

Basic Details

Project name:

Alluo

Author name and forum name (please provide a reliable point of contact for the project):

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L2 recipient address:

0xc7061dD515B602F86733Fa0a0dBb6d6E6B34aED4

Which Voting Cycle are you applying for?:

Cycle 11

I confirm that I have read the landing pages for the Builders 3 and Growth Experiments 4 Sub-Committees and that I have determined my proposal is best suited to be reviewed by the Builders Sub-Committee: [Yes/No]:

Yes

Project Details

What are you building?:

Alluo is a DAO. It is a DeFi project that is democratising access to financial services. The protocol utilises web3 and DeFi to achieve this goal and aims to find a sweet spot between traditional fintech and DeFi.

Alluo gives all customers access to personal finance tools, great rates, and non-custodial access to their funds while taking away all the complexity of DeFi and delivering a seamless user experience.

The Alluo Protocol that powers the mobile app and dApp is a cross-chain Yield Optimization and Liquidity Direction Protocol and Exchange to facilitate the decentralised and autonomous execution of the governance process. It can exchange tokens and execute cross-chain funds deployment in a variety of DeFi yield farming strategies in a fully trustless and automated manner.

At its simplest, anyone with an internet connection can get an account that generates stable DeFi yield on the money they deposit on the [Alluo Mobile](#) or [Web App](#) (including crypto assets on the dAPP). Anyone can send money to their family and friends globally. Anyone can withdraw anytime for free - no lockups. Anyone can enjoy the benefit of no minimum deposits. Anyone can have an account. That's what makes Alluo, for everyone.

Mobile app users can easily deposit fiat and earn DeFi yields or stream interest bearing \$USD globally in an instant with zero crypto knowledge.

Alluo Pro users can also deposit a variety of crypto assets to access more complex boosted DeFi strategies that are typically out of reach for even proficient DeFi users given the cost and time taken to run such strategies. The Alluo 'Pro' dApp also offers additional enhanced features such as earning yield whilst Dollar Cost Averaging into ETH and BTC.

The mobile and web apps allow both experienced DeFi enthusiasts and less experienced retail users to access the DeFi features they want, with a Fintech-like user experience, in a decentralised and non-custodial manner. Users can interact with the protocol at the smart contract level, via the web interface or the non-custodial mobile app wallet deployed.

Alluo is DeFi on autopilot, for everyone.

Our dAPP is currently live on Polygon and Ethereum mainnet. Our non-custodial mobile app is on Polygon. However, we want to bring our unique DeFi on autopilot, Fintech-like user experience and mobile-app user base to Optimism, to bring more liquidity to Optimism from Polygon & Ethereum, but also critically, completely new-to-chain as well.

We propose to:

- Redeploy the Alluo decentralised web app (dApp) on Optimism
- Migrate the Alluo non-custodial mobile app to Optimism
- Deploy the yield generation part of the Alluo Liquidity Direction Protocol and Exchange on Optimism

- Create a white-label payment API enabling fast on/off ramp for stablecoins to Optimism
- We have applied for a separate builder grant specifically for this element[here](#)
- We have applied for a separate builder grant specifically for this element[here](#)
- Integrate the payment API into the non-custodial Alluo mobile app
- Integrate the payment API into Alluo dAPP

All of the above will be self-funded, with the exception of the white-label payment API which we have submitted a separate builder grant for.

In building the above we will be able to bring off-chain liquidity from both our mobile app and dAPP users and deploy in existing yield farms on Optimism from the likes of Beefy, Velodrome and Synthetix. In addition, we will be able to direct existing liquidity already captured on Polygon and Mainnet to Optimism to farm within the same strategies.

Initially, we will offer on and off-ramping of USDC as USDC constitutes more than half of the stablecoins on the OP chain today.

However, later we will enable other currencies such as agEUR or sEUR for Euro to increase appeal.

Finally, given the flexible nature of the on-ramp, once live we will also build the ability for customers to enter into any of the farms directly from their bank account, without having to exchange any tokens or create the LPs themselves. As far as we know this will be unique to Optimism, creating a sleek DeFi user experience significantly ahead of its peers.

