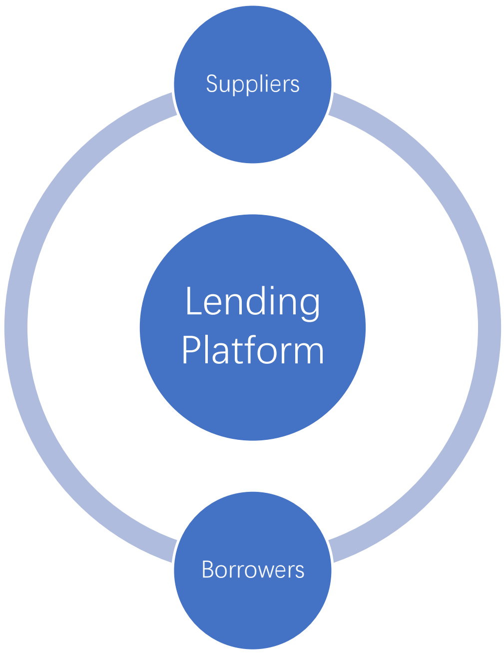
Vee Finance Whitepaper V1.0

A cross-chain collateralized lending protocol

1. Abstract

Vee Finance, a DeFi lending platform for traditional financial users, which lowers the threshold for traditional financial users to participate in DeFi through a more friendly product experience, by adding the option of DEx , it pioneers the function of leveraged lending, which makes the capital efficiency improved. In any lending platform, there are two types of users, suppliers and borrowers.



The needs of the two types of users are completely different:
The needs of suppliers: safe tokens and high returns
The needs of borrowers: convenience and acceptable costs, increase the capital efficiency.

Compared to typical lending services on the market today, Vee Finance has the following features:

Provides suppliers with.
1. more token options
2. Support for multiple public chains and cross-chains.

Through the Token Bridge, Vee Finance enables the movement of tokens across multiple public chains, helping users maximize their returns.
3. New fixed rate deposit option for traditional financial users
4. For new cryptocurrency users, it adds fiat deposit aggregation and will support Wyre direct fiat deposit
5. Support for NFT tokens

For borrowers, it provides.
1. unique embedded arbitrage mechanism for lending and trading: digital currency markets show cyclical fluctuations, and the sudden and unpredictable nature of the fluctuations makes the risk of investment not easy to manage. Vee Finance provides an embedded arbitrage mechanism that allows for precise profit-taking during the upward cycle of the digital currency market, thus ensuring the relative stability of returns.
2. Parametric market: Vee Finance provides flexible parameter control of the arbitrage mechanism. For entry-level users, Vee Finance provides default configurations based on artificial intelligence and big data recommendations. At the same time for professional users to provide flexible parameter configuration.
3. Integrated DEx option to allow leveraging of collateralized borrowings for trading
4. Automatic repay feature

2. Vee Finance Protocol

Vee Finance protocol draws on the practice of traditional financial institutions' capital pools to solve the liquidity problem by building a pool of different underlying tokens to achieve rapid aggregation of lending needs. Tokens have time value, and through the powerful tool of interest, it allows suppliers and borrowers to reach an exchange of time and value of financial tokens. Unlike traditional currency exchanges, Vee Finance protocols trade the time value of tokens, which benefits both parties to the transaction and creates non-zero-sum wealth.

2.1 Supply and withdraw

This part is very similar to Compound, users can supply to earn reward. And they can withdraw the tokens at any time.
Vee.Finance supports the following tokens (in different phases):
- BTC
- ETH
- AVAX

- LINK
- PNG
- XAVA
- SUSHI
- UNI
- USDT
- USDC
- ADA
- XRP
- DOGE
- And etc.

2.2 Borrow and repay

Collateral

The Vee Finance protocol provides borrow options to users by way of collateral lending. Users use VPT as collateral and then lend tokens from other token pools through the Vee Finance Protocol. Each token pool has a Collateral Factor, which is a value from 0 to 1. Illiquid tokens have a low Collateral Factor, while tokens with high liquidity have a high Collateral Factor.

