



The Dai Credit System, A new infrastructure for financial applications on the Blockchain

Søren Peter Nielsen, Head of Product, MakerDAO, The Future of Money 2018

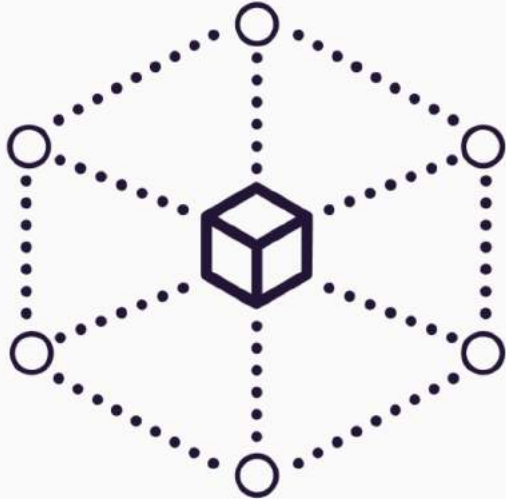
Unlocking the power of the Blockchain to
create **economic empowerment**.







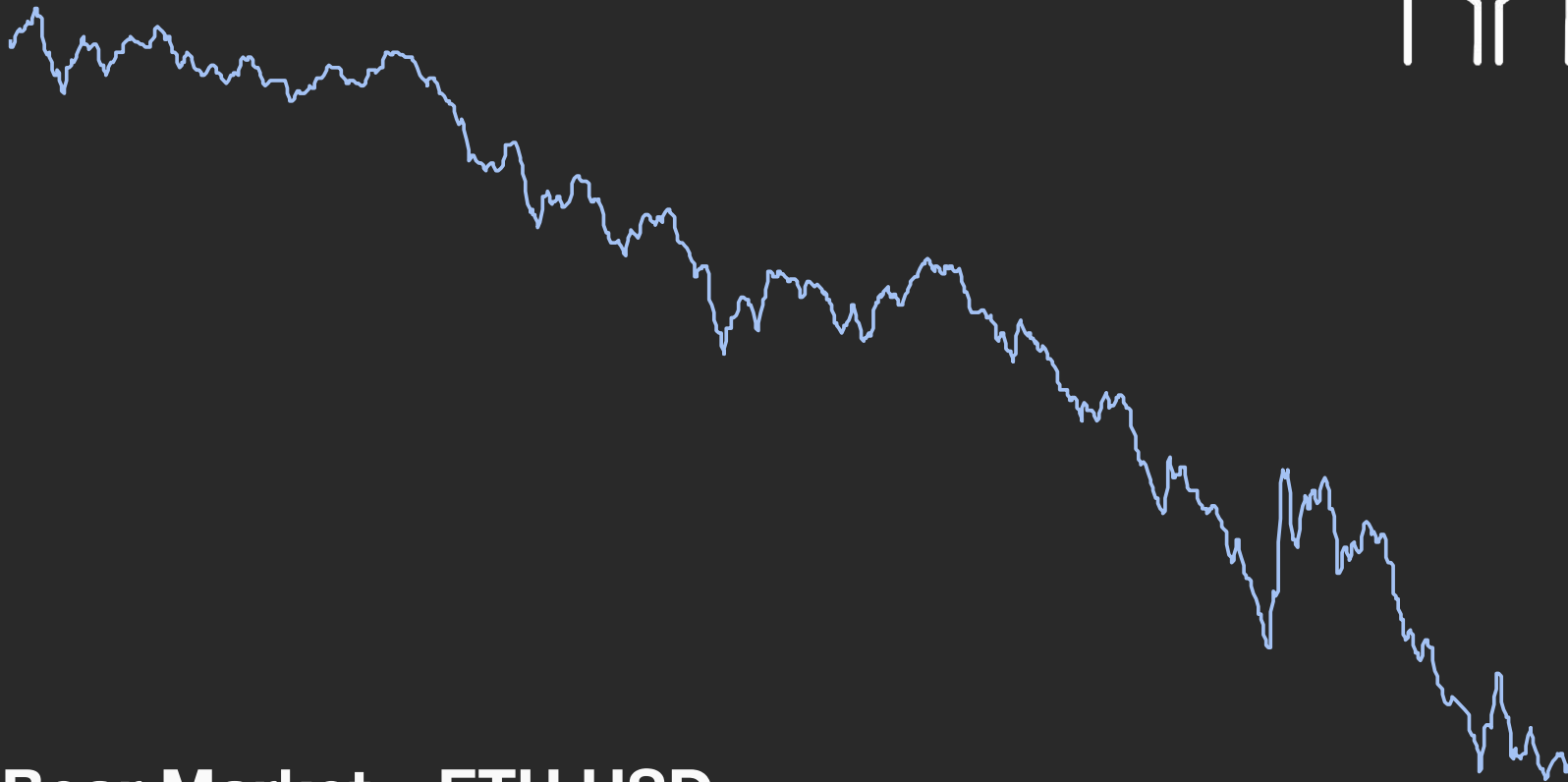
Agenda

- How Blockchain enables financial applications
 - example: Dai Credit System
- How Dai Stablecoin is used in applications
- How does it work
