

ICO Review: LendingBlock (LND)

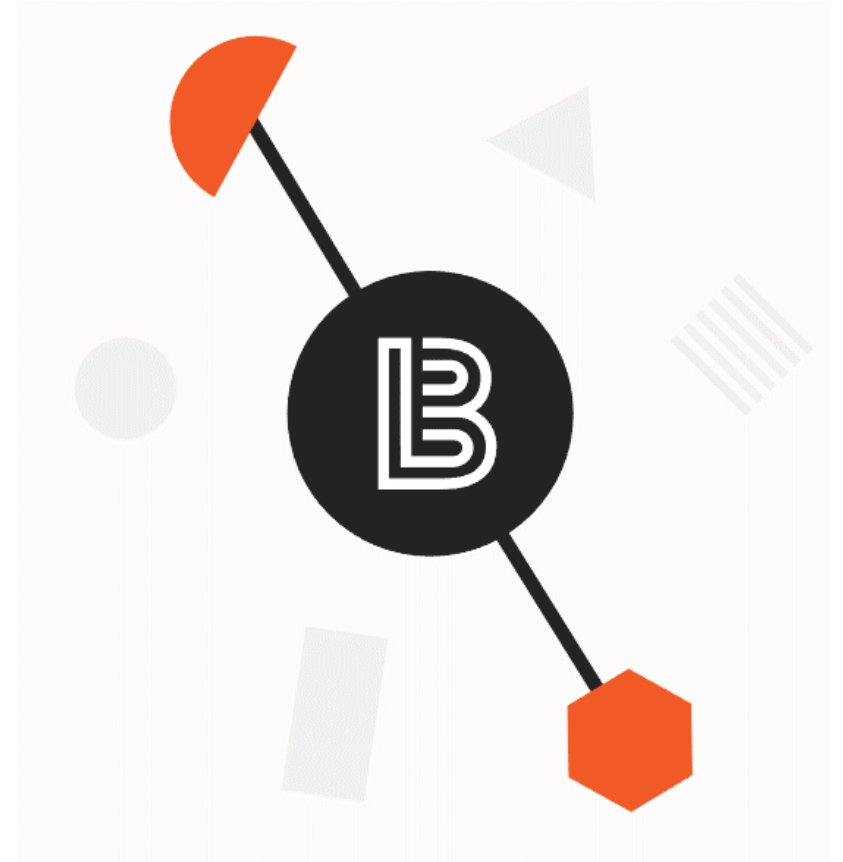
Securities Lending for the Crypto Economy

March 29, 2018



What is LendingBlock?

- An exchange for borrowing and lending cryptocurrencies and digital assets. It allows borrowers and lenders to enter into cross-chain fully collateralized crypto vs crypto lending agreements.
- The cryptocurrencies that will initially be supported by LendingBlock are bitcoin, ether, and ripple. Users can borrow any of these 3 currencies and use any other 2 currencies as collateral.
- The collateral value will be monitored by the platform and there will be margin call if the collateral value falls to near the loan value to ensure there is an appropriate level of collateralization.



End users

- **Lenders:** Includes institutional lenders, such as asset managers, hedge funds, and family offices, as well as individual participants in “crowd lending” who can gain access to lending opportunities not currently available to them.
- **Borrowers:** Includes institutional investors and market makers engaging in the following activities: shortselling, hedging, arbitrage, fails-driven borrowing, and so on. Minimum loan size will be \$100,000.



Lend any digital asset

Lenders including individuals and institutions can simply and safely earn additional income on long term investments



Simple and transparent

Borrowers and Lenders are transparently and fairly matched on a “best rate, first date” basis



