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Oregon

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MAPLE

General Background on Protocol

Maple is an institutional capital marketplace that provides a platform for credit professionals to manage lending businesses and syndicate capital to institutional borrowers for business growth and operations. Maple is built on Ethereum, Solana and Base-L2 on top of Ethereum. These platforms allow Maple to position itself as a secure capital market infrastructure, rather than just a lender. Maple's priority is to connect lenders who want to earn interest via a pool's liquidity asset with borrowers who are looking for a secure capital efficient loan. These pools are regulated by a single pool delegate that oversees all of the lending and borrowing within the pool who is incentivized to act in the pool's best interest. As a result, Maple focuses on serving institutional and individual accredited investors with high-quality lending opportunities that match their liquidity, risk, and return requirements. The company offers transparent lending, and a managed marketplace by partnering with regulated service providers and leading institutions to ensure custody, wallet solutions, and KYC and AML checks.

Macro Factors Impacting Protocol

Some countries with the highest inflation rates are Zimbabwe, Venezuela, Sudan, Turkey, and Argentina. These countries' inflation rates are so high because of political insecurity, mishandling of valuable assets and cash devaluation.

Even in difficult economic situations, there are still successful businesses that exist. Some successful businesses in Zimbabwe are Zimplowholdings (Manufacturing) and Truworths (Clothing). In Turkey it includes Sabanci Holding (conglomerate) and Turkiye Petrol Rafinerileri (Energy).

A lot of businesses at some point will require a loan. In a country with a high inflation rate, businesses will not want to use the country's native currency for a loan as it is unstable. In countries like these businesses and citizens might be more inclined to hold their wealth in USD because it is more stable. However, it is hard to get ahold of United States dollars if you live in Argentina, for example. Currently, foreign companies aren't able to take a traditional USD loan and don't have access to risk free money markets. As we know, blockchain is a global platform that allows users in third-world countries to participate in financial activities without the need for any traditional banking. Maple Finance is providing a service to these companies that



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want to access the traditional financial assets that are available in the United States such as USD through the form of stablecoin loans. This is bridging a huge gap that currently exists in the world of international lending and borrowing.

Finally, treasury bills are a very common practice right now because interest rates are so high. However, it is incredibly difficult for non US citizens to gain access to treasury bills and risk free money markets.

Who's the Team Building the Protocol

Maple Finance has 50 employees according to LinkedIn. The project is backed by BlockTower Capital and Tioga Capital Leaders as the two main investment leader groups. It consists of a powerful team led by Sid Powell who is the CEO and co-founder of National Australia Bank with his business partner Joe Flanagan who founded Maple Finance in 2021. Sid Powell does not have a deep history in Web3 but does so in the current traditional finance system. Powell gained experience in securitization and credit risk through his role at National Australia Bank. Like Powell, Joe Flanagan also has a strong background in the traditional financial system. He was the CFO at Axesstoday for 3 years and then moved on to start Maple Finance. Matt Collum started a finance tech company called Every which was later acquired by Wave and is now the Head of Engineering for Maple. Ryan O'Shea, head of operations at Maple, served as Business Operations and Strategy Lead for Kraken Digital Asset. In addition, he brings nine years of experience from EY specializing in providing trusts, assurance, and organizational growth, with additional expertise in real estate. Quinn Thomas, formerly the Head of Institutional Credit and Lending Digital Assets currently holds the position of head of capital markets and growth at Maple.

General Auditing Background for Protocol

Protocol security is a top priority for Maple, and the Maple smart contracts have consistently performed as designed since the protocol was launched. In 2022, Maple was audited by Trail of Bits, SpearBit, and Three Sigma for their V2 release. V2 allows Maple to have a strong and more flexible loan structure and lets strategies be delivered more efficiently. In 2023, it was audited again by Spearbit via Cantina and Three Sigma. Maple has implemented a bug bounty program to encourage security researchers to identify bugs in the system before malicious actors find them. Maple



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offers rewards and incentives to those who disclose their vulnerabilities. This initiative helps the system's integrity and allows the Maple team to be proactive in solving any potential threats. Also, Maple's smart contracts are expected to hold minimal USDC. Maple lends USDC to diminish the appeal of Maple's smart contracts to a potential bad actor. Recently, Maple was awarded a 92% Defi Safety score.

