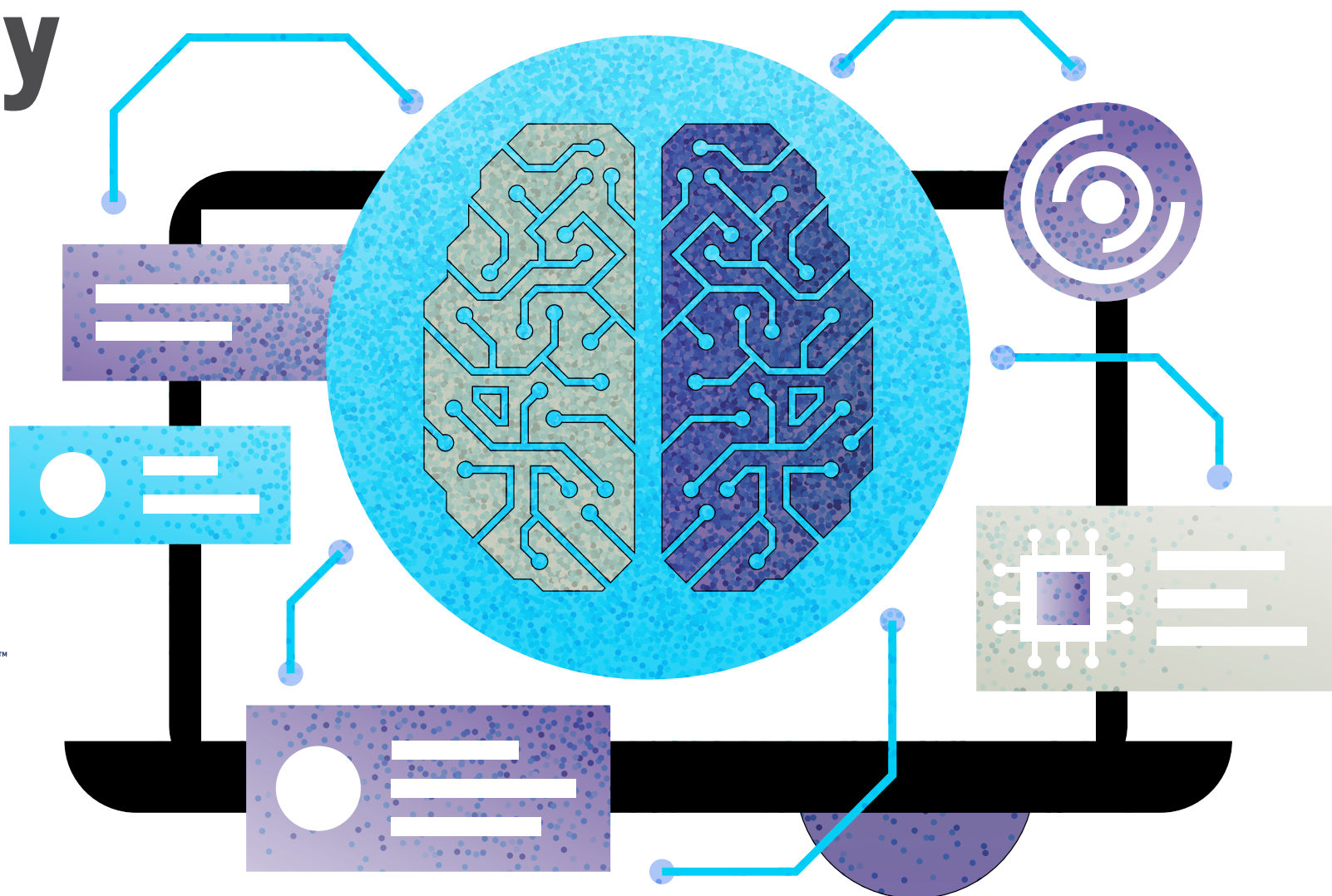


2025 Technology Survey



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About Bank Director

Bank Director reaches the leaders of the institutions that comprise America's banking industry. Since 1991, Bank Director has provided board-level research, peer insights and in-depth executive and board services. Built for banks, Bank Director extends into and beyond the boardroom by providing timely and relevant information through *Bank Director* magazine, board training services and the financial industry's premier event, Acquire or Be Acquired. For more information, please visit www.bankdirector.com.

BankDirector.

About Jack Henry & Associates, Inc.®

Jack Henry™ (Nasdaq: JKH) is a well-rounded financial technology company that strengthens connections between financial institutions and the people and businesses they serve. We are an S&P 500 company that prioritizes openness, collaboration, and user centrality – offering banks and credit unions a vibrant ecosystem of internally developed modern capabilities as well as the ability to integrate with leading fintechs. For nearly 50 years, Jack Henry has provided technology solutions to enable clients to innovate faster, strategically differentiate, and successfully compete while serving the evolving needs of their accountholders. We empower approximately 7,400 clients with people-inspired innovation, personal service, and insight-driven solutions that help reduce the barriers to financial health. Additional information is available at www.jackhenry.com.

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Laura Alix is the director of research for Bank Director, an information resource for directors and officers of financial companies. You can connect with her on LinkedIn.

EXECUTIVE SUMMARY

Community banks have access to troves of valuable customer financial data, but many bankers admit they don't always know how to make the best of it. In Bank Director's 2025 Technology Survey, sponsored by Jack Henry & Associates, one-third of bank leaders cite an inability to use data effectively as a top challenge facing their bank when it comes to its use of technology.

A deeper dive into the survey results reveals persistent problems for the industry when it comes to managing data that could have broader implications as banks seek to compete and embrace new solutions.

In order to effectively use many emerging technologies, including artificial intelligence, banks need to organize and clean their data so they're not relying on incomplete or redundant information. Bank CEOs, chief operating officers, senior technology executives and board members participating in the survey say their institution employs a variety of methods to manage their data. Fifty-six percent keep data in the system or platform that generates or uses it, and an equal percentage rely on their core provider to access data. Forty-one percent use spreadsheets to manage data used by business lines, and 39% use a data lake or warehouse to combine data from different sources.

"Relying on spreadsheets to manage data is not only cumbersome and inefficient, it introduces vulnerabilities around governance, data integrity, security and compliance," says Jennifer Geis, senior strategic advisor of research and payments with Jack Henry.

An inconsistent approach to data management reflects a larger underlying problem at some banks, where much work happens in silos and isn't communicated holistically throughout the organization, says Lee Wetherington, senior director of corporate strategy with Jack Henry. "All banks have multiple systems of record for different kinds of data, but until you aggregate the data from those systems in one place, you don't have a single source of truth to drive reliable analysis, automation, AI and strategic decision-making across the bank."

Some banks are tackling this challenge. Twenty-eight percent of all respondents say their institution has invested in data analysis platforms or capabilities over the prior 18 months, a percentage that climbs to 70% for banks over \$10 billion in assets.

Half of respondents believe their bank effectively uses data analytics in the realm of regulatory compliance, and 47% say the same of enterprise risk management. Majorities believe their bank does not effectively use data analytics in marketing, operations or human resources. Respondents from larger banks are much more likely to say they effectively use data analytics in all of these functions.

As the industry works to enhance its data capabilities, one fundamental problem is becoming clear, says Wetherington. Banks may not have enough data on their own customers, who often use a broad array of financial services providers. "Without minimum viable data on customers, being a 'fast follower' is not an option."

**The report has been updated from an earlier version to correct a data point.*

KEY FINDINGS

➔ Acting on AI

Majorities of respondents say their bank has taken some initial steps in response to the growing prevalence of artificial intelligence technologies, including drafting an acceptable use policy for AI (66%) and experimenting with AI in limited use cases (62%). Fifty-three percent say they are educating employees about the threat of AI-enabled fraud.

➔ Stablecoin Impact

Just over half of bank executives and directors say they are slightly concerned about the impact of stablecoins on deposit competition and 19% are moderately concerned; a quarter are not concerned at all. Looking at the broader competitive landscape, 60% identify local banks and/or credit unions as their greatest threat, followed by big or superregional banks (53%) and fintech companies that offer a range of products, such as Paypal or Block (44%).

➔ A Defanged CFPB?

The Trump administration ordered the Consumer Financial Protection Bureau to halt much of its work early this year, and the bureau indicated in an April 2025 memo that it would focus enforcement efforts more on depository institutions than on nonbanks and fintech firms. Sixty-two percent of respondents say this would negatively impact banks' ability to compete.

➔ How Decisions Are Made

More than half (54%) say that a management-level team or steering committee has final approval of technology investments, while 48% say a C-level executive, other than the CIO or CTO, has that authority. Just over a quarter say their board is directly involved in major technology investment decisions.

➔ Measuring Up

Just 18% of survey respondents say their bank measures return on investment for its technology projects, while 68% do not. Among the 33% of respondents who believe their bank does not allocate sufficient resources to technology and innovation, a lack of clear metrics to understand the ROI of tech investments is cited as the primary shortcoming.

