



## FOR IMMEDIATE RELEASE

### **Oracle Financial Services Software Reports Q2 Fiscal Year 2018 Net Income of Rs. 342 Crore up 17% Year-over-Year Revenue for the Quarter at Rs. 1190 Crore, up 12% Year-over-Year**

Mumbai, India, November 10, 2017: Oracle Financial Services Software Limited (Reuters: ORCL.BO and ORCL.NS), a majority owned subsidiary of Oracle, today announced results for the quarter ended September 30, 2017. Net income for the quarter was Rs. 342 Crore, up 17% compared to the quarter ended September 30, 2016, and down 7% compared the quarter ended June 30, 2017. Consolidated revenue for the quarter was Rs. 1190 Crore, up 12% compared to quarter ended September 30, 2016 and down 1% over the quarter ended June 30, 2017. The operating income for the quarter was Rs. 498 Crore, up 36% compared to quarter ended September 30, 2016 and down 2% over the quarter ended June 30, 2017.

The product business posted quarterly revenue of Rs. 1037 Crore, up 16% year-over-year, and the operating margin for the quarter was 49%. The professional services business posted quarterly revenue of Rs. 123 Crore, down 10% Year-over-year and the operating margin was 9%.

Chet Kamat, Managing Director and CEO of Oracle Financial Services, said, “We are pleased with the strong all round performance of our Products Business. As compared to corresponding quarter of the last financial year, this quarter’s license revenue doubled; license signings in the quarter grew 72% and operating income from the products business grew 40%. We continue to witness an increased demand for our banking solutions as financial institutions around the globe are engaged in transformative initiatives.”

Makarand Padalkar, Chief Financial Officer for Oracle Financial Services Software, said, “we maintained the strong operating performance like the previous quarter with the operating margin at 42%. The quality of our receivables improved significantly with easing of exchange restrictions particularly in Egypt.”

#### **Business Highlights**

- The Company signed new license deals of \$19 million this quarter.
- During the quarter, the Company signed customers in India, Canada, Mexico, Palestine, Serbia, Taiwan, Vietnam, U.K. and the U.S.

- 17 customers went live on Oracle Financial Services software during the quarter.
- A leading commercial bank in Serbia has signed a new deal to utilize Oracle Financial Services Analytics Applications.
- A commercial bank in Mexico has chosen to implement Oracle FLEXCUBE Universal Banking. The bank services key market sectors including transnational companies and individuals.
- Palestine Islamic Bank, an award winning Palestinian Islamic banking institution established in 1995, has signed an agreement to implement a combination of Oracle FLEXCUBE Universal Banking and Oracle Financial Services Analytical Applications.
- A large commercial bank in Taiwan with global operations has chosen to implement Oracle Financial Services Analytical Applications.
- A U.S. based investment fund has chosen Oracle FLEXCUBE Universal Banking and Oracle Banking Digital Experience.
- Bank Of Guiyang Co., Ltd, a Chinese commercial bank ranked 316th in the “2017 Global Bank Top 1000 Rankings” as published by the Bankers magazine, UK, has signed a new deal to implement Oracle Financial Services Analytics Applications.
- A life insurance and annuity business in India has chosen to implement Oracle Financial Services Analytics Applications.

**ORACLE FINANCIAL SERVICES SOFTWARE GROUP**

**Q2 FY 2017-18 : FINANCIAL RESULTS  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Sep 30, 2017	% of Revenues	Sep 30, 2016	% of Revenues	
<b>REVENUES</b>					
Products	10,373	87%	8,966	84%	16%
Services	1,229	10%	1,364	13%	(10%)
BPO - Services	293	3%	323	3%	(9%)
<b>Total Revenues</b>	<b>11,895</b>	<b>100%</b>	<b>10,653</b>	<b>100%</b>	12%
<b>SEGMENT RESULTS</b>					
Products	5,108	49%	3,643	41%	40%
Services	114	9%	172	13%	(34%)
BPO - Services	128	44%	123	38%	4%
<b>Total</b>	<b>5,350</b>	<b>45%</b>	<b>3,938</b>	<b>37%</b>	36%
Unallocable expenses	(372)	(3%)	(288)	(3%)	29%
<b>OPERATING INCOME</b>	<b>4,978</b>	<b>42%</b>	<b>3,650</b>	<b>34%</b>	36%
Interest and other income, net	85	1%	284	3%	(70%)
<b>INCOME BEFORE PROVISION OF TAXES</b>	<b>5,063</b>	<b>44%</b>	<b>3,934</b>	<b>38%</b>	29%
Provision for taxes	1,644	14%	1,015	10%	62%
<b>NET INCOME</b>	<b>3,419</b>	<b>29%</b>	<b>2,919</b>	<b>27%</b>	17%
Earnings per share of Rs 5/- each (in Rs)					
Basic	40.15		34.42		17%
Diluted	40.01		34.31		17%

**ORACLE FINANCIAL SERVICES SOFTWARE GROUP**

**FY 2017-18 YEAR TO DATE : FINANCIAL RESULTS  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In INR Millions, except per share data)**

