

Intellect YTD revenue registers 33% growth with strong Digital led wins

Quarterly revenue grows 21%

Chennai (India), January 25, 2016: Intellect Design Arena Ltd, a specialist in applying true Digital Technologies across Banking & Insurance, announced its third quarter results for FY 2015-16 today. Intellect drives some of the most successful digital transformations across Global Consumer Banking (iGCB), Global Transaction Banking (iGTB), Risk & Treasury Management (iRTM) and Insurance (Intellect SEEC).

I. Business Performance

1. YTD Revenue

Revenues in the first three quarters of this year (2015-16) stood at Rs. 594 Cr against Rs. 447 Cr in the same period last year.

2. YTD Margins

Margins for the first three quarters of this year (2015-16) were at Rs. 309 Cr as against Rs. 227 Cr in the same period last year.

3. Revenue over Last Twelve Months (LTM)

Revenue for the four quarters ending Q3 FY 16 was at Rs. 755 Cr (in dollar terms, \$117 mn), as against Rs. 577 Cr (in dollar terms, \$94mn) for the four quarters ending Q3 FY 2015. This represents a growth of 31% on LTM basis.

4. Digital led order wins

Intellect was awarded 39 Digital led order wins year to date including 11 Digital led order wins in this quarter.

5. New products

Investments in R&D were at Rs. 97 Cr on a YTD basis. The company has launched four new products so far this year including two more new products this quarter. Intellect proudly unveiled iGTB Release 16, including Apple Watch Support & Artificial Intelligence powered KYC solution and Digital Distribution Suite for the UK Life and Pension markets.

II. Digital led wins

The Intellect suite of products is built on robust & contemporary Digital Technologies enabling our customers to accelerate their digital programs. Our path breaking approach of Digital 360 has earned the trust of clients for their digital programs and digital transformations.

The company was awarded 11 Digital programs in the last quarter. Some of these are:

- A London based technology firm specializing in risk management and mitigation for OTC derivatives markets, chooses Intellect One LRM to provide an end-to-end bilateral market infrastructure for the margining of non-cleared OTC derivatives.
- A leading Commercial Bank in East Africa has chosen Digital Face as the bank's front end and Corporate Banking Exchange, a futuristic app-based front-end omni-channel Retail Banking platform to enable Account Services, Payments, Collections and Trade Finance services for their customers.
- A leading leasing bank in Sri Lanka has chosen Intellect's Digital Face, a futuristic app-based front-end omni-channel Retail Banking platform. The bank has implemented Intellect's Core Banking solution earlier and runs on this platform.
- One of the largest lender banks in the United Arab Emirates has chosen iGTB's Cash Management solution for Oman as part of their multi-country roll out, starting with Oman.
- One of the largest private banks in India in terms of Market Capitalization has chosen iGCB for their SME Digital initiative which demonstrates the power of apps and canvas technology.
- A leading private sector bank in India chose the iGCB Loan Origination solution for their Corporate Loan Business & Card Business due to its ease of use.
- A full service brokerage company in Turkey, one of the largest in the country in terms of branch network, chose iRTM One Treasury for their Digital program in the treasury space to leverage risks and making insightful decisions.
- One of the oldest commercial banks in India chose iRTM Treasury solution. Its rich functionality, including Derivatives and Forex, were the reasons for the bank's choice of this proven solution to enable its digital roadmap.
- A leading public sector bank in India chose iGTB's Trade Finance, Supply Chain finance solutions and CBX as their customer front end.

III. Powering Digital transformations with Research & Innovation

FT 8012, the World's First Design Center for Financial Technologies, was set up by the company in Chennai, India in 2013. The power of collaborative design enabled at the design center makes digital transformations easier, faster and more cost effective. Intellect's next generation digital products and platforms are also designed at FT 8012.

