

BANK*llect*

Bank Intellect

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Executive Summary

In 2017 crypto market showed a mighty growth that attracted millions of people around the world from different fields of science and business. The main cryptocurrency that established a basis of crypto market was Bitcoin. Underlying technology of Bitcoin is Blockchain that enables to store any transaction data into blocks, sequentially.

Currently, many startups around the world in the field of financial and banking services strive to raise money through ICO by copying traditional bank functionality. The main goal of that startups is to build one more traditional bank *in traditional bank industry* with inherited bureaucratic mechanisms coming from a number of licenses. Meantime, two of the most important and basic components of any successful bank are just ignored, *reserve system* and *program of client insurance*.

BANKllect is *a decentralized intellectual bank network* that allowing anyone worldwide to participate as a lender or borrower. The object of lending as well as borrowing can be any tokenized item – token, fiat money, real estate, car, boat, motorcycle, bicycle, pen and even pencil.

Besides unique services **BANKllect** designed for their users there are many recognizable services many bank clients are used to use on a daily basis. Among them:

1. «DEPOSIT & CHECKING ACCOUNTS».

Opening and storing cryptocurrencies are realized by «*Program of intellectual account (PIA)*». In contrast to traditional deposit of traditional bank «*program of intellectual account*» presents a series of advantages. Among those advantages are, *first*, no need for a bulk of documents, *second*, dynamic interest that increases with deposit cryptocurrency regardless of deposit time term.

2. «CREDIT PROGRAM».

BANKllect will revolutionized global traditional bank system through our innovative client-oriented credit system, «*System of loyal crypto lending (SLCL)*».

«*System of loyal crypto lending*» has many significant differences from traditional credit system. Among them:

a. SLCL doesn't have such notion as client credit history. For example, as soon as borrower pays off his credit debt he will be clear for any other credits.

b. SLCL let any user to be as a lender as a borrower. Amount of money which

BANKllect user has in his wallet doesn't make sense.

3. «INSURANCE».

BANKllect's team developed two insurance program, «*Program of individual insurance (PII)*» and «*Program of collective insurance (PCI)*».

PII doesn't require any initial payment or monthly fee from its clients.

PCI allow clients to:

- a. insure any object that can be tokenized.
- b. earn money on an insured object.

4. «PAYMENTS. MONEY ORDERS».

Designed technology «*Unicount*» presents itself as an innovative program product that allow worldwide to:

- a. open client account.
- b. update client account.
- c. close client account.
- d. transfer any type of money.
- e. pay for any services.
- f. issue virtual payment cards.
- g. issue virtual savings cards.

5. «CAPITAL MANAGEMENT».

BANKllect's team developed «*Forecast & Earn System (FES)*» which is based on own forecast mathematical method «*M-method*». This method was tested on FX market and proved its high profitability.

6. «MONEY EXCHANGE».

Real time asynchronous system «*Excoin*» lets users convert any type of crypto money in one another momentarily.

«*Excoin*» allow clients to:

- a. make a suspended money exchange.
- b. make a fix rate money exchange.
- c. make an automatic term-passed money exchange.

BANKllect presents a **full package** of bank services of any type for as individual as business.

At the heart of **BANKllect** lies a revolutionary technology «*Smart Transactions*» inspired by Bitcoin's transaction architecture.

«*Smart Transactions*», **first**, eliminates many problems of Bitcoin transactions, **second**, introduces a lot of new functionalities for smart analysis.

So, for example, «*Smart Transactions*» allows to find practically any transaction with specific characteristics **for 0.7. seconds**.

The main purpose of many current bank solutions in crypto market is **to build a traditional bank** with a «fiat-to-token» and «token-to-fiat» functionality. Thus, those solutions modernize exclusively the traditional bank industry not the crypto one.

The main purpose of **BANKllect** is to develop a bank crypto market and further, integrate it with traditional one.

Fundamental difference of **BANKllect** from other solutions is that **BANKllect** first of all and mainly focuses on designing unique financial ecosystem inside the crypto market. Thus, **BANKllect** doesn't require a number of money and time as well for various central authoritative licenses.

In order to launch **BANKllect** as soon as possible the team of the project plans to start a procedure of Initial Coin Offering (ICO). The name of **BANKllect's** token is «**Sphere**» (SPH). The name of the token was not accidentally chosen. **BANKllect** is going to function inside *Decentralized Intellectual Advanced Network (DIAN)*, «**IntellSphere**» (Intellectual Sphere).

In its turn, the procedure of Coin Offering will be realized by four phases.

Phase 1.

Pre-ICO – for launching first server cluster and user interface.

Phase 2.

ICO – for forming reserve fund and completion of development of such own technologies as «*Smart Transactions*», «*Unicount*», «*Forecast & Earn*», «*M-method*» and «*Excoin*».

Phase 3.

SCO – for traditional global IT market integration's purposes.

Phase 4.

TCO – for global launching *Decentralized Intellectual Advanced Network*, «*IntellSphere*» for many other business spheres.

1. Introduction

1.1. Inception.

The idea of creation of **BANKllect** was born in 2015. At that time, founder and inspirer of **BANKllect** E.Mielberg had 24-months-long cash credit from one of the biggest European bank. When he lost his job only two months separated him from credit closure. As a result he wasn't able to pay for the credit. After two months the bank recalculated the credit percent towards its incrementation and made a record in client black list.

Every single bank around the world had an access to that black list. Thus, even a chance to get a credit for a coffee-grinder was disappeared. After yet two months E.Mielberg found a high-paid job and one month later totally paid off the bank debts and percents. And even after complete credit closure the bank didn't give a guarantee that the previous record in the black list won't be a barrier to get the coffee-grinder by a credit.

Questioning the bank about time needed to totally clear credit history E.Mielberg got clear answer, «It is practically impossible». Further, communicating with people around the world on various forums E.Mielberg understood that he is not along with his problem.

So, have been passed and felt all the imperfection of current bank system E.Mielberg decided to put all his many-years-experience for design of a unique and innovative bank network focused primarily on welfare and safeness of a client.

In 2016 E.Mielberg and some of his colleagues started off thorough investigations towards digitalization of bank services. The main goal of that investigations was elimination of bureaucratic approaches of the traditional banks.

At the end of 2017 **BANKllect's** team got a series of mathematical and innovative bank solutions.

1.2. What **BANKllect** is?

BANKllect is **decentralized peer-to-peer bank** network that will:

1. eliminate a need for gathering a bulk of client documents.

2. greatly broaden list of bank services.
3. open an access to all clients regardless of their level of income.
4. give their clients a chance to earn money.
5. present a great choice of insurance programs.
6. present a flexible program of client savings.
7. realize a revolutionary approach to global credit system.

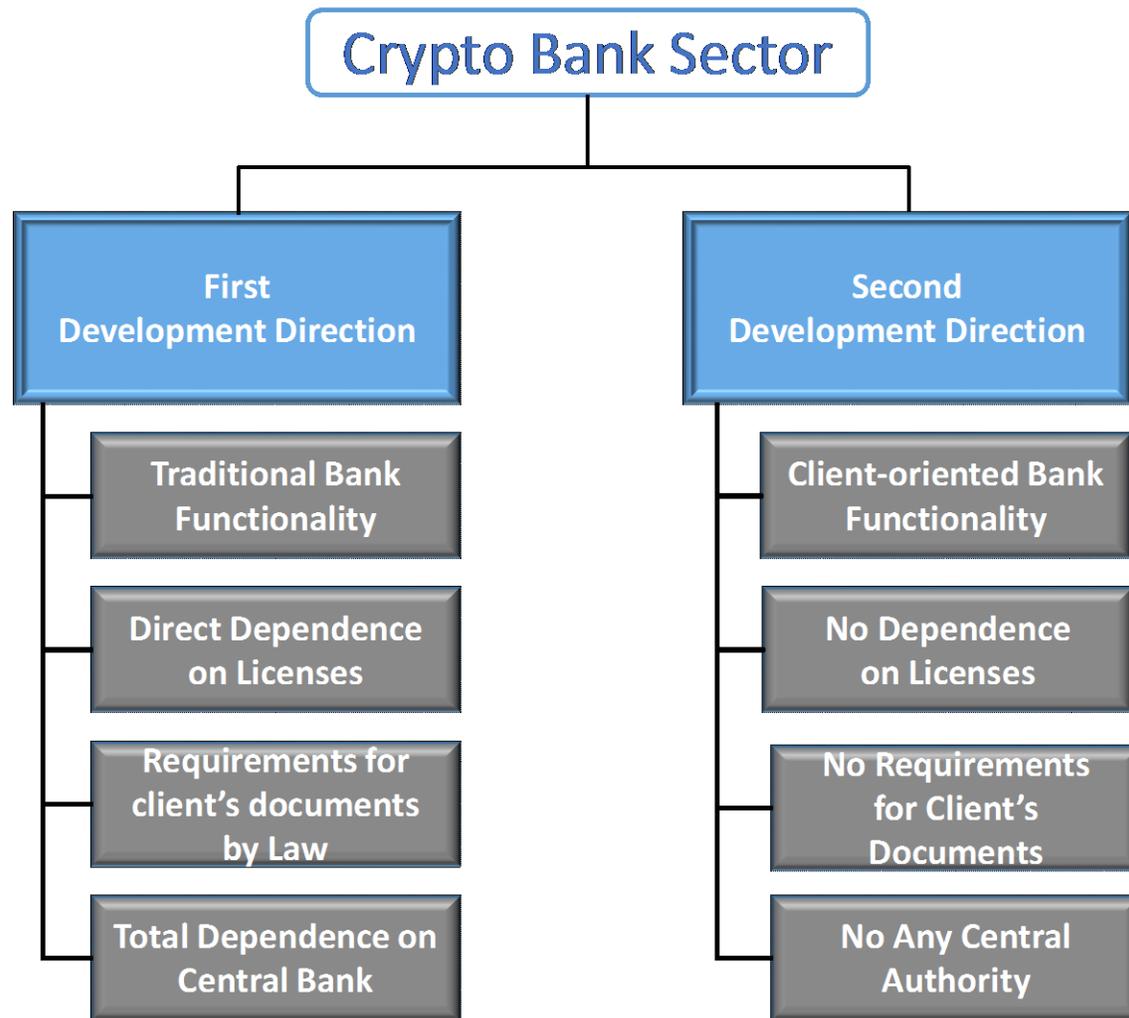
BANK*llect* is a unique and sole in its nature solution that allows anyone worldwide to earn money.

2. Our Vision

2.1. Bank crypto market.

As for our strong team's certainty there are **two main direction** of bank services development in crypto market. The reason for this classification is effected by the fact that the majority of current bank-oriented crypto projects don't focused on methods of client collaboration which are different from traditional bank methods.

In contrast to innovative approaches which crypto market can give to their users 99% of projects simply copy the traditional bank's functionality. This kind of projects is incapable of transforming and improving the global bank system because of its initial commitment to traditional bank system through licenses.



The first development direction consists of projects that build a traditional bank with two specific functions, «fiat-to-token exchange and vice versa» and «fiat/token transfer». The projects of this direction **don't change procedural logic of bank services** as they are strongly tied to the rules of traditional bank legislation.

In other words, obtaining all the spectrum of the bank licenses the projects of the first development direction become momentarily participants of the traditional bank market and aren't capable of anything changing.

The first development direction is the most mass and occupies approximately 98% of all bank sector in crypto market.

The second development direction consists of projects that try to build a totally digit Blockchain-oriented crypto bank system (platform, network). The totally digit system will let their users get a bank service without any need for accumulating and presenting paper documents of any kind.

For example, in process of using such digit system the user won't need:

- to prove their social status
- to prove an existence of movable or immovable properties
- to prove an existence of current employment
- to show a high rate of credit history
- to present expensive notarized documents
- to provide high degree of collateral for loans
- to present documents related to its immediate relatives
- and many others

The projects of the second development direction don't concentrate its primary activity on obtaining bank licenses of any kind but focus mainly on development of simple and convenient **mechanisms of collaboration between clients**. *One of the main goals such projects is to eliminate inequality between bank clients worldwide.*

BANKllect is a project of the second development direction.

2.2. Self-sufficiency of crypto market.

Creation of a bank on crypto market doesn't have to come to a thoughtless copy of functionality of a traditional bank. There are minimum three reasons of it:

First reason – technological infrastructure of crypto market is radically different from the technological infrastructure of traditional bank market.

Second reason – in traditional bank market there is a central authoritative organization that establishes, regulates and governs all the activity of any bank on it.

The technological infrastructure of crypto market is unique and doesn't have any central authority. Its functioning determines exclusively by their participants.