- The role of Real World Tokenized Assets
- Conclusion

How Blockchain enable financial apps



-  **Programmable Money!**
-  Distributed Immutable Ledger
-  Transparency
-  Smart contracts

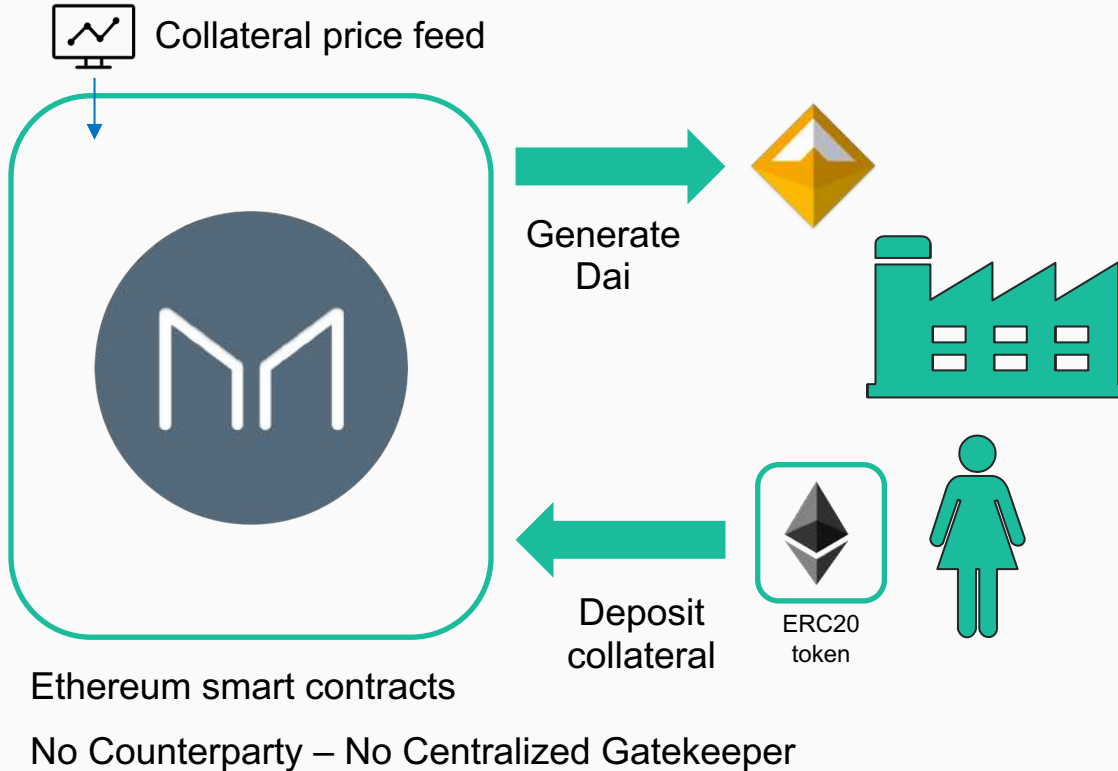


2018 Bear Market – ETH.USD



2018 Bear Market – DAI.USD

Dai Credit System



Use Dai

- Store of Value
- Unit of Account
- Medium of Exchange

The Dai Credit System provides Stability and Liquidity on the same terms for everyone

