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Bharosa Acquisition Announcement

Delivers next generation of risk-based access management

July 18, 2007



The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decision. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

What Customers Have Told Us

- Online fraud is impacting business
 - Consumers are wary of sophisticated online attacks
 - Industry and Government raising the bar with regulations
- Access Management infrastructure must evolve
 - Provide stronger security without impacting user experience
 - Standard authentication & authorization is inadequate
- Stronger, adaptable access management is needed for online commerce
 - Mutual authentication of commerce site and user to prevent phishing
 - Protect passwords and PINs from being stolen by 'trojans'
 - Constantly balance risk with security policy
 - Keep costs low, complexity manageable

What We Are Announcing

- Oracle has agreed to acquire Bharosa, Inc.
 - Leading provider of proactive, real time fraud prevention and strong authentication solutions
 - 30+ customers worldwide
 - Over 25M users protected today
 - Headquarters in Santa Clara, California
- Bharosa will become part of Oracle Identity Management solutions
 - Complements Oracle's leading suite of IAM products
 - Fastest growing IAM suite

Why Bharosa

- Strong J2EE-based technology
 - Easy to use, lightweight
 - Hot Pluggable with WAM solutions
 - Integration with Oracle Access Manager and CA Siteminder
- Combines strong authentication with fraud prevention
- Leading, differentiated solutions
 - In use in some of the leading financial services companies in the world
- Strong team
 - Track record of delivering visionary solutions, value to customers
 - Will join existing Oracle IdM functional groups



