



2014 ANNUAL REPORT



MAKING TECHNOLOGY PERSONAL

Our mission statement is simple – develop superior services and technology solutions that improve your profitability and competitive position.

For 52 years, DCI has followed an uncompromising goal to develop superior bank technology that enables our customers to achieve their most profitable, competitive results.

And while our award-winning iCore360° technologies are unsurpassed, our greatest strength is our knowledgeable, caring people committed to providing a customer experience that is the most supportive and personal it can be.



In front: l-r, Sarah E. Fankhauser, Executive Vice President; John H. Jones, President and CEO; Behind: l-r, Senior Vice Presidents Dennis A. Queal, Gerald W. Rempe, Robert R. Ross, and Sencer Tasan



DCI is unique in the bank technology industry because we are independently owned by several of our client banks with customers serving as board members and user-group leaders. This creates a partnership focused on our customers' needs instead of stock market expectations.

This relationship, focused on people before profits, enables us greater flexibility, agility and responsiveness.

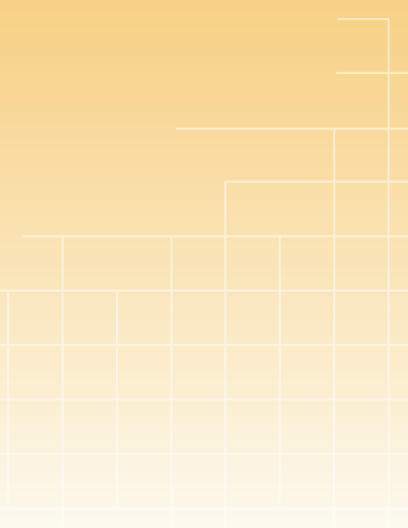
We take the time to truly listen and respect our clients' needs, and deliver banker-driven solutions backed by personal attention that is unparalleled.

We never forget that it is our customers that we work for and we pledge to do whatever is necessary to provide the resources and support they need to succeed. Because when our customers succeed, we all succeed. And there's nothing more important than that.



“
**DCI makes you
the hero at
your bank. They
stay behind the
scenes and give
you the credit.
Your success and
satisfaction are
all they want.**”

Tim Leonard,
CIO, Commercial
Bank of Texas



MESSAGE TO SHAREHOLDERS

DCI has an impressive record of stability, innovation, great customer relationships and user groups that ensure a bright future for their products and the clients that use them.

Keith Jones
President, Angelina
Savings Bank

As you will see in these pages, our expertise and planning in 2014 brought near record-setting revenues, virtually perfect customer satisfaction, innovative iCore360° developments, and a major strategic growth expansion.

New bank acquisitions and strong customer interest in new DCI products helped us reach our second highest year of revenue at 28.21 million, following our record-setting 50th anniversary.

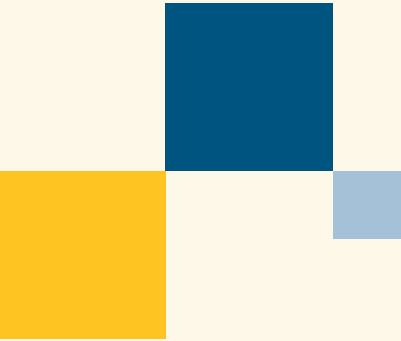
Results from our annual customer satisfaction survey were also very gratifying, as usual, with 100% of clients responding, and an overall satisfaction rating of 94% — results almost unheard of in any industry. We also renewed 100% of client contracts eligible for renewal in 2014, with several other clients renewing their 2015 contracts in advance.

After lengthy planning, DCI also achieved significant recognition by being named the California Bankers Association's (CBA) newest strategic partner for core bank software and related technologies, and the exclusive core technology provider recommended by the CBA. The endorsement is the first of its kind for the CBA and rare among industry associations.

The ongoing advancement of iCore360° reached new heights in 2014 with the continued help of our model user group process that added nearly five dozen enhancements, including options for account origination, card fraud blocking, home page personalization, and free DCI University training directly within iCore360°. Third party partnerships also introduced several new solutions, including merchant and remote deposit capture, and a merchant-funded, web-based customer loyalty program.

We also began evaluating the feasibility of new services such as vendor management, managed IT, after-hours call center support, and online support chat, which are all on target to launch in 2015.