Intellect proudly unveiled two products during the quarter:

- **iGTB Release 16, including Apple Watch support and A.I. KYC:** Intellect launched iGTB Release 16, including Sanctions Screening – a new, faster and more comprehensive KYC solution – and the extension of CBX (Corporate Banking Exchange), the **true omni-channel digital enterprise**

Financial Results for the Third Quarter Ended December 31, 2015

Unaudited consolidated financial results for the third quarter ended December 31, 2015 prepared as per Indian GAAP

	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
Revenue (INR Lakhs)	19,374.82	20,732.96	16,003.75	59,400.37	44,749.37	60,874.95
Revenue (Mn \$)	29.39	31.94	25.81	91.72	73.60	99.48
Software development expenses (SDE)	9,436.46	9,768.24	8,002.62	28,547.22	22,083.20	30,597.47
Gross Margin	9,938.36	10,964.72	8,001.13	30,853.15	22,666.17	30,277.48
Gross Margin %	51%	53%	50%	52%	51%	50%
Selling & marketing and General & Administrative expenses (SG & A)	8,031.56	8,203.05	6,779.83	24,197.84	19,033.96	26,104.60
Research & Development expenses (R& D)	3,359.37	3,380.00	3,325.60	9,702.23	8,855.97	12,203.58
EBITDA	(1,452.57)	(618.33)	(2,104.30)	(3,046.92)	(5,223.76)	(8030.70)
Depreciation/ Amortisation	520.37	495.00	470.34	1,512.23	1,441.31	1,901.27
Finance Charges	26.73	26.93	23.67	78.45	57.70	80.78
Profit / (Loss) after interest, depreciation & amortization	(1,999.67)	(1,140.27)	(2,598.31)	(4,637.60)	(6,722.77)	(10,012.75)
Other Income / Expense	868.43	416.86	1039.33	1664.54	1,514.02	1889.26
Profit/ (Loss) before tax	(1,131.24)	(723.41)	(1,558.98)	(2,973.06)	(5,208.75)	(8,123.49)
Provision for taxation	60.00	71.14	82.23	124.28	124.65	175.84
Profit/ (Loss) after tax	(1,191.24)	(794.55)	(1,641.21)	(3,097.34)	(5,333.40)	(8,299.33)

platform, to Apple Watch and other smartwatch devices. Sanctions Screening, designed by iGTB, is an Artificial Intelligence (AI) powered solution that goes beyond current KYC methods by incorporating a **natural language contextual search** of social media to construct a broader and more accurate view. iGTB's new solution, now live, leverages machine learning, Artificial Intelligence and other state-of-the-art technologies to help protect banks from commercial risk.

- **Digital Distribution Suite for the UK Life and Pension markets:** Digital Distribution Suite for the UK Life and Pension markets is designed to strengthen the customer relationship throughout all touch points of the sales and service process, delivering consistent, high quality customer experiences irrespective of channel or device. The first end-to-end transformation suite of its kind designed for the UK market comprises of seven business apps that enable insurers to provide innovative customer centric capabilities leading to profitable growth far more quickly and cost effectively than previously possible.

IV. Delightful and reliable implementations

Intellect continues to deliver over 85% implementations ahead of schedule and in full in the last quarter. Some of the significant implementations during the last quarter:

- IDFC Bank, a subsidiary of IDFC Ltd., India's leading integrated infrastructure finance company, has successfully implemented the iGTB solution suite including payments, cash management, corporate banking exchange (CBX) and liquidity sweeps. This comprehensive digital solution will help enable IDFC Bank's growth, even as it introduces a differentiated form of banking.
- A multinational banking and financial services holding company headquartered in New York went live with the iGTB Liquidity solution.
- One of the leading Nordic corporate banks went live with the iGTB Liquidity solution.
- One of the leading banks in Malaysia went live with iGTB's Commercial Risk solution.
- A Qatar based new age bank went live with the iGCB Lending module for its Collect Management system.
- One of the largest banks in the Philippines went live with iGCB's Collect Management system.
- Intellect SEEC successfully delivered the first proof of concept for a digital transformation program for a major UK Insurance and Wealth company

V. Management Statement

Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, "While we have grown significantly on a cumulative basis, the last quarter saw two deals which were to have closed being deferred to the next Quarter. However, we are on track on the annual growth guidance as of today."