Specific on What Protocol Does

Maple Finance protocol breaks down the credit market into three aspects, which are pool delegates, lenders and borrowers.

Pool delegates help negotiate loan terms with borrowers, perform diligence, and liquidate collateral in the event of a default. Delegates also have incentives to issue performing loans. For example, delegates will tell lenders how they plan to invest their money while setting up a lending pool. This can include letting the lenders know what businesses they want to invest in and if the loan has good credit. Once borrowers ask for a loan Maple, delegates can approve or deny these requests. The delegate will move on to review private financial information and see if the borrower's needs match that of the lending pools. Maple includes checks and balances to make sure pool delegates are acting in good faith. Maple has pool delegates operate on first loss capital which exists to protect liquidity providers in the case of a loan default. "It is required to be posted by the Pool Delegate to ensure that they are directly financially incentivized to protect liquidity providers from losses."

Maple breaks **lending** into two separate parts: permissioned and permissionless. It is the pool delegate's role to determine if a user is permissioned or permissionless. Maple offers four lending pools which are cash management solutions, real-world asset lending, digital asset lending, and secure digital asset lending. For permission lenders, it is as simple as connecting your wallet and then clicking the lend action button in the top right. Permissioned users can access any of the four pools on Maple's website. However, it is a bit more complicated for permissionless users as it needs to pass a series of steps. It first scans the selective wallet for anti-laundering. Next, the user must agree to Maple's specific T&Cs check which includes Maple running an additional wallet scan with its AML software. If one of these processes fails the user can not operate on Maple's platform. Finally, permissionless users will have to consider withdrawal times and hurdles. Permissionless users can only access cash management solutions and real-world asset lending.



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Finally, Maple offers **borrowing**. Pool delegates perform a due diligence check and agree to terms off-chain. A borrower will then need to create an account and get approved by filling out a 20 minute form. Upon approval, borrowers can now submit loan requests into pools that are on-chain. Once the loan is onchain it can not be edited any further.

Additional points to make are Maple's minimum loan offer is currently \$100,000. Maple offers two loan forms which are open or fixed loans. Open term loans have no maturity date. This empowers the delegates to manage liquidity for lenders and lets them avoid waiting in queues for withdrawal requests. Open term loans also benefit borrowers as Borrowers can close open terms at any time without penalty as well as providing maximal flexibility in safely managing capital.

Fixed term loans have an agreed due date usually around 180 days providing certainty to both allocators and collectors.

Why the Protocol Offering Matters to Consumers

Maple Finance represents an opportunity to participate in the growing world of decentralized finance, offering more control, flexibility, and opportunities compared to traditional financial systems. For lenders, Maple's goal is to make lending clear, simple and transparent. Maple Finance offers an avenue for individuals looking to generate passive income paired with a wide range of pools to choose from. One of Maples's unique pools is a cash management system or a money market account. In this pool, the borrower is only permitted to invest proceeds in U.S. Treasury bills and reverse repurchase agreements fully collateralized by U.S. Treasury bills. U.S. Treasury bills are backed by the full faith of the U.S. government and are considered one of the safest forms of debt around. For the avoidance of doubt, there are no other permitted uses of proceeds. There are several ways to lend and borrow all with the security guarantee of a smart contract. The pooling aspect of the protocol increases the AUM and therefore APY. Users can access liquidity without the use of traditional intermediaries. The pool delegate brings a centralized aspect to the decentralized world of crypto. As we mentioned previously there is a market for companies in third world countries who want to borrow secured loans with fair interest rates.

