Investor Day FY27

Keith Fulton

jack henry 50 years

4 Artificial Intelligence Topics Today

1. **AI Accelerating Product Development**

   Making Jack Henry Faster, More Competitive

2. AI In Our Products

Helping our Clients get more Efficient

3. AI/ML , Predictive Analytics

Helping Our Clients Grow

4. Agentic AI

Using Jack Henry to transform Banking

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More than Half of Our Associates Use at Least One AI Tool, Daily

Gemini
3,398
Licenses

6-month growth: 22%

M365 Copilot
2,014
Licenses

6-month growth: 155%

GitHub Copilot
1,251
Licenses

6-month growth: 22%

Cursor
840
Licenses

6-month growth: 86%

Results from Early Adopter Product

90% increase in development velocity

- One product team – JH Origination
- Full development lifecycle AI assisted
- 18 months maturing process

Developer Productivity Using AI Tools (July 2026)

4|sight

4|sight R&D

3.0×

DAILY CAPACITY

WHAT CHANGED

Used Cursor as an agent to work in parallel on development tasks, expanding daily work capacity.

"I've documented a three-fold increase in my daily work capacity."

iPay

iPay Development

2.0×

OUTPUT

WHAT CHANGED

Applied an AI-first workflow across implementation, design, debugging, and testing while reducing repetitive work.

"Conservatively doubled output across the full software development lifecycle."

Developer Productivity Using AI Tools (July 2026)

iPay/Payrailz Modernization

Payments R&D

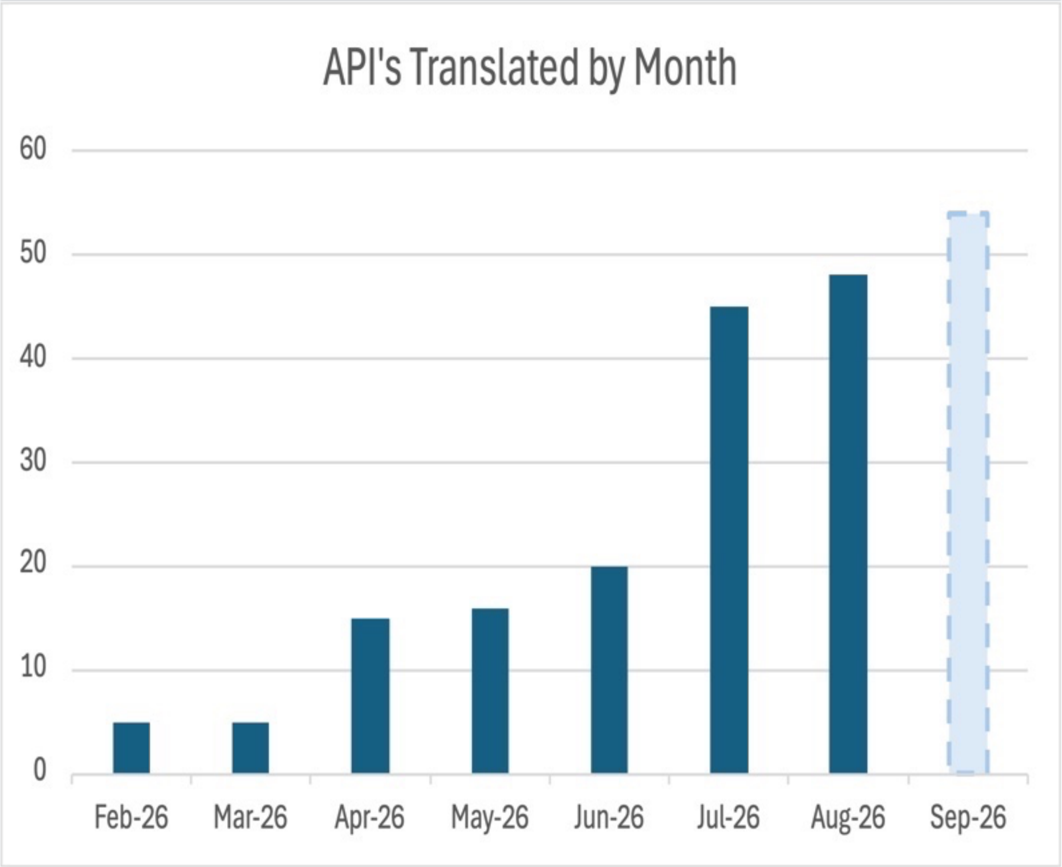
9.6×

Upgraded API/s per month

WHAT CHANGED

Produced a set of AI agents for capturing requirements from existing code, translating that code into a new architecture, and testing the code based on the original requirements.

"The delivery velocity keeps rising, and the quality keeps improving at the same time."



A word on Tokenomics

- **We are closely tracking costs and value**
- **We budgeted for meaningful increases in our AI licensing and token costs, YoY in FY27**
- **We actively manage the mix of models and tools our people use**
- **No culture of "token maxxing" at JH**

Focus Area 2

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Injecting AI Features into our Products