Why is what you are going to build going to succeed?:

With over \$1bn of TVL and >40% MoM change in the last month (Defillama) Optimism is clearly attracting users and liquidity to the chain. By far the vast majority of those users are bridging funds to Optimism using Centralised exchanges.

Centralised exchanges have their place, but add unnecessary customer friction and significantly limit the potential for funds to be attracted to Optimism, especially from less technical and first-time users.

From having to register for a relevant CEX, waiting for funds to be authorised, and bridging to OP, this whole process can take over a day or more. For new users, sending funds from a CEX to their wallet on chain can be a nerve-wracking experience between the risk of sending funds to the wrong chain or making a mistake when copying their wallet address (it is not rare for people to send funds directly to an ERC20 token address like USDC by mistake). This is all before they even have to start to work out how to interact with LPs and yield farms which presents yet another significant hurdle for the new customer.

We believe that providing retail customers with a simple, easy route to earn great DeFi yields on OP direct from mobile and dApp, with a Fintech-like UX, will step-change the volume of customers and liquidity interacting with dApps on OP.

Furthermore, enabling end-users to onramp directly on the dApps themselves (like Alluo, Velodrome, Synthetix etc.) with a market-leading user experience will lead to a significant increase in the number of users experiencing Optimism as their first blockchain in a way that is in line with their prior web2 experiences.

Doing this without the need to go through a CEX is also something that is aligned with our and the foundation's ambition to improve decentralisation.

Adding OP tokens as an incentive will give people the motivation to try this new route and we are confident once they experience the step-change in experience it will become the norm going forward.

How many users does your project have currently? (Please include how you arrived at this estimate:)

We have more than 1k users with TVL of \$2.6m across polygon and ethereum mainnet and 30k+ transactions.

Our yield bearing USD (29k transactions): [Interest Bearing Alluo USD \(IbAlluoUSD\) Token Tracker | PolygonScan](#)

And the streamed version (13.7k transactions): [Streaming IbAlluo USD \(StIbAlluoUSD\) Token Tracker | PolygonScan](#)
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Regarding the on/off ramp itself, we have only recently started the build, initially on the Celo chain, so we do not have any metrics to share yet. However, we will create a dune dashboard that will let people follow our on/off ramp flows to Optimism and see how these are tracking against the benchmark metrics laid out below.

How will receiving a grant enable you to further the mission of maximising the number of users interacting with Optimism? Please include a step-by-step flow of how you imagine this grant can lead to a greater number of user interactions with Optimism:

Our grant proposal outlines a four-pronged approach to incentivise initial and repeat usage of Optimism, using incentivised fixed-rate farms and incentivised on-ramps.

Specifically, we will incentivise:

1. Optimism customer deposits on the Alluo mobile [30,000 OP] and web dApps [15,000 OP]
2. This means we will be able to both acquire deposits but also deploy that liquidity on various OP yield farms (using protocols such as Velodrome, Beefy and Synthetix to be begin with, depending on the rates being offered at the time)
3. Our fixed rate farms guarantee a rate of return for 2 weeks (in line with our governance voting cycle) and provide real yield in the farm asset (\$, € stablecoin, BTC and ETH)
4. We will continue to provide the yield in the underlying farm asset but will also incentivise usage by also giving OP tokens to depositors
5. On-ramping to Optimism through the Alluo mobile app [60,000 OP]
6. This is our unique route to market for mobile-savvy retail customers
7. Incentivising on-ramping will get them to try the app on the OP chain and access to the great rates and experience available to them on Optimism
8. On-ramping to Optimism through the Alluo web dApp [45,000 OP]
9. This will incentivise new liquidity to come and try out our App and Optimism, appealing to existing Alluo customers and new alike
10. On-ramping to Optimism through any other OP dApp that integrates with our white-label API onramp [100,000 OP]
11. This incentive will encourage other dApps to integrate with our payment API which will increase the ability for customers to onramp to Optimism
12. Adding a completely new way to on and offramp to OP with a significantly improved UX across multiple dApps will set Optimism apart from its peers for user experience

Over 80% of incentives are proposed to go towards on-ramping to minimise the potential for Sybil attacks. These are made more difficult because we need the depositor's name, we'll get the incoming bank account or debit card used and we limit the maximum reward to \$1000 for each depositor. So unless you are able to create lots of bank accounts easily, it will be hard for you to go around this.

