

Depo - Decentralized Finance with Risk Adjustment, Liquidity, and Simplicity

Overview

Depo Finance is a community that builds decentralized finance products and services that offer liquidity, simplicity and tiered risk adjustment to users. Depo allows users to access virtually all categories of DeFi and NFT services from a unified web3 Dapp. Users may earn staking or liquidity provider rewards while still having access to staked or DeFi locked assets. Through Depo, users pay lower transaction fees and lower impermanent loss through aggregation pools. Users may also choose different tiers of risk for the same DeFi services through Depo risk adjustment mechanism. For complex and highly technical staking services, Depo allows users to participate without maintaining complex technical set-up or minimum staking requirements. All of these services offered by Depo can be accessed through one user-friendly web3 interface.

Current DeFi products are often complex to use and difficult to liquidate without high impermanent loss and high fees. High yielding DeFi Lego services are difficult to implement to most users. There is also a lack of risk adjustment mechanism for current DeFi products. Locked or staked assets become illiquid to users during the locking or staking period. All of these drawbacks of current DeFi products limit further adoption by a wider user base.

Depo addresses these issues by offering users:

I. All-in-one DeFi/NFT Platform

1.1) Unified web3 Dapp that offers purchase, swapping, lending, investing, yield farming, and governance of DeFi services

1.2) Simplified DeFi Lego services that offer high yield to users and verification of underlying DeFi platforms

II. Customizable risk adjustment mechanism for DeFi services that allow user to choose principal protection or high yield i.e. senior vs junior allocations

III. Liquidity mechanism for NFT and DeFi locked/staked assets without high impermanent loss or high fees through secondary loans and exchange mechanisms.

Through innovative services, Depo Finance aims to be the entry to the DeFi/NFT world the same way Internet portals are to the Internet world.

I. All-in-one DeFi/NFT Platform - DeFi/NFT Portal

Simplicity and User Friendliness

Depo Finance streamlines and consolidates a multitude of complex DeFi and NFT services and offers users a simplified and user friendly experience. One of the major hindrance to wider adoption of blockchain based decentralized finance applications is its variety and complexity. New DeFi and NFT services keep coming online almost everyday. Each service has its own unique interface and operation pathways. Adding to the mixture, there are many browser based online wallets to consider. All of these restrict decentralized finance applications to tech-savvy users. This group of tech-savvy users constitute a small portion of crypto asset users.

Depo Finance offers users a one-stop All-in-One experience going from purchase of crypto assets, swapping, exchanging, to lending, staking, governance, and analysis, all without leaving the Depo platform. One may think of Depo Finance as the portal, a single point of entry, to the DeFi/NFT universe.

Security Verification and Vetting

Further adding to the complexity, DeFi and NFT services come with different degrees of security guarantees. There have been many cases of genuine or intentional loss of funds on decentralized financial platforms. It requires technical knowhow to discern genuine and secure decentralized finance services from unscrupulous ones. Depo Finance conducts extensive vetting of DeFi and NFT services before integration, and essentially provides users with value-added security verification services.

Complex DeFi/NFT Lego Made Easy

One of the beauties of decentralized finance is its programmability and ability to innovate. Users are able to integrate many disparate services together and develop innovative and cutting edge use cases. Many call these innovations DeFi/NFT Lego.

Along with the innovation comes with risks. A poorly designed DeFi/NFT Lego service is error and hacking-prone. Many complex operations require technical skill and extensive experience to develop. Thus, the most advanced DeFi/NFT Lego services are out of the reach of a large portion of users.

Depo Finance offers pre-made and simple to use DeFi/NFT Lego services with security verifications, and opens up an exciting world of DeFi/NFT Lego services to the general public.

It is the goal of Depo Finance that users may enjoy all of the secure and high quality DeFi/NFT services without ever leaving the Depo Finance platform.

II. Customizable Risk Management Mechanism

With the plethora of DeFi services that offer high yields, come the platform risks to users. Higher yield is proportional to higher risk as one of the basic economic principles. Users have different risk tolerance and appetite. Most DeFi services offer one risk level to all users. Users either choose to participate or sit out. Depo Finance offers users a customizable and tiered risk management mechanism for a particular DeFi product.

