them. They've got great platforms. There's no shade here.

I just wanted to give you a kind of a reset of like where Banno is in its sort of life cycle and innovation. So that gets us to 2024 where we announced plans to build Tap2Local. And so that was me and Wade talking to you all right over at the Hyatt, explain what we're going to do. We hadn't started yet. It was just we had kind of inked our deal, right, Wade, but really what that gives us today. So I'm just previewing what I'm about to go through with you.

What that gave us is a rounding out of our business strategy. So we have treasury which I just talked about, amazing product. Our customers have a huge success with this. We have Banno business which is in massive rollout right now with the operational team, OK.And then we added micro and small, OK, a couple of things. Banno Business is for small to mid sized treasuries for large commercial.

Now these all these products have overlap and they also have features that each one can use. And I'm going to explain this here in a minute. Features that we build on Tap2Local Banno Business customers want and Treasury customers want.

All right, so this is an ecosystem now, OK, so don't just think, oh, it's just Tap2Local. No, it's like this is a platform ecosystem play. So we can service now somebody who is running an LLC on a retail account going to the farmers market, maybe selling raw milk in Indiana. I go buy that stuff right next to my house. Super cool. You should try it. It's good for you. All right, you don't have to, though. It's kind of weird. And Indiana's fun fact, it says for cats and dogs only because that's what you have to put on the label to sell it. I buy it. You should try it.

OK. Anyway, so farmers markets, all that kind of stuff. And then like service businesses are notoriously underserved. So landscape companies etcetera, etcetera are notoriously underserved by our customers because they can't scale this right. And then these mid sized businesses are people with employees, OK, maybe they got a crew, maybe they have some management team help, maybe they get some third party finance help.

And this line, I kind of refer to this, and this is a hazy line because it can depend, but this is the line where in which a business needs a CFO, roughly speaking. And what we have our customers is our customers are doing an amazing job at this.

Actually, I'll just brag on Alpine Bank. So Alpine Bank, awesome customer, full stack Jack Henry customer, they spent two years breaking down their entire segmentation across these products and this is how they're going to market. All right, OK. Everyone knows that small business is a huge opportunity. The underpinning data for small business being an opportunity is this. So this is the this is just a quick graph of the number of new businesses open in the USI just kind of demarcated 2020 because of what happened here. And this is only going to grow, especially with AI.

So back in 2024, this is actually 2023, I think, I don't have a date on here, but me and Wade were dreaming this whole thing up like, hey, how do we go help our customers compete? We talked about that at Investor Day in September. So this is just for fun. This is me. And so after we left Investor Day in September, we had a lot of work to do. It wasn't just the tech build out. We had to go get deals done with Visa and MasterCard. OK, our awesome friends of the card networks. And this is me and Greg and Wade actually coming back from the MasterCard trip where we just met with MasterCard executives, New York City and this is my home little airport.

All right, late at night, we got picture. So anyway, but this was us getting to work on the deal side of what we did. And I just want to give a huge shout out to our card partners, Visa and MasterCard. Absolutely amazing partnership. I really appreciate them because they sat down and listened to me, Greg and Wade explain what we wanted to do. Kind of a lot of the ecosystem I just explained to you, I did it maybe in a shorter time with less detail. OK, explain what we were doing and why they loved it. Both, both card brands, they loved it.

And then in the meantime, what we did, one of the things that Visa, MasterCard, some wonderful people came to us and they said, hey, you really should do real time money movement on the debit rails. What they didn't know is that me and Wade had already been thinking about that. Wait a minute, we're always thinking about stuff, right? So what we did in parallel, as we started working on chapter local, we built out Rapid Transfers.

What is Rapid Transfers? It's pretty simple. This is just a quick demo. If you have two debit cards in your wallet, you can move money from one to the other. That's how it works, OK? Every big bank has this feature. Fintech has this feature. And this is just the example of it working on our platform, OK. But I want you to remember this because this was a foundational build for us. We just didn't tell you, tell anybody what we were doing.

So this gets to one of our announcements that's coming, all right. But Wade and I always wanted to do what you smart people in the room would figure out what's coming next, what comes after this, right? What do you want to do once you have this? Well, anyway, we'll talk about that later.

But fun fact, what we realized as we built this out with Visa, MasterCard as our partners move as our enabling partner on the merchant acquiring side, All right, is it not a single community financial institution in the US has this feature? Super weird, all right, big banks do, fintechs do. So our customers are super excited.

Then we hit Tap2Local. OK, this is our brand for Tap2Local. But remember, this is delivered through the financial institutions brand inside Banno. You're going to get a full demo here in a second. But we saw a gap in the market on the phone, inside the mobile banking or online banking experience that nobody had done. Nobody had done what we, what we proposed to do to you all, to your do, what we proposed to you all two years ago to do. Also, there was a gap where some people had done like iPhone stuff, but they hadn't done Android. How many Android users in the room? Yeah, we can't leave Android users behind. Yeah. Yeah, I know. Right over there.

All right. By the way, me and Wade have always been iPhone, Android. iPhone, Android. All right? I don't know what that says about our personalities, but you can decide. This is me bragging on everybody.

OK, fun fact, we didn't tell you this, but me and Wade had been in a lot of rooms talking to a lot of people. And everyone, I mean, everyone told us that this would take two years. OK. And me and Wade are like, no, we can do it. We can do it. Well, it takes 2 years, 28 plus certifications on 4 card networks and Google and Apple. And by the way, you have to nail those certifications on all the card networks to get Apple to even consider or Google to even consider. All right, this is a massive build.

Also, fun fact, we learned along the way, Wade, nobody had done this in the United States. You might say, well, this technology exists in the United States. You would name me the brand. Yes, they had grandfathered in from other countries where they certified in other places. Makes sense. So nobody had done it here. So we had huge walls to get through. I want to give a big shout out to MasterCard and Visa, American Express and Discover. All those teams are awesome. So massive shout out to the Moov team. I've never seen such amazing work on their side. And then huge shout out of the Jack Henry team. This was like all hands on deck. We're basically working as one team with card brands and we nailed 28 certifications in seven months.

All right, OK, I might be a little too braggadocious about that, but we did it and we in the meantime we built all these features and shipped them, OK. So these are all the features. I think we talked a lot about what we were going to do last time we saw you because we had open banking, we could do some cool stuff with QuickBooks. So we get automatic flow of data into QuickBooks, etcetera. All these features were enabled on day one, but the initial payment experience was very minimal. OK, very minimal. We knew that and we knew we had a lot to run down.

So here's a timeline. You can see I'm a fan of timelines. Moov partnership gets signed in September 2024, all right? And we announced it here at Investor Day. Like I said, me and Greg and Wade went to work. All right, got the Visa MasterCard deal done. Now the way that is specifically between us and Visa MasterCard, right? And then the build began in earnest from January. So January 2025 to August is when we landed all the certifications and the build was done. So not only did we land the certifications, the initial build was done, OK. And oh, by the way, we filed a couple of patents, maybe one or two patents along the way. We don't have time to talk about that today you can ask me in private after the after this presentation.

And then we hit Connect. And last year at Connect in San Diego, I live demoed from an actual bank, live in production, Tap2Local working from the stage. All right, people think I was courageous to do such a thing, but it's the same place they hold Comic Con, they announce all like all that Wi-Fi works great there. All right, so I wasn't scared. I'd done it before anyway, live demo presentation in San Diego with live customers.

Now the other thing I wanted to explain, make sure we explain is from here, we had to do a waved rollout in Banno by waves. We had to start with say 10 customers, expand to another wave of 80 and then 100, etcetera. We actually did 10 waves of rollout. It's not like you can just turn this on and push it all the way through to our customers, OK? So we did this in waves.

We also want to make sure we did our best to communicate to customers what we were doing, etcetera. So between October 2025 and May 2026, we finished the rollout. So literally we just finished this rollout in May. And since May, we've shipped a bunch of features. All right, so just since May, AI powered product catalog, shopping cart, customer file invoicing payouts actually land this month. So I went ahead and put it on the screen and then we just finished remote deposit capture for small business, right? So now in Tap2Local, you can accept card, right? You can send an invoice, OK, and then you can also accept checks. So this is a huge deal for folks to come to your house, right? Service businesses and service industries.

OK, just a couple things about payouts. So this is the payout feature basically super simply this is businesses can send payouts to vendors or contractors without collecting their payments information. This is basically the same functionality as Rapid Transfers, but for business. Makes sense. But remember what I said about we're building a platform here, OK? Our Treasury customers want this feature, OK, this will be native and Tap2Local, OK, businesses love this feature, but that entire spectrum of businesses will actually use this on the tab to local side.

