



101 Blockchains

**INTRODUCTION TO
DECENTRALIZED FINANCE
(DEFI)?**

101blockchains.com



Why **Learn Blockchain** With Us?



Trusted



Strategic



Practical



Decentralized Vs. Traditional Finance: ...

How Are They Different?

	DECENTRALIZE	TRADITIONAL	
Infrastructure	Does not require employees or institutions	Depends on institutions and employees	
Transparency	Offer transparency for codes	Does not offer any transparency	
DeFi Apps	Offers decentralized application for Finance	Does not offer any globalized application	
Data Access	No access restriction	Comes with an access restriction	
Algorithm Type	Provides open-source algorithms	Doesn't have any open-source programs	



- What Are the **Benefits** of **Decentralized Finance?**



Can't Be Tampered

Interoperable Design

Fully Transparent Network

Permissionless Access

User Empowerment

Can't Be Tampered

➔ Offers applications that are immutable.

➔ Once data gets verified and added, no one can alter these.

➔ Offers full customization to smart contracts.



Interoperable Design

- ➔ Most DeFi technology uses Ethereum's standards and protocols.
- ➔ Due to similar standards, the applications are interoperable.
- ➔ Developers can introduce new features on top of the old DeFi application model, which also streamlined interoperability.



Fully Transparent Network

- ➔ Typically uses public blockchain, which is a fully transparent network.
- ➔ Every user takes part in verification, and thus any updates are broadcasted to them.
- ➔ Even the source code is public property, and developers are free to use it.



Permissionless Access

- ➔ All decentralized finance technologies have permissionless access.
- ➔ It can offer financial rights to anyone around the world.
- ➔

There are no restrictions based on their location.



User Empowerment



These applications don't empower organizations.



It's more geared to users, and users have utmost control.



One needs to use crypto wallets and maintain their own account themselves.



Top DeFi Use Cases



Asset Management



Decentralized Organizations



Derivatives and Synthetic Assets



Improved Digital Identity



P2P Borrowing and Lending



Complying to AML and CFT
Measurements



Analytics and Risk Management



Infrastructure Tooling



Insurance



Payment Solutions

Asset Management



Offers solutions for network users to manage their assets.



Users can buy, sell or transfer digital assets and earn interests as well.



Helps users to maintain their sensitive data and the privacy of their account.



Complying to AML and CFT Measurements

➔ Offers Know-Your-Transaction (KYT) mechanism instead of Know-Your-Customer (KYC) protocols.

➔ Focuses on transaction behaviors to enforce AML and CFT measurements rather than user identity.

➔ Monitors transactions in real-time without disrupting user privacy.



Decentralized Organizations

- ➔ Can perform traditional tasks such as act as governance, manage assets, fundraise, etc.
- ➔ These are decentralized in nature and not does have boundaries like centralized organizations.
- ➔ Helps to establish decentralized administrative entities for managing core operations.



Analytics and Risk Management

- ➔ Helps to discover and analyze data more easily for the users.
- ➔ Users can use the data to make knowledgeable business decisions
- ➔ Helps to discover a new type of financial opportunity and risk management tactics.



Derivatives and Synthetic Assets

➔ Uses smart contracts to automate and introduce the creation of token-based derivatives.

➔ These assets can work like traditional commodities, fiat currencies, bonds, stock prices, market indexes, and so on.

➔ dYdX, Synthetix, etc., are applications geared towards tokenized derivatives.



Infrastructure Tooling

- ➔ DeFi offers infrastructure development tools that can connect and interoperate with each other.
- ➔ Developers can utilize these applications to develop blockchain infrastructure.
- ➔ InfuraAPI, TruffleSuite, etc., are applications geared towards infrastructure development.



Improved Digital Identity

- ➔ Offers improved digital identity system that can act as a global identity.
- ➔ Can provide attributes such as connection to financial activities and certifications.
- ➔ Helps the underprivileged to get access to financial features from anywhere.



Insurance

➔ Gets rid of the abundance of paperwork, bureaucratic and cumbersome insurance claiming procedures.

➔ Offers automated smart contracts to streamline the insurance claiming process.

➔ Nexus Mutual, VouchForMe, and Opyn are DeFi applications geared towards insurance coverage.



P2P Borrowing and Lending



It's created a new type of borrowing and lending marketplace.



Offers peer-to-peer (P2P) networks for borrowing and lending applications.



Compound and PoolTogether are DeFi applications geared towards interest-based protocols.