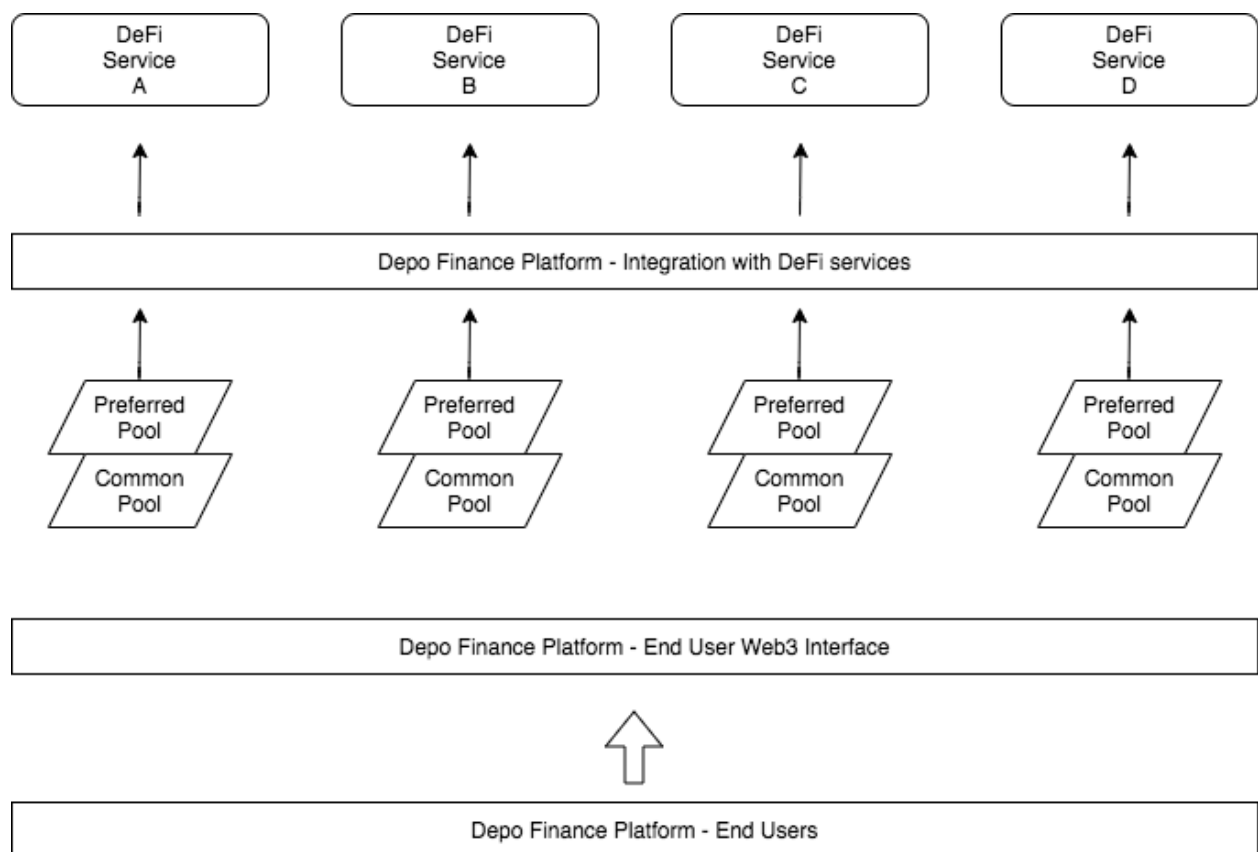
Preferred vs Common Pool

For any given DeFi service, users may choose a Preferred Pool or a Common Pool to participate. These tiered pools are operated by Depo Finance and can be connected to any DeFi service. Depo Finance essentially fine-tunes and segregates

users into high risk appetite groups and low risk appetite groups. In the unfortunate event of liquidation of the underlying DeFi platform, Preferred Pool users recover their principal, while Common Pool users stand to lose their principal. In the more likely event that DeFi services perform normally, Common Pool users gain higher yields than Preferred Pool users.

Depo Finance, through a customizable risk management mechanism, offers users the ability to participate in a given DeFi service and still control the risk level they are willing to be exposed to.

Adjustable risk management mechanism offered by Depo Finance gives users an added incentive to utilize the Depo Finance platform and actually opens up a wider user base to DeFi services.



Customizable Risk Management Mechanism for DeFi Services

III. Liquidity mechanism for NFT and DeFi locked/staked assets

With the increasing popularity of NFT assets, users demand liquidity for their NFT holdings while still retaining ownership. In addition, with new POS based Layer 1 public blockchain coming online, there is a large portion of crypto assets locked/staked in the underlying system.

