



FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q3 Fiscal Year 2018 Net Income of Rs. 290 Crore Down 9% Year-over-Year Revenue for the Quarter at Rs. 1059 Crore, down 6% Year-over-Year

Mumbai, India, Feb. 6, 2018: Oracle Financial Services Software Limited (Reuters: ORCL.BO and ORCL.NS), a majority owned subsidiary of Oracle, today announced results for the quarter ended December 31, 2017. Net income for the quarter was Rs. 290 Crore, down 9% compared to the quarter ended December 31, 2016. Consolidated revenue for the quarter was Rs. 1059 Crore, down 6% compared to quarter ended December 31, 2016. The operating income for the quarter was Rs. 406 Crore, down 3% compared to quarter ended December 31, 2016.

For the nine-months ended December 31, 2017, revenue was Rs. 3,452 Crore up 2% over the comparative period previous year, the operating income was Rs. 1,412 Crore up 14% and Net income was Rs.1,001 Crore up 5%.

The product business posted quarterly revenue of Rs. 916 Crore, down 6% year-over-year, and the operating margin for the quarter was 46%. The professional services business posted quarterly revenue of Rs. 116 Crore, down 9% year-over-year and the operating margin was 10%.

Chet Kamat, Managing Director of Oracle Financial Services, said, “We signed \$16 million in new license deals for the quarter. Our execution continues to be strong and on a nine-month basis, we delivered a strong 14% growth in the operating income. We continue to work on a robust deal pipeline with significant large opportunities, validating the continued relevance of our offerings to global financial institutions as they transform to address digital disruption, changing customer demographics and heightened regulatory pressure.”

Makarand Padalkar, Chief Financial Officer for Oracle Financial Services Software, said, “We continue to deliver strong operating performance. For the nine months ended December, we delivered an operating margin of 41%, which was 4 percentage points higher than the corresponding nine-month period last financial year.”

Business Highlights

- The Company signed new license deals of \$16 million this quarter.
- During the quarter, the company signed customers in Australia, Canada, China, Ghana, Nigeria,

Saudi Arabia, U.K, Thailand, U.S. and Vietnam.

- 16 customers went live on Oracle Financial Services software during the quarter.
- Kubota Credit Corporation, an equipment finance and lease provider in the United States, which is the captive finance company for Kubota Tractor Corporation has chosen to implement Oracle Financial Services Lending and Leasing
- Ping An Pu Hui Enterprise Management Limited, the personal finance and micro-enterprise finance service arm of the Chinese Ping An group has signed a new deal to utilize Oracle Financial Services Analytics Applications.
- A leading public sector bank in India has signed a new deal to utilize Oracle Financial Services Analytics Applications
- A longstanding indigenous bank in Thailand has chosen to utilize Oracle Financial Services Analytics Applications
- One of Canada's top five largest banks has purchased license upgrades for Oracle Financial Services Analytics Applications
- One of the largest banks in Zambia signed up for the latest version of Oracle FLEXCUBE
- A large financial institution in Ghana has acquired additional licenses of Oracle FLEXCUBE to support its acquisitions
- A leading provider of integrated financial services in Australia has overhauled its IT infrastructure with an upgrade of Oracle FLEXCUBE
- A leading bank that serves customers in the UK, Africa and internationally with a range of business and personal banking services has migrated to Oracle FLEXCUBE

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**Q3 FY 2017-18 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Dec 31, 2017	% of Revenues	Dec 31, 2016	% of Revenues	
REVENUES					
Products	9,157	86%	9,753	86%	(6%)
Services	1,160	11%	1,268	11%	(9%)
BPO - Services	274	3%	302	3%	(9%)
Total Revenues	10,591	100%	11,323	100%	(6%)
SEGMENT RESULTS					
Products	4,201	46%	4,191	43%	0%
Services	114	10%	142	11%	(19%)
BPO - Services	61	22%	115	38%	(47%)
Total	4,376	41%	4,448	39%	(2%)
Unallocable expenses	(319)	(3%)	(249)	(2%)	28%
OPERATING INCOME	4,057	38%	4,199	37%	(3%)
Interest and other income, net	165	2%	644	6%	(74%)
INCOME BEFORE PROVISION OF TAXES	4,222	41%	4,843	44%	(13%)
Provision for taxes	1,325	13%	1,650	15%	(20%)
NET INCOME	2,897	27%	3,193	28%	(9%)
Earnings per share of Rs 5/- each (in Rs)					
Basic	34.01		37.63		(10%)
Diluted	33.83		37.52		(10%)