Borrow any digital asset

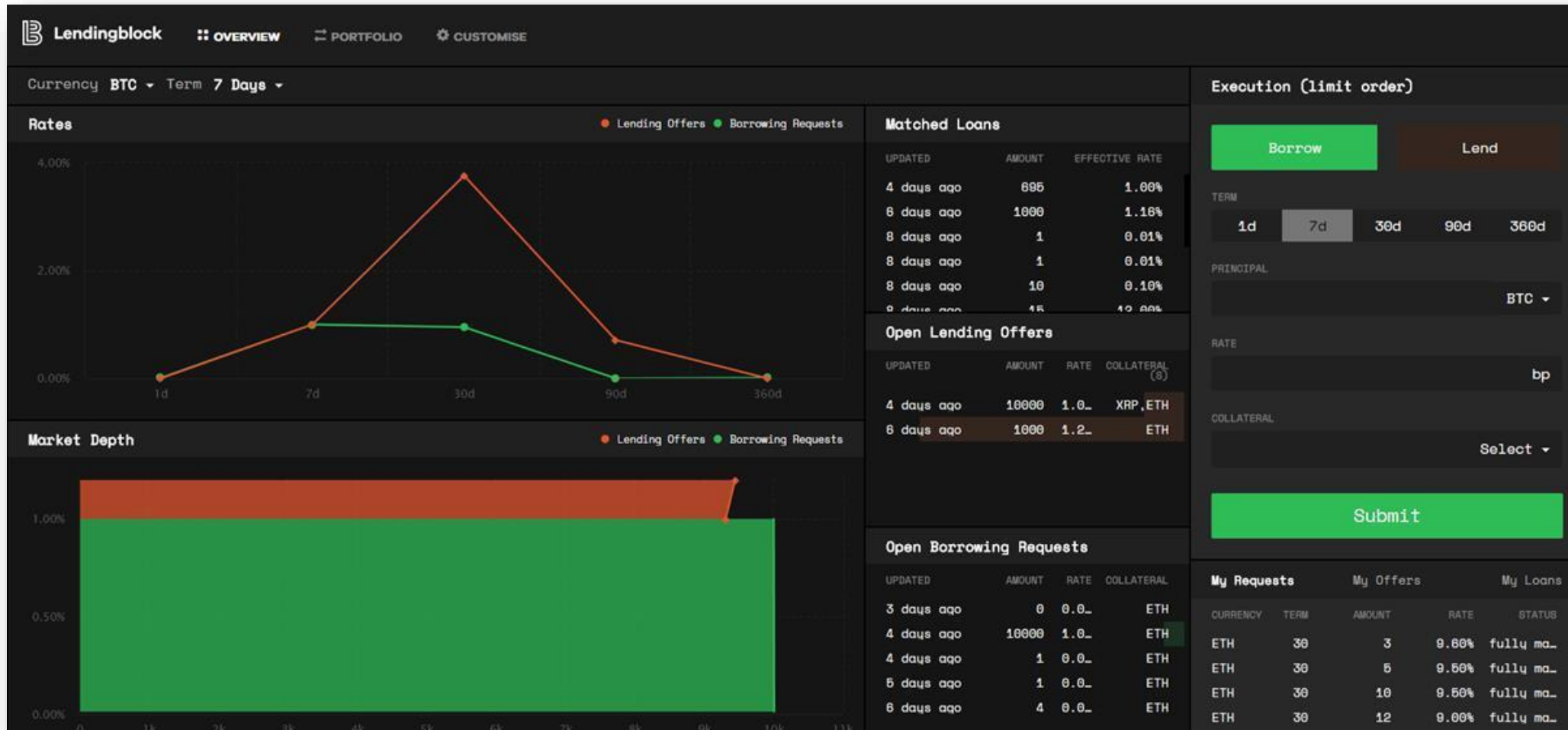
Borrowers including funds, investors, market makers and traders can access assets to support trading, fund working capital, or investment funding needs



