


Deposit. Earn. Control. Innovate.

DeFi in 40 min or Less



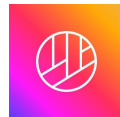
AAVE – Marc Zeller, Integrations lead

DeFi : Ethos

- **Non-custodial**
 - **No middlemen**
 - **No KYC**
 - **No Paperwork**
 - **No credit score**
- 

A goal

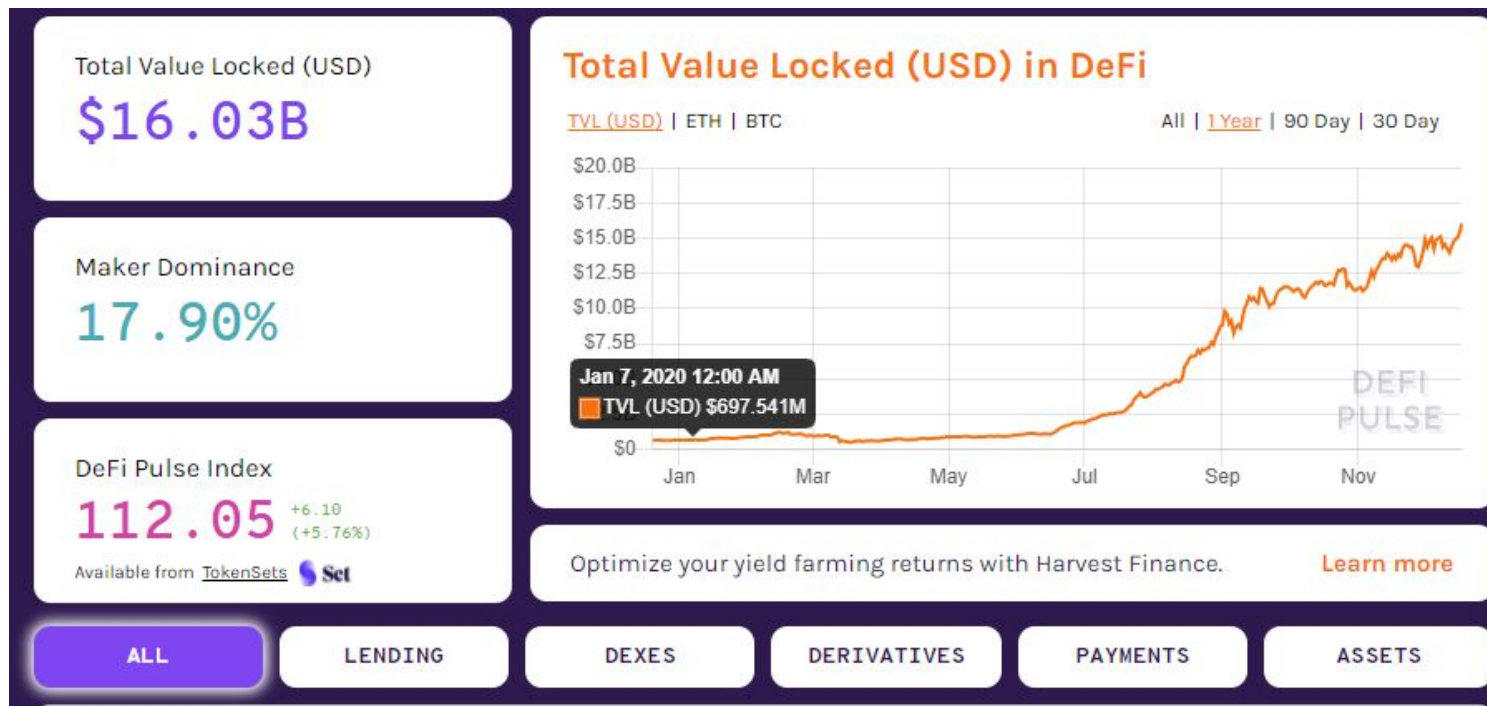
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Spectrum



From an experiment to an industry



From an experiment to an industry

A series of enablers

- **Ethereum**
 - **Stablecoins**
 - **Financial middlewares**
 - **Composability and synergies**
 - **What's next?**
- 

A series of enablers : Ethereum

- Smart-contracts
- Army of devs
- Community
- Innovation minded

Ethereum Has 4x More Developers Than Any Other Crypto Ecosystem

Read the most important crypto insights from Electric Capital's Developer Report

by ConsenSys – August 20, 2019

- Need to evolve.

