



MakerDAO Protocol Economics

February 2024

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Executive Summary

The protocol continued the strong momentum from January with strong revenue from RWAs, and continued Spark growth.

In February 2024 we saw:

- Gross protocol revenue of 29.7M DAI, with 10.9M DAI of crypto-vault revenue and 17.4M DAI of RWA revenue (18.8M DAI including PSM revenue)
- Total DAI was up 97M DAI (2%) from last month
- ETH Lending directly on the Maker protocol decreased 11.6% from last month while Spark grew 13.6%. Consolidating Spark, Maker now has 50.3% market share on ETH Mainnet
- DAI locked in DSR increased 12% from 1.16B DAI to 1.30B DAI
- Accrued (off-chain) RWA stability fees were 7.1M DAI for February, driven by 5.8M DAI from Clydesdale and Andromeda*

**Note - Accrued RWA stability fees reflect a more accurate representation of the vault's current run-rate as on-chain RWA stability fees often combine multiple months of accrued fees.*

Key Financial Metrics

February 2024

- Net protocol operating earnings of 21.8M DAI on net revenues of 25.1M DAI, inclusive of token compensation expenses, exclusive of off-chain RWA accruals
- DSR Expense of 4.6M DAI, down 23% month over month
- Crypto-vaults balance of 2.49B DAI, up 12% from January
- Surplus buffer increased to 66.6M DAI, up 27% from January

in millions of DAI, unless otherwise stated

	Feb-24	Jan-24	MoM %	Nov-23	Feb-23	YoY %
Consolidated Statement of Earnings						
Gross Revenues						
Crypto-vaults	10.9	10.3	6%	6.9	0.9	1097%
PSM	1.4	0.3	343%	3.4	0.6	114%
RWA	17.4	10.2	71%	19.3	0.2	8357%
Total gross revenues	29.7	20.8	43%	29.7	1.8	1596%
DSR Expense	(4.6)	(5.9)	-23%	(6.4)	(0.0)	NM
Total net revenues	25.1	14.8	69%	23.3	1.7	1361%
Total operating expenses	(3.3)	(10.8)	-69%	(4.7)	(8.0)	-59%
Net Operating Earnings	21.8	4.1	438%	18.6	(6.3)	NM

Consolidated Balance Sheets

Assets						
Crypto-vaults	2,486.4	2,224.3	12%	2,014.3	1,550.4	60%
PSM	289.0	447.6	-35%	527.4	2,965.7	-90%
RWA	2,220.8	2,213.1	0%	2,802.1	696.3	219%
Total CDP	4,996.2	4,885.0	2%	5,343.7	5,212.4	-4%
Treasury holdings	1.2	1.0	20%	0.6	0.8	40%
Total Assets	4,997.4	4,886.0	2%	5,344.3	5,213.2	-4%
Liabilities						
Dai Locked in DSR	1,299.4	1,155.0	12%	1,619.3	107.8	1106%
Dai in Circulation	3,630.2	3,677.4	-1%	3,666.3	5,030.9	-28%
Total Liabilities	4,929.6	4,832.5	2%	5,285.6	5,138.6	-4%
Equity						
Surplus buffer	66.6	52.5	27%	58.2	73.7	-10%
Treasury holdings	1.2	1.0	20%	0.6	0.8	40%
Total Equity	67.8	53.5	27%	58.7	74.6	-9%