The amount a user can borrow = Collateral Factor x Collateral Token Value.

Borrow

Borrowers can borrow up to, but not exceeding, their borrowing capacity, which protects the Vee Finance Agreement from the risk of default. the Vee Finance Agreement uses a floating rate mechanism where the borrowing rate is automatically determined by the market.

Repay

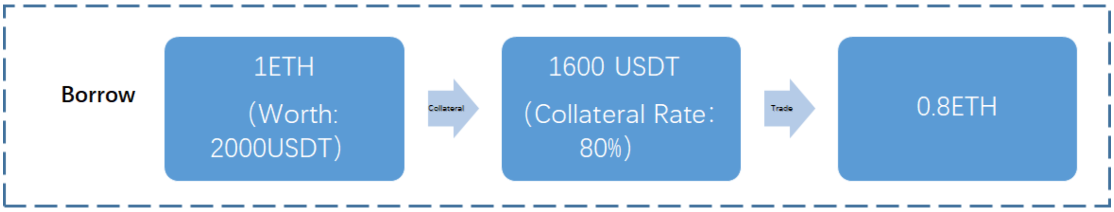
The Vee Finance Agreement supports borrow and repay at any time. Also, the Vee Finance Protocol supports partial repay and full repay.

Liquidation Process

The Vee Finance Protocol guarantees the security of funds through a collateralized borrow model. Due to the volatility of cryptocurrency tokens, the value of the collateral token changes all the time. If a user's borrowed amount exceeds the value of the collateral tokens, liquidation is triggered and the Vee Finance Protocol sells a portion of the collateral tokens on the market to repay a portion of the outstanding borrowings to reduce the borrower's exposure. If, after selling a portion of the tokens, it still does not make the value of the subscriber's collateral tokens greater than the amount borrowed, the Vee Finance Protocol continues the liquidation process until the subscriber's default risk is fully eliminated.

2.3 Trade after borrow

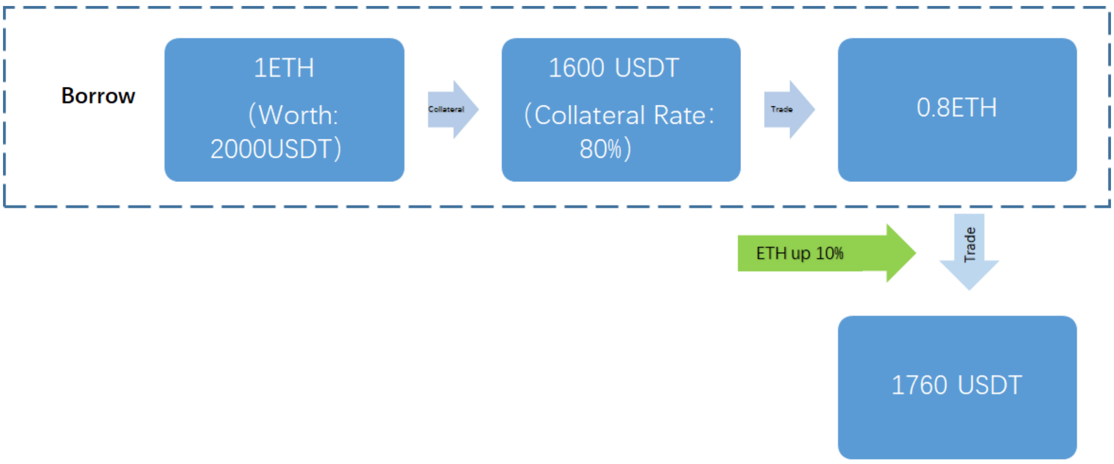
Lending is not the ending. The destination of the tokens after the borrow is: a) consumption b) investment.
Vee Finance provides a convenient channel for users to trade or earn reward. Through the self-embedded DEx, users can easily convert the tokens coming out of borrow into valuable tokens.



