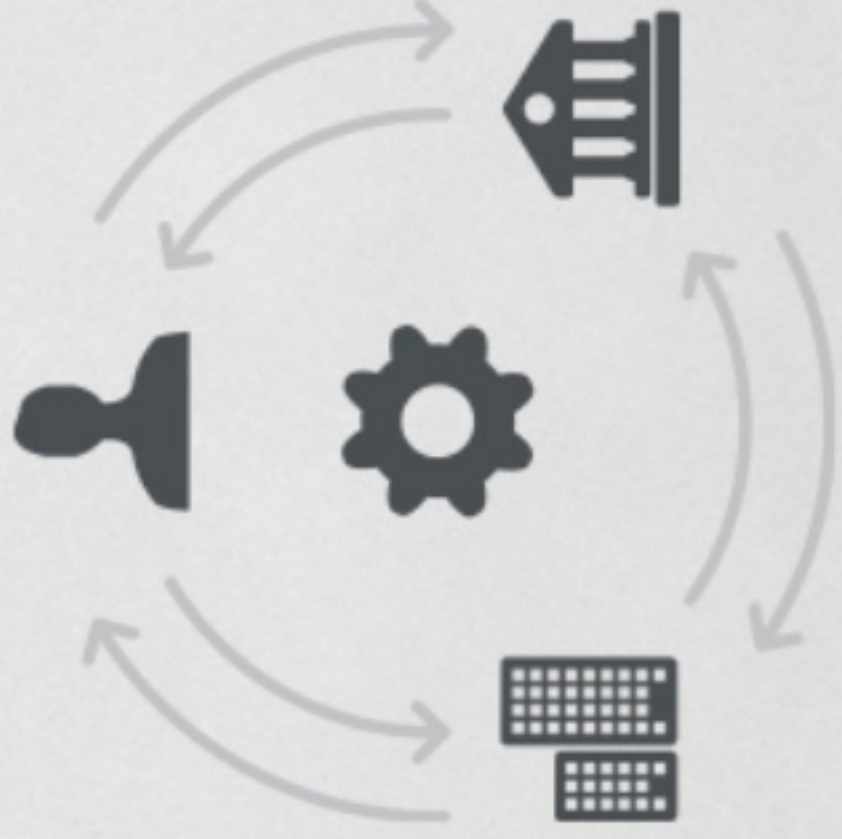




*the best way to move money*

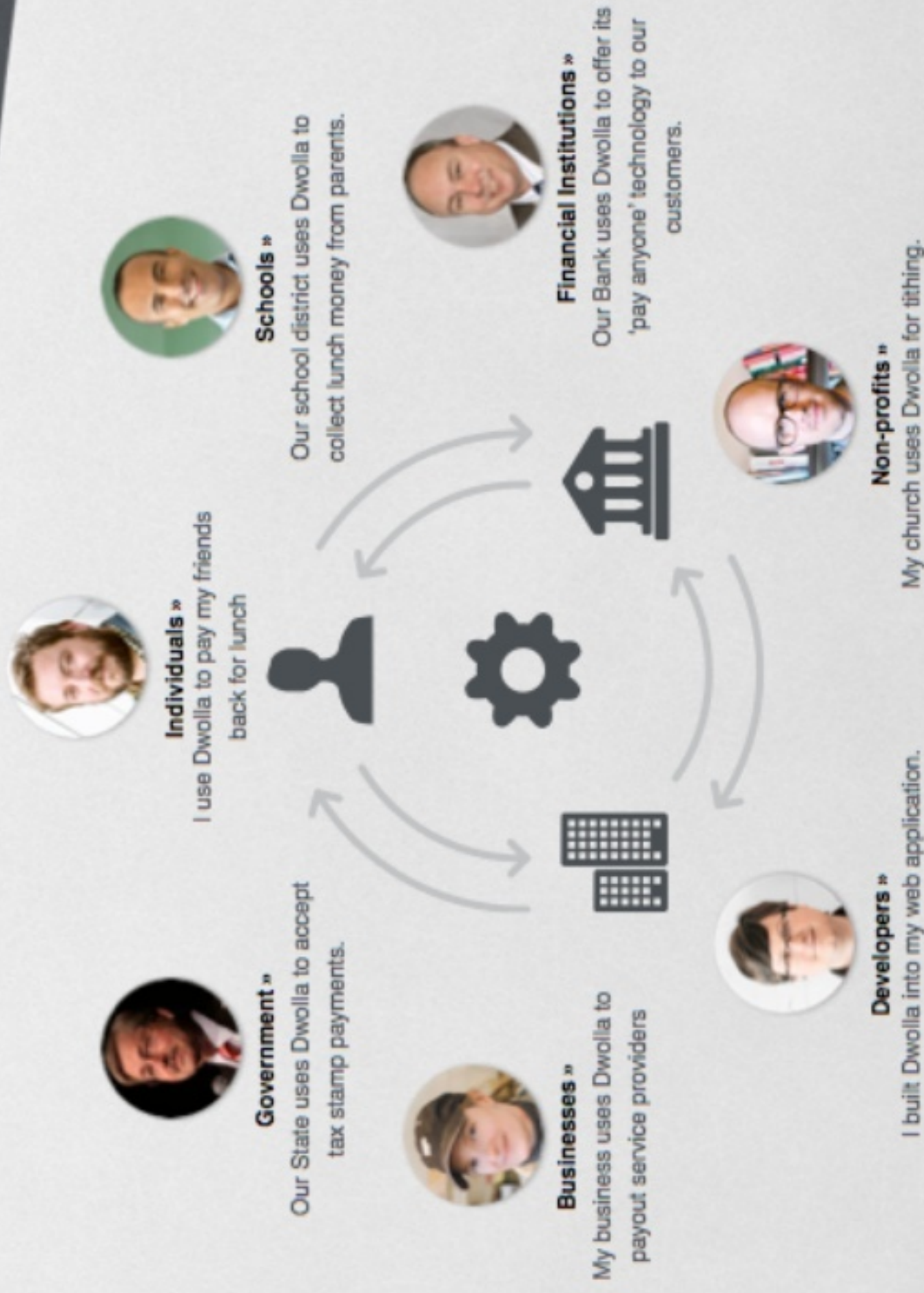
# HOW WE SOLVE THE PROBLEM

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.

