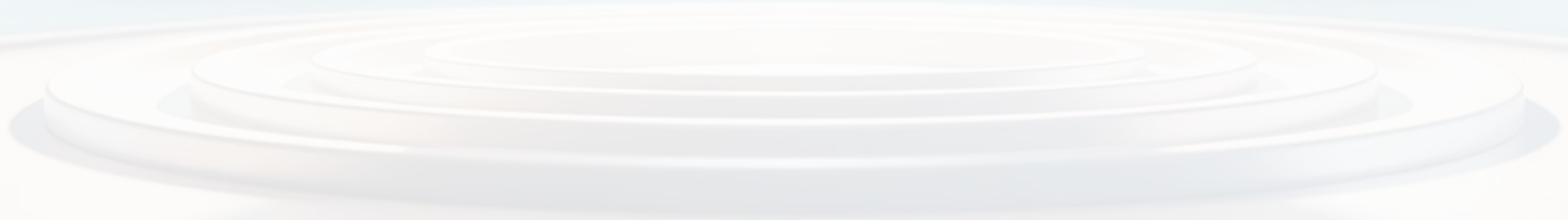# AMAL Stablecoin Ecosystem

"The future of transparent, stable, and sustainable giving."

Vision

AMAL is building a next-generation crypto donation ecosystem powered by a **hybrid algorithmic stablecoin** pegged to the US dollar. AMAL is not just a donation token; it is a **mission-driven financial system** designed for global impact.

In this model, donations are made in fiat (or crypto), **converted into AMAL**, and distributed to individuals or organizations in need. AMAL is pegged to $1 USD, **backed by a diversified reserve of real-world and digital assets**, and managed with smart contract-based algorithmic stabilization. Idle AMAL donations **earn passive yield**, allowing the protocol to generate sustainable revenue without touching the donor's intended contribution.

Stable value	Donor transparency	Global accessibility

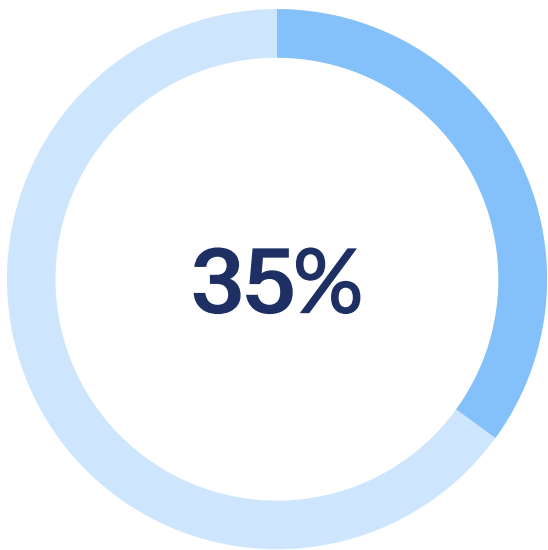| On-chain auditability	Sustainable treasury growth

The result is a system that combines these five key elements.
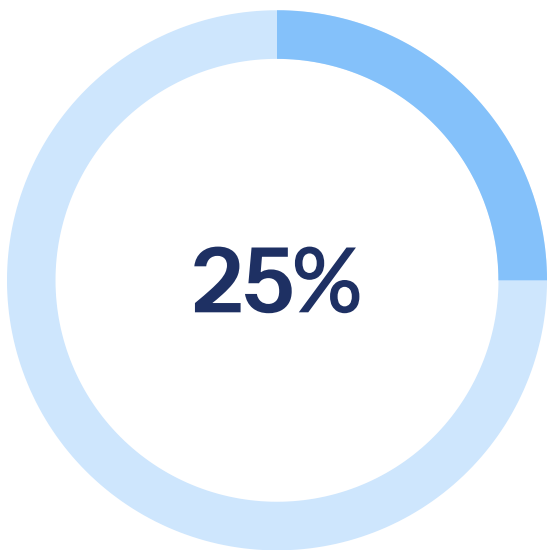
Core Components

