BM Protocol Whitepaper

BM Finance is pioneering Agentic Finance infrastructure to enable seamless value circulation and appreciation across traditional and decentralized finance in the AI Agent era.

Project Overview

BM Finance is pioneering Agentic Finance infrastructure to enable seamless value circulation and appreciation across traditional and decentralized finance in the AI Agent era. Our mission is to empower them by providing a stable, compliant and scalable protocol for liquidity, financing and arbitrage. AI agents integrate BM Finance to capture real-time opportunities across global markets. BM Finance is positioned to become the core value layer powering the AI driven financial ecosystem.

As a core channel for on-chain and off-chain asset flows, BM Finance Protocol delivers stable, compliant, and scalable access to liquidity, collateralized financing, and arbitrage for various participants, including AI Agents. Leveraging BM Finance, AI Agents seamlessly access global liquidity across multiple markets, including cryptocurrencies, equities, bonds, and more, capturing arbitrage and allocation opportunities in real time, securely managing collateral assets, executing risk management and liquidation processes, and ultimately maximizing value creation. BM Finance Protocol is positioned to become the core value layer powering the AI-driven financial ecosystem.

By the end of 2025, the protocol's cumulative loan volume is projected to reach USD 10 million, with estimated protocol revenue of USD 1 million.

Through innovative financial architecture and product capabilities, BM Finance Protocol empowers participants to fully unlock asset value across both crypto and traditional financial systems:

- **Efficient Assets Conversion Channels**
  BM Finance Protocol removes barriers for participants moving between fiat and digital assets. Users can convert assets seamlessly, efficiently, and at lower costs, enabling smooth transitions between traditional finance and the Web3 ecosystem while capturing opportunities across global financial markets.

- **Digital Asset Collateralized Financing**
  BM Finance Protocol unlocks the liquidity potential of digital assets, allowing users to obtain fiat liquidity quickly and securely by collateralizing digital assets. This reduces financing costs, enhances capital utilization, and transforms on-chain assets into deployable capital.

- **Dual-Track Value Growth**
  BM Finance Protocol enables flexible allocation across traditional and crypto financial systems, allowing participants to simultaneously gain yields, benefits, and rights within both systems. This approach breaks down allocation barriers and maximizes overall asset returns.

BM Finance Protocol is not just a value conduit, it is emerging as a key gateway for the future integration of global financial markets. We believe that the future value system will be fully interconnected and borderless, with BM Finance Protocol positioned as a pioneer and

foundational infrastructure in this revolution.
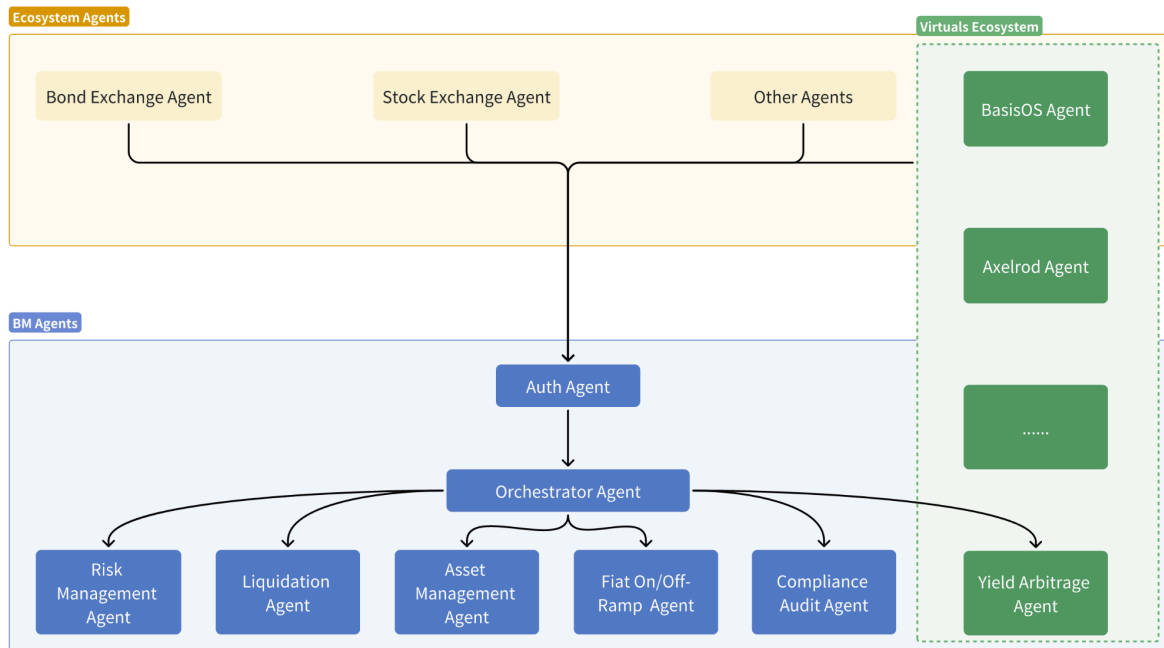
Vision