DCI development engineers continued our efforts on PCI 3.0 certification, including a complete technology refresh with migrations to the most advanced, robust Oracle database and enterprise server technologies in our corporate processing and disaster recovery centers. Other new infrastructure technologies were implemented to expand overall processing efficiency and performance



with greater encryption, and to maximize efficiencies in our internal business systems, including our Virtual Desktop infrastructure.

Of course, the most significant event in 2014 and perhaps the most consequential since the release of iCore360°, was our significant investment in the September acquisition of the TeleWeb family of Internet, mobile, and phone banking software solutions.

Perhaps the single largest addition of major product offerings in our history, the acquisition also brought more than 350 new customers and many new talented software engineers and staff into the DCI family. This acquisition positions DCI for tremendous growth in the coming years by opening the door to directly offer our customers and other bankers nationwide more competitive Internet and mobile banking solutions that are now entirely owned, developed and supported by DCI.



R.A. Edwards
*Chairman of the Board
and DCI Client*

Overall, the successes and strategies of 2014 provide us with great encouragement looking forward to 2015 and beyond, as we remain committed to providing the very best bank technologies available, with strong customer relationships that give both DCI and our customers the inspiration to deliver the best banking possible.



John H. Jones
President and CEO



**I love, love, love
being a DCI
customer. Looks
like you are
stuck with us
for a long time.**

Debbie Ferguson
Cashier, All America Bank



CUSTOMER CARE

DCI support teams are knowledgeable, experienced professionals. There's no guessing or scripted answers at DCI.

Even a superior product like iCore360° needs an expert support team backing it up.

Providing personal support above and beyond that of our competitors has always been DCI's edge, with experts on call 24/7, 365 days a year. In 2014 DCI support staff continued to answer calls expediently, resolving nearly every support question on the first call and keeping the average response time to 8 minutes or less.

And this customer care extends far beyond our call center. Our customer relationship managers personally visited every DCI client each quarter during 2014 for on-site meetings—sometimes accompanied by DCI technical experts and even top executives—to listen to customers needs, address crucial questions, tackle key issues and provide strategic help. Plus, they renewed 100% of client contracts up for renewal in 2014 with many clients renewing for 2015 in advance.

Our professional service teams converted a significant number of new client branches into the DCI family, including several former Bank of America locations in the same

week. They also continued our highly successful operational review services that help banks maximize iCore360° and other DCI services to improve efficiency, service and profitability based on their unique needs. These services have produced such positive results for both DCI and our clients that we will be looking to expand them in 2015 with a team of professionals dedicated to these services alone.

In 2014 our education and development teams integrated our entire DCI University campus of video-based, instructor-led training directly into iCore360°, giving end-users on-demand access to in-depth training on all aspects of iCore360°—free of charge. This benefit was well received as another example of our commitment to bring uncommon value to our customers.

Our annual conference—*Heroic Banking*—was another success, bringing together nearly 300 customers, prospective clients, staff, exhibitors and industry experts for the latest in industry trends and DCI offerings. Several DCI clients participated as expert speakers, and in an unprecedented move, our keynote address was delivered in true leader form by one of our most active and

supportive clients, Tim Leonard, CIO of Commercial Bank of Texas, leaving everyone feeling positive. This highlight was matched only by the recognition of Angela Eilrich, Executive Vice President/COO of First Bank Kansas, with the first annual Nation Meyer Award for her contributions in continuing the DCI founder's legacy of innovative thinking and the betterment of banking for all DCI bankers.

For 2015, we anticipate another notable year for our customer care teams, including more operational reviews, educational updates, and additional customer outreach, including research into providing after hours call center services and capabilities for clients to communicate with our support team via online chat.

“There is no other core processor worth considering, in my opinion.”

