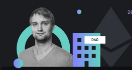
A DeFi Timeline

2013

NOVEMBER 2013

Vitalik Buterin announces the Ethereum project in a white paper titled, "A Next-Generation Smart Contract and Decentralized Application Platform."

2014



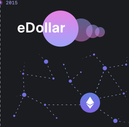
DECEMBER 2014

MakerDAO is founded by Rune Christensen, Nikolai Mushegian, and others. It would eventually become one of the first decentralized autonomous organizations to launch on the Ethereum blockchain.

2015

MARCH 26, 2015

Rune Christensen introduces eDollar, the precursor to Single-Collateral Dai, built on a testnet for the forthcoming Ethereum platform.



JULY 30, 2015

The Ethereum blockchain launches, two years after the publication of its white paper and one year after being crowdfunded through the sale of 60 million ETH for a total of 31,500 BTC. The launch makes trustless computing a reality and sets the scene for the creation and release of decentralized applications (dapps).

2016

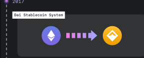
APRIL 30, 2016

A decentralized autonomous organization known simply as The DAO (no relation to MakerDAO) launches with a token sale on Ethereum. Slock.it, the software company behind The DAO, designed it to operate as a community-run investment fund. Through its crowdfunding effort at launch, The DAO, the first of many DAOs to come, raises more than 11.5 million ETH worth $150 million. The project's code was later exploited, eventually leading to its demise and the famed Ethereum hard fork, which resulted in two competing chains, Ethereum and Ethereum Classic.

MID-2016

OasisDEX (now Oasis.app), the first decentralized exchange on Ethereum, launches.

2017

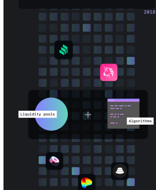


DECEMBER 19, 2017

Single-Collateral Dai (SCD) is launched on the Ethereum mainnet. Users of the Dai Stablecoin System (now known as the Maker Protocol) are able to generate Dai tokens against ETH collateral. SCD provides proof of concept for the idea of a decentralized stablecoin.

2018

BEGINNING IN 2018, THE DEFI ECOSYSTEM STARTS TO EXPAND AS MORE DAPPS LAUNCH ON ETHEREUM:



SEPTEMBER 27, 2018

Compound Finance launches. By 2020, Compound would popularize borrowing one digital asset against another locked as collateral, charging variable fees and offering rewards to liquidity providers based on supply and demand.

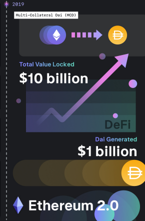
NOVEMBER 2, 2018

The Uniswap decentralized exchange (DEX) launches. Uniswap popularized the Automated Market Maker (AMM) model for DEXes in the crypto space, using liquidity pools and algorithms to set trading prices instead of the order books used by centralized exchanges. While numerous other DEXes, including Curve, SushiSwap, and Balancer, would gain traction, Uniswap would quickly become the most popular.

2019

NOVEMBER 18, 2019

Multi-Collateral Dai (MCD) is launched, enabling anyone to generate Dai against any of the digital assets in the Maker Protocol's diversified portfolio. The launch sets the stage for the Maker Foundation to accelerate its work toward its long-promised dissolution.



SEPTEMBER 11, 2020

Total Value Locked (TVL) across all DeFi protocols exceeds $10 billion for the first time.

NOVEMBER 13, 2020

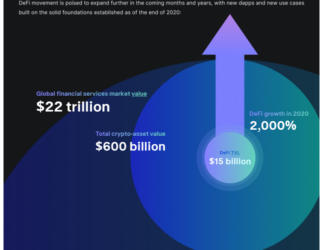
A new milestone is reached for decentralized stablecoins: 1 billion Dai generated.

DECEMBER 1, 2020

Ethereum 2.0 (Phase 0) launches, marking the first stage of an ambitious series of upgrades to enable DeFi to scale on the platform and improve the network's security, sustainability, efficiency, and decentralization.

2021: A New Era For DeFi

DeFi embodies a global ecosystem of open, trustless financial services hosted on the Ethereum blockchain. The DeFi movement is poised to expand further in the coming months and years, with new dapps and new use cases built on the solid foundations established as of the end of 2020:



How DeFi Will Augment Traditional Centralized Financial (CeFi) Services

"DeFi inherits blockchain's characteristics of transparency, security, immutability, and efficiency, meaning that any CeFi service that integrates decentralized technologies has the potential to create new benefits and opportunities for its customers."

Steven Becker,
President and COO of the Maker Foundation

The Benefits of DeFi

- Transparent
- Secure
- Permissionless
- Immutable
- Composable

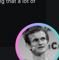
DeFi vs CeFi

DeFi	CeFi
Trustless	Trust-based
Open	Exclusive
Efficient	Slow and Expensive

Key Use Cases Driving Platform Innovation

"I'm very excited about the potential DeFi offers in principle. The idea that just anyone, anywhere in the world, can have access to a system that lets them pay each other, and choose their own financial exposure, is a really powerful thing. It's something that a lot of people don't have access to."

Vitalik Buterin,
Co-founder of Ethereum, Ethereal Summit 2020



Payments and Savings

Stablecoin Technology

- Dai
- PAX
- USDC

Layer 2 Payment Solutions

- Flexa
- Polygon
- xDAI

Asset Trading and Liquidity Provision

- Uniswap
- Curve Finance
- Balancer

Borrowing/Lending

- Compound
- Aave

Yield Farming

- Yearn Finance
- Harvest Finance

Emerging Use Cases

- Insurance
- Identity
- Asset Tokenization

MAKER