We built out product catalog. We have an AI assisted image generation. A lot of our businesses don't have the time to go get photography done and all that kind of stuff. So we'll and we'll give you a quick demo of that. And then invoicing. Invoicing is a huge building block for us because as we can, as we kind of, I'll give you a bit of a forward-looking look at what we're doing on the product side. It's really important to build this small business flywheel that we get to access to capital, no access to capital gets the deposit flywheel going and invoicing is going to be a big part of that. You're smart, so you can figure some of that out.

OK, so you guys want to see a demo?

All right, this is by the way, this is for real. This isn't no, this isn't no joke. This is my account. So we'll kill that. This is my account. At IncredibleBank. All right, I have a business. I just want to I just want to call something out here. Everything you kind of see here is now I'm like wondering about the Internet and just like this, wouldn't you believe it? Just my luck. All right, there we go. OK, now we're cooking.

OK, so a couple things I want to just start with. First of all, if you're running a business to in today's world and you have like Square or some other merchant inquiring provider, you do not have this experience because here's my operating account at the bank. OK, so, and when I take payments, the payments are actually going to come into the Moov system. And this is my merchant account at Moov. And look, I took a payment earlier today, all right? And that's pending that 39.79 is going to come into my operating account, right? But I can see that right inside my app.

This is incredible. This has never been done.

OK, so that's my merchant account and this is Tap2Local. All right, so we're going to give you a quick tour of this and I am just going to get out of here quick, OK? All right, so first of all, the merchant experience, I can go accept a payment. I can do a really fast payment. Like if I just want to take 12 bucks from Greg Adelson, which I'd love to do, by the way, I can just do that, OK? And then I can take his card right here, OK? Super quick.

So this is like our quick action, but we have invoicing. I had sent an invoice to Greg earlier. I don't know why he hasn't paid it. He owes me 30 bucks. All right. And then we have payment links. A fun thing we've discovered about payment links is that we have a bunch of solar companies on this thing now. Average transaction size, like seventeen, $17,000 for payment links, super cool.

So service businesses, etcetera. That's payment links.

And then we've got our product catalog. I'm going to build a new product for you really quickly here in a second. And then we have a customer file, which my only customer right now is Greg. It's ironic because Greg doesn't drink coffee and I'm selling coffee. I should be selling Diet Coke is what I should be doing anyway. Or bourbon should be selling bourbon is what I should be doing anyway.

OK, so I'm just going to show you some fun features in our product catalog. We're going to add 1. Notice we don't have a Breve latte. How many of you like breve lattes? Come on, half and half cream. I like my breve lattes with cream. OK, anyway, breve latte, it's a good way to get fat. All right, OK, Breve latte. We'll just say this is a 12 ounce.

All right. And this is where, hey, I can choose from a library, I can browse files, all that stuff. But we've got a nice little AI feature in here. We're going to just generate the image because I don't have time for this. If Greg's a customer of mine at the coffee cart at the farmers market, I just can quickly generate the thing I need to get for him. All right, and then I'm done and I need oh, I need to give it a price. So it's going to cost Greg 3.95. All right, we'll just do 3.95. We'll get done create that product now we've added to our product catalog. So now what I can do, and I just need to grab my card because we're going to do this live. Like I said, this is for real. We're going to actually take a real payment.

So I'm going to accept the payment and I'm going to just do Americano Breve, latte Cortado and maybe some coffee beans. All right, and this is our shopping cart. If I want to add some more coffee beans, I can do that. And that gets us to 39.79.

All right, And now this is our check out. This was the experience that Wade and I were driving through. We don't think this experience really kind of exists anywhere like QR code. OK, get paid with tap to pay. So card, present card, present payment link, or QR code.

And then I can send an invoice as well. OK, so this is where the magic of invoicing comes in and this beautiful slide up checkout experience. OK, but we're going to just do a tap to pay. Whoops. All right, we're going to do tap. Oh come on, we know I've only done this 30,000 times. I think he just wants to mess with me. OK. Do you have to pay? We just accepted a payment live. I can e-mail a receipt and we're done and out of here.

So obviously we have the ability to manage disputes. We talked about that actually, nobody's kind of built that, but it's kind of a boring part. We have built in dispute management, etcetera. So now what's next? I think that's at least part of the reason why you guys are here, and this is going to get pretty exciting.

The thing I want to tell you about the two announcements we have is that these ideas were originally in the pitch deck that me and Wade had kind of crafted to pitch Greg when we first pitched it to him. So we had contemplated this quite early on. But as with anything, you have to really build and scaffold this up. We have some things on the platform that weren't quite ready yet. We had a few other things we needed to do. We needed Greg's help on a number of things. And also Greg is a big fan of like crawl one walk, OK, execute, execute, execute.

So what we're going to announce today and this will be a full roll out in Connect. And I want to just say two things about a couple things about both of these things. These are built, they're effectively dev complete. So I'm not we don't have demos for you because we want to save the demos for Connect.

All right, I'll be back to my usual business of doing live demos on stage at our 50th anniversary. But this next thing might seem a little boring to you, but it is a really big deal and that is expense management. So we're bringing expense management and virtual card issuance into the platform now.

Question, Quiz time. Is this a Tap2Local feature, a Banno business feature or a Treasury feature? Yeah, that's right. Cool. Right. OK.

I think if you're smart and you're in the space, which I think all of you are, you know about fintech competition, i.e., Ramp etcetera, right. This is effectively allowing our customers to go build A and deliver a Ramp style competitor for expense management out-of-the-box. You'll get instant virtual cards, granular spend controls, MCC restrictions, time of day limits, single use if you want them.

OK, so back to us running a business. We got five people that need to do purchases for us or they're on the road or whatnot. We can actually give them granular spend controls. It's really an amazing thing. In addition, automated receipt capture, super cool technology. Some AI enablement there. Vendor card payments, OK, reloadable cards specifically locked to a vendor. So in my case, say I've got somebody works for me that orders coffee beans, we can just lock that into that particular vendor or provider, All right? And then real time visibility and ERP integration.

Again, all of these things will run across our entire business platform. And then this is kind of what it looks like in the app. All right, super cool. Employees request a car track and manage to spend and then they can capture their receipts. Beautiful system. Again, we're pretty close to dev complete and then we'll be demonstrating this and showing this at Jack Henry Connect.

All right, super cool. And again, like we served the whole business spectrum. I just put this in here as a reminder, just in case I forgot. We have one more thing. This is actually a long time dream, right? Right.

Like long time, I think back when we were initially building stuff in Iowa, I remember us being super bummed when Cash App hit because we wanted to build something like this. All right. And we always, there's a dream to always do this. And actually back in, in that picture of us drinking a little too much tequila and talking about these ideas, we actually pondered this and we were trying to figure this out.

Before I go into this, I really want to give Wade a ton of credit because this is, I don't know, two years of work on your part, an insane amount of meetings, coast to coast to coast to coast. It's difficult to give you the detail here, but for time constraints. But there was a window in the market that was going to enable somebody to go do this again. OK, it's been done before, but there's a window in the market. And then there's always like these market windows and then there's these technology windows. That's one of the ways I like to think as an entrepreneur, like you have these technology windows that happen and then you have these market windows. And when those intersect, you get unique opportunities and usually entrepreneurs just close those these days, they just get closed OK, really quickly. So shout out to Wade and the Moov team for getting us there.

And by the way, this technology is complete and ready to go and ready to embed. All right. So I'm sure you guys can kind of figure out what we're doing. We're excited to share with you today peer-to-peer money movement. All right, so this is a new kind of network. This is peer-to-peer payments built for fraud prevention, First Power by Moov and our amazing partners at MasterCard and Visa in partnership with Jack Henry.

All right, and I'm just going to give you a quick tour of this to help you understand. How many of you have said to somebody, are you, do you have Venmo or Cash App? How many of you said that? Or do you have Zelle, how many of you said that? This is, there is no in network and out of network because that is a in network or out of network question. Yeah, this system is.

Do you have a debit card, Andrew? Oh, you do. Cool. Well, this will work. All right. So turns out 90% of US consumers have debit cards. Again, I cannot give Visa MasterCard a big enough shout out here, and I cannot give Moov a big enough shout out for doing this. But this is a pretty big effort. And lift native support for senders and recipients with multiple financial relationships. This kind of is referencing the technological window, universal support for pass keys and other kinds of fraud prevention that just wasn't available when those network oriented apps were built before like Venmo, Cash App and Zelle as an example.