U.S. AIR FORCE



SVB Silicon Valley Bank

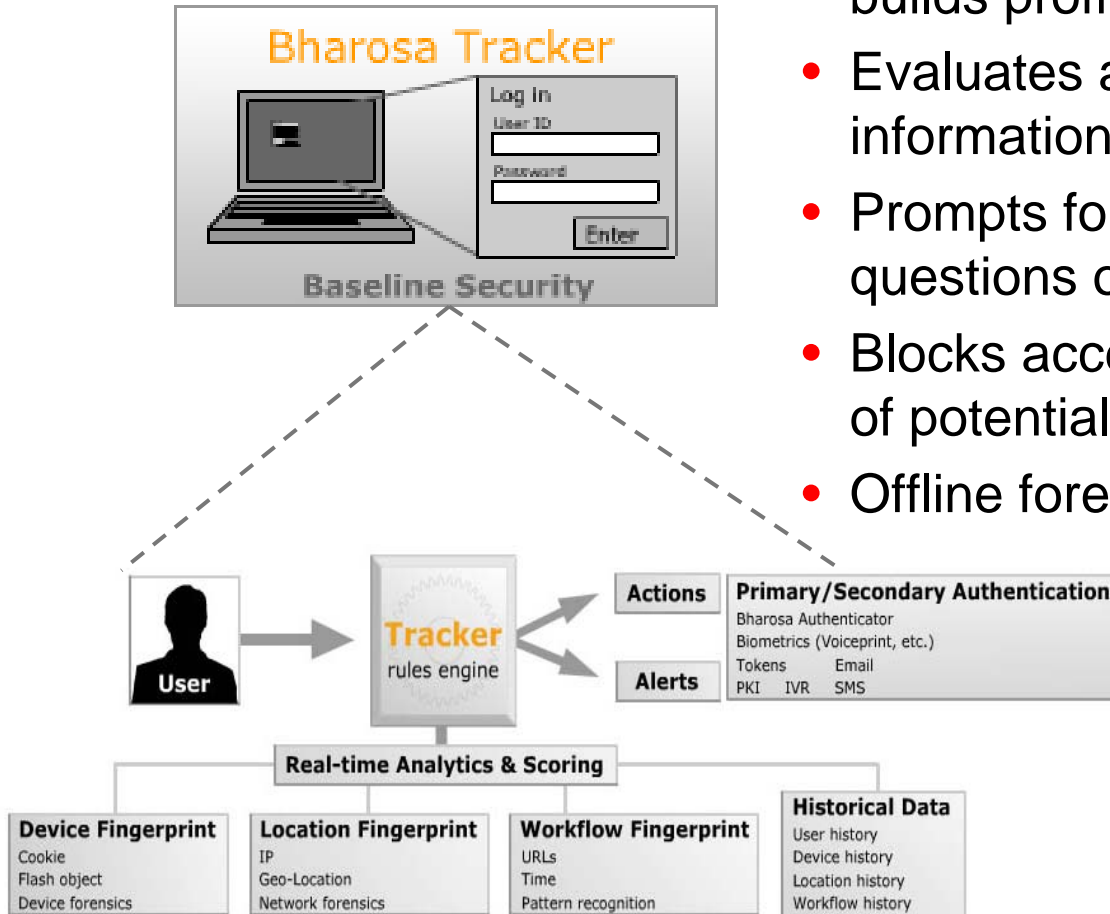


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Bharosa Tracker

Key Capabilities

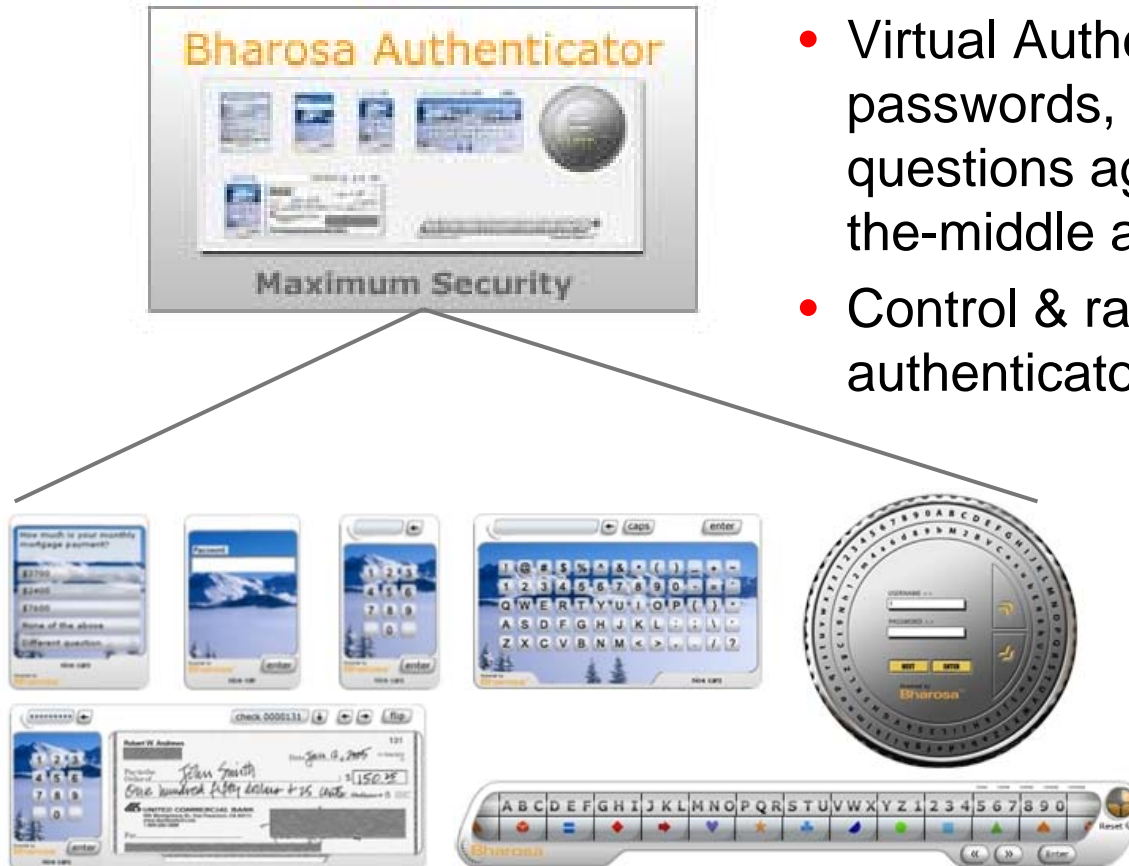
- Real time monitoring of web traffic, builds profiles of normal user activity
- Evaluates activities and context information against rules engine
- Prompts for additional challenge questions or authentication
- Blocks access or notifies administrators of potential fraudulent activity
- Offline forensics analysis of audit data



Bharosa Authenticator

Key Capabilities

- Mutual authentication via personalized images
- Virtual Authenticator devices protect passwords, PINs, and challenge questions against key loggers, man-in-the-middle attacks, OCR programs
- Control & randomize placement of authenticators in the browser



Strategic Importance to Oracle

- The proposed combination of Oracle and Bharosa is expected to deliver the next generation of risk based access management
 - Protects against identity theft and fraud
 - Complements Oracle Access Manager, Identity Federation, Identity Manager, Directory Services and Oracle Database
- The combination of Oracle and Bharosa is expected to deliver powerful solutions to meet compliance, auditing and reporting challenges
 - Enables compliance with key regulations: FFIEC, HIPAA, PCI
 - Delivers comprehensive solution to Oracle Financials Services customers through integration with Mantas and Reveleus
- Combination is expected to strengthen Oracle's position in the rapidly growing identity and access management market
 - 4.7% of US population, or 10M people, were victims of identity fraud in the last year, with total losses of US\$53B (Federal Trade Commission)

