



May 2023 Financials

Disclaimer

The data, statements and information presented in this report is for informational purposes only, and it does not constitute financial or investment advice. Further, the financial statements presented have not undergone a comprehensive financial statement audit from a third-party professional accounting firm. As such, there may exist errors or inaccuracies that materially misstate the financial statements. We are not responsible for any financial losses or adverse outcomes that may result from making investment decision based on the data presented herein. Further, by viewing this report you agree that the statements in this report do not constitute a representation, warranty or guaranty regarding any matter, and you are not relying thereon, but will conduct your own due diligence. You hereby release, waive and relinquish any and all claims, causes of action and disputes against Aave, its contributors, and the creators of this document. THIS REPORT DOES NOT CONSTITUTE ADVICE FOR ANY PURPOSE. The forward-looking statements in this report are subject to numerous assumptions, risks and uncertainties which are subject to change over time. There are many risk factors, including those relating to blockchain and cryptographic technology generally, as well as Aave specifically, that could cause actual results or developments anticipated by us not to be realized or, even if substantially realized, to fail to achieve any or all of the benefits that could be expected therefrom. We reserve the right to change the plans, expectations and intentions stated herein at any time, and we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. ACCORDINGLY, WE RECOMMEND THAT YOU DO NOT RELY ON, AND DO NOT MAKE ANY FINANCIAL DECISION OR INVESTMENT BASED ON, THE STATEMENTS CONTAINED IN THIS UPDATE

What is Aave?

"Aave is an open source and non-custodial liquidity protocol for earning interest on deposits and borrowing assets"



Monthly Insights



Annualized Revenue

On May's actual data, the annualized revenue of the Aave Pools is **\$25.0M**. This includes all v1, v2 and v3 deployments.

These number do not include the revenue generating potential of GHO.

Revenue has been forecast using the average revenue generated per network over the last 4 months and extrapolated to cover a full 12 month period going forward.

Do note, these numbers serve as a guide and reflect only the methodology applied.

Ethereum Network



Annualized revenue
\$12.1M

Polygon Network



Annualized revenue
\$818.5K

Avalanche Network



Annualized revenue
\$786.1K

Harmony Network



Annualized revenue
\$1.4K

Fantom Network



Annualized revenue
\$0.0

Arbitrum Network



Annualized revenue
\$11.2M

Optimism Network



Annualized revenue
\$131.9K

Total Annualized Revenue



Annualized revenue
\$25.0M

Aave Pools Overview

Total Deposits (All Pools)

\$8.1B

Stable rate loans (All Pools)

\$20.6M

Variable rate loans (All Pools)

\$2.7B

Total Borrowed (All Pools)

\$2.7B

Aave Protocol Deposits, Loans & TVL



Chain	Version	Launch Date
Ethereum	aave_v1	2020-01-08
Ethereum	aave_v3	2023-01-27
Ethereum	aave_v3	2023-01-29
Ethereum	aave_rwa	2021-12-10
Ethereum	aave_amm	2021-03-08
Ethereum	aave_arc	2021-10-17
Ethereum	aave_v2	2020-12-01
Fantom	aave_v3	2022-03-11
Polygon	aave_v3	2022-03-11
Avalanche	aave_v3	2022-03-11
Harmony	aave_v3	2022-03-11
Arbitrum	aave_v3	2022-03-11
Optimism	aave_v3	2022-03-11
Avalanche	aave_v2	2021-09-20