All right, we can talk. There's going to be a million questions about security. I'm not here to talk about security, but we have an amazing security first story. Actually, I think this will end up being a much more secure network than any network that's been built. I'm just going to walk you through the experience so you can see this. Just remember this is going to be embedded in Banno. And there's another really cool thing here. Remember how we work at Jack Henry.

So the Jack Henry partnership side is we're going to be embedding this in for our Banno customers and making it available for other customers, not on Banno, right? But what the financial institution will be able to do is brand this to their brands, so they get the brand equity for the peer-to-peer money movement. Makes sense?

Much like Tap2Local can be branded to their brand, much like Banno can be branded to their brand. Again, we want to give brand leverage to the financial institution brand, OK? Of course, it'll be powered by Moov like we have in a lot of our screens, but this is basically the UX, OK? This is how it would work inside Banno. This is a sender experience. Like if I need to send you money, Andrew, I can just say, hey, you would have to be in my contacts, of course, and I can just find you in my contacts and send this to you. All right, you're going to get an SMS message. All right, now, there's some things we're doing here.

I don't have time to talk about it, but you can actually do this over secure SMS and we're working hard on that with some partners. So again, there's a whole verify loop that we have here. But again, Andrew, you're going to get a quick message up on your screen. OK, Arlene sent you $40.00 for lunch. All right? And then this is the flow you're going to go through, and then you're literally going to be able to. And if you want, you can use Apple Pay on your phone, right? And then you can just transfer the money using the debit card rails.

Pretty simple, huh? Pretty cool. Lots of cool stuff to talk about. We'll explain a lot more at Connect as we kind of roll this out. But it's going to be, I think a pretty magical new network enrolled once paid anywhere again powered by Visa and MasterCard and our amazing partners with Moov.

What's next?

Initial launch at Connect. All right, so we'll be talking about this working hard with our card partners on cross-border payments So we have non stablecoin options here and then coming soon after that because that's a retail experience that you just saw kind of like Rapid Transfers.

So Rapid Transfers was the foundation for peer-to-peer and hopefully you all put that together. All right. And much like Rapid Transfers, we're going to have a business version of this coming sometime in 2027.

So and that is my time. Just as a quick wrap up, platform companies win in the AI era. I think everyone agrees on this. We are AI ready and fluent. We offer out-of-the-box integration to our customers. That's the heavy lift, that's the most expensive lift.

We are shipping faster, I think than anybody in industry. We have best in class business platform on its way and we're blockchain ready. So thank you so much. Appreciate it.

And Mimi is next up.

Mimi Carsley

OK, Welcome, everyone. Thank you for joining. OK, so I'm just told if I hit the green button. Thank you. OK, so while it's hard to follow Greg, Keith and Ben, I do get the last word today. So for finance, that means telling you how it all adds up.

What does this mean? So what I wanted to do is something a little different rather than kind of build anticipation. I want to start with the conclusion and then because transparency is one of our four key tenants that we talked about earlier. So that should apply as much to how I present to what we're going to disclose. So here it is.

Jack Henry's growth rate is going up measurably. And the reason is we can name it and we're going to talk about it here in this session. So everything I show you from here on is that case for that sentence validating why it's we're going to grow, why we're going to grow more in the near term and why we feel confident about it.

So as always, we don't put numbers in front of you that we don't intend to stand behind. That's not the Jack Henry way. So we're going to go through the full case of that compounding growth, both top line and bottom line.

OK, now before I jump into the details, I have a special shout out, Renee, our incredible thank you for walking back in. Perfect timing. Renee, our incredible CAO, my partner in running the finance organization and my right hand for the last four years, is celebrating her 30th anniversary of Jack Henry today. So I want to give Renee a special shout out. So she is definitely upping our average above 10.

I am bringing it down, but we balance a bit.

OK, So let's jump into it. OK, 4 pillars, this is the first and the last are kind of why you can trust the numbers. The middle 2 are why the numbers are going up. So sustainable, predictable, high reoccurring top line revenue. That's the kind of floor of the engine, OK, The next part of this story, that's the part of the story you know. Well, that's the part of the story we've been delivering year in year out and you've seen us deliver on that repeatedly.

Then you layer on the revenue multipliers, OK, we're talking about the the contracted booked already in the bank sales that are amazing sales team has already delivered the last couple of years. The trifecta wins, the new cores, the larger institutional cores that means more clients worth more than you layer on top the emerging revenue catalyst.

You heard a lot of those today, the public private cloud monetization, Banno expansion, small business, AI, a lot of the things that Ben and Keith talked about for the last several hours. So that's where all of that kind of that conversation of all those demos you just saw kind of layers on top.

Then as we move beyond revenue, we talk about the free cash flow conversion that's funding reinvestment, M&A opportunities, shareholder returns, all off a very clean balance sheet, OK. So you have a predictable base strengthening growth, strong cash flow, a clean balance sheet and that's what will convert top line growth into double digit EPS outcomes.

OK. So let's dive in. OK.

So before I can ask you to believe a forecast, let's talk about what we delivered. And today we're going to kind of walk back and forth between time we're stepping back, we're going to show what we did in 26, we're going to go all the way out to 29, kind of a little bit of bouncing in between.

But 26 was a remarkable year. We had non GAAP revenue of 2.5 billion up 7.3% inside the long term model, not a one off and we'll show that multi year trend in a moment. We had non GAAP operating margin up 92 basis points. As Greg mentioned, that's the third consecutive year of above 60 basis points of margin expansion.

So that's not just a cost cycle, that's operating leverage compound, OK, that delivers GAAP EPS up over 90%. So revenue growth plus margin expansion converting to double digit earnings growth.

Then we talked about return on invested capital of over 23%, well above earning, well above the cost of capital. Every day on every dollar we deploy over $539 million of free cash flow. So that's over 100% of free cash flow conversion.

Excluding asset sales, we did over $448 million of share repurchases that reduced shares outstanding over 4 percent, $179,000,000 in dividends, the second and 22nd consecutive calendar year of increases and 300 all while spending over $358,000,000 in R&D for the future.

So we funded that high almost 14% of revenue R&D commitment and still returned over $600 million. So that's not a trade off we had to make. That's what this model does.

So let's talk through a little bit and touch upon the revenue architecture framework, OK, so and why it leads to top line predictability. So we have core $750 million a year business up 7%, roughly 30% of revenue of the company supported by over 1600 core processing clients.

And I like to think of core as the anchor capability. It's predictable, but it attaches a lot of ancillary growth around it. Then we have payments over $917,000,000 in revenue, approximately 37% of of the company, the largest segment slightly above the other two. And I think about that as the volume engine of our business, accelerating as card and payment adoption rates rise.

And then we have complementary $740 million of revenue up 7.7% growth and the fastest growing of the three segments with product diversity, digital growth that's fueling plus the new product innovation.

And then the last that we don't talk about as often, but it's still important as one of our segments is corporate another and that's kind of the mix of like hardware or connect conference, other revenue.

And those three, you know of the major segments are roughly equal engines in size. So you don't have a single dependency of one that's dragging or compensating for the others. You're talking about 3 equal engines each growing mid to high single digits, leveraging the incredible same sales distribution pipeline and long tenured client relationships.

OK, so then we talk about when we when we talk about the wins and what the wins mean 58 wins. We talked about FY26 being a record year. OK. So with that we talk about the 58 wins is the fuel, right, that 14 institutions above a billion dollars in size and we're not just holding share, we're taking share, we're taking it up market.

Greg talked a lot about the trifecta wins at 59%, up 39% from prior year, OK.

So when a client takes core payment and complementary together, that relationship is deeper, sticky, materially more valuable from a revenue perspective. And we can say that depending on the size of the institution in their profile, each one of those could be equal in size from a revenue perspective. So the impact of those trifectas can be material in terms of the revenue and the importance of that client to Jack Henry.

And then we had approximately 40 complementary and payment products that attach to each one of those new 58 core wins. So that's revenue multiplier in one statistic, which is why we talk a lot and we typically lead our calls in talking about those new core footprints.

And we're really specific with the numbers. Not everyone in the industry talks about numbers specifically, but we're really specific about that because of that engine, the multi year impact that those core wins have.

OK. Then we layer on top the new and emerging products. Some of those we talked about today like small business Defender, the platform and AI. They're early, but the direction of travel is clear. And we showed you earlier today and you'll see demos upstairs during the cocktail hour on more of that.

So the wins signed today, the wins signed over the past several years are going to be recognized over the next several years. The average contact contract length is still about six years. So with that meeting with the high reoccurring revenue nature of our relationships, that 99% client retention that when bringing in additional products and lasting multiple years.

