



LITEPAPER

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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 hyperinflation in developing countries, and it doesn't work for people who value their privacy. Blockchain 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, traditionally existing solutions, and the many problems that are mostly unique to developing countries. There is still much to be done in terms of UI/UX, making blockchain solutions intuitive, and connecting solutions to real-world problems.

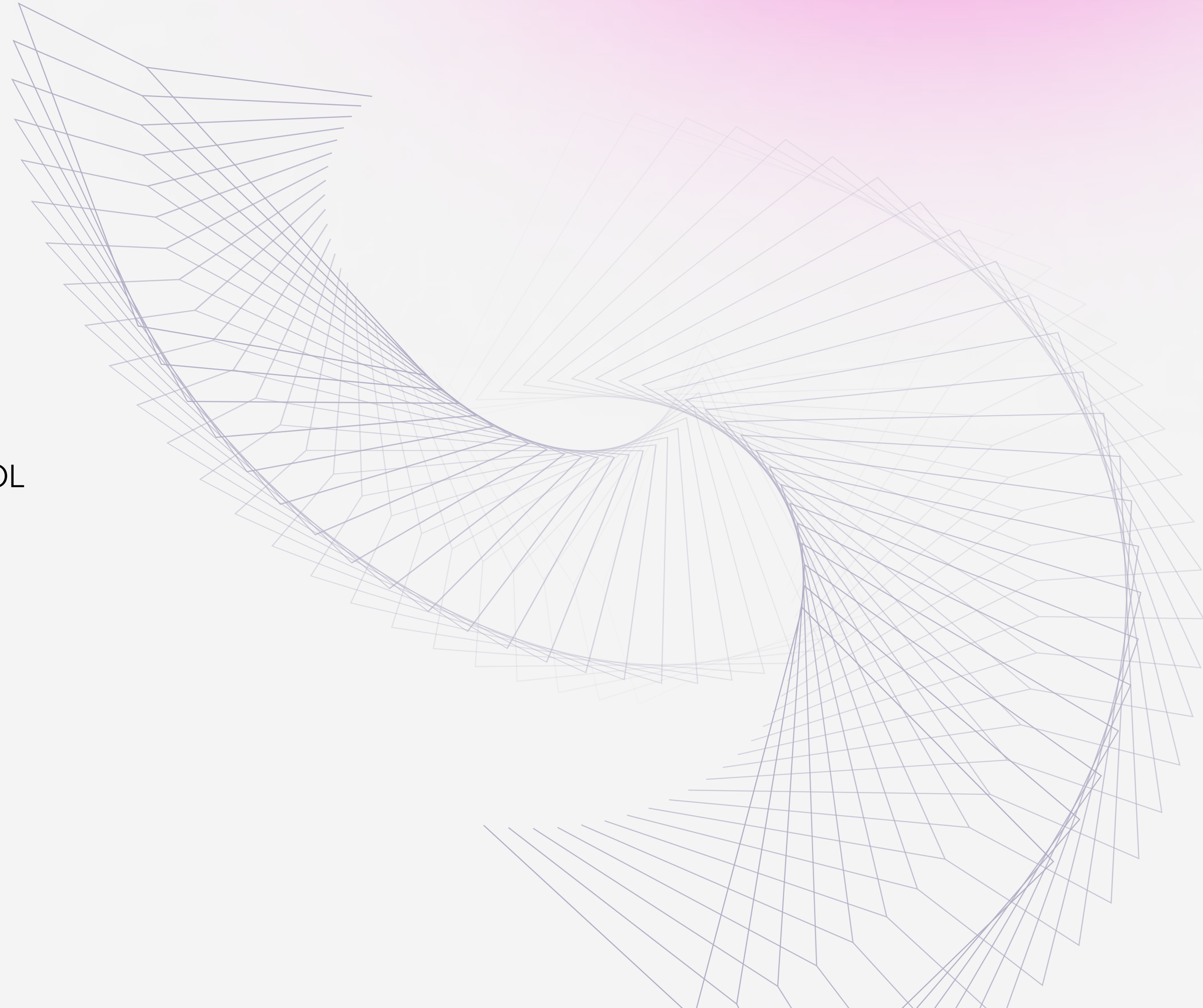
Not long ago, the idea of a trustless **peer-to-peer financing platform** would have seemed far-fetched. But today, blockchain solutions are making the idea of decentralised peer-to-peer marketplace a reality. These platforms allow anyone to lend money to their favourite entrepreneurs, causes or even individuals they don't 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 Real-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 solutions.
- Earn via multiple yields.
- Enable you to build wealth and improve financial health.