A series of enablers : Stablecoins

- **Store of Value**
- **Unit of account**
- **Medium of exchange**
- **“A peer to peer electronic Cash System”**

Who uses Stablecoins

- **Investors (hedging)**
- **Speculation (leverage)**
- **Retails (cash)**
- **savings (lending)**
- **Honest Work (Yield Farming)**

A series of enablers : Financial middlewares

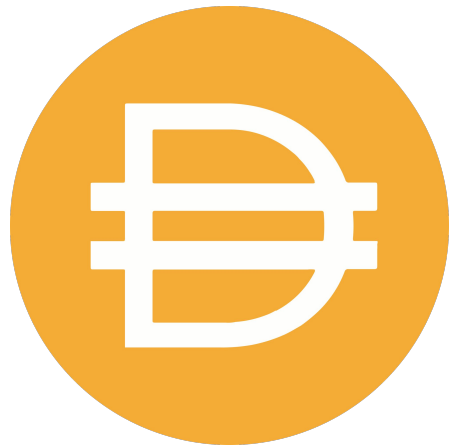
- MakerDAO
- Aave
- Compound

Lombard credit system



Lombard credit system

- **MakerDAO**
- **Stablecoins DAI = USD**
- **Debt powered money minting**
- **Asset Deposit.**
- **Overcollateralization**



Wait... what?

- Deposits > borrowed amounts
- Code enforced agreement
- Liquidations powered by bots
- Resilience : even in 2018 and during the black thursday



Every loan is overcollateralized

- Future revenue is capital*
- * : with risk associated
- Risk is priced-in with the %
APR
- 33% LTV (value being income)
is 300% collateralization
- Try taking a mortgage being a
freelancer in arts

Company Name
12345 Court Road, London W1T 1JY, UK
Phone: +44 00 0000 0000, Email: name@provider.com

PAYSLIP

EMPLOYEE INFORMATION
Full Name
123 Any Court Road
London, W1T 1JY, UK
Phone: +44 00 0000 0000
Email: name@provider.com

PAY DATE	PAY TYPE	PERIOD
6/10/2019	Weekly	W623
PAYROLL #	NI NUMBER	TAX CODE
1234567	QQ123456C	1250L

Payment Method: Check

EARNINGS	HOURS	RATE	CURRENT	YTD
Standard Pay	40	12.50	500.00	500.00
Overtime Pay	5	18.75	93.75	93.75
Holiday Pay	8	12.50	100.00	100.00
Basic Pay			1,740.00	1,740.00
Commission and Bonus			600.00	600.00
Sick Pay			-	-
Expenses			-	-
				-
GROSS PAY			£3,033.75	£3,033.75

DEDUCTIONS	CURRENT	YTD
PAYE Tax	250.00	250.00
National Insurance	55.00	55.00
Student Loan Repayment	30.00	30.00
Pension	50.00	50.00
Union Fees	5.00	5.00
		-
		-
TOTAL DEDUCTIONS	£390.00	£390.00
NET PAY	£2,643.75	£2,643.75

If you have any questions about this payslip, please contact:
[Name, Phone, email@address.com]

<https://www.viewx2.com/ExcelTemplates/payslip-template.html> Payslip Template © 2019 by Viewx2.com

Every loan is overcollateralized

- Every jurisdictions have their own rules
- France : LTV a “rule” not a law but confirmed by cassation court in 2018 and jurisprudence.

Cour de cassation, civile, Chambre civile 1, 31 janvier 2018, 16-28.049, Inédit

Cour de cassation - Chambre civile 1

- N° de pourvoi : 16-28.049
- ECLI:FR:CCASS:2018:C100124
- Non publié au bulletin
- Solution : Cassation partielle

Audience publique du mercredi 31 janvier 2018

Décision attaquée : Cour d'appel de Douai, du 18 juin 2015

Président

- Mme Batut (président)

Avocat(s)

- SCP Gatineau et Fattaccini, SCP Thouin-Palat et Boucard

Texte intégral

**RÉPUBLIQUE FRANÇAISE
AU NOM DU PEUPLE FRANÇAIS**

LA COUR DE CASSATION, PREMIÈRE CHAMBRE CIVILE, a rendu l'arrêt suivant :

Decentralized Saving Account

- Swap FIAT for Stablecoins
- Speculators borrow and pay interest
- Lending
- Flashloans



How much?



DAI APR Rates



4.15 % APR

↗
UP



3.96 % APR

↗
UP



3.46 % APR

↗
UP



2 % APR

—
FLAT

Big growth but still “small” market

- Rates defined by supply and demand
- Fluctuate at each block
- Deposit parameters too strict
- Hacks and failure possible

Risks

HACK EPIDEMIC

17 Nov 2020

hack - flash loan - origin - cheese bank



Stay at home, wear a mask, the hack epidemic is spreading.

