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

Individuals – I use Dwolla to pay my friends back for lunch

Government – Our State uses Dwolla to accept tax stamp payments.

Schools – Our school district uses Dwolla to collect lunch money from parents.

Businesses – My business uses Dwolla to payout service providers.

Financial Institutions – Our Bank uses Dwolla to offer a 'pay anyone' technology to our customers.

Developers – I built Dwolla into my web application.

Non-profits – My church uses Dwolla for tithing.

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

CONSUMER	CARD IS MAILED	CHECKOUT	UNDERWRITING BANK
CONSUMER BANK	**FEE** CARD NETWORK	**FEE** PAYMENT GATEWAY	**FEE** SOFTWARE
MERCHANT PROVIDER **FEE**	MERCHANT ACQUIRING BANK	PROMISE MADE TO MERCHANT	ACH BATCH SETTLEMENT **1-7 DAYS**
3% LOST MERCHANT CAN ACCESS FUNDS	MERCHANT RECEIVES DEPOSIT	FUNDS AGGREGATED BY MERCHANT PROVIDER	ACH BATCH TO MERCHANT

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 networks: 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

How Dwolla Works

CONSUMER OR MERCHANT

PAYMENT THROUGH SOFTWARE (DWOLLA)

BANK

<1 SECOND

PAYMENT NETWORK (DWOLLA)

REAL-TIME STREAMING SETTLEMENT (FISYNC)

RECEIVE PAYMENT

ACCESS FUNDS

End-to-End Solution

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.
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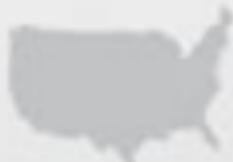
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BANK-FRIENDLY, CONSUMER-CENTRIC

- 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
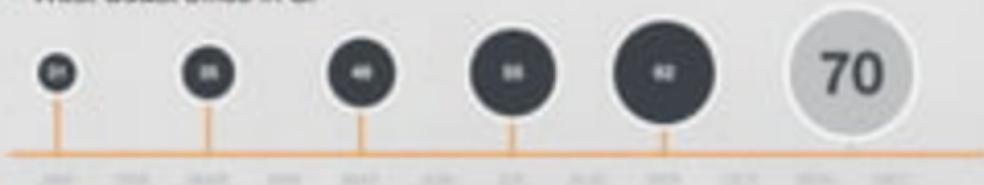- 1.1B smartphone subscribers

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
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- Marketing: 3
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Expansion
- West Coast office in SF

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DWOLLA

$ MONEY IN

$ MONEY OUT

LOADING MECHANISMS

* FiSync

* Instant LOC

ACH

SENDER

EXCHANGE MONEY WITHIN OR THROUGH THE DWOLLA NETWORK

Dwolla.com

Over API

User funds are managed and distributed through a network of financial institutions

*

Funds securely stored and protected by financial institutions

UNLOAD MECHANISMS

* FiSync

ACH

RECEIVER

* FUNDS ARE TRANSFERRED IN REAL TIME

Keep more of your money

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

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31 · 35 · 46 · 55 · 62 · 70

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