

Week 1 · Intro to DeFi

The idea in one line

DeFi is financial services written as open programs that anyone with a wallet can call.

Key terms

Term	Meaning
DeFi	Finance run by public programs on a blockchain
CeFi	Crypto services run by a company that holds your funds
Non-custodial	You hold the keys. Nobody else can move your funds
Permissionless	No sign-up. A wallet is enough
Composable	Programs can call each other in one transaction
DEX	An exchange that runs as a program (Raydium, Orca, Meteora)
Aggregator	Splits your swap across many DEXs for a better price (Jupiter)
Oracle	Brings outside prices on chain (Pyth, Switchboard)
Slot	Solana's ~400ms window to produce a block

Three things to remember

1. A bank does five jobs: holds money, matches savers and borrowers, settles payments, checks identity, takes losses. On chain, the last two usually fall to you.
2. Solana runs unrelated transactions in parallel because each one lists its accounts up front.
3. Base fee: 5,000 lamports per signature (0.000005 SOL).

Do and don't

- Do check who holds the admin keys before calling anything "decentralised".
- Don't confuse DeFi with CeFi: FTX was a company holding customer funds.
- Do put a date on every TVL or volume figure.

This week's task

Get a SOL to USDC quote on jup.ag and write down the route.

Read one real swap on Orb, then compare "Explain with AI" with the raw instructions.

Blog: "My introduction to Decentralized Finance on Solana."

Deck: /week-1/