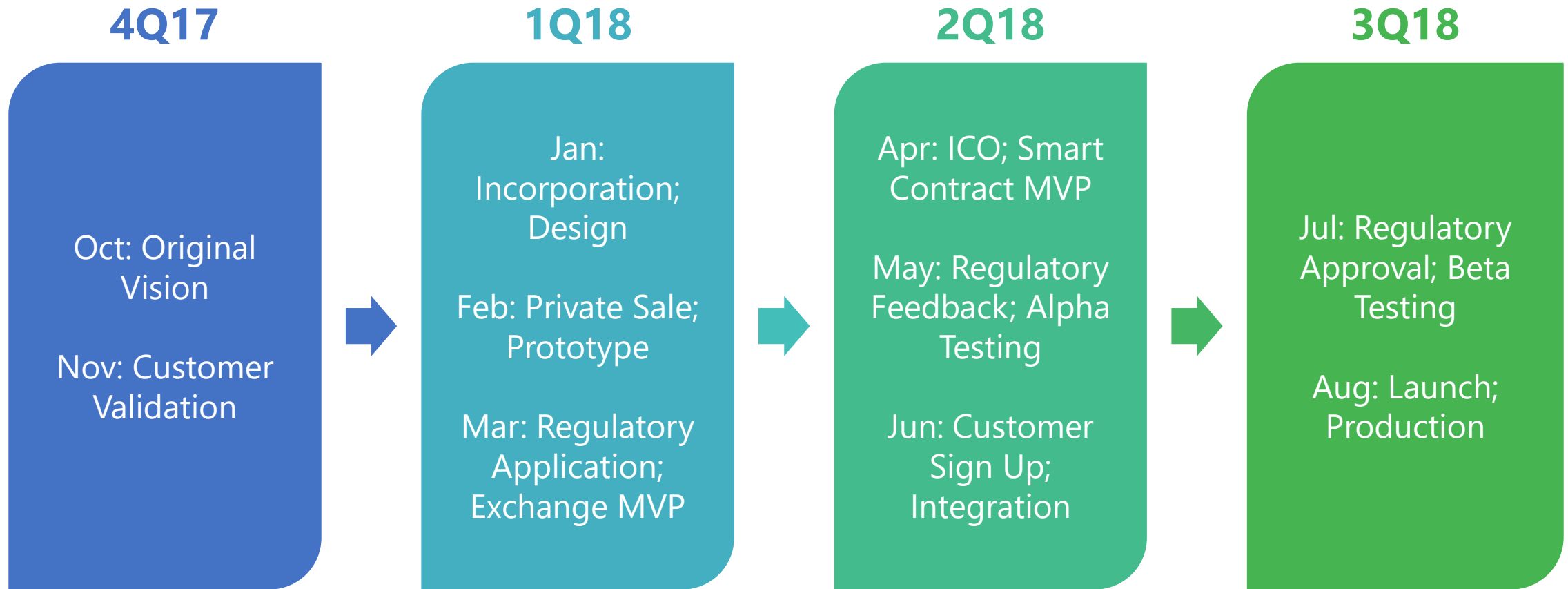
Safe and secure

Actively managed collateral and advanced cryptographic security protect both borrowers and lenders

Demo screenshot



Development roadmap

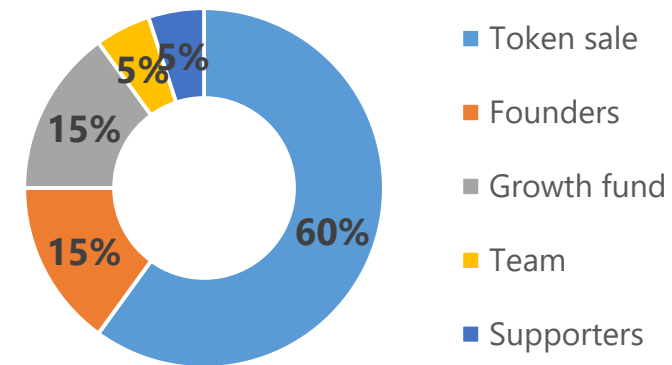


LND token sale summary

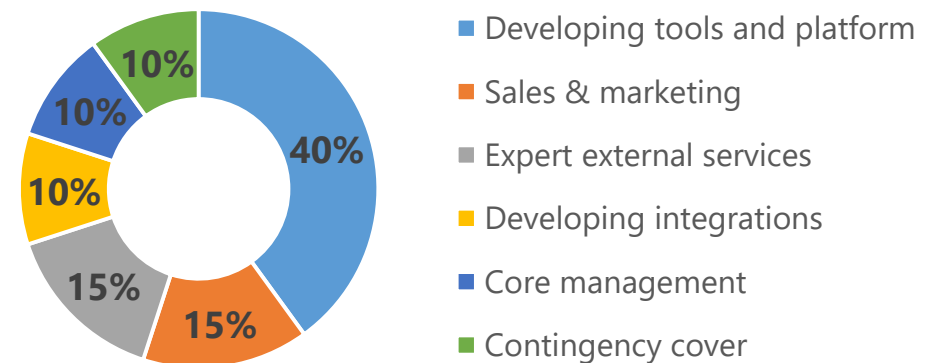
ICO SUMMARY

- **Project name:** LendingBlock
- **Token symbol:** LND
- **Website:** <https://lendingblock.com>
- **Hard cap:** US\$10M
- **Conversion rate:** 1 LND = \$0.02
- **Max market cap at ICO (fully diluted basis):** US\$17M
- **Bonus structure:** 20% bonus for presale, bonus is locked for 1 month
- **Presale or white list:** Whitelist for both presale and crowdsale ongoing
- **ERC20 token:** Yes
- **Countries excluded:** USA, Switzerland, and China
- **Timeline:** Presale application ongoing and will begin on April 7, 2017, crowdsale begins from April 15, 2017
- **Token distribution date:** Distributed immediately and transferable 7 days after the end of crowdsale