So that's the visibility behind the numbers I'm about to give you and it gives us the confidence for those projections.

OK, so let's talk about for FY27 and we talked about this at the year end earnings call. So hopefully this isn't new to everyone, but I just want to refresh it because this is the stage of a launching point as we go beyond that this next year. But FY27, the guidance non GAAP revenue is 6.3 to 7.3%. Again another operating margin expansion year.

I like to think about the 20 to 40 as the floor with aspirations higher and we've delivered on that free cash flow conversion in the 80 to 100% range.

Now on GAAP EPS, you'll notice that it's roughly about 5%. But as a reminder, the initial guide for deconversion revenue is 23 million. So starting kind of that low creates a bit of that GAAP on the EPS as a drag. And so we'll see how M&A happens this year. It's very episodic. We always talk about the low visibility that we have into M&A, and that it's outside of control, but it that EPS is not a signal about the health of the underlying operating businesses. We're guiding to what we feel confident we can deliver. That's been the pattern and it remains true today.

OK, so now let's go beyond. So we don't guide beyond the current operating year and I'm not changing that today, but we are doing something different, which is FY28 and 29 and sharing our outlook, the trajectory, our models produces. But I want to be direct about what's changing and how we're talking about it.

For years, we've said in any given year, Jack Henry should produce revenue in the 78% range. That was a statement generally about a range we operate in. But what you see here is different. This is a trajectory. This is more specific, 6.3 to 7.3 in 27, roughly 6.7 to 7.7 in 28 and 7 to 8% in FY29.

Again, as I said at the start, growth rates that step up, not fade. And we're saying that because of the drivers that are identifiable and already in motion, the sales contracts that are already in the locker, the products that that are in the hands of customers, the adoption trends that we've already started to see occurring.

So it was 36 years of operations to reach 1 billion dollars, eleven more to hit our second billion in 19 in 2023. On this outlook, we're likely on a trajectory for hitting our third billion dollars in revenue in about 6 years. So we're compounding faster as we get larger.

Now many overlook and it's nice and easy to say in round numbers like, oh, why not 7 or 8 or you know, for every 1% you're talking about roughly $23 million of incremental revenue and that's on top of the seven to 8% we're already talking about. So that's finding big new businesses every year to generate that and we feel confident in our ability to do that.

So again, we're compounding faster as we get larger. And to be clear, FY28 and 29 are an outlook. They're not guidance; we'll guide each year as we've come to it. But we're not going to put in a slide to you today that we that we don't believe in. We believe in this trajectory.

So let's talk a little bit about catalysts. Everything you've heard today shows up in one of two places on this page, either more clients or more revenue per client. We've incorporated what we know today, but there's further potential from the new categories and the new account adoption trends that we're starting to see.

Some of these represent early stage stablecoins, faster payment use cases, AI driven solutions. So some of these are a little bit further down the road and we'll see as we get into them. Some of these are already many of these represent an upside to the forecast that's already stands on its own. So we feel really good about that model. We feel really good about growing at a higher rate and we feel very positive about the additional incremental catalysts that are not embedded in those numbers, OK.

But we didn't want to get too far down the road in a market that is dynamically changing, where account holder behaviors are changing every day.

But what we see through the things that we built through the things Ben has talked about, the things that Keith has talked about is that we have the capabilities to seize upon those.

So until we get a little further down the road and know how the adoption is, some of these may be outside of those near term windows in terms of meaningful contributions, but they're all upside.

So let's switch gears just a bit and move beyond revenue to the high quality balance sheet and what it supports. So again reminding you, minimal debt, a billion dollar untapped revolver, we have no refinancing law. So the Fed moved 25 basis points while we were all sitting here today kind of as expected. We have no interest rate exposure to higher rates. We have no refinancing risk, no covenant implications, no highly leveraged situation that some of our peers have and that affords us a great freedom. We have free cash flow of 80 to 100%, conversion of a highly predictable reoccurring revenue and compounding margin. So that clean balance sheet means we can act, seize attractive value generating opportunities as they appear rather than to wait and ask whether we can afford to do so as a CFOI feel like that puts me in a very lucky position.

Let's talk about capital allocation.

So glad to have Tax Law Clarity now behind us, returning back to attractive free cash flow percentages. So with Tax Law Clarity, a healthy business performance in FY20 6, we were able to return back sizable share repurchases and retired over 4% of shares. So absent M&A over this time horizon, between 26 and FY29, we have the potential to reduce shareholder count outstanding over 11%. That's a meaningful number.

So if we think about accelerants to EPS, if we think about even the cost of the dividend and the redeployment of capital by having less shares outstanding. So in FY26, we also raised the authorization by million shares, giving us the capacity to be opportunistic. We talk about 22 years of consecutive annual dividend increases and a commitment to the continuation of modest increases. So you have mid to high single digit revenue growth, expanding margins, a shrinking shareholder count. That's how a 7% to 8% top line becomes an EPS double digit return to shareholders.

So let's recap a little bit.

And because I've talked fast, we're going to have more time for Q&A. So get the questions ready. We're prepared.

So in closing, think about Jack Henry as sustainable top line.

You have revenue multipliers, emerging catalysts, strong free cash flow with the disciplined capital approach. So everything we've shown you, it sits within one of those 4 pillars. Again, sustainable top line revenue multipliers, emerging catalysts, strong free cash flow.

OK.

So we've told you the line we're driving. We're committed to maintaining that and delivering on it because Jack Henry is a high quality compounder with upside from here.

And with that, I'm going to turn it back over to Greg.

Greg Adelson

Thank you, Mimi.

So anyway, thank you all. So we'll, we'll take some questions. We do have plenty of time. I do want to is that recap slide on one back, the recap slide one back. I hit it. Oh, there it is. OK, good. OK, so just to shows you a quick recap of of what we covered today on each of the speakers. I won't spend a lot of time going through here, but there was an earnest effort to show you all not only from a standpoint of level of differentiation from the five key differentiators to what we were doing in AI, I think there's a strong belief in the industry that Jack Henry wasn't doing as much as we are. And we wanted to make sure you had a chance to see that in action.

And then the other component was around the work that has been compiled over the last two years that Ben showed you a significant amount of work and effort, some of it in partnership with move, most of it in in partnership with our teams here.

But the things that we are doing are working because of the stuff and the foundation we built, not only from the Jack and Jerry days, but what we've done with one Jack Henry, what we've done with the four tenants, what we've done with the Jack Henry way, the things that allow us to work together as a team allows us to work much more quickly.

And again, that's another level of differentiation for us in the space today.

The other part is the financials, right? So we can spend some time talking about that and where we are. Again, we are and have been for 50 years of pretty well 40 years of being publicly traded, a pretty conservative base company. As Mimi articulated several times, we put out what we think we can hit, you know, we're, we don't know what 29 looks like other than what we see in today in our models.

But again, the growth and the, and the opportunity for us to continue to take advantage of some of the things that Ben showed you today and some of the things that Keith showed you still pretty early.

So a lot of those things are very, very lightly baked into the growth models for what we saw today. So I just want to make sure we reiterate, reiterate that what you saw today is what we've been executing on the number of core wins, the number of products that we're driving the opportunity with trifectas and things along that line.

So I'll stop there.

Let you all ask any questions and and then we'll have some fun. So real quick, we're going to have a couple microphones coming around. And if you would say your name and firm name for the transcript, please, you have the micro.

OK.

Go ahead and start with James.

Afternoon, James Fawcett, Morgan Stanley.

Thanks so much for all the work that's gone into this has been really helpful. I want to talk about the OR ask about the expected acceleration in growth.

And can you just help us parse which of the three core or the largest segments if you're expecting those to sustain kind of similar growth rates or if you expect one to grow faster than the other? And I know that as part of that, if we go back to the last Analysts Day, Greg, you talked quite a bit at at that point about potential for benefit from moving to public cloud and that doesn't seem to be part of the equation today. And is that am I reading that accurately? And then if we do see some public cloud start to come in, can that be an incremental driver?

Thanks.

So why don't you take the first part of the and then I'll take the second part?

Sure.

So what we didn't talk about individual segments today. I think it's pretty clear that all three are expected to grow. You have all the momentum from the core winds that should have the core segment continuing to grow quite strongly. Also from you, you mentioned public cloud, but I'll say from a private cloud perspective too, we think there's a potential in this heightened kind of frontier model universe to see a faster uptake in the shift from on premise to private cloud. So we're at 79% today. That's been growing at a very steady clip the last you know several years. There's a potential that that could you could see over the next couple of years an acceleration of that. So within each segment, I think you're going to expect to see growth across all of them, but premature to talk about individual segments.

