



**HYBRID BANK**

# **360° TURNKEY FINANCIAL SERVICES PLATFORM**

**SPECIALIZED IN DIGITAL ASSETS**



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## 1.0 Abstract

Examining the developing interest from the general population and, as an outcome, increment in the estimation of digital money, it very well may be expressed with certainty that virtual monetary forms won't obsolesce, and their worth will only grow.

While there's a raise in the adoption of Cryptocurrencies and number of users are exponentially increasing in the ecosystem, the mainstream Banks still have an upper hand when it comes to Lending money to Crypto products like Exchanges.

Exchanges are primary source for users where one can Buy, Sell and Trade crypto assets. Exchanges need to stabilize and maintain the price of Crypto currencies trading on their platform based on the fluctuations on top exchanges like Binance, Coinbase, Bitmex and likes, which requires the exchanges to borrow emergency funds. With limited options of borrowing avenues, Miners are the primary source for Exchanges. Miners often lend Assets (Bitcoin, Ethereum etc..) at exorbitantly high interest rates.

Fusing the traditional Lending methodologies and Banking system with modern crypto currency technology, Hybrid Bank captures this opportunity by becoming a source to Lend to Exchanges at Lower Interest rates by cashing on Exchange users and existing securities of Exchanges as collateral.

Hybrid Bank acts as bridge between Digital Assets and real-world assets while allowing holders to earn interest, completely on-chain.

There is a vast market opportunity which is not dominated by any new solution. We are offering easy and affordable solution to the 300+ Exchanges and a stable way to earn for 25 million+ crypto holders.



## 2.0 Introduction

Hybrid Bank, in collaboration with Elamachain as Technology partner, and Hybrid Global as Proceedings Company, brings users a powerful , Intelligent, Regulated and backed with 4th Industrial Technology Tools, to Lend and Earn, by Exchanges, Mining Companies, Crypto users and partnered Exchange users. This creates an ecosystem of members-only like crypto community with access to exclusive Lending and Depository goods.

Hybrid Bank aims to become a Credit Information disclosure system along with unlocking the potential of encrypted assets such that the true value will be recognized and accepted as collateral by Lending, Banking and Non-Banking Financial corporations (NBFCs) not just in Blockchain Financial sector but also in traditional Financial Sector.

Hybrid Bank offers its users a Insured, Free and Secured savings bank like account with smart and varied Interest Rate and Recovery periods to pick from along with intelligently collateralized borrowing options for Exchanges and Mining Companies while Users are offered Micro-Lending options with varied Tenures and competitive Interest Percentages with value of Loan ranging between \$1,000 to \$10,000

## 2.1 Our Vision

Become central credit information disclosure system interlinked with Blockchain financing and distributed financing source for Blockchain companies such that the value of encrypted assets will be recognized as collateral and the Blockchain Financial sector will have expertise and business stability at the level of traditional financial sector and helps in strengthening the compounding effects of all DeFi and Blockchain projects.





Lend assets to Exchanges at a very competitive price in comparison to current market such that the exchanges can decrease the arbitrage value of Crypto's trading on their platform and implement different trading strategies.





Lend to Mining Companies and Individual miners to meet the infrastructure requirement of vast amounts of computing power, state-of-the-art equipment, and huge electricity capacities.



Exchanges, now can be fairly valued and offered low interest loans



Offer highly attractive Depository goods and Micro-Lending options (with a range of \$1,000 to \$10,000), for retail users and investors who, otherwise were making zero money from the assets they are holding in their Crypto wallets. We expect on boarding of non-crypto users into the ecosystem since the interest percentages are higher than that which are being offered by mainstream Banks with low interest lending options.

## 3.0 Problem Statements

### 3.1 Lack of Credit Rating System

The lack of central Credit Rating system for Blockchain FinTech companies is impacting the Borrowing process for Exchanges, Mining Companies and Individual Miners. Despite raising \$66 Billion in capital in less than five years by all Blockchain technology powered FinTech companies and FinTech companies have witnessed increased generous foothold and a solid base of quality-seeking customers.

But the FinTech companies are not able to receive proper Credit Ratings with the traditional credit rating methodology, which does not allow the value of encrypted assets to be recognized as collateral.

### 3.2 For Exchanges

Anyone who has witnessed the recent (2nd Aug 2020) flash crash of BTC - 13% in 5 minutes and ETH 21% in 7 minutes which resulted in liquidating \$1 Billion worth of futures contracts can understand the level of Volatility the market has to keep up with. Every sudden Raise or Drop in value of assets being traded will result in Exchanges intervention to match the market price. This requires Exchanges to hold emergency funds in Cryptos to implement different liquidation strategies and maintain the price of assets such that the value is on-par with the market.