Consolidated P&L

February 2024

<i>in millions of DAI, unless otherwise stated</i>	LTM	<i>Feb-24</i>	<i>Jan-24</i>	<i>Dec-23</i>	<i>Nov-23</i>	<i>Oct-23</i>	<i>Sep-23</i>	<i>Aug-23</i>	<i>Jul-23</i>	<i>Jun-23</i>	<i>May-23</i>	<i>Apr-23</i>	<i>Mar-23</i>	<i>Feb-23</i>	<i>vs YA</i>
Consolidated Statement of Earnings															
Net trading fees	0.1	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.1	0.0	-100%
Net liquidation income	0.4	-	0.0	-	0.0	-	0.0	0.2	0.0	0.1	0.0	-	0.0	0.0	-100%
Total non-stability fee revenues	0.5	-	0.0	-	0.0	-	0.0	0.2	0.0	0.1	0.0	0.0	0.1	0.0	-100%
ETH	22.2	3.7	3.4	3.0	2.4	2.1	1.6	1.6	1.5	1.0	0.7	0.6	0.6	0.5	610%
STETH	20.8	1.9	2.6	2.7	2.5	2.5	2.5	2.5	1.6	0.9	0.4	0.3	0.4	0.2	713%
BTC	4.8	0.8	0.6	0.5	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.1	0.1	0.1	698%
Liquidity Pool	0.0	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	-100%
Money Market	14.1	4.6	3.6	2.4	1.6	0.8	0.8	0.4	-	0.0	-	-	0.0	0.0	21292%
PSM	16.5	1.4	0.3	0.3	3.4	5.5	2.1	1.1	-	1.4	-	0.5	0.6	0.6	117%
RWA	76.2	17.4	10.2	5.4	19.3	8.9	2.3	9.4	0.4	0.6	0.3	1.5	0.4	0.2	8357%
Other	0.2	-	-	-	-	-	-	-	-	-	0.0	0.0	0.2	0.0	-100%
Gross stability fee revenues	154.9	29.7	20.8	14.3	29.7	20.2	9.8	15.4	3.8	4.3	1.8	3.0	2.2	1.7	1630%
Direct expenses	(43.2)	(4.6)	(5.9)	(6.5)	(6.4)	(7.0)	(6.0)	(5.5)	(0.8)	(0.2)	(0.1)	(0.1)	(0.1)	(0.0)	NM
Net stability fee income	111.7	25.1	14.8	7.8	23.3	13.2	3.7	9.9	3.1	4.0	1.7	3.0	2.1	1.7	1391%
Total protocol revenues	112.2	25.1	14.8	7.8	23.3	13.2	3.7	10.1	3.1	4.1	1.7	3.0	2.2	1.7	1361%
Total protocol expenses	(62.0)	(3.3)	(10.8)	(4.9)	(4.7)	(6.3)	(2.5)	(6.4)	(5.5)	(2.1)	(4.8)	(5.2)	(5.6)	(2.7)	23%
Net Protocol Earnings	50.2	21.8	4.1	2.9	18.6	7.0	1.3	3.7	(2.5)	2.0	(3.0)	(2.2)	(3.4)	(1.0)	NM

Consolidated Balance Sheet and Protocol Capital

February 2024

<i>in millions of DAI, unless otherwise stated</i>	LTM	<i>Feb-24</i>	<i>Jan-24</i>	<i>Dec-23</i>	<i>Nov-23</i>	<i>Oct-23</i>	<i>Sep-23</i>	<i>Aug-23</i>	<i>Jul-23</i>	<i>Jun-23</i>	<i>May-23</i>	<i>Apr-23</i>	<i>Mar-23</i>	<i>Feb-23</i>	<i>vs YA</i>
Consolidated Balance Sheets															
Crypto Vaults	2,486.4	2,486	2,224	2,380	2,014	1,685	1,659	1,692	1,358	1,310	1,329	1,263	1,228	1,547	61%
PSM Vaults	289.0	289	448	260	527	522	670	1,117	740	1,453	1,625	2,869	3,357	2,966	-90%
RWA Vaults	1,950.7	1,951	2,213	2,580	2,802	3,139	3,205	2,464	2,482	1,868	1,841	776	699	696	180%
Treasury holdings	1.2	1.2	1.0	0.7	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.8	0.8	40%
Total Assets	4,727.3	4,727	4,886	5,222	5,344	5,346	5,535	5,273	4,580	4,631	4,795	4,909	5,285	5,210	-9%
Dai Saving Rate (DSR)	1,299.4	1,299	1,155	1,466	1,619	1,547	1,657	1,318	344	208	101	97	110	108	1106%
Dai in Circulation	3,630.2	3,630	3,677	3,703	3,666	3,749	3,828	3,902	4,172	4,352	4,625	4,741	5,103	5,031	-28%
Total Liabilities	4,929.6	4,930	4,832	5,169	5,286	5,296	5,484	5,219	4,516	4,560	4,726	4,838	5,213	5,139	-4%
Total Equity	67.8	67.8	53.5	53.0	58.7	50.1	50.4	53.9	64.3	71.5	68.7	70.8	72.3	74.6	-9%

