



FOR IMMEDIATE RELEASE

**Oracle Financial Services Software Reports Q2 Fiscal Year 2017
Net Income of Rs. 292 Crore up 4% Year-over-Year
Revenue for the Quarter at Rs. 1065 Crore up 7% Year-over-Year**

Mumbai, India, November 9, 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 September 30, 2016. Net income was Rs. 292 Crore, up 4% compared to the quarter ended September 30, 2015 and down 16% compared the quarter ended June 30, 2016. Consolidated revenue for the quarter was Rs.1065 Crore, up 7% compared to quarter ended September 30, 2015 and down 10% over the quarter ended June 30, 2016. The operating income for the quarter was Rs. 365 Crore, down 6% compared to quarter ended September 30, 2015 and down 20% over the quarter ended June 30, 2016.

The product business posted revenue of Rs. 897 Crore up 10% YoY and the operating margin for the quarter was 41%. The professional services business posted revenue of Rs. 136 Crore down 8% YoY and the operating margin was 13%.

Chet Kamat, Managing Director and Chief Executive Officer for Oracle Financial Services Software, said, “While our license signings at US\$ 11 million exhibited the seasonal Q2 dip we have seen in preceding years, our overall product revenues grew by 10% YoY on the basis of strong execution. We enter the second half of fiscal with a substantial deal pipeline with significant Tier-1 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 are expanding our product business by adding headcount to support our investments and project execution. Our operating parameters continue to be healthy all around.”

Business Highlights

- The Company signed new license deals of US \$11 million in the quarter.
- Newly signed customers for the quarter are deploying Oracle Financial Services applications for their business in Andorra, China, Egypt, India, Japan, Laos, Mexico, United States and Vietnam.

- 15 customers went live on Oracle Financial Services software during the quarter.
- Au FINANCIERS (INDIA) LIMITED (AuF), is a leading and fastest growing non-banking finance company registered with the Reserve Bank of India, a Systematically Important Asset Finance Company and Non-Deposit Accepting NBFC based out of Rajasthan, India, providing loans and advances to customers in semi-urban and rural India. AuF offers loans for commercial vehicle, Micro, Small and Medium Enterprise and SMEs. AuF has selected Oracle FLEXCUBE and Oracle Financial Services Analytical Applications to comply with regulatory mandates such as Basel as well as for Asset Liability Management and to provide intelligence on profitability and funds transfer pricing. Oracle Financial Services Crime and Compliance management, Oracle Financial Services Anti Money Laundering and a myriad of other analytical applications for data management and operational risk management will help assist the Company with its operational risk, compliance and governance.
- Agricultural Bank of China with 320 million retail customers, 2.7 million corporate clients, and nearly 24,000 branches is China's third largest lender by assets and ranked 8th among the top 1000 World Banks and offers a broad range of corporate and retail banking products and services. The bank has selected Oracle Financial Services Analytical Applications (OFSAA) to support national policy of Interest Rate liberalization in China. OFSAA will assist the bank in managing its asset liability and interest rate risk for all lines of business and products on and off the balance sheet.
- Misr Iran Development Bank (S.A.E.) provides retail, corporate, and investment banking services primarily in Egypt including deposits, debit current accounts, loans, credit facilities, and financial derivatives in addition to merger, purchasing investments, financing and corporate restructuring, and financial instruments. Its consumer business provides current and saving accounts, deposits, credit cards, and individual and real estate loans. The bank has selected Oracle Financial Services Analytical Applications in order to manage and get intelligence on their asset liability and measure fund transfer pricing.
- A bank in Laos that provides both consumer and business services and has selected Oracle FLEXCUBE to support its core banking and operations.
- A financial services firm in the United States with award winning mobile apps, over 3,000 ATMs, a broad range of retail and commercial banking products and services including mortgage lending, auto lending, student lending and commercial banking has selected Oracle Financial Services Analytical Applications.

- Andbank is a private bank founded in Andorra in 1930. The group is present in 12 countries, with subsidiaries in Europe (Spain, Luxembourg, Monaco, and Switzerland), Americas and Israel. Andbank provides banking products and services including investment fund management, financial and advisory services, portfolio management, asset management, securities brokerage, and investment services; and offers insurance products. The bank has selected Oracle Financial Services Analytical Applications to support meeting regulatory compliance demands and anti-money laundering efforts.
- A bank in Japan has selected Oracle FLEXCUBE to support its banking initiatives and operations.
- A Southeast Asian Bank offering banking products and services to individual customers, professional households, small and medium enterprises (SMEs), and large corporations in Vietnam has selected Oracle Financial Services Analytical Applications.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

**Q2 FY 2016-17 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Sep 30, 2016	% of Revenues	Sep 30, 2015	% of Revenues	
REVENUES					
Products	8,966	84%	8,163	82%	10%
Services	1,364	13%	1,482	15%	(8%)
BPO - Services	323	3%	296	3%	9%
Total Revenues	10,653	100%	9,941	100%	7%
SEGMENT RESULTS					
Products	3,643	41%	3,749	46%	(3%)
Services	172	13%	290	20%	(41%)
BPO - Services	123	38%	104	35%	18%
Total	3,938	37%	4,143	42%	(5%)
Unallocable expenses	(288)	(3%)	(247)	(2%)	17%
OPERATING INCOME	3,650	34%	3,896	39%	(6%)
Interest and other income, net	284	3%	556	6%	(49%)
INCOME BEFORE PROVISION OF TAXES	3,934	38%	4,452	45%	(12%)
Provision for taxes	1,015	10%	1,656	17%	(39%)
NET INCOME	2,919	27%	2,796	28%	4%
Earnings per share of Rs 5/- each (in Rs)					
Basic	34.42		33.08		4%
Diluted	34.31		32.87		4%