Bridging On-Chain and Off-Chain, Unlocking Asset Liquidity.

BM Finance Protocol firmly believes that crypto finance and traditional finance are not two isolated worlds, but should form a unified, deeply integrated, and mutually empowering system. We are committed to eliminating the long-standing value gap between these two systems, and to building a new global financial order that is borderless, open, and integrated, enabling value to flow freely across time, geography, and asset classes.

Mission

Building the Agentic Finance Layer to Empower AI Agents and Drive Global Asset Value Appreciation.

BM Finance Protocol is dedicated to building secure, efficient, and scalable on-chain and off-chain liquidity infrastructure. We empower AI Agents to efficiently access liquidity, manage collateral, execute liquidations, and capture arbitrage and allocation opportunities globally. By enabling flexible asset allocation between traditional and crypto financial systems, BM Finance Protocol continuously unlocks asset liquidity value, driving the deep integration and openness of the global financial system.

Core Capabilities: Intelligent Financial Engine Connecting On-Chain and Off-Chain Asset Value

BM Finance Protocol has built its core services and security engine based on AI Agents, delivering a highly automated, intelligent financial infrastructure. Key capabilities include:

- Real-time monitoring of collateral asset value fluctuations
- Automated risk assessment and dynamic Loan-to-Value (LTV) adjustments
- Automated execution of KYA (Know Your Address), KYT (Know Your Transaction), and Anti-Money Laundering (AML) compliance processes

These capabilities significantly reduce compliance risks and operational costs while enabling real-time risk alerts and automatic liquidations.

The modular design allows these core capabilities to be flexibly combined and applied across various scenarios. For example, LP Tokens can be utilized across multiple DeFi protocols, further enhancing liquidity and capital efficiency. The protocol also supports AI Agent-based asset custody and collaborative decision-making. Users may delegate asset management to AI Agents for portfolio allocation advice, or even enable cross-agent collaboration via the ACP protocol with other AI Agents (e.g., BasisOS, Axr). Through this cooperation, AI Agents can autonomously capture arbitrage opportunities across crypto and fiat markets, optimizing returns for users.

Product Features

Collateralized Lending: Interest Rates as Low as 0%
Users can collateralize on-chain crypto assets and receive fiat liquidity directly into their bank accounts, with interest rates as low as 0%.

On/Off-Ramp: Transaction Fees as Low as 0%
BM Finance Protocol provides users with seamless, low-cost on/off-ramp services. Without the need for repeated KYC procedures, users can deposit and withdraw funds conveniently, with transaction fees as low as 0%.

Virtual Accounts: Flexible Asset Management
Virtual accounts provide a unique routing and account number that accepts wire transfers and ACH deposits. These accounts can also integrate with brokers, credit card accounts, and payment channels, allowing funds to move freely across platforms.

Transfers & Payments: Unrestricted Fund Usage
Users can freely transfer and remit funds globally using both fiat and crypto for payments, consumption, and investments.

On-Chain Asset Yield Generation
BM Finance Protocol enables users to stake assets and generate on-chain yield. Within a secure and controlled framework, users can earn alpha returns that exceed market averages, further unlocking asset value and enhancing overall portfolio performance.

Problems Addressed

In today's financial landscape, the crypto world and the fiat world operate as two parallel but disconnected systems, separated by a significant value gap. BM Finance Protocol aims to serve as the value bridge between these two ecosystems, breaking down barriers and enabling seamless, frictionless value circulation across on-chain and off-chain markets. This promotes the deep integration of global asset markets while unlocking greater liquidity and growth potential for global assets.

