# Abstract

In this lite paper, we introduce a Decentralized Finance (DeFi) protocol that uses algorithmic smart contract codes to set interest rates based on supply and demand giving borrowers and lenders (users). Bardi Finance is based on the Telos Blockchain network, utilizing the fastest Ethereum Virtual Machine to give users a hiccup-free exchange of Telos’s native assets.

# Introduction to Bardi

Bardi is a non-custodial liquidity market protocol on the Telos blockchain. The Bardi protocol consists of:

1. Bardi Liquidity Market (BLM)
2. Bardi Liquid Staking (BLS)

The Bardi Liquidity Market protocol allows users to frictionlessly supply, borrow and earn interest with their digital assets.

The Bardi Liquid Staking protocol tokenizes staked TLOS to give users who stake in Bardi Liquidity pools the ability to earn yield-bearing assets.

# Why Bardi

Bardi aims at the decentralization of conventional financial services such as lending, borrowing, and exchanges whilst eliminating the need for a market match to be perfected. We chose the Telos Blockchain network due to its incredible performance over other smart contract blockchains like Ethereum, Solana, Matic, Cardano, etc.

Telos Blockchain has shown a light on the dark forest of front running predominantly in the Ethereum Blockchain by introducing a transaction ordering mechanism of First In First Out (FIFO).

Bardi will be riding on the back of Telos Blockchain superiority enabling swift supplying, borrowing and earning with up to 10,000 Transactions per second.

Bardi aims to utilize the efficient Telos Network to make Permissionless lending and borrowing possible - frictionless and decentralized.

# Our Unique Idea

Bardi aims to enable users to leverage their assets by supplying a synthetic version of their assets and earning interest on them. Additionally, Bardi allows the user to borrow other assets and supply or stake those assets while the interests earned offset their borrowed assets fees.

We want to make this process completely flexible by interweaving our complex smart contract code into a beautiful user-friendly interface.

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# Bardi Use Cases

Bardi opens up lots of exciting opportunities for its users, some of which includes:

1. Hedging positions:
2. Making money via lending, borrowing and staking
3. Other dApps on the Telos Network can use the Bardi protocol as an additional source of monetization unlocking new business models for the Telos Ecosystem.

# Depositing

We have a pretty straightforward process of depositing assets in the Bardi liquidity market protocol. A user deposits preferred assets accepted by Bardi protocol and will now be eligible to earn interests based on the demand for the assets from other users who are borrowing.

Additionally, Bardi allows the user to borrow other assets and supply or stake those assets while the interests earned offset their borrowed assets fees.

Further additions to the Bardi protocol will be decided by the core team pending when the governance mechanism moves into the care of a Decentralized Autonomous Organization (DAO).

The Di governance token will be used to cast votes or make proposals by eligible community members for the creation of additional pools and other important proposals

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# Earnings

Users who lend or supply their assets will earn interests consistently based on the market of demand and supply. With algorithmically determined APY based on market conditions, this means that the APY changes with time.

The $BARDI Token is a representation of the user’s asset balance supplied to the Bardi protocol. Users who make this supply receives the token in their wallets and earn interests relative to the original asset through the token’s interest rate.

# Borrowing

Borrowing gives a user unparalleled leverage over his assets. A user may not want to risk their position in an asset but wants to make another trade, the user can supply his asset, for example, $TLOS and borrow $USDT to complete their trades at any given instance.

While borrowing, the user should always look out for their liquidation positions or rather 'health' on their dashboard.

There will be several color codes to indicate the Health staus of each address on the Bardi Protocol.

**Borrow Limit:** Borrow Limit represents the percentage of the maximum amount a user can borrow, based on the value they deposited as collateral and the available liquidity.

**Improving Health:** To improve Health, the user should repay part or in full the amount borrowed or add more assets as collateral under “Supply”.

# Liquidation

Liquidation will happen when the user's Health drops to >1

# Tokenomics

The total supply of $BARDI will be 10,000,000 tokens. The token distribution is designed to ensure that market participants who actively engage with the platform will receive $BARDI tokens. The majority of the tokens will be distributed through the Liquidity Mining program.

*100% 10,000,000 $BARDI tokens*

*15% team tokens - 1,500,000 $BARDI tokens*

*5% advisor - 500,000 $BARDI tokens*

*5% marketing - 500,000 $BARDI tokens*

*45% Liquidity Mining Program - 4,500,000 $BARDI tokens*

*25% Token Sale - 2,500,000 $BARDI tokens*

*5% Exchange Liquidity - 500,000 $BARDI tokens*

To be discussed: making it v1.1

**Token Distribution**

**Community Distribution**

**Liquidity and Community Incentives**

**Liquidity Provider Incentives**

**Governance**

**Staking & Unstaking**

**Lock time**

**Unlock time**