



## FOR IMMEDIATE RELEASE

### **Oracle Financial Services Software Reports Q1 Fiscal Year 2018 Net Income of Rs. 370 Crore up 7% Year-over-Year Revenue for the Quarter at Rs. 1204 Crore up 2% Year-over-Year**

Mumbai, India, August 11, 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 June 30, 2017. Net income was Rs. 370 Crore, up 7% compared to the quarter ended June 30, 2016 and up 62% compared the quarter ended March 31, 2017. Consolidated revenue for the quarter was Rs. 1204 Crore, up 2% compared to quarter ended June 30, 2016 and up 14% over the quarter ended March 31, 2017. The operating income for the quarter was Rs. 509 Crore, up 12% compared to quarter ended June 30, 2016 and up 41% over the quarter ended March 31, 2017.

The product business posted revenue of Rs. 1053 Crore up 5% year-over-year and the operating margins for the quarter was 51%. The professional services business posted revenue of Rs. 123 Crore down 18% Year-over-year and the operating margins was 7%.

Chet Kamat, Managing Director and CEO of Oracle Financial Services, said, "We posted a healthy quarter with license revenue for the quarter clocking 12% growth year-over-year and 47% growth quarter-over-quarter. We maintained a strong winning momentum to sign deals across all our product lines across the globe. Our product capability offers customers multiple deployment choices thereby giving them the competitive edge."

Makarand Padalkar, Chief Financial Officer for Oracle Financial Services Software, said "Overall operating performance for the quarter was strong. The operating margins stood at 42% up 3.5 percentage points as compared to same quarter last year. All other operating parameters continue to be healthy".

#### **Business Highlights**

- The Company signed new license deals of \$20 million for the quarter.
- Newly signed customers for the quarter are deploying Oracle Financial Services applications for their business in Japan, US, New Zealand, Nigeria, South Africa, China, El Salvador, Ethiopia, Gibraltar, India, Kenya, Malaysia and Mauritius.

- 27 customers went live on Oracle Financial Services software during the quarter.
- An agricultural bank in El Salvador has signed a new deal to utilize Oracle Financial Services Analytics Applications
- Gibraltar International Bank Ltd (GIB) established in 2015 is one of the few native retail banks in Gibraltar. After an extensive selection process GIB has chosen to deploy Oracle FLEXCUBE Universal Banking Solution and Oracle Banking Digital Experience in Oracle's Managed Private cloud. With the Oracle Cloud based digital banking solution, platform and services, GIB is positioned to transform to a customer-centric, business process-driven banking, providing its clientele with a unique, highly secure and connected digital experience.
- A Mauritius bank has chosen to implement Oracle Financial Services Analytics Applications.
- A top commercial bank in Pakistan has chosen to extend its relationship with Oracle by signing a new agreement to implement Oracle Financial Services Analytics Applications
- A Kenyan commercial bank has chosen to utilize Oracle Financial Services Analytics Applications.
- A Malaysian Exempt Finance Company (NBFC) has chosen to implement Oracle Financial Services Analytics Applications
- A leading Commercial and International bank from Ethiopia, Wegagen Bank S.C has chosen to implement Oracle Banking Digital Experience paired with Oracle FLEXCUBE Universal Banking across branches located in Addis Ababa and regional Ethiopian towns.
- The first Nordic bank in Shanghai, Swedbank has chosen to extend its relationship with Oracle by signing a new deal Oracle FLEXCUBE Universal banking to service Nordic, Baltic and Chinese corporate clients with full lending and deposit-taking services as well as trade finance, treasury and payment services

**ORACLE FINANCIAL SERVICES SOFTWARE GROUP**

**Q1 FY 2017-18 : FINANCIAL RESULTS  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Jun 30, 2017	% of Revenues	Jun 30, 2016	% of Revenues	
<b>REVENUES</b>					
Products	10,525	87%	9,982	85%	5%
Services	1,229	10%	1,497	13%	(18%)
BPO - Services	284	2%	292	2%	(3%)
<b>Total Revenues</b>	<b>12,038</b>	<b>100%</b>	<b>11,771</b>	<b>100%</b>	<b>2%</b>
<b>SEGMENT RESULTS</b>					
Products	5,336	51%	4,540	45%	18%
Services	88	7%	190	13%	(54%)
BPO - Services	91	32%	89	31%	2%
<b>Total</b>	<b>5,515</b>	<b>46%</b>	<b>4,819</b>	<b>41%</b>	<b>14%</b>
Unallocable expenses	(428)	(4%)	(259)	(2%)	65%
<b>OPERATING INCOME</b>	<b>5,087</b>	<b>42%</b>	<b>4,560</b>	<b>39%</b>	<b>12%</b>
Interest and other income, net	168	1%	533	5%	(68%)
<b>INCOME BEFORE PROVISION OF TAXES</b>	<b>5,255</b>	<b>45%</b>	<b>5,093</b>	<b>43%</b>	<b>3%</b>
Provision for taxes	1,559	13%	1,631	14%	(4%)
<b>NET INCOME</b>	<b>3,696</b>	<b>31%</b>	<b>3,462</b>	<b>29%</b>	<b>7%</b>
Earnings per share of Rs 5/- each (in Rs)					
Basic	43.43		40.79		6%
Diluted	43.27		40.68		6%

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Particulars	Three Months Ended				% Increase (Decrease)
	Jun 30, 2017	% of Revenues	Mar 31, 2017	% of Revenues	
<b>REVENUES</b>					
Products	10,525	87%	8,912	85%	18%
Services	1,229	10%	1,309	12%	(6%)
BPO - Services	284	2%	297	3%	(4%)
<b>Total Revenues</b>	<b>12,038</b>	<b>100%</b>	<b>10,518</b>	<b>100%</b>	14%
<b>SEGMENT RESULTS</b>					
Products	5,336	51%	3,912	44%	36%
Services	88	7%	179	14%	(51%)
BPO - Services	91	32%	88	30%	3%
<b>Total</b>	<b>5,515</b>	<b>46%</b>	<b>4,179</b>	<b>40%</b>	32%
Unallocable expenses	(428)	(4%)	(579)	(6%)	(26%)
<b>OPERATING INCOME</b>	<b>5,087</b>	<b>42%</b>	<b>3,600</b>	<b>34%</b>	41%
Interest and other income, net	168	1%	100	1%	68%
<b>INCOME BEFORE PROVISION OF TAXES</b>	<b>5,255</b>	<b>45%</b>	<b>3,700</b>	<b>36%</b>	42%
Provision for taxes	1,559	13%	1,420	14%	10%
<b>NET INCOME</b>	<b>3,696</b>	<b>31%</b>	<b>2,280</b>	<b>22%</b>	62%
Earnings per share of Rs 5/- each (in Rs)					
Basic	43.43		26.85		62%
Diluted	43.27		26.75		62%

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

## **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>.

## **Trademark**

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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 August 11, 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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