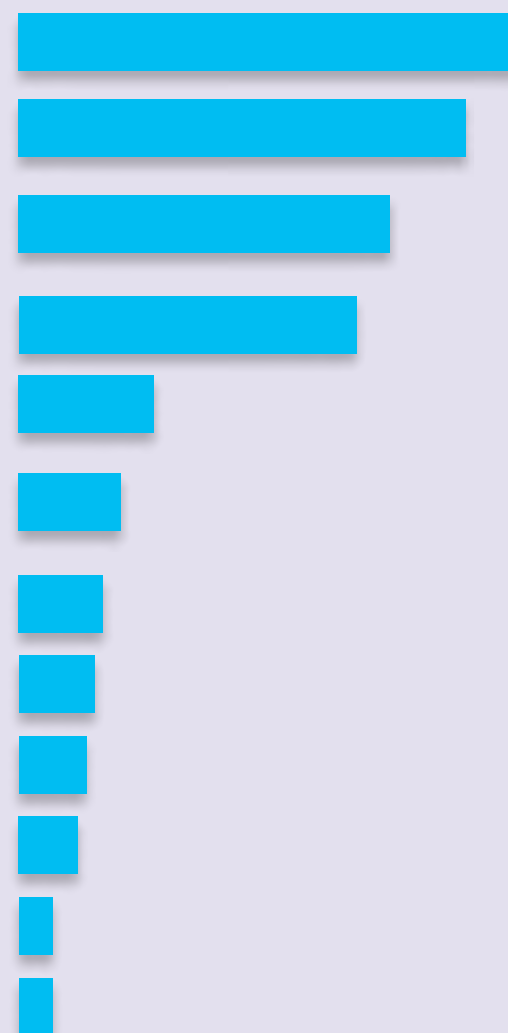
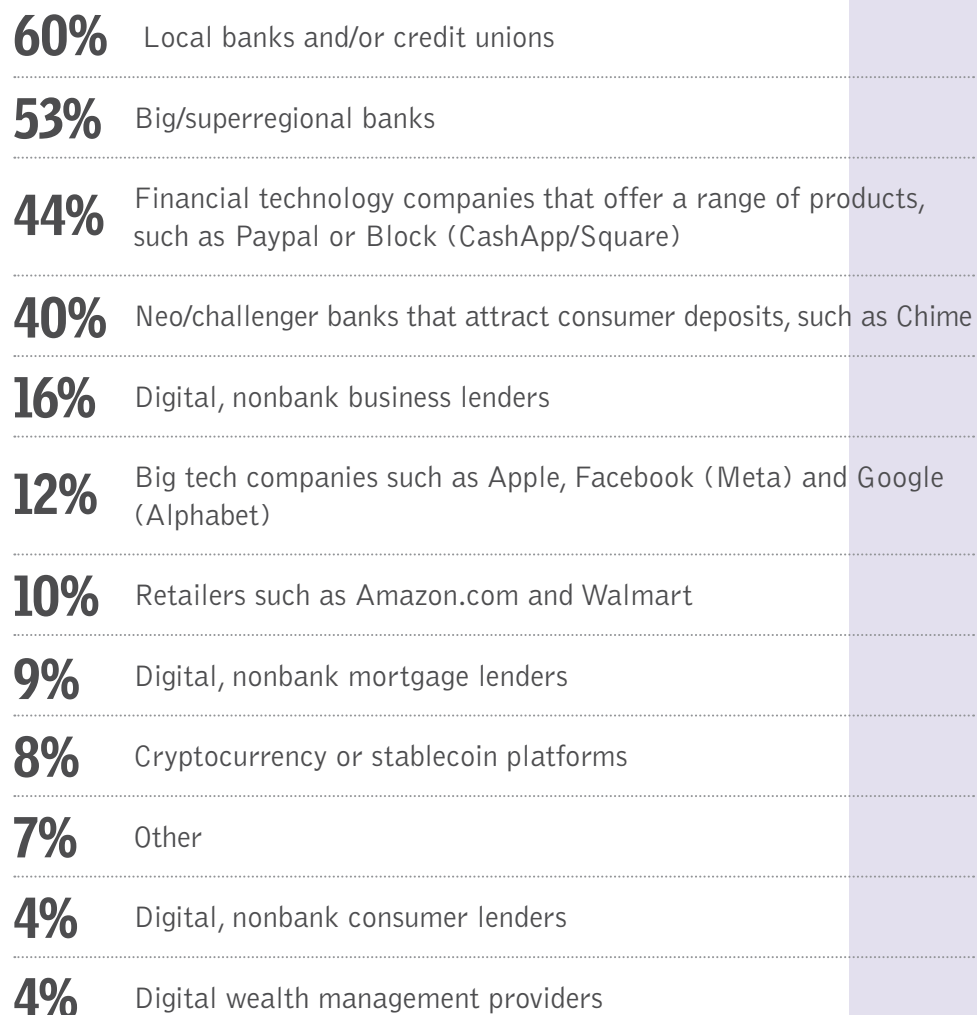
➔ Not Meeting Targets

Fifty-six percent of bank executives and directors say their organization sets clear objectives for technology initiatives and investments. Of those respondents, 41% say a tech initiative has fallen short of the objectives set for it sometime in the past 18 months.

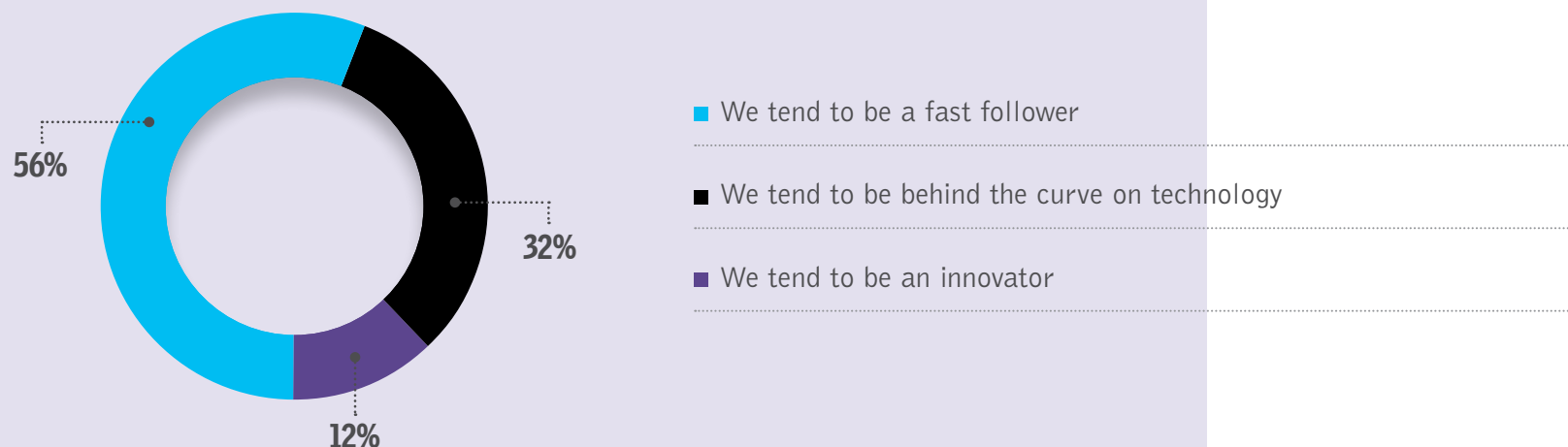
COMPETITION & STRATEGY

1. Of the following, which three do you consider to be the greatest competitive threat to your bank?

Respondents were asked to select no more than three options.