With a lack of robust Lending solutions for Exchanges, Exchanges usually tend to Borrow from Mining Companies and Individual miners who hold huge number of assets at exorbitantly High Interest percentage.



### 3.3 For Mining Companies

Miners and Mining companies are often considered as the backbone of Decentralized world. They are directly responsible for the grouping of all unconfirmed transactions into blocks, conforming transactions happening on-chain and for their recording on the distributed ledger. For performing this activities, miners requires vast amounts of computing power, state-of-the-art equipment, and huge electricity capacities infrastructure.

To fund their increasing capital expenditures and ever growing operating expenses, they have to cash out their digital assets (rewards for confirming transactions) and miss out on the potential future gains from those assets.

### 3.4 For Users

With a projected value of \$5 trillion by 2025, Digital Assets have already been widely owned asset class across the globe. It is reported that the number of crypto wallet owners are growing rapidly and at this moment there are 25 million+ user wallets with several wallets having assets sitting idle in the wallets. These assets are returning 0 interest to the users.

HODLers of crypto assets sometimes might just need cash and unfortunately Banks and mainstream companies doesn't realize the true potential of digital assets and users are left with only option to liquidate their assets even for their temporary financial needs.



## 4.0 Solutions and Value Propositions

### 4.1 Credit Information System

Traditional Financial Institutions, Lenders, NBFCs operate a credit information disclosure system in solidarity. If a company's credit information is good, good-conditioned loan limits and loan interests are applied to all lending parties, and if the company's credit information is low, secured-condition loan limits, high loan interest rates, and rejection of loans are being given by all financial institutions. This is an important measure and a system that reduces the incidence of bad debts.

Similarly, Hybrid Bank aims at building Crypto Credit Information System which registers and tracks wallets to monitor the amount of crypto assets held by Blockchain companies in real time. In addition, in order to always monitor the value of Digital Assets issued by Blockchain companies, purchase and sale orders are analyzed in real time in the trading exchanges where the Digital Assets are listed, along with monitoring promotion activities and community activation indexes.

In addition to the quantitative assessment index, system will qualitatively checks how well roadmaps for expected revenue-generating models are being managed and followed them to reach their goals. Many of the Blockchain finance companies continuously monitor and evaluate one company, creating a highly reliable corporate Credit Index. Without the Crypto credit information system, the next-generation distributed FinTech systems and Blockchain Finance companies cannot be created properly.

Blockchain Bank, a future financial institution that will be incorporated into the system, and distributed banks also need an infrastructure system where credit rating and credit information are shared. It plans to unveil systems on hybrid banks where multinational decentralized financing can unite fairly, transparently and reliably with each other.



## 4.2 For Exchanges (B2B)

Exchanges are essential part of the Cryptocurrency ecosystem, matching buyers and sellers of the Digital Assets. With the number of Cryptocurrency exchanges rising every quarter, the need for maintenance of prices of Digital Assets as per international market intensifies. With Hybrid Bank easy and instant crypto loans, Exchanges now has a powerful tool which can be leveraged to maintain the price along with supporting their Margin Lending activities and enable them to reach higher capital efficiencies.

## 4.3 For Mining Companies (B2B)

From the recent Global Cryptocurrency Benchmarking study published by the University of Cambridge (Hileman and Rauchs), It is identified that miners earned billions of dollars in the past several years due to the appreciating value of cryptocurrencies; one can perceive the reason as to why miners and fulltime mining companies are not very anxious about cashing out the Digital Asset rewards they receive from approving the on-chain transactions.

Meeting the undeniably serious necessities gives mining companies a relief in terms of flexible loans which will be offered by Hybrid Bank which doesn't require them to liquidate their assets.

## 4.4 Value Proposition (B2B)

Based on the credit information system of the Blockchain companies (Exchanges, Mining Companies etc), loan conditions such as loan limits, repayment schedules, repayment methods, interest rates, and collateral settings are created.

Our Blockchain contracts are notarized by law firms affiliated with our companies in each country and has the consular certification of the embassy so that it has effect as an international contract. Loans can be extended from coins with price liquidity such as BTC/ETH to Stable coins with no price liquidity between USDT and Gata.