Chain	Total Deposits	Total Loans	Utilization Rate	TVL	Variable Rate Loans	Stable Rate Loans
Ethereum	6,923,067,516.09	2,302,387,909.36	33.26%	4,620,679,606.73	2,287,677,228.8	14,710,680.56
Polygon	521,218,322.99	158,113,768.0	30.34%	363,104,554.99	156,281,368.31	1,832,399.69
Avalanche	352,137,200.05	109,550,912.5	31.11%	242,586,287.56	108,646,664.0	904,248.5
Arbitrum	222,748,820.86	84,686,935.06	38.02%	138,061,885.8	81,964,014.94	2,722,920.11
Optimism	114,897,826.8	39,821,003.45	34.66%	75,076,823.34	39,429,428.47	391,574.98
Harmony	2,423,234.31	1,221,241.66	50.4%	1,201,992.65	1,221,097.23	144.43
Metis	488,055.67	106,489.74	21.82%	381,565.92	106,489.74	-0.0
Fantom	318,893.62	114,978.18	36.06%	203,915.45	113,867.15	1,111.02

Aave Protocol TVL by Chain



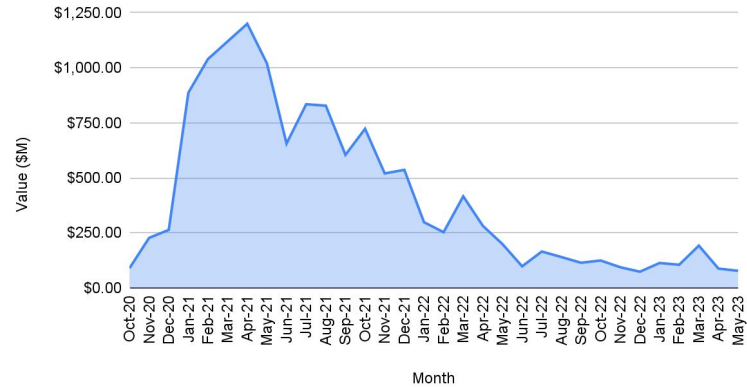
AAVE 

Financial Accounts



Ecosystem Reserve

Aave Ecosystem Reserve over time



Price action across the crypto market has caused a decline in the Ecosystem Reserve since the beginning of 2022. This is a result of a concentrated AAVE holding within the treasury, reduced balance, and market pricing.

Coupled with this there were payments made in Aave from the ecosystem reserve to third parties service providers contributing to the decline in holdings.

Treasury Balance and Contract Information

Treasury Information

Category	Value
AAVE Contract address	0x7fc66500c84a76ad7e9c93437bfc5ac33e2ddae9
Treasury Balance (USD)	\$120.2M

Aave Token information

Category	Value
Name	AAVE
Symbol	AAVE
Type	ERC-20
Holders	453,099
Current Price (USD)	63.64
Transfers Count	1,989,970
Senders	324,028
Receivers	453,030
Total supply	16,000,000
First transfer	2020-10-02
Latest transfer	2023-05-31

Disclaimer - all information stated above was correct as of 2023-05-31 using information from Flipside Crypto

Aave Treasury

A Detailed Holding Summary

Symbol	EOM Balance	Holdings
TOKENS	\$	%
AAVE	80,915,794	67.32
DAI	9,660,858	8.04
USDC	9,612,181	8.0
USDT	7,506,313	6.25
Other Assets	6,399,850	5.32
ETH	3,871,857	3.22
CRV	655,813	0.55
WAVAX	592,690	0.49
Other Stables	387,260	0.32
WBTC	378,664	0.32
WMATIC	215,566	0.18
Total	\$120.2M	100



Detailed Profit or (Loss) Across All Pools



Income Statement (January - May 2023)