Customer and Partner Benefits

- Bharosa's customers are expected to benefit from
 - Higher investment in product innovation, supportability and 3rd party integration
 - Oracle's global reach and 24X7 capabilities
- Oracle's customers are expected to benefit from
 - Reduced cost and complexity for a complete, end-to-end solution
 - Rapid evolution toward the next generation access management
 - Better integration with Oracle Access Manager and other Oracle products
- Oracle and Bharosa Partners will benefit from
 - ISVs: Plan to combine with token providers to provide a broad, complete solution
 - SIs: Plan to provide a new solution for existing security, identity practices
 - VARs: Plan to expand opportunities for value-added solutions

Oracle's Identity Management Strategy

- Combination is planned to create complete solution
 - Integrated suite of best-of-breed components
 - Each component individually deployable
- 'Application centric'
 - Integrated with business applications – HR, CRM, ...
 - Part of MW platform – Deployment and development
- Hot-pluggable
 - Standards-based
 - Works across leading applications, web servers, application servers, portals, databases and other IT systems

Evolution of Oracle IAM Suite

Access Control

Strong Authentication & Authorization

Risk Based Access Control

Single Sign-On

Federation

Web Services Security

Identity Administration

Credential Hardening

Identity Lifecycle Administration

Role & Membership Administration

Provisioning & Reconciliation

Compliance Automation

Directory Services

Virtualization

Synchronization

Storage

Audit & Compliance

Audit Data

Attestation

Fraud Detection

Segregation of Duties

Controls

Management

Service Levels

Risk Analysis Forensics

Configuration

Performance

Automation

Adaptive Access Management

Oracle + Bharosa



Adaptive Access Management

Authenticator



Tracker

**Access
Manager**



Applications

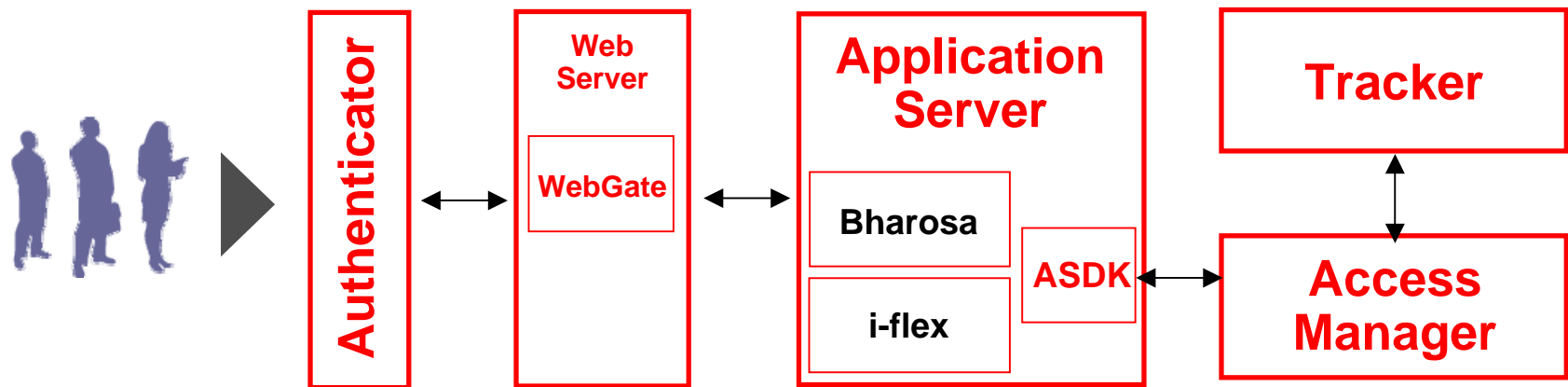
Expected Key Benefits

- Create stronger, step-up authentication based on access policies, risk-based rules evaluation
- Mutually authenticate users and websites with protection against identity theft
- Adapt policy-based authorizations to usage patterns, behavior and anticipated risks
- Define granular compliance reports based on real-time data
- Enable deep analysis and forensics against historical events

Adaptive Access Management

Financial services solutions with Bharosa & i-flex

- Expected to strengthen authentication and fraud prevention for outsourced financial services and core banking applications