Thus, first of all, extremely important to develop an ICO-launched project inside crypto market with possibility of its further IT market integration *but not vice versa*.

2.3. Capital structure of a Bank.

A bank in traditional market and a bank in crypto market are two different products, **antipodes**. However, they have one single similarity. Both banks earn money by accumulating clients capital.

At the basis of any bank in the world lies **capital**.

Designed complex system of capital management determines profitability of the bank. **Correctly formed** *structure of the bank capital* and also, *transparent and simple system of client collaboration* lie at the basis of success of any bank.

The structure of the bank capital determines at least *two important things* in bank activity:

First thing – degree of risk of raised capital.

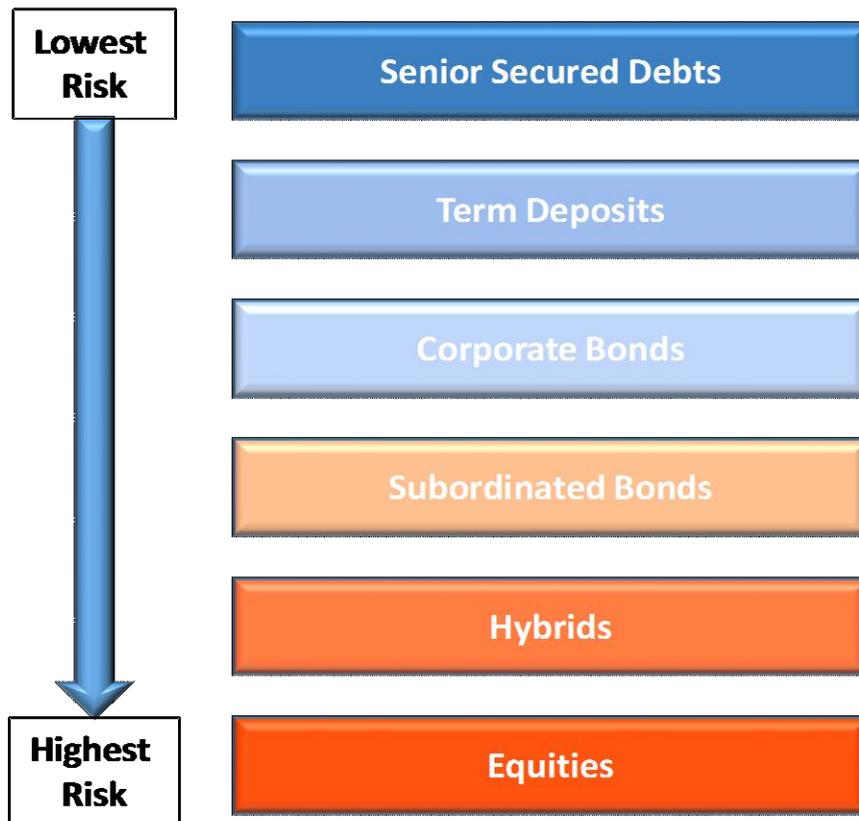
Second thing – system of priorities of client payments.

In order to clearly understand the difference between two types of banks, the capital structure of traditional and crypto banks presented below.

2.3.1. Capital structure of a traditional bank.

The capital of the traditional bank in many cases is divided into several types. The reasons of that division are two. *First*, the banks try to attract as many different client types as possible. *Second*, the banks try to diversify its risks. In process of capital formation the banks focus on such capital type that will give them minimum of the risks. Generally, in the traditional bank market there are three types of the capital with minimum risks: *Senior Secured Debts*, *Term Deposits* and *Corporate Bonds*.

Traditional Bank



Senior Secured Debts – debts that take priority over other unsecured or subordinated debts in case of the issuer goes bankrupt. Senior Secured Debts are often secured by collateral.

Term Deposits – deposits with a specified period of maturity and earns interest. It is a money deposit at a bank that cannot be withdrawn for a specific term or period of time (unless a penalty is paid).

Corporate Bonds – bonds issued by a company in order to raise financing for a variety of business operation reasons. Corporate Bonds are generally secured by future company profit but sometimes collateral.

Subordinated Debts – debts which ranks after other debts of the issuer (company) in case of liquidation or bankruptcy.

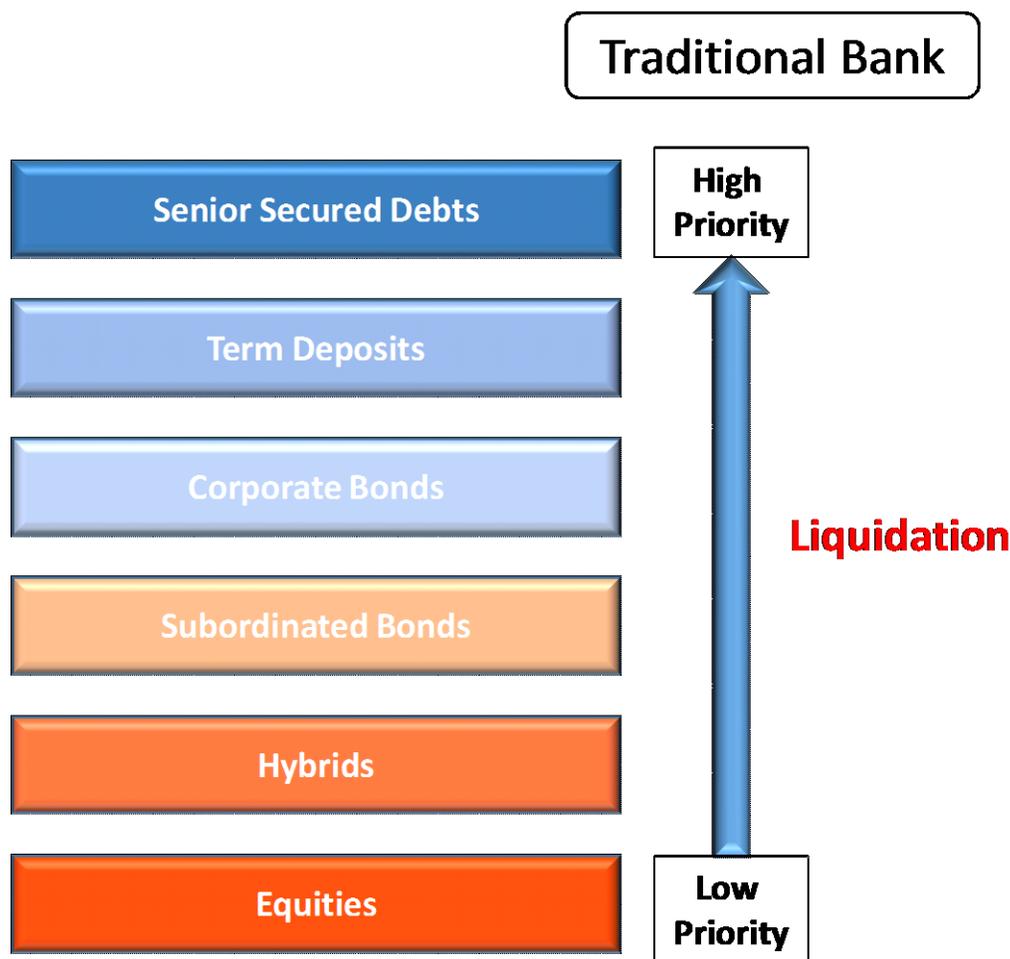
Hybrid Securities/Debts – a combination of various debts and securities.

Equities – in many cases it is an equity with no dividends.

First three capital types (Senior Secured Debts, Term Deposits, Corporate Bonds) forms the biggest share of capital in the traditional bank. It is obvious why traditional banks primarily put their focus on development of that three types – client assets as a guarantee of credit money back. *In other words, the main target of the traditional bank is a wealthy client.*

The traditional banks don't create infrastructure for earning money for people who don't have an initial finance capital. However, the number of such people is the vast majority in our planet.

In practice, in many cases the payments for clients with a maximum capital risk (Subordinated Debts, Hybrid Securities/Debts, Equities) are used to take no place at all. This circumstance lets the traditional banks equate to high-risks financial organizations.



2.3.2. Capital structure of **BANKlect** bank.

The structure of capital of **BANKlect** bank is monolithic and forms by all the

participants of **BANKllect** network. In other words, the capital of **BANKllect** bank is professional skills and degree of activity of the participants. For example, all a borrower needs for getting money from a lender is time (in hours) that he or she spent for some job inside **BANKllect** network. Anyone in **BANKllect** network can be a lender or borrower.

Now, lets go to the details.

As compared with the traditional bank where the main capital assets are movable and immovable properties at **BANKllect** bank the main capital assets are *spheres* (tokens) that the participants of **BANKllect** network have in their electronic wallets.

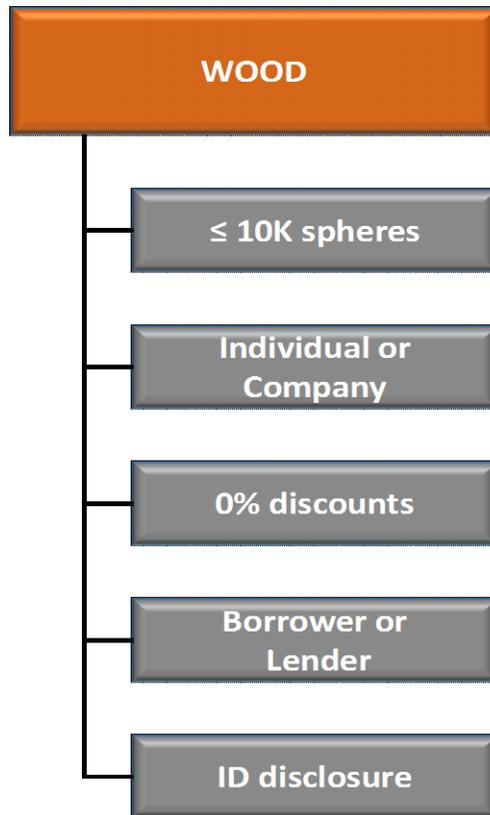
Monolithic capital of **BANKllect** bank is divided into **six types**. Division into six types is induced by sense of how **BANKllect** network works. **The sense is that the amount of the spheres a participant has is the degree of his or her activity in **BANKllect** network.** Consequently, *the most active participant will be considered as a participant who makes more contributions in development of as **BANKllect** network as crypto market on the whole.* That type of participants will have more privileges to earn more money and get extra bonuses for purchases and payments of any kind.

So, here is the six types of **BANKllect** bank capital:

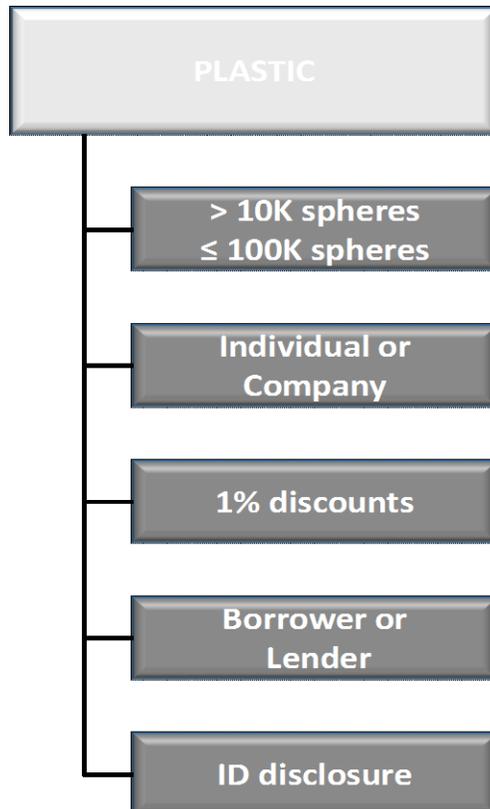
1. **Wood Type.**

This type implies that the participant of **BANKllect** network have less than 10 thousand spheres. At the same time the participant can be an individual or a company. 0% discounts means that the participant doesn't currently have any privileges (discounts) for obtaining any services inside **BANKllect** network. Participant of this type of capital can be as borrower as lender.

In case if the participant of «Wood Type» decides to get a loan he or she will likely need to disclose their personal information to a lender. It is up to lender whether the participant should show him ID or not. The lender determines what kind of documents the borrower should disclose. It can be a passport scan, a personal account in a social network, total amount of tokens in a personal wallet, etc.

