

Hi Aave community!

This is a joint proposal by [@mubaris](#) and [@monet-supply](#) to add BAL as a new asset in the Aave market.

### **Some details about BAL & Balancer**

Balancer is a decentralized exchange that uses a constant function market maker formula to allow liquidity pools with multiple tokens, custom allocations and fees. Smart pools in Balancer can be used for programmable liquidity. Traders can swap between any of the tokens listed on Balancer in exchange for a swap fee (paid to liquidity providers) and slippage based upon the relative trade size. BAL is the governance token of the Balancer exchange, entitling holders (including those providing BAL liquidity on Balancer) to vote on proposals. BAL also receives preferential treatment in the Balancer exchange liquidity mining program.

At the time of writing, BAL has a market cap of \$146M.

#### **Whitepaper**

- <https://balancer.finance/whitepaper>

#### **Website**

- <https://balancer.finance>

#### **Twitter**

- <https://twitter.com/BalancerLabs>

#### **Blog**

- <https://balancer.finance/blog-feed>

#### **Documentation**

- <https://docs.balancer.finance>

#### **Source Code**

- <https://github.com/balancer-labs>

#### **BAL Token Contract**

- <https://etherscan.io/address/0xba100000625a3754423978a60c9317c58a424e3d#code>

### **Available Liquidity**

Most of the BAL liquidity is on Balancer itself. Balancer has a little over \$80M liquidity distributed over multiple pools.

Apart from the BAL liquidity on Balancer, BAL is also listed on FTX, Coinbase, Binance, Gemini and other centralized exchanges.

### **Benefits for Aave**

- Balancer has a very active community which would bring more users and liquidity to Aave.
- BAL earns native yield through liquidity mining on Balancer exchange, currently it's possible to earn 80%+ APY with limited impermanent loss. This has generated strong borrowing demand for BAL on CREAM, with deposit rates often above 10%
- With deposit rates so high, it becomes super cost effective for people to borrow funds with BAL as collateral. often their effective borrowing rate is negative!

#### **Sources**

- [Coingecko](#)
- [Pool management - Balancer](#)
- [Pools Vision](#)