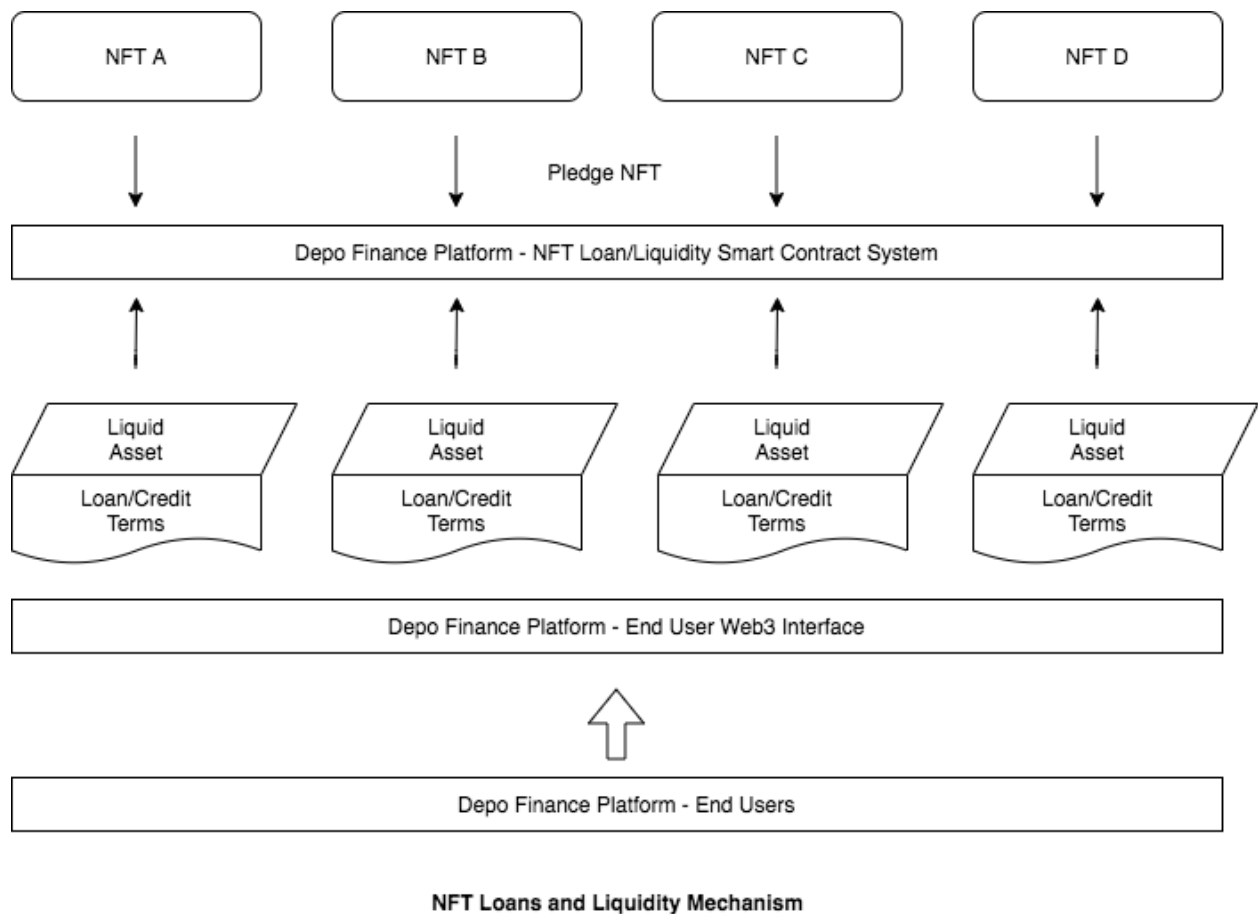
Most of the POS based Layer 1 staking systems have requirements on the minimum amount staked and duration. These staked/locked assets become illiquid. All of these call for secondary liquidity of assets for NFT holders or POS based stakers.

Depo Finance offers a secondary liquidity mechanism to users to unlock the value of NFT assets and staked/locked assets in POS based systems.

Liquidity for NFT Assets

Depo Finance provides a mechanism for NFT asset holders to borrow against their NFT assets. NFT asset holders pledge their assets on the Depo Finance platform. Creditors and NFT assets may utilize the decentralized UI provided by Depo Finance to agree on the valuation of NFT assets, loan amount, duration, and other relevant terms.