Challenges When Transitioning from the Crypto World to Traditional Finance

- **Missed Growth Opportunities**
  When users sell crypto assets to obtain fiat liquidity, they often forgo potential future price appreciation, limiting the long-term growth potential of their holdings.

- **High Costs and Complex Processes**
  On/off-ramp processes are complicated and expensive. Converting between crypto assets and fiat currency typically incurs high transaction fees, which significantly erode user returns.

- **Heavy Capital Gains Tax Burden**
  In many jurisdictions, selling crypto assets triggers substantial capital gains taxes, in some cases as high as 50%, further compressing investment returns.

Challenges When Entering the Crypto World from Traditional Finance

- **Limited Compliant Channels**
  Fiat on-ramp options for individuals are scarce. Most regulated channels primarily serve institutional or high-net-worth clients, making it difficult for small and mid-sized investors to participate directly.

- **High Entry Barriers and Complex User Experience**
  Crypto financial products are often complex, requiring specialized technical skills and financial knowledge. The steep learning curve and operational complexity make it challenging for average users to enter and participate effectively.

- **High Fees and Cumbersome Procedures**
  Fiat on-ramp services frequently involve high fees, complex identity verification, compliance checks, and lengthy onboarding processes. Users often face significant service charges and hidden costs, resulting in a frustrating and inefficient experience.

BM Finance Protocol was created specifically to address these core pain points. Through technological innovation and optimized financial architecture, BM Finance Protocol eliminates the value barriers between the crypto and traditional financial worlds, enabling truly free value circulation, empowering users to take full control of their assets, and returning finance to its fundamental purpose.

A Everyone Wins Model for Users, Community, and Protocol

BM Finance Protocol is built with a user-centric approach, delivering an optimized user experience while carefully balancing the interests of users, the protocol, and the broader community. Through sound product architecture and financial design, BM Finance Protocol establishes a virtuous cycle of aligned incentives among all stakeholders, creating a sustainable and innovative financial model.

For Users: Value Realization and Seamless Experience

- **Secure and Convenient Access Without Barriers**
  Users can seamlessly and securely move assets between the crypto and traditional financial worlds without complex procedures or technical hurdles, enabling effortless cross-system asset allocation and conversion.

- **Diversified Financial Services with Significant Cost Competitiveness**
  BM Finance Protocol provides a full suite of low-cost services, including lending, collections, payments, and on/off-ramp solutions. Users can efficiently leverage their assets to obtain liquidity while avoiding the high fees and cumbersome processes typically found in traditional financial systems.

- **Unlocking Yield Potential of Assets**
  Users can stake their digital assets under controlled and secure conditions to earn alpha returns that exceed market averages, further improving capital utilization and expanding overall yield opportunities.

- **Fair and Transparent Interest Rate Mechanism**
  Interest rates are designed to be fair, transparent, and predictable, with no hidden fees, ensuring users have full visibility into costs and enjoy a straightforward financial experience.

- **24/7 Continuous Asset Optimization**
  AI Agents collaborate and dynamically optimize asset utilization in real time, maximizing capital efficiency and ensuring that assets operate efficiently across different markets and scenarios around the clock.

For the Protocol: Sustainable Profitability and Global Expansion

- **Robust Revenue Model**
  The protocol generates stable long-term revenue through on-chain yields, service fees, and efficient cost management, ensuring the sustainable growth and development of the protocol.

- **Comprehensive Risk Control System**
  Leveraging dynamic Loan-to-Value (LTV) management and over-collateralization mechanisms, BM Finance Protocol effectively mitigates market volatility and default

risks, safeguarding the protocol's financial stability and security.

- **Highly Scalable Architecture**
  The system's flexible, modular design supports rapid adaptation to various markets and regulatory environments, enabling global expansion and multi-market deployment with strong scalability and replicability.

Massive Market Integration Potential

Within the global financial system, digital assets remain in the early stages of rapid development. A significant value gap continues to exist between traditional finance and crypto finance. Crypto assets are positioned to serve as a powerful complement to traditional financial systems, this is precisely the core opportunity that BM Finance Protocol is targeting.

- **Global Traditional Financial Market Size**
  As of July 2024, the combined market capitalization of global equities and bonds has reached approximately **USD 255 trillion**.