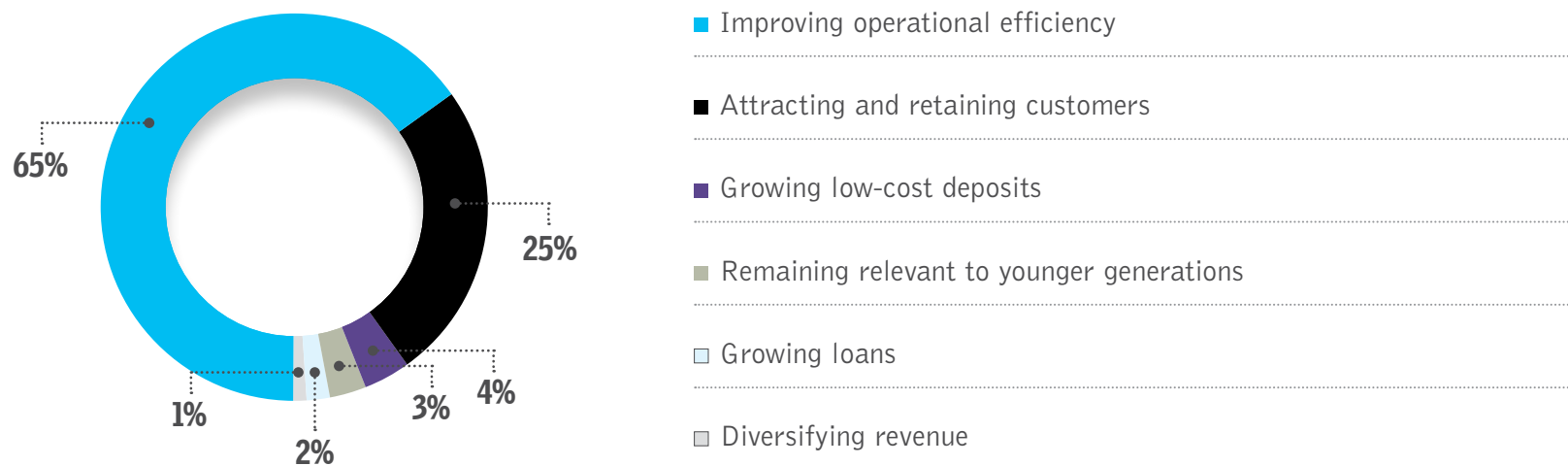


2. How would you describe your bank's approach to new technology adoption?



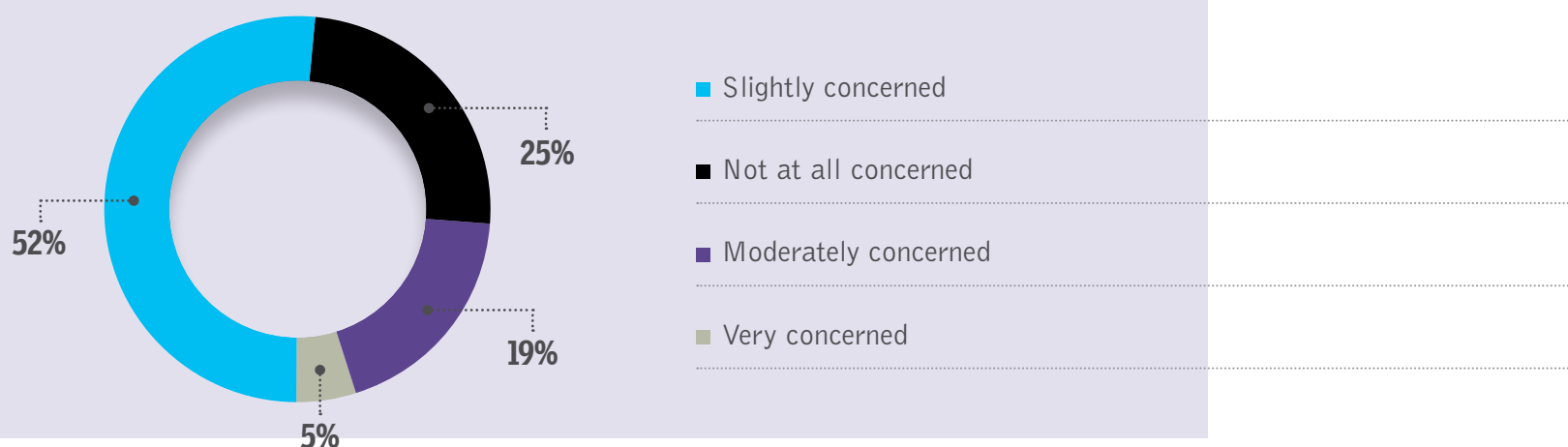
3. What is the primary objective that guides your bank's technology strategy?

Respondents were asked to select the option that best aligns with their bank's strategy.



4. How would you rate your level of concern about the impact of stablecoins and cryptocurrency on your bank's ability to compete for deposits?

Numbers don't add up to 100% due to rounding.

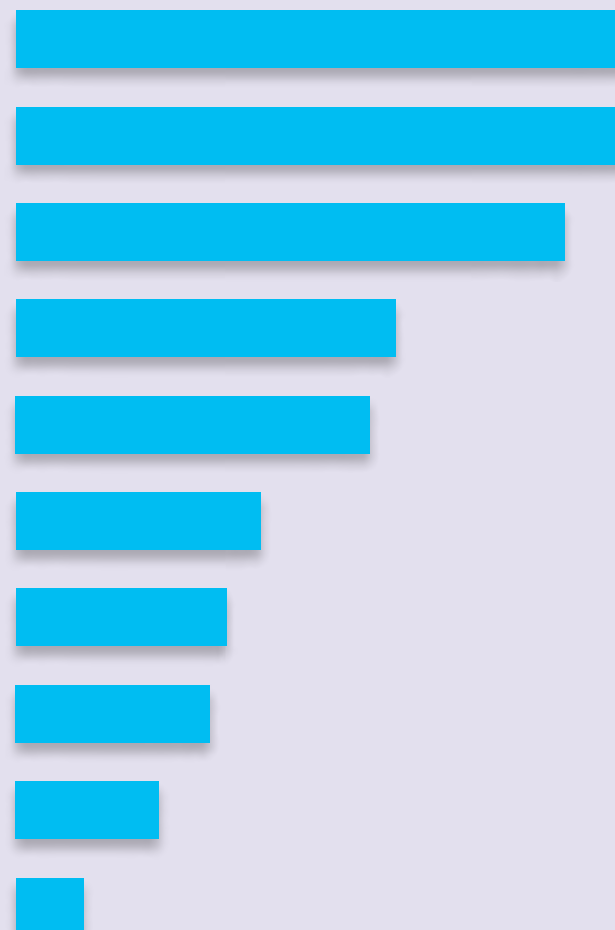


SERVING CUSTOMERS

5. What digital capabilities does your bank offer to its retail customers?

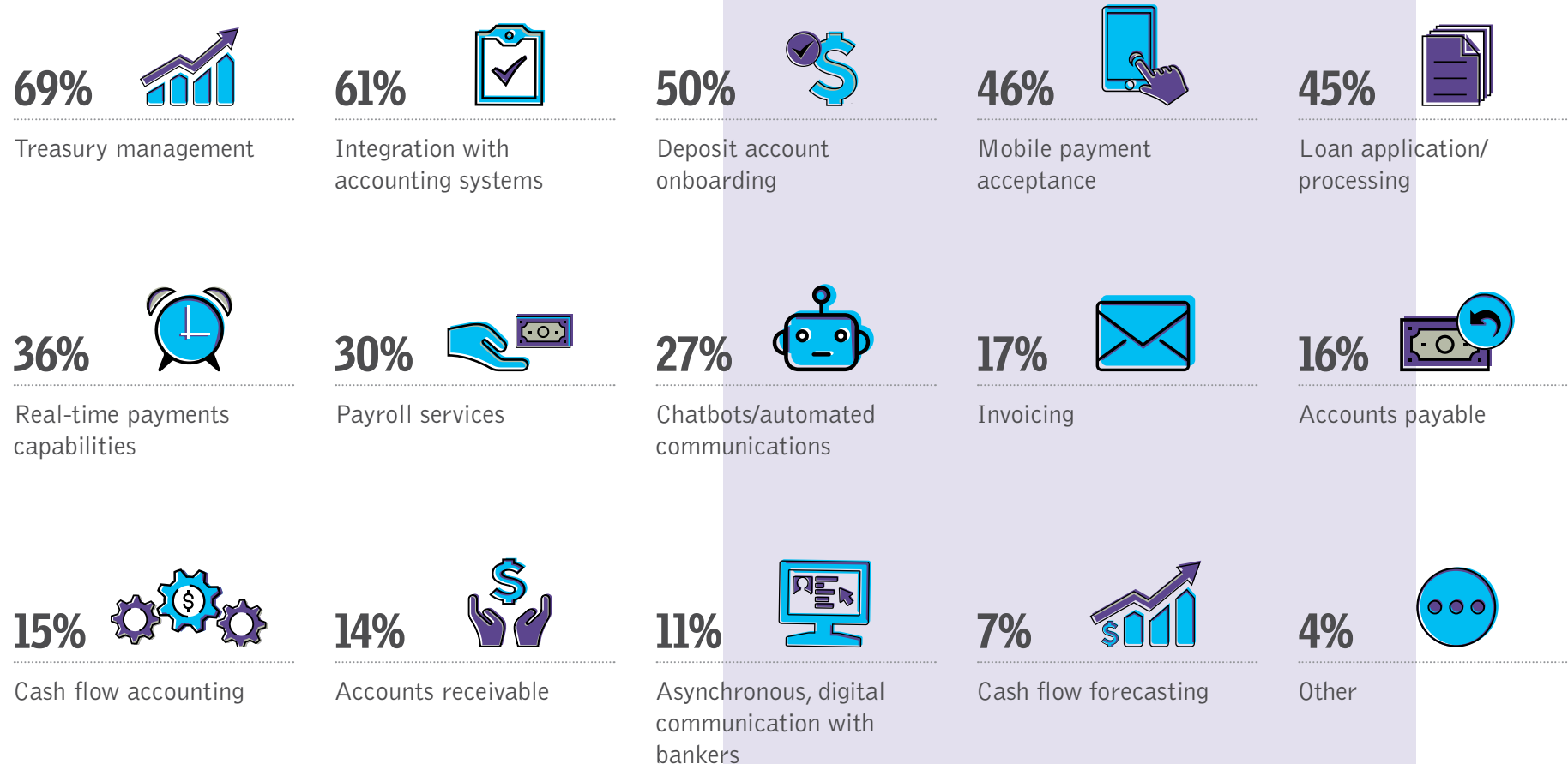
Respondents were asked to select all that apply.