That said, we may choose to tweak the precise allocations once live depending upon customer appeal. This will be determined in conjunction with the grant counsel for any material changes.

In combining this multi-faceted approach, we will target new on and off-chain customers, facilitate customer choice and give the greatest probability of success in growing user interaction with Optimism.

In terms of flow of events:

Firstly we will deploy our dApp, Liquidity Direction and fixed rate farms on Optimism and add incentives there. This will allow us to deploy existing capital sourced on Polygon and Ethereum and attract new deposits through the incentives.

In parallel, we will enable incentivisation of the white-label API, so that once the payment API is built any dApp that integrates with it will be able to take advantage of the growth grant incentive.

This includes Alluo; we will integrate the payment API and immediately incentivise on-ramping through the Alluo dApp, starting the flow of new off-chain customer deposits to OP. This enables a double incentive for those that have already put funds in the farm, to bring in more off-chain liquidity to earn additional OP rewards.

Finally, we will deploy the mobile app on Optimism, incentivising both the on-ramp and the deposit. Most importantly, the mobile app channel will bring a completely different user-base to OP with the ability for us to actively market to them within the app (for example each week, customers get an alert showing what they earned during the last week and the app shows projected earnings, which provides additional incentives to deposit more). This opportunity is also why we have chosen to allocate more OP to this Alluo channel vs. the dApp. The reason this will be deployed and incentivised last is due to the complexity of the build (which we will entirely fund ourselves).

Tell us about the users you plan to target with this grant. Include any defining characteristics that will help you identify and target them.:

We will be targeting users completely new to Crypto as well as Crypto natives.

Through our mobile app, we have the ability to reach retail users looking for safe, sustainable rates on their fiat and those users looking for the convenience that a mobile app allows. Through our dApp and our white-label API onramp, we will target the crypto native looking for a better, more seamless Fintech-like UI.

We have a set of four customer personas that we use to define customer characteristics. We will create, and fund, a supporting marketing campaign across various social media platforms, to raise awareness of the opportunities and incentives and to educate customers step-by-step on how to onramp and deposit into the various farms.

We will also use the mobile app push messaging feature to re-target existing customers to increase their deposits in the new Optimism farms. As well as continuing to use the more passive weekly balance and projected earnings features of the app to provide additional incentives to deposit more.

How would these users interact with Optimism? For how long?:

Optimism has proven it is a world-class chain with growth rates to back it up. However, if it is to bring millions more users to DeFi it needs access points and dApps that materially change the customer experience so users continue to choose Optimism time and time again.

On ramps are the only access points to OP for customers and their liquidity and yet today the vast majority use centralised solutions with all the challenges they bring. As well as being centralised, they add unnecessary friction and stress to even well-experienced users.

At Alluo, we create products that provide that change in customer experience, necessary to attract and maintain a high volume of users. We will enable customers to onramp to Optimism via the Alluo mobile and web dApp. We will enable customers to onramp to Optimism via any OP dApp that integrates with our white-labelled API ramp. We will deploy our 'DeFi on autopilot' fixed rate farms on OP enabling customers to go from fiat to farm in under 30 seconds - helping make OP the chain to bring DeFi to the masses.

We will therefore step-change the first impression customers have on OP. We will increase the routes to accessing OP (and DeFi on OP) by introducing a mobile access point. We will improve the user experience of farming on OP and introduce opportunities to re-target users through our mobile app to increase repeat activity.

The combination of the above will ensure customers remain for as long as customers can continue to access Defi in a fast and secure way on Optimism.

Provide us with links to any of the following for the project:

- Demo:

(https://cdn.discordapp.com/attachments/986372034823090227/1082950811312726016/Screen_Recording_2023-03-07_at_21.02.27_3.gif)

- Website: <https://www.alluo.com/>
- dApp: <https://app.alluo.finance>
- Twitter: <https://twitter.com/AlluoApp>
- Discord/Discourse/Community: [Alluo](#)
- Github: [Alluo · GitHub](#)
- Other: N/A

Do you have any metrics on the project currently? (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

We have more than 1k users with TVL of \$2.6m across polygon and Ethereum mainnet and 30k+ transactions

Our yield-bearing USD (29k transactions):

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Regarding the on/off ramp itself, we have only recently started the build, initially on the Celo chain so it is too early for us to share metrics. However, we will create a dune dashboard that will let people follow our on/off ramp flows to Optimism.