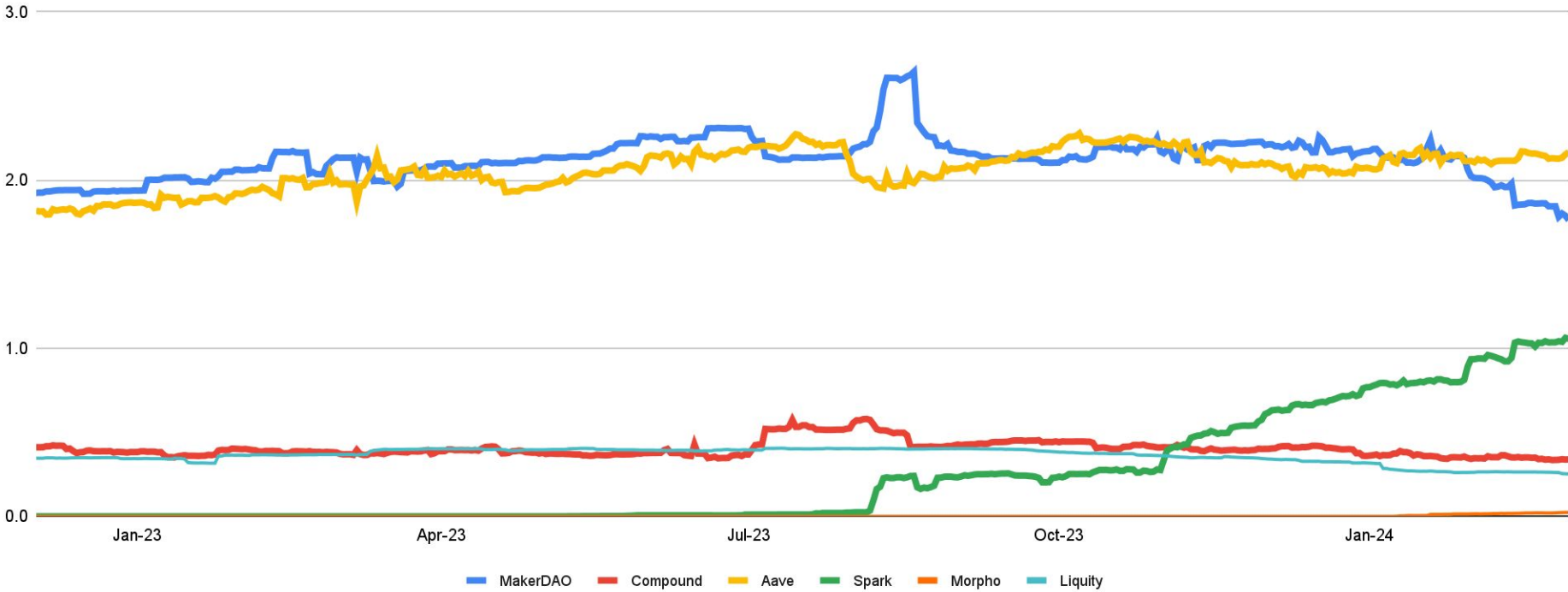
<i>in millions of DAI, unless otherwise stated</i>	LTM	<i>Feb-24</i>	<i>Jan-24</i>	<i>Dec-23</i>	<i>Nov-23</i>	<i>Oct-23</i>	<i>Sep-23</i>	<i>Aug-23</i>	<i>Jul-23</i>	<i>Jun-23</i>	<i>May-23</i>	<i>Apr-23</i>	<i>Mar-23</i>	<i>Feb-23</i>	<i>vs YA</i>
Changes in Protocol Capital															
Net Protocol Earnings	50.2	21.8	4.1	2.9	18.6	7.0	1.3	3.7	(2.5)	2.0	(3.0)	(2.2)	(3.4)	(1.0)	NM
Issuance for MKR token expenses	20.7	1.7	5.1	2.3	1.7	2.4	0.9	1.4	1.5	0.8	1.0	0.8	1.2	0.3	495%
MKR mints/(burns)	(78.1)	(9.5)	(9.0)	(10.9)	(11.7)	(9.7)	(5.7)	(15.4)	(6.3)	-	-	-	-	-	NM
Net Change in Surplus Buffer	(7.1)	14.1	0.2	(5.8)	8.6	(0.3)	(3.5)	(10.3)	(7.2)	2.8	(2.0)	(1.4)	(2.2)	(0.7)	NM
Treasury asset income	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-100%
Treasury asset chg value	0.3	0.2	0.3	0.1	0.1	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)	NM
Other changes in protocol capital	0.3	0.2	0.3	0.1	0.1	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)	NM
Net Change in Protocol Capital	(6.8)	14.2	0.5	(5.7)	8.6	(0.3)	(3.5)	(10.4)	(7.2)	2.8	(2.1)	(1.5)	(2.3)	(0.7)	NM

