

What is DeFi?

Decentralized Finance, or DeFi, is a blockchain-based form of finance that removes intermediaries

Such as banks and brokers from financial transactions.

Built primarily on Ethereum, DeFi uses smart contracts-self-executing programs on the blockchain-to

Enable open and permissionless financial services.

Why DeFi Matters:

Traditional finance is limited by geography, regulation, and centralized control. DeFi opens up

Financial access to anyone with an internet connection,

Offering services like lending, borrowing, trading, yield farming, and insurance-without requiring

Approval from a central authority.

Core Features of DeFi:

- Permissionless Access: No need for a bank account or credit score.
- Transparency: All transactions are visible on the blockchain.

- Interoperability: DeFi apps (dApps) can work together like building blocks.
- Control: Users keep custody of their funds using non-custodial wallets.

Examples of DeFi Platforms:

- Uniswap: A decentralized exchange for trading crypto assets.
- Aave: A lending and borrowing platform.
- Compound: Allows users to earn interest or borrow against crypto.

Risks and Considerations:

DeFi is still evolving. Smart contract bugs, impermanent loss, and regulatory uncertainty are risks to

Keep in mind. Always do your own research (DYOR).

Wada alphonsus/ legendtg | Web3 Content Writer & Educator