73%	Deposit account onboarding
73%	Person-to-person payments
65%	Mortgage loan applications/processing
45%	Consumer (auto, etc.) loan applications/processing
43%	Personal financial management/digital budgeting capabilities
29%	Wealth management capabilities, including brokerage
25%	Branch appointment scheduling
23%	Chatbots/automated communications
17%	Asynchronous, digital communication with bankers
8%	Other



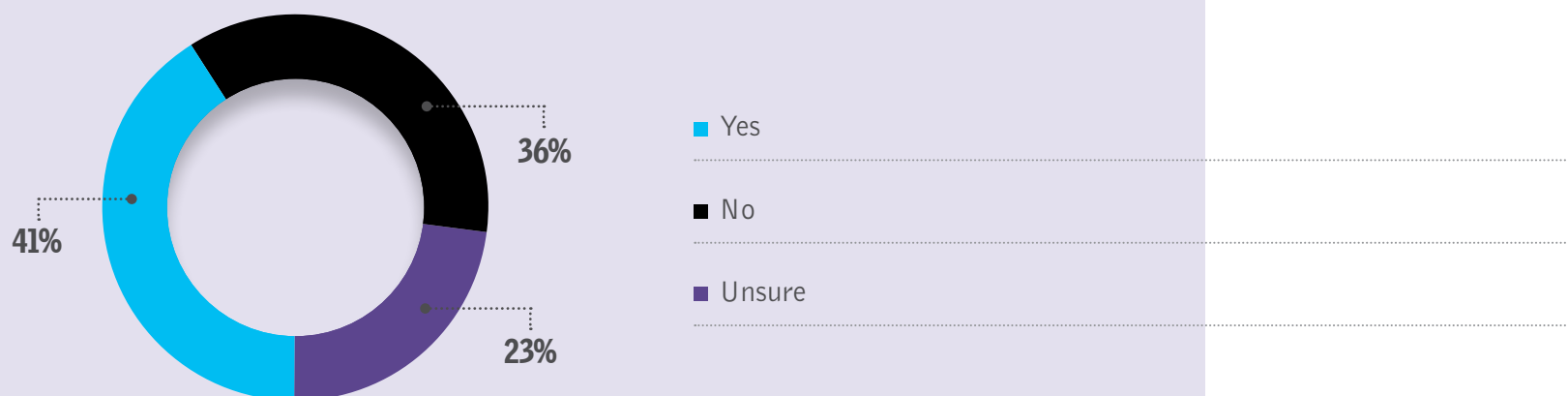
6. What digital capabilities does your bank offer to its small business customers?

Respondents were asked to select all that apply.



7. Do you believe that your bank's payment offerings are sufficient to meet your customers' needs?

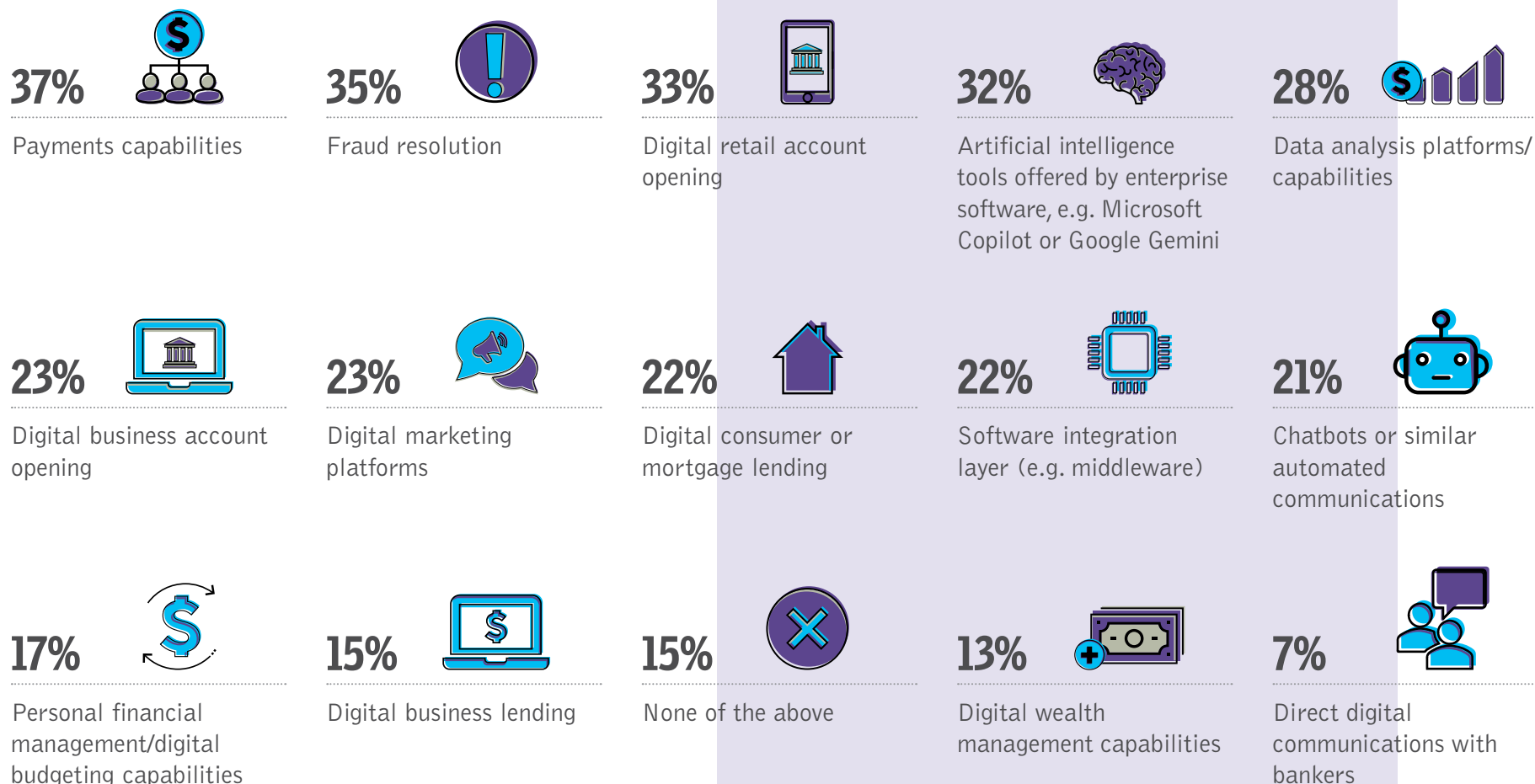
Question only asked of bank executives or directors who indicated a background or expertise in technology.



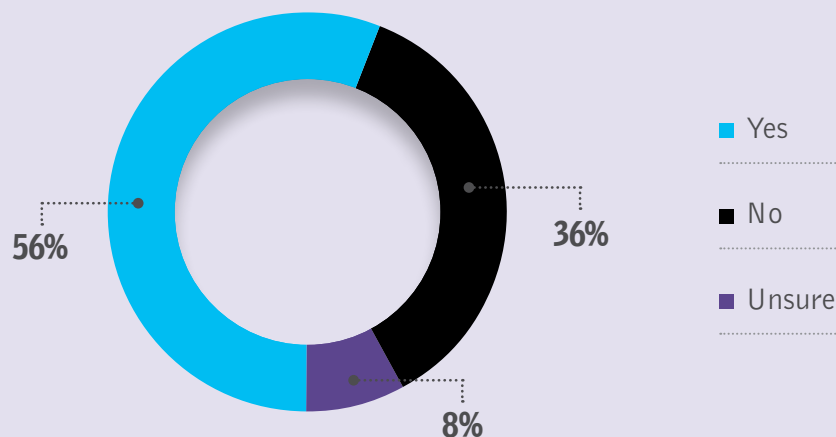
ADOPTION & SPENDING

8. Over the past 18 months, has your bank upgraded or implemented any of the following to enhance customer experience or improve efficiencies?

