

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

## S1 Corporation Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions) Your first question comes from John Kraft - D. A. Davidson & Co.

#### John Kraft - D. A. Davidson & Co.

My first question is about the stock comp. It was higher than we were looking for. I know that the SARs can cause some volatility, but was there anything one-time in there, anything catchup or anything related to why that was so much higher than it's been recently?

#### Paul Parrish

The stock price is the main driver on that.

#### Johann Dreyer

And if you can recall, John, our stock price was \$8 on the 31st of December, so a significant driver there.

#### John Kraft - D. A. Davidson & Co.

And then in the domestic community bank Postilion business, the new wins are obviously encouraging there. I don't recall you talking about wins in that area for a long time. Is that related, do you think, to the improving reputation, customer satisfaction and all that, or is that the new products that people are getting excited about?

And also, as far as the implementation status, what's the status of the new product and implementation of the customer base?

#### Johann Dreyer

In terms of why are people buying the product, obviously the product is fairly unique in the marketplace or actually completely unique in the marketplace in that it addresses all the frontend channels for a community bank on one platform. So I think we have a compelling product for anybody that's looking around to buy a new product.

Obviously, the biggest impact on customer satisfaction in our existing customers over the last several years were our lack of investment in the legacy product starting seven, eight years ago, and since the release of the new product, obviously, we've addressed that.

So I think there's truth in both those first two questions of yours. What was the third point, John? I didn't jot that down.

**John Kraft - D. A. Davidson & Co.**

Well, as far as the implementation of how many -

**Johann Dreyer**

Oh, how many have we implemented? I don't have the exact number for you, but currently we're probably in the mid-20s to light 20s have been implemented.

**John Kraft - D. A. Davidson & Co.**

And that's going to be primarily a 2009 event?

**Johann Dreyer**

It's going to spill over to 2010. And obviously it does have some cost implications for us and has had some cost implications. We said with between our voice and our personal Internet banking or retail Internet banking and our business, Internet banking, we said in excess of 1,000 customers. So you can make the sum. It's quite an exercise to convert all of those. And while we're doing that and for the past year or year and a half or two years we've been carried deal costs in terms of product development, in terms of professional services, and so forth.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.