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PRESS RELEASE

Nucleus' FinnOne™ powers HDFC BANK loan portfolios

New Delhi, October 12, 2009: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), a leading global provider of integrated software products for banks and financial institutions, announced today that their flagship product FinnOne™, 'World's Number 1 Selling Lending Software Product'*, has been successfully supporting and delivering operational excellence and strengthening rapid business growth at country's leading bank HDFC Bank, India.

FinnOne™ has been powering the HDFC Bank with four modules – Finance against Security (FAS) since 1997, Loan Management (LMS) since 1999, Collection (CMS) since 2001 and, Loan Origination System (LOS) since 2004. HDFC Bank has implemented the complete suite of FinnOne™ at an enterprise level and supports Retail Assets Business across it over 1400 branches spread across over 550 towns and cities across India. FinnOne™ has helped the bank provide a comprehensive, flexible and secured automated solution to its customers.

FinnOne™ has facilitated effective tracking of loans applications, timely disbursements and swift decision-making, thus contributing to better-cost management at par with international standards. FinnOne™ ensures ease and efficiency in delinquency management, supporting the objective of acquiring operational and decision-making support for all the asset side business lines.

"In most of the retail products we offer, we are a market leader on measures of size, geographies covered, quality of portfolio, and customer satisfaction. It has been achieved through quality processes, value added turn around time, and a close customer engagement. All of this have been made possible by investments in systems like these. We look forward to a mutually beneficial and continued relationship with Nucleus Software," said **Pralay Mondal, Country Head, Retail Assets & Credit Cards, HDFC Bank.**

FinnOne™ comprehensive suite has enabled HDFC Bank to service its customers more efficiently and has enhanced productivity with systems being available 24x7. With the turn around time now reduced for application processing, and robust systems enabling processing of high numbers, there has been a significant improvement in the banks customer services. **Munish Mittal, Head – Technology Solutions Group, HDFC Bank** said, "Straight through processing is integral vision of IT which FinnOne™ enables by ensuring automated flow of approved applications along with disbursement details from origination system to the

lending management solution, thus improving accuracy and reducing manual processing". The origination solution also interfaces real time with Bank's customer application de-duplication system as well as with the Credit Bureau for bureau report to make the process of underwriting standardized, added Mittal.

On this occasion, **Vishnu R. Dusad, CEO & MD, Nucleus Software**, said, "We are delighted with our successful partnership with HDFC Bank. Nucleus' growing strength and leadership is further illustrated by this constant partnership with one of the leading banks of India. As a market leader we are committed to continual improvement in all aspects of our business and to be able to further reinforce product offer, service and delivery to our customers. It is our sustained focus on providing excellent services to our clients and innovation in product development that has got us this far. "

About HDFC BANK

Promoted in 1995 by Housing Development Finance Corporation (HDFC), India's leading housing finance company, HDFC Bank is one of India's premier banks providing a wide range of financial products and services to its over 15 million customers across hundreds of Indian cities using multiple distribution channels including a pan-India network of branches, ATMs, phone banking, net banking and mobile banking. Within a relatively short span of time, the bank has emerged as a leading player in retail banking, wholesale banking, and treasury operations, its three principal business segments. The bank's competitive strength clearly lies in the use of technology and the ability to deliver world-class service with rapid response time. Over the last 13 years, the bank has successfully gained market share in its target customer franchises while maintaining healthy profitability and asset quality. As of June 30, 2009, the Bank had a distribution network with 1,416 branches and 3,382 ATMs in 550 cities. For the quarter ended June 30, 2009, the Bank earned total income of INR 51.36 billion (Rs.5,136.8crore) as against INR 42.15 billion (Rs.4,215.2crore) in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the quarter ended June 30, 2009 were INR 28.99 billion (Rs.2,899.2crore), up by 25.1% over INR 23.16 billion (Rs.2,316.9crore) for the quarter ended June 30, 2008. Net Profit for the quarter ended June 30, 2009 was INR 6.06 billion (Rs.606.1crore), up by 30.5% over the corresponding quarter ended June 30, 2008. The Bank's total balance sheet size increased by 10.38% from INR 1685.98 billion (Rs. 168,598.7crore) as of June 30, 2008 to INR 1861.15 billion (Rs.186,115crore) as of June 30, 2009. Total deposits were INR 1457.32 billion (Rs.145,732crore), an increase of 11.31% from June 30, 2008. Total income for the year ended March 31, 2009 grew by 58.2% to INR 196.22 billion (Rs.196,22.9crore) over the corresponding year ended March 31, 2008. Leading Indian and international publications have recognized the bank for its performance and quality. For more information please log on to: www.hdfcbank.com

About FinnOne™

FinnOne™ is 'World's Number 1 Selling Lending Software Product*'. The flagship product of Nucleus Software, it is a powerhouse of seamlessly integrated applications, designed to provide operational

support, risk management and decision-making support to banks and financial services companies. The FinnOne™ suite provides solutions for the asset as well as liability sides of business in addition to account management, core financial accounting, risk management, document management, and customer services. FinnOne™ also supports multi-branch, multi-currency, multi-product, and bi-lingual implementations. FinnOne™ focuses on both, retail and corporate loans, thereby emerging as a comprehensive solution to back any line of the lending business. *IBS Publishing (2008)

About Nucleus Software Exports Limited

Nucleus Software (NSE: NUCLEUS, BSE: 531209) is a leading software powerhouse providing innovative and pioneering software solutions for Banks and Financial organizations globally. Nucleus Software offers a host of competitive IT solutions and consultancy services designed to support the whole spectrum of business offerings spanning Retail and Corporate Banking, Cash Management, Credit Cards, Relationship Banking, Financial CRM, Credit Risk & Appraisal, EAI, Internet Banking, FX, Basel II, Data warehousing and Analytics. With customers across the globe, the company is consistently innovating with cutting edge and industry driven products in the domain. Nucleus Software is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit www.nucleussoftware.com

Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, our ability to successfully implement our strategy, our research and development efforts, changes in the value of the Rupee and other currency changes, intense competition in IT and consulting services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Nucleus may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Board of India, Stock Exchange and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

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