Business applications



- Remittance
- Trade finance
- Reduced counterparty risk
- Transparent accounting

Wyre

International Remittances



- Dai used as instant settlement layer for international remittance
- Easy on & off-ramp between fiat and crypto in 30 countries

Tradeshift

Supply Chain Financing



- Unlocking liquidity across the supply chain
- Access to capital for managing cash flow

ANNOUNCING OUR CRYPTOCURRENCY CAMPAIGN FOR DISASTER RESPONSE



bifröst



NeedsList

Traditional aid solution



3-4 weeks

Approx. 10%
transaction cost



aid solution



3 days or less

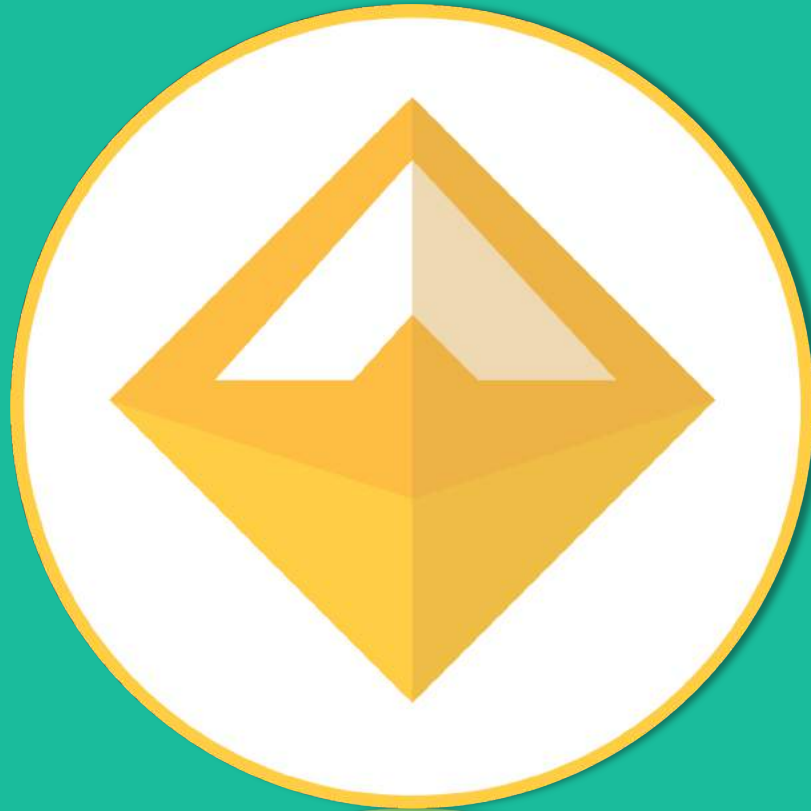
Approx. 1%
transaction cost



Bifröst framework for crisis situations



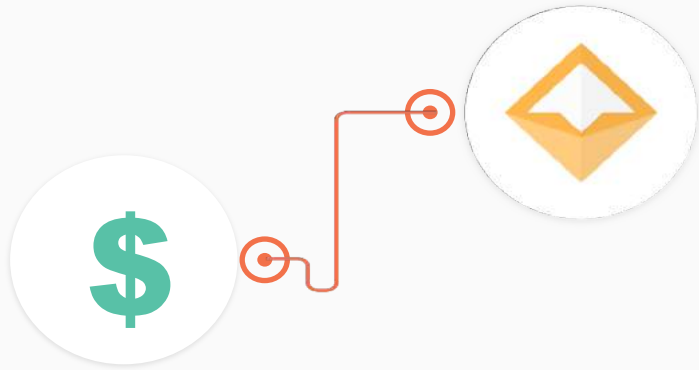
How
does it
work?



What is Dai ?