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The word "**Thrift**" is from *Armeria maritima* (Sea Thrift) which signifies prudent money management. Also, it signifies inclusiveness. The logo symbolizes *Armeria maritima*, family, savings, money, and a bright future.

An Ariob incubator startup; a programme supported by IOHK, iceaddis, and Entrepreneurdy.

Thrift is a web3 wallet that maps real needs to technology, built to improve user financial health through built-in savings, investment and payment features. It is a suite of products for decentralized, trustless, smart-contract-powered thrift savings, RealFi and DeFi systems built on a Non-custodial RealFi wallet to create a more accessible and efficient financial system in Africa. Some of the features expected include token swap, NFC cards transactions, Crowd lending, Lending protocol to offer loans, P2P service, multiple payments, 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.

One of the most well-known and promising strategies for opening up vast new financial prospects for creditors, lenders, and liquidity providers is 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 liquidity pools, yield farming and calculating impermanent loss, 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-savvy 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. Up till cryptocurrencies become the preeminent type of medium of exchange, peer-to-peer trade remains disadvantaged.

The median age in Sub-Saharan Africa is 19 years, and the population is primarily digital natives who are quickly becoming aware about cryptocurrencies; yet, there is still a significant absence 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 open, permissionless, and resilient future for global commerce and finance that affects hundreds of millions or billions of people by developing new killer apps that are not possible without blockchain technology but are very simple to use for everyone.

Highlights of The Problems:

- Over 600 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 protocols are difficult to use; and for those who 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.

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 Context Based: By tagging specific addresses, the user can organise his finances in a more productive and efficient way, assigning each address to a specific context 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 used to treat a payroll payment or the purchase of a product.

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.

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 rewarded for their commitment. This is achieved through delegation, where it is possible to link the staking power (total number of tokens) to a selected stake pool. In this way, everyone is pooled together to create new 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.

Local Languages: 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 language.

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 any type of native token without the need for smart contracts, in addition, it is possible to send tokens to more than one 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 analysing income and expenses.

P2P Communication: 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 Mechanism: There are use cases where it makes sense to share payment power between more than one persona as a savings account.

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.

LAYER TWO SOLUTIONS

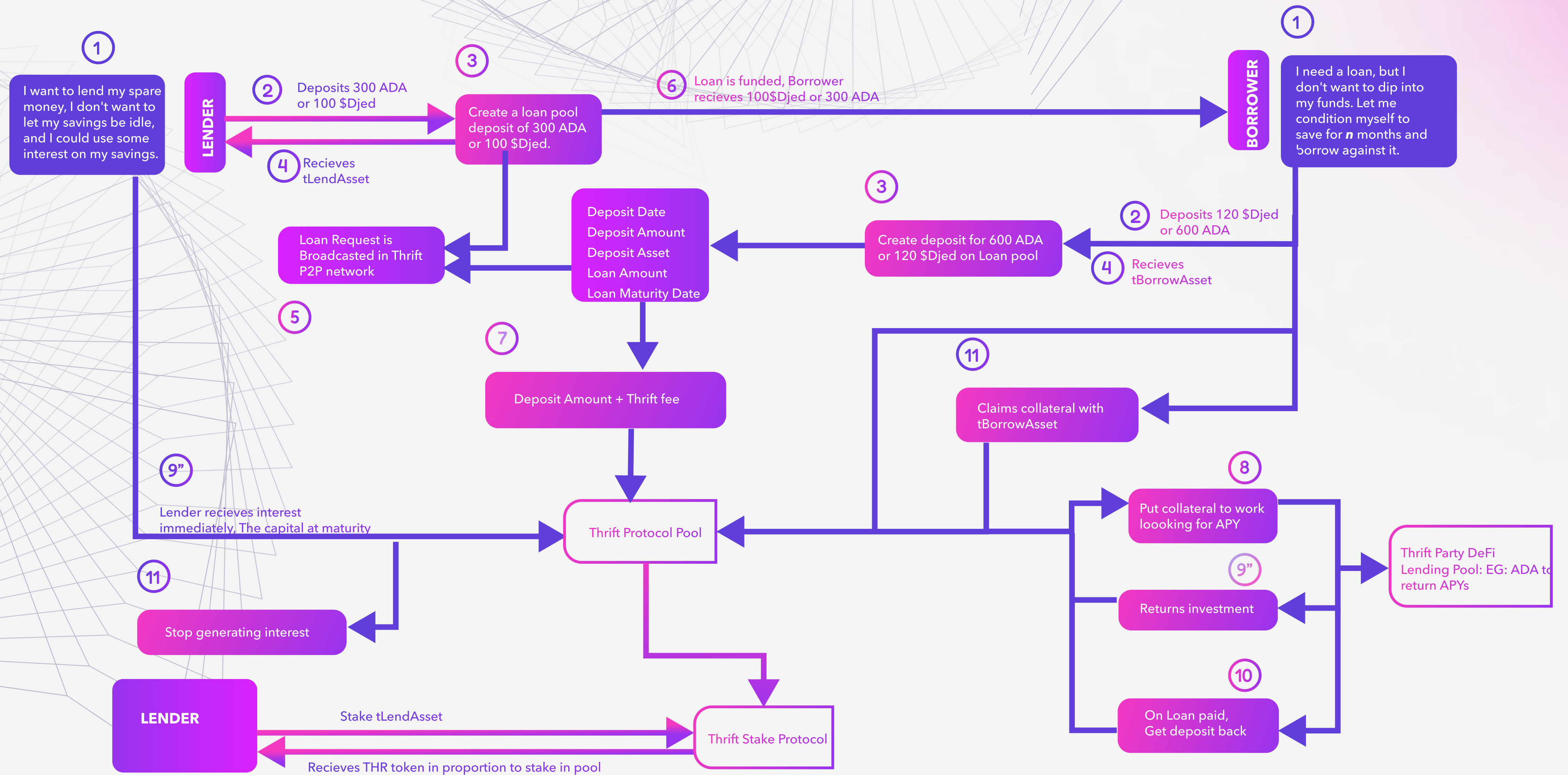
Crowd-Lending: A protocol that allows people to pool funds for a common transaction (Lending) and share, where pooled yields of all participants are paid to a participating member till the circle is completed and all participants get paid. The first phase is the implementation of a Real-Life cooperative society on Cardano blockchain. This protocol uses a system of smart contracts to facilitate the pooling and sharing of funds among participants.