So the other part of the question, I think there's two components.

So I'll kind of take on the private cloud first. So part of what we think is going to be an acceleration is frontier models and the concern of operating in on Prem with our institutions, especially those of of any of the sizes that we typically represent, a concern of how they're going to be able to handle the speed of vulnerability management and things along that line. We're already getting some larger institutions that have kind of said, hey, we're going to stay on-prem forever now having conversations with us. So I think that's part of the acceleration.

As I mentioned last year we did 36 in to outs and again, I'm not going to forecast what we think the number is going to be, but most of about almost half of those were larger institutions and I think that'll continue.

But what was absolutely embedded into the entire presentation of Ben was public cloud. So every module that gets consumed as that, as that module is consumed, those modules are built in the public cloud. So as we're releasing a new wires platform, that's all public cloud API first. As we're releasing General Ledger, if you're talking about going full core into the public cloud, yeah, that's still some time before we think folks are going to fully adopt that.

But what we believe is that as they start to incrementally adopt each of the components, then ultimately as they've adopted enough of those components, they're now in the public cloud. We actually have a, you know, opportunities with some larger institutions. So some of the larger institutions, in fact one that we just met with last week, their CEO said to us, no way I am doing a core change, but I am interested in doing incremental change. And so that creates opportunities for for us to do that.

So I think that's it's embedded and one of the things that we do is that it's not a one for one.

So let's just use the Wires platform as an example. We had talked about the lift between going from on-prem to private cloud being roughly 2 times, right. We've been talking about that as far as a two times the revenue we said to go from private cloud to to public cloud would be roughly a 20% lift. And we're seeing that because each of the components that we build actually has a lift in revenue as we roll that out. So if the domestic wires platform or that was running on the core was running at X, when we sell them the opportunity to go to the public cloud, we're seeing roughly about a 20% lift in revenue from from that standpoint.

So that's kind of the summary on that, yeah.

Hey guys, Dave Coning at Baird.

So I guess my question Tap2Local, super interesting. Where does that fall I guess in the in the revenue statement, like which segment, what are the unit economics like? Like are you paid per fi spread on volume and maybe relative size you expect the next few years?

So it's a good question. So a couple components there. So one from a cost standpoint, it's a Rev share. So we do a Rev share with Moov. So based on transaction volumes and it's really based. So unlike typical card issuing on the merchant side, you're getting like for us we don't make anything on the interchange right with related to our card issuing business. Our banks and credit unions make that in this particular business we get part of that spread. So larger transactions, larger opportunities and that's why I think Ben referenced one that it did a $17,000 transaction, right. We'd like to see a lot more than those. So there's opportunities on the Rev spread.

We also do some type of Rev share with our institutions as well. So there's an opportunity for them to pick up non interest fee income on, on that component. All of that revenue will fall in and is falling in the payment segment. And so that will continue to be a part of that. Even though it's sold through the digital platform, it's actually the payments are where we're counting it into the payment segment.

And then from a from a modeling standpoint, I will tell you that we've continued to be fairly conservative in that. I think we have publicly said that we believe that this takes off the way we believe it will. It'll be the second largest business in our payments segment behind our card business. And we still believe that, but we need to see some more candidly, we just need to see some more proof points on that. Some of the things that Ben and Wade have built over the last three months as they showed from May to now, we believe and we're starting to see it with the number of merchants that are coming on, the number of transactions.

I've actually tasked these guys to give us 10 to 20 times the number of transactions that we saw last year. And so that's part of the the part of the mantra. So anything you want to add to that?

No, that's great.

Yeah, go ahead.

Hey, good afternoon, Madison Sure from Raymond James.

Thanks for all the color.

Mimi, you made a comment around the 20 to 40 basis points of margin tends to be more the floor. You've done 60 basis points plus over the last few years. I know you're not necessarily guiding FY28 or 29. But as we think about revenue accelerating, would you expect kind of the year over year margin improvement in the in the business to also accelerate and also how critical is driving trifecta wins to improving the overall margin structure of the business?

Yeah.

So again, we're going to start conservative and you know and aim to be so I believe that that is the floor that the engine produces. But we certainly aim for more we're compensated and more. We believe that it can drive more. And we believe that the trends in the business from a mix from a public cloud usage, there's a lot of trends that support margin expansion inherently in the model.

In the short term we've talked about there's some headwinds to that, right. We're investing quite heavily to move to the public cloud. We're getting out of the data center ownership business. There's some cost associated with that. There's some costs associated with protecting ourselves against frontier models in the very short term.

So listen, it's early to say in the year. We're only a couple months in, but we're feeling great about the way it continues. But it doesn't take heroics for this business to produce margin.

Andrew Schmidt, Key Banc Capital Markets, thanks so much for the presentation today. Really good content.

If I could ask 2 questions, 1 organizational and 1 FY28 FY29 outlook. Just first, organizationally, as we move towards this sort of modernization paradigm, are there larger things need to change culturally or organizationally as I think about moving faster dev process, things like that? First question.

The second question, I think it's helpful to unpack sort of 28 and 29. I understand that, you know, 7 to 8% sustainable and then it sounds like there's some optionality from the revenue multipliers and merchant catalysts that aren't baked in. And then the flip side, obviously there's things like equipment sales, payments volumes that some assumptions you have to make there. So maybe just what's included versus what's not some more clarity in terms of optionality on the the longer term outlook.

Sure.

Why don't you take that one first?

Yeah, so why don't we take that one first? So we're building in what we know today. So we're building in the pipeline. We know of sales that are coming online based on installation slots. We're basing it on the trends of product adoption that we've already started to see. We're basing it on expectations of certain acceleration of known products in the marketplace today. That being said there, there's some that are more volatile than others like hardware. We always talk about you know particularly on the in house customers that are buying IBM hardware. Sometimes that varies based on the out the cycle of releases from IBM. So that can have a little volatility. We're not expecting like huge numbers that are different from historical patterns. But in any one year that can be a headwind or a tailwind.

We are not expecting a huge acceleration to you know the question we just answered from James like we're not expecting an outsized acceleration of on premise to private cloud that could be upside. We're not expecting radical change in the volume of faster payments. It's growing at roughly 50% today. It's been a great growth engine but on small dollars. So we're expecting modest uptake, but to some of these things, if stablecoin or faster payments really starts to accelerate or SMB is faster than we think it will be, those are all upsides to the model today.

Before I answer the organizational question, let me just add on to that. So I think there's a couple other components which are important. Back to my original statement, we have been for 40 years a very conservative company in our approach. So I would argue to say that there's more outside the model than there's inside the model because it's what we know. And so there's a lot of ifs, ands and opportunities in there. And the reality is if we told you that we are going to be at 8 1/2 or 9, you'd remember that, right. So you, you come back.

So we don't know exactly where some of these things, but we're at the precipice of that happening. As Ben alluded to, a lot of the stuff that we have been building all under the water watermark I think is what you used as the term.

We're kind of, I mean, you're never done done, but you're mostly done with building that out, you know, building a foundation, you know, so I talked about in my presentation about the foundation of this company being built, you know, way back, you know, 50 years ago.

Well, that's what Ben was doing, you know, he's building the foundation so we can build on top of it and build faster. So as those products are coming to life, what we don't know is how fast are they going to come to life. And so, you know, that's the key. So we are very bullish on where we're going, but we're also trying to be very reasonable in our approach knowing you all don't forget. So that's, that's kind of that component.

The next piece is the organizational question. You are 100% right. So workforce management, the, the changing and dynamic of the type of people we hire, you know, as as resignations and retirements have happened, we've looked at different types of people that we brought into the organization. Fortunately, people like Keith and Ben, you know, a lot of people want to come work with them. And so we get a lot of folks that want to come work.

We've also, as you know, kept a remote environment which allows us to be very flexible and get some of the best of the best. And so, but the skill sets of the people that we need are definitely changing. In fact, not to put her on the spot, but we just hired a new chief people officer and she's in the room too today. And she starts here in a couple weeks. But the reality is that was something we talked to her about during the interview process, is that we need to make sure that from a skilling up and all that, that we're covering the people that we need.

And honestly, we've had that conversation with our team that if you are not going through the process of skilling yourself up to the things that we need to be for the future, then you you probably won't have a home. And so we've been very direct with our team like we are and everything. And that's part of the conversation if you're those two points together too, because there's a point of we're building the velocity of development, we're building the velocity of deployment, we're building the velocity of scaling and supporting within our organizations using AI, etcetera.

