



Peer-to-peer currency exchange

Kristo Käärman, Taavet Hinrikus

31.05.2011 London

Currency Exchange

Before

- Banks take 3% - 6% hidden margin on exchange rate
- Additional fee of £10-£25 for foreign payment



After

- You exchange with peers at mid-market rate
- TransferWise is the trusted 3rd party
- We take a flat fee (£1)



How does it work?

- 1. Book a payment**
Enter recipient details on our website
- 2. Deposit money**
Transfer source currency to our holding account
- 3. Convert currency**
Money is automatically matched and converted at mid-market rates
- 4. Send to recipient**
The currency is delivered to the recipient bank account

The screenshot shows the TransferWise website interface. At the top, there's a navigation bar with the logo and links for HOME, ABOUT US, HOW IT WORKS, and BLOG. Below this is a section titled "CALCULATE AND EXCHANGE CURRENCY". It features a form where the user has entered "GBP Pound Sterling" as the "From currency" and "EUR Euro" as the "To currency". A table below the form compares the rates for "TransferWise" and "High Street Bank".

	TransferWise	High Street Bank
Rate	1.427	1.538
Transfer fee	€ 1.20	€ 15.00
You pay	£ 300.00	£ 300.00
You get	€ 342.75	€ 274.00

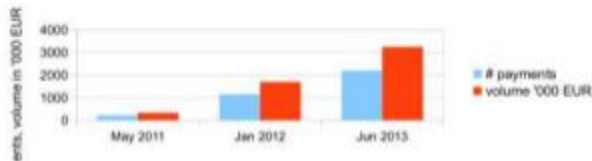
Below the table, a prominent orange button says "TRANSFER MONEY". To the left of the button, it states "YOU WILL SAVE €27.50 WITH TRANSFERWISE". To the right, there's a "BETTER CHANGE WITH PEOPLE?" section with four checked items: "Trade mid-market exchange rate", "Buy into a well rate", "Flat €1 transfer fee", and "No minimum transfer".

At the bottom of the screenshot, a horizontal process flow shows four steps: 1. Book a payment online, 2. Deposit the money, 3. Convert currency, and 4. Currency is delivered. Below the flow, there are four small text boxes explaining each step.

www.transferwise.com

Traction

- **Charging** customers from day one
- **Trust**: people have sent us £1M+
- 70% volume from **repeat customers**
- **£0** spent on marketing so far
- Organic growth **~20% monthly** (new paying users)



Roadmap

Segments	Currencies	Marketing
<ul style="list-style-type: none">• Personal	<ul style="list-style-type: none">• GBP	<ul style="list-style-type: none">• Word of mouth
<ul style="list-style-type: none">• Business payments	<ul style="list-style-type: none">• EUR	<ul style="list-style-type: none">• Social media
<ul style="list-style-type: none">• Invoicing	<ul style="list-style-type: none">• CHF	<ul style="list-style-type: none">• Targeted PR
<ul style="list-style-type: none">• API	<ul style="list-style-type: none">• PLN, SEK, DKK	<ul style="list-style-type: none">• Marketing campaigns
<ul style="list-style-type: none">• Card payments	<ul style="list-style-type: none">• USD	<ul style="list-style-type: none">• Partner marketing
<ul style="list-style-type: none">• Remittance	<ul style="list-style-type: none">• AUD, CAD	<ul style="list-style-type: none">• Distribution deals

We are just scratching the surface, the todo list is long...

Competition

- Retail FX brokers – UKForex, XE.com, World First, Travelex, etc
- Banks – HSBC, Lloyds TSB, RBS, etc
- Marketplace – CurrencyFair
- New services – CurrencyCloud (B2B), peerTransfer (education)
- e-Money services – PayPal, Moneybookers



Team

- Kristo, co-founder, CEO
 - Financial services consulting with Deloitte and PwC
- Taavet, co-founder
 - Skype early employee, angel investor, INSEAD MBA
- Backoff ce, customer support
- Developers



Financing

- Raising 650K GBP to last until end of 2012
- Goals
 - **Prove our model** (back office, support, payments, etc), on the way to financial break-even
 - Increase average **revenue per payment to to £3-£5**
 - Develop a scaleable **customer acquisition strategy**
 - Expand supported currencies (**CHF, SEK/PLN**), preparation for **USD**

Questions?

Want more VC/investment startup pitch decks?
We've centralised ALL successful investor pitch decks at:
www.chagency.co.uk/getstartupfunding

This has been made by

chagency

A design agency that helps SaaS CEOs reduce user churn.
We write daily on this topic here: www.chagency.co.uk/blog

Want more VC/investment startup pitch decks?
We've centralised ALL successful investor pitch decks at:
www.chagency.co.uk/getstartupfunding

This has been made by

chagency_

A design agency that helps SaaS CEOs reduce user churn.
We write daily on this topic here: www.chagency.co.uk/blog