



Hyperledger Capital Markets DeFi Subgroup Presentation

May 2022

Crypto and DeFi

Recent events

A Stablecoin 'Death Spiral'

Some crypto insiders say they saw the implosion of TerraUSD coming. Other stablecoins could also run into trouble.

'Is my money gone?' A thriving crypto community deals with a \$600 million theft

Axie Infinity became a leader in the growing play-to-earn space, where players can make money and even earn a living. Then its blockchain was hacked.

Wormhole cryptocurrency platform hacked for \$325 million after error on GitHub

A security flaw was fixed but seemingly not applied to the live application before it was hacked

By [Corin Faile](#) | [@corintxt](#) | Feb 3, 2022, 12:43pm EST



BRIAN NEWAR

APR 18, 2022

Beanstalk Farms loses \$182M in DeFi governance exploit

The stablecoin protocol saw its own governance proposal system exploited enabling the malicious actors to extract all of its \$182 million in collateral.



DeFi ecosystem on Ethereum



Prediction Markets

- Polymarket
- augur
- Omen

Derivatives

- ACO SYNTHETIX
- opyn ACDEX
- LMA PRIMITIVE
- Derivadex SY/SX
- opium.network Potion
- Lien Futureswap
- Perpetual Protocol
- HEGIC pods

DAO

- MolochDAO
- DAOstack
- ARAGON
- Haus
- DXdao
- PieDAO
- COLONY
- MetaCartel

Insurance

- Nexus Mutual
- VouchForMe
- ETHERISC

Exchanges & Liquidity

- liquidity
- AIRSWAP
- IDEX
- atomex
- Ren
- Balancer
- Uniswap
- Pine.finance
- Curve
- Kyber Swap
- ForiDelta
- Bancor
- DDEX
- LOOPRING
- Shell Protocol
- TOTLE
- Shiftly
- 1inch
- KeeperDAO
- DutchX
- FRACTAL
- bamboorelay
- Yield
- Mesa
- fulcrum
- kyber network
- DeversiFI
- TOKENLON
- dex.blue
- Jelly Swap
- DODO
- Matcha
- OASIS
- Oasis
- Dolomite
- paraswap
- RADAR
- Mooniswap
- DEX.AG

Credit & Lending

- LENDROID
- Compound
- moplo
- liven
- dForce
- bZx
- Teller
- MAKER
- AAVE
- Kava
- Idle
- atomicloans
- COLENDI Union
- pool
- G.R.E.A.M.
- easyfi

Stablecoins

- DAI
- PAXOS STANDARD
- HUSD
- dollar
- Terra
- USD Coin
- AUGMINT
- mSTABLE
- DefiDollar
- Ampleforth
- tether
- StableUnit
- GEMINI dollar
- TrueUSD
- idOL
- BUSD

Infrastructure

- 0x
- coinbase
- Oracle
- hydro
- the graph
- tellor
- Chainlink
- Centrifuge
- alchemy
- INFURA
- 3 BOX
- textile
- blocknotive
- Provable
- Band Protocol
- dfuse

Banking & Payments

- mosendo
- Ramp
- ONJUNO
- monolith.
- Groundhog
- StablePay
- HYDROGEN
- GILDED
- Request
- connext
- xDai