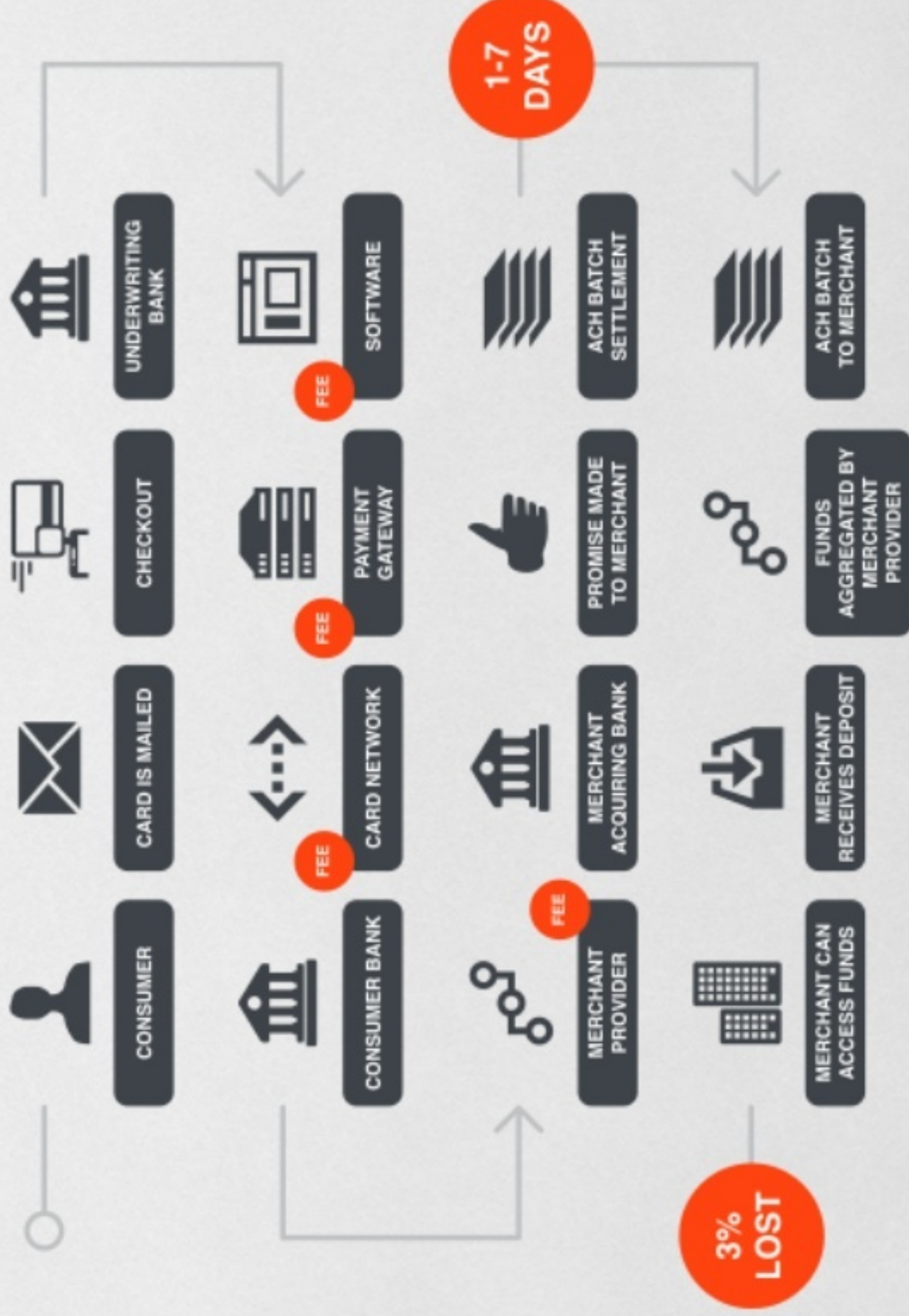


## **Charise Flynn, COO**

- 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  
 Payment gateways: Stripe, Braintree, PayPal  
 Card networks: Visa, MasterCard  
 Merchant providers: Visa, MasterCard  
 Merchant acquiring banks: Citi, Wells Fargo, Bank of America  
 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...**