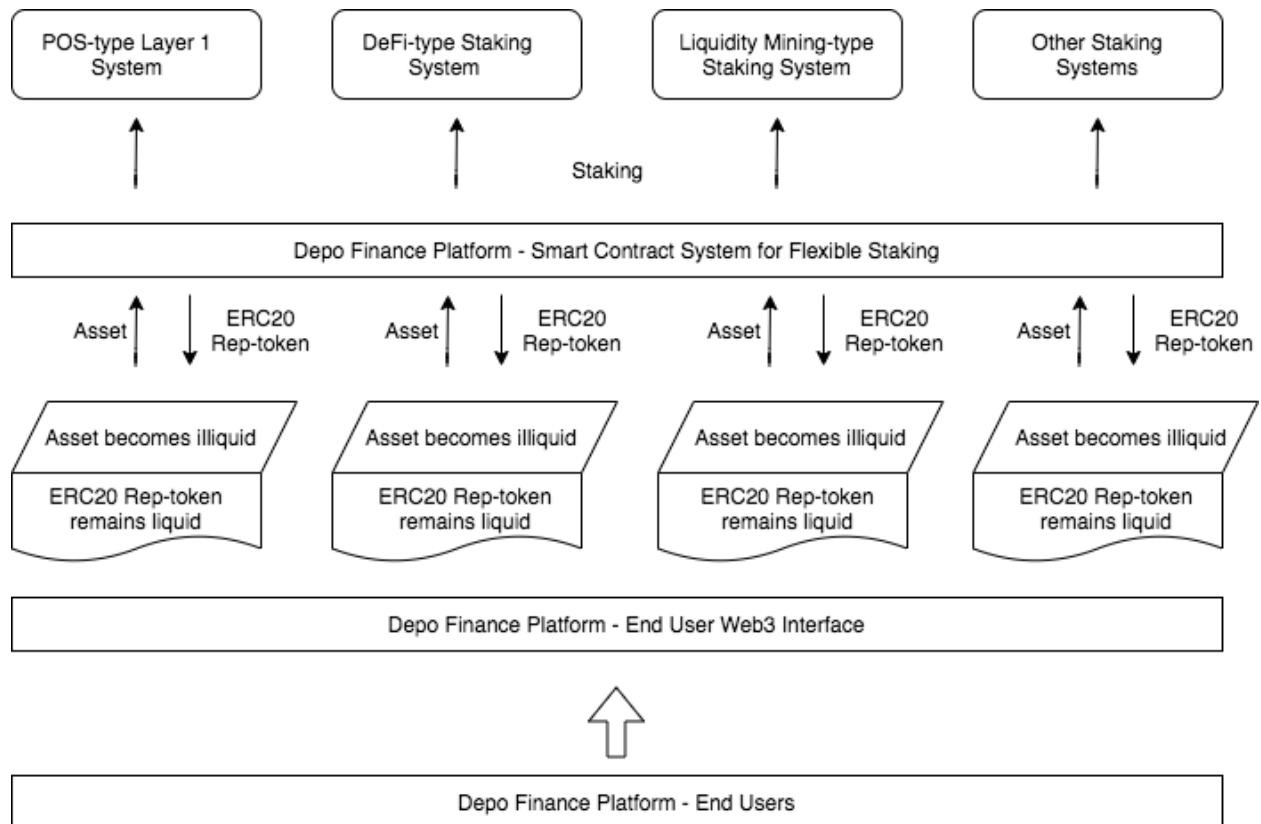
One of the major innovations for Depo Finance's NFT liquidity mechanism is that NFT assets may be pledged to a capital pool and borrowed against a pool. In the traditional finance world, this would be syndication of loans. All asset pledge and credit extension are done through smart contracts through Depo Finance platform and its user-friendly interface.



Staking with Secondary Liquidity

Direct staking into POS based systems or DeFi services require users to meet rigid requirements on amount and duration. Through Depo Finance, pools are created for a particular staking service.

Participants in staking pools are issued representative ERC20 tokens for a particular pool. Through smart contract integration, capital in a particular staking pool is staked as a whole in the underlying POS system. Participants in Depo Finance staking pools may exchange their ERC20 representative tokens for a particular pool to gain liquidity of their staked assets. A secondary market may be developed by trading ERC20 representative tokens for a particular POS staking system.