All lending products of Hybrid Bank will be managed and supervised whether the loan is used according to the purpose of use, the company manages and supervises the execution of the funds with its Blockchain partners.

The collateral setup secures loans through an escrow system between the two companies by setting up convertible spot or encrypted assets as collateral within two months to compensate for the unexpected occurrence of bad loans and the occurrence of non recoverable loans.

#### 4.5 For Individual Users (B2C)

There could be several reasons why HODLers might want to liquidate their Digital Assets, users upon signing up on to The Hybrid Bank Ecosystem (HBE), they will be offered several types of deposit products with varying slabs of Interest Rates and Recovery/Lock-in Periods which a user can select from where they will receive high interest rates for the locked assets.

While there are a growing number of interesting ways to earn interest on crypto, most of these options lack the essential elements of trustworthy lenders. With Hybrid Bank members will be able to easily earn interest on their locked Digital Assets the same way they earn on the savings in the bank - but with much better returns.



Crypto users often tend to sell their Digital Assets for their temporary financial needs, without the need to sell and lose on the long term profits, Hybrid Bank offers its users a range of lending products with varied Tenure and competitive Interest Percentages with value of Loan ranging between \$1,000 to \$10,000.

#### 4.6 For Exchange Users (B2B2C)

International exchanges, which have already attracted between 1 million and 5 million international users, will link client account servers and asset withdrawal APIs through partnership with Hybrid Bank. Countless users can easily use Hybrid Bank without a separate account setup process and easy movement of their assets between Hybrid Bank and Affiliated Exchanges to sign up for deposit products. Users from partnered Exchanges get higher interest rates.

Affiliated users are also entitled for low Interest Lending options with competitive Loan-To-Value (LTV) for the collateralized assets.

#### 4.7 Value Proposition (B2C and B2B2C)

All Digital Assets which are locked under depository products by Users on Hybrid Bank are Insured.

Users get to earn higher interest rates than the market standard, which otherwise the idle assets were making zero interest.

Affiliated Exchanges user database will be mutually linked with Hybrid Bank with APIs for easy login, thanks to Single-Sign-On (SSO). Affiliated exchange users can easily login to Hybrid Bank and switch funds between Affiliated Exchanges and Hybrid Bank platform with ease.

## 5.0 Business and Revenue Generation Model

### 5.1 Central Credit System Services

With the aim of building Tools and Techniques which helps in creating Credit Index specialized for Blockchain companies and companies dealing in Digital Assets, Hybrid Bank being pioneer of this system, plans to offer Services to all Lending parties including mainstream banks. This credit system is a Win-Win for both borrowers, who get fair value of their collateralized Digital Assets and Lenders, who can make informed decisions with regards to fair loan amount, tenure, interest percentages.

### 5.2 Low Interest Lending Options

With the current market having only a few lending options, Exchanges, Mining companies and companies dealing exclusively in Digital Assets have no other option but to borrow at higher interest rates. With Hybrid Bank Ecosystem, Tools and Techniques, Hybrid Bank will be in a position to offer attractive low interest lending options these companies, which again is a win-win for both the parties. Low interest lending can be leveraged by exchanges for maintaining the prices of cryptos along with implementing different trading and liquidation strategies.

### 5.3 Attractive Depository Products

Anyone with Cryptocurrency holding in their personal or on exchange wallets, is earning exactly zero interest. Paying interest will not just encourage existing crypto holders but also with on-boarding new members to Crypto ecosystem since the interest percentages are higher than that which are being offered by mainstream banks on their savings accounts.



Affiliated users refer to customers who use our bank through affiliated exchanges. The affiliated exchange will be compensated by the B2B partnership system for a portion of the total revenue earned by allied users using our bank to subscribe to deposit instruments with varying tenure and returns.

#### 5.4 Micro Lending

In order to improve the bond recovery rate and avoid the occurrence of malignant debt, Hybrid Bank provides micro-loan services for Individual crypto holders. This micro-loan is offered in the range of \$1,000 to \$10000. Interest receivable from users might be low ticket sized but this avenue has a lot of volume potential.

### 6.0 User Acquisition Strategy

Our User Acquisition model is a simple yet effective strategy, while the exchanges are being offered low interest lending options along with Recommendation Allowance, exchanges are encouraged to refer and tag their existing user base to Hybrid Bank Ecosystem.

While the tagged users, with just a click of a button, will start earning attractive interest rates on their, otherwise, idle assets sitting on their wallets.