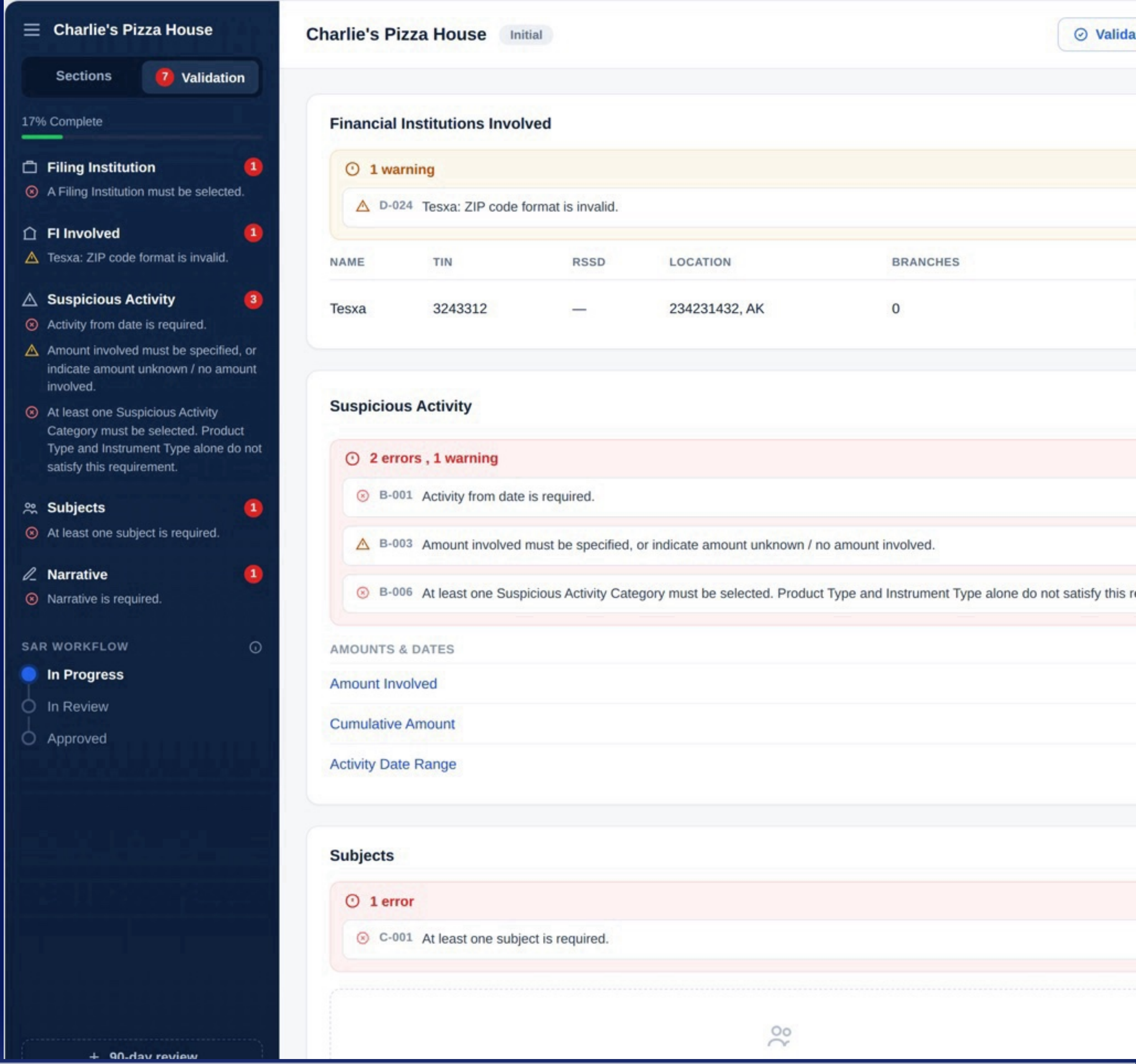
- **We are adding AI accelerators and augmentations into the products we already sell.**

- **Broad across portfolio**
  - Not just next gen platform
  - Not just cores

- **A number of these will be hitting the market in the next 6 months.**

FCD SAR Narratives

Drafting the essay for the investigator



Closed Beta with 5 Clients Today

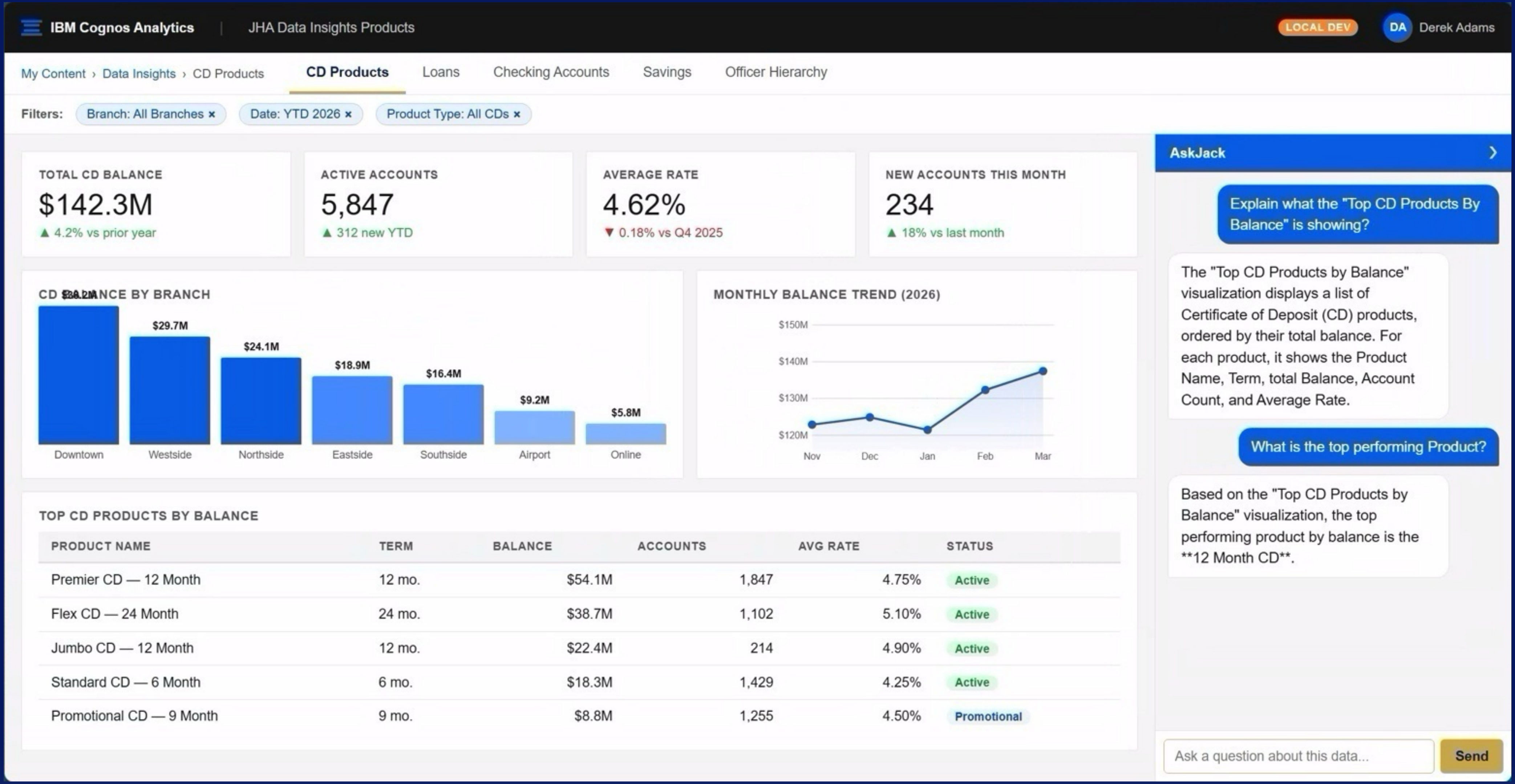
Clients using AI Assist with SAR Narratives are seeing dramatic results.