Marketplaces

- district0x
- SuperRare
- OpenSea
- ORIGIN

Asset Management

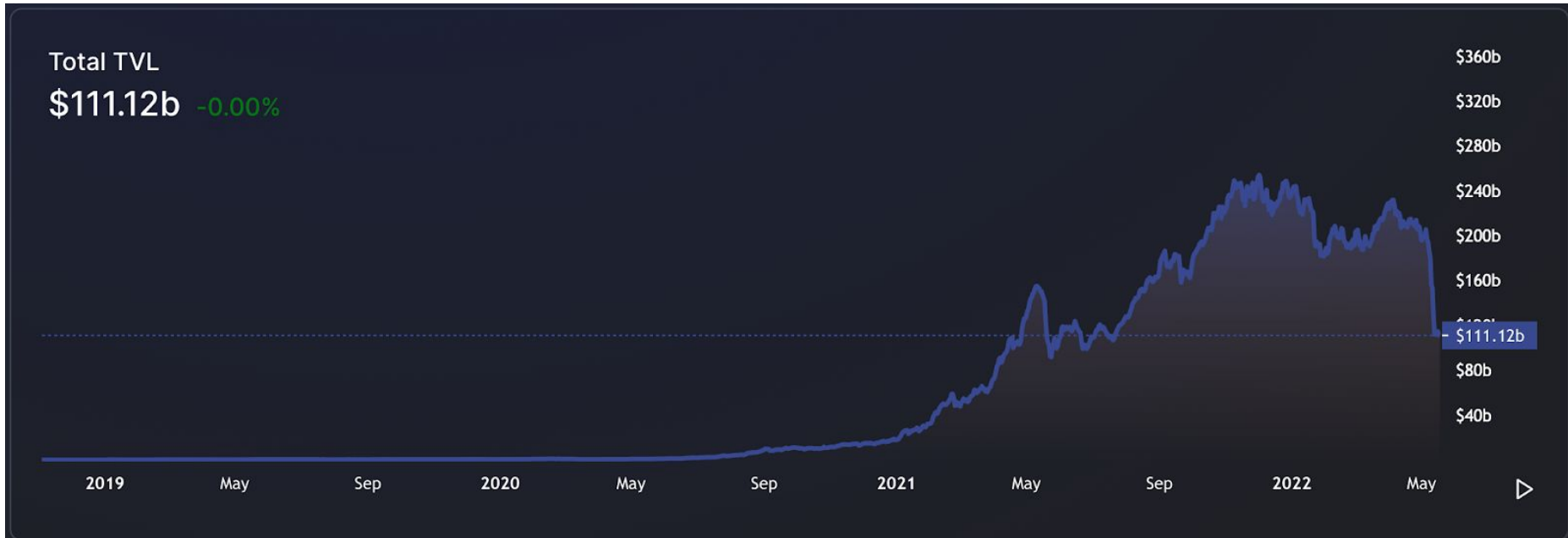
- MyEtherWallet
- DeFi Saver
- imToken
- FRONTIER
- METAMASK
- cobo
- TORUS
- rainbow
- AlphaWallet
- Authereum
- Magic
- Dexwallet
- InstaDApp
- MyCrypto
- pillar.
- ZenGo
- coinbase
- Wallet
- Zapper.fi
- Gnosis Safe
- TRUST WALLET
- Set
- eidoo
- Huobi Wallet
- MELON
- argent
- portis
- OUTLET
- ENJIN
- ZERION
- Dharma

