












Identity Review

Report on the Solvency of Crypto Lenders

Updated: June 18th 2022

	Withdrawals Active?	HQ	Insolvency Risk	Users and Deposits at Risk
Celsius	 <p>Celsius disabled all withdrawals, swaps, and transfers between accounts on June 13th 2022.</p>	UK and US	Likely Insolvent: <p>The company has acknowledged they cannot honor withdrawal obligations and is taking action.</p>	Deposits: \$11.7 billion in 2021. Users: More than 1.7 Million
BlockFi		USA	Elevated Risk: <p>Unconfirmed reports show that BlockFi was a major lender to 3AC and they have acknowledged recent losses. The company also paid a \$100M fine to the SEC.</p>	Deposits: \$15B+ as of Q4 2021 Users: More than 500,000
Babel	 <p>Babel has disabled withdrawals for all customers.</p>	Hong Kong	Likely Insolvent: <p>Withdrawals frozen due to "unusual liquidity pressures."</p>	Deposits: \$3B+ at the end of 2021, it said in May. Users: 500 Institutional Clients
Aave		UK	No elevated concerns: <p>Lending is "decentralized" with collateralized smart contracts that are audited and liquidated in real time.</p>	Deposits: \$9 Billion, as per the homepage. Users: 50,000+
FinBlox	 <p>Currently restricted to \$500 per day.</p>	Hong Kong	Likely Insolvent: <p>The company was exposed to 3AC, which is also an investor.</p>	Users: 15,000 Members.
Binance	 <p>Withdrawals have paused during recent events citing "stuck transactions".</p>	Cayman	Typical Counterparty Risk: <p>CEO commented that "users funds are kept separate from the exchange's operating funds." but deposits into lending products are not transparent.</p>	Users: 30 Million. Unknown for lending products.

Coinbase		USA	Typical Counterparty Risk: User deposits are unsecured and at risk if Coinbase goes bankrupt. “In the event the crypto exchange goes bankrupt, Coinbase says, its users might lose all the cryptocurrency stored in their accounts too.”	Users: 89 Million. Unknown for lending products.
Nexo		Bulgaria	Elevated risk: Rumors of insolvency have been denied by the company.	Deposits: \$15 Billion
Hodlnaut		Singapore	Elevated risk: No audits have been provided and despite rumors, the company claims their loans are over collateralized and no borrower has been liquidated.	Deposits: \$350M reported on homepage.
YouHodler	 Consumers are reporting withdrawal delays and lack of customer support.	Cyprus	Elevated risk: CEO Claims “YouHodler does not have liquidity issues because we never used customer funds for "rehypothecation" or any other risky strategy”	Deposits: Unknown, the company claims to have \$150M insurance on deposited assets.
Crypto.com		Singapore	Typical Counterparty Risk: Like Binance and Coinbase, users funds are ultimately secured by the continued operations of the company.	Users: 50 Million. Unknown for lending products.

**Data and status updated as of Jun 18th 2022*

***Cited from publicly available sources*

June 16th 2022

Finblox pauses typical withdrawal operations

Source: [Link](#)



To our Valued Users,

We have been closely monitoring market conditions and numerous media reports regarding a prominent institutional borrower, Three Arrows Capital (3AC) - who is also an investor in Finblox.

We have been cooperating with over 8 partners and protocols, including 3AC, to generate yields and spread the risk as evenly as possible. Based on currently available information and our priority to maintain the integrity of the platform - we have decided to take the following actions while pursuing all available options to evaluate the effect of 3AC on the liquidity, and ensure fair treatment of all user assets in the system:

- Pause reward distributions on the Finblox platform for all users
- Change withdrawal limits (500 USD equivalent per day, up to a maximum of 1500 USD equivalent per month) for all levels of users
- Delay referral program and deposit rewards
- Disable creation of crypto addresses for newly registered users

This set of actions is a necessary move in such a highly volatile market and we believe should help us and our community to manage the effect.

Ultimately, Finblox will do everything in its power to protect our users' funds and reinstate our services in full. We will provide you with updates and inform you of any new developments as soon as possible, and do all that we can to avoid further impact on our users.

Thank you for your understanding,

The Finblox Team

June 12th 2022
Celsius Pauses all withdrawal operations

Source: [Link](#)



We are writing with a very important message for our community.

Due to extreme market conditions, today we are announcing that Celsius is pausing all withdrawals, Swap, and transfers between accounts. We are taking this action today to put Celsius in a better position to honor, over time, its withdrawal obligations.

Acting in the interest of our community is our top priority. In service of that commitment and to adhere to our risk management framework, we have activated a clause in our Terms of Use that will allow for this process to take place. Celsius has valuable assets and we are working diligently to meet our obligations.

We are taking this necessary action for the benefit of our entire community in order to stabilize liquidity and operations while we take steps to preserve and protect assets. Furthermore, customers will continue to accrue rewards during the pause in line with our commitment to our customers.

June 17th 2022
Babel Pauses all withdrawal operations

Source: [Link](#)

Notice

Dear Customers,

Recently, the crypto market has seen major fluctuations, and some institutions in the industry have experienced conductive risk events. Due to the current situation, Babel Finance is facing unusual liquidity pressures. We are in close communication with all related parties on the actions we are taking in order to best protect our customers. During this period, redemptions and withdrawals from Babel Finance products will be temporarily suspended, and resumption of normal service be notified separately. We apologize sincerely for any inconvenience caused.

Babel Finance

June 17, 2022