METRIC	MANUAL PROCESS	AI-ASSISTED PROCESS	IMPROVEMENT
AVG. TIME PER SAR NARRATIVE	60–90 minutes	10–15 minutes	75–85% faster
ANALYST PRODUCTIVITY	~5 SARs/day	~25 SARs/day	5x increase
COMPLIANCE ERROR RATE	~10%	<2%	80% reduction
COST PER SAR	$100–$150	$20–$40	60–80% savings

Total SARs filed in 2025 in America: 4.1 million.*

*https://www.forvismazars.us/forsights/2026/03/suspicious-activity-report-sar-filings-hit-record-in-2025

JHA Analytics



LoanVantage

Autogenerate the credit narrative

Credit Memo: 134313 - RASPBERRY REAL ESTATE LLC

Deal Summary

The proposed transaction is a new money request for a $1,500,000 working
RASPBERRY REAL ESTATE LLC. The primary purpose of this facility is to fu
property enhancements, including adding amenities and refreshing dated a
These improvements are strategically aimed at elevating the property to a
thereby enabling a significant increase in market rents and enhancing the a
value and income-generating potential. The loan will be secured by a first li
Conventional 5 or more Family – Apartment Complex located at 123 East C
Orlando, Florida, 32810.

Borrowers

Primary Borrower: RASPBERRY REAL ESTATE LLC

RASPBERRY REAL ESTATE LLC's financial statements for 2021, 2022, and

Closed Beta Availability Summary

Product	July	August	Sept	Oct	Nov	Dec	Jan
FCD SAR Narratives	★						
FCD OFAC Screening AI			★				
PowerOn Advisor Agent		★					
4|Sight Web Research			★				
Synergy Intelligent Document Recognition			★				
4|Sight Search Helper			★				
LoanVantage Credit Narratives				★			
JHA Analytics Chat							★
Synapsys Relationship Summaries							★
EPS Screen Replay Attack Defense (TBD)							★

How about something entirely new though?

- Remember this injector?
- We've built a really nice piece of software for this
- It allows any team to use AI models much more easily and securely
- We're going to sell Injectors to our clients

The Jack Henry AI Fabric Gateway

Simple, Easy API's

Get quick, safe access to frontier models with a simple RESTful API like any other.

The same technology all the products I just showed are using.

Prompt & PII Protection

Safety and Privacy of the client's data is paramount.

The Gateway scans everything to make sure no one makes a mistake on this.

RAG, MCP, A2A capabilities out of the box

Fancy technical capabilities that only IT people care about.

All supported easily by the Gateway, out of the box.

The Vibe Coding Problem

- Vibe Coding by non-programmers is amazing.
- Jack Henry is embracing it, and has over 100 vibe-coded applications that we know of so far.
- They can easily get out of control! Not secure. Not tracked. Only on one person’s laptop, etc. Anyone remember MS Access?
- We need a way to make vibe-coded apps into enterprise tools.
- Our clients need this too!

Solution: Introducing the Garage

- Jack Henry itself was started in an engine repair shop
- We built the Garage for ourselves, as part of the AI Fabric, to make vibe coded apps "enterprise ready"
- Now we can open up the Garage for our customers to vibe code their own apps
- Unleash the creativity of our entire client base

Problem: AI Sovereignty

- **The more our clients use AI, the more they are handing their data to OpenAI or Anthropic, etc.**

- **Some of this data is extremely private or sensitive.**
  - Business strategies
  - OFAC matches
  - Non-performing loans

- **We are already trusted by our clients to hold this data**

- **Let's be their AI provider also**

Solution: Introducing the Jack Henry Model Enclave

- **We will run open-source AI models ourselves**
- **On our hardware, or in our cloud tenant, with our encryption keys**
- **Absolute trust. Absolute privacy.**
- **Hyperscalers will have no access.**

AI Consulting Services

Four modular service areas — choose what you need, and we adapt to your priorities.

Delivered through your existing Jack Henry Bank & Credit Union consulting relationship

1

Board Services

Strategic advisory on AI positioning, investment, and risk for the board.

2

Governance & Policy

Establishing guardrails and enterprise AI risk mitigation.

3

Adoption Coaching

Building AI-literate cultures through workshops and hands-on enablement.

4

Technology Consulting on AI Fabric

Seamless integration with the AI Gateway, etc.