AMAL Stablecoin ($AMAL)

- **Peg:** 1 AMAL = $1 USD (soft peg)
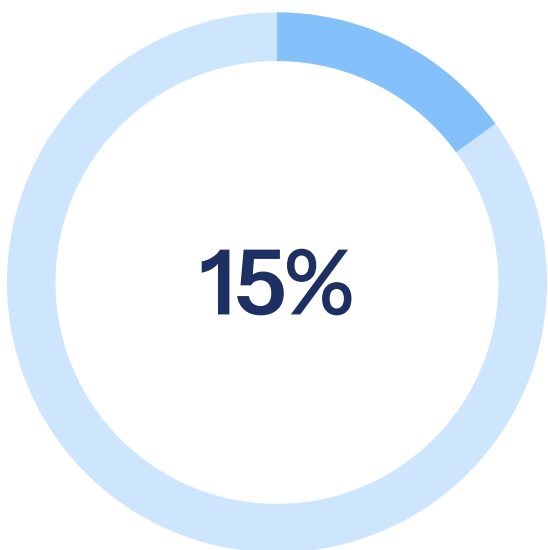- **Mechanism:** Hybrid collateral + algorithmic supply rebalancing
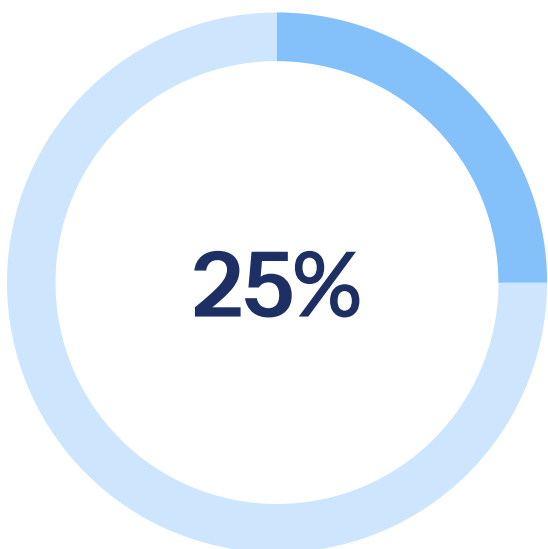
Collateral Composition:

35%

Fiat Cash & Tokenized U.S. Treasury Bills (e.g., via Circle, Ondo)

25%

Crypto Assets (ETH, BTC, stETH, cbETH, wBTC)

15%

Tokenized Commodities (e.g., PAXG, XAUT)

25%

Algorithmic Buffer Reserves (protocol treasury, smart contract controlled)

Where Are Reserves Held & How They Earn Yield

All reserve assets—whether fiat-backed tokens, crypto, or commodities—are **held in decentralized, protocol-owned vaults or in institutional-grade custodians integrated with smart contracts.** These reserves are transparent, auditable, and optimized for yield generation. Here's how:

Fiat Reserves:

- Held as tokenized fiat or USDC in regulated custodians like Circle
- May also include tokenized T-bills (via platforms like Ondo Finance, BackedFi, MatrixDock)
- These assets **earn 4–6% yield annually**, and the principal is always accessible

Crypto Reserves:

- ETH and BTC held in non-custodial protocol vaults
- Staked ETH (via stETH or cbETH) **automatically earns ~3–5% staking yield**

Commodities (e.g., Gold):

- Tokenized gold (PAXG/XAUT) stored in regulated vaults but usable on-chain
- Held as inflation-resistant store of value, with some earning yield through DeFi integrations

Algorithmic Reserves:

- Protocol-controlled buffers used to stabilize peg via smart contracts
- Participates in arbitrage, mint/burn, and liquidity provisioning — generating rewards from protocol usage