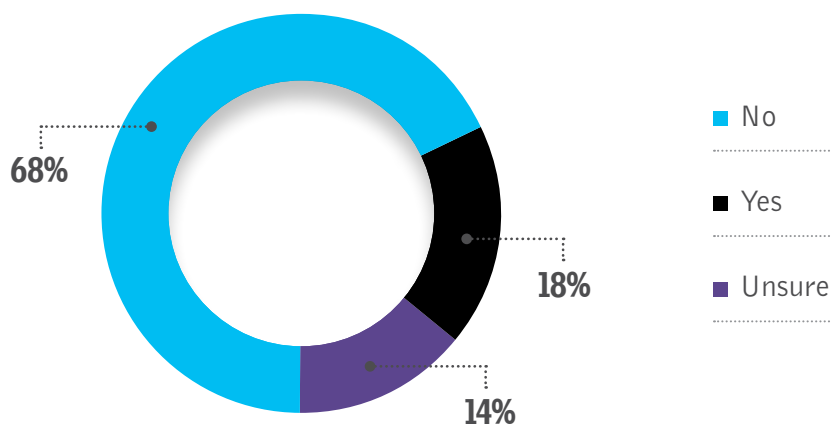
Respondents were asked to select all that apply.



9. Does your bank set clear objectives for its technology initiatives and investments?

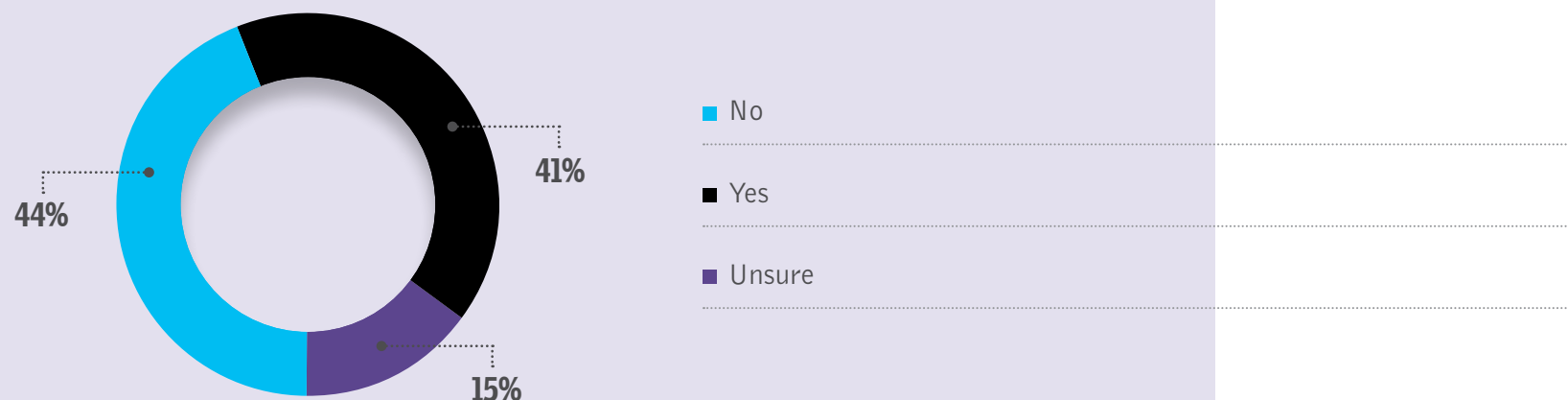


10. Does your bank measure return on investment for its technology projects?



11. Over the past 18 months, have any of your bank's technology initiatives fallen short of your bank's objectives?

Question only asked of respondents who indicated their bank sets clear objectives for its technology initiatives and investments.



12. Why was your bank unable to achieve its objectives in adopting the technology?

Question only asked of respondents who indicated that a technology initiative had fallen short of objectives set for it. Respondents were asked to select all that apply.

56% Insufficient vendor support or performance fell short

41% Lack of employee adoption

41% Longer than expected implementation time

22% Integration challenges with existing systems

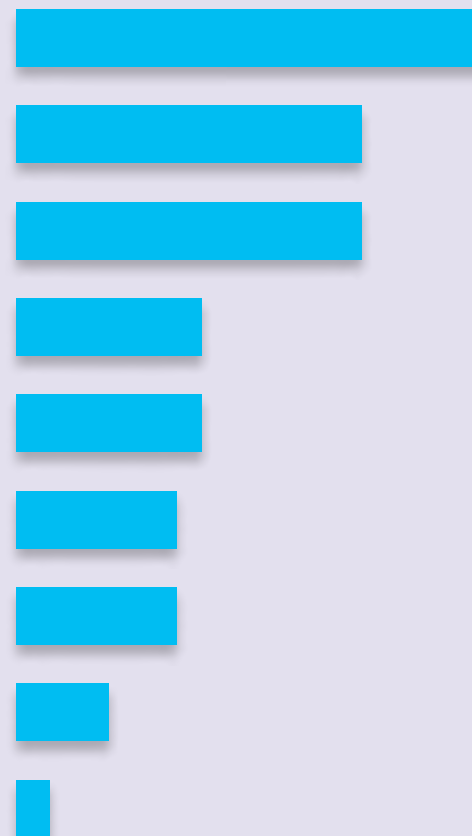
22% Shift in priorities

19% Insufficient due diligence

19% Budget constraints

11% Lack of client adoption

4% Other



13. How much has your bank budgeted for technology in fiscal year 2025?

Question only asked of CEOs, chief technology officers, chief information officers, chief financial officers and chief operating officers. Respondents were asked to report the total amount as a whole number and not enter zero values.

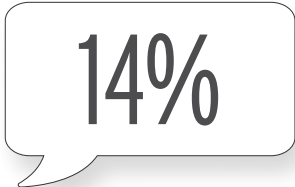


\$2,500,000

Median percentage allocated for technology

14. How much has your bank budgeted for technology in fiscal year 2025 as a percentage of noninterest expenses?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs. Respondents were asked to not enter zero values.



14%

Median percentage of noninterest expenses budgeted for technology

15. How much of your bank's technology budget has been allocated to emerging technologies or new digital/technology initiatives in fiscal year 2025?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs. Respondents were asked to not enter zero values.



15%

Median percentage allocated for new initiatives

16. Did your bank increase or decrease its budget for technology in fiscal year 2025 compared to its technology budget for fiscal year 2024?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs.



17. By what percentage did your technology budget increase for fiscal year 2025, compared to your bank's technology budget in fiscal year 2024?

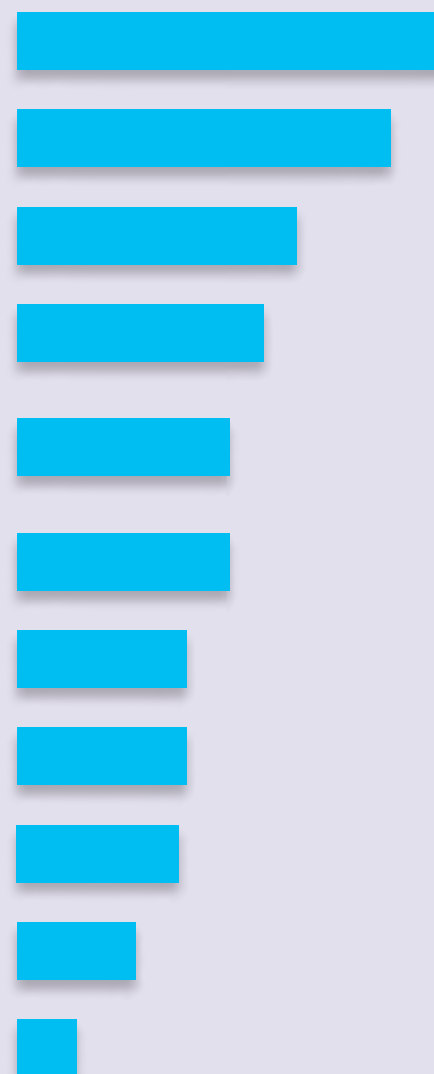
Question only asked of respondents who indicated their technology budget had increased for fiscal year 2025.