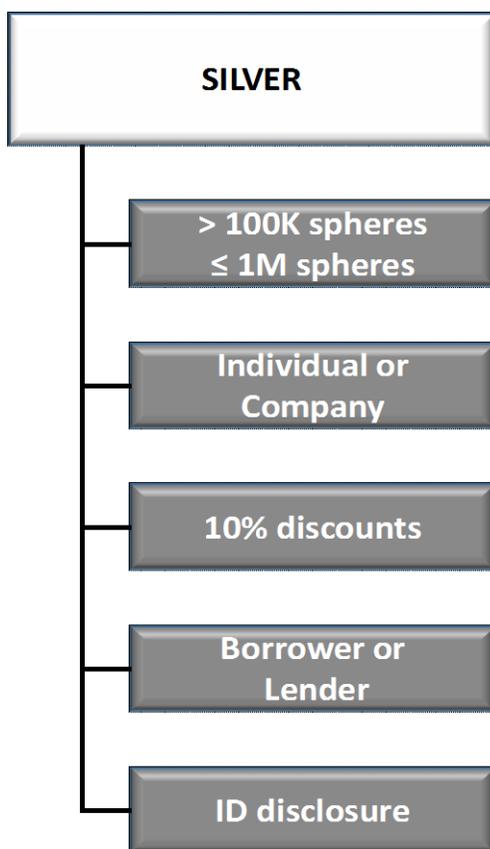


2. Plastic Type.



The main difference from «Wood Type» is, *first*, the participant must have more than 10K spheres and equal or less than 100K spheres in own wallet, *second*, the participant has 1% discount for all the services of **BANKllect** network.

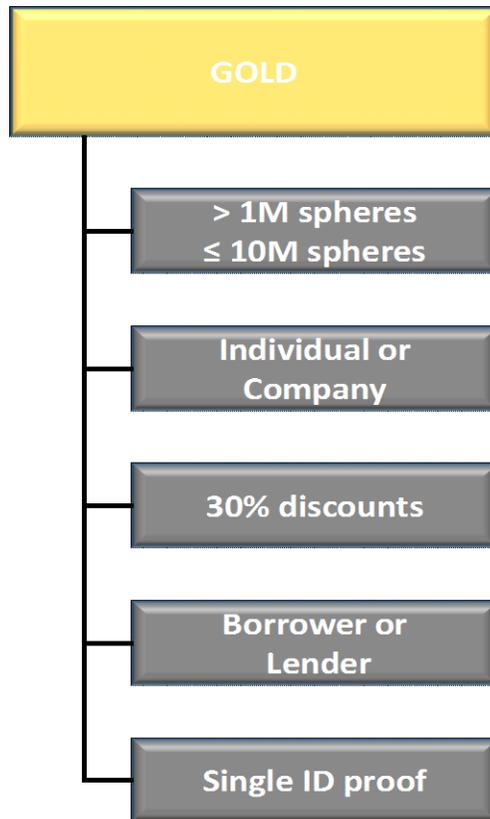
3. Silver Type.



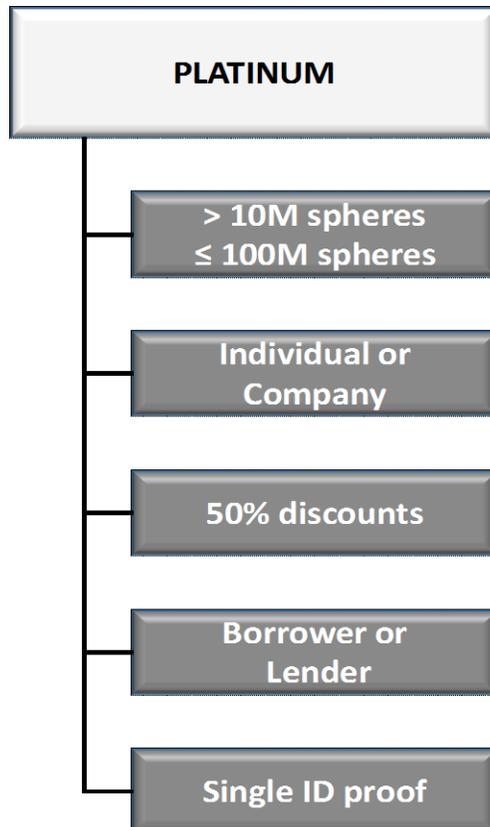
The difference from «Plastic Type» is, *first*, the participant must have more than 100K spheres and equal or less than 1K spheres in own wallet, *second*, the participant has 10% (instead of 1%) discount for all the services of **BANKllect** network. And the ID disclosure may still be needed for some services.

4. Gold Type.

The main difference from «Silver Type» is only one ID proof needed for obtaining an access to the services of **BANKllect** network. That a single ID proof can be, say, an information about recently closed and paid off credit. Also, there is high level of discount, 30% for the services.

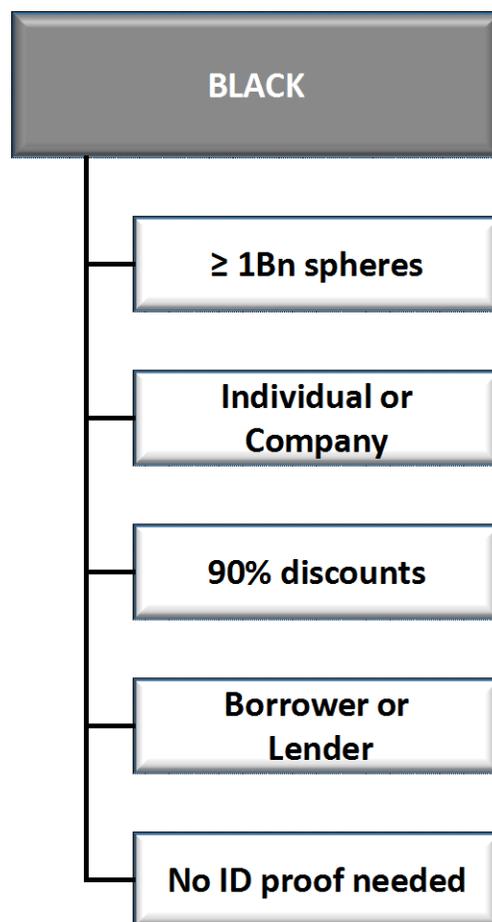


5. Platinum Type.



The participants of «Platinum Type» get an extremely high level of discount for all the services at **BANKllect** network. In case of using some service of **BANKllect** network, say, «**doing a job on trading coins on behalf of its owner**» the participant may still be required to identify himself or herself. But it is unlikely to be on a regular basis at this level of the capital.

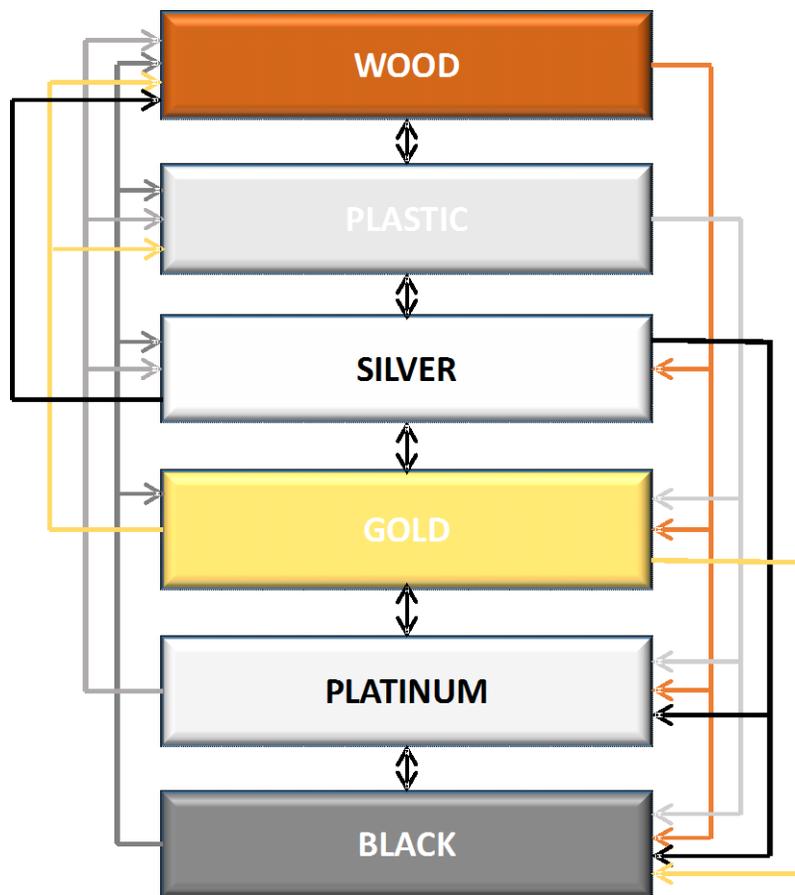
6. **Black Type.**



The participants of this type of **BANKllect** bank capital have a series of privileges at **BANKllect** network. Among them:

- a. increased payment rate for job implementation.
- b. super extremely high level of discount for many services.
- c. no need for ID verification.
- d. ability to influence on many processes at **BANKllect** network.
- e. and many others.

Thus, we come to general and monolithic structure of **BANKllect** bank capital.



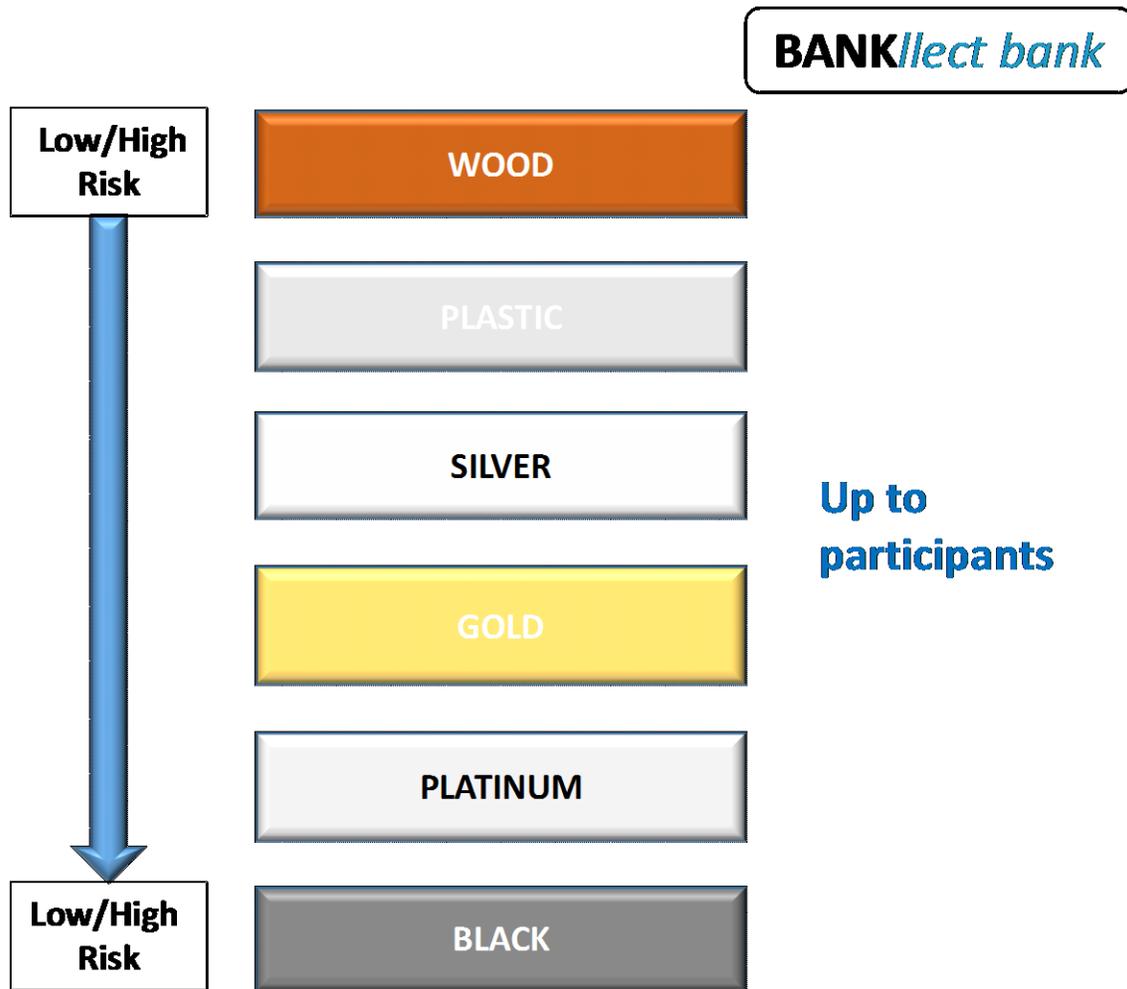
Transition from one capital type status into another directly depends on total amount of [BANKlect](#) tokens in the participant's wallet. Thus, if a participant of the gold type status spends, say, 2M tokens and falls below 1M tokens of wallet balance, he or she will then be considered as a silver type participant. And vice versa. But there is **one important thing to always remember** regarding this possible transitions. Regardless of any transition type, «Gold-to-Silver», «Silver-to-Plastic» or even «Black-to-Wood», there will always be the priority to hours that a participant accumulated (spent) during his or her total activity at [BANKlect](#) network.