All yield from these reserves is retained by the protocol and used for sustainability, operations, and development — without touching donor capital.
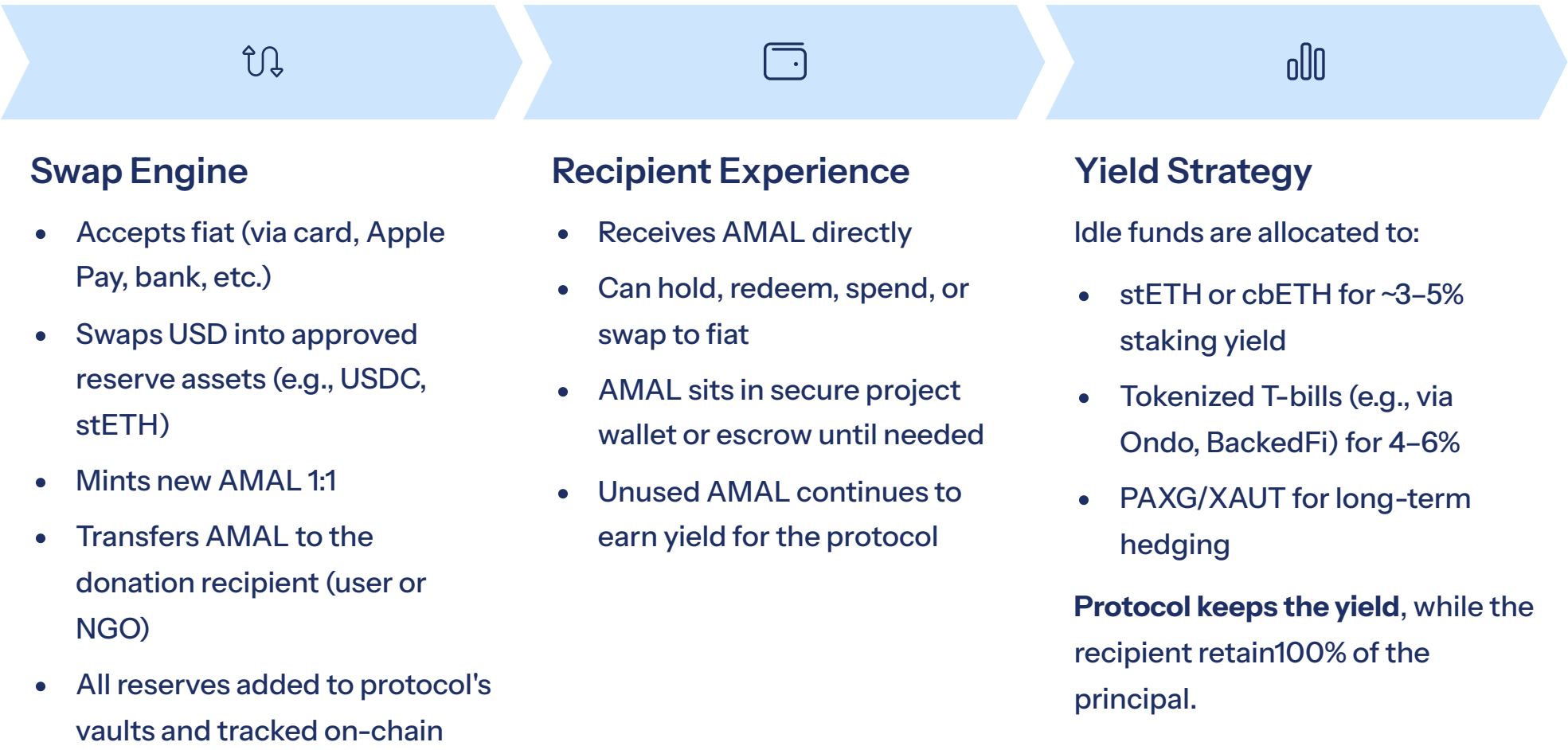
Comparison with Other Stablecoins