Focus Area 3

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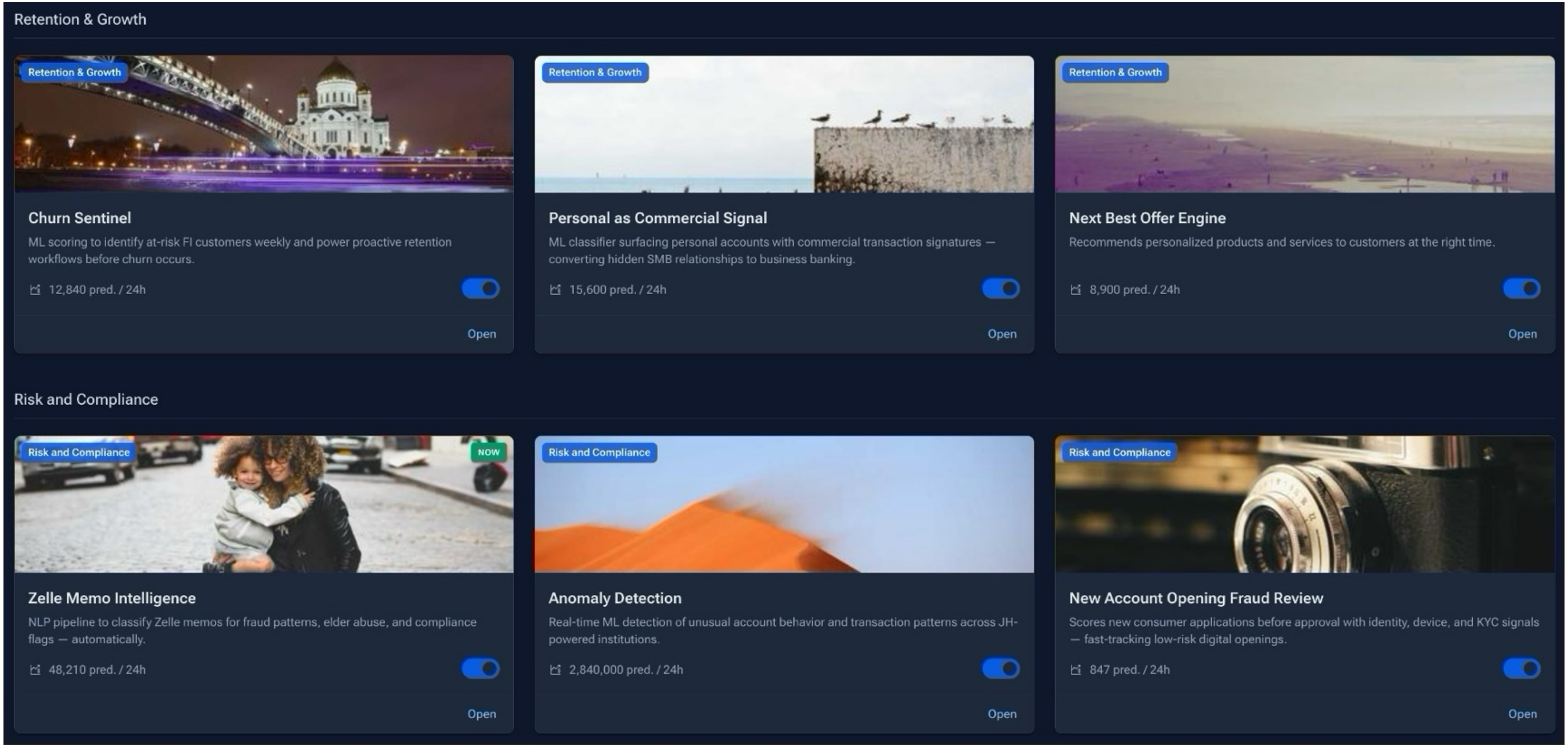
Using Jack Henry to transform Banking

Establishing a Data Consortium, to leverage the power of Jack Henry Distribution

- **Broad and Deep Data at JH**
  - 1700+ Core Clients
  - 5500 Non-Core Clients
  - Hundreds of millions of accounts
- **Billions and billions of transactions**
- **We need to access all of this to unlock the power of machine learning for the benefit of our clients**

Coming in FY 3Q27: Data Science App Store



Data Science is a direct path to revenue for the FI

how many small businesses are being run from FI retail accounts?

- We plan to auto-detect and flag these for clients
  - Do a better job of serving members and customers
  - Monetize them better
  - Market Tap2Local to them
  - Zelle for Small Business revenue opportunity

ABA estimates "26% of existing retail accounts have on-going business transactions and payments."*

Of every $8 paid to an SMB, only $1 makes it to their bank or CU**

*https://www.bankdirector.com/article/the-untapped-market-hiding-in-consumer-bank-accounts/
**AutoBooks "2022 Small Business Data Report"; September 2022

Business Problem for Every Bank: Customer Churn

Case study: Bank with 500,000 accounts

Present Day

- 8-12% average churn =
  40-60k accounts lost per year
- $250 average annual revenue per account =
  $10-15M annual revenue lost from churn
- $500 average customer acquisition cost =
  $20-30M cost to replace churn customers

Real cost. Real losses.

How JH Can Help

- JH Predictive Model "Churn Sentinel" gives FI a weekly "at-risk" sheet, allowing them to reach out proactively and save 10% of accounts
- $1-1.5M revenue loss avoidance
- 10% save on customer replacement cost

$3-4.5M saved from a 10% churn reduction

Data Science App Distribution Model

- **Closed Beta:** January 2027

- **Each ML App Priced Independently**
  - One time or recurring

- App Marketplace allows **instant activation** and billing

- **Membership in the future data consortium is required***
  - If they aren't a member, their data is not present and cannot be used

Focus Area 4

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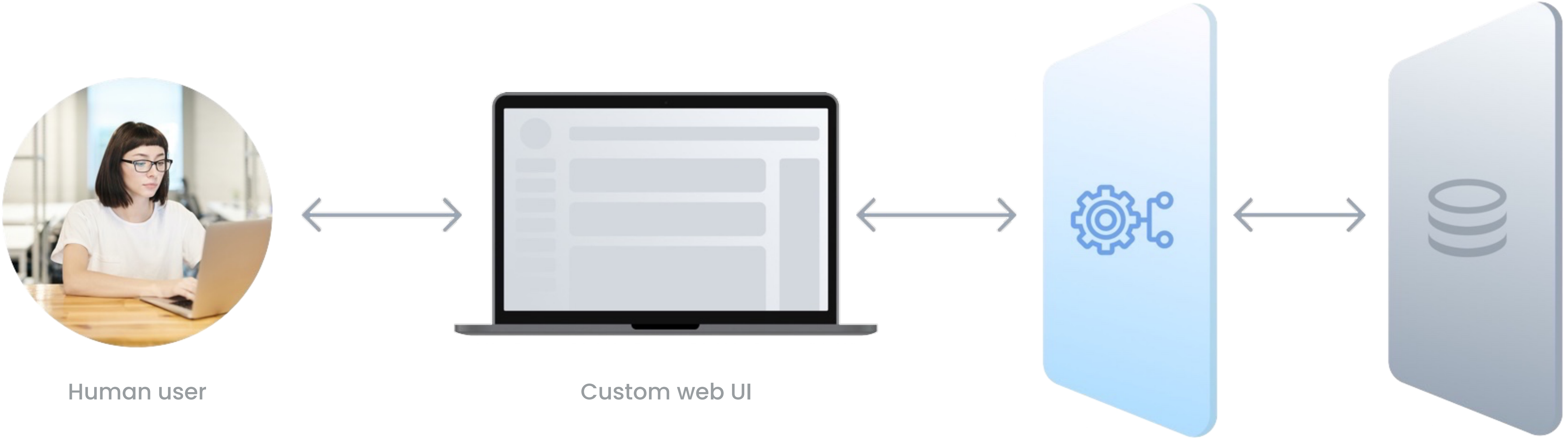
a.k.a. The Agentic AI future of Jack Henry