Who are your competitors, are they on Optimism?:

From an on/off-ramp point of view, there are a few widget providers like ramp.network, transak, moonpay, etc. but they don't focus on stablecoins and do not provide a white-label API to their services. Instead they constrain developers in using their widget and function much more like a centralised exchange in an iframe rather than a genuine on/off ramp white-label payment API.

In terms of places to earn yield, Beefy, Velodrome and Synthetix are among some of the existing options on Optimism. However, they typically target more experienced users and we very much see a path to coexistence.

For example, our plans include integrating our payment API into these protocols and putting strategies to our governance vote that deploy liquidity to their pools to help further grow users on OP overall.

What differentiates you from your competitors?:

- End-user experience
- Fees
- Software developer experience

At Alluo we want to give end-users an experience that is on par with the best experience within the web2 space. When using the mobile or web dApps we want people to immediately feel at home and understand what to do even if this is the first time interacting with DeFi.

[

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](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/1/1cd9a785889c35d34a505ae75759833a389244b0.jpeg)

Users of the mobile app can sign up and create their own non-custodial wallet and deposit funds to start earning DeFi yields in under two minutes. Transactions are gasless for the end user and feel just like putting money in Fintech apps like Revolut, Venmo or Cash app.

'Alluo Pro' web-app users have a similar friction-free UX and can access more complex strategies otherwise out of reach to even experienced DeFi users, plus the option to have Alluo pay for gas if they wish.

When going from Fiat to Crypto using the API payment gateway, we want an experience where people don't even realise that they are interacting with a different vendor, just like people ordering online will often interact with Stripe without ever realising that this is the case.

We also enable smoother fiat to on-chain experiences, enabling someone to go from money in their bank account to providing liquidity in a pool earning rewards with just a few clicks.

Similarly, we want the best user experience when it comes to ramp fees. Our objective is to have some of the lowest fees in the market from smaller (<100 Euro) to larger amounts (10k Euro+) where current providers only focus on one hand of the

spectrum to the detriment of the other (e.g. MtPellerin is very competitive for <500 Euro transactions but quickly rises to 1.3% for larger transactions).

Beyond card transactions, we will also offer direct bank-to-bank transactions with a twist in that each customer will have a separate account (vIBAN in Europe) which means that users will effectively be sending money to an account in their own name rather than in Alluo's or the Dapp's name - this is helpful because some banks in Europe have started to block transactions to crypto exchanges. In this case, those transactions will appear just like if the customer was sending money to themselves.

Our focus on stablecoins rather than on a broader set of assets like most of the providers in the space should allow us economies of scale ensuring that we can consistently offer the lowest fees to our users.

Finally, on the software developer side, for our payment API our ambition is to give developers an experience that is similar to Stripe, enabling builders to go from landing on our site to getting API keys and testing their first transactions within 5 minutes.

Please link to any code Audits (if any):

N/A

We have an ongoing bounty programme [Bug Bounty Program - CRITICAL TIER · Issue #16 · GetAlluo/liquidity-direction-protocol · GitHub](#) with the following tiers:

- Critical tier: \$25k
- High: \$5k
- Medium: \$500
- Low: \$250

The bug bounty program has been live since day one and has been honored 3 times.

Team

Who are your founders?:

Didier Baclin <https://www.linkedin.com/in/dbaclin/>

Remi Tuyaerts <https://www.linkedin.com/in/remituyaerts/> - prior experience in Fintech (SME lending) - exited his previous startup before Alluo

What makes your team well-positioned to accomplish your goals described in this proposal?:

Ten members of the Alluo team have previously worked together, with proven ability to build businesses from scratch. There is a significant breadth and depth of relevant experience across blockchain, banking, fintech, consumer retail and consulting - both in startups and FTSE 100 companies alike.

