



DWOLLA

the best way to move money

HOW WE SOLVE THE PROBLEM

Dwolla allows anything connected to the internet to move money quickly, safely, and at low cost.



GROWING RAPIDLY BECAUSE OF MANY USE CASES



HOW DID WE GET HERE?

Dwolla was started as a direct result of a problem encountered by its founder: the pain of paying \$50,000+ a year in credit card fees. In 2008 Ben Milne set out to fix the problem and Dwolla was born.



Ben Milne, Founder & CEO

- Started his first manufacturing company at 18, bootstrapped the company to 1M + in revenue with operations in the US and Asia.
- Sold the company to concentrate on building the Dwolla network.
- Leads overall company vision, technology, product strategy and marketing.



Charise Flynn, COO

- Graduated magna cum laude from Simpson College with degrees in Philosophy and Religion.
- Started career in real estate development by building and managing over \$100MM in real estate assets in less than five years.
- Built consulting company, c.Results, which focused on working with early stage companies/founders.
- Joined Dwolla in 2010 and leads operations including legal, finance, business development, human resources, and customer support.

How Cards Work



Underwriting banks: Citi, Wells Fargo, Bank of America

Card networks: Visa, MasterCard

Merchant acquiring banks: Citi, Wells Fargo, Bank of America

Payment gateways: Stripe, Braintree, PayPal

Merchant providers: Visa, MasterCard

ACH processors: Federal Reserve Bank, The Clearing House, Wells Fargo, Deutsche Bank

THE PROBLEM WITH PAYMENTS

EXPENSIVE (“ASSET-HEAVY”)

- Merchants shell out ~\$40-\$50 billion a year to process credit/debit card payments. Does not include hardware, hidden fees, etc.
- Innovation can only happen on top of the network, which increases cost rather than reducing cost.
- Legacy payment options such as ACH and check are layered with administrative and operational costs that businesses, individuals, financial institutions and governments have to bear the cost of.
- Micro-transactions are cost-prohibitive.

SLOW/ACCESSIBILITY

- Check and ACH can take 3-15 days to get from senders' to receivers' bank account.
- Dependent on bank holidays, ATM availability

THE PROBLEM WITH PAYMENTS

FRAUD HEAVY

- Credit and debit expose 16-digit card numbers, can be copied, photographed, or written down (i.e. “data exhaust”)
- Check and ACH expose info needed to make unauthorized debits to account, no inherent verification or validation protocols embedded in ACH

CLOSED & RIGID

- No inherently open payment network for third-party development, not Web 2.0-compatible
- Fragmented interests across spectrum, no true end-to-end solution in market
- Silo'd transaction combinations (e.g. cards are not p2p friendly, can't use bank-to-bank networks to buy coffee)

BANK-CENTRIC

- Perpetuates increasingly regulated, endangered revenue streams for banks (see: Durbin Amendment, Bank of America checking fee backlash)

And more...

How Dwolla Works



Product demo...

End-to-End Solution



Under the hood

Unique Technology

- Consumer (Dwolla branded) Engine.
- FiSync (Real Time Gross Settlement - white label) Engine.
- End to End fraud control, Secret Sauce
- Secret Sauce

Patents/Pending Patents

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Cool, technical sounding stuff goes here

THE DWOLLA NETWORK

LOW COST “ASSET-LIGHT”

- Cuts expensive credit card fees out of the equation by bypassing existing card networks.
- \$.25/transaction fee model is cheaper than credit cards or mailing/processing check payments.
- Free micro-transactions (under \$10) unlock new profit-making innovations, services, and markets

FAST/ACCESSIBLE

- Faster than mailing a check, pre-loaded funds move in real time
- FiSync Technology is first real-time gross settlement (RTGS) system in US
- Use with any web-enabled device

THE DWOLLA NETWORK

SAFER & PRIVACY FOCUSED

- Guards sensitive financial information, never discloses this data inside transactions or devices.
- Privacy innovations, like “Add/Remove Features” revoke access to third-party applications

OPEN-LOOP & END-TO-END

- Dwolla API allows distributes network and third-party innovation
- With FiSync, Dwolla streamlines payments from user bank account-to-user bank account
- Agnostic to payment type (i.e. p2p, b2b, c2b, b2c, g2b, b2g, etc.) or hardware

BANK-FRIENDLY, CONSUMER-CENTRIC

- FiSync provides banks and credit unions with dynamic value-added product and services opportunities

OPPORTUNITY FOR DWOLLA IN US MARKET

- ~\$40T exchanged through ACH
- ~\$600T in wire payments
- ~400 Million direct deposit accounts
- ~\$2T annually exchanged on plastic cards
- 98% of economic activity is completed via non-cash payments



OPPORTUNITY FOR DWOLLA GLOBALLY

- Incomprehensible number of payment volume, amounts
- 2.5B+ unbanked
- 2.4B+ Internet users
- 1.1B smartphone subscribers



2013 Hiring/Expansion Plan

Key Hires:

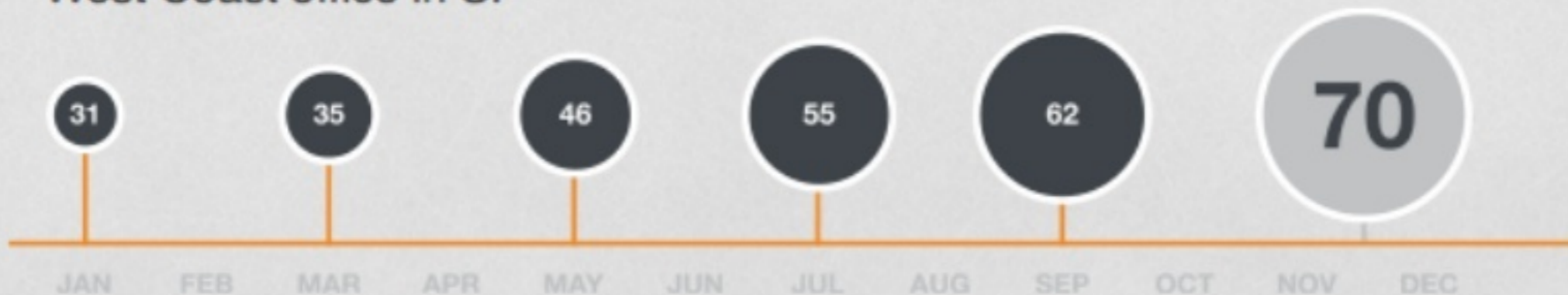
- Product
- Marketing
- Business Development
- Developers

2013 Total team counts:

- Leadership: 8
- Tech: 29
- Community Support: 10
- Business Development: 8
- Product/Design: 6
- Risk/Compliance: 4
- Marketing: 3
- Misc: 2

Expansion

- West Coast office in SF



References

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DWOLLA.COM



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