The Future Evolution of Enterprise Applications

The current state, for the last 20 years



Human user

Custom web UI

Public or private APIs

System of record

But now vibe coding is like conjuring

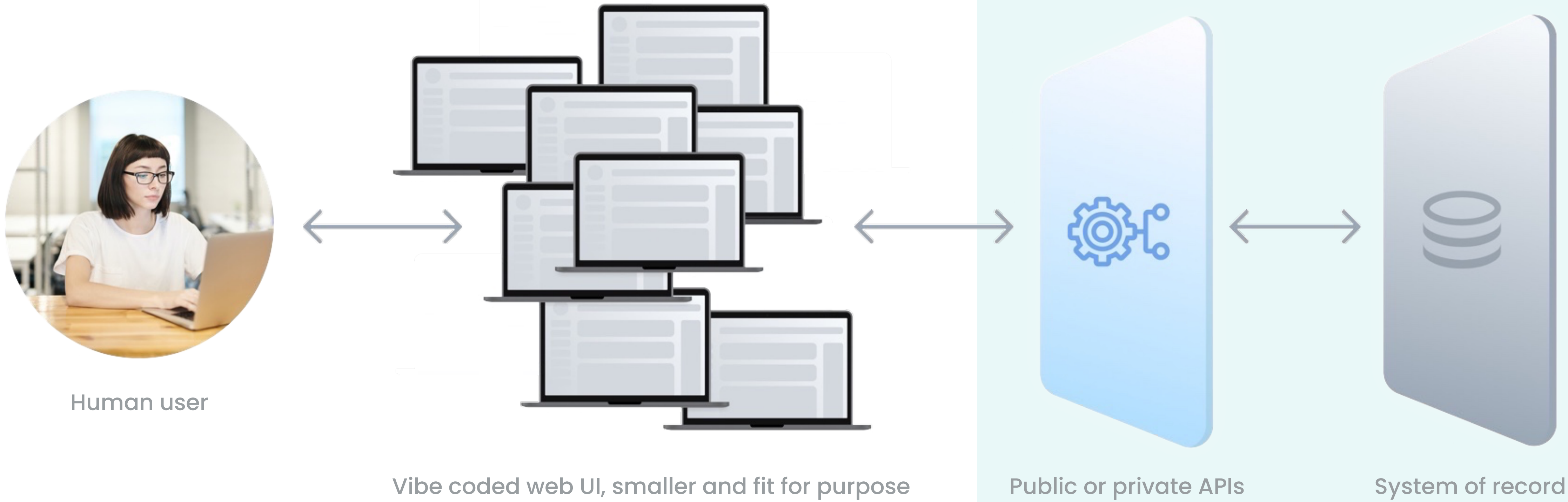
Regular people can code whatever they want

- No experience needed
- Any niche is fine
- So easy to do, no use case is too small

- The smaller the use case, the simpler it is to build

The Future Evolution of Enterprise Applications

Vibe coding means there could be hundreds of unique front-ends



Suddenly, APIs and SORs are what matter most!

In the future, the UI may become less important

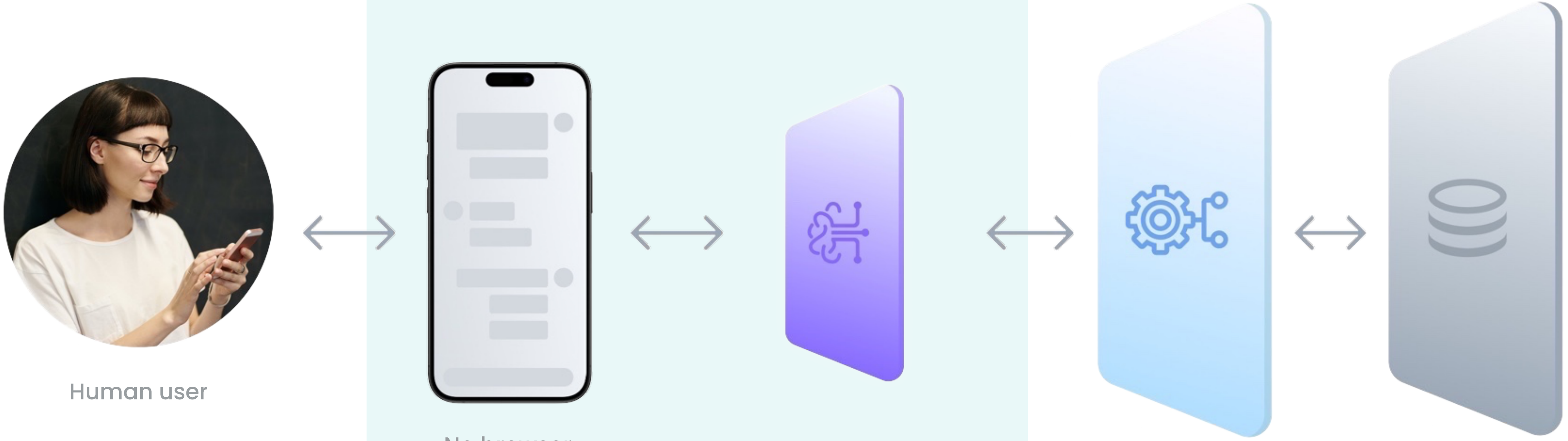
AI Agents can do it for us

- Just talk or text with it, and it does what you say.
- Connectors to APIs, like the UIs do, but with no webpages.

- Ask questions, get answers.
- Issue commands, they get done.

The Future Evolution of Enterprise Applications

AI agents mean eventually the UIs may disappear entirely



Suddenly, application UIs are an impediment for some users

Issue one command, many things happen

Agents will not be 1:1 with Apps

- Once agents are using APIs, there is no way they will be limited to one SOR at a time
- They will use multiple SORs to accomplish more complicated and integrated things
- Workflow management is built into agents of the future, because they understand the processes

The Future Evolution of Enterprise Applications

Agents will simultaneously use multipe APIs or SORs

Using Multiple Tools Multiple Ways to Achieve a Goal

Triggered by a user specifically (Non-JH example)

“Go through my SalesForce Opportunities and compare them to my Inbox in Outlook. Build me an Excel spreadsheet of anyone who has asked me a question that I haven’t responded to, or anyone who has not corresponded with me in the last 30 days.”

