

## Proposal Description

This ARC proposes enabling stkAAVE rewards for AMPL lenders on the Aave v2 market.

## ARC Rationale

The AMPL pool generates a disproportionately large percentage of Aave protocol revenue. As of the 27th of November, AMPL generated \$249,500 in daily revenue, 24.8% of total daily revenue for Aave v2, despite making up less than 0.1% of Aave v2 TVL. For comparison, the USDC market generated 328,000\$ during that time, despite having a market that is over 300x larger. (Source: Token Terminal, note this does not include revenue from the Polygon and Avalanche markets).

While revenue generated by the Ampl market varies significantly as utilization rate changes, the November 27th numbers are not an anomaly, with AMPL bringing in roughly 13% of Aave protocol revenue over the last 30 days.

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image

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](<https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/8/8c45fd88d15e82145507bb3ccdfb695fab37a0ab.png>)

It seems reasonable to partition liquidity mining rewards based on the revenue brought in to the Aave protocol by each respective market. Because the AMPL market generates a disproportionately large amount of revenue, it is in the interest of the Aave protocol to increase AMPL market size, so that revenue may increase further. Enabling stkAAVE rewards for AMPL lenders would incentivize them to deposit more AMPL, growing this pool and revenue stream.

## Discussion

I am interested to hear the community's thoughts on this proposal.