ETH/stETH Deposited into Mainnet Lending Protocols*

Maker protocol deposits decrease, Spark deposits continue to rise

ETH Market Share

ETH, millions



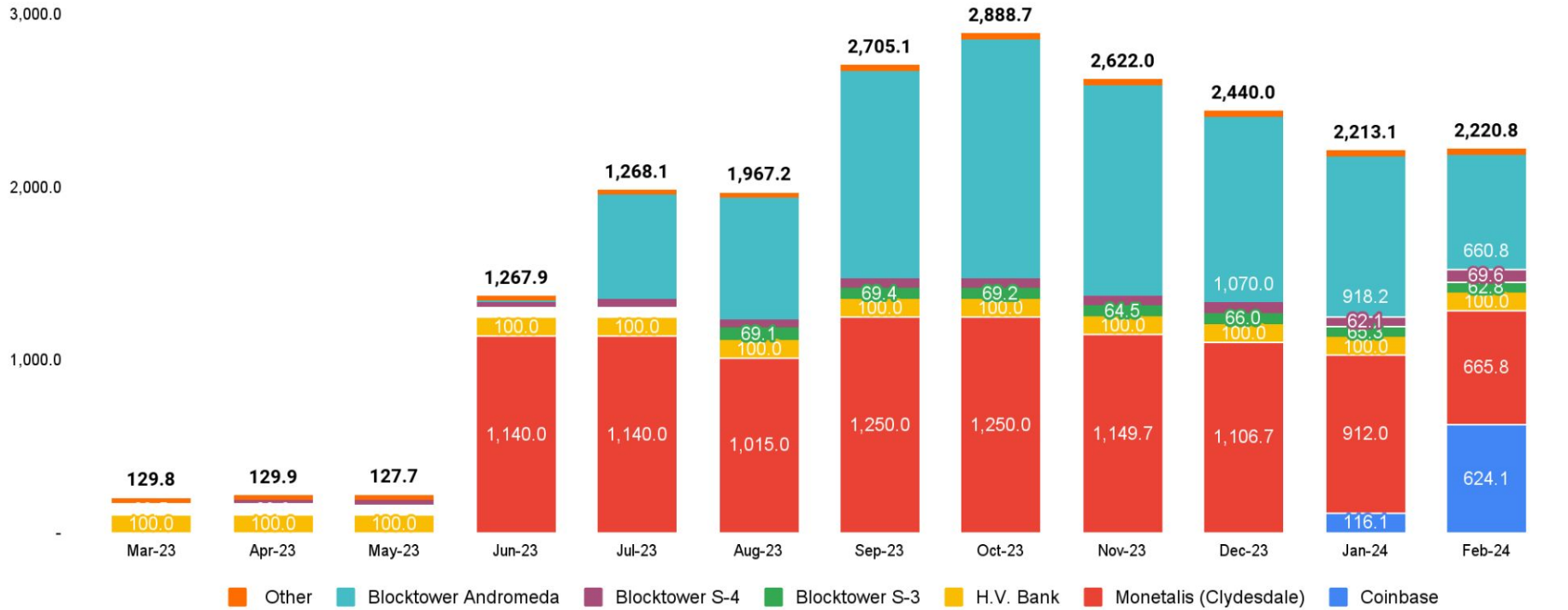
Source: Dune Analytics
*Queries represent market share among Maker, AAVE v2, COMP v2, and Liquity on ETH L1