On various public chains, it cooperates with some of the most top DExes, such as Uniswap/Sushiswap on ETH, PancakeSwap on BSC, Pangolin on Avalanche, etc.
Through smart contracts, the tokens borrowed by users from Vee Finance can be directly traded on the top DExes for spot trading, immediately converted into the value tokens, and enjoy the subsequent value-added reward from the value tokens.

2.4 Reward Lock-in strategy for post-trade returns

After the tokens borrowed by users are exchanged into value tokens, Vee Finance also provides users with a gain locking strategy that allows them to automatically reverse trade the tokens after reaching a pre-set threshold by the user, thereby locking in the gains and eliminating the hassle of keeping an eye on the market.



2.5 Automatic repay

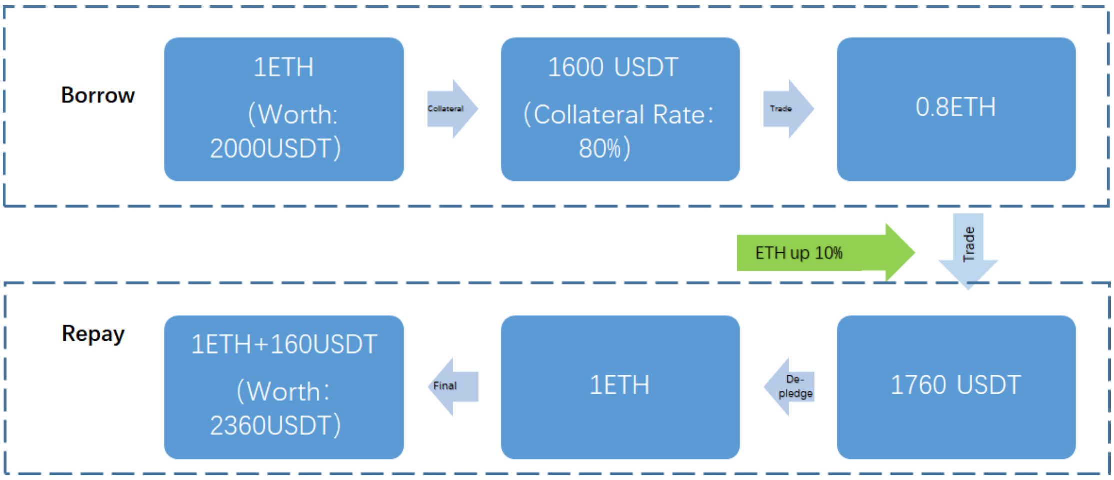
The auto repay function is a unique tool in the Vee Finance protocol that can directly lock in earnings. It utilizes the borrowing + trading function and can automatically make repay by deploying the repay trigger conditions in advance to perform the stop gain/stop loss operation.

Reward locking (take profit)

For example, if you collateralize ETH, with 80% collateral rate, you get the USDT, and then trade USDT into ETH. If ETH's price rises 10%, and it hits your pre-set threshold, the repay process will be carried out automatically, and you will enjoy 18% of the appreciation.

Early closing of positions (stop loss)

As in the current lending platforms, passive closing of positions will trigger penalty, resulting in more costs in addition to losses from the falling coin prices. If you carry out your own independent stop loss above the closing line, you will gain more flexibility and a lower loss amount.



2.6 Parameter Market

Vee Finance offers flexible control over the parameters of the arbitrage mechanism. For entry-level users, it provides default configurations based on artificial intelligence and big data recommendations. Also provides flexible parameter configuration for professional users.

Supported parameters such as

- X% increase/decrease in the value of collateralize coins
- Y% increase/decrease in the value of collateralized coins compared to the value before block X
- Timeliness of the repay contract