Fiat on/off Ramp, P2P: A private peer-to-peer transaction environment that is secure and safe. The feature allows users to purchase tokens, fund accounts, and withdraw funds.

Thrift Hybrid P2P Lending Protocol: We will build a peer-to-peer protocol for lending crypto directly to borrowers who broadcast their loans in the market for yields. This protocol will be integrated with Atala prism; IOG's decentralized digital identity platform, which is built on Cardano, will be used to establish a digital credit history for lenders and borrowers. By doing this, their credit score can improve, which would then afford them less collateral for loans or more perks 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 it. Say a user has \$200 stable currency as collateral, they can borrow up to \$190 or even ADA less than the amount requested to pay back with TIME required to wait for the collateral to yield to repay the loan.

Thrift P2P lending protocol uses cryptocurrency to promote micro loans and a savings culture among its users. The protocol provides users with a flexible line of credit for their future yield, which is not subject to long lockups. Since a user's 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



THRIFT OPERATORS ALLIANCE

The alliance is responsible for the future of services and infrastructure needed to keep the Thrift ecosystem running. Stake pools and other operators can participate in Thrift Finance by providing resources to the network and be rewarded for it.

Initially driven by Thrift Labs, other participants will gradually join the network to boost the resilience of the system.

WHY THR EXISTS Community Driven

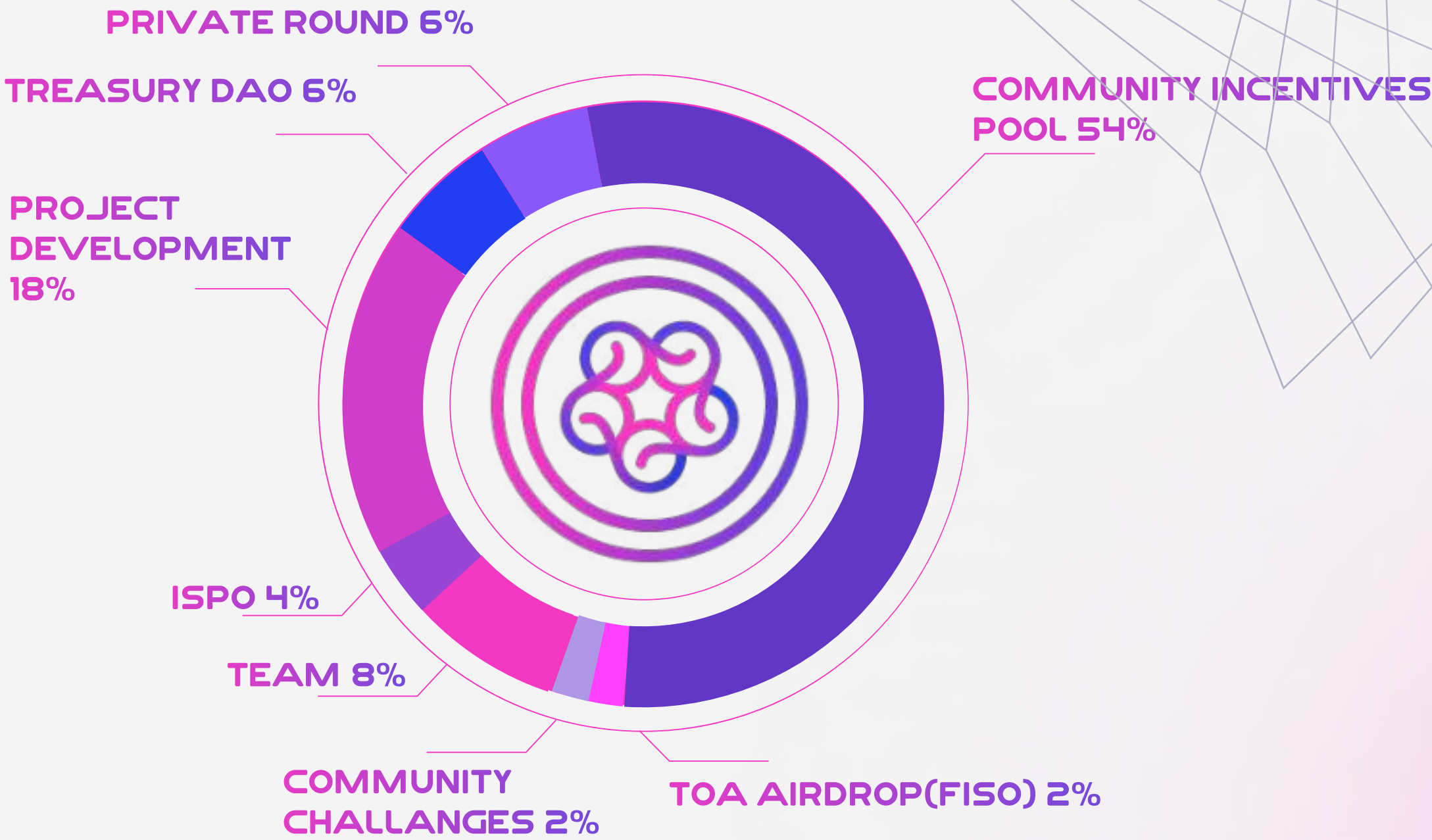