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

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

Particulars	Six Months Ended				% Increase (Decrease)
	Sep 30, 2016	% of Revenues	Sep 30, 2015	% of Revenues	
REVENUES					
Products	18,948	85%	16,921	83%	12%
Services	2,861	13%	2,925	14%	(2%)
BPO - Services	615	3%	579	3%	6%
Total Revenues	22,424	100%	20,425	100%	10%
SEGMENT RESULTS					
Products	8,183	43%	7,845	46%	4%
Services	362	13%	442	15%	(18%)
BPO - Services	212	35%	(223)	-39%	(195%)
Total	8,757	39%	8,064	39%	9%
Unallocable expenses	(547)	(2%)	(479)	(2%)	14%
OPERATING INCOME	8,210	37%	7,585	37%	8%
Interest and other income, net	817	4%	1,400	7%	(42%)
INCOME BEFORE PROVISION OF TAXES	9,027	40%	8,985	44%	0%
Provision for taxes	2,646	12%	3,385	17%	(22%)
NET INCOME	6,381	28%	5,600	27%	14%
Earnings per share of Rs 5/- each (in Rs)					
Basic	75.29		66.28		14%
Diluted	75.04		65.84		14%

Oracle Financial Services Software Limited
Q2 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
Segmental Revenue (INR Mn)										
Product Business	8,758	8,163	8,643	9,116	34,680	9,982	8,966			
Services Business	1,443	1,482	1,316	1,235	5,476	1,497	1,364			
BPO Business	282	296	287	291	1,156	292	323			
Total	10,483	9,941	10,245	10,642	41,312	11,771	10,653			
Geographic Revenues										
Products Business										
NAMER	31%	26%	28%	33%	29%	29%	28%			
JAPAC	33%	39%	34%	33%	34%	36%	36%			
EMEA	36%	36%	38%	35%	36%	35%	37%			
Services Business										
NAMER	71%	71%	73%	74%	72%	68%	73%			
JAPAC	10%	9%	8%	7%	9%	7%	7%			
EMEA	19%	20%	18%	19%	19%	25%	20%			
Total Company										
NAMER	37%	34%	35%	39%	36%	35%	35%			
JAPAC	29%	33%	30%	29%	30%	32%	31%			
EMEA	33%	33%	35%	32%	34%	34%	34%			
Revenue Analysis by Type										
Product Revenues										
License Fees	18%	13%	18%	14%	16%	20%	9%			
Professional Services	56%	59%	54%	58%	57%	52%	60%			
Maintenance	26%	28%	28%	28%	27%	28%	32%			
Services Revenues										
Fixed Price	21%	19%	17%	17%	19%	17%	20%			
Time & Material Basis	79%	81%	83%	83%	81%	83%	80%			
On-site	37%	37%	39%	35%	37%	40%	38%			
Off-shore	63%	63%	61%	65%	63%	60%	62%			
Customer Concentration										
Product Customers										
Top Customer	12%	13%	10%	14%	11%	11%	9%			
Top 5 Customers	32%	33%	34%	36%	32%	36%	33%			
Top 10 Customers	41%	43%	45%	47%	42%	48%	42%			
Services Customers										
Top Customer	16%	15%	15%	15%	15%	13%	14%			
Top 5 Customers	50%	51%	51%	54%	50%	50%	52%			
Top 10 Customers	73%	74%	74%	76%	73%	77%	75%			
Total Company										
Top Customer	10%	10%	9%	12%	9%	9%	8%			
Top 5 Customers	30%	30%	30%	32%	29%	31%	29%			
Top 10 Customers	38%	40%	40%	43%	39%	43%	38%			
Trade Receivables										
0-180 days	92%	96%	95%	92%	92%	93%	84%			
More than 180 days	8%	4%	5%	8%	8%	7%	16%			
DSO (Days)	45	51	44	68	68	67	67			
Attrition Rate (TTM)	22%	22%	22%	22%	22%	22%	20%			
Staff Data *										
Products Business	6,065	6,248	6,143	6,150	6,150	6,166	6,438			
Services Business	1,821	1,696	1,657	1,645	1,645	1,581	1,548			
BPO Business	667	690	718	708	708	698	723			
Corporate	242	242	236	230	230	226	223			
Total	8,795	8,876	8,754	8,733	8,733	8,671	8,932			

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

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.

Trademark

Oracle and Java are registered trademarks of Oracle Corporation and/or its affiliates. FLEXCUBE is a trademark of Oracle Financial Services Software and are registered in several countries. Other names may be trademarks of their respective owners.

“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 9, 2016. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

###

Contact Info

Valerie Beaudett
Oracle Public Relations
+1.650.400.7833
valerie.beaudett@oracle.com

Ken Bond
Oracle Investor Relations
+1.650.607.0349
ken.bond@oracle.com