	January	February	March	April	May	YTD
Revenue	\$	\$	\$	\$	\$	\$
Metis - V3	0	0	0	0	20	35
Ethereum - V3	473	26,240	109,306	178,963	213,146	646,216
Ethereum - V2	4,203,176	610,798	1,052,785	747,384	737,997	7,686,543
Ethereum - V1	221,198	297,057	162	3	0	518,420
Ethereum - ARC	0	0	0	0	0	0
Ethereum - RWA	34	2,079	288	1,171	775	4,368
Ethereum - AMM	424	351	480	192	334	2,009
Polygon - V3	16,248	20,685	37,457	38,024	42,477	196,700
Polygon - V2	20,259	31,300	35,705	24,263	22,176	141,948
Avalanche - V3	60,315	60,675	64,672	41,430	44,954	304,903
Avalanche - V2	8,099	8,059	12,503	9,162	12,866	62,956
Optimism - V3	60,192	4,420	13,249	9,249	12,740	106,433
Arbitrum - V3	5,734	8,156	23,635	3,656,240	25,965	3,736,541
Fantom - V3	0	0	0	0	0	0
Harmony - V3	706	126	98	156	87	2,778
<hr/>						
Total Revenue	4,596,859	1,069,947	1,350,340	4,706,237	1,113,539	13,409,849
Cost of Sales						
Liquidity Incentives	0	0	0	0	0	0
Staking rewards	0	0	0	0	0	0
<hr/>						
Third party expenses	7,133,346	394,616	2,279,300	290,928	2,230,880	12,849,115
<hr/>						
Total Cost of Sales	7,133,346	394,616	2,279,300	290,928	2,230,880	12,849,115
<hr/>						
Gross Profit/(Loss)	(2,536,487)	675,331	(928,960)	4,415,309	(1,117,341)	560,734





Tokenflow Statement



Tokenflow Statement



	January	February	March	April	May	YTD
Ecosystem Reserve	\$	\$	\$	\$	\$	\$
Inflows	0	0	0	0	0	0
Outflows	(2,638,435)	(2,451,923)	(3,840,706)	(1,397,379)	(2,940,173)	(13,268,616)
Net Flows	(2,638,435)	(2,451,923)	(3,840,706)	(1,397,379)	(2,940,173)	(13,268,616)
All Other Reserves	\$	\$	\$	\$	\$	\$
Inflows	4,535,791	1,025,776	1,286,628	11,798,325	5,468,981	24,115,501
Outflows	(7,562,924)	(905,295)	(1,193,591)	(9,277,594)	(4,958,752)	(23,898,156)
Net Flows	(3,027,133)	120,481	93,037	2,520,731	510,229	217,345

AAVE 

Pool Analysis



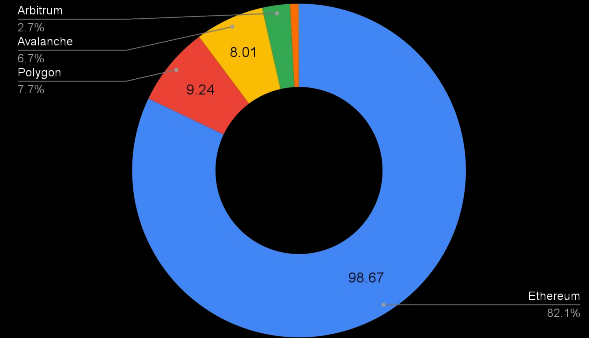
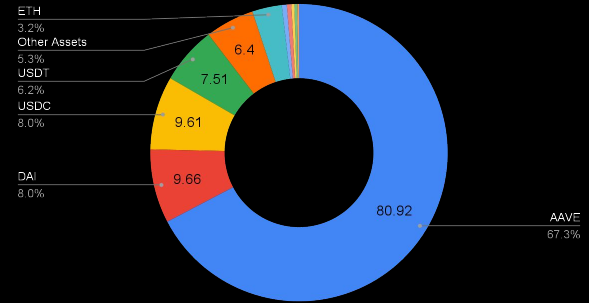
Treasury Assets - All Networks USD (m)

Treasury assets across all networks have been included within the analysis and breakdown. We have split the treasury by asset and also by chain. This includes the following;

- Aave Ecosystem Reserve
- Arbitrum
- Avalanche
- Fantom
- Harmony
- Optimism
- Polygon
- Metis