Tokenized BTC

- RenBTC
- WBTC
- HBTC
- imBTC
- PBTC

DeFi's Quick and Expansive Growth

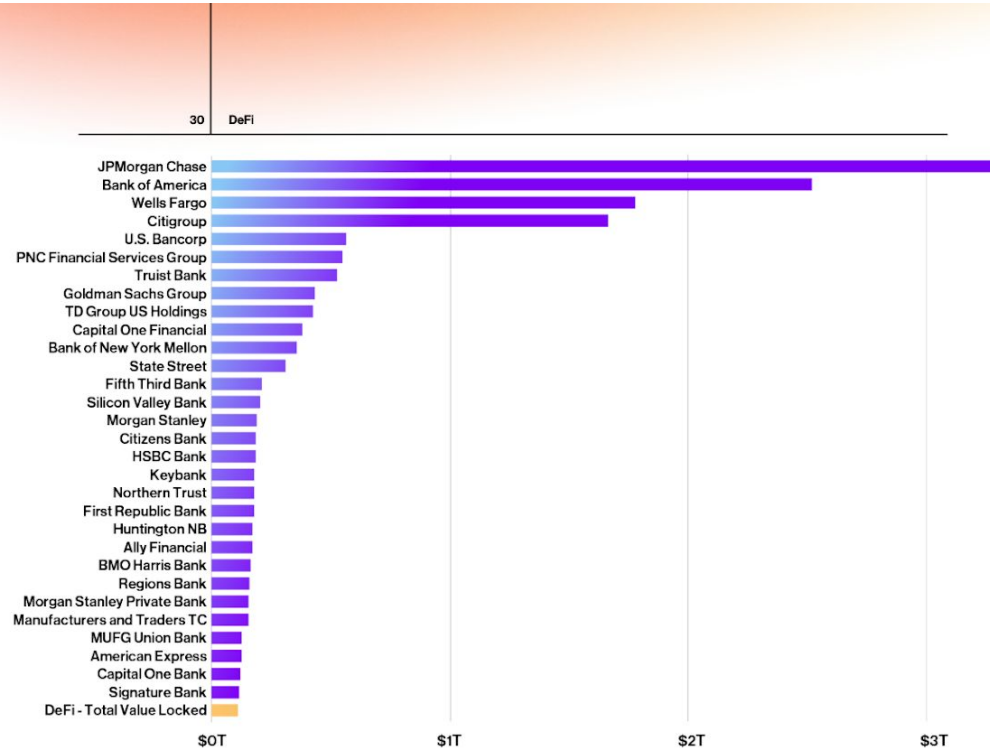
Grown from zero to \$100 billion in two years



DeFi already has a large chunk of financial wealth

With projections to grow faster

DeFi would represent the 31st largest US bank by total assets under management



Source:
DeFi Llama, <https://www.federalreserve.gov/releases/lbr/current/>;
Bank AUM data is as of 12/31/2022
DeFi TVL data is as of 5/12/2022.

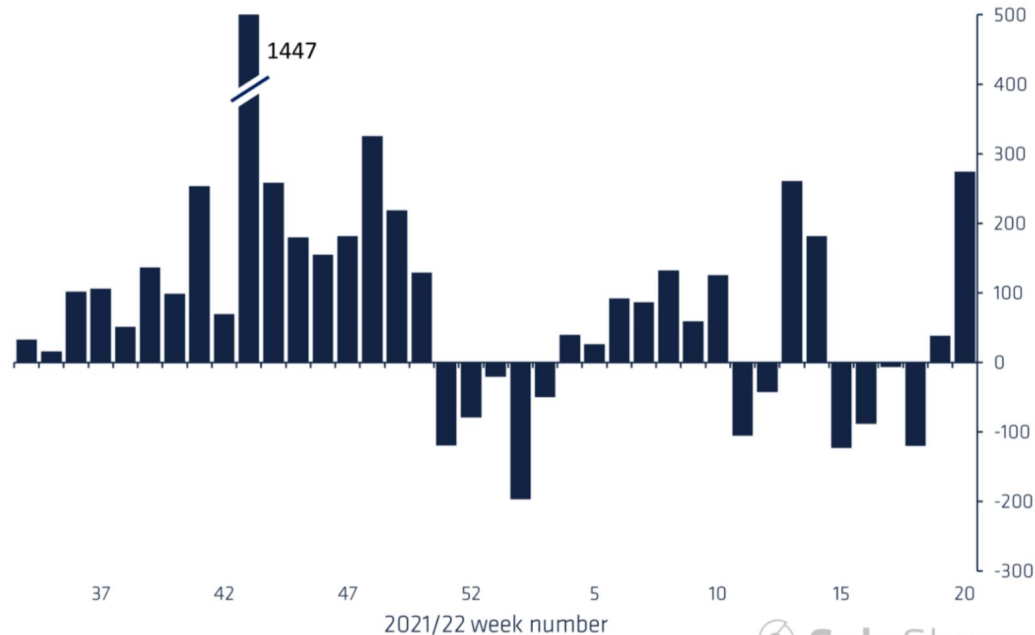
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Institutions didn't hesitate to buy the dip

Investing \$274M into crypto assets over the last week. The most \$\$ invested in a single week all year long.

