

## **Intellect Q1 FY 16 revenues grow 34% Y-o-Y** ***13 new wins, including 2 large Digital Transformation Deals***

**Chennai (India), July 28, 2015:** Intellect Design Arena Ltd, a specialist in applying true Digital Technologies for Banking & Insurance, announced its first quarter results today, for FY 2015-16. Intellect drives some of the most successful digital strategies across Global Consumer Banking, Global Transaction Banking, Risk & Treasury Management and Insurance.

Intellect strongly differentiates itself in the global market place with Digital 360, an integrated approach to accelerate digital transformation programs. The 'Digital Outside' strategy is customer-facing and ensures the same quality of experience at all customer touch points. The 'Digital Inside' strategy is synonymous with lean operations, and connects all customer journeys to integrated process orchestration and centralized risk management.

### **Performance highlights**

#### **For the quarter ended 30<sup>th</sup> June, 2015:**

- Revenues grew 34% YoY and stood at Rs 193 Cr. Crossed \$30 Million mark.
- 13 new wins highlighting the acceptance of Intellect products in the global market place. 49% of revenues came from Advanced markets
- 2 Major Digital Transformation deals won this quarter, one in North America & one in APAC
- Gross Margin sustained at 50% level over last 12 quarters
- R & D Costs contained within \$ 20 Mn annually
- S&M at 29% of revenues vis a vis 32.13% in the previous quarter
- Reduction of DSO by 10 days.

### **Business Highlights**

Intellect is structured into 4 lines of business with independent leadership teams to drive predictable growth. Some of the business highlights are:

#### **1. Global Transaction Banking (iGTB):**

- a. App based new-age face of Corporate Banking
- b. Leadership for integrated GTB in Middle East
- c. Acceptance of Payments Solutions in North America.

## **Q1 Results FY 2015-2016**

### **INR**

#### **2. Global Consumer Banking (iGCB):**

- a. Unique Omnichannel Retail Banking Exchange using App based technologies.
- b. Single solution encompassing Online, Mobile, Branch Banking and Call Center.
- c. Comprehensive lending platform for SMEs, integrating Origination, Loan processing and Collections

#### **3. Risk & Treasury Management (iRTM):**

- a. Next-Gen single solution connecting front office, mid office, back office across all assets classes with integrated risk management
- b. Comprehensive Basel III Liquidity Risk Management (LRM) product
- c. Plan to launch One LRM in Sep 2015

#### **4. Insurance (intellectSEEC)**

- a. Digital Underwriting using Social Media, Big Data and Artificial Intelligence
- b. Exclusive partnership with Outside IQ to deliver the most advanced Risk Discovery tool in the Insurance industry
- c. Large deal won in North America for Digital Distribution

## **Management Statement**

**Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited** said, “The first quarter has been a good start to this financial year. In the first year of independent operations since the demerger from Polaris and public listing, we focused on designing the business model for predictable, profitable growth. We made the right investments to position us to ride the Digital wave and partner banks, financial institutions and insurance companies for their digital transformation programs. We are building 4 robust businesses, providing the digital edge to Consumer banking, Transaction banking, Risk & Treasury and Insurance. We have equipped the businesses with the right leadership capacity to drive product leadership. The acceptance of our New-age products in advanced markets such as North America and Europe, as well as winning two significant digital transformation deals in North America and APAC is extremely encouraging.”

**S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited, said,** “We are on track to meet our guidance of revenue growth of 22% to 26% this year. There has been a significant reduction in losses from Rs. 29 crore in the previous quarter to Rs. 11 crore in quarter one. We are managing investments in digital platforms and market opportunities for sustained growth”.

**Q1 Results FY 2015-2016**  
**INR**



**Financial Results for the First Quarter Ended June 30, 2015**

INTELLECT DESIGN ARENA LIMITED (a Polaris Group company)

Unaudited consolidated financial results for the first quarter ended June 30, 2015 prepared as per Indian GAAP