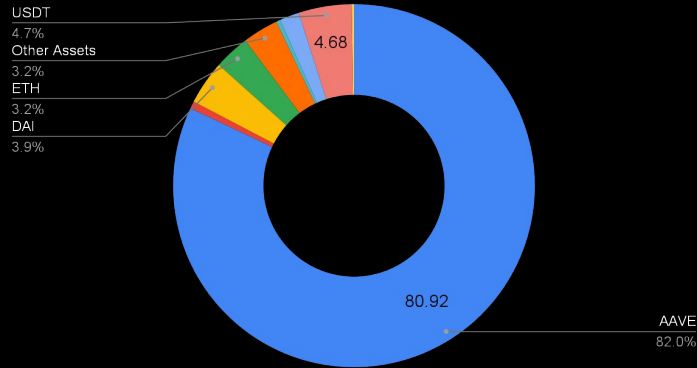
The treasury composition is largely Aave (**67.32 %**) and stablecoin assets (**22.6 %**).

Aave Treasury Assets (\$)

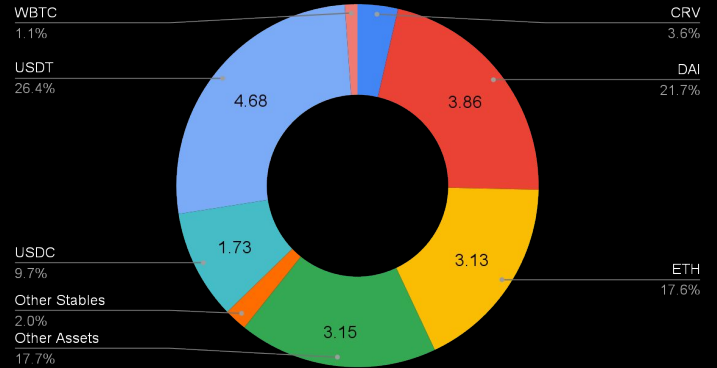


Assets by Network - Ethereum (\$m)

Ethereum Network Reserve incl. Ecosystem Reserve % (\$)

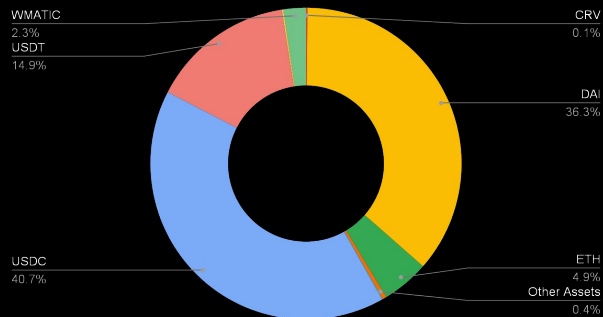


Reserve Factor Holdings % (\$)



Assets by Network - Polygon

Polygon Network Reserve % (\$)



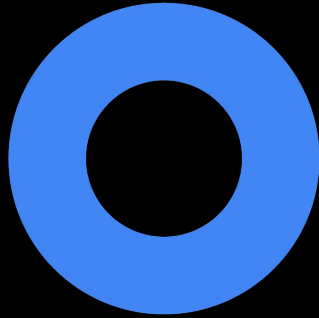
Polygon Reserve over time (EOM \$ Value)



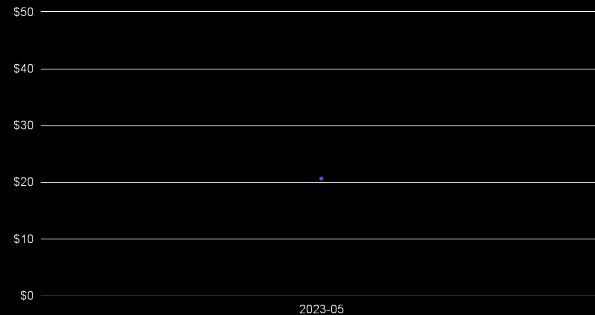
Symbol	EOM Balance	Increase/(Decrease) from April
TOKENS	\$	%
USDC	3,762,688	(0.64)
DAI	3,356,286	(0.46)
USDT	1,379,546	0.06
ETH	454,945	2.28
WMATIC	215,566	3.21
Other Assets	37,897	1.06
WBTC	15,571	3.41
CRV	12,900	(2.15)
Other Stables	6,707	4.17
AAVE	568	(9.03)
TOTAL	9,242,674	