#### 6.1 B2B Acquisition

Professional sales team will be put to work in cracking deals with Top International Exchanges, Mining Companies, Blockchain companies and Organizations dealing exclusively in Digital Assets. All cutting edge B2B marketing strategies will be implemented along with attending popular Events, Road-shows and Organizing Private & Invite-only closed group meetings targeting at Geographic levels.

## 6.2 B2C Acquisition

BTL (Below The Line) marketing strategies will be implemented to meet targets of acquiring users at specific geographies as per the roadmap. Editorial Coverage on top crypto centric media houses, Press Releases, Paid campaigns across all social media channels including TikTok and likes, Influencer Marketing, Email marketing will be strategically launched and carefully analyzed and iterated based on the campaign results. Every and Any user who has a crypto wallet is Hybrid Bank target user.

## 6.3 B2B2C Acquisition

Affiliated Exchanges are offered Recommendation Allowance for each user they tag from the Exchange to Hybrid Bank Ecosystem.

### 6.3.1 Case Study :

Here is an example of Hybrid Bank partnering with BitForex exchange and making it to their Open platform called CAPP Town.

BitForex currently boosts their trading services to 4 million+ users spread across 180 countries and catering their platform in 9 different languages. Capp Town is an open platform based on the BitForex Exchange that gives crypto holders access to a wide spectrum of blockchain applications. CAPP stands for Crypto Application. As an intermediary platform, BitForex CAPP Town provides a innovative way to connect millions of crypto holders with a variety of applications based on blockchain and cryptocurrency. BitForex CAPP Town makes it possible for users, developers, and start-ups to participate in the practical uses of blockchain technology and benefit from it.





With Hybrid Bank being one of the application under CAPP Town program, Hybrid Bank already has access to 4 million core crypto users.

Similarly, when Exchanges, Blockchain Organizations and Companies dealing in Digital Assets signs up with Hybrid Bank, indirectly gains access to its huge user base.

## 7.0 Token

### Hybrid Bank Cash Utility Token (HBC)

- ◆ Interest receivables from all borrowing parties will be instructed to be paid in Hybrid Bank Cash (HBC)
- ◆ Hybrid Bank Cash's benchmarking token is the BNB (Binance coin)
- ◆ All Hybrid Bank Cash Token holders, who choose from the range of Depository products which the platform offers, will benefit by earning extra interest rates compared to non-holders of the HBC tokens
- ◆ Token holders will get priority support

- ◆ All Hybrid Bank Cash Token holders, who chooses to Borrow from platform, are entitled to receive an additional discount in the interest rates at which they can Borrow with a higher LTV for the collateralized assets.
- ◆ With an aim to introduce low Latency and High availability Global Decentralized Crypto Exchange, Token holders are offered to pay trading fees in HBC tokens.
- ◆ Token holders will get higher cashback on purchases with Hybrid bank Debit and Credit Cards which will be introduced into the Ecosystem gradually.
- ◆ Tokens holders will get higher commissions and rewards during various referral programs

## 8.0 Role of Smart contracts

Smart contracts plays a very key role in Hybrid bank platform.

### **Borrowing :**

There are two types of borrowers on this platform one is crypto exchanges and another is individual users. Hybrid bank follow different criteria for users and exchanges for users, in general, user transfers his crypto assets to Hybrid bank account. After relevant blockchain confirmations are received for this crypto assets, hybrid bank platform uses smart contract to compute the loan limit and instantly sets up the loan Once user repay their interest and loan amount, Hybrid bank smart contract records the transaction on blockchain and marks the user account as loan free so that user can withdraw his collateral at any point of time Hybrid bank is planning to provide micro-loans to individuals in the range of \$1000 - \$10000 based on their collateral value for exchanges based on their credit score and their collateral of real world assets, much loan will be provided. Hybrid bank smart contract compute loan value based on different parameters for exchanges

### **Lending :**

Individual users will be the only lenders on this platform. They can earn interest by transferring their digital assets and participate in the lending market by contributing to lending pools. Hybrid bank smart contract computes the interest and transfers the interest in timely manner automatically to users wallets. In general, Hybrid bank platform operates as a liquidity pool that is built on Ethereum blockchain. Lenders supply assets to the pool and earn interest, while borrowers take a loan from the pool and pay interest on their debt. Hybrid bank bridges the gap between lenders who wish to accure interest from idle funds and borrowers who wish to borrow funds for productive use