”Now go through the people I haven’t corresponded with in 30 days. Add a comment to the right of each row with 2 relevant ideas for what messages I might send them, based on prior topics of conversation”

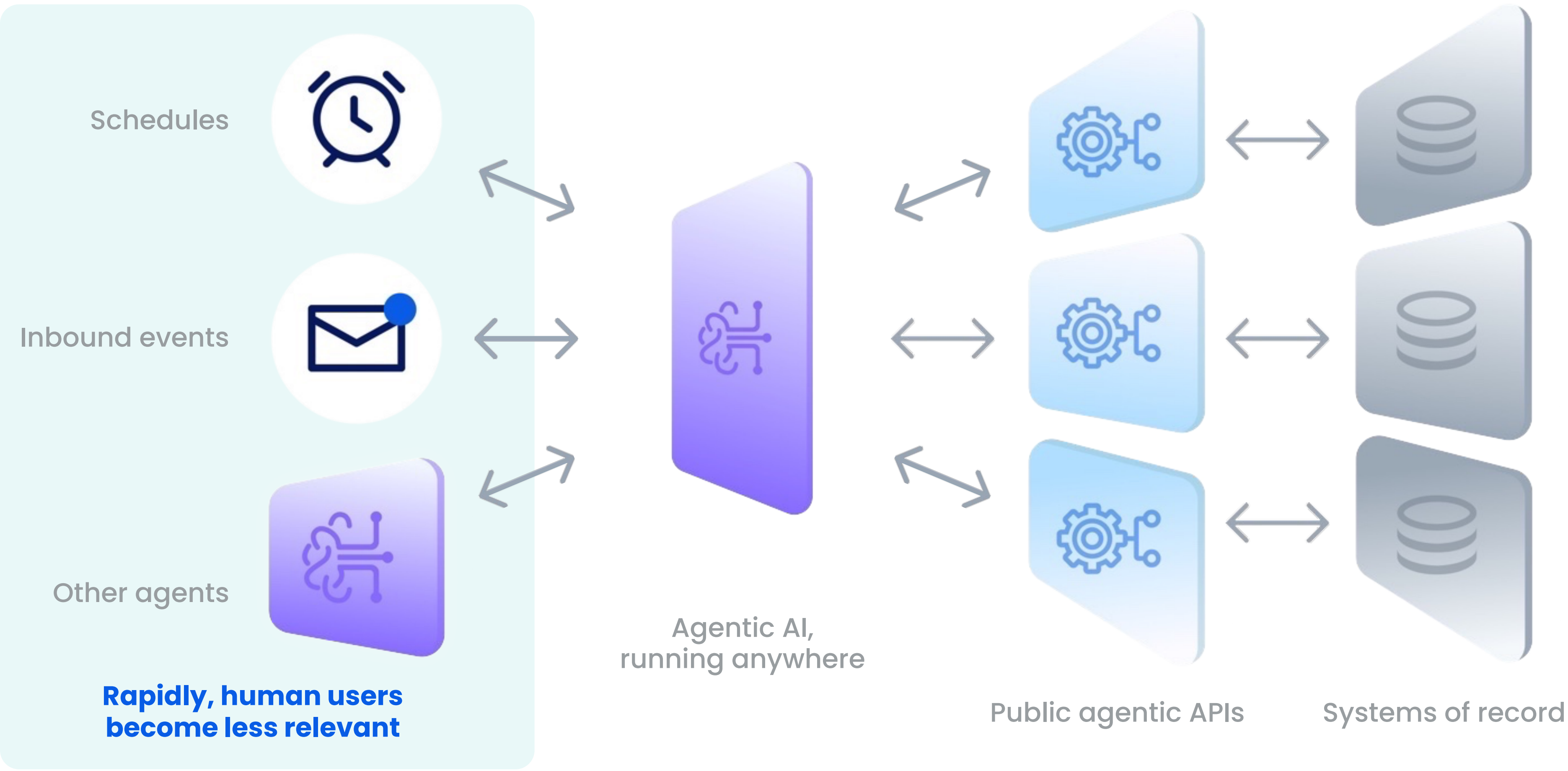
Agents don’t always need humans

Other things can cause agents to act

- Like this motion sensor, an AI agent could start a process or do a task when triggered externally
- Outside event triggers, timers, or even other agents could initiate with them

The Future Evolution of Enterprise Applications

AI Agent may not depend on human input to trigger them



Triggered by timing (retail examples)

”Every weekday night at 5pm, check all 3 of my banks for the highest savings rate. Then transfer any balance over $5000 from all of my accounts to the highest yielding savings account.”