S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited, said, "Our Gross Margin and the cost of S&M, R&D and G&A have been in line with our estimates. With the expected revenue in Q4, we are looking forward to a breakeven quarter."

VI. Acclaimed by Experts

Intellect's cutting-edge digital technologies and digital products for Consumer Banking, Transaction Banking, Risk & Treasury Management & Insurance have been acclaimed by well known global analysts and research firms.

- Forrester, an independent research and consulting firm featured Intellect among 18 International Banking Platforms in the report titled Vendor Landscape International Banking Platforms
- Intellect SEEC was listed as a representative vendor in Gartner 2015 report "Market Guide for P&C Insurance Underwriting Workstations, North America"
- Intellect ranked amongst the Global Top 100 vendors in Fintech Forward Ranking's by American Banker BAI

VII. Leadership Additions

Given the rich suite of Digital FinTech products and the exciting market opportunities, the company continued to strengthen the Leadership team. Senior Leadership hires in the quarter include:

- **Chris Pinkerton, Head of Life Insurance and Annuities business, Intellect SEEC, USA:** Chris brings many years of successful life insurance industry experience to Intellect SEEC. Prior to joining, he was the President and CEO of SBLI of Massachusetts. Chris was earlier President of Forrester's US business and has led the Variable Insurance and Annuity business for Allianz Life.
- **Lakshmi Parekh, SVP & Product Delivery Head, iGTB:** Lakshmi joins us with over 18 years of experience in Information Technology and BFSI. She has spent her career with i-Flex (Oracle Financial Services Software), where she was a key member of several strategic initiatives. Lakshmi will be helping the CBX and Liquidity teams on the UX side on an advisory basis.
- **Jas Negi, SVP & Service Delivery Manager, UK, iGTB:** Jas has over 18 years of experience in product and delivery management with a proven track record in driving and executing strategy for financial service products. He has excellent skill sets in building teams and working in a cross-functional environment to achieve business transformation with the ability to combine business knowledge and technology capabilities to drive customer value.
- **John Behn – SVP, Life Insurance Sales, Intellect SEEC, USA:** John joins us with over 25 years of experience in the Insurance sector with extensive experience leading new business development and service operations in high growth firms with international operations such as New York Life, Transamerica, Securities America and Gama International.
- **Richard Kennette – SVP, Insurance Sales, Intellect SEEC, USA:** Richard joins us from FirstBest and prior to that he has worked for Accenture Duck Creek, IBM, CSC always with an emphasis on P&C Insurance Solutions sales. He joins us with over 25 years of experience a deep understanding and practical knowledge of business strategies and operational issues relating to property and casualty insurance company operations.
- **Vishal Singh – SVP, East and West Africa, IMEA:** Vishal comes with experience of over 23 years in the IT and Media Industries, starting his career as a programmer and later excelling in sales. He has developed International markets and handled business development across the globe. His previous engagements were with 3i Infotech across Africa, Prasad Group (EFX), Misys and CSC.

Q3 Results FY 2015-2016
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Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **25th January 2016**, to take on record the financial results of the company for the Third Quarter ended December 31, 2015.

Intellect Design Arena Ltd. will host an Investors Conference Call on **25th January 2016**, where the Senior Management of Intellect will comment on the company's performance during the Third Quarter ended December 31, 2015 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Monday, 25th January 2016.**

The dial-in numbers to join the conference call:

Conference Name	:	Q3 FY16 Investor earnings call
Date	:	25th January 2016
Time	:	17:00 to 18:00 IST
Conference ID	:	32006963
ACCESS NUMBERS		
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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