

# Jack Henry & Assoc. Leverages In-house to Outsourcing Migration Trend Among Existing Core Clients

– Twenty-Seven In-House Clients Contract to Migrate to Outsourcing During Fiscal Year 2008 –

Monett, Mo. – August 20, 2008 - Jack Henry & Associates, Inc. (Nasdaq: JKHY), a leading provider of integrated technology solutions and data processing services for financial institutions, today announced that during its 2008 fiscal year (ending June 30), 27 banks automated by the technology platforms provided by its Jack Henry Banking™ division contracted to migrate from in-house processing to the company's outsourcing offering.

These banks are now among the 524 diverse financial institutions that have chosen to outsource their information and transaction processing to Jack Henry Banking's OutLink Data Centers™. Through six regional data centers and 20 item processing centers, Jack Henry Banking leverages its functionally distinct core processing platforms – SilverLake System®, CIF 20/20®, and Core Director® – to provide turnkey outsourcing solutions to banks ranging from de novo to multi-billion dollar mid-tier institutions.

Alabama-based Peoples Southern Bank, which installed CIF 20/20 in-house in 1986 and now has approximately \$138 million in assets, is among the banks that migrated to outsourcing. According to Sandra Minor, the bank's chief technology officer, "Like most businesses we relied very heavily on independent silos of knowledge and expertise. We evaluated a variety of solutions to this common problem that ranged from an aggressive internal training program to moving from in-house processing to outsourcing. Our visits with other banks that are outsourcing their information and transaction processing to Jack Henry Banking convinced us that we simply didn't want the responsibility of data processing anymore. Our move from a CIF 20/20-based in-house operation to a CIF 20/20-based outsourced operation was seamless since it didn't require a conversion. On the Monday morning after the weekend migration, our employees literally couldn't see a single difference – other than they needed a new password or two – in the way they did their jobs and served our customers. Our staff immediately embraced the change and more importantly, the migration was completely transparent to our customers – completely. Outsourcing has made our day-to-day work life easier and if we knew then what we know now, we would have moved to outsourcing sooner. Outsourcing is the best thing we've done for our bank in years."

Tony Wormington, president of Jack Henry & Associates, said, "The move from in-house processing to outsourcing is a growing trend and we are proactively helping a number of our core clients evaluate outsourcing. Outsourcing enables banks to leverage our extensive infrastructure and processing environment to eliminate the

capital expenditures required for in-house systems, the need for resident resources to operate and manage in-house data centers, and long-term capacity planning. Outsourcing also provides banks with the ability to focus on their core competencies with ongoing access to advancing technology, strict regulatory compliance, and our technology and security experts.”

Kevin Williams, CFO of Jack Henry & Associates, concluded, “Our outsourcing business represents a significant component of our recurring revenue, and these migrations have the potential to generate more revenue long-term largely based on an outsourced bank’s ability to implement more of our complementary solutions without the initial capital expenditures required for in-house installations. In the near-term these migrations replace in-house maintenance fee income with monthly processing fees, and our customers typically implement additional complementary products during the migration to outsourcing.”

### **About Jack Henry Banking**

Jack Henry Banking, a division of Jack Henry & Associates, Inc. (Nasdaq: JKHY), is a leading provider of integrated computer systems for banks ranging from de novo to mid-tier institutions. Jack Henry Banking currently serves approximately 1,700 banks as a single source for integrated, enterprise-wide automation and as a single point of contact and support. Additional information is available at [www.jackhenrybanking.com](http://www.jackhenrybanking.com).

### **About Jack Henry & Associates, Inc.**

Jack Henry & Associates, Inc. (Nasdaq: JKHY) is a leading provider of computer systems and ATM/debit card/ACH transaction processing services primarily for financial services organizations. Its technology solutions serve more than 8,800 customers nationwide, and are marketed and supported through three primary brands. Jack Henry Banking supports banks ranging from de novo to mid-tier institutions with information and transaction processing solutions. Symitar™ is the leading provider of information and transaction processing solutions for credit unions of all sizes. ProfitStars® provides highly specialized products and services that enable financial institutions of every asset size and charter, and diverse corporate entities to mitigate and control risks, optimize revenue and growth opportunities, and contain costs. Additional information is available at [www.jackhenry.com](http://www.jackhenry.com).