Flexible Staking System - Depo finance

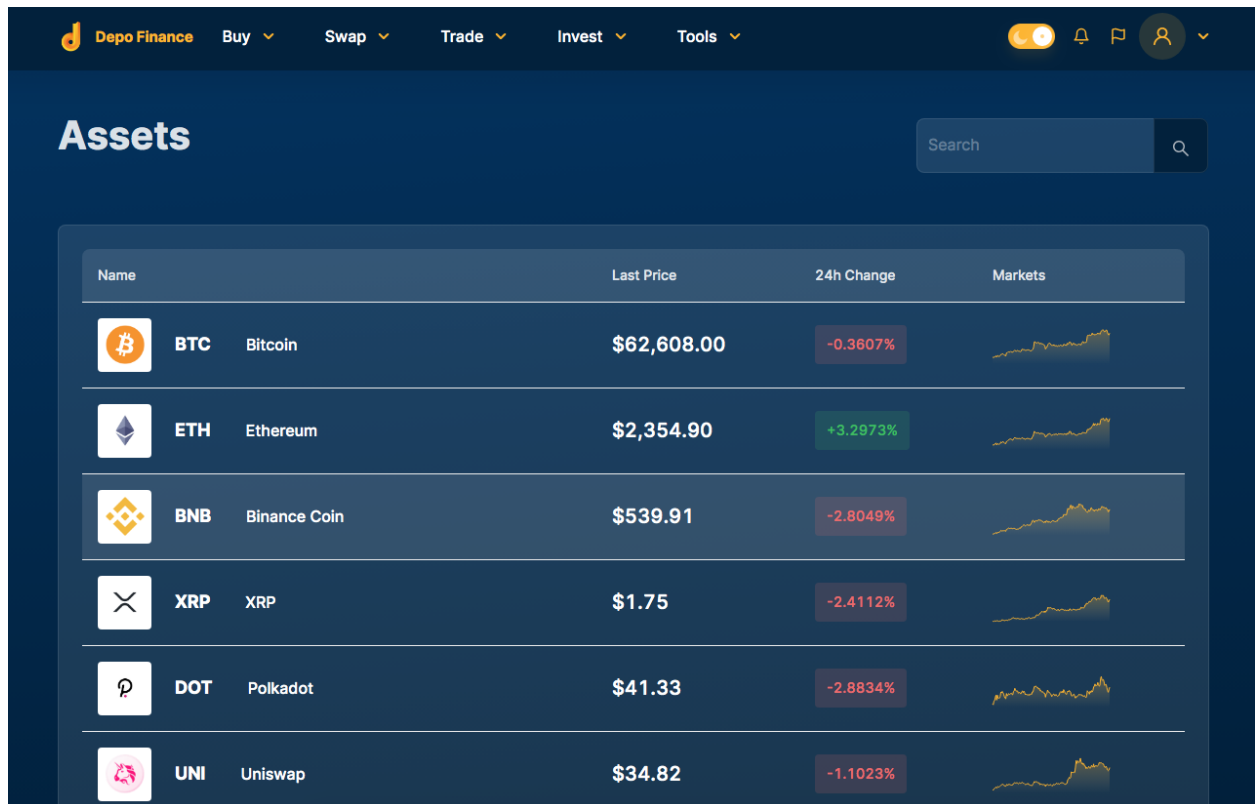
Putting it all together













Depo Finance's customizable risk adjustment mechanism may be integrated into the specialized capital pools mentioned above.

Conclusion

Overall theme and value proposition

Depo Finance aims to become a one-stop platform for DeFi and NFT services, a portal to the DeFi/NFT world. Depo Finance strives to offer users security, simplicity, flexibility, and a user-friendly experience in their DeFi/NFT endeavours.



Name	Last Price	24h Change	Markets
 BTC Bitcoin	\$62,608.00	-0.3607%	
 ETH Ethereum	\$2,354.90	+3.2973%	
 BNB Binance Coin	\$539.91	-2.8049%	
 XRP XRP	\$1.75	-2.4112%	
 DOT Polkadot	\$41.33	-2.8834%	
 UNI Uniswap	\$34.82	-1.1023%	

Depo Finance

<https://depo.finance>

This lightpaper serves as a high level introduction to the Depo Finance platform. Each category of service described in this light paper will be fully documented in the open source Depo Finance code repositories on GitHub.