2.7 Cross-chain

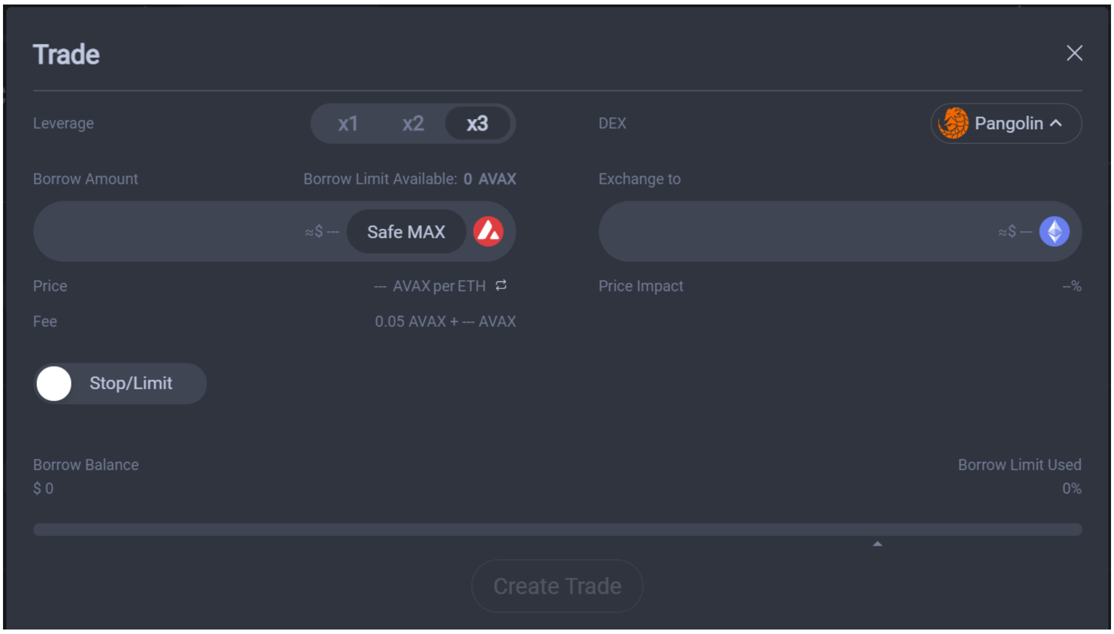
Currently the top lending services on the market are based on EVM. But it is difficult to be compatible for emerging public chain systems. During the explosion of digital currencies, new public chains often outperform the existing ones, with more new features, low transaction fees, and efficient transactions. Therefore, Vee Finance supports multiple public chains, especially Avalanche, Solana, Algorand, BSC, HECO and other new generation of public chains.

2.8 Leveraged trading

Through smart contracts, Vee Finance enables leveraged trading through pledges, providing a new financial derivative tool for more arbitrage and token allocation for experienced users.

Currently, cryptocurrency exchanges offer leveraged trading through margin or derivative trading, such as Binance and FTX. Current popular DeFi projects like Compound and Aave, since the tokens users borrowed would directly go to their wallet address. That make the leveraged part impossible. Vee.Finance creatively connects the DExes with smart contracts, with the funds locked in smart contracts, users can use the leveraged tools, without the risk of default.

Now Vee.Finance supports 3x leverage, it will increase to 100x in the future.



2.9 Aggregation of DExes

Vee.Finance works with all the DExes within the ecosystem, to provide more options for people to trade and earn rewards. But one DEx can always be attacked, and it would cause instant price deviation, and user would suffer loss from the attack. By aggregating the DExes, Vee.Finance can:

- ✓ Provide more options to trade
- ✓ Allow users to access more liquidity and richer depth of each token
- ✓ Bring down the transaction cost
- ✓ Lower the liquidation risk for the platform and the users