1st decentralized stablecoin on Ethereum

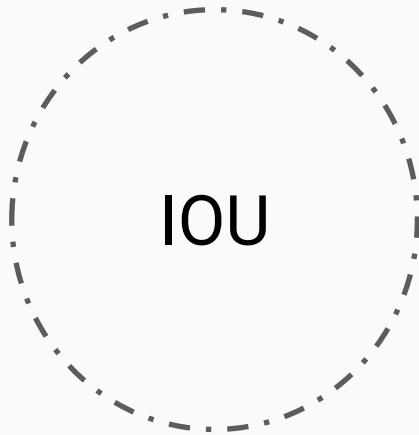


- Soft pegged to USD
- Asset-backed hard currency
- Programmable money
- No central point of failure

Stablecoin Theory 101



Not all stablecoins are equal



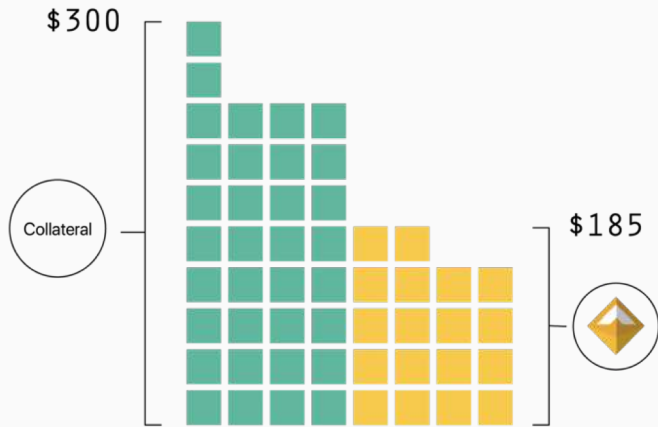
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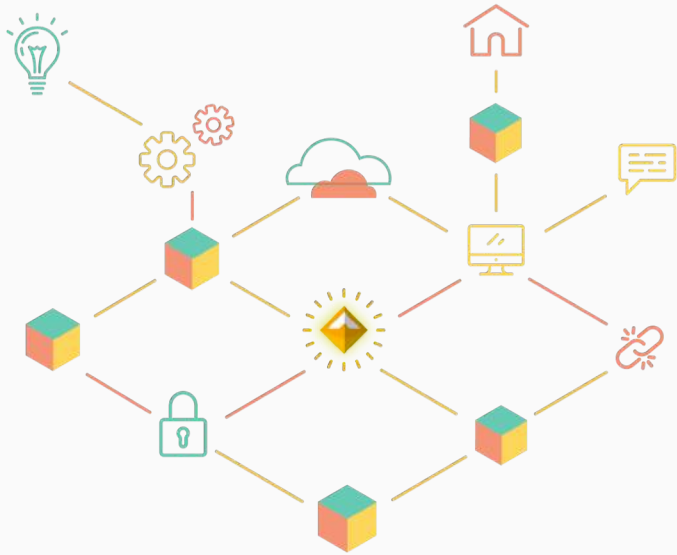


Over-Collateralized Stablecoin



- Collateral Debt position
- Deposit Collateral
- Value Determined by Price Feed
- Generate Dai
- Keep Collateral While Using Dai
- Repay Dai