Didier Baclin:

Prior experience as CEO/CPO in Fintech/Banking (SME and Consumer lending) scaling lending to \$100m+ and getting a UK bank licence. This experience is highly relevant given the need to work effectively with payment partners in a highly regulated environment which is something he has done for years.

Remi Tuyaerts:

Prior experience in Fintech founded and scaled an SME lender (to \$50m+). This experience is highly relevant given the need for him and the tech team to build the right technology infrastructure which is compliant but also delivers best in class experience for users.

Bivu Das <https://www.linkedin.com/in/bivu-das-17b4395/>

Prior COO and CEO Fintech experience. Computer Science and Business Management education and extensive consulting and operational experience in Financial Services. Very experienced operating within a highly regulated environment in operations and management functions.

Julia Shaer <https://www.linkedin.com/in/juliashaer/>

15+ years in design and user experience for major brands, agencies and startups alike, with 10+ years in Fintech. World-class design is key to our proposition and Julia leads this for Alluo. She is passionate about fixing Web3 design and

constantly raises the bar for customer experience in everything she touches.

Alastair Preacher <https://www.linkedin.com/in/alastairpreacher/>

Alastair has 20+ years of expertise in product across Fintech, Banking and Consumer Retail. His experience in creating products that customers love by solving complex problems and providing great customer experience through the use of tech is exactly the right mix to help us land our ambitious plans.

Is this your first Web3 project?:

Alluo is our first web3 project as a team, but we have successfully built and scaled a Fintech lender together to over 50m+ of lending.

If not, what else have you built? (Share links, Github repository, or any other useful information.):

Several of the team have worked together for over 5 years and the core team has founded and scaled an SME lender to \$50m+.

Grant Request

What is the size of the grant request? (250k OP max):

250,000 OP

How do you justify the size of the grant?

We are proposing to undertake a large build program that includes work across our own mobile and web dApps and also requires others to integrate the white-label payments API into their own web dApp. We will also fund a marketing campaign to promote and educate users to use the ramps and farms.

We are forecasting \$50m of TVL for 250,000 OP rewards. This represents a return of \$200 for every OP given out.

We believe that the grant we requested is proportional to the effort we will extend in building the solutions and the potential they will bring. The combined effect of these solutions will be greater than the sum of their parts and will enable us to fully capitalise on the build to maximise their impact on the Optimism ecosystem.

Roadmap and distribution plan

Describe in discrete steps how you will successfully implement your grant plan:

Generally, we work in an agile way where we start from the outcome we are trying to drive and go backwards on what we need to accomplish to deliver the goal.

In this case, our ambition will be to on/off ramp at least \$50m within the next 12 months and accrue at least \$25m in our farms. Whilst this may seem relatively low in comparison to the growth of some of the protocols, it is worth remembering that the primary source of most of this money is currently sitting in people's bank accounts so it means we will be bringing new users and money on chain rather than merely channelling funds from one chain to another.

With this in mind, our plan to accomplish this project is in 3 parts:

- Build
- We have already started the white-label payment API given our recent Celo grant
- with this in mind, the API structure of our on/off ramp is already well underway and will continue
- with this in mind, the API structure of our on/off ramp is already well underway and will continue
- As a sign of our positive intent towards Optimism, we have already started the necessary work to deploy our dApp on Optimism
- The lbAlluo infrastructure is almost ready for us to start accepting crypto deposits
- The webapp design work has also been started and is about 60% complete
- However, the work to build the liquidity direction protocol and exchange remains unstarted
- We also will need to integrate the payment API into the dApp once ready
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- Distribution
- Payment API
- As outlined in the builder grant we have also started conversations which will hopefully enable us to integrate with leading protocols on Optimism such as Velodrome, Synthetix, etc
- We hope to further strengthen tconversations through the builder grant and this growth grant
- As outlined in the builder grant, in some cases, we may offer to write the front-end code for these protocols ourselves to accelerate the integration timelines and ensure the best user-experience possible
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- Promotion
- Building and incentivising alone will not allow us to achieve our ambitious goals
- We propose to create a coordinated marketing and education campaign to raise awareness and drive customers to our mobile and web dApp
- This will be across social media and run for the duration of our incentive
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Please see the milestone section for a timeline of this.