The existence of the transitions **motivates participants** to stay as much as possible active at [BANKlect](#) network.

2.3.3. Risks of [BANKlect](#) bank capital.

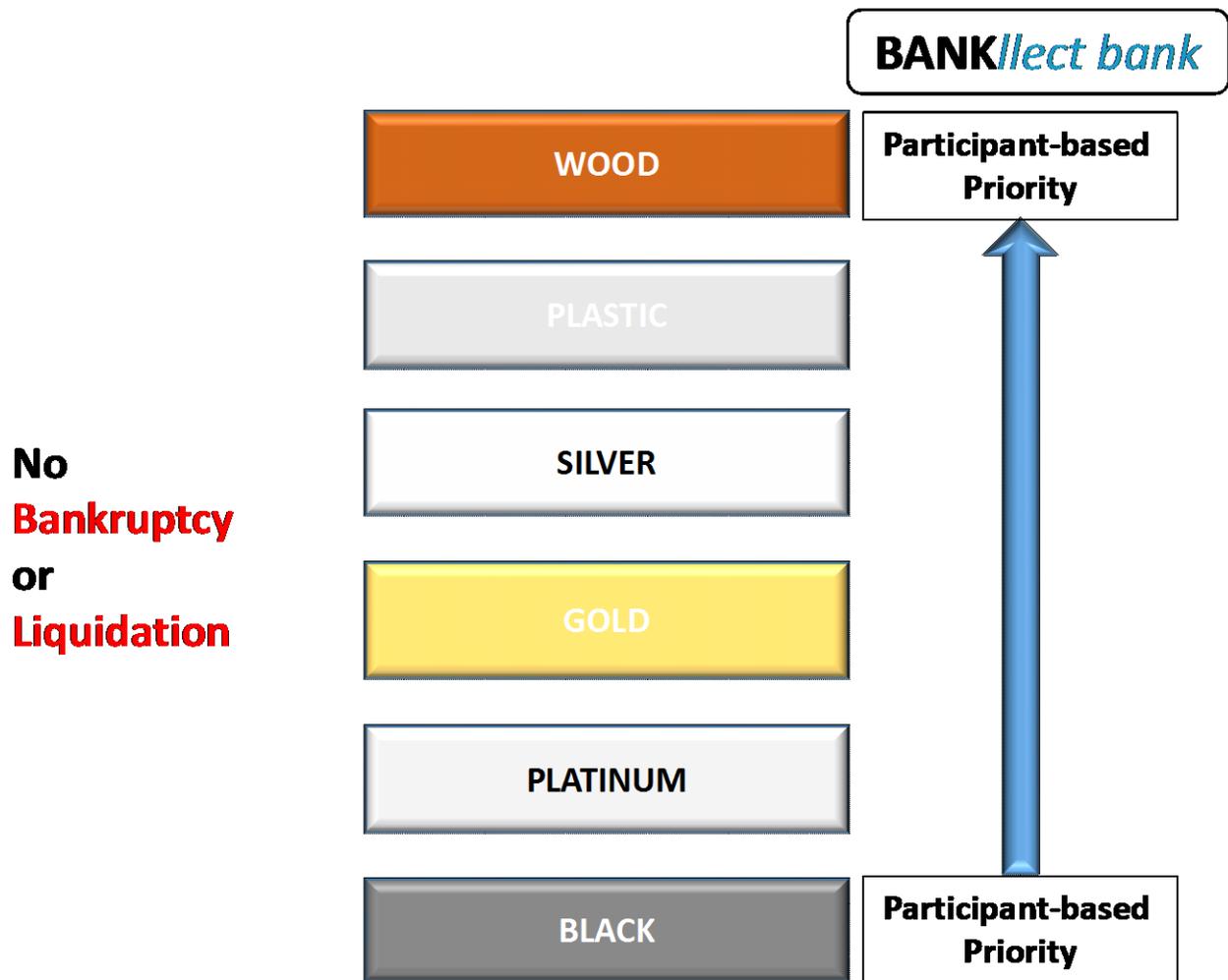
In compared to the traditional capital types, each type of [BANKlect](#) bank capital has equal level of risks. This equality was reached by mutually beneficial conditions that exist in the process of signing a smart contract. In order words, each participant of

BANKllect network determines level of risks he or she is ready to go with further.



2.3.4. Bankruptcy of **BANKllect** bank.

In compared to the traditional bank, **BANKllect** bank **can not be bankrupted or liquidated at all**. The capital as well as **BANKllect** bank itself belong to participants of **BANKllect** network. In other words, **BANKllect** bank is a private property of participants. **BANKllect** bank appears at the same time when a bank service demand appears at **BANKllect** network.



3. Key Priorities

In crypto market, as we know, nobody trust each other. **BANKllect** bank will a first global product that let the participants of **BANKllect** network trust each other through forming a **client ecosystem of mutually beneficial business relationships**.

As the main priorities of **BANKllect** bank development we determined the following:

Self-regulated Intellectual System (SIS)	As a regulator of activity of BANKllect bank will be a system of rules and relationships that will be formed by the participants of BANKllect network. The main three criteria of this system will « <i>equal conditions of collaboration</i> », « <i>security of personal data</i> » and
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«*transparency of activity (participation)*».

Anti Money Laundering System (AMLS)

AMLS will be realized through two innovative solutions designed by **BANK//ect** team:

1. System of activity (participation) of **BANK//ect** participant.
2. Algorithm of cross-referenced identification.

Multicurrency Exchange System (MES)

MES will let do a conversion from any crypto currency that is presented on crypto exchange. The conversion can be done as to other crypto currency as to fiat.

System of Assets Assessment (SAA)

SAA is a modern IoT-based methodology of assessments of fiat assets. As an object of the assessment can be a property of as an individual as a company. The main goal of SAA is tokenization of the assets.

Micro Crypto Loans System (MCLS)

MCLS is designed specifically for participants of **BANK//ect** network who:

first, would like to earn some money using own crypto currency,
second, would like to get some money for own needs.

Venture Capital Platform (VCP)

VCP is, first of all, designed for development of crypto market. VCP connects both sides, venture capitalists and professionals for a single goal - «Creation of Innovative Products in Crypto Market».

Program of Individual Deposit (PID)

PID connects one single participant to another single participant of **BANK//ect** network for the purpose of signing a deposit contract (smart contract).

Program of Collective Deposit (PCD)

In compared with Program of Individual Deposit, PCD connects two or more participants of **BANK//ect** network for the purpose of sharing risks between each participant involved in deposit contract (smart contract). PCD also gives an opportunity for earning extra money through mechanism of collectively accumulated crypto tokens.

Client-Guard System (CGS)

CGS is a system of data security. CGS is responsible for storing personal data of **BANK//ect** network participants in a secure and

private place. Access to this data can be personal or collective. Rules of access policy is regulated by the participants of **BANK//ect** network.

BANK//ect bank creates an unique business sphere for collaboration between the participants of **BANK//ect** network and gives an opportunity them to decide how far in trust they are ready to go. It is totally up to the participants of what business conditions they are going to collaborate with.

In compared with traditional banks that don't propose any service where a client would be able to choose own specific, say, credit conditions, **BANK//ect** bank looks forward to propose such choice for their clients.

BANK//ect bank is a **trust bank** in untrusted crypto network.

4. **BANK//ect** Bank

At the basis of any bank lies a program of client attraction. This program is used to improve itself on a regular annual basis. At the traditional bank industry the number of client services is directly depended on the amount of money the client has.

BANK//ect bank proposes a **revolutionary solution** to how the bank service should be presented for the bank clients.

BANK//ect bank is an intellectual client-driven programmable system that **gives their clients establish, initiate and govern all their activity themselves.**

Functionality of **BANK//ect** bank is based on two main components: *own technologies* and *professional capabilities* of **BANK//ect** network participants.

4.1. Own technologies.

Team of this project invented two breakthrough technologies: «**Smart Transactions**» and «**Neural Chain**».

4.1.1. Smart Transactions.

The development of «Smart Transactions» technology was initiated by found problems in Bitcoin transaction network.

Two of the main problems are «*impossibility of fast analysis of transactions data packed into Blockchain blocks*» and «*impossibility of management of input/output transactions*».

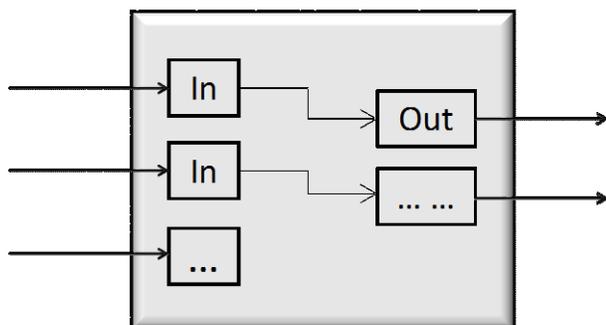
The need for an intellectual fast analysis is based on:

- first*, annual exponential growth of number of Blockchain blocks
- second*, substantial growth of number of crypto market participants worldwide
- third*, critical growth of number of bank services demanded on a daily basis

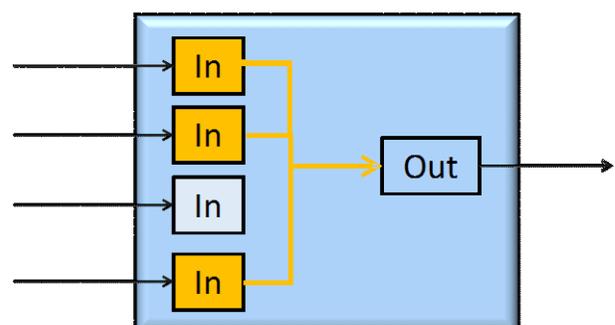
The need for a management of the input/output transactions is based on:

- first*, extreme complexity of client transactions
- second*, existence of «tips-back-transaction» problem

Bitcoin Transactions



BANKlect Transactions



As known the transactions in Bitcoin Network can have as many «input» channels as many «output» channels. «... .. Normally there will be either a single input from a larger previous transaction or multiple inputs combining smaller amounts, and at most two outputs: one for the payment, and one returning the change, if any, back to the sender» (Bitcoin: A Peer-to-Peer Electronic Cash System, Satoshi Nakamoto).

So, in Bitcoin Network:

- a. there is **no** mechanism of «no-tips-back» direct transactions.
- b. there is **no** mechanism of management of input/output transactions.

In other words, in Bitcoin Network you:

- a. **can not** realize a one-direction transaction if amount of input transaction doesn't equal the amount of output transaction.
- b. **can not** realize an accumulated transaction that has, say, many senders and only one recipient.

In **BANK//ect** network all the input/output transactions can be configured and realized in the way the participants want it to be.

«**Smart Transactions**» technology is a customizable and real-time manageable.

For more technological details, please, see the article «[Smart Transactions: An In-To-Out Manageable Transaction System](#)» (Road Map).

4.1.2. Neural Chain.

The development of «Neural Chain» technology was initiated by found problems in Blockchain Technological Architecture.