Terri Koelsch
COO, *SIN Bank of Kansas*

CUSTOMER SATISFACTION

The response to our annual customer satisfaction survey also made it clear that our clients appreciate the relationships we've built with them. Before the scores were even tallied, we received positive feedback by again garnering 100% participation from our customers—a remarkable show of support in itself. But even more encouraging was the overall satisfaction rating of 94%, an increase of .07 percent over last year's scores. Other notable ratings from the survey included:

- Would recommend DCI to a business associate..... **93%**
- Likelihood of continuing a relationship with DCI..... **94%**
- Reliability of iCore360°..... **95%**
- Ease of doing business with DCI..... **95%**
- Overall service and support..... **96%**
- Customer service response time..... **97%**

Jennifer Burns
Sr. Customer Support Specialist

Nicolette Denney
Customer Support Supervisor



RESEARCH & DEVELOPMENT

Our DCI research and development engineers continued to analyze trends in banking and technology to incorporate powerful new capabilities into iCore360°. And we continue to gain critical input from the collaborative relationships we have with our customers, particularly the product-specific discussions in our

customer-led user groups. Over the years these have produced practical results that are more meaningful to our bankers and their ability to achieve greater workflow efficiency, profitability and service to their customers. In fact, user group requests have resulted in nearly 600 enhancements since 2002.

iCORE360[®] HIGHLIGHTS

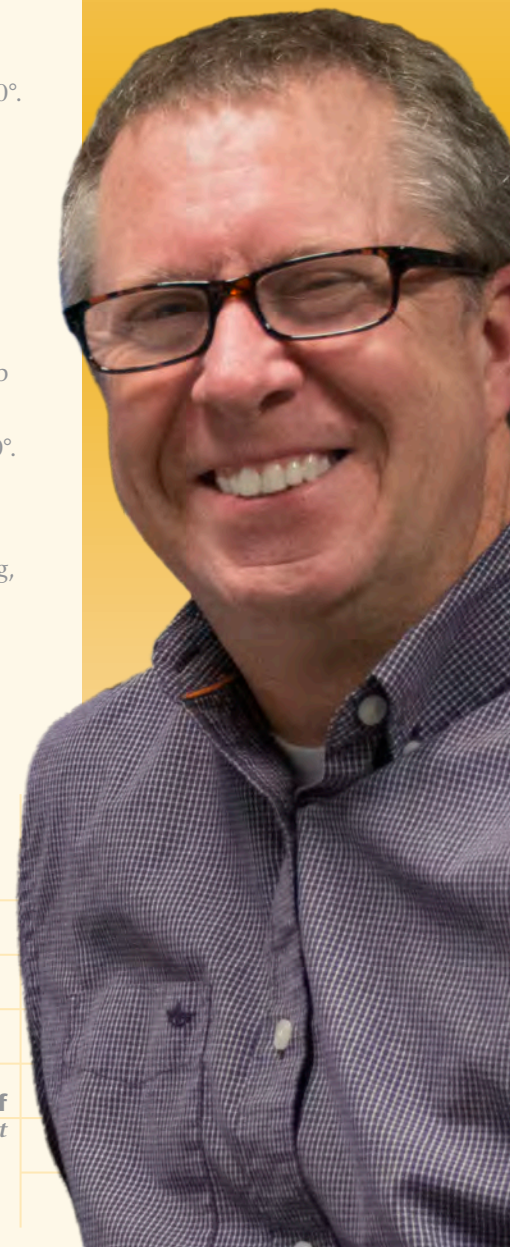
Just a few of the iCore360° feature expansions by our development team in 2014 include:

- Account origination functionality in a core-level option that automates the process of opening new deposit accounts with a more intuitive workflow assistant and dynamic forms engine that automatically produces compliant, pre-populated forms customized to the bank's needs and preferences.
- Enhanced multi-factor authentication for Inter@ct online statements to ensure account information is well protected against threats.
- Card fraud blocking based on specific types of cards, transactions, merchants, or geographic regions.
- iCore360° Home Page interactive feature that lets users assemble their favorite iCore360° views and reports into a personal home page, acting as a control panel for key tasks and information unique to the user's workflow preferences.
- DCI University enhancements to provide free, on-demand access to our entire catalog of professional, video-based instruction on all aspects of iCore360°, accessible directly through the iCore360° menu for ultimate convenience in bank employee training.
- Corporate Capture 21 (CC21) enhanced merchant capture. With no complicated software to install or maintain, CC21 makes it faster, easier and more economical for businesses to make remote deposits that are also more secure, with duplicate detection and unique multi-factor authentication security layers.
- Third party alliances for new options in consumer remote deposit capture and a merchant-funded, web-based customer loyalty and shopping program.

USER GROUP REQUESTS HAVE RESULTED IN NEARLY 600 iCORE360[®] ENHANCEMENTS SINCE 2002.