Stablecoin	Type	Backing	Transparency	Use Case	Risk Factors
USDC	Fiat-backed	100% USD in bank reserves	Monthly attestations	Payments, DeFi	Centralized, custodial risk
DAI	Crypto-backed (overcollateralized)	ETH, USDC, others	Fully on-chain	DeFi, CDP	Overcollateralized, exposure to crypto volatility
FRAX (v1)	Hybrid (partial collateral + algo)	USDC + algorithmic buffer	Moderate	Efficiency-focused DeFi	Requires market trust, governance dependent
UST (Terra)	Algorithmic only (failed)	No reserve backing	None	Pure algo DeFi	Collapsed due to bank-run dynamics
RSV (Reserve Protocol)	Basket-backed hybrid	Fiat and tokenized RWAs	On-chain & off-chain	Inflation-resistant store of value	Low liquidity, under development

AMAL builds on the lessons from each:

- Real reserves like USDC and DAI
- Algorithmic stabilization like FRAX
- Avoids pure algorithmic fragility like UST
- Designed specifically for transparency, donations, and real-world utility

AMAL Ecosystem Components

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Swap Engine	**Recipient Experience**	**Yield Strategy**

Swap Engine

- Accepts fiat (via card, Apple Pay, bank, etc.)
- Swaps USD into approved reserve assets (e.g., USDC, stETH)
- Mints new AMAL 1:1
- Transfers AMAL to the donation recipient (user or NGO)
- All reserves added to protocol's vaults and tracked on-chain

Recipient Experience

- Receives AMAL directly
- Can hold, redeem, spend, or swap to fiat
- AMAL sits in secure project wallet or escrow until needed
- Unused AMAL continues to earn yield for the protocol

Yield Strategy

Idle funds are allocated to:

- stETH or cbETH for ~3–5% staking yield
- Tokenized T-bills (e.g., via Ondo, BackedFi) for 4–6%
- PAXG/XAUT for long-term hedging

Protocol keeps the yield, while the recipient retain100% of the principal.

Use Case Scenarios

Donation to NGO:

- $1,000 card donation
- Converted to $1,000 AMAL → NGO wallet
- NGO accesses funds over 6 months
- Protocol earns $30–50 in passive yield during idle period

Donation to Individual:

- User A donates $200 to family in crisis
- Converted to AMAL, instantly delivered
- Recipient can spend, hold, or redeem

Ongoing Campaign:

- Project raises $100K
- Unlocks $10K/month over 10 months
- Remaining funds earn yield month-to-month

Protocol Revenue Streams

Source	Description	Use Case
🔄 Swap/Mint Fees	Small fee during fiat-to-AMAL conversion	Treasury revenue
📈 Yield on Reserves	stETH, T-bills, gold backing earn passive yield	Operational sustainability
🌎 Idle Fund Yield	AMAL in campaign vaults earns interest	Long-term protocol profit
🪨 Redeem Fees	Optional fee on AMAL-to-fiat off-ramp	Platform maintenance and dev
👤 Governance Token	Vote on protocol rules and revenue use	Treasury allocation, grants, buybacks

Transparency & Trust

On-chain Dashboard

Shows reserve breakdown, peg history, vault status

Oracle Feeds

Chainlink or similar used to monitor prices and trigger actions

Audits

Security and financial audits regularly published

DAO Governance

Community votes on treasury decisions, reserve mix, and fees

Ethical & Scalable Impact

AMAL enables crypto donations with fiat entry

Donors get transparency and price stability

Recipients get utility, flexibility, and fairness

Protocol gains ethical revenue by using idle capital

> Unlike traditional platforms that charge fixed fees or centralized stablecoins that offer no mission alignment, **AMAL aligns financial sustainability with charitable purpose.**

🌐 Long-Term Vision

AMAL becomes the default stablecoin for global giving — trusted by donors, NGOs, individuals, and institutions alike.

With its fiat on-ramp, yield-generating reserves, transparent governance, and global mission, AMAL will define a new standard in donation finance.

Launch fiat-to-AMAL swap UI

Establish first yield strategies

Deploy DAO structure

Onboard strategic NGOs and campaigns

AMAL: The Future of Giving

"Powered by DeFi, governed by the people, designed for global kindness."