

Hello,

I am proposing to enable agEUR as a collateral in isolation mode on AAVE V3 on Polygon

Disclaimer: I am a Core Team member of Angle Protocol which maintains this stablecoin

Summary

Angle Protocol is a decentralized stablecoin protocol designed to be both over-collateralized and capital-efficient.

The protocol has started by launching agEUR, a Euro stablecoin. This stablecoin has become one of the biggest in the market with a supply of 48.7m, a TVL in the protocol of \$87m, and an average daily volume > \$4m.

agEUR can at the moment only be issued on Ethereum mainnet, but it can be bridged on many different chains. There is an [ongoing governance proposal](#) to deploy the protocol on Polygon allowing anyone to natively mint agEUR from there.

At the moment, the PoS bridge is the only way to bridge agEUR to Polygon. But with the potential upcoming launch of the borrowing module, new bridge solutions will be added, like Layer Zero.

There are so far more than 3m agEUR on Polygon with deep liquidity on [Uniswap](#) and on [Curve](#).

Besides Uniswap and Curve on Polygon, agEUR has deep liquidity on UniswapV3, Sushiswap and Curve on mainnet. The stablecoin can be minted at oracle value meaning liquidity for it could be theoretically infinite.

Stablecoin is also available on Fantom, Harmony, BSC, Avalanche, Solana, NEAR, Aurora, Fuse, with plans for deployment on other chains where Aave is supported like Arbitrum and Optimism.

The stablecoin is over-collateralized (current collateral ratio = 180%), it is backed by USDC, DAI, FEI and FRAX. The protocol insures itself against the \$/€ change risk by issuing perpetual futures and by the deposits of another type of agent incentivized by the strategies built by the protocol (involving lending to Aave).

The protocol has also launched a new module that allows people to borrow agEUR against wETH, wstETH and wBTC. It is this version of the protocol that will be deployed on Polygon and then on other chains.

Links

- Official: <https://angle.money>
- Docs: <https://docs.angle.money>
- Token Contracts: [Mainnet](#), [Polygon](#). All Angle related contract addresses can be found [here](#)
- Smart contracts/Code: [Angle · GitHub](#)
- Analytics: <https://analytics.angle.money>
- App: <https://app.angle.money>
- Dao App: <https://dao.angle.money>
- Governance forum: <https://gov.angle.money>
- Dune Analytics Dashboard: [Dune](#)

agEUR has a [Chainlink feed](#) on Polygon with USD.

Audits

We have had four different audits which can be found [here](#)

Benefits for Aave V3

agEUR is already supported in efficiency mode with other stablecoins which should technically allow people to take leverage on Forex, or to arb more easily stablecoins at peg.

One thing that is not supported at the moment is borrowing against agEUR as a collateral. This would provide a use case that exists nowhere else in DeFi around agEUR: the opportunity to long the € and short the \$ through agEUR.

Right now it is possible to borrow agEUR, but not to borrow from agEUR: like you could borrow USDC or another USD stablecoin, swap it for agEUR (with little slippage) and hence get a short on the \$/long on the €. This may not be the trend of

the moment but definitely something to consider for the future.

Relative to the size of agEUR on Aave, there's also agEUR liquidity available for this kind of opportunities at the moment.

Doing this in isolation mode would mean this asset would induce very small risk for the Aave protocol as a whole.

Risk Parameters

With the liquidity on Polygon in mind, I propose the following risk parameter linked to the isolation mode. Obviously this is a first proposition and governance/risk team is more suited to choose better risk parameters.

V3 Isolation mode: 60% LTV, 80% liquidation threshold, 20% reserve factor, 3M\$ debt ceiling. This is a conservative debt ceiling, given the mainnet liquidity we could also imagine efficient cross-chain liquidators coming to liquidate even if liquidity is too small on Polygon

Specifications

1. What is the link between the author of the AIP and the Asset?

As mentioned in the disclaimer, I am a Core Contributor of the Angle Protocol.

1. Provide a brief high-level overview of the project and the token

See agEUR summary section

1. Explain positioning of token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

See Benefits for Aave section.

1. Provide a brief history of the project and the different components: DAO (is it live?), products (are the live?).

Angle Protocol is a decentralized stablecoin protocol, it is ruled by the ANGLE token and more generally by the veANGLE token. Like many other projects, Angle DAO has indeed adopted the ve tokenomics.

The platform was released [on November 3rd 2021](#).

ANGLE locking went live [in January](#). Votes by veANGLE holders are implemented by a 4/6 multisig composed of 3 core team members (including myself), [Julien Bouteloup](#), [0xMaki](#) and [SebVentures](#).

1. How is the asset currently used?

The asset is a € stablecoin. It is used by people as a means of exchange to pay in Euros in DeFi, or to keep a stable asset value in reserves before aping in elsewhere.

It is also used as a way to get yield in many places in DeFi

1. Emission schedule

Token can only be issued following the rules of the protocol on mainnet: at oracle value if someone has provided either USDC, DAI, FEI, FRAX, or wETH. agEUR can also be borrowed from Angle Borrowing module at a 0.5% rate.

There's no emission schedule for the token.

1. Token (& Protocol) permissions (minting) and upgradability. Is there a multisig? What can it do? Who are the signers?

agEUR token contract on mainnet is upgradeable and can be upgraded by the [multisig](#) described above.

agEUR on Polygon can also be upgraded by a [multisig on Polygon](#).

1. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)
2. Market Cap

: €48.7m circulating, €3.7m on Polygon, market cap = FDV

- 24h Volume

: \$4m (from [Coingecko](#)) and this does not take into account Curve liquidity

- Volatility

: Low

- Maturity

: Early

1. Social channels data (Size of communities, activity on Github)
2. Discord

: 27.7k members ([invitation link](#))

- Twitter

: 26.6k followers [Page](#)

1. Contracts date of deployments, number of transactions, number of holders for tokens

On mainnet:

- Date of Deployment

: [Oct 23rd 2021](#)

- Number of Transactions

: [3215](#) and 39548 transfers

- Number of holders for token

: [487](#) (NB: there are many incentive programs involving LPs of agEUR which means actual amount of holders is higher)

On Polygon:

- Date of Deployment

: [Nov 23rd 2021](#)

- Number of Transactions

: [2170](#) and 48569 transfers

- Number of holders for token

: [376](#)