Payment Solutions



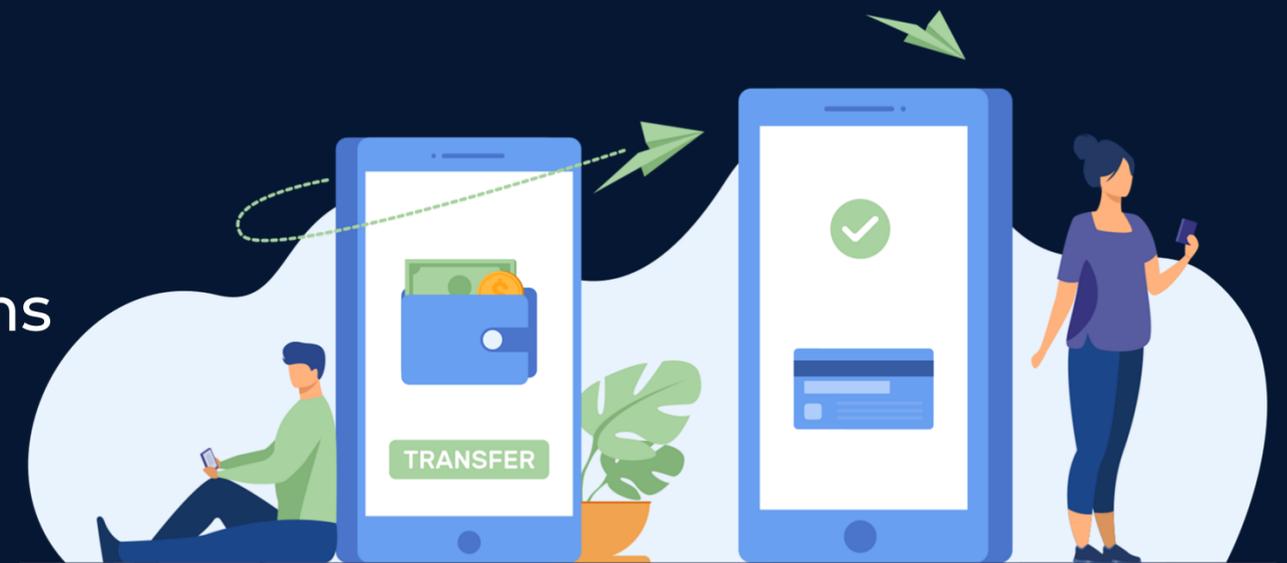
It can serve the underbanked and unbanked population around the world.



It can offer safer, faster, and transparent solutions compared to traditional systems.



Doesn't require any middleman and can make payments more transparent and simpler.



What Are the Challenges of DeFi?



Low Performance



High User Error



Bad User Experience



Scattered Ecosystem



Smart Contracts Bugs



Low Scalability



Oracle Manipulations



Volatile Nature

Suitable Blockchain Courses and Masterclasses



Introduction to DeFi Course

<https://academy.101blockchains.com/courses/defi-course>



Central Bank Digital Currency (CBDC) Masterclass

<https://academy.101blockchains.com/courses/central-bank-digital-currency>



Blockchain in Finance Masterclass

<https://academy.101blockchains.com/courses/blockchain-in-finance>



Enterprise Blockchains and Trade Finance Course

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Access to Bonus Training Materials



Various Training Strategies for Faster Learning



Tangible Proof of Course Completion



Weekly Hands-on Assignments



Professional Instructors



Premium Support





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Free Resources

[Enterprise Blockchains Fundamentals](#) - Free Course

[Blockchain Webinars](#)

[Blockchain Conferences](#)

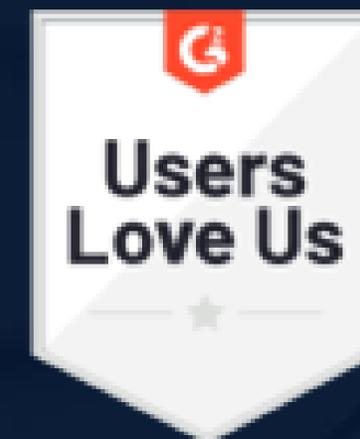
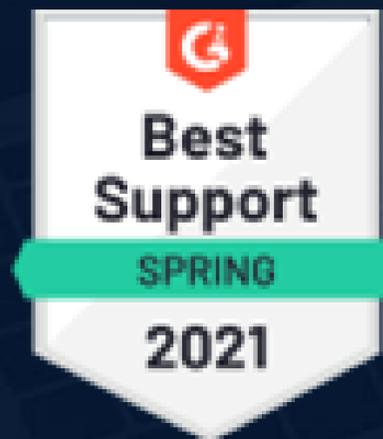




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410 reviews



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Thank You

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