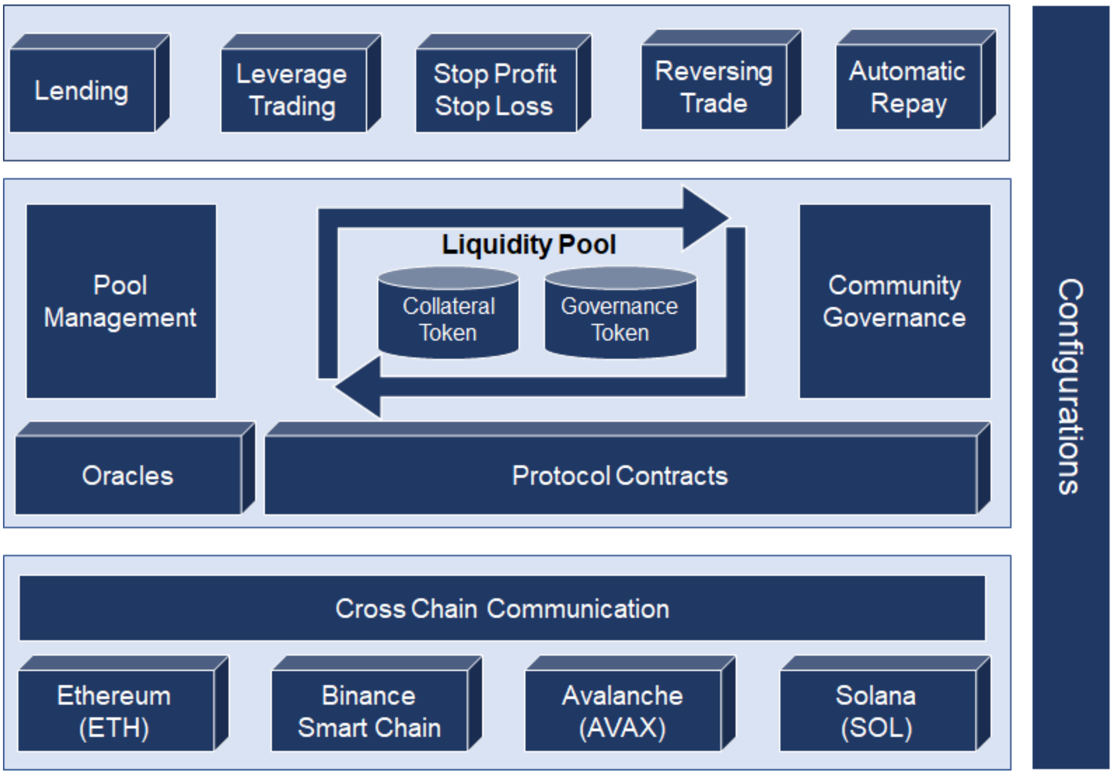
2.10 NFT token supported as collateral

In 2020, the overall trading value of NFT tripled, reaching $250 million. In March 2021 alone, the total sales of NFT surpassed $220 million. It is predicted that in the next decade, 50% of the top 100 artists and artworks in the world will be registered as NFTs. The rise of NFT is a prime example of the marriage between blockchain and art, attracting unprecedented public attention. In the foreseeable future, the NFT boom will continue to grow and transform the way how concepts and values are exchanged between blockchain and the real world.

Vee Finance will select NFT products with high liquidity for fragmentation and facilitate their circulation.

In NFT based collateral, Vee.Finance will introduce a brand new lending mechanism than the current one.

3. Architecture



4. VEE Token

VEE, the native token of Vee Finance, was by nature designed to achieve full decentralization. The VEE token is an ERC20, Ethereum based token which serves as the connector of the Vee Finance protocol.

4.1 What VEE is used for?

Liquidity Mining

Miners will be qualified for a portion of the newly minded VEE if they contribute capital to the protocol. Time and value are the two keys in the VEE distribution calculation. The number of newly mined VEE will follow a profit allocation curve.