Properties of a durable stablecoin



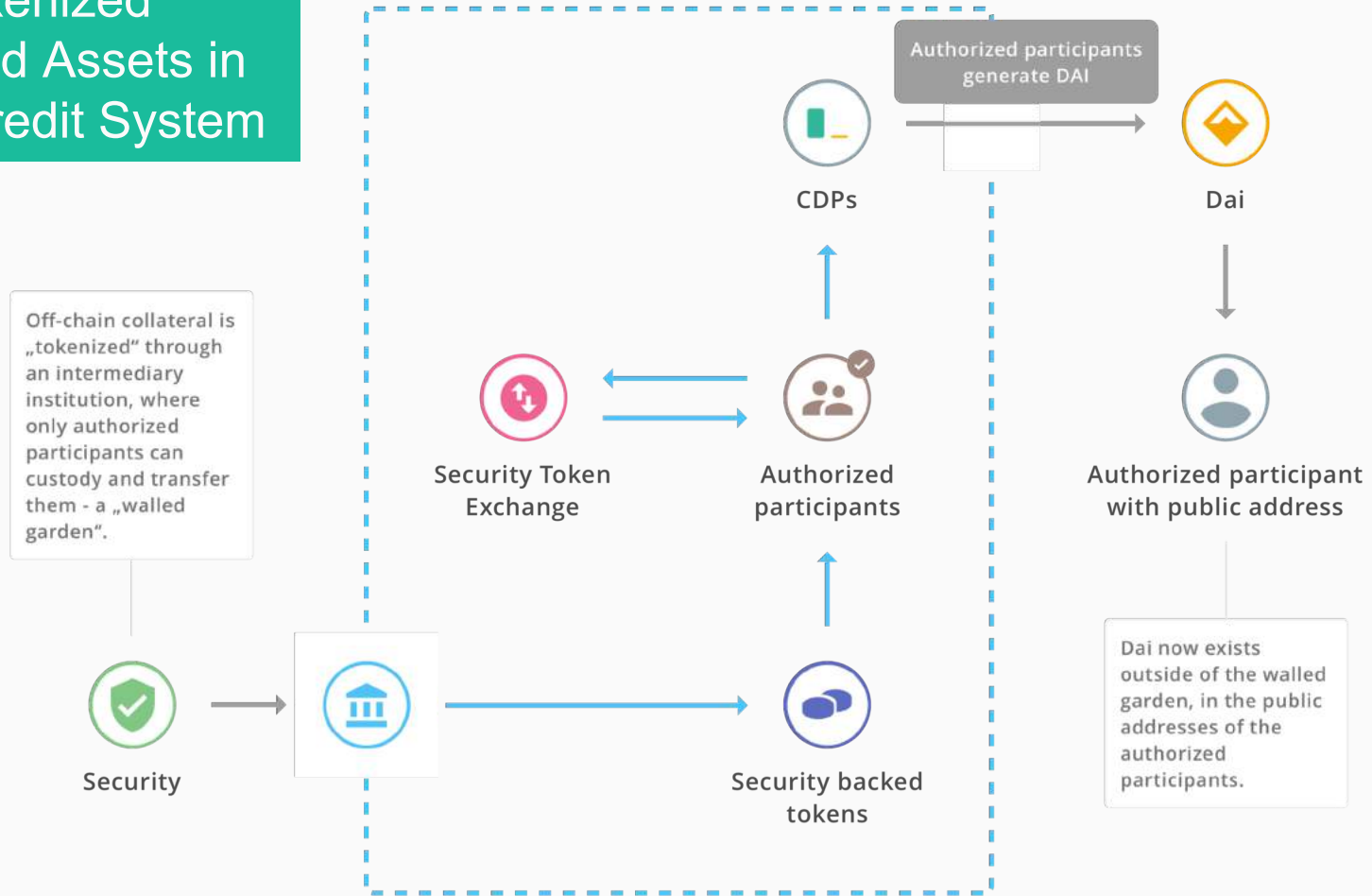
- Multi-collateral
- Over collateralized
- Emergency shutdown

Tokenization

- The rights to an asset are converted into a digital token on a blockchain
- New types of fractional ownership

Tokenization can do for Asset Trading what the Shipping Container did for the Freight Industry

Using Tokenized Real-World Assets in the Dai Credit System



“

“As a first mover and innovator in stablecoins, MakerDAO represents a very compelling opportunity in the crypto space.

MakerDAO's technology, ecosystem and talent have put theory into action to deliver a decentralized stablecoin that we believe will help drive the future of the crypto economy.”

— *Katie Haun,*
General Partner at a16z crypto
fund by VC firm Andreessen Horowitz

per November 23, 2018

66.4 million USD **Circulating supply (Dai)**

388 million USD **Market cap (MKR)**

4,435 **Total CDPs (to date)**

1.3 million **Total ETH locked in CDPs** (= 1.24% of total ETH supply)

160.7 million **Total Dai drawn against collateral** (since December 2017)



Maker Products



cdp.makerdao.com **CDP Portal** (CDPs)

[Mkr.tools](https://mkr.tools) **Maker Tools** (data)

vote.makerdao.com **Governance** (voting)

Join the Community



makerdao.com **Website**

r/makerdao **Maker Tools** (data)

vote.makerdao.com **Subreddit** (4.7K subscribers)

chat.makerdao.com **Chat** (4.8K active users)

@MakerDAO **Twitter** (14.1K followers)

The Dai Credit System – summing up

- Decentralized
- Access on equal terms for all
- Asset backed
- Transparent, auditable for all
- Stable, battle tested peg to USD

Thank you!
Questions?



USD DAI is just the beginning

EUR, GBP, JPY, ...

Synthetic assets