Exhibit 1: The value of global stocks and bonds
Global equity & debt securities outstanding ($tn)

$255tn
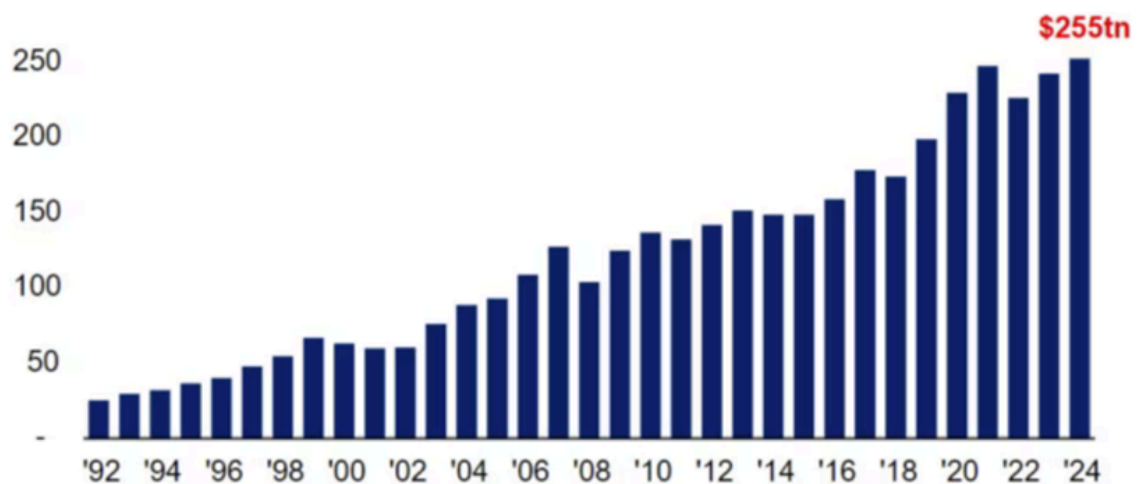
Source: BofA Global Investment Strategy, GFD Finaeon, DLX Haver, Bloomberg

- **Crypto Asset Market Size**
  As of June 2025, the total global cryptocurrency market capitalization stands at approximately **USD 3.4 trillion**.

2025年6月1日 GMT+8 8:00:00
总市值: US$3,394,066,140,352
交易量: US$90,538,022,368

The size of traditional financial markets far exceeds that of the current crypto asset market. This substantial gap represents the primary growth opportunity for future integration. BM Finance's mission is to bridge this value channel, driving the progressive convergence of these two financial systems, eliminating long-standing value barriers, and unlocking significant incremental market potential.

Diversified Scenarios

The cross-domain financial architecture built by BM Finance Protocol not only bridges the value gap between the crypto and traditional financial worlds, but also unlocks real-world value across a broad range of application scenarios. Serving investors, AI Agents, individual and institutional clients, BM Finance Protocol enables true value circulation and continuous value growth.

Professional Investors: Bilateral Value Circulation and Growth

- **Cross-Market Arbitrage**
  Users can flexibly allocate capital between cryptocurrency markets and traditional capital markets to capture price differentials and maximize bilateral arbitrage opportunities.

- **Asset Yield Generation**
  Through staking mechanisms, users can earn stable returns that exceed market averages under controlled and secure conditions.

- **Cross-Border Transactions and Capital Flows**
  BM Finance Protocol simplifies traditionally costly and complex cross-border payments, supporting efficient use cases such as international trade, remittances, and settlement.

- **Collateralized Lending and Liquidity Management**
  Users can quickly and securely unlock liquidity from digital assets to meet a variety of short-term funding needs for both individuals and enterprises.

AI Agent Application Scenarios

- **Asset Management**
  AI Agents manage user assets by autonomously executing portfolio allocation and management strategies, dynamically optimizing returns.

- **Trading Arbitrage**
  Collaborate with other AI Agents to identify and execute arbitrage opportunities across on-chain and off-chain markets in real time, improving capital utilization efficiency.

- **Risk Management**
  AI Agents automatically perform risk assessments and monitoring, including KYA, KYT, AML compliance processes, and generate automated compliance reports, reducing compliance costs and exposure.

- **Automated Liquidation**
  AI Agents monitor collateral asset value fluctuations in real time, automatically triggering liquidations to ensure system stability and security.