Adaptive Access Management

Oracle + Bharosa Differentiators

- Risk-based authentication superior when compared with 'token'-based strong authentication alone
 - Tokens imply higher cost/complexity, not for large scale consumer use
 - Passwords and PINs can still be compromised
 - Solution complements all token forms
- Non-intrusive and deep integration with applications
 - Proxy architecture or SOAP interfaces for quick and deep protection
 - Goes beyond detection to also BLOCK unauthorized access
 - Multi-tenant architecture works across multiple business units
- Rules never go out of date
 - Entire inventory of up-to-the-moment fraud rules available on demand
 - Tap into collective anti-fraud intelligence of entire global customer base
 - Ability to change rules in real time

Case Study – Wells Fargo

BUSINESS CHALLENGE

- Upgrades to its online security platform designed to give customers and businesses even more protection in the fight against Internet fraud
- Meet and exceed (FFIEC) guidelines



BHAROSA SOLUTION

- Wells Fargo selected Tracker to meet regulatory compliance and track online transactions for potential fraud

RESULTS

- Implemented real-time risk analysis from Bharosa
- The system determines whether a customer is signing on from his/her usual location or if someone is trying to fraudulently login from a different PC and location
- Allows Wells Fargo to stand behind the security of all its online transactions with a 100% security guarantee - even in the case of phishing, key logging and pharming

Case Study – AudioTel



BUSINESS CHALLENGE

- AudioTel, a provider of software to the banking industry, needed to implement two-factor authentication to meet FFIEC requirements
- The company ascertained that token-based technologies would not be viable across its wide customer base
- A strong software authentication solution was needed



BHAROSA SOLUTION

- AudioTel examined 8 vendors, and chose Bharosa for its ability to provide the security cost-effectively
- AudioTel also selected Bharosa's software to meet FFIEC requirements
- Bharosa's technology was integrated into "TeleWeb," using both the Tracker and Authenticator product lines

RESULTS

- AudioTel now has the ability to meet the specific security software requirements of the over 300 banks that it deals with
- The flexibility of Bharosa's technology has made it easy to integrate and manage

Case Study – National City

BUSINESS CHALLENGE

- National City Corporation (NYSE: NCC), one of the U.S.'s largest financial holding companies, implemented Bharosa to satisfy FFIEC requirements and enhance online security
- Required easy integration with existing authentication infrastructure (CA SiteMinder)
- Required ability to scale rapidly to accommodate growth in the online channel



BHAROSA SOLUTION

- Bharosa's Tracker and Authenticator software products, built using open standards, added multiple layers of proactive, real-time fraud detection and multifactor authentication security to NCC's Web sites
- Solution provides online customers with protection against fraud threats without compromising the usability of the systems and their end users

RESULTS

- Bharosa implemented in under 5 days
- Reduced online fraud
- Accepted by NCC's diverse online user base
- Bharosa infrastructure allows NCC to integrate new applications quickly and seamlessly

Case Study – i-flex Solutions



BUSINESS CHALLENGE

- i-flex solutions, a world leader in providing IT solutions to the financial services industry, needed an enhanced security offering for its rapidly growing customer base as well as for customers of its outsourced offering through Financial Services Inc. (FSI)



BHAROSA SOLUTION

- Bharosa enables i-flex to add proactive real-time fraud detection and secure multiple forms of authentication to its FLEXCUBE retail banking product

RESULTS

- By combining Bharosa's offering with the company's FLEXCUBE retail banking platform, i-flex enables a more robust, yet seamless protection against the most sophisticated fraud attacks
- Joint Bharosa/i-flex implementations are underway for global clients in the financial services sector

Summary

- Online fraud prevention and meeting associated compliance requirements is a key customer challenge
- Oracle's acquisition of Bharosa is planned to deliver next generation risk-based access control
 - Enables real time reporting and risk analysis
 - Blocks fraudulent access requests
 - Defines proactive alerting mechanisms
- Bharosa products will become part of Oracle's leading IdM suite of products
 - Oracle customers expected to benefit from an integrated solution across IdM, DB and Financial Services applications
- Bharosa customers are expected to benefit from Oracle's increased investment in product innovation and ongoing support

Next Steps

- Public announcement
 - July 18, 2007
- Communicate with all Stakeholders
 - Press & Analyst briefings: July 18-19, 2007
 - Customer and Partner communication on July 18-19, 2007
- Transaction expected to close in August 2007
- More information can be found at:
 - www.oracle.com/bharosa



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