Assets by Network - Metis

Metis Network Reserve % (\$)



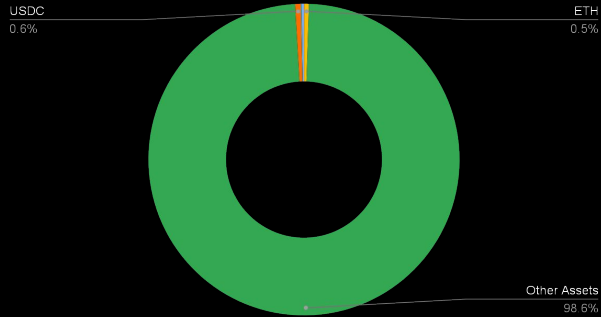
Metis Reserve over time (EOM \$ Value)



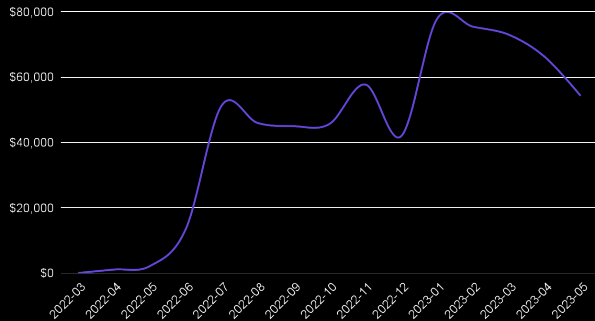
Symbol	EOM Balance	Increase/(Decrease) from April
TOKENS	\$	%
Other Assets	21	N/A
TOTAL	21	

Assets by Network - Harmony

Harmony Network Reserve % (\$)



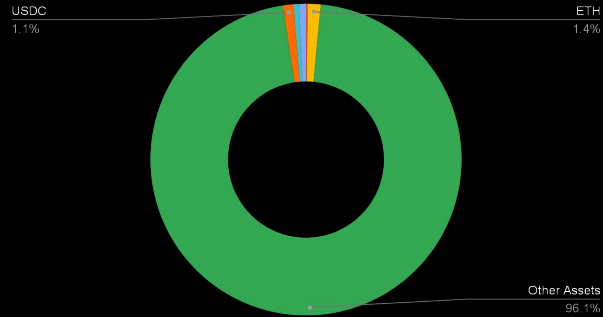
Harmony Reserve over time (EOM \$ Value)



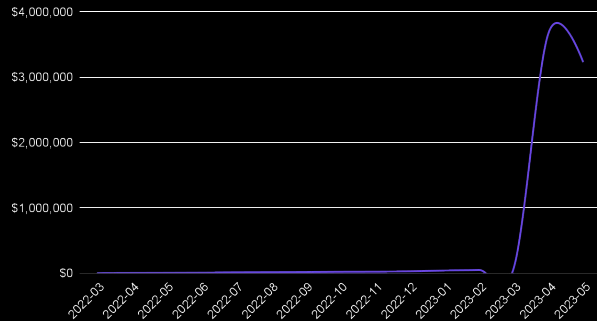
Symbol	EOM Balance	Increase/(Decrease) from April
TOKENS	\$	%
Other Assets	53,527	(18.25)
USDC	319	(0.01)
ETH	269	3.56
WBTC	134	(4.74)
USDT	45	0.01
DAI	9	(0.01)
AAVE	0	N/A
TOTAL	54,303	

Assets by Network - Arbitrum

Arbitrum Network Reserve % (\$)