Weekly Crypto Asset Flows (US\$m)



Source: Bloomberg, CoinShares, data available as of close 13 May 2022

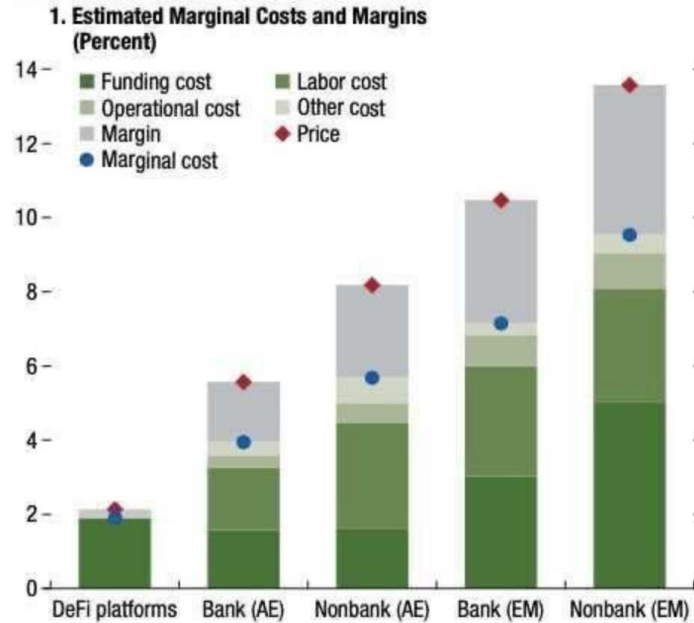


DeFi isn't just an internet casino

It's an operational value add

Figure 3.12. Efficiency and Risks of Decentralized Finance

DeFi has the lowest marginal costs due to the absence of labor and operational costs.



TradFi starting to build crypto products

Slow but steady adoption is growing

Corporate & Investment Bank	Crypto-Backed Lending	Accepts Crypto Deposits	Facilitates WM & AM Client Exposure to Crypto	Issues Stablecoins	Allows Usage of Stablecoins	Tokenization of Real Assets	Institutional Crypto Cash Trading	Institutional Crypto Derivative Trading	Crypto Custody	Digital Asset Servicing	Real-Time Payment Networks Using Crypto	Utilizes Blockchain for Back-Office Ops
Bank of New York Mellon	○	○	○	○	○	○	○	○	●	●	○	○
Bank of America	○	○	○	○	○	○	○	◐	○	○	○	○
BNP Paribas	○	○	○	○	◐	◐	○	○	○	◐	○	●
Citi	○	○	◐	○	○	○	○	◐	◐	○	○	○
Credit Agricole	○	○	◐	○	○	◐	○	◐	◐	◐	○	◐
Deutsche Bank	○	○	●	○	○	○	○	◐	◐	○	◐	○
Goldman Sachs	○	○	●	○	○	○	○	●	○	○	○	○
JPMorgan	○	○	●	●	●	◐	○	◐	○	○	●	◐
Northern Trust	○	○	○	○	○	○	○	○	●	●	○	○
Signature Bank	●	○	○	○	○	○	○	○	○	○	●	○
Silvergate Bank	●	○	○	◐	○	○	○	○	○	○	●	○
Societe Generale	○	○	◐	●	◐	◐	○	●	◐	◐	○	◐
SoFi	○	○	●	○	○	○	○	○	○	○	○	○
State Street	○	○	●	○	○	○	○	○	◐	●	○	○
US Bank	○	○	○	○	○	○	○	○	●	○	○	○
Wells Fargo	○	○	●	○	○	○	○	○	○	○	○	○

