



## FOR IMMEDIATE RELEASE

### **Oracle Financial Services Software Reports Q1 Fiscal Year 2017 Net Income of Rs. 346 Crore up 23% Year-over-Year Revenue for the Quarter at Rs. 1177 Crore up 12% Year-over-Year**

Mumbai, India, August 12, 2016: 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, 2016 under Ind AS. Net income was Rs. 346 Crore, up 23% compared to the quarter ended June 30, 2015 and up 54% compared the quarter ended March 31, 2016. Consolidated revenue for the quarter was Rs.1177 Crore, up 12% compared to quarter ended June 30, 2015 and up 11% over the quarter ended March 31, 2016. The operating income for the quarter was Rs. 456 Crore, up 24% compared to quarter ended June 30, 2015 and up 18% over the quarter ended March 31, 2016.

The product business posted revenue of Rs. 998 Crore up 14% YoY and the operating margins for the quarter was 45%. The professional services business posted revenue of Rs. 150 Crore up 4% YoY and the operating margins was 13%.

Chet Kamat, managing director and chief executive officer for Oracle Financial Services Software, said, “our numbers this quarter show we are on a good trajectory for the year. We won several marquee customers for our portfolio of products and posted new license wins of \$30 million. We continue to focus on ensuring that our customers around the globe are successful in their innovation and transformation business objectives.”

Makarand Padalkar, chief financial officer for Oracle Financial Services Software said “we are pleased with the all-round excellent performance; revenue growth was strong; operating income grew healthy 24% year over year and net income grew 23% year over year. With our strong focus on delivery, 30 of customers went live on our software this quarter.”

#### **Business Highlights**

- The Company signed 18 new license deals and reported \$30.0 million U.S. dollars in revenue for the quarter.
- Newly signed customers for the quarter are deploying Oracle Financial Services applications for their business in America, Canada, Japan, China, Italy, Mexico, Afghanistan, Tajikistan, India, Brazil, the Caribbean and Egypt.

- 30 customers went live on Oracle Financial Services software during the quarter.
- Company has received approval for six of its R&D centers for weighted deduction benefit under Indian Income Tax from the Department of Science and Industrial Research, Government of India.
- A globally systemically important financial institution has selected Oracle Financial Services Analytical Applications to form part of an enterprise-wide architecture to transform the firm's enterprise regulatory reporting systems.
- A bank in Tajikistan that provides corporate and retail banking services to clients, correspondent banks and non-banking financial institutions has selected Oracle FLEXCUBE for its core banking operations. The bank operates cash, remittance, discounting, and loan operations and offers foreign currency exchange and other banking services.
- An American financial, retirement, investment and insurance company based in New York, with over \$500 billion in assets has selected Oracle Financial Services Analytical Applications to assist with its risk and compliance initiatives.
- A large U.S. based financial services firm has selected Oracle FLEXCUBE to assist in managing its multi-currency custodial business.
- Cabel, an IT service provider for the financial services industry in Italy since 1985 and Gold level member of Oracle Partner Network (OPN), has selected Oracle FLEXCUBE Universal Banking as the backbone of its private cloud core banking solution for the Italian banking sector.
- A major North American financial services and insurance firm has selected Oracle Financial Services Analytical Applications to transform their finance, treasury and risk capabilities. Oracle will deliver a cross-pillar arrangement including managed cloud services, development and software as a service.
- Bakhtar Bank in Afghanistan has selected Oracle FLEXCUBE for its core banking operations. A licensed Commercial Bank, Bakhtar has the 3<sup>rd</sup> largest network of branches in Afghanistan, helping the Afghan business community and locals with its 62 branches, covering 29 provinces. It is in the process of converting into the first full-fledged Islamic Bank of Afghanistan.
- Headquartered in Mexico City, Banco Invex, S.A. Institución de Banca Múltiple, Invex Grupo Financiero provides private banking and credit services in Mexico. Founded in 1994, the company collects deposits, provides loans, trust contracts, and securities. It has selected Oracle FLEXCUBE to underpin its banking operations.

- Oracle Financial Services Analytical Applications was named **Best Compliance Product of 2016** by Risk.net and Operational Risk. This was a great follow up to winning last year's Best Regulatory Platform.
- A large financial services firm in India selected Oracle FLEXCUBE Core Banking, Oracle Banking Digital Experience and Oracle FLEXCUBE Private Banking as the foundation of its new Payment Bank initiative.
- A Rural Credit Cooperative in China has selected Oracle FLEXCUBE to support its small to medium sized loans and micro-finance loans.
- A U.S.-based financial services holding company with nearly 5,000 employees that service clients around the country has selected Oracle Financial Services Analytical Applications to assist in managing operational risk.

**ORACLE FINANCIAL SERVICES SOFTWARE GROUP**

**Q1 FY 2016-17 : FINANCIAL RESULTS  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Jun 30, 2016	% of Revenues	Jun 30, 2015	% of Revenues	
<b>REVENUES</b>					
Products	9,982	85%	8,758	83%	14%
Services	1,497	13%	1,443	14%	4%
BPO - Services	292	2%	282	3%	4%
<b>Total Revenues</b>	<b>11,771</b>	<b>100%</b>	<b>10,483</b>	<b>100%</b>	12%
<b>SEGMENT RESULTS</b>					
Products	4,540	45%	4,097	47%	11%
Services	190	13%	152	11%	25%
BPO - Services	89	31%	(328)	-116%	(127%)
<b>Total</b>	<b>4,819</b>	<b>41%</b>	<b>3,921</b>	<b>37%</b>	23%
Unallocable expenses	(259)	(2%)	(232)	(2%)	12%
<b>OPERATING INCOME</b>	<b>4,560</b>	<b>39%</b>	<b>3,689</b>	<b>35%</b>	24%
Interest and other income, net	533	5%	844	8%	(37%)
<b>INCOME BEFORE PROVISION OF TAXES</b>	<b>5,093</b>	<b>44%</b>	<b>4,533</b>	<b>43%</b>	12%
Provision for taxes	1,631	14%	1,729	16%	(6%)
<b>NET INCOME</b>	<b>3,462</b>	<b>29%</b>	<b>2,804</b>	<b>27%</b>	23%
Earnings per share of Rs 5/- each (in Rs)					
Basic	40.79		33.13		23%
Diluted	40.68		32.96		23%

