

bCake Finance — the first-ever multi-collateral stablecoin on BNB Chain

By bCake Finance

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Welcome to bCake Finance!

Inspired by FRAX's design of a unique fractional-algorithmic stablecoin on Ethereum, today we want to introduce **bCake Finance** — *the first partial-multi-collateralized & auto-yield-farming stablecoin which is built and supported on BNB Chain*. We are aiming at creating an ecosystem that will allow more users to engage in profitable farming, effortlessly.

bCake — the Multi Token System of \$CAKE, \$BNB, \$BCAKE, and \$BCXS



BCAKE (BNB Cake) is a stablecoin pegged around 1 CAKE, partially backed by multi collaterals: CAKE, BNB, and partially backed algorithmically by BCXS. The ratio of collateralized and algorithmic, the so-called Collateral Ratio (CR), depends on the market price of bCake.

The reason we choose CAKE as the primary collateral is that Pancake Finance is the number one platform on the BNB Chain. In addition, the liquidity of the CAKE/BNB pair is immense (728,000 BNB at the time of writing), bringing enormous opportunities for more utilities.

BCXS (BNB Cake Share) is the algorithmic token that accrues seigniorage revenue and excess collateral value.

The ratio of collateralized and algorithmic assets will depend on the market price of BCAKE. At Genesis, CR is 90% and the protocol adjusts the collateral ratio once every 2 hours by a step of 0.25%.

When BCAKE is at or above 1 CAKE, meaning the market's demand for BCAKE is high, the system should be in de-collateralize mode by decreasing the collateral ratio, to a minimum of 80%. When the price of BCAKE is below 1 CAKE, the function increases the collateral ratio, maximum to 95%.

Users can use a combination of BNB and CAKE (each 50 percent) and BCXS, according to Collateral Ratio, to mint BCAKE. The collateral Ratio ranges from 95% Max to 80% Min, depending on BCAKE price. For example, with a Collateral Ratio of 90%, to mint 100 BCAKE, users will need 45 CAKE, 45 CAKE equivalent amount of WBNB, and 10 CAKE equal amount of BCXS. There is a minting fee (0.2% or 0.4%), charged in BCXS.

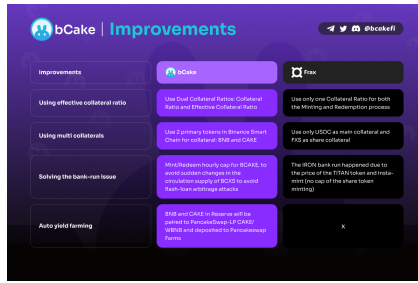
Reversely, holders can redeem BCAKE back to collaterals of BNB, CAKE, and BCXS. There is a redeeming fee (0.4% or 0.8%), also charged in BCXS.

bCake advancements

The previous purely algorithmic protocols such as BasisCash, ESD, Tomb, and others provide a very noble solution to establish stablecoins with no backed assets. The issue with purely algorithmic protocols is their inability to efficiently react to volatility, which results in many of these “algo-stables” ending up in a dead zone and away from the \$1 peg.

bCake.finance was born to solve the need for a genuine stablecoin and fix the failure of other previous protocols with **4 major improvements**:

- Multi collateral system with stability mechanism
- Double ratios for minting/redeeming
- Bank run fixing
- Auto yield farming rewards



Let's get deeper into how bCake become the real player in the stablecoin area:

- **Multi Collaterals with stability mechanism**

FRAX (and other forks such as IRON) uses only USDC as main collateral and FXS as share collateral. The model is simple but has limitations of the main stable supply as well as the volatility of the share price.

We use 2 major tokens (BNB and CAKE) on BNB Chain for collateral, so the max cap of the BCXS total supply will be increased significantly along with the combined supply of all BNB and CAKE.

- **Using Effective Collateral Ratio**

Instead of using only one Collateral Ratio for both the Minting and Redemption process from the original design, we will use different ratios: Collateral Ratio and Effective Collateral Ratio. Collateral Ratio will be used in the Minting formula while Effective Collateral Ratio will be used in the Redemption formula. Doing so gives the protocol flexibility in the minting/redeeming process and encourages users to take the right action no matter the market condition.

- **Solving the bank-run issue**

The IRON bank run, which caused losses worth nearly \$2 billion to investors, happened due to the price of the TITAN token and insta-mint (no cap of the share token minting)

We propose a solution to this bank run issue by setting a minting/redeeming hourly cap for bCake, to avoid sudden changes in circulation supply of BCXS to avoid flash-loan arbitrage attacks.

- **Auto yield farming**

BNB and CAKE in Reserve will be paired to Pancakeswap-LP CAKE/WBNB and deposited to Pancakeswap Farms. We distribute CAKE rewarded initially as follows:

- 45% to reward veBCXS stakers on Boardroom
- 35% to buy back BCXS and burn immediately
- 10% to Collateral Reserve
- 10% to DAO Fund

The distribution rates will be updated weekly by veBCXS votes.

What's veBCXS?

Anyone who stakes BCXS will receive the veBCXS, the rights and power are determined by the BCXS amount and lock duration. The holders will have the power to initiate and vote for the governance proposals.

The bCake team will update information about this part once the feature is ready to release!

Protocol Minting Cap and Fees



- BCAKE daily minting cap: Max(10M, 5% of total supply)
- BCAKE hourly minting cap: Max(1M, 0.5% of total supply)
- BCAKE minting / redemption limit: Max(200k, 0.25% of total supply)
- Minting fee:

0.2% while over peg (BCAKE >1 CAKE)

0.4% while under peg (BCAKE 1 CAKE)

- Redeem fee:

0.8% while over peg (BCAKE >1 CAKE)

0.4% while under peg (BCAKE 1 CAKE)

- 100% BCXS collected from the protocol fee above will be burned immediately

BCXS Tokenomics and Liquidity Mining

In 3 years, BCXS has a daily minting cap of 86,400 (excluding BCXS insta-mint for BCAKE redemption), which means up to 94,608,000 of BCXS could be minted:



- 56,764,800 BCXS (60%) will be distributed to the Community via a liquidity mining program.
- 23,652,000 BCXS (25%) will be reserved for the development (marketing, audits, dev reward, community engagements, and other expenses) and released gradually over 48 months.
- 9,460,800 BCXS (10%) will be distributed to the DAO Fund.
- 4,730,400 BCXS (5%) will be reserved for the strategist partnerships and confounding advisors.

The liquidity mining program has 2 incentivized LPs:

- CAKE-LP BCAKE/CAKE: 10x
- CAKE-LP BCXS/CAKE: 20x

Staking G & Earn CAKE

#RealYield

The bottom line

The bCake ecosystem is centered around allowing our users to earn more, and spend less. We are building services that will be user-friendly, efficient, and intuitive, inviting more crypto newbies to jump onboard of passive income earning. Within our platform you will be able to keep your savings safely, and earn off of them with rates higher than any traditional ecosystem can offer.

Welcome to bCake, your new approach to profitable farming!

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