Individual User Application Scenarios

- **Daily Expense**
  Users can instantly convert crypto assets into fiat for everyday consumption such as shopping and lifestyle spending.

- **Investment Arbitrage**
  Users flexibly allocate capital between traditional and crypto assets to capture arbitrage opportunities and optimize portfolio returns.

- **Short-Term Liquidity Needs**
  By collateralizing digital assets, users can obtain short-term loans to meet temporary liquidity needs without selling long-term holdings and sacrificing potential future gains.

- **Personal Yield Generation**
  Users can stake assets under secure mechanisms to earn stable interest, enhancing overall personal asset returns.
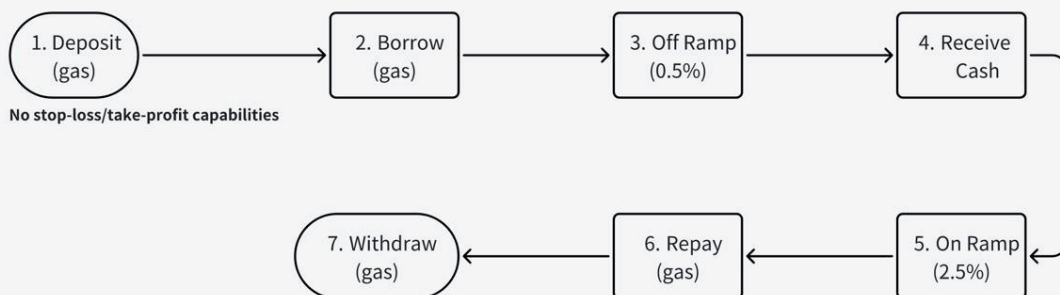
Enterprise Client Application Scenarios

- **Cross-Border Trade and Payment Settlement**
  BM Finance Protocol simplifies cross-border payment processes, reduces foreign exchange and transfer costs, and enhances the efficiency of international trade transactions.

- **Payroll Management**
  Enterprises can leverage BM Finance's liquidity management capabilities to flexibly arrange salary payments for international employees or remote teams, improving efficiency and regulatory compliance.

- **Corporate Arbitrage and Financial Optimization**
  Firms can conduct arbitrage across different markets and currencies, optimizing capital allocation and improving overall financial performance.

- **Enterprise Treasury Yield Management**
  Idle funds can be staked to generate stable long-term returns under secure risk controls, enhancing corporate treasury utilization efficiency.

Competitive Analysis

Competitors	Annual Loan Volume (2024)	Supported Tokens	Annual Interest Rate	Origination Fee (based on loan amount)	Overall Cost ($10k, 90 days)
BM.Finance	N/A	BTC/ETH (LTV: 50%) USDT/USDC(LTV: 95%) Restaked/Wrapped, RWA	0% - 9.5%	$0 or $50	$0.00 - $147.95
Ledn.io	$1.67 billion until Q3 in 2024	BTC/ETH (LTV: 50%)	Starting at: 10.4%	2%	$456.44
Antalpha	$1.6 billion	BTC (LTV: 50% - 80%)	8.5%	2% (On/off ramp)	$409.59
Aave	$13 billion	BTC(LTV:73%)/ETH(LTV:80%)/USDC(LTV:75%)/USDC(LTV:75%)/DAI(LTV:63%)	3.5% - 7.5%	2% (On/off ramp)	$286.30 - $384.93

Before

Other Loan Protocols Process

1. Deposit (gas) → 2. Borrow (gas) → 3. Off Ramp (0.5%) → 4. Receive Cash

No stop-loss/take-profit capabilities

7. Withdraw (gas) ← 6. Repay (gas) ← 5. On Ramp (2.5%)

After

BM.Finance Loan Process

1. Borrow (gas) → 2. Receive Cash → 3. Repay With Crypto(gas) or With Cash/Credit Card

Stop-loss/take-profit can be set
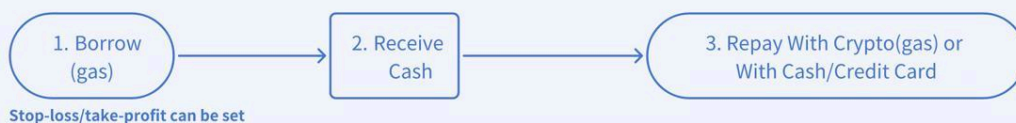
Business Model

BM Finance Protocol operates a clear and sustainable profit model driven by service fees, borrowing interest, and staking yields. While delivering value to users, the protocol establishes a self-reinforcing commercial loop. Revenue grows in parallel with user adoption and transaction volume, enabling long-term value capture capabilities.