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Particulars	Three Months Ended				% Increase (Decrease)
	Jun 30, 2016	% of Revenues	Mar 31, 2016	% of Revenues	
<b>REVENUES</b>					
Products	9,982	85%	9,116	86%	9%
Services	1,497	13%	1,235	11%	21%
BPO - Services	292	2%	291	3%	0%
<b>Total Revenues</b>	<b>11,771</b>	<b>100%</b>	<b>10,642</b>	<b>100%</b>	<b>11%</b>
<b>SEGMENT RESULTS</b>					
Products	4,540	45%	4,240	47%	7%
Services	190	13%	58	5%	228%
BPO - Services	89	31%	95	33%	(6%)
<b>Total</b>	<b>4,819</b>	<b>41%</b>	<b>4,393</b>	<b>41%</b>	<b>10%</b>
Unallocable expenses	(259)	(2%)	(523)	(5%)	(50%)
<b>OPERATING INCOME</b>	<b>4,560</b>	<b>39%</b>	<b>3,870</b>	<b>36%</b>	<b>18%</b>
Interest and other income, net	533	5%	460	4%	16%
<b>INCOME BEFORE PROVISION OF TAXES</b>	<b>5,093</b>	<b>44%</b>	<b>4,330</b>	<b>40%</b>	<b>18%</b>
Provision for taxes	1,631	14%	2,087	20%	(22%)
<b>NET INCOME</b>	<b>3,462</b>	<b>29%</b>	<b>2,243</b>	<b>21%</b>	<b>54%</b>
Earnings per share of Rs 5/- each (in Rs)					
Basic	40.79		26.43		54%
Diluted	40.68		26.32		55%

**Oracle Financial Services Software Limited**  
**Q1 FY 2016-17 Financial Results**  
**SUPPLEMENTAL OPERATING MATRICES**

	Financial Year 2015-16					Financial Year 2016-17				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Segmental Revenue (INR Mn)</b>										
Product Business	8,758	8,163	8,643	9,116	34,680	9,982				
Services Business	1,443	1,482	1,316	1,235	5,476	1,497				
BPO Business	282	296	287	291	1,156	292				
Total	10,483	9,941	10,245	10,642	41,312	11,771				
<b>Geographic Revenues</b>										
<b>Products Business</b>										
NAMER	31%	26%	28%	33%	29%	29%				
JAPAC	33%	39%	34%	33%	34%	36%				
EMEA	36%	36%	38%	35%	36%	35%				
<b>Services Business</b>										
NAMER	71%	71%	73%	74%	72%	68%				
JAPAC	10%	9%	8%	7%	9%	7%				
EMEA	19%	20%	18%	19%	19%	25%				
<b>Total Company</b>										
NAMER	37%	34%	35%	39%	36%	35%				
JAPAC	29%	33%	30%	29%	30%	32%				
EMEA	33%	33%	35%	32%	34%	34%				
<b>Revenue Analysis by Type</b>										
<b>Product Revenues</b>										
License Fees	18%	13%	18%	14%	16%	20%				
Professional Services	56%	59%	54%	58%	57%	52%				
Maintenance	26%	28%	28%	28%	27%	28%				
<b>Services Revenues</b>										
Fixed Price	21%	19%	17%	17%	19%	17%				
Time & Material Basis	79%	81%	83%	83%	81%	83%				
On-site	37%	37%	39%	35%	37%	40%				
Off-shore	63%	63%	61%	65%	63%	60%				
<b>Customer Concentration</b>										
<b>Product Customers</b>										
Top Customer	12%	13%	10%	14%	11%	11%				
Top 5 Customers	32%	33%	34%	36%	32%	36%				
Top 10 Customers	41%	43%	45%	47%	42%	48%				
<b>Services Customers</b>										
Top Customer	16%	15%	15%	15%	15%	13%				
Top 5 Customers	50%	51%	51%	54%	50%	50%				
Top 10 Customers	73%	74%	74%	76%	73%	77%				
<b>Total Company</b>										
Top Customer	10%	10%	9%	12%	9%	9%				
Top 5 Customers	30%	30%	30%	32%	29%	31%				
Top 10 Customers	38%	40%	40%	43%	39%	43%				
<b>Trade Receivables</b>										
0-180 days	92%	96%	95%	92%	92%	93%				
More than 180 days	8%	4%	5%	8%	8%	7%				
DSO (Days)	45	50	43	68	68	67				
<b>Attrition Rate (TTM)</b>	22%	22%	22%	22%	22%	22%				
<b>Staff Data *</b>										
Products Business	6,065	6,248	6,143	6,150	6,150	6,166				
Services Business	1,821	1,696	1,657	1,645	1,645	1,581				
BPO Business	667	690	718	708	708	698				
Corporate	242	242	236	230	230	226				
Total	8,795	8,876	8,754	8,733	8,733	8,671				

## **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**

Oracle engineers hardware and software to work together in the cloud and in your data center. For more information about Oracle (NYSE:ORCL), visit [oracle.com](http://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 12, 2016. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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