Rs. Lakhs

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
<b>INCOME</b>				
Gross Income from software product license and related services	19,180.59	15,995.18	14,284.16	60,483.87
Forex impact on Hedge accounting (AS30)	112.00	130.40	78.26	391.08
<b>Income from Operations</b>	<b>19,292.59</b>	<b>16,125.58</b>	<b>14,362.42</b>	<b>60,874.95</b>
<b>EXPENDITURE</b>				
Software development expenses	9,342.53	8,514.27	6,875.81	30,597.47
Selling & Marketing and General & Administrative expenses	7,963.23	7,070.62	5,968.06	26,104.60
<b>Total Expenditure</b>	<b>17,305.75</b>	<b>15,584.89</b>	<b>12,843.87</b>	<b>56,702.07</b>
<b>Profit / (Loss) before interest, depreciation &amp; amortisation</b>	<b>1,986.84</b>	<b>540.69</b>	<b>1,518.55</b>	<b>4,172.88</b>
Research & Development expenses	2,962.86	3,347.61	2,575.22	12,203.58
Depreciation/ Amortisation	496.86	459.95	519.04	1,901.27
Finance Charges	24.79	23.08	13.97	80.78
<b>Profit / (Loss) after interest, depreciation &amp; amortisation</b>	<b>(1,497.67)</b>	<b>(3,289.96)</b>	<b>(1,589.68)</b>	<b>(10,012.75)</b>
Other Income including exceptional items	325.54	262.17	610.93	1,776.19
Minority Interest/ Share of profit/(loss) of Associate Companies	53.72	113.07	-	113.07
<b>Profit/ (Loss) before tax</b>	<b>(1,118.41)</b>	<b>(2,914.72)</b>	<b>(978.75)</b>	<b>(8,123.49)</b>
Provision for taxation	(6.86)	51.18	4.30	175.84
<b>Profit/ (Loss) after tax</b>	<b>(1,111.55)</b>	<b>(2,965.90)</b>	<b>(983.05)</b>	<b>(8,299.33)</b>

## Q1 Results FY 2015-2016 INR

### Deals Won

With 49% of our revenues accruing from advanced markets, we have a healthy business contribution mix from across geographies and lines of business.

Signature wins in this space include:

1. One of the largest Bank and Insurance Company in North America selected Intellect SEEC as the Digital Transformation Partner. Intellect SEEC will be implementing the Digital Distribution Suite.
2. Development Bank of the Philippines (DBP), one of the largest Government Financial Institutions, chose the Intellect Digital Core (Core Banking Solution), Loans Origination & Loans Management System and end-to-end Trade Finance to transform its core banking operations
3. One of India's leading integrated infrastructure finance player, which is starting its domestic Retail & Corporate banking operations, chose Intellect Corporate Banking Exchange (CBX), Cash Management suite of products, Liquidity Sweeps and solutions for their Mobility program.
4. A leading Bank Headquartered in Malaysia, who has been in the financial services industry since 1968, chose the Intellect Global Transaction Banking System to implement Corporate Banking Exchange, Payments, Liquidity and Trade Finance
5. One of the Central banks in Southern Africa chose Intellect's Quantum Central Banking Solution - a robust and innovative solution that supports central banks with risk-free progressive modernisation.
6. One of the largest banks in Indonesia, with an international network and branches spread across all provinces of Indonesia and two overseas branches in Mauritius and Mumbai, chose Intellect One Treasury for its India operations
7. A leading Public Sector Bank in India chose Intellect AML solution to prevent money laundering

### Global Accolades

Our digital transformation initiatives have been recognized and awarded by well know global analyst and research firms. Some of them are:

Intellect Cards named "Regional Champions" and "Specialist" in Origination & Collect among Global Card Management and Transaction Processing Vendors by Celent, a research and consulting firm focused on the application of information technology in the global financial services industry.

MyPrivateBanking Research an independent research firm awarded Intellect Wealth the "Leading Vendor Digital Tools for Financial Advisors 2015". **This award positions Intellect as a Partner for digital transformation of banks & financial institutions.**

Intellect AML clients indicate "High Satisfaction Levels" with Intellect's Service and Support, Performance & Responsiveness in Aite Group's report

## Q1 Results FY 2015-2016 INR

### Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **28<sup>th</sup> July 2015**, to take on record the financial results of the company for the First Quarter ended June 30, 2015.

Intellect Design Arena Ltd. will host an Investors Conference Call on **28<sup>th</sup> July 2015**, where the Senior Management of Intellect will comment on the company's performance during the First Quarter ended June 30, 2015 and respond to questions from participants. **The conference call will take place at 17:30 Hrs IST on Tuesday, 28<sup>th</sup> July 2015.**

The dial-in numbers to join the conference call:

<b>Conference Name</b>	:	<b>Q1 FY16 Investor earnings call</b>
<b>Date</b>	:	<b>28th July 2015</b>
<b>Time</b>	:	<b>17:30 to 18:30 IST</b>
<b>Conference ID</b>	:	<b>94502340</b>
<b>ACCESS NUMBERS</b>		
MUMBAI	:	Primary Access Toll Number : 02230360400
BANGALORE	:	Primary Access Toll Number : 08030360400
DELHI	:	Primary Access Toll Number : 01130360400
CHENNAI	:	Primary Access Toll Number : 04430360400
INDIA	:	Primary Access Toll free Number : 180030131313
HONG KONG	:	Primary Access Toll free Number : 800901420
SINGAPORE	:	Primary Access Toll free Number : 8001011906
US and Canada	:	Primary Access Toll free Number : 18663944523
UK	:	Primary Access Toll free Number : 08081681758
UAE	:	Primary Access Toll free Number : 8000174397

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