Core Revenue Sources

Revenue Source	Description	Revenue Characteristics
Fiat on/off ramp fees	Bidirectional transaction fees for fiat and crypto asset conversions	Scalable and stable
Lending Service Fees	Service fees for collateralized lending protocol	Stable and cost-covering
Interest Income from Lending	Interest sharing from protocol's own liquidity or LP participation	Stable cash flow
On-Chain Collateral Yield Sharing	Proportional sharing of on-chain yield from user collateralized assets	Additional incremental income
Technology Service Revenue	API/Agent integration services and customized solutions	Expanding revenue streams

Advantages of the Profit Model

- **Diversified Revenue Streams:** Multiple income sources — including service fees, interest, and staking yields — enhance resilience across market cycles and ensure revenue stability.
- **High Scalability:** Protocol revenues scale proportionally with user growth and transaction volume, providing strong expansion potential.
- **Global Adaptability:** The system is designed to flexibly integrate with various fiat currencies and financial markets, enabling rapid cross-border deployment.
- **Efficient Capital Utilization:** Flexible asset allocation allows for compounded yield generation, improving overall capital efficiency and operational performance.

Core Team & Experience

BM Finance is powered by a core team that combines deep expertise in traditional finance with extensive capabilities in Web3 and AI technology. With cross-cycle and cross-domain industry experience, the team is committed to building institutional-grade blockchain financial infrastructure for both AI agents and humans.

- **Andy Zhang**
  Over 25 years of experience in FinTech, Web3, and enterprise technology, Andy is a seasoned entrepreneur and executive who has held senior leadership roles including Chief Architect and CTO at MNCs and startups. He brings deep expertise in financial business models, blockchain infrastructure, and AI integration, with a strong track record in strategic planning and digital transformation. He has led central bank stablecoin pilots across Asia-Pacific and Africa, and serves as Committee Member and Head of China Affairs at the Asia Blockchain Association. His work has been recognized with awards from MAS, IDC, and Gartner, and he has published research and advised majors on Web3 adoption.

- **Victor Feng**
  Seasoned software engineer with 17+ years specializing in blockchain infrastructure, with deep expertise in Ethereum smart contracts, dApps development, and omnichain DeFi protocols. Led zero-to-one development of multi-central bank collaborative stablecoin pilots and modernized enterprise infrastructures, demonstrating unparalleled competency in cross-border financial systems and hybrid blockchain solutions. Architected large-scale distributed systems, with proven leadership across payment networks, Internet banking systems, and cloud-native stack implementation, consistently delivering complex financial products with cutting-edge technologies.

Bridging Traditional Finance and Crypto Expertise

The core team has worked with central banks and government agencies across multiple countries.
Deep involvement in the implementation of Web3, blockchain, and stablecoin technologies in cross-border payments and trade.
Mature understanding of policy frameworks and strong regulatory compliance capabilities.
Multiple government innovation awards received.

Dual Engine of Technology and Business

Able to achieve optimal balance between security, performance, and innovation, enabling efficient protocol deployment and stable operations.

Advisory & Global Resource Network

Supported by advisors and partners from central banks, major commercial banks, and leading Web3 projects. Comprehensive coverage across policy, markets, and technology.
Building a global compliance-driven expansion path to ensure the protocol maintains its

long-term leadership in the competitive landscape.

Tokenomics

BM Finance Protocol issues the protocol-native governance and value capture token **$Money**, designed to drive long-term protocol growth, foster ecosystem collaboration, enable value sharing, and ensure the sustainable development of the protocol's governance framework.

Token Role & Positioning

Role	Description
Governance Rights	Participate in major protocol governance decisions, including parameter tuning, fee model adjustments, etc.
Value Capture	Part of the protocol revenue is used for token buyback and burning or distributed to staked users.
Liquidity Incentives	Incentivize liquidity providers (LPs), borrowers, and deposit/withdrawal users.
Ecosystem Expansion	Incentivize ecosystem partners, developers, regulators, and marketing promotion.

