Thrift

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EXECUTIVE SUMMARY

The current financial system is in shambles. It's costly, slow, requires too much trust, savings are vulnerable to inflation, transparency is lacking, and it's not accessible to all. Over the last decade, DeFi and Web3 financial products are addressing these through innovative solutions such as DeFi and Smart contracts, but much work remains to be done, particularly in developing solutions that take into account unique locations such as Africa, where over 1.1 billion people are underbanked, and where over 50% of the population is unbanked. Africa is still much to be done in terms of UI/UX, making blockchain solutions intuitive, and connecting solutions to real-world problems.

Not long ago, the idea of a trustless peer-to-peer financing platform would have seemed far-fetched. But today, blockchain solutions are making the idea of decentralized peer-to-peer marketplace a reality. These decentralized solutions are disrupting the status quo, giving unbanked/underbanked people access to the same know and don't need to know, without the need for a traditional financial institution. They also allow entrepreneurs and small-scale businesses to seek out funding without the need for large banks or traditional investors.

Through a Reef-Fi wallet, we are developing a sovereign platform that will change the way people invest, pay, and save.

- It will give you complete control over your personal information and data, keeping it private and secure.
- Opportunities for trustless peer to peer investment that maps existing real-world systems to blockchain technology.
- Zero on-ramp/off-ramp.
- Enable you to build wealth and improve financial health.

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INTRODUCTION

The word "Thrift" is from Armenia martima (Sea Thrift) which signifies prudent money management. Also, it signifies trustworthiness. The logo symbolizes Armenia martima, family, savings, money, and a bright future.

An Arab incubator startup, a programme supported by ICANN, Icosaedro, and Entrepreneurdy.

Thrift is a web3 wallet that maps real needs to technology, built to improve user financial health through built-in financial literacy, decentralized peer-to-peer lending, P2P hybrid lending protocol, decentralized crowdfunding, powered thrift savings, Reef-Fi and DeFi systems built on a Non-custodial Reef-Fi wallet to create a more accessible and efficient financial system in Africa. Some of the features expected include token swap, NFC payments, Decentralized Peer-to-Peer Financing, Powered Thrift Savings, Reef-Fi Non-custodial wallet, non-custodial savings account, decentralized digital identity, plus more. As a non-custodial and cross-platform wallet for mobile devices, it drives adoption and ease of use.

PROBLEM

One of the most well-known and promising strategies for opening up real new financial prospects for creditors, lenders, and liquidity providers is the decentralized finance (DeFi). DeFi protocols are thought to have a value lock of over $67 billion, and in the next few years, this figure is predicted to increase by many orders of magnitude. However, this movement is still in its very early stages.

Today, the majority of DeFi participants are extremely sophisticated and a small portion of cryptocurrency users, the majority of crypto users are yet to adopt these technologies on a large scale. Interacting with DeFi protocols is challenging and time-consuming, users will have to deal with complex and technical activities like gas costs, slippage, and liquidity pool rebalancing. Improvement here, these amongst others limit the use to developers and market participants.

Stablecoins, Bitcoin, ADA, Ether and other cryptos are used by both buyers and sellers to trade across a variety of verticals, but many crypto users still prefer credit cards and easy-to-use mobile payment methods, because of its accessibility, ease, and lack of price volatility and general acceptance by less crypto-savvy users. Blockchain technology becomes the preeminent type of medium of exchange, peer-to-peer trade remains obstructed.

The median age in Sub-Saharan Africa is 19 years, and the population is primarily digital natives who are quickly becoming more about cryptocurrency. As these tech-savvy individuals choose of crypto solutions that solve challenges unique to Africa, Africa needs these innovations since its present financial infrastructure is inadequate and inefficient.

PROBLEM

Our industry will only succeed in bringing about a more prosperous, inclusive, and resilient future for global financial systems if it is able to overcome obstacles to its acceptance such as rent payments, education, savings account, among others.

Highights of The Problems:

Over 100 million or 57% of Sub-Saharan African population are unbanked, out of a population of 1.1 billion, because poor savings habits are synonymous with the unbanked population, they will not fare better financially over time.

For the banked, the amount they can save is strongly affected by inflation; for the less tech savvy, DeFi savings accounts are difficult to use, and the rich can and care about privacy, easy-to-use crypto bank apps are commonly not private.

- Existing DeFi services do not take into account Africa's unique economic ecosystem. Africans want to access low-risk credit or loans, but the process is difficult for both lenders and borrowers, and there is a high underwriting cost.
- Huge loan underwriting costs.