Part of this is the capacity of digestion from customers, right? So you can get newer better things in the hands. But how do we help them be ready? How do we help them in a faster patching world? So it's both internal to our organization, but also helping externally as well.

Let's hit this side of the room.

Hi, Bill Carcachi with Piper Sandler.

Thank you for all the details.

Sure.

Given that your core client base operates in such a highly regulated environment, it seems like all of the things that you ran through today are sort of deepening your competitive advantage and and perhaps making it more difficult for, you know, competitors to be able to, you know, enter some of these different categories of of investments where you're you're you're you're deploying time and your expertise.

So maybe could you talk about in this environment of, you know, elevated fears of displacement risk, you know, how do you feel from a competitive perspective?

There were some comments about competition dispersed throughout the presentation, but if you could just, you know, perhaps share some of your thinking around the competitive environment and your positioning broadly.

Yeah, yeah, thank you for the question.

So I think there's a couple components. So again. We're not up here calling. You know, all of our competitors are viable competitors for a variety of different reasons and have been for many, many years. What we have tried to do over the last several years is to highly focus on the level of prioritization that would allow our customers be in community and regional banks in the US to win. Some of them have been distracted with other things through the years. So whether that be merchant acquiring businesses or whether that be wealth management businesses, whatever it is. But this is all we do. And so we've been exclusively focused. So we've doubled down on that through the innovation.

So what we're trying to point out now is that as, but we've continued to invest 14 to 15% back into our excuse me, infrastructure and products and things along that line. We've continued to build more and more of a gap between the product sets that were available through our competitors versus what's available through US today, which has allowed us to have 58 new core wins.

And again, not throwing shade, but you know, you don't hear those two talk about the number of wins that they have each year. And so that is a huge component of why we think, you know, again, from the number of bigger institutions we're talking to, to the opportunity to to work with fintechs with our Victor FI acquisition and things along that line. So we're continuing to build moats and and opportunities.

Now does those do those things last forever? Probably not. And so we're continuing to make sure that we double down and stay ahead of the game and not lose sight of what's important. But that's really what the essence is. We gave you a lot of examples, whether that be culturally servicely, innovation wise, and really it's about execution. The things that we were able to show you in two years that we've done, you know again, you'll be hard pressed to find any of that from any of our competition.

Hey guys, it's Darren Peller from Wolf Research.

Thanks for doing this.

Can you just start off just two quick questions. 1 is more on the regulatory environment and 1 is going to be more on the the contribution to growth. But just if you could just touch on the recent joint statement on the community banks engagement with core service providers that came out, I think it was Friday from the Fed. Just how do you see that potentially impacting the industry and particularly you guys versus others, whether it's liability or contract structures?

And then just my follow up, I'll ask them both now is really just when we think about the contribution to revenue from these exciting new areas, where are you, what inning are you now in terms of where any of the payments, you know, initiatives are? Are they half a percent of revenue in 27 yet they were just being built AI, when is that going to contribute to revenue? Just curious a little bit more in terms of finite timelines.

You want to hit the first part, I can do both.

You can start on the other one.

I'll hit the regulatory, so very early innings even on things like Financial Crimes Defender that we've been out in the marketplace selling. If you think about that new and emerging category, you're talking low single digits, like very low single digits as a percentage of total revenue. So having and some of those are growing at 50% plus you know kind of growth rates. So what we expect is over this time horizon that just to grow meaningfully in terms of the contribution of these new categories. And that's what I was saying earlier about where we are in some of these new initiatives. It's so early that we understand what the opportunities are and we built the models to what we believe.

But it's still so early to understand how successful Financial Crimes Defender has been out there longer. We know we had 187 deals last year. You know, we understand that there's opportunity there. There's a replacement of an existing product that we have, Yellowhammer. There's all those things that happened, but everything else that you typically saw was was really brand new.

And again, back to the conservative nature of the model itself. From a regulatory standpoint, I'll just give you a tagline that actually the ABA came out with themselves. Not all core providers are the same and we're not. And so the way we operate isn't the same as some of what our competitors and how they operate. Some of it's, you know, one of the big challenges is around not having coterminous term terms on the, on products, which we do, some of our competitors do not. So there's a lot of challenges with that.

So from a standpoint of being united as an industry, we are, there's a, there's a coalition that has been created where all of the, the, especially the Fs and some of the others and us are all working together with, you know, in Washington, DC. And we actually just hired somebody to be a focal point for us in that same endeavour.

But the reality is and and we we've been able to show this in some of the meetings, some of the challenges that are being explained are not things that we do or practices that we have. And so just to be really honest, we're we're not as concerned.

Yeah, Dominic Gabriel from Loop Capital, great presentation today and thanks for the question.

So you talked a lot about AI and embedding AI into your products and in particular building safe spaces basically and fraud prevention related to AI innovation by internal employees out external employees. I'm just curious is, you know, the are the banks and credit unions really relying on you first as a first partner as the fraud prevention for their AI tools that they're using? And, you know, I was just really surprised to see how embedded all this is in your product. So if you could talk about, you know, how you stay ahead of the curve in fraud prevention effectively from AI models that you and your partners are using.

Sure.

And Ben, do you want to take the first part of that? And I'll take the second part.

Yeah.

Check, check.

You're on.

Yeah. So, yeah. I mean, I think we had a mission to embed AI, you know, five years ago and we just been sort of delivering on that. I, it wasn't my presentation, but I skipped through it. We're, we actually filed patents on our ability to do intercept on the platform so we can intercept and hold transactions. And so there's a lot we're doing on the fraud front, both at the platform letter level sort of below the waterline as well as with Defender.

And then I didn't touch on this, but we're launching a whole new fraud product in Banno called Intercept and it's world class. It's best in class for fraud. All of that's going to help us on the fraud front. Switching gears to Frontier models, I think you were mixed blending that question, right? I assume you're blending that question. So my team is running the Glasswing product project. We have full access to Mythos. We've had it since June 1st. So we have a front row seat to how these things work.

We built a large scale defense harness for our customers and our code base and Greg was hinting at it, but just to put a fine grain point on it, we pushed automated PRS out to every team in the company. So we're in full like roll out of like automation of AI defense.

What Greg's also saying is that we think customers are going to want that from us as well and we're ready to provide that as that comes to fruition. Again, like there's and you know, the other thing I wanted to mention too, the last, last thing is Keith talked about what we might do with private models. It's really important that we run private models because private models could end up being large security concerns, right? I don't think that's any secret. That's a public industry thing.

And so we think we can actually help our customers defend. He didn't mention that directly. So yes, we have a strategy for this. It's all-encompassing. You got to remember not everybody buys Banno, not everybody buys Defender. We think everyone ends up on Platform. So that's why there's a real investment and some fraud tooling in the platform.

Yeah, that's a good answer.

The only thing I'll add to it is, is that because a lot of our community institutions just don't have the wherewithal, the team, the expertise, they're reliant on a vendor or a set of vendors. And again, back to regulatory questions, a lot of the regulators are really pushing to get back to best of suite type of mindsets.

And so we're getting an opportunity where, you know, back to them wanting to have one single vendor for all of this, these initiatives, they're coming to us to say, hey, what can you do? That's where a lot of this consulting, we've already picked up several engagements just since July, since we launched this where folks are wanting us to come in and help them build governance. They haven't even done governance yet. So components or kind of helping them build it out throughout the company.

So what we're seeing is all the things that Ben said from an interest level, but then they're saying, hey, as are my core provider, are you going to be able to provide all this or do I have to go somewhere else? And we're saying we can do all this for you.

Hey, guys, Jason Kupferberg from Wells Fargo.

So I wanted to hit on two things.

The first is on the trifecta win mix, obviously stepped up nicely this past year. How are you thinking about that over the next couple of years? How much headroom do you see there?

And then secondly, I wanted to ask about the card business. Where are we in terms of trying to make some inroads on the credit side? You're super well known obviously in debit, but would love to get an update on the credit side.

I can start if you want to add anything.

So a couple things there. So one for this particular year and and since my head of sales is in the room, he'll his head will perk up. You know, so we did 59%, we're targeting between 60 and 65% this year as, as the number reality is, you know, sometimes, especially as you go up market some of them, especially as we pull them off of some of our competitors, the timing of getting the core and the digital at the same time don't always happen.