Core Utilities of the Token

Staking Mechanism

- Users can stake $Money to participate in protocol governance and increase their voting power.
- Stakers are entitled to profit-sharing based on protocol revenues, which include:
    - Interest income from loans
    - Fees from fiat on/off ramp services
    - Yields from asset management
- Stakers enjoy discounted fees on borrowing services and fiat on/off ramps during the staking period.
- A portion of the staking pool is subject to lock-up, creating a stable long-term liquidity pool.

Fee Utility

- Using $Money to pay protocol fees offers an up to 50%.
- Discounts apply to various fee scenarios, including:
    - Fiat on/off ramp fees
    - Loan interest payments
    - Pay gas fees
- This enhances $Money's utility and payment value across day-to-day protocol use cases.

Ecosystem Incentives

- Targeted support for long-term contributors including:
    - Ecosystem builders
    - Strategic partners
    - Developer communities
    - Market expansion teams
    - Compliance consultants

Token Issuance Mechanism

Module	Allocation	Description
Public Sale	37.5%	Fixed allocation ratio required by Virtuals protocol Launch.
Liquidity Pool	12.5%	Fixed allocation ratio required by Virtuals protocol Launch.
Team	20%	3-month lock-up, followed by linear vesting over 12 months.
DAO Treasury	22%	Supports ecosystem fund, developer fund, long-term reserves, strategic partnerships and resource collaboration. Lock-up: 3 months, linear vesting over 12 months.
Early Supporters Airdrop	3%	Incentives for early contributors and core airdrop users. 3-month lock-up, followed by linear vesting over 3 months.
Marketing	5%	Marketing, user growth, and channel expansion. 3-month lock-up, followed by linear vesting over 3 months.

Note: Specific allocation ratios may be adjusted at the Token Generation Event (TGE) stage.

Deflationary & Value Growth Mechanisms

- **Revenue Buyback**: A portion of quarterly protocol profits will be used to buy back and burn $Money.
- **Dynamic Emission Reduction**: The incentive pool will follow a pre-set decaying release curve, gradually decreasing emissions year-over-year to control long-term inflation.
- **Staking Requirement**: Core protocol functions and governance rights require $Money staking, increasing long-term holding demand.

- **Vesting & Unlocking**: Team, marketing, and ecosystem partners will be subject to rational lock-up periods and vesting schedules to ensure healthy token circulation in the market.

Ways to Earn $Money

Early Participants

- Early seed users of the protocol may receive $Money airdrop rewards for participating in new feature testing, contributing to community building, and supporting protocol promotion.

Protocol Users

- Users who engage in protocol services (such as collateralized lending, fiat on/off ramp, liquidity provision, etc.) can earn $Money rewards.

Staking $Money

- Users who stake $Money will receive staking rewards based on their staking amount and duration.

Roadmap

2025 - Core Product Development and Rapid Iteration Phase

Q3: Product Development & Controlled Beta + Public Beta
- Collateralize crypto assets (USDC/USDT/WBTC/ETH/VIRTUAL) to obtain fiat liquidity.
- Fiat on-ramp and off-ramp services.
- Automated liquidation mechanisms.
- Official launch of Public Beta.
- Token incentive mechanisms.
- On-chain LP liquidity provisioning support

Q4: Optimization, Validation & Go-To-Market
- Launch of GTM (Go-To-Market) strategy.
- Deployment of virtual account system, integrating brokerage, credit card, and payment channels.
- Introduction of on-chain yield generation strategies.
- Support for additional fiat currencies such as EUR, MXN, and others.
- Enhancement of compliance, risk management, and regulatory reporting systems.
- Enable composable services for AI Agents.
- Achieve cumulative transaction volume exceeding USD 10 million.

2026 - Market Expansion and Ecosystem Building Phase

Q1: Asset Diversification & Ecosystem Expansion
- Support for RWA collateralized lending.
- Multi-chain and cross-chain asset integration.
- Establishment of early ecosystem alliances to onboard key Web3 and DeFi partners.

Q2: Global Expansion & Scale Breakthrough
- Build regional compliance and partnership networks.
- Deepen collaboration with institutional and enterprise clients.
- Onboard large-scale liquidity providers to continuously expand LP capacity.