**What is defi?**

**DeFi vs CiFi:**

* Decentralized finance- ecosystem for decentralized applications on top of a blockchain.
* Defi: financial lego, you trust a protocol (Maths)
* Cefi: byrocratic mess, have to trust a third party (banks, governments, comapnies etc..)
* Decetralized ecosystem:

**Origin and future of DeFi:**

* Most of this innovation is happening on the ethereum blockchain. You can think of it as the printing press for open finance appplications
* As internet created tools for content creators. Ethereum is doing the same by enabling the creation of new financial services.
* Ethereum= Global economin computer/ledger (first version)
* Anyone with an internet connection can now access a plethora of financial services such as: Decentralized exchanges, stablecoins, money markets thatg enable lending and borrowing, Decetralized synthetics that democratizes access to finacial products, decentralized insurance to help counter «black swan» events.

**Financial risks in DeFi:**

* Financial risk
* Technical risk:

Smart contract risk

Governance risk:

Black swan

Oracl attack:

* Procedural risk