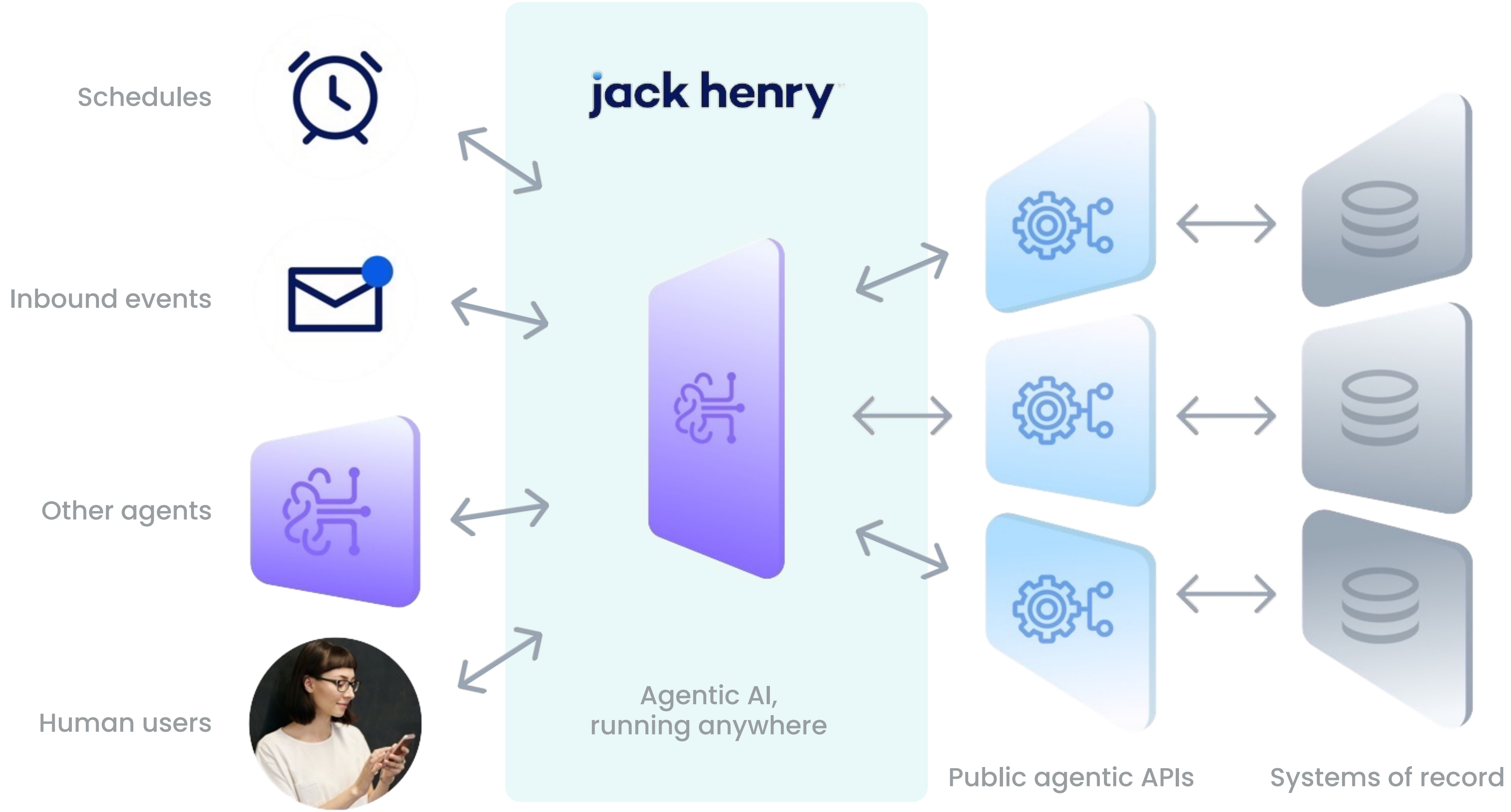
“Every morning at 8am, check my Inbox for eBills and notifications, and use my online banking to pay them if they are under $300. If the bill is more than $300, send me a text to remind me to look at it. Transfer money from Savings to the payments checking account as needed.”

Example with a Bank Associate

- **Every morning at 7:15am, cycle through all of the exception items in SilverLake.**

  1. Check the customer's previous transactions to see how prior exceptions were handled.
  2. Check their history in Synapsys to see if they have on-going issues with the bank.
  3. Decide on the exception disposition and fees, if any, according to bank policies, and stage those in a place for human review.
  4. If you recommend waiving the fees for customer satisfaction reasons, add a note in Synapsys and save a nice email to the customer in the Drafts folder of my Outlook.

Who is Going to Partner With FIs on These Solutions?



How are we executing on this plan?

The standard way:

Building AI features into our products

"*AI inside our walls*"

Next: AI Outside Our Walls

AI Agents could be anywhere

The future is millions of independent agents

- Anthropic agents running in SpaceX data centers
- OpenAI agents running in Azure data centers

All of them, calling our API's to do work for them

- **Externalizing Services can be uncomfortable**

Not every restaurant wants a drive-thru

It is what the public, and internal bank associates, are going to demand.

Harness Agnostic

The "harness" is the code that calls your APIs when the model tells it to.

Highly dynamic AI progress means agentic harnesses are also highly competitive.

Jack Henry is emphasizing flexibility as the market evolves.

CLAUDE COWORK

COPILOT

HERMES AGENT

salesforce Agentforce

LangGraph

Temporal

Grok

Corporate Agents Need to Touch Our Products

We need a way for the outside agents to know what we offer.

We need to show them how to ask for these things.

The AI Industry calls this MCP, or Model Context Protocol

MCP is the crucial identity and tracking layer that allows this to work safely

Safety

Not everything can be done at the drive-thru

We choose what is safe to serve through the external pathways

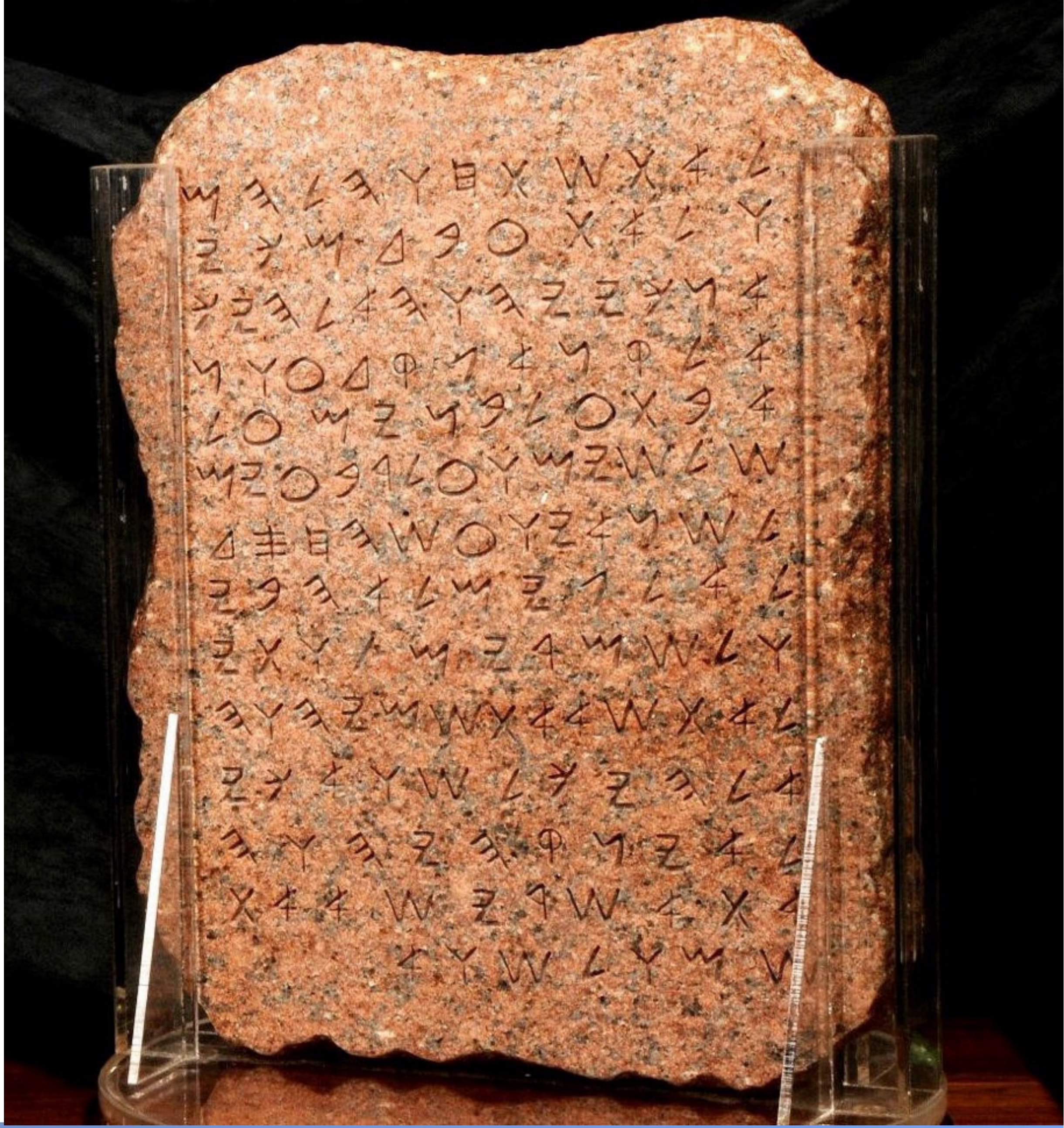
Risk frameworks are needed to assess and control all potential agentic actions