These are dark times for weak code. Developers need to put their protocols into lockdown.

Greed is contagious, and hacks bring eye-catching prizes. In just 24 hours we hear of two more attacks.

Cheese Bank - \$3.3m via flashloan AMM oracle attack, Origin Protocol, \$8m via flash loan and faktoken re-entrancy

In the last 30 days, we've seen over \$45 million of users funds removed from unsecure protocols. In addition to the most recent attacks, we've seen Harvest (~\$25M) > Value DeFi (~\$7M)> and Akropolis (~\$2M)

Risks

- **Innovation**
- **No FDIC**
- **Hacks and failure possible**
- **Permissionless : No KYC/AML**

Insurances for the crops

- **Nexus Mutual** : mutual in the UK
- **COVER** : financial product



MakerDAO : the System surplus

- 4M\$ in DAI + ability to mint MKR
- Used once in March 2020 to successfully protect the system

4,009,221.35

System Surplus

Surplus Buffer: 4,000,000 / Lot: 10,000

The Safety Module

- **Protect Aave LPs (250M\$)**
 - **Slashing 30%**
 - **Rewards Distribution**
- + Protocol fees**



How much would you like to stake? ⓘ

Staking **AAVE** in the **Safety Module** helps to secure the protocol in exchange for **protocol incentives**.

AAVE Balance

0



Amount

MAX

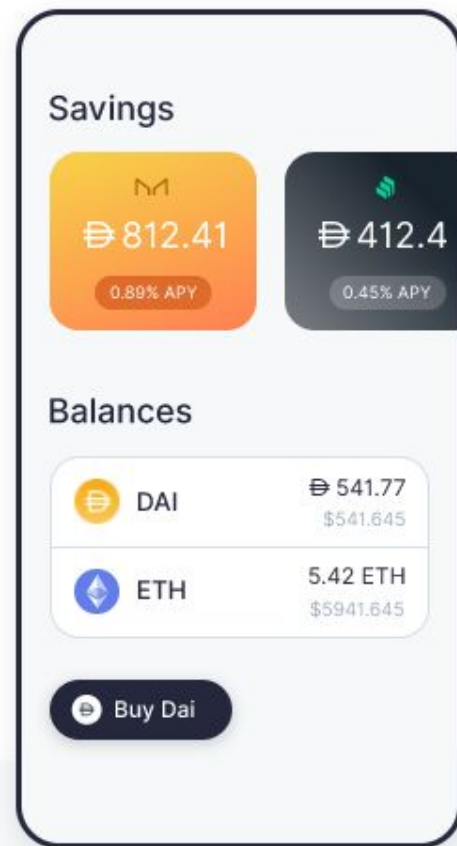
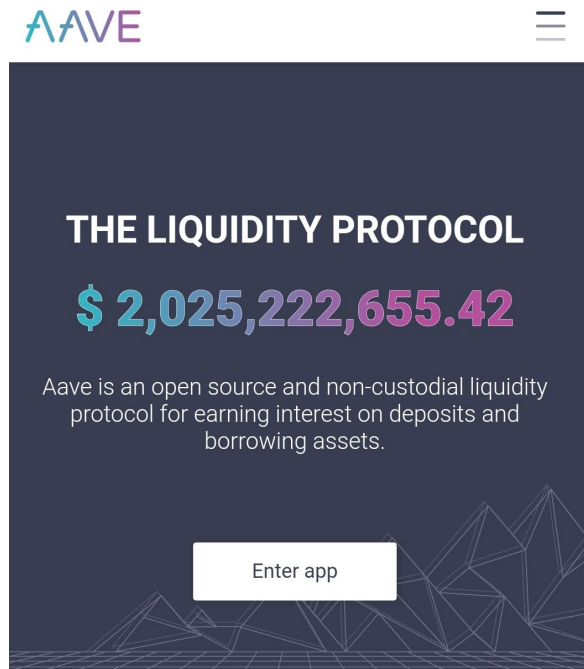
Stake

Go back

The future of DeFi

- Scalability (L2)
 - Compliant markets
 - Seamless Finance (composability)
 - Credit Delegation (Undercollateralized loans)
 - EMI licence, financials products
- 

Last tip : Try the damn thing.



AAVE



@AaveWow



@AaveAave



medium.com/aave

aave.com