So, in Blockchain applications:

- a. there is **no** mechanism of scalability
- b. there is **no** mechanism of fast intellectual transaction search

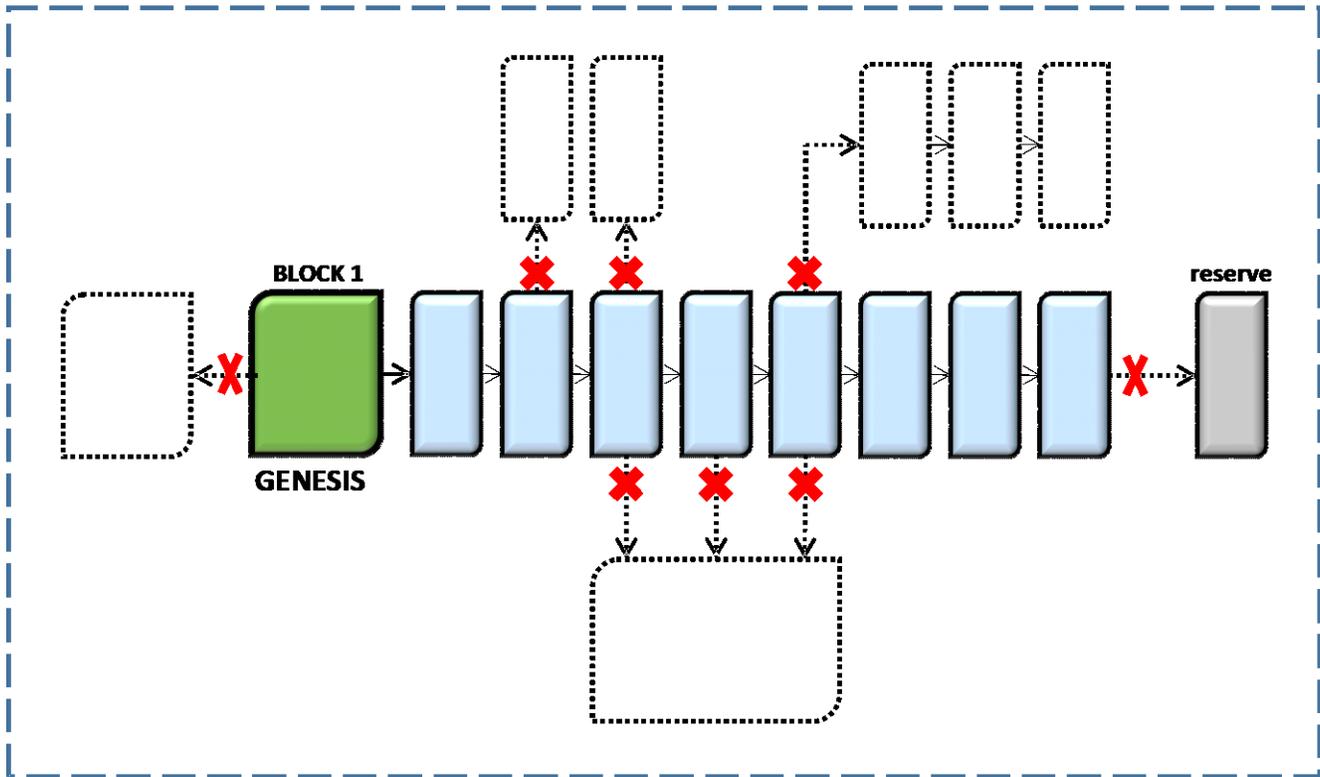
In other words, in Blockchain applications you:

- a. **can not** realize a vertical or horizontal expansion of your stored transaction data.
- b. **can not** realize a cross-reference or associative transaction search.

Impossibility of transaction data scalability in Blockchain applications is caused by **linear architecture of Blockchain**.

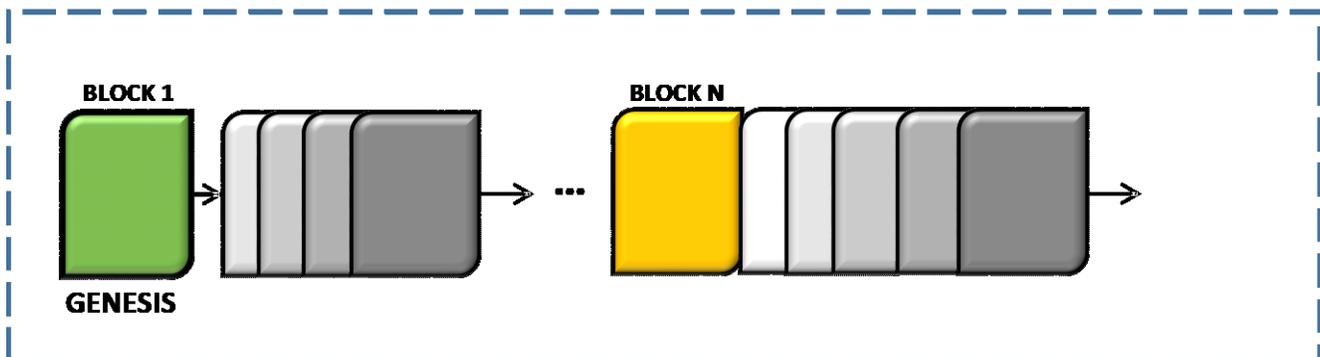
Scalability is not supported by nature of «Blockchain». *First*, data of one block can not be split into pieces and store in an other block. *Second*, addition of an empty block ahead is impossible (article «[Blockchain: Remedy or Poison?](#)»).

Crypto Network



Impossibility of intellectual transaction search is caused by realized algorithm for storing data in Blockchain technology.

Crypto Network



For data extraction from, say, block N, any «Blockchain» system will first need to step-

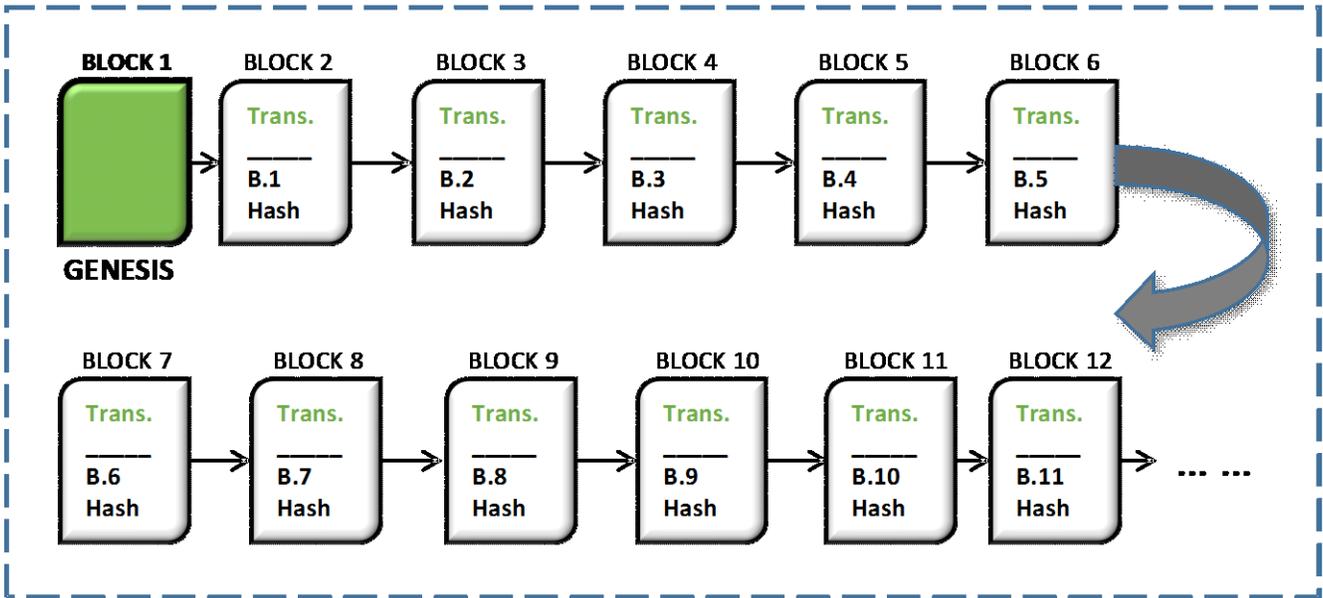
by-step iterate all the blocks from the left (right). Then, the block N must be deciphered. Moreover, the blocks don't have metadata, short data description for a quick and qualitative search (article «[Blockchain: Remedy or Poison?](#)»).

In compared with Blockchain, **Neural Chain** technology has a series of significant advantages. Among them the following:

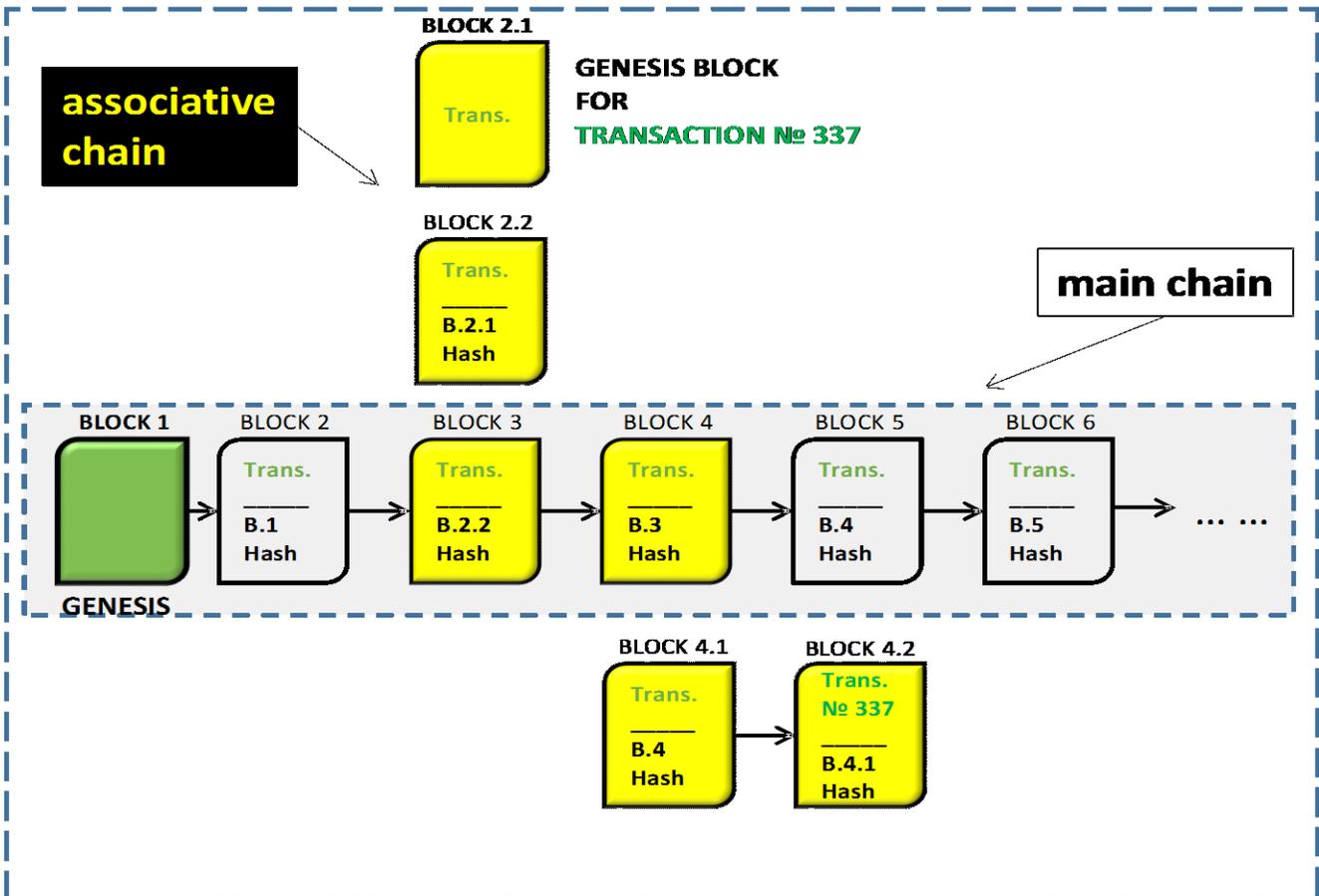
- a. Quick search of any «store-time» transaction.
- b. Precise determination of genesis of a single-taken transaction.
- c. Classification of participant activity in **BANK//ect** network.
- d. Speed of block formation depends on an activity of participants (not on energy of mining clusters).
- e. «Peer-To-Peer» system of money earning.

For more technological details, please, see the article «[Neural Chain: Decentralized chain of transactions](#)» (Road Map).

Blockchain Network



Neural Chain Network



4.1.3. Mining.

In Blockchain based network a mining process is that a predetermined hash value (in part of first zeros) must be calculated by a «brute force» algorithm. The complexity of calculation of that algorithm is reconsidered on a regular basis depending mainly on the number of network participants and their hardware possibilities.

The focus of the mining process is on the power of calculating cluster. That is why a Blockchain-based cryptocurrency network **can not be economically stable** on their nature.

Proof of Work (**PoW**) is the currently main mechanism that deters a denial of service attacks and used for mining blocks in Blockchain based network. But every single cryptocurrency (Bitcoin, etc.) that is based on PoW is pretty vulnerable to «an attack» that can come from one of well hardware-equipped miner.

In Neural Chain based network (**BANK//ect** network) a mining process is that every single participant of **BANK//ect** network is eligible and capable of earning tokens («Spheres») by participation in a role of borrower, lender or other possible financial position in the network. In **BANK//ect** network a miner is a participant or group of participants that provides any bank-oriented service to other participant or group of participants.