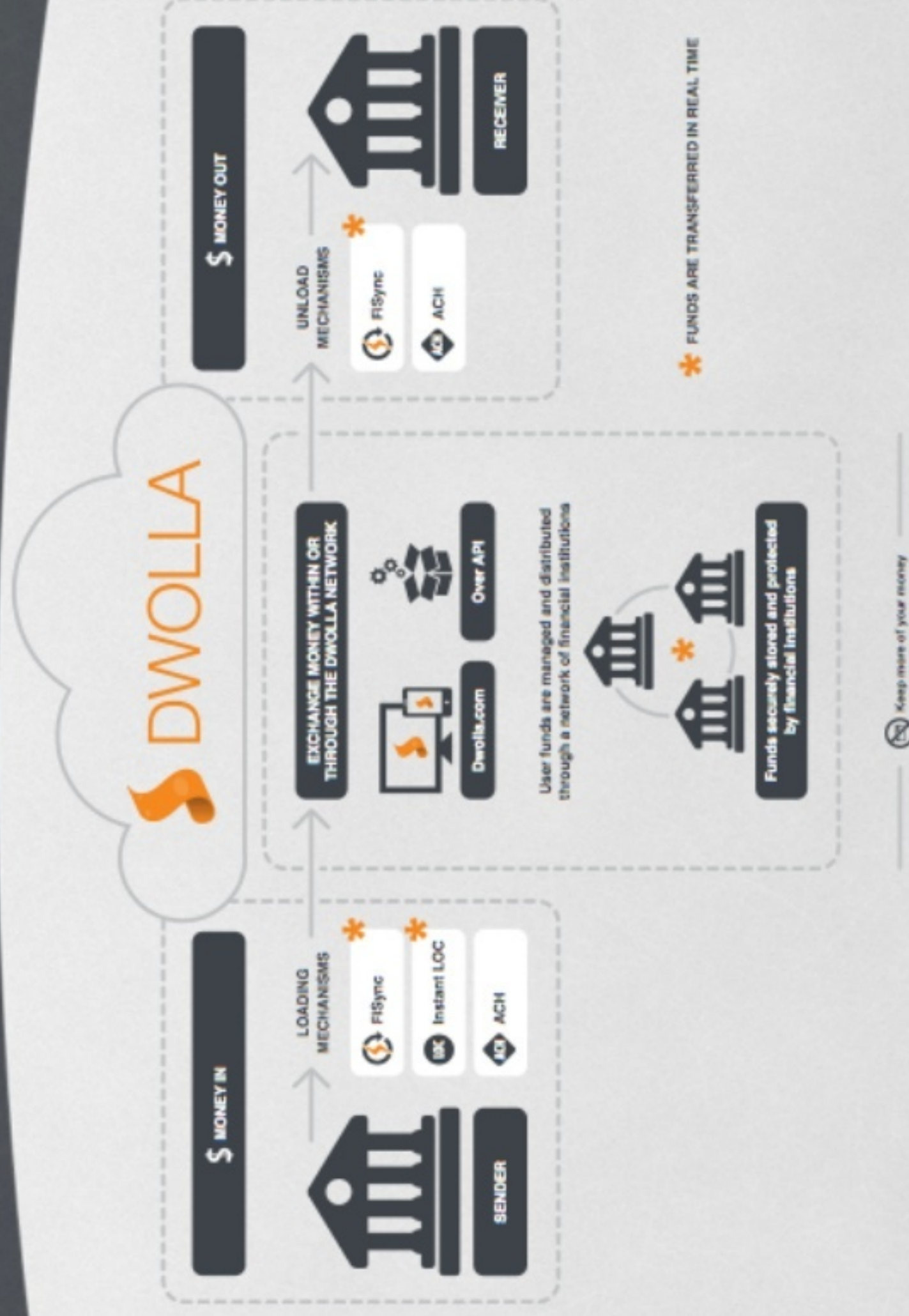
# How Dwolla Works



**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

- 
- 
- 
- 

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, 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





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DWOLLA.COM



The best way to move money