Particulars	Six Months Ended				% Increase (Decrease)
	Sep 30, 2017	% of Revenues	Sep 30, 2016	% of Revenues	
<b>REVENUES</b>					
Products	20,898	87%	18,948	85%	10%
Services	2,458	10%	2,861	13%	(14%)
BPO - Services	577	3%	615	3%	(6%)
<b>Total Revenues</b>	<b>23,933</b>	<b>100%</b>	<b>22,424</b>	<b>100%</b>	<b>7%</b>
<b>SEGMENT RESULTS</b>					
Products	10,443	50%	8,183	43%	28%
Services	202	8%	362	13%	(44%)
BPO - Services	219	38%	212	35%	3%
<b>Total</b>	<b>10,864</b>	<b>45%</b>	<b>8,757</b>	<b>39%</b>	<b>24%</b>
Unallocable expenses	(799)	(3%)	(547)	(2%)	46%
<b>OPERATING INCOME</b>	<b>10,065</b>	<b>42%</b>	<b>8,210</b>	<b>37%</b>	<b>23%</b>
Interest and other income, net	253	1%	817	4%	(69%)
<b>INCOME BEFORE PROVISION OF TAXES</b>	<b>10,318</b>	<b>43%</b>	<b>9,027</b>	<b>40%</b>	<b>14%</b>
Provision for taxes	3,202	13%	2,646	12%	21%
<b>NET INCOME</b>	<b>7,116</b>	<b>30%</b>	<b>6,381</b>	<b>28%</b>	<b>12%</b>
Earnings per share of Rs 5/- each (in Rs)					
Basic	83.58		75.29		11%
Diluted	83.26		75.04		11%

**Oracle Financial Services Software Limited**  
**Q2 FY 2017-18 Financial Results**  
**SUPPLEMENTAL OPERATING MATRICES**

	Financial Year 2016-17					Financial Year 2017-18				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Segmental Revenue (INR Mn)</b>										
Product Business	9,982	8,966	9,753	8,912	37,613	10,525	10,373			
Services Business	1,497	1,364	1,268	1,309	5,438	1,229	1,229			
BPO Business	292	323	302	297	1,214	284	293			
Total	11,771	10,653	11,323	10,518	44,265	12,038	11,895			
<b>Geographic Revenues</b>										
<b>Products Business</b>										
NAMER	29%	28%	36%	35%	32%	24%	34%			
JAPAC	36%	36%	31%	37%	35%	46%	33%			
EMEA	35%	37%	34%	29%	33%	30%	33%			
<b>Services Business</b>										
NAMER	68%	73%	75%	72%	72%	71%	67%			
JAPAC	7%	7%	7%	7%	7%	9%	10%			
EMEA	25%	20%	18%	21%	21%	20%	23%			
<b>Total Company</b>										
NAMER	35%	35%	41%	40%	38%	30%	38%			
JAPAC	32%	31%	27%	32%	31%	41%	30%			
EMEA	34%	34%	31%	28%	32%	29%	32%			
<b>Revenue Analysis by Type</b>										
<b>Product Revenues</b>										
License Fees	20%	9%	20%	17%	16%	21%	15%			
Professional Services	52%	60%	51%	54%	54%	52%	55%			
Maintenance	28%	32%	29%	30%	30%	28%	29%			
<b>Services Revenues</b>										
Fixed Price	17%	20%	27%	26%	22%	26%	25%			
Time & Material Basis	83%	80%	73%	74%	78%	74%	75%			
On-site	40%	38%	38%	40%	39%	39%	39%			
Off-shore	60%	62%	62%	60%	61%	61%	61%			
<b>Customer Concentration</b>										
<b>Product Customers</b>										
Top Customer	55%	49%	51%	48%	51%	55%	56%			
Top 5 Customers	65%	59%	61%	59%	61%	63%	64%			
Top 10 Customers	70%	64%	67%	64%	65%	67%	69%			
<b>Services Customers</b>										
Top Customer	13%	14%	14%	14%	13%	13%	14%			
Top 5 Customers	50%	52%	54%	58%	50%	57%	59%			
Top 10 Customers	77%	77%	78%	78%	75%	77%	80%			
<b>Total Company</b>										
Top Customer	48%	42%	45%	43%	45%	49%	50%			
Top 5 Customers	59%	54%	57%	54%	56%	58%	59%			
Top 10 Customers	65%	60%	62%	60%	61%	64%	65%			
<b>Trade Receivables</b>										
0-180 days	93%	84%	77%	74%	74%	77%	85%			
More than 180 days	7%	16%	23%	26%	26%	23%	15%			
DSO (Days)	67	67	51	54	54	47	75			
<b>Attrition Rate (TTM)</b>										
	22%	20%	19%	19%	19%	17%	15%			
<b>Staff Data</b>										
Products Business	6,166	6,438	6,359	6,317	6,317	6,231	6,685			
Services Business	1,581	1,548	1,556	1,529	1,529	1,517	1,487			
BPO Business	698	723	740	754	754	739	738			
Corporate	226	223	217	218	218	218	214			
Total	8,671	8,932	8,872	8,818	8,818	8,705	9,124			

## **About Oracle Financial Services Software Limited**

Oracle Financial Services Software Limited (referred to as "Oracle Financial Services Software") (Reuters: ORCL.BO & ORCL.NS) is a world leader in providing products and services to the financial services industry and is a majority owned subsidiary of Oracle Corporation. Oracle Corporation [NASDAQ: ORCL] is the world's most complete, open and integrated business software and hardware systems company. For more information, visit [www.oracle.com/financialservices](http://www.oracle.com/financialservices).

## **About Oracle**

The Oracle Cloud delivers hundreds of SaaS applications and enterprise-class PaaS and IaaS services to customers in more than 195 countries while processing 55 billion transactions a day. For more information about Oracle (NYSE:ORCL), please visit us at <http://cloud.oracle.com>.

## **Trademarks**

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“Safe Harbor” Statement: Statements in this press release relating to Oracle Financial Services Software Limited future plans and prospects are "forward-looking statements" and are subject to material risks and uncertainties. Many factors could affect our current expectations and our actual results, and could cause actual results to differ materially. All information set forth in this release is current as of November 10, 2017. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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