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

Particulars	Nine Months Ended				% Increase (Decrease)
	Dec 31, 2017	% of Revenues	Dec 31, 2016	% of Revenues	
REVENUES					
Products	30,055	87%	28,701	85%	5%
Services	3,619	10%	4,129	12%	(12%)
BPO - Services	850	3%	917	3%	(7%)
Total Revenues	34,524	100%	33,747	100%	2%
SEGMENT RESULTS					
Products	14,645	49%	12,374	43%	18%
Services	316	9%	503	12%	(37%)
BPO - Services	280	33%	327	36%	(14%)
Total	15,241	44%	13,204	39%	15%
Unallocable expenses	(1,118)	(3%)	(795)	(2%)	41%
OPERATING INCOME	14,123	41%	12,409	37%	14%
Interest and other income, net	418	1%	1,461	4%	(71%)
INCOME BEFORE PROVISION OF TAXES	14,541	42%	13,870	41%	5%
Provision for taxes	4,528	13%	4,296	13%	5%
NET INCOME	10,013	29%	9,574	28%	5%
Earnings per share of Rs 5/- each (in Rs)					
Basic	117.59		112.91		4%
Diluted	116.99		112.56		4%

Oracle Financial Services Software Limited
Q3 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
Segmental Revenue (INR Mn)										
Product Business	9,982	8,966	9,753	8,912	37,613	10,525	10,373	9,157		
Services Business	1,497	1,364	1,268	1,309	5,438	1,229	1,229	1,160		
BPO Business	292	323	302	297	1,214	284	293	274		
Total	11,771	10,653	11,323	10,518	44,265	12,038	11,895	10,591		
Geographic Revenues										
Products Business										
NAMER	29%	27%	35%	34%	32%	24%	34%	29%		
JAPAC	36%	36%	31%	37%	35%	46%	33%	35%		
EMEA	35%	37%	34%	29%	33%	30%	33%	36%		
Services Business										
NAMER	68%	73%	75%	72%	72%	71%	67%	70%		
JAPAC	7%	7%	7%	7%	7%	9%	10%	10%		
EMEA	25%	20%	18%	21%	21%	20%	23%	20%		
Total Company										
NAMER	35%	35%	41%	40%	38%	30%	38%	34%		
JAPAC	32%	31%	28%	32%	30%	41%	30%	32%		
EMEA	33%	34%	31%	28%	32%	29%	32%	34%		
Revenue Analysis by Type										
Product Revenues										
License Fees	20%	9%	20%	17%	16%	21%	15%	12%		
Professional Services	52%	60%	51%	54%	54%	51%	55%	56%		
Maintenance	28%	31%	29%	29%	30%	28%	30%	32%		
Services Revenues										
Fixed Price	17%	20%	27%	26%	22%	26%	25%	23%		
Time & Material Basis	83%	80%	73%	74%	78%	74%	75%	77%		
On-site	40%	38%	38%	40%	39%	39%	39%	40%		
Off-shore	60%	62%	62%	60%	61%	61%	61%	60%		
Customer Concentration										
Product Customers										
Top Customer	55%	49%	51%	48%	51%	55%	56%	49%		
Top 5 Customers	65%	59%	61%	59%	61%	63%	64%	59%		
Top 10 Customers	70%	64%	67%	64%	65%	67%	69%	65%		
Services Customers										
Top Customer	13%	14%	14%	14%	13%	13%	14%	14%		
Top 5 Customers	50%	52%	54%	58%	50%	57%	59%	63%		
Top 10 Customers	77%	77%	78%	78%	75%	77%	80%	81%		
Total Company										
Top Customer	48%	42%	45%	43%	45%	49%	50%	44%		
Top 5 Customers	59%	54%	57%	54%	56%	58%	59%	54%		
Top 10 Customers	65%	60%	62%	60%	61%	64%	65%	62%		
Trade Receivables										
0-180 days	93%	84%	77%	74%	74%	77%	85%	86%		
More than 180 days	7%	16%	23%	26%	26%	23%	15%	14%		
DSO (Days)	67	67	51	54	54	47	75	63		
Attrition Rate (TTM)										
	22%	20%	19%	19%	19%	17%	15%	15%		
Staff Data										
Products Business	6,166	6,438	6,359	6,317	6,317	6,231	6,685	6,660		
Services Business	1,581	1,548	1,556	1,529	1,529	1,517	1,487	1,470		
BPO Business	698	723	740	754	754	739	738	721		
Corporate	226	223	217	218	218	218	214	213		
Total	8,671	8,932	8,872	8,818	8,818	8,705	9,124	9,064		

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.

About Oracle

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

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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 February 6, 2018. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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