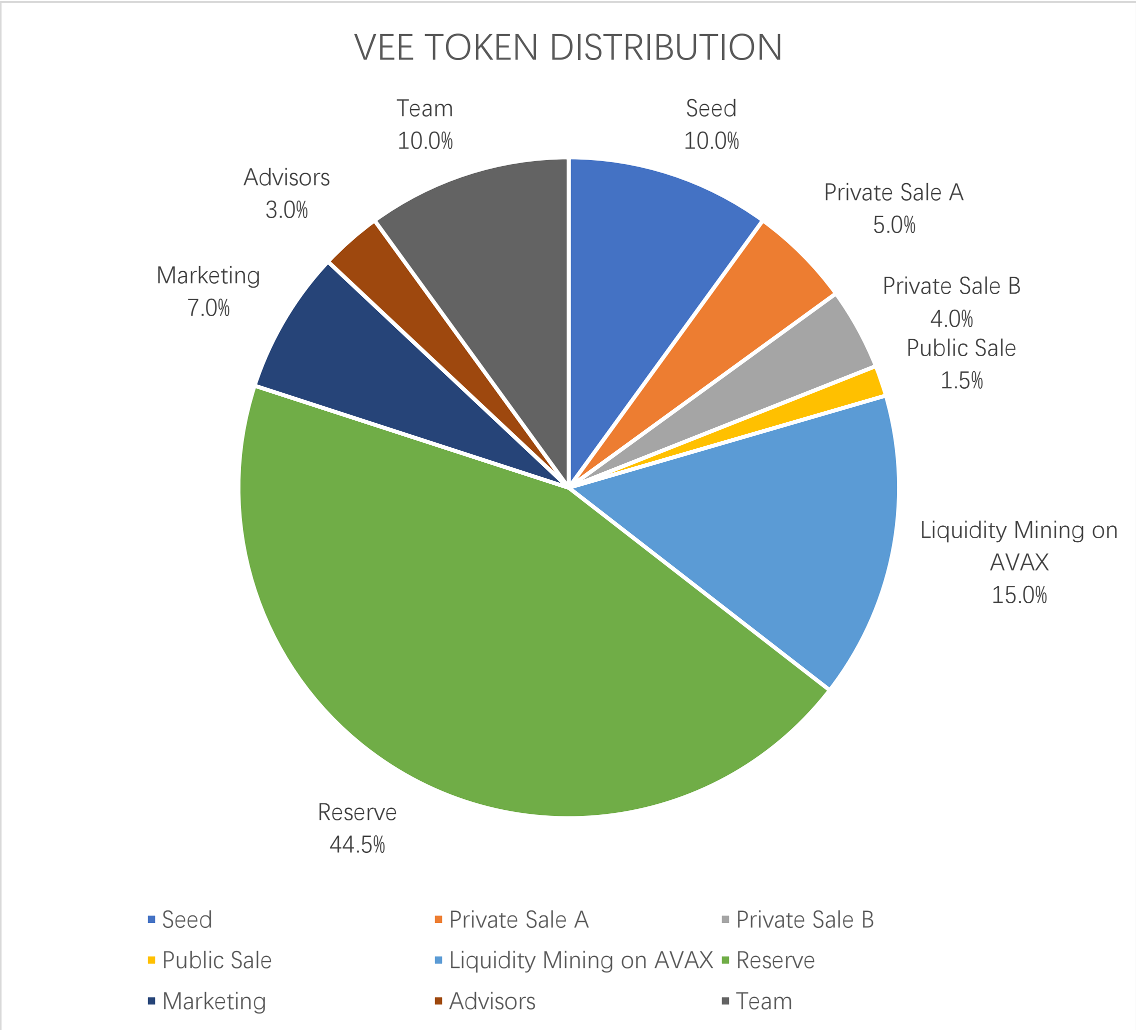
Governance

We are a strong believer in decentralized governance and that's why we've designed a governance framework. VEE tokens are by nature to represent token holder's voting rights. Each VEE token entitles token holders to one

voting right. The framework ensured a prosperous, secure, and healthy community.
Community voting would include, but not limited to:
✓ New tokens supported as collateral
✓ Highest leverage on each token
✓ Partnerships with new DExes

4.2 VEE Token Allocation

VEE will issue 10,000,000,000 tokens.



5.Summary

Vee Finance is based on serving crypto-token customers, and provides customers with a decentralized lending platform with 5 major differences from existing ones.
1) Arbitrage mechanism based on lending and trading, more intelligent to help

customers lock in profits and avoid losses caused by risks.
2) Rich arbitrage mechanism parameters market, provide the most suitable recommendation for primary customers, and provide rich control path for professional customers.
3) Support multiple public chains and cross-chains, especially the new public chains with great potential, so that the advocates of new public chains can get more profit.
4) Participation in the strategy market, allowing capital to access to more powerful and profitable strategies in the market, and to safely share the profit from the strategies.