Protocol Versus Competitors Chart



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Project	Core Functions	Fundamental Differences	What services they offer
Maple	<ul style="list-style-type: none"> - Lenders select pool they want to lend to and receive tokens - Foreign borrowers can invest in specific riskless U.S. government assets 	<ul style="list-style-type: none"> - Cash management pools offer daily liquidity - Each pool is ran by only one delegate - Talented team with experience in trad fi 	<ul style="list-style-type: none"> - Cash management system - Lending & borrowing - Pool delegate opportunities
Goldfinch	<ul style="list-style-type: none"> - Decentralized credit protocol - Built for the future when all debt is onchain - Private credit market - Yield from off chain companies 	<ul style="list-style-type: none"> - International pools - Region specific pools - Investor incentives 	<ul style="list-style-type: none"> - Lending - Borrowing - Leveraging
Credix	<ul style="list-style-type: none"> - Institutional capital markets ecosystem - Used for debt financing and private credit - Credit market 	<ul style="list-style-type: none"> - More private sector focused - Geared towards hedge funds and asset managers 	<ul style="list-style-type: none"> - Investing - Borrowing - Blogging
Clearpool	<ul style="list-style-type: none"> - Marketplace for unsecured institutional capital - Allows borrowers to borrow from lenders with no collateral 	<ul style="list-style-type: none"> - Institutional borrowing as opposed to individual - Offers a prime subscription for institutions 	<ul style="list-style-type: none"> - Uncollateralized borrowing - Bridging - Staking



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Truefi	<ul style="list-style-type: none"> - Earn high yields on stable coin loans - Credit market 	<ul style="list-style-type: none"> - Credit & asset vaults - DAO pools 	<ul style="list-style-type: none"> - Lending - Borrowing - Managing
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Protocol Go To Market Strategy Versus Competitors

Maple uses social media and incentivized programs as their main marketing tools. Their Twitter has 26.6k followers and they use the account to promote the launch of new pools and announce collaborations with new chains. They have had several incentive programs since their launch in 2021. This includes airdrops and yield farming opportunities. As far as the actual protocols and how Maple separates itself from the rest of the pack, there are a few main things to look at.

Firstly, Maple is a multifaceted protocol that does various different things. Most of Maple’s competitors just do one of the things that Maple does. The problem with this is with the crypto market being so volatile, if people become uninterested in tokenized t bills or real world asset lending, then competitors have no market offering. Maple on the other hand hedges themselves by offering a multitude of ways to lend and borrow.

Another big distinction that we found during our research is Maple’s instant lending and returning. Your deposit starts accruing interest in the same block it is deposited, and when you want to cash out, you will receive your assets in the same time span. Most of Maple’s competitors take 2-4 days to process lending and returns which is a meaningful time difference when you are lending a large sum.

Lastly, we thought it was important to mention the strategic geographic targeting of Maple compared to its competitors. Some of Maple’s competitors focus on a specific geographical area (e.g. CrediX - Latin America) which closes them off to the rest of the world and reduces scalability. Maple on the other hand does not target a specific area but instead markets itself as a protocol available to anyone and everyone, making sure to not close off any potential customers.

How Token Extracts Value



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Maple Finance has a native token called \$MPL. The token's value extraction is often linked to its utility within the platform. Here are a few ways the \$MPL token could potentially extract value:

Governance: Token holders might have governance rights, allowing them to participate in the decision-making process for the platform. This could involve voting on protocol changes, fee structures, or other significant decisions, giving MPL holders a say in the platform's future.

Staking and Rewards: MPL could be used for staking within the platform. Staking could enable users to earn rewards in the form of MPL tokens or other benefits for participating actively in the network.

Fee Reduction: Owning MPL tokens might offer fee reductions or discounts on the platform. Users who hold MPL could potentially enjoy lower fees when using Maple Finance services.

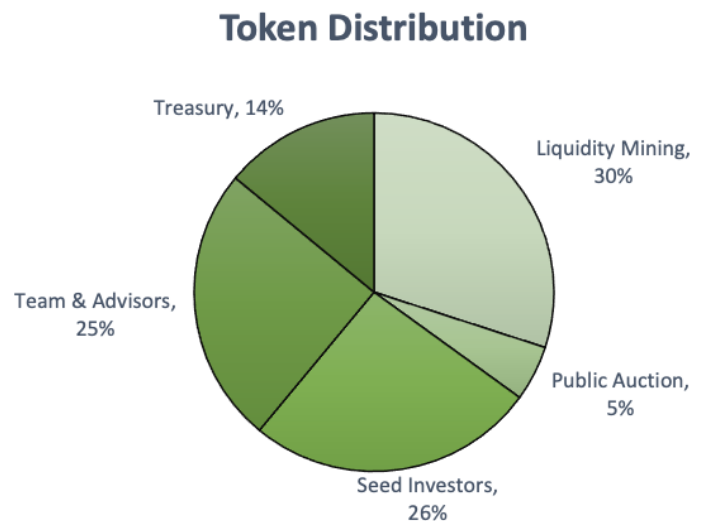
Liquidity Mining: The platform might have liquidity mining programs where MPL holders are incentivized with additional tokens for providing liquidity to the platform.