For 2015, our research and development initiatives include:

- GL Interactive—an exciting and new way to view GL information within iCore360[®], including a unified method of establishing budgets using previous activity and totals and automatically generating the new interest margin reports on a daily and/or scheduled basis.
- Vendor Management—new options in iCore360[®] with screens customized to your policy to enter vendors, rate them by risk/criticality, attach and review due diligence items, and set follow up reminders. (If you don't want to do it yourself, our vendor management specialists can do it for you.)
- Compromised Card Management—new options to expand search and view of multiple cardholder information in any compromised card list to make mass changes in status, limits, or order replacement cards, etc. Advanced transaction search screen to aid research.
- Account Origination—additional options to enhance the automatic synchronization of electronic documents and signatures between the new Account Origination and Document Imaging features in iCore360[®].
- ATM/Card—design the ability to notify customers of card transaction using email and text alerts.
- TeleWeb—full integration and enhancement of the acquired TeleWeb Internet, mobile, and voice banking solutions as seamless options of iCore360[®].
- Third Party Partnerships—new alliances for merchant card processing, business continuity and more.



Ivan Ratzlaff
Sr. Programmer/Analyst

“DCI is to core processing what community banks are to banking. I don't know how any other core provider can compete with DCI's culture.”

Trey Maust
Co-President/CEO,
Lewis and Clark Bank

The DCI marketing and sales teams continued to build on 2013 successes to introduce the DCI difference to bankers across the country in 2014. Among several new client locations added in 2014 were banks in expanding territories like Oklahoma and Pennsylvania, while our sales team kept a focus on prospecting that resulted in high activity and interest nationwide.

We maximized our print and digital advertising campaigns along with targeted articles in major industry media with nationwide distribution, including pieces on PCI compliance, mobile device management, the benefits of thin client technologies and how to conduct the ultimate live test of disaster readiness. We gained additional exposure from DCI executives speaking at key industry events and from exhibits at industry conferences where even DCI customers joined us to help promote DCI to other bankers.

Multiple direct marketing campaigns and invitation-only iCore360° product demonstrations also generated awareness in several select regions about the unique differences of DCI vs. regional competitors.

In late 2014 DCI secured the endorsement of the California Bankers Association (CBA) as a strategic partner and the exclusive core technology provider recommended by the CBA. This type of exclusive endorsement is significant in that it is a first for the CBA and nearly unprecedented in the industry. To earn the endorsement, DCI had to meet stringent quality standards and other key criteria to demonstrate our long-term ability to meet member needs for quality technology, customer service, financial soundness and management strength. We are proud of the recognition the endorsement brings and expect it to open tremendous opportunities to close new sales across the country in 2015.

Still, we know our clients are always our most powerful advertising, so we conducted personal video interviews with select DCI client bankers for use in social media and other marketing initiatives, and launched a new customer referral program that rewards clients with strong incentives for introducing new clients to DCI.

Of course, our most impactful event of 2014 was the acquisition of the TeleWeb suite of Internet, mobile and voice banking solutions.

These included TeleWeb Online Banking™, TeleWeb Bill Payment™, TeleWeb Cash Management™, and TeleWeb Mobile™, TeleBank™ Interactive Voice Response (IVR) system and several ancillary product interfaces and services.

This acquisition represents our most significant addition of products since iCore360° itself and, along with the acquisition of products from Benchmark Technology Group a year ago, continues a major strategic growth expansion for DCI in the bank technology industry.

Specifically, the acquisition opens the door for DCI to expand our market with competitive Internet and mobile banking solutions that match our award-winning iCore360° software and 52-year reputation for quality and personal support. Bringing these products into the DCI family lets us enhance them as either an embedded iCore360° feature option or as a competitive stand-alone solution for banks using competing core banking systems—until they switch to iCore360°.

Best of all, DCI welcomed over 360 new customers and all of the related technical development and support staff into the DCI family, which now operate from our new state-of-the-art facilities in Dallas, Texas.

As a result, we enter 2015 with vigor, looking forward to maximizing our relationship with new non-core family members, capitalizing on our CBA partnership, expanding sales territories, and spreading the word about DCI to even more banks nationwide.