SOLUTION

The wallet supports the following functionalities:

Multi-Accounts: It is possible to create or restore one or more accounts and manage them all from the same application. Each account depends on its own seed phrase and is secured by a separate password, they are not shared between accounts.

Address Contact Book: By tagging specific addresses, the user can organize his finances in a more efficient manner. Instead of remembering each address to a specific action such as rent payment, education, savings account, among others.

Send/Receive Assets: The blockchain allows to receive and send p2p transactions to feed the wallet, make payments, collect NFTs and manage your identities.

Attaching metadata: The possibility of adding plain text to the transactions allow to give them a context. Each transaction may have a different reason or motive for existing, for example, the same legal framework is not applicable to a payment for a service and a donation.
Including extra data to better understand the meaning of the transaction facilitates the interaction with traditional systems and favors the adoption of Thrift and Cardano.

SOLUTION

NFT Collections: Collect, and explore your NFTs through a gallery. Use your favourite NFT as profile pic.

Staking: The Cardano protocol allows all users to participate in the consensus mechanism, so that everyone is incentivized to participate in the network. Thrift will implement a Cardano Stake Pool, allowing the Thrift Operators power-limited number of blocks to a selected stake pool. In this way everyone is pooled together to create now blocks.
From Thrift Wallet we want to support Stake Pools Operators who dedicate their resources to drive the growth and adoption of Thrift Finance and the Cardano Ecosystem in Africa. This set of operators will be known as TOA or Thrift Operators Alliance.

Loan campaigns: Providing access to financial services to people without access to traditional banking is one of our keys for adopting Thrift Finance. That is why it is necessary to cover more remote and under-resourced areas with the corresponding financial services.
For this, there are reference solutions to take into account such as the areas supported by Starlink and the World Mobile network, which will provide internet access opening the doors to ecosystems such as Thrift.

Multi-Transactions: Taking advantage of the eUTXO technology used by Cardano, it is possible to send and receive multiple transactions at the same time. Instead of having to wait for the first one to be sent and receive its new change into user recipient from the same transaction instance, thus saving on network fees.

ADVANCED FEATURES

Financial Assistant: A smart financial savings assistant to help, motivate and propose suggestions and alternatives to encourage savings, informing about the financial health of your accounts by analyzing income and expenses.

P2P Conversations: Some services require intermediate actions between participants to exchange data and reach agreements, which makes the user experience more practical in more complex protocols.
Given this, we see the need to provide a p2p communication service so that users can interact with each other privately.

Multi-sig Interfaces: There are use cases where it makes sense to share payment power between more than one user, for example, a family.
With multisig we can create a shared account which will be managed by 1 or more users.

Transaction receipts: Users will be able to export and print the transactions from history to share it by e-mail or in any social network. Facilitating the understanding and reading of transactions with proofs in a common format.

LATER TWO SOLUTIONS

Circent-lending: A protocol that allows people to pool funds for a common transaction (Lending) and share, in a trustless way, the risk and reward of the transaction between the pool. The pool is managed by the participants get paid. The first phase is the implementation of a Real-Life cooperative society on Cardano blockchain. This protocol uses a system of smart contracts to facilitate the pooling and sharing of funds among participants.

Flat on/off Ramp, P2P: A private peer-to-peer transaction environment that is secure and safe. The feature allows users to purchase tokens, transact, and exchange funds.

Thrift Hybrid P2P Lending Protocol: We will build a peer-to-peer protocol for lending crypto directly to borrowers who bypass/cut their loans to the market for yields. This protocol will be integrated with Alaia plutus IOG's decentralized digital identity platform, which is built on Cardano, will be used to establish a digital credit score for users. This will be used to determine the loan-to-value ratio borrowers will receive if the borrower has collateral for loans or more pals to leverage different features of Thrift. Lenders will be able to lend to borrowers who will be able to borrow less than the value of the collateral offered in stable currency, but not more than 50% of the value of the collateral. Borrowers will receive a loan in a stable currency, but less than the amount requested to pay back with TIME required to wait for the collateral to yield to repay the loan.
P2P lending protocol uses cryptocurrency to promote micro loans and a savings culture among its users. Borrowers will be able to lend TIME, Cardano, Bitcoin, Ether, and other cryptos to lend in stable coins such as Tether, USD Coin, or Dai. If debt will only ever go down, there will never be liquidation of their collateral unless they do it themselves. Users can also earn THR token incentives by participating in the protocol.

THRIFT P2P HYBRID LENDING PROTOCOL

Lenders
Lend Stable Coins
Borrowers
Borrow Stable Coins
Thrift Finance
Thrift Finance
Thrift Finance