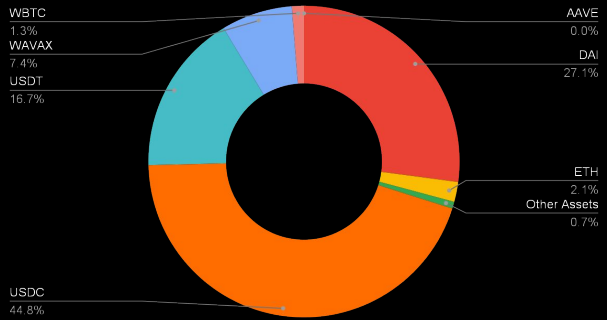
Arbitrum Reserve over time (EOM \$ Value)



Symbol	EOM Balance	Increase/(Decrease) from April
TOKENS	\$	%
ARB	3,102,876	(13.2)
ETH	43,882	26.1
USDC	34,957	33.85
WBTC	23,575	17.08
USDT	18,512	17.8
DAI	5,218	22.8
AAVE	104	(8.88)
TOTAL	3,229,124	

Assets by Network - Avalanche

Avalanche Network Reserve % (\$)



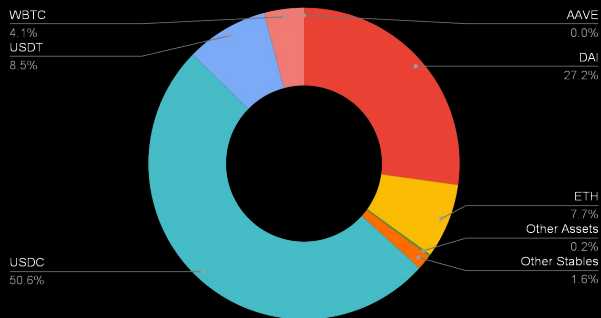
Avalanche Reserve over time (EOM \$ Value)



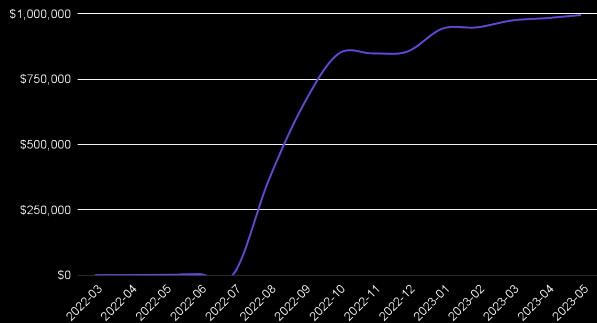
Symbol	EOM Balance	Increase/(Decrease) from April
TOKENS	\$	%
USDC	3,584,490	0.51
DAI	2,169,816	0.16
USDT	1,338,188	0.6
WAVAX	592,690	(11.89)
ETH	166,128	3.02
WBTC	100,713	(4.4)
Other Assets	56,241	(2.98)
AAVE	25	11.95
TOTAL	8,008,291	

Assets by Network - Optimism

Optimism Network Reserve % (\$)



Optimism Reserve over time (EOM \$ Value)



Symbol	EOM Balance	Increase/(Decrease) from April
TOKENS	\$	%
USDC	504,015	1.1
DAI	270,724	0.27
USDT	85,097	1.62
ETH	77,118	7.33
WBTC	41,261	(3.91)
Other Stables	15,748	(nan)
Other Assets	1,805	(89.26)
AAVE	19	(9.12)
TOTAL	995,787	

Notes to Financial Statements

Income

Income includes:

- Protocol fees received - Reserve Factor income for V1, V2, AMM, ARC & RWA, Liquidations income from V3
- Protocol fees accrued - Reserve Factor income for V3 - these are accrued in the V3 contracts rather than an explicit token transfer as per earlier versions. These fees are harvested to Aave's treasury by Llama via automated `MintToTreasury()` calls. V3 fees are only shown as accrued fees in the income statement, and become tokenflows when a `MintToTreasury()` is called (see `May tokens_in` on Avalanche V3)
- aToken interest accrued - aTokens held by treasury contracts attract interest the same as a normal user deposit in Aave

Expenses

Expenses include:

- LM rewards paid in AAVE tokens from the V2 Incentives Controller contract on deposits & borrows in Aave V2
- Staking rewards paid in AAVE tokens to stkAAVE holders, paid from the Ecosystem Reserve
- Staking rewards paid in AAVE tokens to stakers of the Balancer Pool tokens in the Safety Module, paid from the Ecosystem Reserve
- Direct payments from the Treasury contracts to third parties (BGD, Aave Grants DAO etc), paid in aTokens or other denominations (USDC etc). These are tagged as 'Aave V2' below as they normally come from the Aave V2 Treasury contract.
- Direct payments from the Ecosystem Reserve to third parties (BGD, Aave Grants DAO etc), paid in AAVE tokens

Expenses do not include LM rewards on other chains (wMATIC on Polygon, wAAVE on Avax, wCFG on RWA etc) as these are funded by third parties to drive liquidity onto their platforms.


Please note that staking and LM rewards reported are only those which are *claimed* in that period, and do not include future liabilities that are accrued and not yet claimed. This may be incorporated in later reporting cycles if there is demand.

Appendix - Wallet addresses used


Network	Version	Address
Arbitrum	Aave V3	0x053d55f9b5af8694c503eb288a1b7e552f590710
Arbitrum	Paraswap Fee Claimer	0x9abf798f5314bfd793a9e57a654bed35af4a1d60
Avalanche	Aave V2	0x467b92af281d14cb6809913ad016a607b5ba8a36
Avalanche	Aave V2	0x5ba7fd868c40c16f7adfae6cf87121e13fc2f7a0
Avalanche	Aave V3	0x5ba7fd868c40c16f7adfae6cf87121e13fc2f7a0
Avalanche	Paraswap Fee Claimer	0x9abf798f5314bfd793a9e57a654bed35af4a1d60
Ethereum	Aave AMM	0x464c71f6c2f760dda6093dcb91c24c39e5d6e18c
Ethereum	Aave ARC	0x464c71f6c2f760dda6093dcb91c24c39e5d6e18c
Ethereum	Aave RWA	0x464c71f6c2f760dda6093dcb91c24c39e5d6e18c
Ethereum	Aave V1	0xe3d9988f676457123c5fd01297605efdd0cba1ae
Ethereum	Aave V1	0x464c71f6c2f760dda6093dcb91c24c39e5d6e18c
Ethereum	Aave V2	0x464c71f6c2f760dda6093dcb91c24c39e5d6e18c
Ethereum	Aave V3	0x464c71f6c2f760dda6093dcb91c24c39e5d6e18c
Ethereum	Ecosystem Reserve	0x25f2226b597e8f9514b3f68f00f494cf4f286491
Ethereum	Incentives Controller V2	0xd784927ff2f95ba542bfc824c8a8a98f3495f6b5
Ethereum	Paraswap Fee Claimer	0x9abf798f5314bfd793a9e57a654bed35af4a1d60
Fantom	Aave V3	0xbe85413851d195fc6341619cd68bfcd26a25b928
Fantom	Paraswap Fee Claimer	0x9abf798f5314bfd793a9e57a654bed35af4a1d60
Harmony	Aave V3	0x8a020d92d6b119978582be4d3edfcd9f7b28bf31
Metis	Aave V3	0xb5b64c7e00374e766272f8b442cd261412d4b118
Optimism	Aave V3	0xb2289e329d2f85f1ed31adbb30ea345278f21bcf
Optimism	Paraswap Fee Claimer	0x9abf798f5314bfd793a9e57a654bed35af4a1d60
Polygon	Aave V2	0x7734280a4337f37fbf4651073db7c28c80b339e9
Polygon	Aave V2	0xe8599f3cc5d38a9ad6f3684cd5cea72f10dbc383
Polygon	Aave V3	0xe8599f3cc5d38a9ad6f3684cd5cea72f10dbc383
Polygon	Paraswap Fee Claimer	0x9abf798f5314bfd793a9e57a654bed35af4a1d60



Stay Updated

 llama.xyz

 [@llama](https://twitter.com/llama)

 llama.substack.com