So the good news is, is that even if on opportunities that we've been able to pick off the core but not get the digital at the same time, we still have an opportunity to go back in there and create that. And that's honestly, we're starting to see that with a few from a couple of years ago where now their contracts are coming up and we have an opportunity. So they may not truly be a trifecta at the day that we sold the deal, but they're creating opportunities and that that'll continue.

So part of it is what we've been describing the, the, the various things that we built on the business application and Banno, the things that we're doing with tap to local and a whole bunch of other things.

And then from a, the second part was card business itself. So the card business on the commercial card. So one of the things that we're working on with with Ben and and actually even a little bit with Wade as well is to significantly improve, improve the commercial card as per applications that we have in the card business. It was lacking from a standpoint of truly as you went up marker to market to larger institutions. We've made a lot of headway. Some of the things that we're going to announce at Connect are those components.

But as a proof point, we actually doubled the number of credit deals we did last year as compared to the two years prior to that combined. So it's a significant number of wins on the credit side. Some of it are the things that we've already built. Some of it is what they see coming at the time they go live with, with their core conversion.

Anything on that?

Hey, Brett Huff from Stevens.

First, thanks for the time again and thanks for the look under the hood on the AI stuff.

Keith and Ben, that was super helpful to us, or at least to me. Two questions. One is we continue to hear a bunch about SMB. That opportunity, it's kind of the Holy Grail. It's always been a tweener. It's always been hard. So what, you know, give us some background on how we came to that position because if there's a lot of dollars that are flowing to it, clearly I'll think it's a big opportunity. So just give us the, you know, kind of the thoughts behind it.

And then #2 using that as an example, given that you are the most open platform and you play nice with so many other folks, how do you choose or how do you think about playing nice in that ecosystem when you are choosing things like SMB, right? You're building a lot of SMB stuff that may compete with others. Where do you, you know, where's the next bet we're going to place at that level or, or how do we think about it? Thanks.

Yeah, there's a couple of interesting points in there.

So I think one, just so you know, the bulk of the technology build was on Wade. So from a cost standpoint, so really this was not a significant lift from a cost standpoint for us as we were building out a lot of the functionality because of what Ben had already built on the platform and through Banno. So there was already a nice leverage there that we'll be able to use and same thing with the P-to-P solution.

But I will tell you that we've had a lot of conversations about the timing of when we would release the companion app to our quasi, our coopetition. So whether that be the Q2s, Alchemys, others of the world. And so we've had conversations with them at the executive levels and part of it is that we needed to get enough belief in the runway that we had make sure, you know, it's the old adage it we really only have one chance to, to make a good first impression. And we wanted to make sure everything was done that we needed on our side.

So in light of the P to P solution and other things, we will be releasing probably in 27 more of an opportunity for them to, you know, we'll increase our Tam because we'll get a piece of all those transactions that will create an opportunity for them to have some of the same solution sets.

Now there's various feature gaps that we have or feature improvements that we would have that maybe wouldn't be as prevalent on their particular piece, but you want to describe any kind of that component right there. So one of the things that will always be the case because we run our full stack ourselves and we make our own decisions.

These products and features will always be best on Jack Henry's full stack and we have patents for some of that stuff and all that. We will do our best to make sure this works really well though on other core systems and other digital platforms.

I think it's good to mention too that we've already done all that work. We've done fit and finish for all those platforms. We're actually ready as soon as Greg gives us the green light, we can go to market. That way the companion app is complete, you can actually go to market. So everything you saw there, you know when it slides up and that's just the companion app working inside Banno. So we'll have a direct go to market, you know, for this, it's ready to go. The tech is fit and finish already. We fit and finish for the other competitive platforms because they have SDKS.

So, but because of just investments we make. So for example, we are I think that we offer the best open banking platform available today. And because of that, we can do some things other platforms can't, no shade to competitors or anything like that. So these are just advantages. You get it when they're, when they're on our platform. And I, I think that's going to continue because we're making these strategic investments. So it'll be better on Jack Henry, which should then have more folks coming our way for, you know, for the trifecta and those kind of things.

But there, go ahead.

No, go ahead.

I was just going to say to the beginning part of your question around strategy and, and find Erica later because she, she not only helps with our strategy, but managed a lot of those fintech relationships. So a lot of it starts with how again, how do we help our banks and credit unions win? What are either pockets of deposits that they're not serving today? What are capabilities if we think about how do they attract the next generation of deposit accounts, Gen Z, how do they help with elder banking? How do they help with the underserved of small business?

So it starts there and then it's layering on top like where do we have capabilities, how do we leverage the platform, How do we leverage our payments capabilities to serve? Then it's a buy, build partner discussion of how do we do that to help our banks and credit unions at the end of the day.

Great.

Oops.

But one last thing, Brett, part of our conversations and negotiations with Visa and MasterCard that, you know, Ben talked about was the understanding that we would release this to a larger tam because that was part of the equation. And so, you know, because we can only live on X number of Banno clients, right? So that wasn't, that was always going to be part of it, but the reality was it the product needed to be where the product needed to be. And we're there now. So between that and what you saw with the new launch of P2P, that being as a part of an embedded solution set creates the the opportunity.

Kartik, thanks and waiting patiently.

No worries.

I think you talked about embedding AI into a lot of products and I'm wondering at this point, are you getting any revenue lift or is this more of a, a product you have to provide just so you can stay competitive?

And then just the second part of that, you know, there's been a lot of talk about investing in AI. So in, you know, FY26, are you still in investment mode or FY27? I apologize. Are you still in investment mode or are you getting a return on on that investment? And if not, you know when does that happen?

Don't want to take the starting you go, well, I would say it's still early days.

I mean to Keith's point, a lot of this is we're six months into it, right. So part of that is we're going to monetize components separately where there's, you know, value and demand other parts, it's around the stickiness, the repetitiveness, price retention, you know, so there's different ways to make sure that there's an ROI. Part of it is around parity of what we expect from a marketplace of where functionality will be and where other competitors are. So it'll be a blend of all from a from a business model perspective.

Part of the other question around investment, we're very mindful of the ROI, we're very mindful of how we're spending. We're mindful of what can get an out of control token spend and cloud cost. So we're managing that very tightly centrally, but it's also around how do we accelerate adoption. So I see us going to be on continue to be on the AI journey for some time from a development perspective. So of the 22 products that have AI already built into it, some of them you saw on the platform, some of you saw in examples that Keith showed. So in all of those cases, each one of those are additive to an existing product set except the components.

So as I mentioned earlier in your public cloud question, a 20% lift in the opportunity as we take them off of a domestic wires and move them to the new Jack Henry Platform wires. There's a lift in revenue. Part of that lift is embedded by having the AI capabilities in there. So it's more if you wouldn't be able to kind of aggregate that out from a standpoint of how much of that is AI built versus how much of it is the lift and being in the public cloud.

But it's all of it is about selling more and more of the widgets. And so that's part of the driver there. Now, some of the other ones that we're working on will have a level of differentiation. So as Mimi said, some of them could be completely separate products that are 100% AI built and were just sold as a widget, an AI widget. And those would have their own kind of price points. But some of those are continuing to be built out or even go ahead.

Even what we're doing at the Fabric level would be another component. Yeah, it is one great example. Exception item processing. So our customers can just buy exception item processing from us without that AI assistant that you saw and then they can just. They really like the AI system, they can buy that too as an add on. I think that'll just be a model throughout a lot of our products and a lot of platform, you know, as we kind of decision that out AI fabric is a product.

So, but it's super early days. Like we have a lot of demand for this. Like he said, it's, there's a ton of demand and so I think a lot of our customers will end up utilizing it and this is a phenomenal product. I think we'll do really well with.

So I think you can, if you want like reference points for stuff like this, you know, other companies, we can talk about that like offline, but like this will be a super big opportunity for us. You know, when we talk about Fabric, that will be a product unto its own. So there's a lot of dimensionality to this. No, that's and then that's exactly where it is. So there's going to be some various components.

The one thing I'll, I'll say that, you know, I know there's a level of, of anticipation and, and you know, frustration of where is, you know, where is all this extra revenue.

And again, as we said, and I started this whole Q&A out, this is everything has been built. It's all very, very new. And so the key is that we have built it and we're not talking about it. And so a part of it is going out and now actually getting our head of sales and other people to to go sell it. But the reality is, you know, a lot of people are still talking and even showing PowerPoints. We're not doing that anymore, right? We're showing real life stuff that we have built and now it's time to go sell it.

But all of that became a culmination over the last couple of years of of really hard work, Tim.

All right, thank you, Tim Chioda at UBS.

So a lot of the stuff that Ben and Wade went through, it was pretty cohesive with the expense management, the acceptance, the invoices, that's a lot of flows going in and out of small businesses.