Proof of Participation (**PoP**) is the main mechanism that deters a denial of service attacks and used for mining neural blocks. In compared with PoW, the obvious advantage is a focus on economical activity of the participants of **BANK//ect** network, not for their money or equipment-based status.

The focus of the mining process is on participants and its activity in **BANK//ect** network. That is why a Neural Chain based cryptocurrency network **is considered as an economically dependable and stable one** on their nature.

The Neural Chain based cryptocurrency («Sphere») **is independent of** other cryptocurrencies such as Bitcoin, Ether, Litecoin, Ripple, etc.

For more technological details on PoP, please, see the article «[Proof of Participation \(PoP\): Peer-To-Peer decentralized activity-oriented algorithm](#)» (Road Map).

4.2. Professional capabilities of BANKllect network participants.

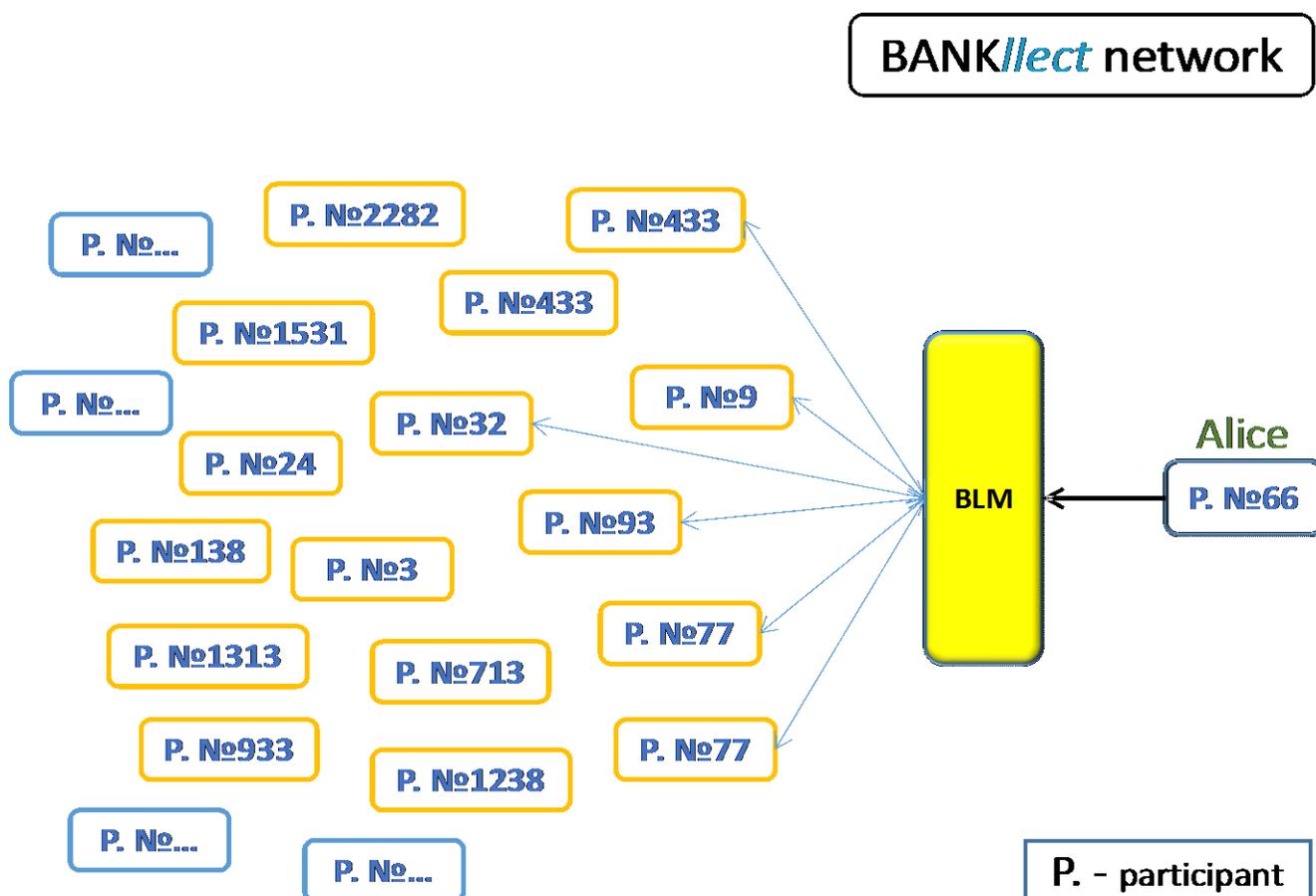
Architecture of **BANKllect** network is primarily designed for earning money by every single participant of the network.

Professional capabilities are the capabilities that the participant can use for execution of any job in **BANKllect** network. There are no any document requirements to do some job. No university or college diploma, no specific certificates, no previous job references. That is all the participant needs to earn money is to get an agreement with another participant for execution of some job. Smart contracts are used to be a regulator between two parts.

For clarity sake, lets have a look at two examples below.

First example:

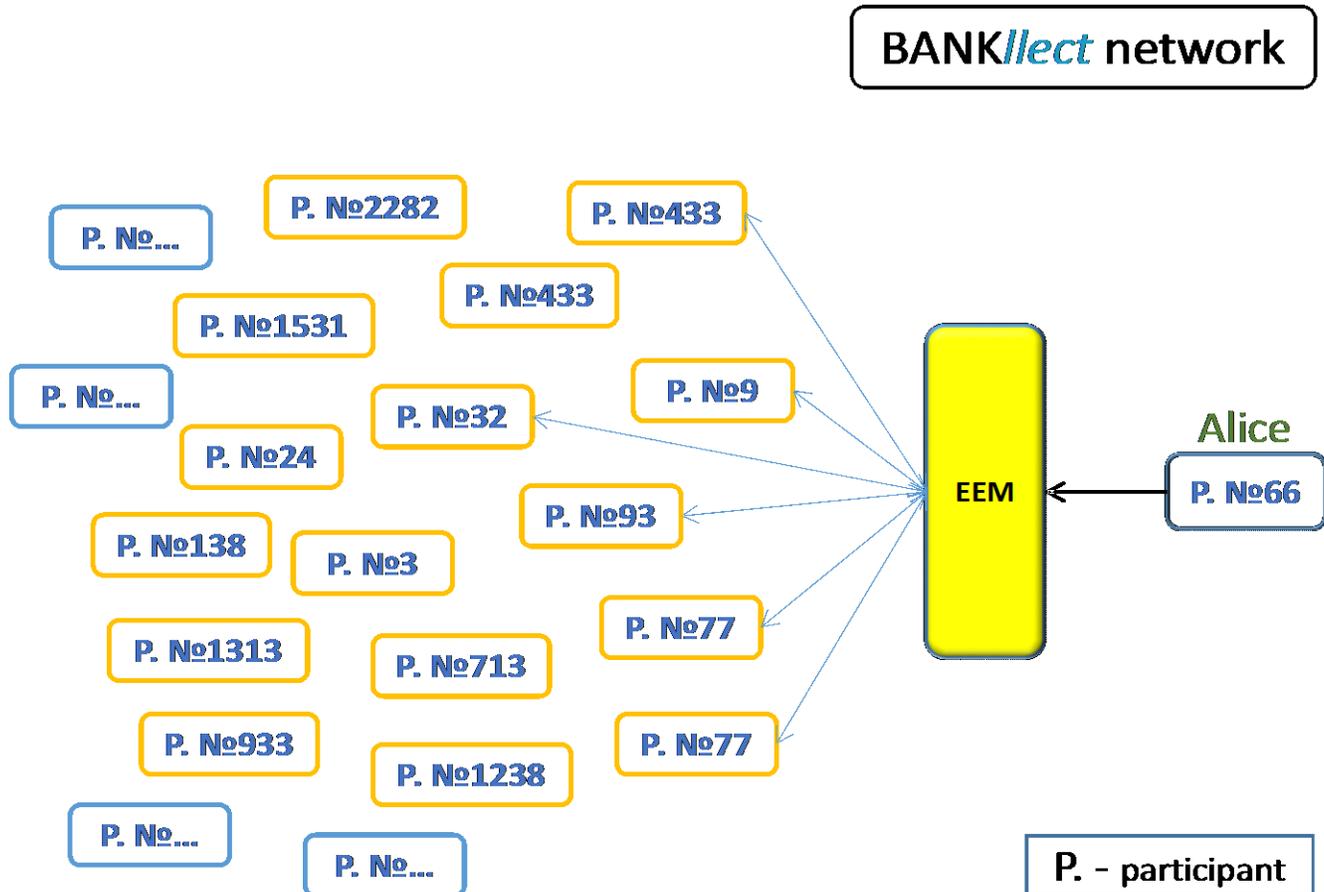
Alice has one hundred Bitcoins and wants to earn extra ten ones through a loan program. All Alice needs is to use **BLM** («Borrower-Lender Module») in **BANKllect** network.



Thus, Alice connects to BLM and BLM itself broadcasts a borrower request. That is it.

Second example:

Alice has ten Bitcoins and wants to invest nine Bitcoins in liquid assets at IT industry. All Alice needs to find a participant (group of participants) is to use **EEM** («Employee-Employer Module») in **BANK//lect** network.



The same action as with connecting to BLM.

BLM and **EEM** are both **AI-driven** programming modules that allow the participants of **BANK//lect** network themselves to tune and determine conditions of their smart contracts.

Borrower-Lender Module (BLM)	BLM allow anyone in BANK//lect network to become either a borrower or a lender. Cost of loan smart contract and conditions as well are up to the sides.
Employee-Employer Module (EEM)	EEM allow anyone in BANK//lect network to become either an employee or an employer. Cost of employment smart contract and conditions as well are up to the sides.

BANKllect bank presents a lot of possibilities for doing job of any kind that is within a span of financial bank services.

5. Three whales of BANKllect Bank

In most cases, current bank-oriented solutions in Crypto Market focus on compliance with traditional bank services. However, none of that solutions touches upon such extremely important components as «*regulation mechanisms of bank activity*», «*anti money laundering*» and «*guard of client data*». Meantime, at traditional bank industry, those components are used to take into account in a process of rating banks. Such eminent global agencies as Moody's, Fitch and DBRS use foregoing components as key ones for an assessment of activity of a bank.



So, the three whales are «**CGS**» (Client-Guard System), «**AMLS**» (Anti Money Laundering System) and «**SIS**» (Self-regulated Intellectual System).

5.1. Self-regulated Intellectual System (SIS).

At the heart of SIS lies three core principles:

1. Equal conditions of collaboration between participants of **BANK//ect** network.
2. Inviolability of participant data.
3. Transparency of participant activity.

SIS determines a series of rules of participant collaboration. SIS gives an unique possibility for participants of **BANK//ect** network to **themselves** establish norms and rules during the process of signing (accepting) of a single-side or multi-side smart contract. The participants will be able to **themselves** track and control as the activity of **BANK//ect** bank as the execution of smart contracts.

5.2. Anti Money Laundering System (AMLS).

At the heart of AMLS lies two innovative technologies:

1. System of analysis of participant activity.
2. Algorithm of cross-referenced identification.

System of analysis of participant activity is based on an advanced technology of **multi-layers Rosenblatt perceptron**. It allows not to only identify direct actions of participants such as money transfer, debit of participant wallet, credit of participant wallet, loans of any kind, but indirect actions such as relationship to financial bank deals.

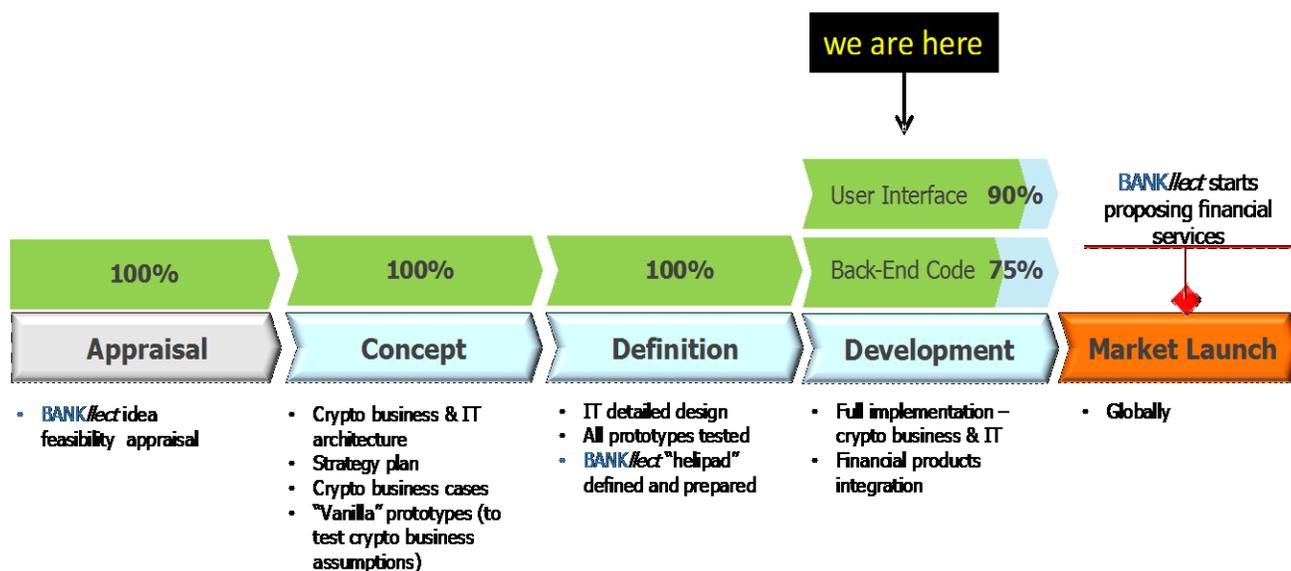
Algorithm of cross-referenced identification is based on methodology of **directed graph**. The algorithm allows to practically identify any participant with minimum initial data about his or her activity.