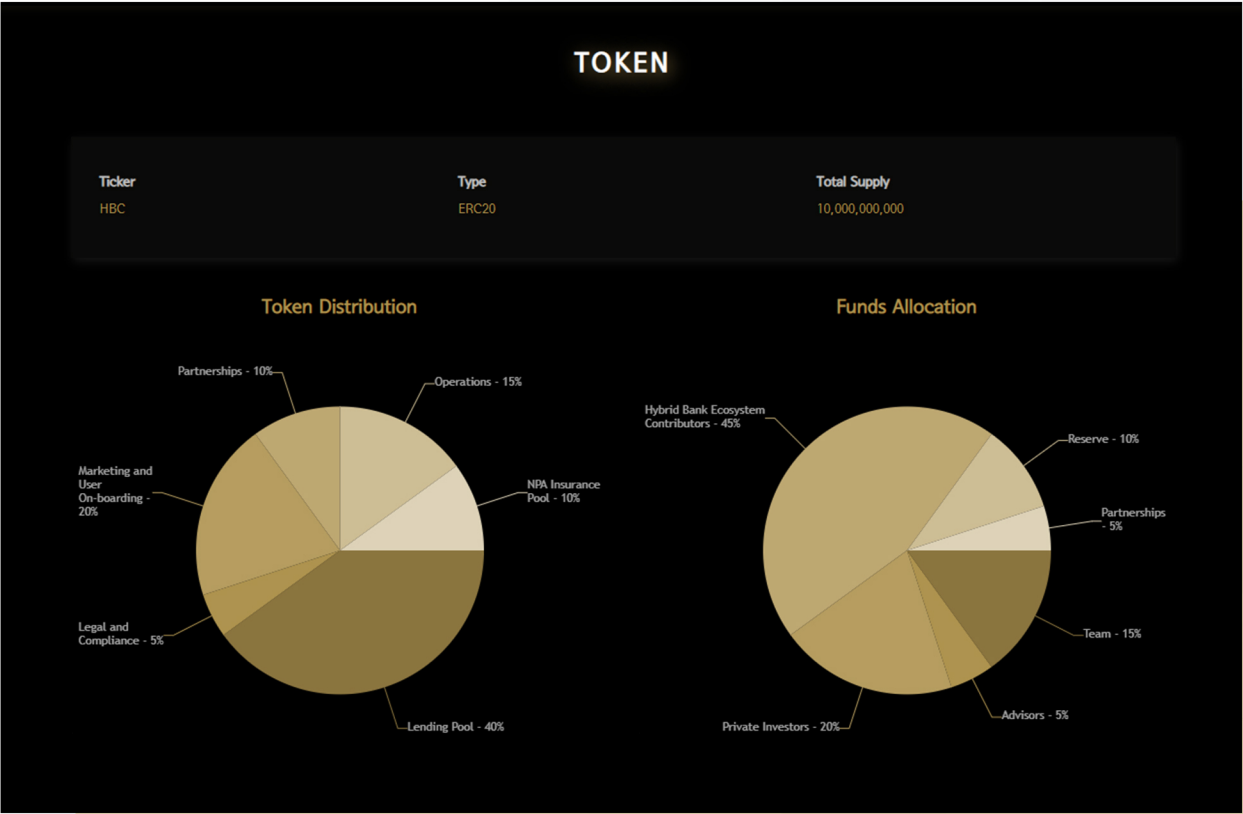
## 9.0 Security

Hybrid Bank is implemented with full enterprise level grade highly sophisticated security mechanisms by guarding with Web application firewalls, Unified threat management appliances, encryption key management systems. To keep all users funds safe, we follow all financial institution security standards. We use several methodologies to protect from hacks both from internal and external by using modern encryption standards, WAF to protect from DDoS, regular vulnerability scanning of entire network to name a few We are planning to use the most trusted custodian companies like BitGo, Coinbase custody, Gemini, Kingdom trust etc along with insurance provided by Lloyd We follow strictly with Cryptocurrency Security Standards guidelines. CCSS is a security framework which covers number of strict security requirements of a system that operates with crypto currencies We never store private keys on the network and we strictly follow withdrawals manually though it takes time. Its the best way to keep secure from hackers All users assets are stored in cold, offline multi signature wallets Because of multi signature, no one can withdraw with one signature Also we split private keys and store encrypted parts in geographically distributed manner Our infrastructure is monitored 24x7x365 by different people to catch immediate if any abnormal activity or error occurs Also we have planned for PCI DSS certification down the line





# 10.0 Funding Proceedings



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# Thank You