Exhibit Key	
Not offered	○
Formally considered	◐
Functional	●



Before LUNA Crash Numbers

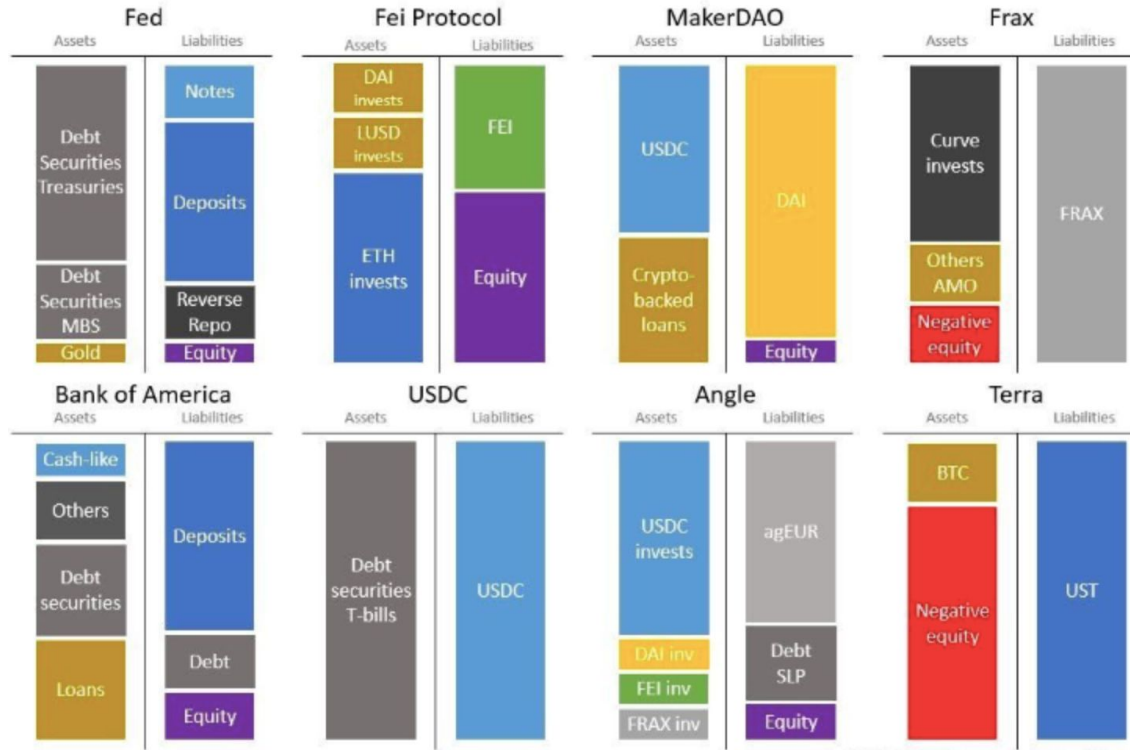
Ethereum based

Metric	Q1 2021	Q1 2022	Y/Y
<i>DeFi TVL</i>	\$49,140,000,000	\$89,540,000,000	82%
<i>Stablecoin Circulating Supply</i>	\$42,364,000,000	\$122,133,000,000	188%
<i>Spot DEX Volumes (Cumulative)</i>	\$513,417,251,340	\$3,937,905,266,832	667%
<i>Perpeutals DEX Volumes (Cumulative)</i>	\$7,461,494,616	\$209,183,480,135	2704%
<i>Money Market Outstanding Debt</i>	\$7,100,000,000	\$9,542,000,000	34%
<i>Liquid Staking TVL</i>	364,317	3,360,944	823%
<i>DeFi Protocol Revenues</i>	\$142,942,249	\$266,411,608	86%



Important to learn what is under the hood

To not get duped



As of 25/04/2022 by @SebVentures, approximations for readability



DeFi and Crypto are moving towards legitimacy

Looking to meet TradFi compliance requirements

Business

Compound's Enterprise Arm Receives S&P Credit Rating in DeFi First

The iffy B- grade applies to Compound Treasury, a platform promising 4% yield for USDC-denominated business accounts.