5.3. Client-Guard System (CGS).

At the heart of CGS lies a flexible **system of client classification**. The system allows each participant of **BANK//ect** network to decide what kind of his or her personal or business information will be public or not. CGS gives an unique possibility for participants of **BANK//ect** network to save their most important information in **cryptographic BANK//ect bank cell**. **BANK//ect** bank proposes an official guarantee of safety of participant cell. Moreover, insurance of cell entry will be included.

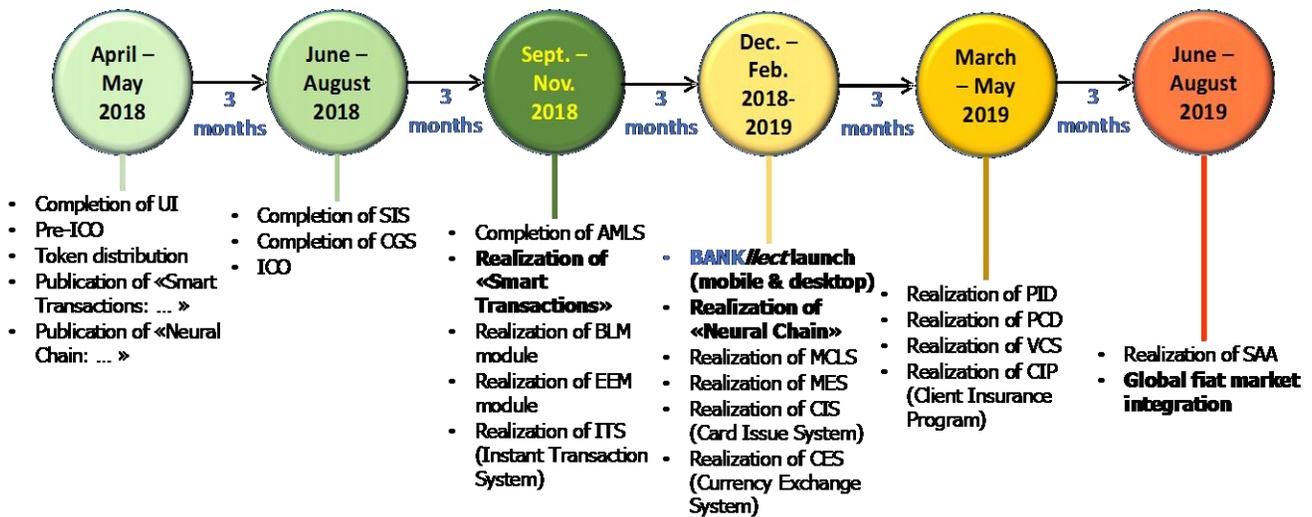
6. Road Map

Starting from the beginning of 2017 our team realized three phases of project development - «Appraisal», «Concept» and «Definition». By the end of 2017 the team achieved 75% of realization of project software development.



High level of professionalism of our team along with our outstanding members of advisory board let us move forward fast bringing development results as quick as every 3 months.

As for **BANK//ect** bank timeline we prepared an optimally intensive plan of technological development.



7. Comparison with other bank solutions

BANK//ect bank is a **social peer-to-peer bank** that allows all the participants of **BANK//ect** network to earn money with no requirements for an initial savings.

BANK//ect bank is capable of working with all cryptocurrencies presented in crypto market (crypto exchange).

BANK//ect bank has a series of highly perspective and **sufficient differences** from currently presented bank-oriented solutions in crypto market:

Services	Crypto Market Solutions: (Bankera, Polybius, Datarius, Crypterium, Change, etc.)	BANK//ect
Instant Transfer System	YES	YES
Individual Deposit Program	N/A	YES (PID)

Collective Deposit Program	N/A	YES (PCD)
Currency Exchange System	YES	YES
Micro Loan Program	N/A	YES (MCLS)
Client Insurance Program	N/A	YES
Card Issue System	YES	YES
Individual Credit Program	N/A	YES (PIC)
Collective Credit Program	N/A	YES (PCC)
Client Asset Assessment	---	YES (SAA)
Anti Money Laundering	N/A	YES (AMLS)
Decentralized Peer-To-Peer Bank Services	NO on nature	YES on nature
Guarantee of Stability of Token Price	N/A	YES (by reserve fund & SIS)

8. Why ICO?

The answer is obvious! **BANK//ect** bank is a product specifically and primarily designed for crypto market.

The **main business task** of **BANK//ect** bank project is to create an unique and **new generation bank ecosystem** where each its participant will have a chance to choose a needed service and earn on it.

ICO process will help us connect many people around the world for a one single purpose, «**creation of peer-to-peer decentralized bank network**».

Also, new innovative technologies that will be realized through ICO money will help us build an integration intellectual bridge between crypto market and traditional IT one.

9. Pre-ICO

There are two reasons for Pre-ICO:

1. Completion of UI of **BANK//ect** bank.
2. Presentation of two revolutionary technologies: «**Smart Transactions**» and «**Neural Chain**».

We would like to give an opportunity to our investors to take a deep look at our project and get their questions answered.

Pre-ICO duration: 4 weeks.

10. BANK//lect Tokens

10.1. Token.

Virtual token: Sphere (SPH).

Issuance of spheres will be realized through smart contracts operated by Ethereum.

Sphere tokens **give an access** of its owners to any **BANK//lect** bank services and products.

securities (**security tokens**) must be registered at the Securities Commission. The "**Howey Test**" is an effective means of determining whether a financial instrument (tokens) is an "investment contract" and a "securities".

According to our results of "**Howey Test**", sphere tokens are **utility tokens** that don't require any registration at the Securities and Exchange Commission (**SEC**).

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10.2. Value of Tokens.

Total value of tokens: 1 000 000 000 000 (1tn).

There are two reasons of why this token value was taken.

First: Reserve Fund of **BANK//lect** bank. It is impossible to properly function without any financial reserves for bank of any kind.

The Reserve Fund of **BANK//lect** bank will allow us to realize many extremely important services such as *insurance* and *token price stability*.

Second: Possibility of additional future token offering (Second Coin Offering, Third Coin Offering) for attracting new investors and strategic partners. It is also crucial for an optimal and painless integration with the traditional IT market.

10.3. Price of Token.

Initial price of token: 0,01 US dollars (1 sphere = 1 US cent).

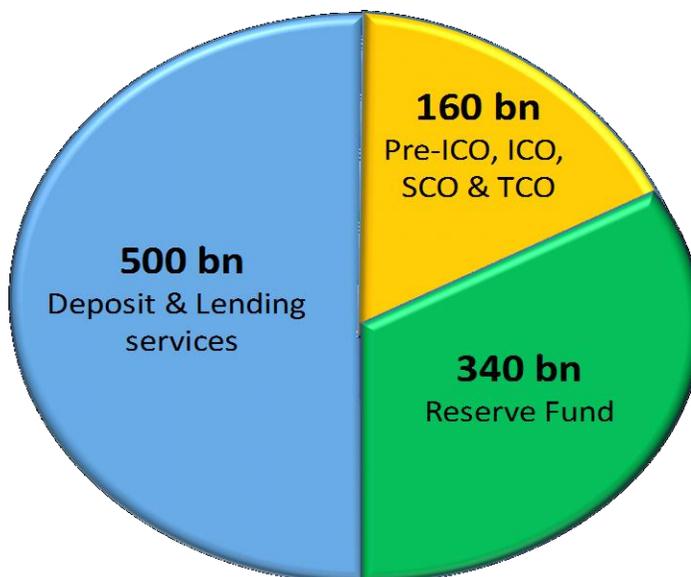
Relatively low price of sphere token is based on two reasons.

First: Low Accession Threshold (LAT). It is important to give anyone worldwide a chance to be a part of **BANK//ect** network. The main goal of LAT is to open an access to many people including that who don't have an initial capital.

Second: Access to a number of digit bank services without any document bureaucratic requirements.

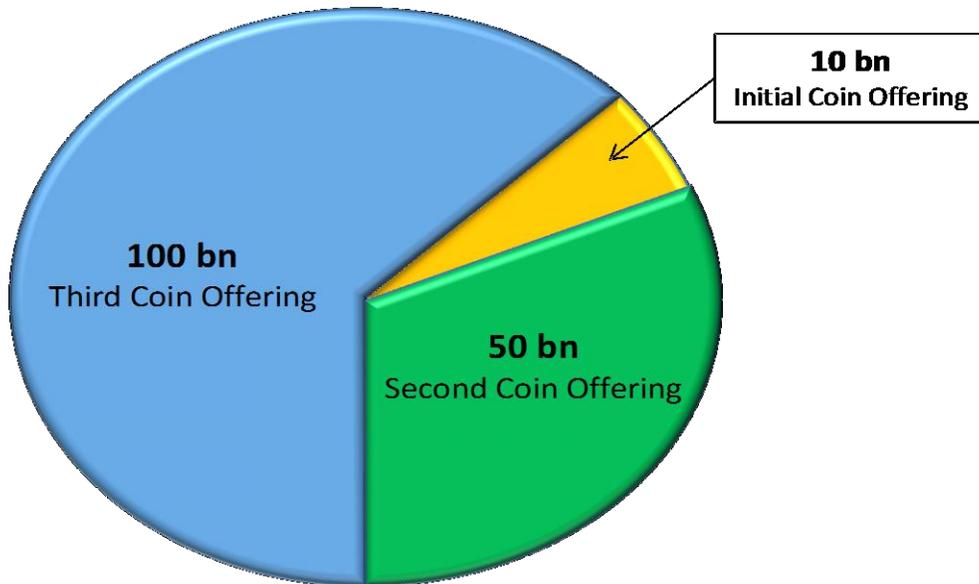
10.4. Shares of Tokens.