Jason Zey
eBanking Product Specialist

Wendy Dowling
VP - eBanking Solutions

SYSTEMS & OPERATIONS

I've been on other core processors and none compare to DCI. I really like...love DCI and iCore360°, and the support is just amazing.

Pauline Barreras
*Operations Officer,
Western Heritage Bank*

Our network, systems and operations technicians implemented numerous infrastructure upgrades in 2014 to expand efficiency and performance, and to maintain our high standards for the most advanced systems with high availability, tight security, instant recovery and the highest customer service under all conditions. These upgrades included vast new database, storage and communications architectures, with new equipment and the expanded use of virtualization, performance tuning, redundancy, and load balancing to provide impenetrable security and streamline processing with greater cost savings and performance capabilities throughout.

As might be expected, system security, disaster recovery and the PCI Compliance project remained top priorities in 2014. We made great strides in our PCI 3.0 certification project through a tremendous amount of analysis, training and extensive system modifications. We expanded the already-robust safety and security of DCI systems overall by implementing new leading-edge technologies that allow greater encryption and scrambling of databases, and in-depth disaster recovery testing to ensure the resilience and readiness of both our technology infrastructures and our extraordinary staff.

ACCORDING TO A 2013 VERIZON REPORT ON PCI COMPLIANCE AND CERTIFICATION, ONLY 11.1% OF COMPANIES ACTUALLY PASSED ALL 12 REQUIREMENTS OF PCI 2.0 DSS STANDARDS.

The logo for iCore360 is centered in the upper right quadrant. It features a large, thick yellow circle with a white outline. Inside the circle, the word "iCore" is written in a black, sans-serif font, with a blue lowercase "i" that has a white dot. To the right of "iCore", the number "360" is written in a white, sans-serif font. A small registered trademark symbol (®) is located to the upper right of the "0".

iCore³⁶⁰®

For 2015, our systems engineers will turn their attention to risk threats and metrics with a focus on our PCI compliance initiatives. We will continue to migrate and consolidate more processing functions into our Hutchinson, KS, headquarters and continue advancements toward a real time backup/recovery infrastructure mated to our Oklahoma City data center. We will also expand our implementation of NETAPP clustered mass storage along with a completely virtual environment across our Windows, Unix and Oracle systems for even greater performance and stability.

A photograph of Tiffany Bergsten, a woman with long brown hair and black-rimmed glasses, wearing a black and white patterned top. She is smiling and looking towards the camera.

Tiffany Bergsten
Product Specialist, Sales

A photograph of Robin Butts, a woman with long brown hair and glasses, wearing a blue and black patterned top. She is smiling and looking towards the camera.

Robin Butts
Vendor Management Specialist

INDEPENDENT AUDITOR'S REPORT

DCI is a

long-term
relationship
partner that
believes in
a high level
of personal
attention and
service. Our
bank, and our
customers, are
in good hands
with DCI, no
matter what.

Angela Eilrich
Executive Vice President,
First Bank Kansas

THE BOARD OF DIRECTORS
DATA CENTER, INC.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Data Center, Inc. which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of income, stockholders' equity and cash flows for the years then ended and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Data Center, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Allen, Gibbs & Houlik, L.C.

Wichita, Kan.
January 20, 2015

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Executive Vice President, COO

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Senior Vice President
Finance, CFO

GERALD W. REMPE
Senior Vice President
Operations

ROBERT R. ROSS
Senior Vice President
Systems and Recovery, CTO

SENCER TASAN
Senior Vice President
Network/Technical Services, CSO

WENDY H. DOWLING
Vice President
eBanking Solutions

CONCHA J. DUARTE
Vice President
Backroom Services

DAREN R. FANKHAUSER
Vice President
Research and Development/Chief Architect

SUSAN L. FLORES
Vice President
Customer/Professional Services

MARK A. HARRIS
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Marketing

JAMES D. KITSON
Vice President
Operations

ALAN R. KRUSE
Vice President
Industry Analyst

JAY K. MILLER
Vice President
Customer Relationships

KAROL J. SAUER
Vice President
Human Resources/Business Continuity

SANDRA K. SCHMITT
Vice President
Application Development

AMANDA M. SMITH
Vice President
Human Resources

JAMES H. WEST III
Vice President
Conversions

EDWARD R. WILD
Vice President
Product Management/Ancillary Applications

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