By Zack Seward, Sam Kessler | May 9, 2022 at 10:55 a.m. EDT | Updated May 9, 2022 at 11:09 a.m. EDT



MARKETS

The Next-Gen Of Lenders, Borrowers, And Traders Will Be Decentralized As DeFi Looks To Challenge Primitive Systems



CRYPTOCURRENCY

Crypto's meltdown refocuses regulator attention on the industry

Financial watchdogs want Congress to authorize new rules for stablecoins but may act on their own if lawmakers dither

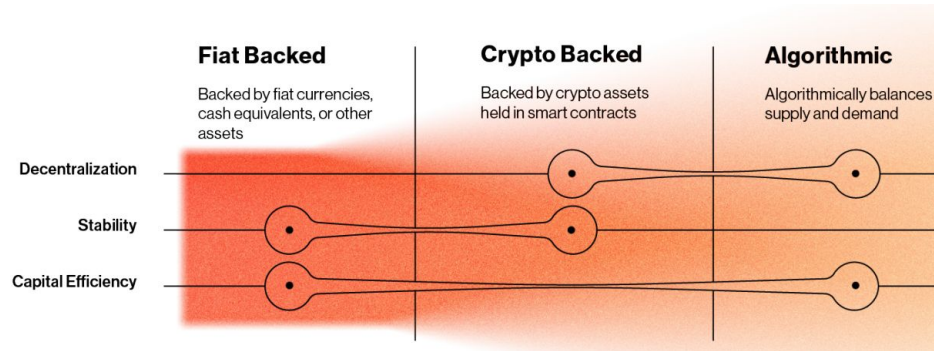


By [Tory Newmyer](#)

May 16, 2022 at 6:33 p.m. EDT

Closer looks into stablecoins

A chance to get more granular in the space



How I'd like to run a DeFi Subgroup

Industry News, Academic/Technical Research, Educational Materials

Industry News, Research Group Action Items

- [Decentralized Science \(DeSci\) Wiki](#)
- [Blockchain in Healthcare Today \(BHTY\): 2022 Predictions](#)
- [Parity & MediLedger Partner | Chronicled: 2021 Annual MediLedger Progress Report | Amici Pharma joins MediLedger](#)
- [Univ. of Arkansas: Implementing a Self-Sovereign Identity \(SSI\) for a digital staff passport at UK National Health Service \(NHS\) | UK Government Document Validation Technology \(IDVT\)](#)
- [Prescriptive Health: Named as a ConsenSys Premiere Partner utilizing Quorum Blockchain Service](#)
- [SRI International: Cryptography Review of W3C Verifiable Credentials Data Model and W3C Decentralized Identifier Standards, and Cryptography Implementation Recommendations](#)
- [Cardiff Metropolitan University: From Sharing to Selling – Challenges and Opportunities of Establishing a Digital Health Data Marketplace Using Blockchain Technologies](#)
- [Axon DAO: Blockchain medical mutual fund and community to provide medical research](#)
- [Blue United: Wyoming based company using smart contracts to authenticate and incentivize healthy choices of its members](#)
- [Frontiers: Tokenizing Behavior Change: A Pathway for the Sustainable Development Goals](#)
- [INSEC-ID: A Framework to Evaluate Blockchain Interoperability Solutions](#)
- [Vantage Market Research: Blockchain in Healthcare Market to reach \\$1.2B in 2028](#)

Educational Nuggets

- [The Well News: How blockchain is transforming health care](#)
- [VitaDAO: Discussion Panel - On the quest to quantify biological age](#)
- [a16z: The Future of Work is not Corporate – It's DAOs and Crypto Networks](#)
- [Nansen: State of Crypto Industry Report 2021](#)
- [The Generalist: What to Watch in Crypto 2022](#)
- [The New Yorker: The Promise of DAOs the Latest Craze in Crypto](#)
- [Margaretta Colangelo: Top 20 Countries Ranked by Blockchain Investment](#)
- [Univ. of Amsterdam: Probabilistic Settlement Finality in Proof-of-Work Blockchains: Legal Considerations](#)
- [AWSGeek: The Blockchain Oracle Problem](#)
- [Univ. of Basel: Decentralized Exchange Protocols](#)





Appendix