



FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q3 Fiscal Year 2020 Net Income of Rs. 457 Crore, up 27% Quarter over Quarter and up 49% Year over Year; Revenue for the Quarter at Rs. 1,160 Crore, down 2% Year over Year

Mumbai, India, February 4, 2020: 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, 2019. On a consolidated basis, net income for the quarter was Rs. 457 Crore, up 49% compared to the quarter ended December 31, 2018. Revenue for the quarter was Rs. 1,160 Crore, down 2% as compared to quarter ended December 31, 2018. The operating income for the quarter was Rs. 497 Crore, up 2% compared to the quarter ended December 31, 2018.

For the quarter ended December 31, 2019, the Products business posted revenue of Rs.1,028 Crore, down 1% year-over-year; and the operating margin was Rs.494 Crore, down 1% as compared to the corresponding quarter of the last fiscal year. For the same period, the Services business posted revenue of Rs. 101 Crore, down 15% as compared to the same quarter of last fiscal year.

Chet Kamat, Managing Director and Chief Executive Officer, Oracle Financial Services Software said, “We signed US\$12 million of new license fees in the quarter representing strategic new logos across the portfolio. The net income posted a robust 49% growth. We offer compelling solutions for financial institutions across multiple regions and are a leading choice for them. With a robust pipeline, we see a broad-based demand for our product lines in both emerging and developed markets.”

Makarand Padalkar, Executive Director and Chief Financial Officer, Oracle Financial Services Software said, “We posted strong operating performance this quarter; the operating margins stood at 43% and net margins were 39%. All other operating parameters continue to be healthy.”

Business Highlights

- The Company signed license deals of US\$ 12.2 million during this quarter with customers in 24 countries.
- 27 customers went live on Oracle Financial Services software products during the quarter.
- A leading Dutch bank has chosen to implement Oracle Financial Services Analytical Applications by continuing its belief in Oracle's Banking Technology.

- Westlake Financial Services, a Southern California based finance company that specializes in acquisition and servicing of prime to subprime automotive retail instalment contracts through a network of over 50,000 new and used car dealerships throughout the United States, has extended its relationship with Oracle by signing a deal for Oracle Financial Services Lending and Leasing for servicing and collections for loans.
- A leading Canadian bank has extended its relationship with Oracle by signing a deal for Oracle Financial Services Analytical Applications.
- A leading Saudi Arabian general insurance company has chosen to implement Oracle Financial Services Analytical Applications.
- A leading Japanese financial services company has chosen to implement Oracle Financial Services Analytical Applications.
- Cooperativa de Ahorro y Crédito de la Comunidad de Ciudad Quesada RL (COOCIQUE), a Costa Rican savings and credit cooperative with more than 100,000 members that offers assistance to micro and small entrepreneurs and farmers, has chosen to implement Oracle FLEXCUBE Universal Banking and Oracle Banking Digital Experience.
- Incorporated in 1985, Balad Bank in Sudan focuses on providing Islamic banking and investment services in the country with a keen interest in improving the country's agricultural, commercial, mining and real estate sectors. According to their strategic plan, they plan to expand in Africa and Middle East. The bank has signed a deal for Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience and Oracle Banking Payments.
- Dashen Bank, an emerging Ethiopian commercial bank offering modern banking services, has extended its relationship with Oracle by signing a deal for Oracle FLEXCUBE Universal Banking.
- Al Nile Bank from Sudan has decided to modernize its core banking systems and transform into an agile, digital bank by choosing to implement Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience and Oracle Banking Payments.
- Lapo Microfinance Bank, a Nigeria based institution recognized as a national microfinance bank by the Central Bank of Nigeria services more than a million Nigerians and is committed to the social and economic empowerment of low-income households through responsive and sustainable financial services. The bank has embarked on a digital transformation journey marking a new chapter in their history by choosing to sign a deal for Oracle FLEXCUBE Universal Banking, Oracle Banking Digital Experience, Oracle Banking Payments and Oracle Financial Services Analytical Applications.

- An Islamic commercial bank in Asia has reaffirmed its trust in Oracle by signing a deal for Oracle Banking Digital Experience, Oracle Banking APIs, Oracle Banking Supply Chain Finance and Oracle Banking Virtual Accounts Management.
- A leading Canadian credit union has decided to implement software from Oracle Financial Services Analytical Applications.
- A commercial bank from Mauritius has furthered its belief in Oracle by signing a deal for Oracle Banking Corporate Lending, Oracle Banking Payments, Oracle Banking APIs and Oracle FLEXCUBE Universal banking.
- A leading Chilean bank has extended its relationship with Oracle by signing a deal for Oracle FLEXCUBE Universal Banking.
- A leading Costa Rican financial services group has signed a deal with Oracle to implement Oracle FLEXCUBE, Oracle Banking Digital Experience, Oracle Banking Payments and Oracle Banking Corporate Lending.