I think what investors are going to want to do is think about how much business spend your customers and I get it, it goes beyond your customers today how much is being touched so that we can start to think about a penetration of that and then we can make our own assumption on a take rate of that. So if you could help us with any anchor numbers that you might have used when you were sizing this internally to at least give us a head start, I think that would be well appreciated.

I think Ben, if you can, I mean Ben mentioned some of the competitors that are playing in the space that we now have capabilities and compelling offerings. And I think for now that's the way I would think of some of the tam is like what are some of those marketplaces where people are making, you know, big dollars today?

Yeah, I think if you, if you want a reference point and you know, over time like Mimi and Greg are saying, we can provide more insight to that. But I think two things that are really important. We've not made some of this public, but we have a full count of all the businesses that are on our course. OK. So I'm going to let, you would love to know that number, wouldn't you? I'm not going to give you that number, but it's a big number, OK. So that's all the businesses that are on our core systems and then we have a number of all the businesses that we bank with banal business and all the companies on our treasury platform that is really this tam, OK.

And then you think about their spend and the money flows that you're spot on. So those flows then how much can we effectively be in those flows? And back to Mimi's point about Ramp and Mercury, I think those models, their valuations and revenue run rates are fairly public and they're, it's pretty big. This market is very big. And it's also very early days.

And part of what we're doing, I think you can see and probably put this together when Greg's talking about commercial card etcetera, like we have a big plan here. This is a big opportunity for us. So when he says this could be second to our, you know our card business, he's not kidding. It's that big. We kind of understand what we're looking at and we're going and tackling it via just the kind of tam markers that I described.

And so just a caveat for and just tap a touch of the enthusiasm here. So if Ben is glass runneth over. So we to Greg's point, this is not slideware. This is in the hands of customers today, but this is early days of adoption, this is early days of contribution. And if we're in the time horizon we're showing here like it's upside and we don't know how that adoption could you know just have rocket fuel on it. But today that's not in these numbers, right?

And B, until you have products in market, you know, we see what the pace of adoption will be. So we're super excited about it. But for the horizon we're talking about today, it's a great for fueling. How do you think the next five years are going to look and what could the upside be?

But as we talked about these numbers today, that's not inclusive because again, crawl, walk, run, we need to get out in the hands. We built it. So we're beyond crawl, but now we need to walk and run and have customers start using it, see adoption, see trends of transactions to validate it before we put it in the hands of you all.

OK.

The other component is that, you know, I think everybody knows that, you know, you have to really assist financial institutions a lot of times and how to sell and some of the components, especially a lot of the smaller ones. And that's where Visa and MasterCard have come along with us and been part of the equation is they're helping us with the marketing aspects of this.

And so as Ramp and Mercury and Square and you name them have taken those opportunities away from our financial institutions and we're bringing them back into the financial institution, we have to re educate them on how to make sure that this is successful within. So that does take a little bit of time.

The good news is over the last six months we've been doing that and we're starting to see a lift from that that work and a lot of the things we're doing is trying to automate as much as we can to create a lot, a lot less friction. And so now it's moving to the point between Wade's team and Ben's team to make that happen.

So you know, I anticipate to see over the coming months much more action and opportunities, which would allow us to answer some of those questions a lot more factually than you know what our hypothesis is.

Chris, I think you're next.

Great, thanks for all the time. Chris Kennedy from William Blair.

Is there a way to think about how the move up market is impacting the numbers that we see today? And are we at that inflection point where whether it's the Jack Henry platform or the Treasury will, you know, drive things up market?

Well, yes.

And I think a lot of what you've seen in the models is built off of that success we've had from the core business and the trifecta wins and things that we already know that are coming over the next several years, right? Everything, everybody in this room knows, but every core deal we win has an average of 12 to 24 months before it goes live. And so, you know, most of that is tied to contract terms.

So based on what we've sold, the 45 institutions that have been multi billion over the last three years, they start to hit. I mean, our head of banking is in the room and our head of credit unions in the room. They both know exactly how many slots are already filled for this year and the next, probably the next 18 months. They know as we sell an institution, what month they're going to go live.

So you know, I know when Woodforest is going to go live. I know when you know a lot of these other things are going to happen. So that helps us help you know, kind of build out the model from that standpoint.

But to continue to go up market, you do need the right product set. So Treasury is and has been a big driver for us to go up market. But I'll be honest with you, the real ability for us to go up market, so you get to the 20 and 30 billion and others, is the Platform and the Platform components, because of the the pace of innovation, because of the incremental approach to where they can take on without making a wholesale core change.

Again, the amazing part is nobody wants to make a core change, but we sold 58 of them last year, right? That's the part that I'm talking about is, so we're doing that on top of the fact and all these people are doing full core changes. They're not just doing incremental, they may adopt a Platform component or two, but they're doing a full core change.

So as we start to talk to the to these larger institutions, which we are, you know, we were with a $50 billion institution last week, we're talking to a $26 billion one on Thursday, you know, those are the conversations we're having from a standpoint that we wouldn't have had before without this technology.

Look, this is Michael Allen from Barclays.

Thanks for hosting the session today.

I just wanted to ask on what's embedded in the revenue outlook for fiscal 28 and 29 on the level of account growth across the core customer base and how material that assumption is to the higher versus lower ends of the outlook ranges, given a large portion of your revenue is priced on a per account basis.

And a major theme of the Bank Director survey published today was the increasing competition that your customers are seeing from fintech firms and digital banks.

Yeah.

So I won't go over the numbers explicitly embedded within 28 and 29, but I will say that the numbers we've seen in 26 and the numbers that are based in 27 don't need a lot of account growth because what's been happening over the last couple of years after the flood of excess capital after COVID, you know, you saw a lot of account growth at credit unions during that time and then the pull back to more normalization levels, especially as you've seen less lending and auto etcetera.

So credit unions have already been at very modest account growth levels. Banking has come down over the last couple of years as well. So we don't, we think we're already at pretty low account growth levels organically. So we don't need, you know, an exuberance from either a macro event or organic growth or lending environment to support the numbers in the model.

The only thing I'll add to that though is that each of these products that I just described or about trying to bring account holders back to the institution. So everything we're doing in SMB, everything we're doing in Treasury, everything that we're doing in all these components are about bringing customers back that have been lost or again to compete with the Chimes of the world and others, where, you know, we're spending a lot of time with our customers on Gen Z and making sure they understand how to attack the Gen Z market.

And a lot of the things that we're building will allow them to compete and go after the folks that are going to a chime at the Gen Z level, because that's, you know, the cool thing or the digital approach, we can now provide those same solution sets.

Thanks.

And and just as a quick follow up, given the comments today on the incremental cyber risk from for on-prem customers on vulnerability management, how quickly do they patch vulnerabilities on average relative to private cloud customers? Is it in days or weeks? And do you see migration to outsource infrastructure as necessary over time for on-prem customers to remain secure?

Yeah, and that's kind of what we talked about earlier. We do believe there's going to be an uptick in the number of the amount of interest in in-house customers or on-prem customers coming to our outsourced models because of the reasons you said.

Now I don't know how long it takes them to do vulnerability management. But again, you know, we've gotten to the point now where we're doing it within 10 minutes and I don't think they're going to be able to do that. So there's a component to that that's extremely important.

We also have talked about, which we didn't talk about earlier today, we believe because of that phenomenon that products in our Gladiator suite of services are going to have much more interest because they're all based on cybersecurity, you know, types of products. And so that will create we believe maybe a some tailwind for those particular products this year as well based on that same.

I would say it's a blend of defence and and offence because it's not only how fast can they patch, but the velocity, because if you're on on premise and you're getting an annual release cycle today, you're not going to be able to keep up with the pace of innovation that Bano, for example, does weeks, you know, like 10s of, of releases a week and a month. So that pace of innovation, if you're still on premise, you need to get to a cloud environment where you're just doing straight through innovation kind of deployment.

And so that's another reason why we think you're going to start to see the shift because the gap of technological debt will be even wider.

Thank you.

The microphone, I don't see any more questions any other hands and we will be, you know, we're all going to go upstairs as well. I know some of you may have to go, but if you can make it, we'll be upstairs. We'll be doing some demos on a lot of the things you saw, but in a lot more detail with the folks that own the products.

For those of you that can't make it up there, thank you for taking the time. We've been very pleased to have the largest crowd that we've ever had. Hopefully it was worth your time.

We are very bullish on where we're going and again, hopefully you got a chance to see some of that today as well. So thank you for your time and for being here.

Thank you.