TOKEN DISTRIBUTION



USE OF PROCEEDS



Use of LND tokens

- LND tokens are used as the currency within the LendingBlock platform. All interests from the loans generated on the LendingBlock platform will be paid in LND tokens.
- Borrowers will be able to pre-purchase LND tokens to meet interest payments at the start of the loan agreement, to allow them to lock in the cost of the interest payments.
- The value of LND tokens hinges on (1) how much loans are being generated on the LendingBlock platform, and (2) the length of time borrowers hold the LND tokens that are used for repayment of loans.
- The more activities the platform has and the longer period of time users hold LND tokens, the more valuable LND tokens should become.

THE TEAM

Team and advisors



Steve Swain

Co-Founder &
CEO

15 years of experience at various banks including Lehman Brothers, Credit Suisse, Macquarie and UBS, followed by 5 years as a technology consulting partner focused on financial services at Deloitte.



Linda Wang

Co-Founder &
COO

Serial entrepreneur and product designer. Worked in Deloitte as a blockchain product designer and technology consultant. Started a mortgage lending platform company.



Luca Sbardella

CTO

Previously CTO, lead software engineer and senior quant developer at BAML, BMLL Technologies and Citigroup. Also worked as a Hedge Fund Manager at Investec, developing the technology and algorithmic part of a quantitative hedge fund

INVESTORS



PARTNERS



The opportunities

- Unlike other cryptocurrency-related lending projects which target mainly retail borrowers, LendingBlock targets institutional investors with a minimum loan size of \$100,000.
- The project is backed by a solid team with strong connections with financial institutions – we are not surprised if they are able to form partnerships with established financial institutions in the future.
- LendingBlock takes a different approach when it comes to attracting lenders – it will seek partnership with different cryptocurrency wallets rather than building one in-house, thus increasing the success rate that it will attract supply of loans.
 - Users of those wallets will have an option to lend their cryptocurrency out in return for a rate of return – similar to generating interests from deposits at a bank.

The opportunities (continued)

- LND tokens are being used to pay interests on the loans, which we believe the interest rates should amount to over 10% per year. Therefore, assuming that the platform would gain traction, the tokens would have heavy usage because borrowers need to accumulate a lot of it.
- LendingBlock is a crypto to crypto lending platform, so it will not encounter as many legal/regulatory challenges as other crypto to fiat lending projects.

Our concerns

- LendingBlock is a centralized application which we believe do not benefit greatly from the use of blockchain. With that said, the target borrowers/lenders may actually prefer a centralized application rather than a decentralized one, at least in the beginning.
- Margin call monitoring may be difficult to implement for cryptocurrency assets because there are different exchanges trading the same asset. “Fat finger” may be a problem that can trigger unwarranted margin calls.

For flipping: **Positive.**

- The idea, team, development progress, and token metrics are all above average. The potential of the project is substantial as it targets institutional investors.
- The current market environment is bad but it is showing some signs of green shoots as selective altcoins have outperformed the market recently. We believe the ICO stage is where users can get LND tokens at the cheapest price.
- Note: There is a private sale which offered 100% bonus but since (1) the participants provided the funding a while ago when ether price was much higher but end up having the same conversion rate, and (2) it was only for 8% of the total tokens sold in ICO, we don't think it is a big factor to consider.

For long-term holding: **Positive.**

- With the solid team in place, we believe they can execute on their vision to generate traction from the lending as well as borrowing side. We especially like how they will partner with different cryptocurrency wallets as it is a better method than building its own.
- Lending projects generally have good valuation: Ripio Credit Network is at \$48 million, SALT Lending is at \$148 million, and EthLend is at \$59 million, all multiples higher than LendingBlock.

***Crush*Crypto**