Implications for Jack Henry

From now on, APIs and SORs are what matter, not UI

The complexity, reliability, and regulatory moats are real.

If we do not have the APIs though, customers (and agents) will find other SORs that do.



Implications for Jack Henry

We are actively working on Agentic APIs across our roadmap

Detailed agentic authentication, authorization and auditability are crucial.

Partial trust means APIs must limit what agents can do without humans.

Implications for Jack Henry

API exposure outside of front-end systems

We have a lot of public APIs intended for use by third parties.

We have thousands more APIs that are not available outside JH.

Usually these are system or UI-specific.

We need many of these to be more open.

"External AI" means something

Jack Henry plans to be Harness-Agnostic

- Claude Cowork	Dominant mind share and momentum
- MS Copilot Cowork	Eventual dominant market share for our clients
- Other 3rd party frameworks	Dark horses could win, also

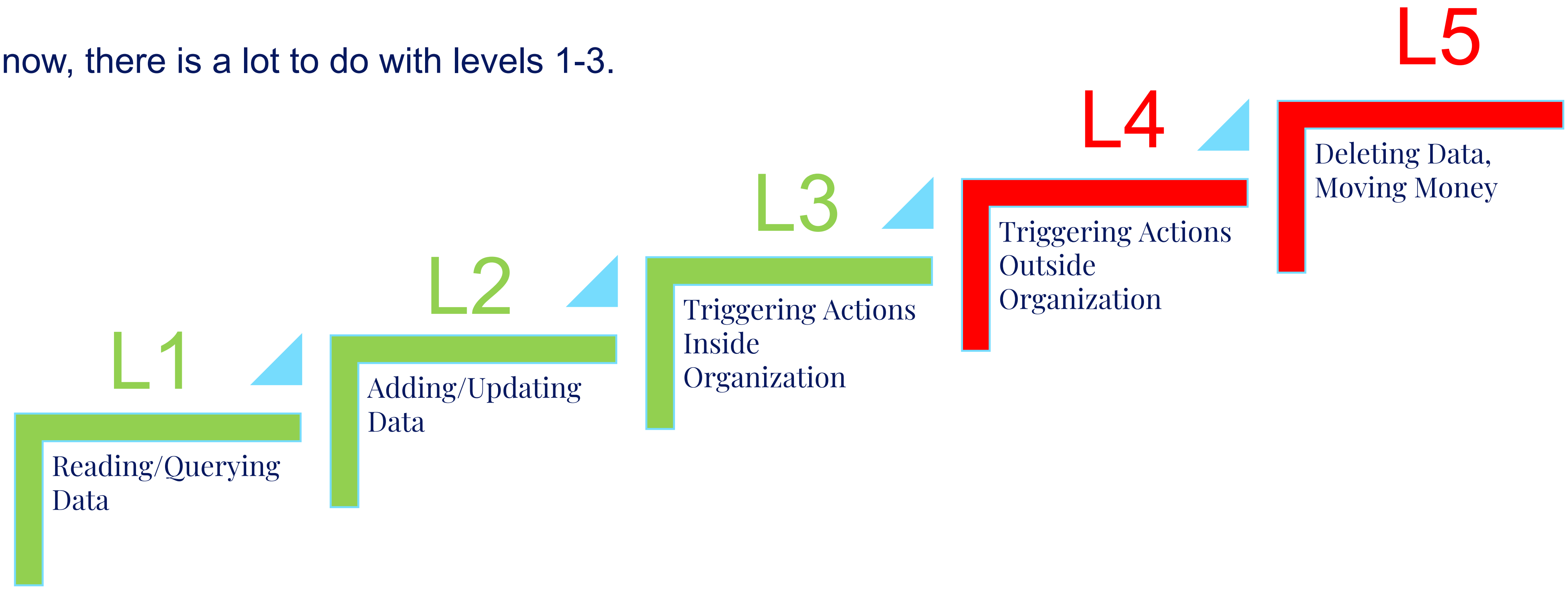
If a retail user or bank associate use a third party harness to call Jack Henry "tools" or APIs, the system calling us is running outside JH's firewalls and environments.

We have to enable these agents to reach inside JH, safely and securely.

5 Levels of Agentic Action Risks

As we start to move into agentic actions, we recognize that not all actions carry the same risk.

For now, there is a lot to do with levels 1-3.



Mapping to Product Priorities

	L1	L2	L2	L2	L5
Jack Henry Product	**Read-Only API's**	**Edit Rules and Statuses**	**Add comments, cases, other**	**Reset Passwords, Update Limits**	**Execute Transactions**
All Cores	Y				N
Payments	Y	Y		Y	N
Cards	Y	Y	Y	Y	N
CRM Synapsys	Y	Y	Y		N
Financial Crimes Defender	Y	Y	Y		N
Synergy	Y		Y		N
Banno/TM	Y	Y		Y	N
EPS	Y			Y	N

The idea is to make composable interlocking sets of these, to allow users to mix and match, like Legos.

50 years ago, Jack Henry revolutionized banking compute

Now, 50 years later, we are doing it again.

investor day 2026