

# DECENTRALIZED FINANCE

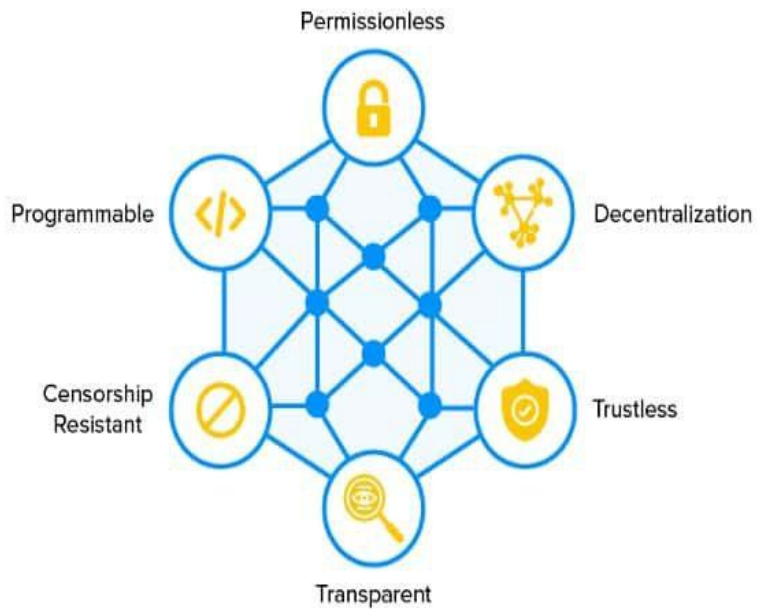


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# INTRODUCTION

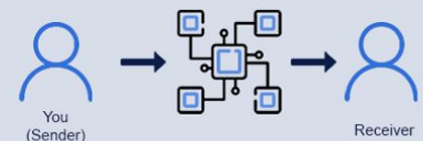
DeFi is a form of finance that does not rely on central finance intermediaries such as brokerages, exchanges or banks to offer traditional financial instruments. Instead it relies on a decentralized platform using distributed ledger technology called the Blockchain. DeFi refers to an ecosystem of financial applications that are built on top of a blockchain. Its common goal is to develop and operate in a decentralized way – without intermediaries such as banks, payment service providers or investment funds – all types of financial services on top of a transparent and trustless blockchain network.



**TRADITIONAL  
FINANCIAL SYSTEM**



**DECENTRALIZED  
FINANCIAL SYSTEM**



# EXISTING SYSTEM

## CENTRALIZED FINANCE:

All services rely on central authority

Prone to mismanagement, fraud, and corruption

Ex: Banks, Stock markets, Insurance companies and other financial institutions

# PROPOSED SYSTEM

- ❑ Financial services with no central authority
- ❑ Bitcoin isn't controlled by any bank or government
- ❑ Can't be sent to anyone
- ❑ Bitcoin is decentralized money

# DeFi Components

- ❑ Decentralized Infrastructure-Ethereum
- ❑ Decentralized(stable) money- DAI
- ❑ Decentralized financial services- DEX, money markets, insurance, etc

# DeFi EXAMPLES

MakerDAO

Uniswap

Compound

# ADVANTAGES

- ❑ Transparency
- ❑ Interoperability
- ❑ Decentralization
- ❑ Free for all
- ❑ Flexibility



# DISADVANTAGES

- ❑ Still in infancy stage
- ❑ Use cautiously with small amounts of money
- ❑ Some services are only partially centralized
- ❑ Research carefully any service you intend to invest in

**THANK YOU**