10%

Median percent budget increase

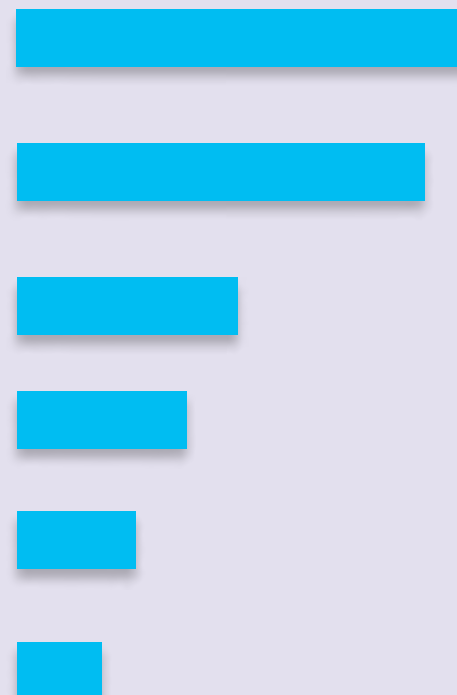
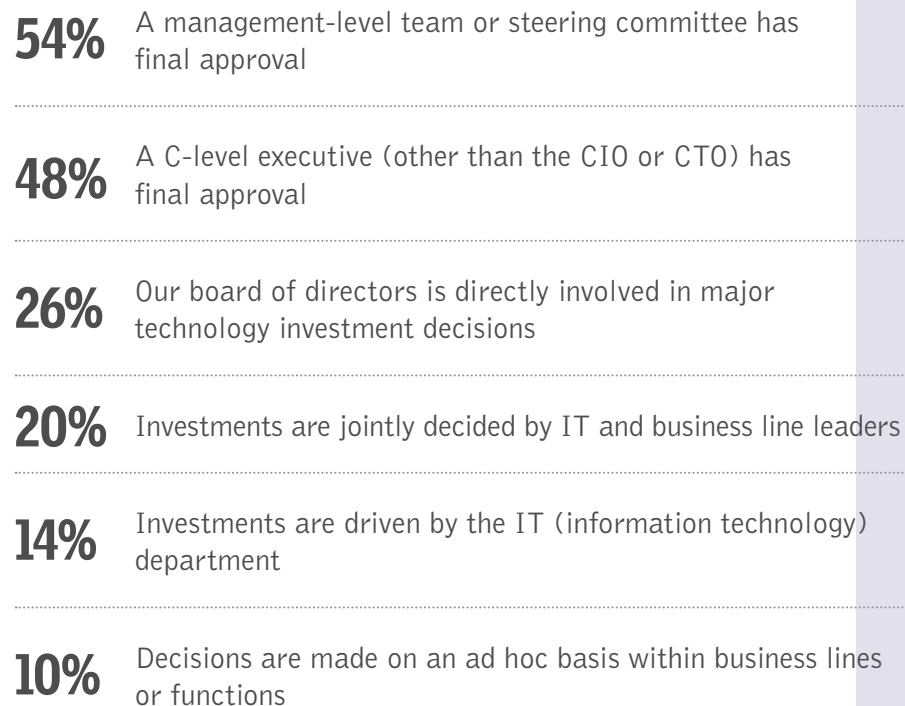
18. What challenges are you most concerned about as it pertains to your bank's use of technology?

Respondents were asked to select no more than three options.



19. How does your bank handle decisions about technology investments?

Respondents were asked to select all that apply.



20. Thinking about the most recent, significant technology implementation at your bank, how long did the due diligence process take?

Question only asked of CEOs, CTOs, CIOs, CFOs, COOs and directors who indicated a background in technology.



EMERGING TECHNOLOGIES

21. Over the past 18 months, has your bank's leadership team and/or board discussed allocating budget or resources to any of the following emerging areas?

Respondents were asked to select all that apply.

66% Artificial intelligence

28% None of the above

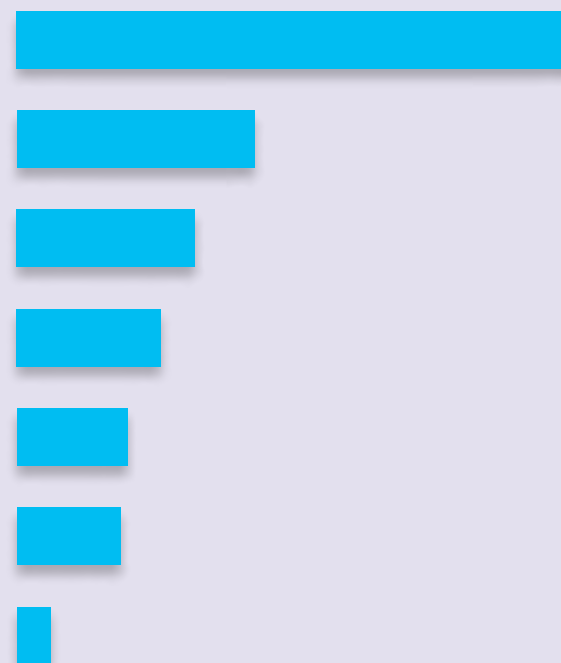
21% Payments as a service

17% Banking as a service

13% Cryptocurrency/digital assets, including stablecoin

13% Open banking

4% Blockchain



22. Do you believe your bank effectively uses data analytics in the following areas of the bank?

Respondents were asked to select all that apply. Numbers don't add up to 100% due to rounding.

Operations



Marketing



Human resources



Regulatory compliance



Enterprise risk management



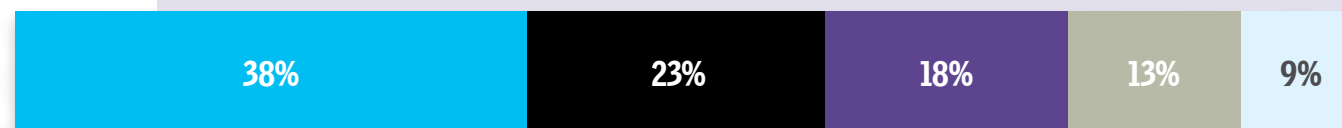
■ Yes

■ No

■ Unsure

23. Thinking about your customers' financial relationships — with your bank as well as other financial providers — how much of your customers' financial data do you believe your bank can access?

■ 25%-50% ■ Less than 25% ■ 50%-75% ■ Unsure ■ 75%-95%



24. How does your bank manage its data?

Question only asked of CEOs, CTOs, CIOs, CFOs, COOs and directors with a background in technology. Respondents were asked to select all that apply.

56% We keep data in the system or platform that generates or uses the data

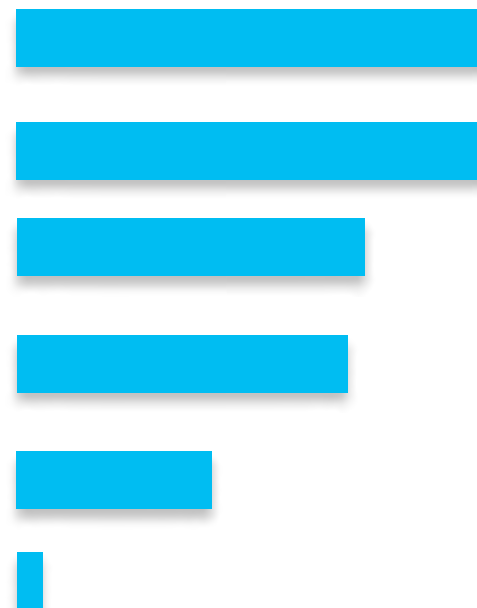
56% We rely on our core provider to access our data

41% We use spreadsheets to manage data used by business lines

39% We use a data lake or warehouse to combine data from different sources

23% We do not have a formal data management strategy

3% Other



25. Does your bank use generative AI, which creates new content by learning from patterns in existing content, in any of the following functions?

Respondents were asked to select all that apply.



26. What steps has your bank taken in response to the growing prevalence of artificial intelligence (AI) technologies?

Respondents were asked to select all that apply.

66% We've drafted an acceptable use policy to guide usage of AI technologies within the bank

62% We have begun experimenting with AI in limited use cases

53% We're educating employees about the growing threat of AI-enabled fraud

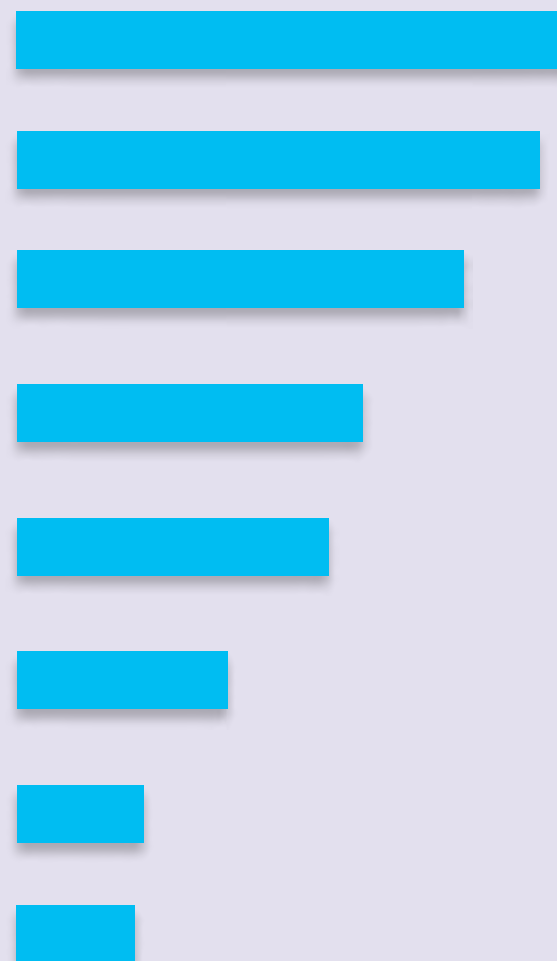
41% We've updated our vendor due diligence process to account for AI risks