Total value
(1tn tokens)

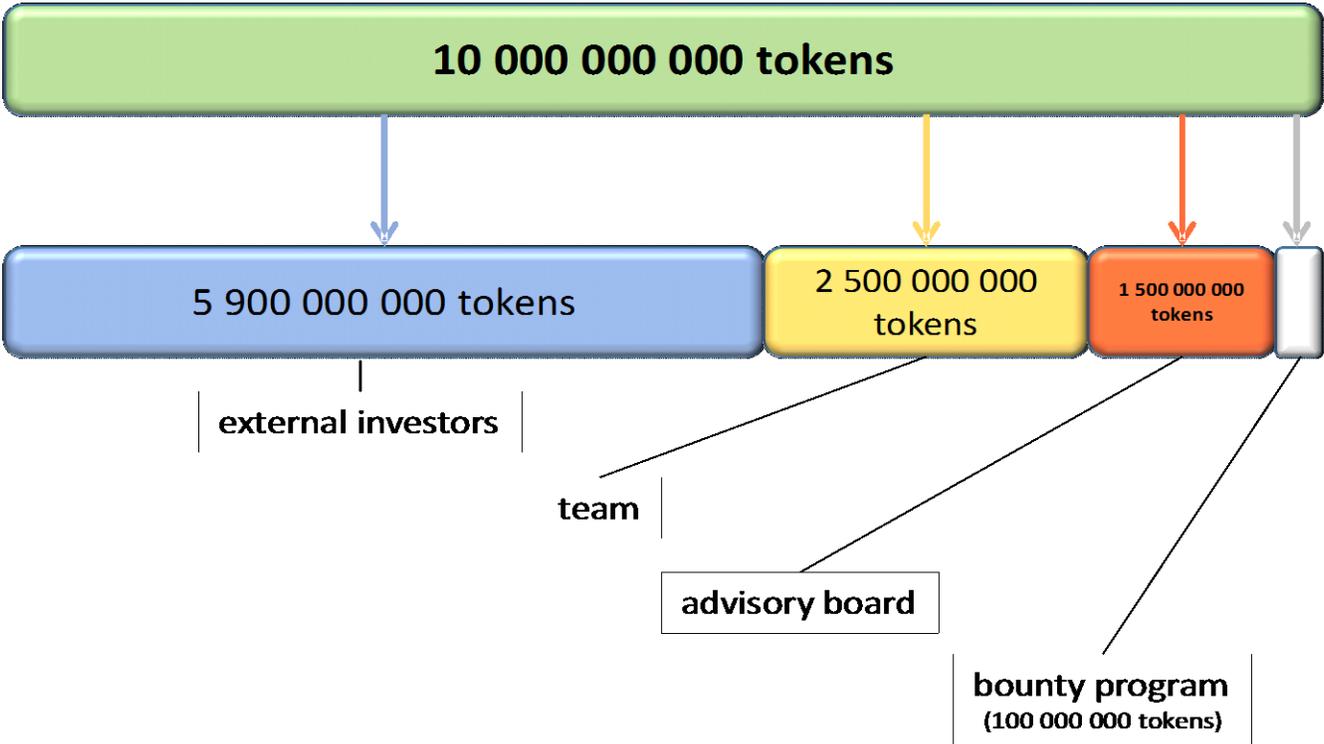


10.5. Shares of Issuing Tokens.

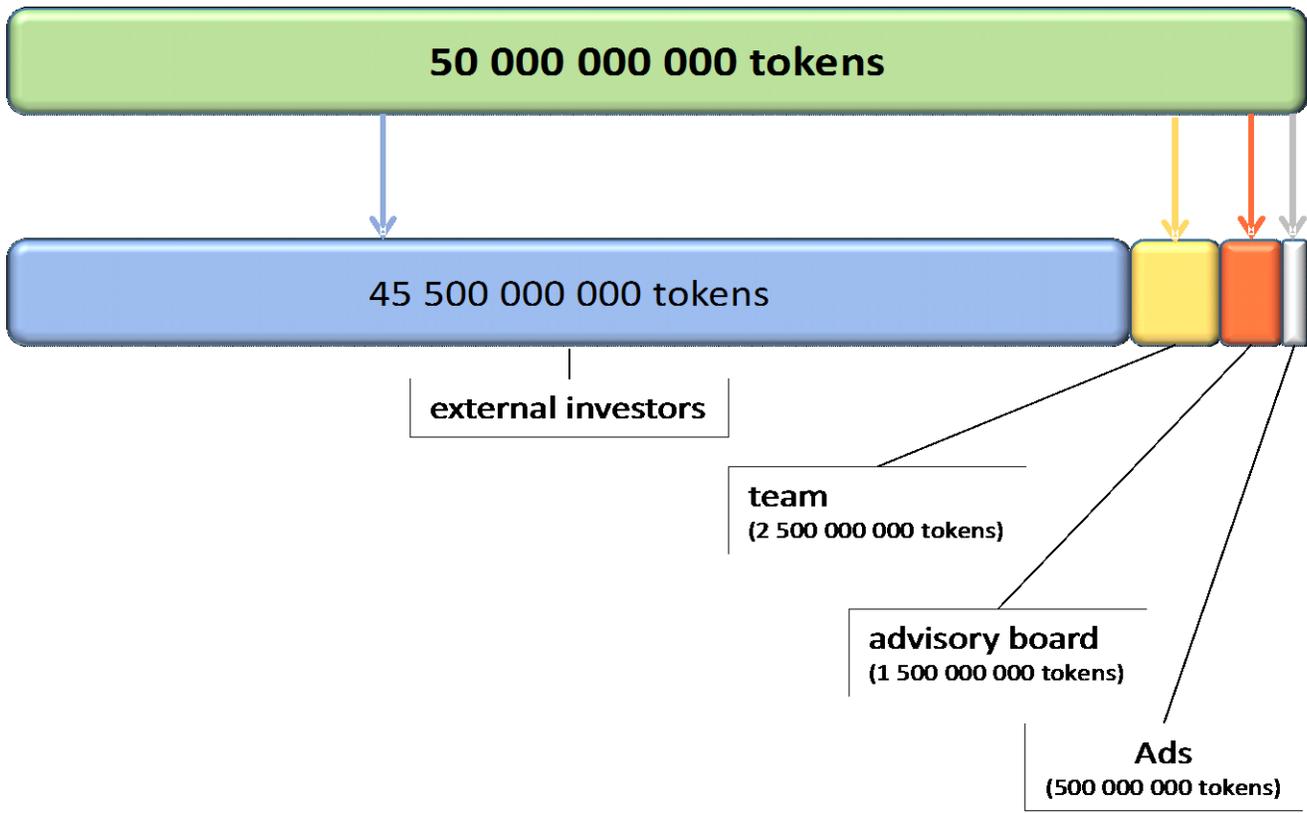
Total value
(160bn tokens)



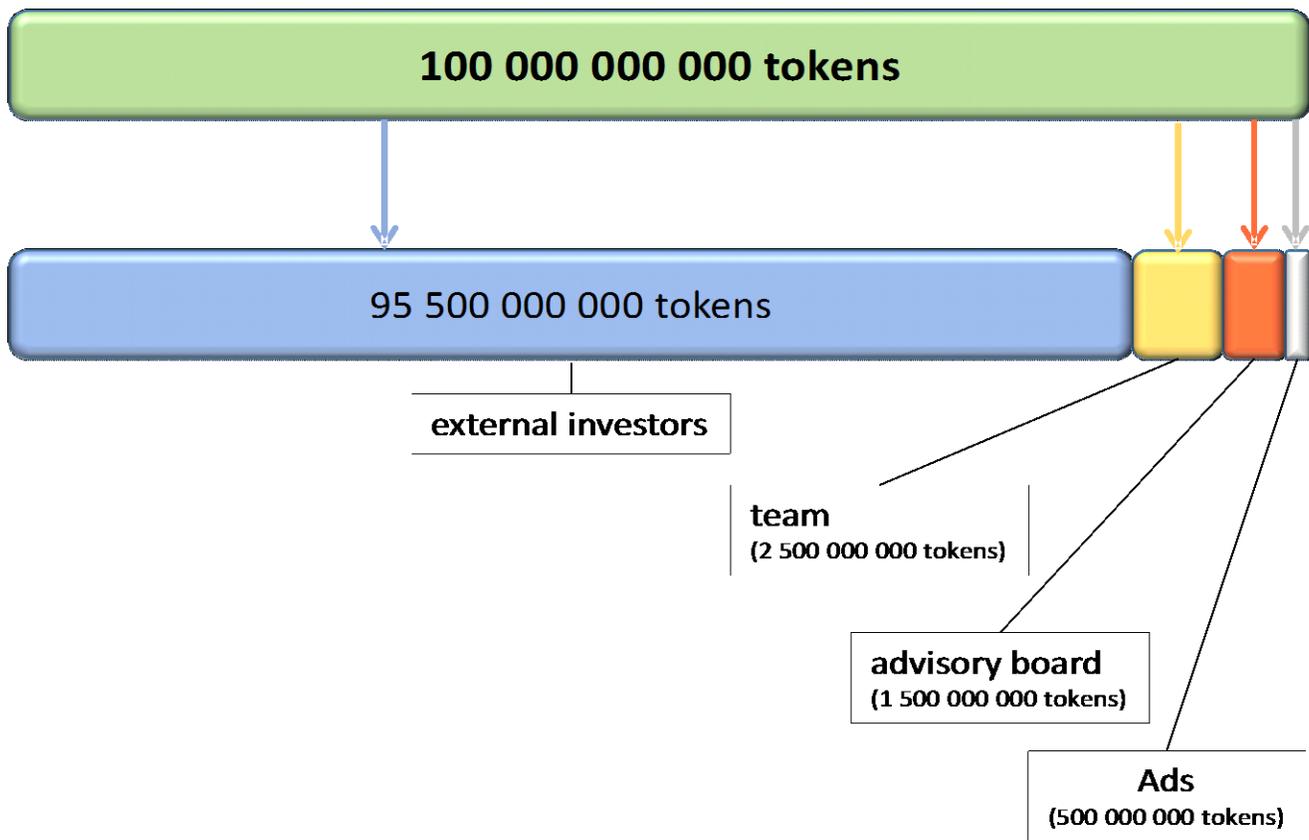
10.6. Initial Coin (Token) Offering.



10.7. Second Coin (Token) Offering.



10.8. Third Coin (Token) Offering.



Second Coin (Token) Offering will take place **not before one year** after ICO.
Third Coin (Token) Offering will take place **not before two years** after ICO.

11. Bonus Program

There are four bonus programs, for pre-ICO, ICO, SCO and TCO, respectfully.

The bonus programs are specifically designed for a possibility of its participants (investors) to get an access to a variety of [BANK//ect](#) bank products through an usage of sphere tokens.

11.1. Pre-ICO program.

General Proposal:



Extra Proposal:



In case of «Extra Proposal» investor will get tokens with regard to «General Proposal». In other words, the total number of tokens will a sum of «Extra Proposal» tokens and «General Proposal» tokens.

11.2. ICO, SCO & TCO programs.

	ICO	SCO	TCO
General Proposal:			
1 – 2 days	+10% (add. tokens)	+15% (add. tokens)	+30% (add. tokens)
3 – 4 days	+5% (add. tokens)	+10% (add. tokens)	+20% (add. tokens)
8 – 28 days	+2.5% (add. tokens)	+5% (add. tokens)	+10% (add. tokens)
Extra Proposal:			
≥ \$10K investments (1M spheres)	+10% (add. tokens) +15% (add. tokens, SCO)	+15% (add. tokens) +20% (add. tokens, TCO)	+20% (add. tokens)
≥ \$50K investments (5M spheres)	+15% (add. tokens) +20% (add. tokens, SCO)	+20% (add. tokens) +25% (add. tokens, TCO)	+25% (add. tokens)
≥ \$100K investments (10M spheres)	+20% (add. tokens) +25% (add. tokens, SCO, TCO)	+25% (add. tokens) +30% (add. tokens, TCO)	+30% (add. tokens)
≥ \$1M investments (100M spheres)	+35% (add. tokens) +35% (add. tokens, SCO, TCO)	+40% (add. tokens) +40% (add. tokens, TCO)	+45% (add. tokens)

Sphere tokens are [BANK//ect](#) bank services. Many tokens are many services.

12. Core Team Members

Starting from 2016 a lot of people around the world, professionals and experts have been giving us a great support for building a new full services bank network. Many of them are looking forward to join our core team. Meantime, we are open for hiring talented people who are crazy about new crypto technologies as we are.

Egger Mielberg

CEO, CTO

- Experience - more than 12 years
- Companies - AUDI (Germany), Content Analyst (USA), Haystac (USA), IBM (USA)
- Achievements - PhD in math, "RPM distribution law", "Forecasting currency's rate method"



Lana S.

COO, CQO

- Experience - more than 10 years
- Companies - EMC (USA), Dell (USA)
- Achievements - MD in IT, Northeastern University (USA), talent in design of UI's



Dan G.

CBO, CSPO

- Experience - more than 15 years
- Companies - Yahoo! Search (USA), J.P. Morgan (USA)
- Achievements - MD in business, Sawyer Business School (USA), "Multicomponent forecast finance system"



Michael T.

CRO

- Experience - more than 18 years
- Companies - NGU, NGASU
- Achievements - MD in Math, NSU, more than 30 articles in field of neural nets and distributed systems



13. Advisory Board

Our World Banks advisors and investment professionals will appear here as soon as we get their photos.

14. BANKlect Innovative Technologies

Our team with an amazing help of number of contributors in crypto industry have made a big step forward in invention of revolutionary technologies that open new opportunities for anyone worldwide **to earn**. This technologies, what is more important, let native tokens (its price) of **BANKlect** network be tied to primarily **economical principles of participant activity**.

- **SMART TRANSACTIONS** (it.4.1.1)
- **NEURAL CHAIN** (it.4.1.2)
- **PROOF OF PARTICIPATION** PROTOCOL (it. 4.1.3)
- **SELF-REGULATED INTELLECTUAL SYSTEM** (it.5.1)
- **ANTI MONEY LAUNDERING SYSTEM** (it.5.2)
- **CLIENT-GUARD SYSTEM** (it.5.3)

We are committed to the development of highly professional full-services BANK network.