



BITCUB

WEALTH FOSTERING FOR COMMUNITY

EXECUTIVE SUMMARY

15 JUNE 2018

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“BITCUB is an A.I. driven Blockchain/Distributed Ledger platform specially designed for community based finance. The smart contracts, payments and community credit system will enable community focused financial organisations such as Credit Unions to leverage ground breaking new technology, providing engaging new products, whilst reducing operational costs and ensuring regulatory compliance”.

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1. Executive Summary

1.1 The Problem

Many operating in the world of community based finance are underserved when it comes to technology that truly benefits their members. Systems provided by the established Financial Services providers are often designed for larger banks and do not 'scale down' well. Compliance with regulations such as General Data Protection Regulation (GDPR) and the Payment Services Directive 2 (PSD2) with limited resources present additional burdens. Digital money and cryptographic currency technologies have definite benefits that can be exploited but choosing appropriate platforms can be difficult.

1.2 A Community Based Solution

At the core of the BITCUB project is technology that has major benefits for those operating in the world of community based finance. This deep learning/artificial intelligence (A.I.) technology does the heavy lifting when it comes to selecting the most appropriate type of blockchain and distributed ledger technology (DLT) for key financial applications. BITCUB delivers cost effective and compliant services specifically aimed at 3rd and 4th tier financial institutions, in addition to engaging new products for the customers they serve.

1.3 Products and Benefits

The BITCUB team are delivering financial instruments including decentralised apps (DAPPS) and a finance platform for managing, communicating, generating, sending and receiving credit and funds.

This A.I. driven blockchain technology enables the delivery of :-

1. A cloud based ore banking system.
2. Secure and compliant customer centric smart contracts for all agreements.
3. A fully integrated cross border payment/remittance system
4. New member engagement products.
5. A new system whereby community members can earn credits from doing good deeds. These credits can then be sponsored by another party and transformed into BITCUB or another currency.

This platform will allow only the very best DLT companies to participate in providing these services and the Artificial Intelligence Engine will only select the best technology for a given application. This platform is being created for the long term and those participating will be able to benefit from beneficial rates on loans and savings products in addition to the digital cryptographic currency BITCUB which can be also be traded in exchange for goods and services.

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The main benefits for Community Focused Financial Organisation (CFFO's) such as credit unions are associated with reduced operational costs (up to 30%) , new engagement products, and improved security and compliance.

From a user perspective, additional benefits include a more streamlined process for accessing finance, low cost remittances, better interest rates on savings and loans, the ability to get credits from fellow community members and earn in the process, engaging new products for children and partaking in a global community with a genuine focus on inclusion, development and wealth fostering.

A principle differentiator from other projects is the fact that this technology can be easily accessed by credit unions and other community focused finance organisations in the cloud. There is no need for them to install any applications and run servers locally on their machines. The route to market is through Credit Unions that have earned the respect of their members over the years offering integrity, credibility and stability.

The process for the application of a full banking licence has been started in collaboration with Dexapoint Group and this will complete in by the middle of 2019. This will also allow BITCUB to operate as a 'challenger bank' in certain jurisdictions, further increasing business opportunities.

1.4 The Team

A group of highly motivated technologists and business leaders with vast expertise in delivering financial products and services to a range of different institutions and service providers including large banks, credit unions and payments organisations.

1.5 The Market and Potential

The initial target market will be the 68,000 + credit unions in 109 countries servicing 231 million people in the world today who wish to introduce new efficiencies, further engage their existing members and attract new ones. With people becoming genuinely tiresome of the culture that still prevails amongst the larger financial institutions there has never been a better time for Credit Unions with their community driven ethos to deliver a great alternative.

Member assets in Credit Unions the US alone were in excess of \$1 trillion in 2014. This is expected to grow by 10% by 2020. All over the globe Credit Unions are looking to make their operations more streamlined whilst becoming more relevant for their members in this digital age.

With BITCUB credit unions will be able to automate and regulate many inefficient internal processes whilst attracting new members with engaging and relevant products and services. They will be able to offer creditable remittance, microloans,

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and savings products with the potential of delivering higher returns compared to current offerings. It will also provide a suite of novel products that will help engage new members, including the younger demographic that may have eluded them up until now.

1.6 Business Model

BITCUB will start by offering products and services to compliment existing Credit Union products. The first Community Credit (CC) application rewarding local community heroes will be entirely free. Thereafter, there will be a subscription SaaS model for an annual licence for access to the platform. Costs will depend on the size of the organisation, transaction volume and the number of DAPP's purchased. Credit Unions will be able to earn a transaction fee for remittances as they will provide a real cost saving for those people currently using Western Union etc. This remittance market is currently worth over \$540 billion per annum and Credit Unions are perfectly poised to take a slice of this market with the right products. Efficiencies gained along with new custom will result in higher dividends being paid to its' members.

1.7 Financials

We require €2 million for the pre- ICO stage of the project and then a further €10 million to cover development and expansion in the next 24 months. 60% of the funds raised will be spent on software development and system Integration, funding the management team and the remainder will be spent on Marketing and compliance. BITCUB tokens may be purchased for 0.01 Ether each. These will be converted to our tradable BITCUB post the ICO, with a timed release across various exchanges.

In this volatile crypto currency market we will be incentivising the retention of BITCUB tokens through a dividends and rewards scheme. This will be based on retention time, traction and performance. Each token investor will be able to login to their BITCUB account have full visibility of their asset, including voting rights, rewards entitlements and so on.

Those participating in the ICO will also be able to distribute rewards to those earning community credits for the performance of good deeds in the community.

The next two years will be spent on developing and growing the business. Developing symbiotic relationships with play a key part in working up to revenues of over \$100 m in year 5.

Over the next 2 years 30 people will be required to run the business and move into new markets. 18 developers, testers, system integration and security specialists are

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required to develop the system further over the next 2 years. There will be 4 additional team leaders/project managers required, 2 market compliance legal specialists, 4 marketing specialists, 2 admin staff and 4 sales staff.

10% of all profits will *a/ways* be used for charitable causes, sponsoring and fostering wealth creation in the most deprived communities on the planet.

	Year 1	Year 2	Year 3	Year 4	Year 5
Licencing Fees	955,040	3,345,900	15,678,900	45,980,765	66,675,630
Transaction Fees	36,960	747,600	2,786,490	16,221,620	35,987,980
Partners	3	6	16	24	36
Total Rev	992,000	4,093,500	18,465,390	62,202,385	102,663,610
Expenditure	2,120,560	4,623,560	13,870,680	34,676,700	62,418,060
Net profit	-1,128,560	-530,060	4,594,710	27,525,685	40,245,550
%	-113.77%	-12.95%	24.88%	44.25%	39.20%
Full time jobs	9	30	92	320	580

The financial projections above show that the project will enter profitability in year 3. Licensing fees will be the main revenue generator in the early days when transaction fees through remittances begin to grow eventually making up over 30% of revenues. The 580 jobs do not include the local ambassador positions being funded by the organisation at a local level.

The vast majority of expenditure will be focused on rewarding people involved with working on and helping to promote the project.