37% We have appointed an executive or team responsible for AI oversight

25% We've trained employees on the use of AI, including generative AI

15% We've restricted/banned use of AI tools until further evaluation

14% We have not taken any formal steps in response to AI



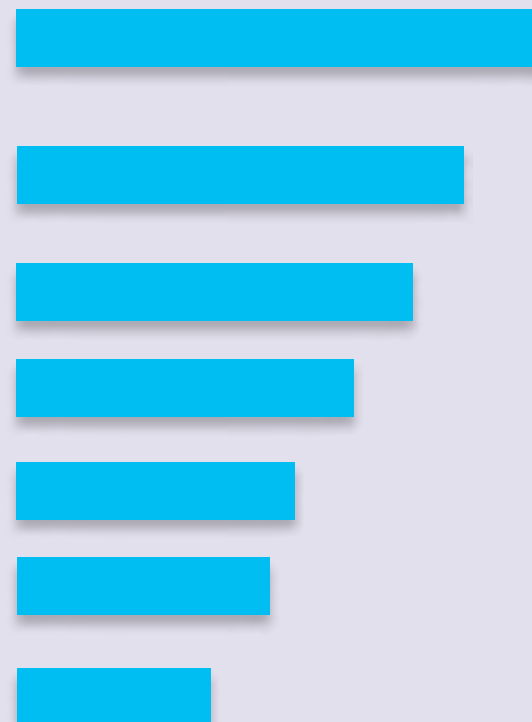
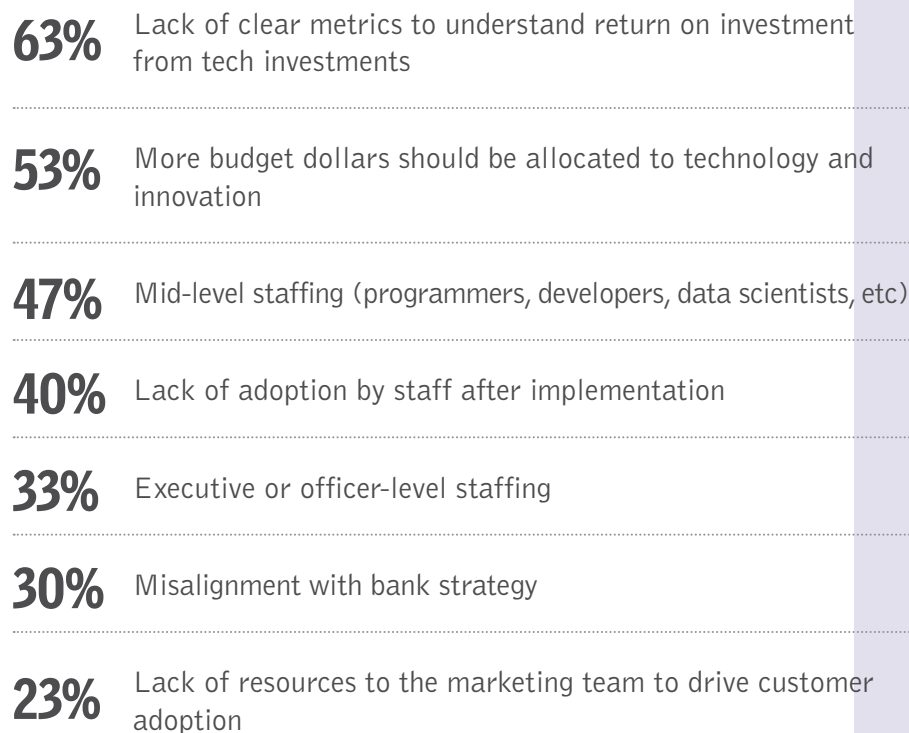
LEVERAGING RESOURCES & EXPERTISE

27. Overall, do you believe your bank allocates sufficient resources to technology and innovation?



28. What deficiencies do you see in your bank's allocation of resources to technology and innovation?

Respondents were asked to select all that apply.



29. In what areas do you believe your bank most critically needs additional in-house technology expertise?

Respondents were asked to select no more than three responses.