Value Accrual: As the platform gains more users, activities, and transactions, the value of MPL tokens might appreciate. This is often tied to increased demand for the token due to its utility and scarcity.

The value of MPL, like many other utility tokens in DeFi, is closely linked to the platform's success, adoption, and the utility it provides within the ecosystem. However, the specific mechanisms for extracting value from the token may vary and are subject to the design and implementation of the Maple Finance platform.

Tokenomics/Vesting Schedule

Maple holders are responsible for governance which allows the user to vote on key metrics that will affect how Maple operates. Holders do have the option to give their rights away to a pool delegate if they choose to do so. In terms of token allocation token



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supply follows, 30% Liquidity Mining, 25% Seed and Advisor, 26% Seed, 5% Public Sale, and 14% Treasury. Maple currently has 4.4 million coins in circulation. There are an additional 3.52 million tokens that are assumed to have a two-year linear vesting period. This period unlocks between the 1st of May 2021 and the 1st of May 2023. It has a maximum supply of 10 million \$MPL tokens. 44% of tokens are in current circulating supply.

Modeling/Ratio Analysis

The table below shows the valuations of Maple and its competitors. TVL stands for total value locked and FDV for fully diluted value which equals max supply x current market. FDV/TVL assesses whether a protocol is overvalued or undervalued and by how much. We can see that Maple has the lowest FDV/TVL which means Maple is the most likely to be underpriced compared to its competitors. We also included the bottom four competitors even though they don't have any FDV or coin attached to their protocol. The reason we included them was because they all are focused on tokenized t bills which is similar to an aspect of what Maple does. The difference between Maple and these competitors is that Maple is the only U.S. approved money market onchain. In summary, the FDV/TVL and the U.S. approval are the two main reasons we believe Maple is ahead of its competitors.

Protocol	TVL	FDV	FDV/TVL
Maple	46,310,000	146,840,000	3.171
Goldfinch	1,490,000	73,570,000	49.376
Credix	143,255	59,976,000	418.666
Clearpool	3,640,000	27,380,000	7.522
Truefi	71,663	59,510,000	830.415
Hashnote*	53,160,000	n/a	-
Ondo*	201,240,000	n/a	-
Matrixdock*	111,550,000	n/a	-
Backed Finance*	47,790,000	n/a	-

*Protocol doesn't have a coin

Road Map

Maple has laid out a broad roadmap that has two phases for 2023.

In the first half of 2023, Maple wants to address managing risks with a new suite of loan products, attracting capital by connecting with customers, and optimizing operations with new back-office tools. Important metrics added here are that pool delegates will now be able to call loans anytime to effectively manage concentration risk. In addition, Maple's API/SDK will let new smart contracts enable delegates to



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connect directly where businesses and individuals hold their capital to their pools, allowing for more liquidity in each pool.

In the second half of 2023, it plans to add active collateral management built to enable overcollateralized lending, platform-wide permission for onboarded lenders, user authentication features, LP tokens to enhance liquidity and utility for lenders, and connecting Web 3 to Maple through partnerships and integrations. Important features here are that all users will have access with a unique user id and single sign in option to streamline account access and have more active management. Secondly, lenders will soon have access to all on boarding pools to eliminate a repetitive onboarding process.

Investment Thesis

The investment is centered around the poor financial structures currently in a variety of countries. Maple has the potential to change that through the form of stable coin loans allowing everyone to have access to a strong currency like the United States Dollar. Its multidimensional product offering makes it well suited to succeed in the DeFi landscape. Through Maple, countries will have access to traditional financial assets and be able to take advantage of risk free money markets. In addition, Maple lets users start earning interest immediately after deposit. Overall, Maple has the potential to change how the world uses finance by allowing everyone to have much easier access to the form of a stable currency like the United States Dollar.

Fund Recommendation

2 Eth purchase via rocket exchange.



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Google meet call with Sid Powell



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