- The driving force behind the expansion of Thrift products and services, which also enables the governance and incentives of the community.
- By staking tAsset, users are able to earn THR Token. More details to follow.
- THR holders can earn rewards by staking THR. This pool exists to provide a less risky opportunity for risk-averse THR holders. More details to follow.
- A percentage of the net profit gained by Thrift protocol will be used to buy back THR tokens and deposited into the Treasury for community governance.
- Through THR token voting rights, the community governs, maintains, and upgrades Thrift parameters.
- Provide liquidity to partner DEX pools and increase credit worthiness for users.
- A minimum THR pledge for TOA operators is needed, who will be rewarded for their resources.
- Use THR for network fees instead of Ada. Merging Babel fees and TOA. <https://iohk.io/en/blog/posts/2021/02/25/babel-fees/>

WHY THR EXISTS Community Driven



TOKENOMICS

2.000.000.000 THR
Total Supply



ROADMAP

Q3-Q4 2022

- Demo launch on testnet.
- Private sale. Funding.
- Whitepaper release.
- Thrift ambassador launch.

Q3-Q4 2023

- Start FISO. Funding & Airdrop.
- Dapp Connector.
- Launch Crowd-Lending.
- Token Swap Services.

Q1-Q2 2023

- Mobile wallet launch on mainnet. Android & iOS.
- Start Community Challenges.
- Start ISPO. Funding.
- Launch Thrift Operators Alliance program.

2024+







- P2P Hybrid Lending on Mainnet.
- Provide P2P communication chat as a group.
- Launch Social Credit: Lending + Identity.
- Develop P2P Hybrid Lending.
- Launch prepaid cards. Wallets funding.
- Develop on-chain voting mechanism.



WEBSITE

<https://thrift.finance/>

STAY IN TOUCH

-  t.me/ThriftFinanceGroup
-  twitter.com/FinanceThrift
-  discord.com/invite/XtyGUX9kKZ
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