46% Data strategy and management

41% Fraud

37% Customer experience

30% Digital strategy

25% Cybersecurity

22% Deposit gathering

20% Payments

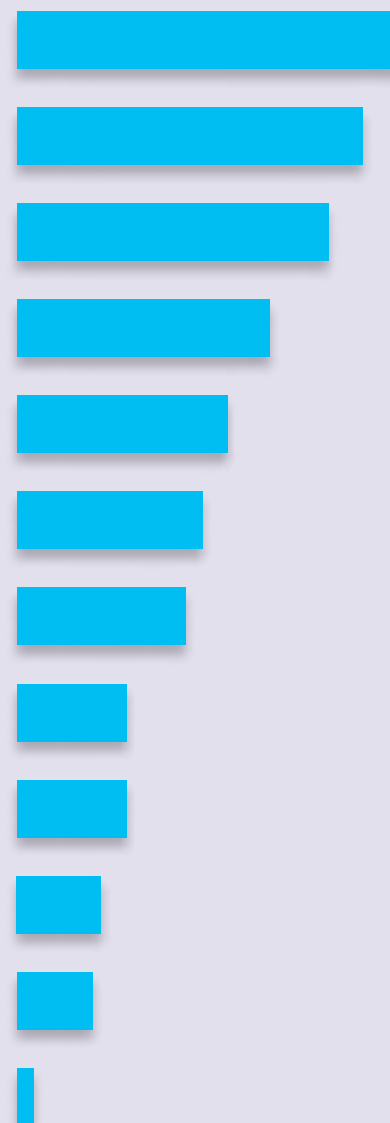
13% Information technology

13% Board level

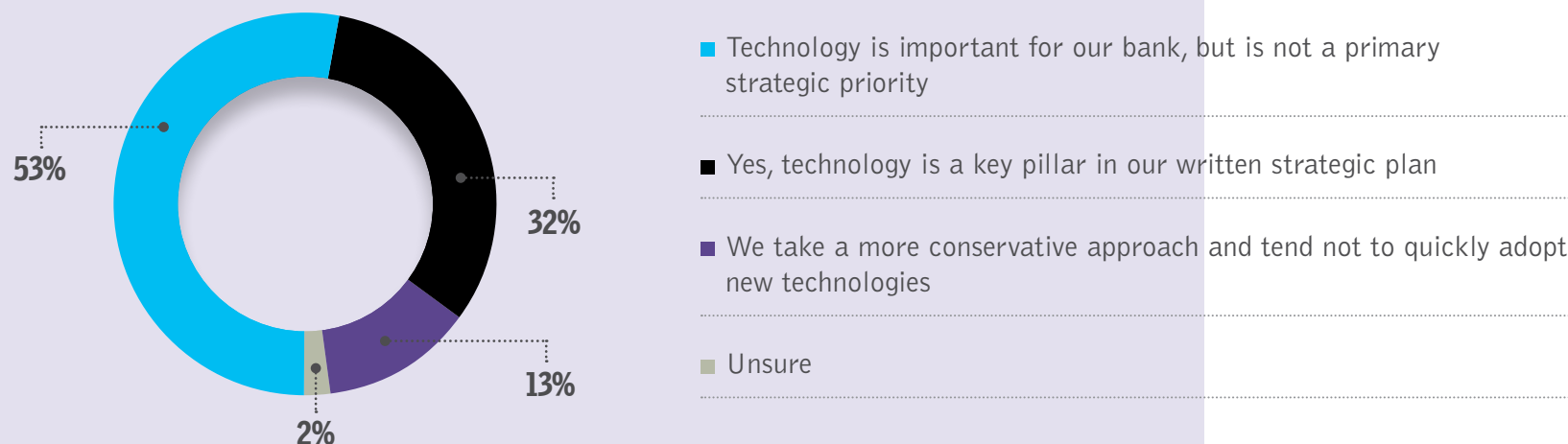
10% Digital lending

9% Digital marketing

2% Other

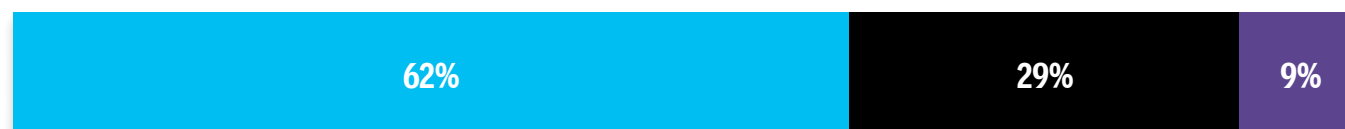


30. Is leveraging technology a strategic priority for your bank?



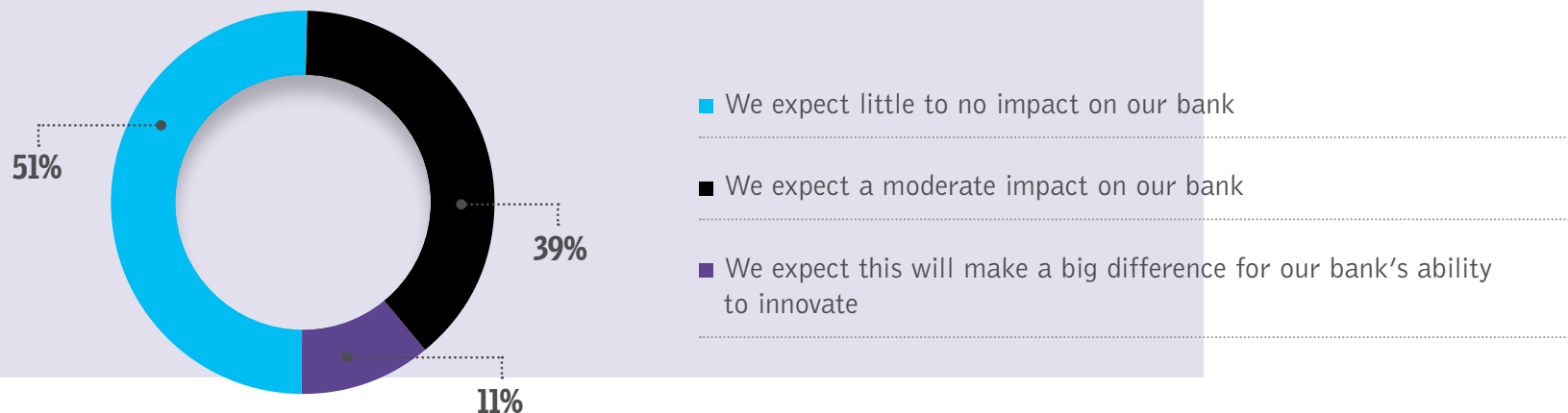
31. In an April 2025 memo, the Consumer Financial Protection Bureau indicated it would focus its enforcement efforts less on nonbanks and fintech firms and more on depository institutions. Do you believe that this will have a positive or negative effect on banks' ability to compete?

■ Negative ■ Unsure ■ Positive



32. Given shifts at the federal regulatory agencies under the current presidential administration, how do you expect that to affect your bank's ability to innovate and pursue new opportunities?

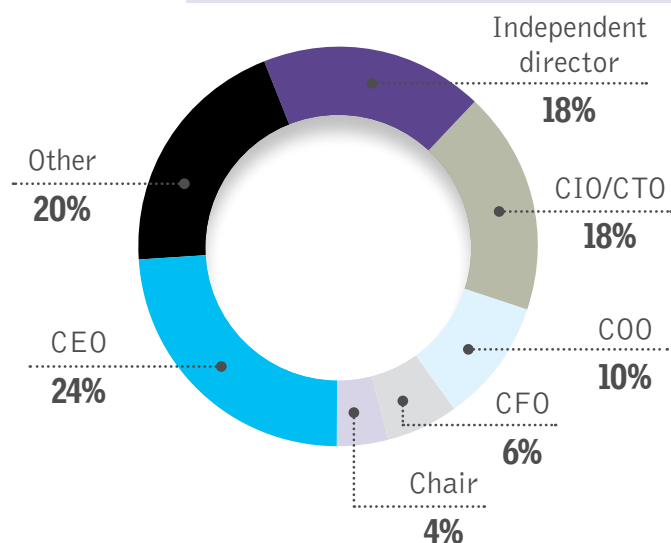
Numbers don't add up to 100% due to rounding.



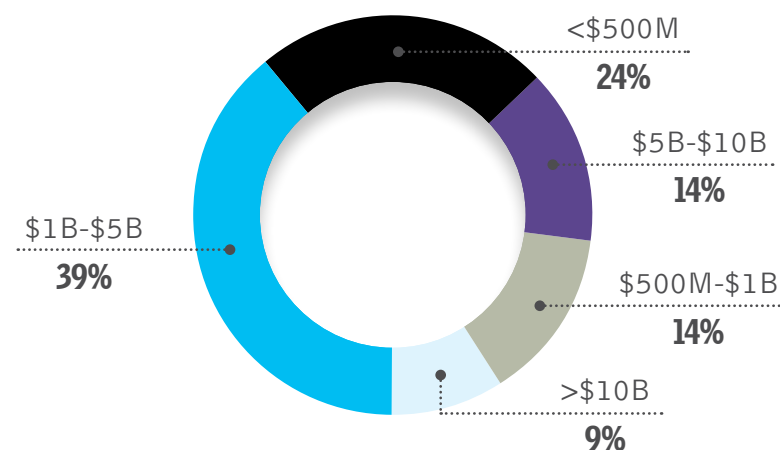
ABOUT THE SURVEY

Bank Director's 2025 Technology Survey, sponsored by Jack Henry & Associates, surveyed 141 independent directors, chief executive officers, chief operating officers and senior technology executives of U.S. banks below \$100 billion in assets to understand how these institutions make decisions about technology and data against a competitive landscape. The survey was conducted in June and July 2025. Over half of the respondents represent banks with \$1 billion to \$10 billion in assets. Forty-five percent of responding directors say they have a background in technology.

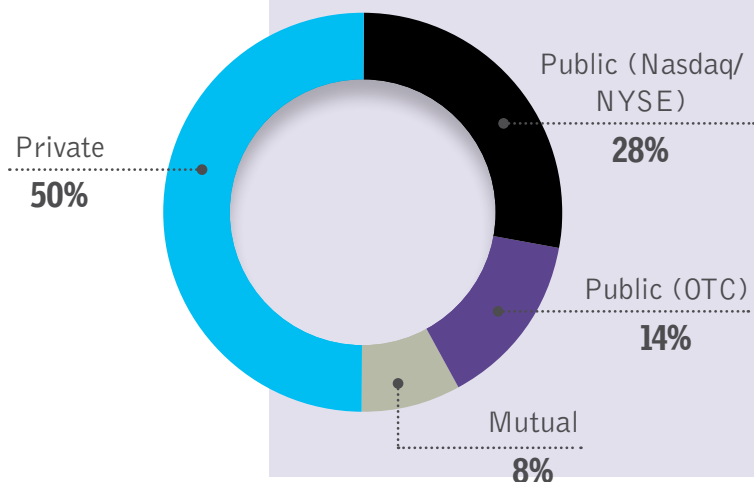
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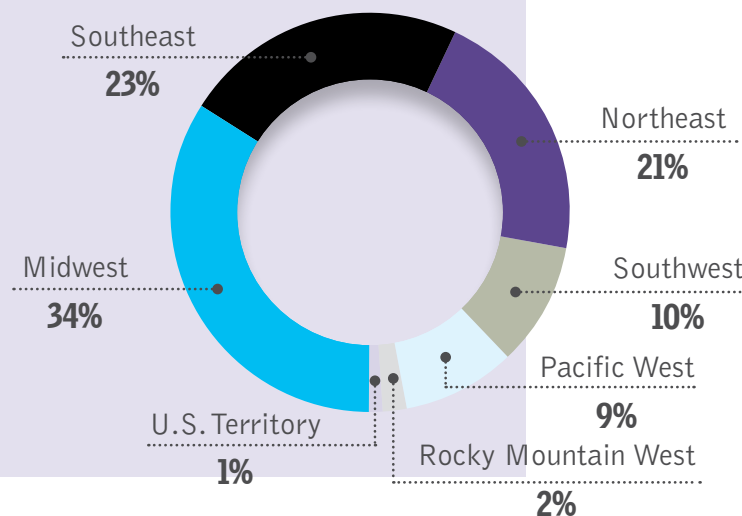
ASSET SIZE



OWNERSHIP STRUCTURE

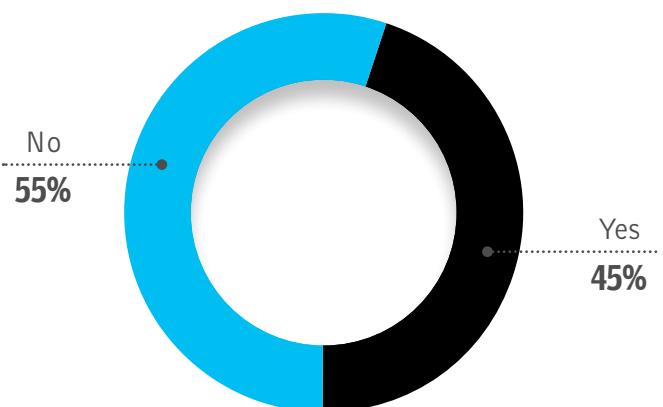


REGION*



DO YOU HAVE A PROFESSIONAL BACKGROUND, SKILLS OR EXPERTISE IN TECHNOLOGY?

Question only asked of directors and board chairs.



**Regions defined as follows: Midwest (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI); Northeast (CT, ME, MA, NH, NJ, NY, PA, RI, VT); Pacific West (AK, CA, HI, OR, WA); Rocky Mountain West (CO, ID, MT, NV, UT, WY); Southeast (AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, SC, TN, VA, WV); Southwest (AZ, NM, OK, TX)*