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**Q3 FY 2019-20 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Million, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Dec 31, 2019	% of Revenues	Dec 31, 2018	% of Revenues	
REVENUES					
Products	10,277	88%	10,394	88%	(1%)
Services	1,013	9%	1,191	10%	(15%)
BPO - Services	311	3%	274	2%	14%
Total Revenues	11,601	100%	11,859	100%	(2%)
SEGMENT RESULTS					
Products	4,935	48%	4,987	48%	(1%)
Services	134	13%	91	8%	47%
BPO - Services	118	38%	89	32%	33%
Total	5,187	45%	5,167	44%	0%
Unallocable expenses	(218)	(2%)	(291)	(3%)	(25%)
OPERATING INCOME	4,969	43%	4,876	41%	2%
Interest and other income, net	621	5%	170	2%	265%
INCOME BEFORE PROVISION OF TAXES	5,590	48%	5,046	43%	11%
Provision for taxes	1,022	9%	1,986	17%	(49%)
NET INCOME	4,568	39%	3,060	26%	49%
Earnings per share of Rs 5/- each (in Rs)					
Basic	53.21		35.71		49%
Diluted	53.00		35.56		49%

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**FY 2019-20 YEAR TO DATE : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Million, except per share data)**

Particulars	Nine Months Ended				% Increase (Decrease)
	Dec 31, 2019	% of Revenues	Dec 31, 2018	% of Revenues	
REVENUES					
Products	31,828	88%	32,932	88%	(3%)
Services	3,261	9%	3,667	10%	(11%)
BPO - Services	888	3%	841	2%	5%
Total Revenues	35,977	100%	37,440	100%	(4%)
SEGMENT RESULTS					
Products	15,640	49%	16,286	49%	(4%)
Services	618	19%	288	8%	115%
BPO - Services	302	34%	250	30%	21%
Total	16,560	46%	16,824	44%	(2%)
Unallocable expenses	(793)	(2%)	(972)	(2%)	(18%)
OPERATING INCOME	15,767	44%	15,852	42%	(1%)
Interest and other income, net	1,402	4%	1,148	3%	22%
INCOME BEFORE PROVISION OF TAXES	17,169	48%	17,000	45%	1%
Provision for taxes	5,239	15%	6,401	17%	(18%)
NET INCOME	11,930	33%	10,599	28%	13%
Earnings per share of Rs 5/- each (in Rs)					
Basic	139.03		123.90		12%
Diluted	138.45		123.23		12%

Oracle Financial Services Software Limited
Q3 FY 2019-20 Financial Results
SUPPLEMENTAL OPERATING MATRICES

	Financial Year 2018-19					Financial Year 2019-20				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Geographic Revenues										
Products Business										
India	7%	5%	6%	6%	6%	6%	7%	7%		
Outside India										
Americas										
United States of America	20%	23%	22%	25%	22%	20%	21%	21%		
Rest of America	7%	8%	7%	6%	7%	6%	9%	8%		
Europe	14%	15%	17%	15%	16%	16%	16%	17%		
Asia Pacific	29%	29%	27%	29%	28%	27%	27%	27%		
Middle East and Africa	23%	20%	21%	19%	21%	25%	20%	20%		
Services Business (incl. BPO Services)										
India	2%	0%	1%	0%	1%	0%	1%	1%		
Outside India										
Americas										
United States of America	61%	67%	70%	71%	68%	74%	70%	73%		
Rest of America	3%	2%	2%	1%	2%	1%	1%	1%		
Europe	21%	19%	14%	17%	18%	13%	16%	12%		
Asia Pacific	9%	9%	9%	7%	8%	8%	8%	11%		
Middle East and Africa	4%	3%	4%	4%	4%	5%	4%	2%		
Total Company										
India	7%	5%	6%	5%	6%	5%	6%	6%		
Outside India										
Americas										
United States of America	25%	28%	28%	31%	28%	26%	27%	27%		
Rest of America	6%	7%	6%	6%	6%	6%	8%	7%		
Europe	15%	16%	16%	15%	16%	16%	16%	16%		
Asia Pacific	26%	26%	25%	26%	26%	25%	25%	26%		
Middle East and Africa	21%	18%	19%	17%	19%	22%	18%	18%		
Revenue Analysis										
Products Business										
License Fees	17%	10%	10%	13%	12%	19%	9%	8%		
Maintenance Fees	28%	33%	32%	30%	31%	29%	34%	35%		
Consulting fees										
Fixed Price	30%	31%	32%	31%	31%	28%	29%	29%		
Time & Material Basis	25%	26%	26%	26%	26%	24%	28%	28%		
Services Business (incl. BPO Services)										
Fixed Price	29%	22%	25%	27%	25%	24%	27%	24%		
Time & Material Basis	71%	78%	75%	73%	75%	76%	73%	76%		
Trade Receivables										
0-180 days	93%	94%	91%	88%	88%	92%	91%	92%		
More than 180 days	7%	6%	9%	12%	12%	8%	9%	8%		
DSO (Days)	58	71	63	63	63	68	62	65		
Attrition Rate (TTM)										
	17%	17%	18%	20%	20%	22%	22%	22%		
Staff Data										
Products Business	6,330	6,490	6,339	6,135	6,135	5,998	6,119	6,122		
Services Business	1,278	1,219	1,182	1,080	1,080	946	957	954		
BPO Business	669	672	654	633	633	635	653	654		
Corporate	209	208	208	206	206	195	188	189		
Total	8,486	8,589	8,383	8,054	8,054	7,774	7,917	7,919		

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 offers a complete suite of integrated applications for Sales, Service, Marketing, Human Resources, Finance, Supply Chain and Manufacturing, plus Highly-Automated and Secure Generation 2 Infrastructure featuring the Oracle Autonomous Database. 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 4, 2020. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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