RWA Balances remain roughly flat from January

Shift from Treasury vaults to Coinbase Custody to bolster peg stability

RWA Overview

DAI millions



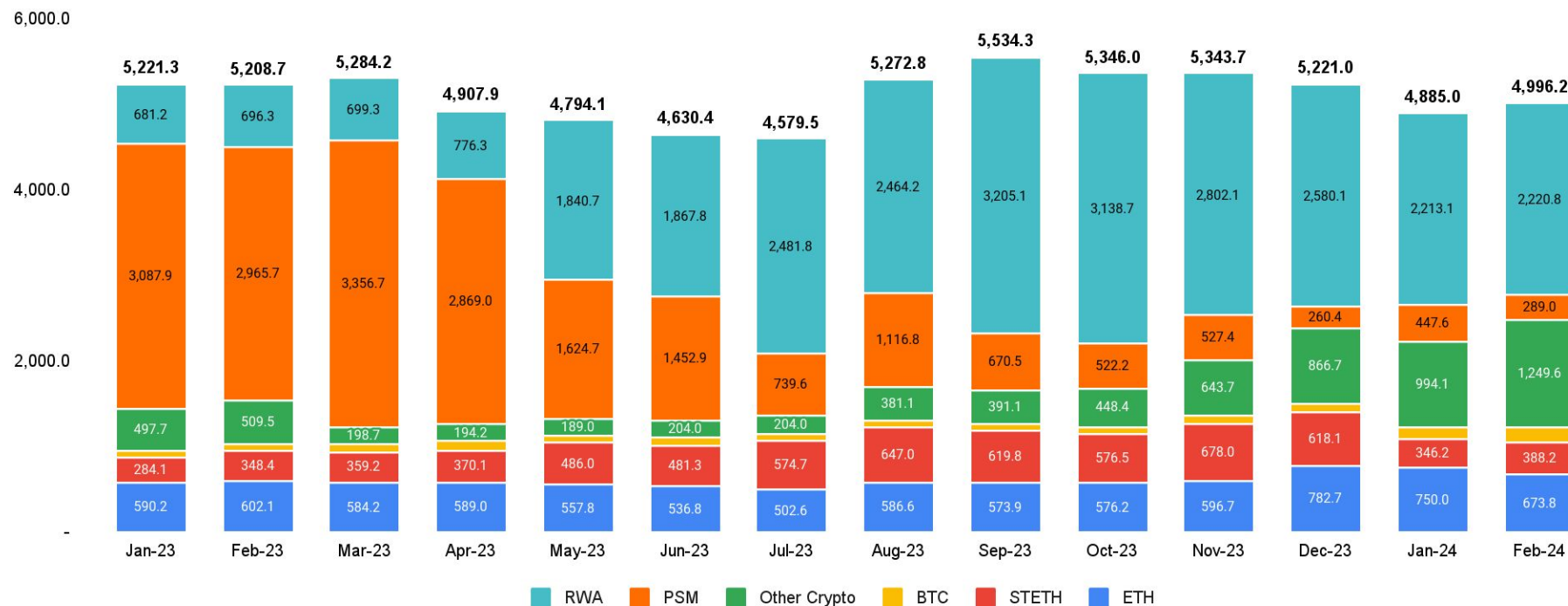
Source: Steakhouse SAFU Accounting queries

Total Crypto Collateral Rebounds

RWAs inclusive of PSMs maintain slightly over 50% of balance sheet assets

Balance sheet assets by collateral type

DAI millions



Crypto Vaults Exposure up 12% vs January

BTC collateral deposits up 30%

<i>in millions of DAI</i>	Feb-24	Jan-24	MoM %	Nov-23	QoQ %	Feb-23	YoY %
Crypto Vaults							
ETH	673.8	750.0	-10%	596.7	13%	602.1	12%
stETH	388.2	346.2	12%	678.0	-43%	348.4	11%
BTC	174.8	134.0	30%	95.8	83%	86.6	102%
Other Crypto	1,249.6	994.1	26%	169.7	637%	513.2	143%
Total Crypto	2,486.4	2,224.3	12%	1,540.2	61%	1,550.4	60%
RWA							
Public Credit	1,326.6	1,830.2	-28%	2,364.5	-44%	500.0	165%
Private Credit (Incl. Coinbase)	894.2	382.9	134%	437.5	104%	196.4	355%
Total RWA	2,220.8	2,213.1	0%	2,802.1	-21%	696.3	219%
PSM	289.0	447.6	-35%	527.4	-45%	2,965.7	-90%
Total Assets (excl. Treasury Holdings)	4,996.2	4,885.0	2%	4,869.7	3%	5,212.4	-4%

Real World Asset Updates and Asset Allocation Initiatives

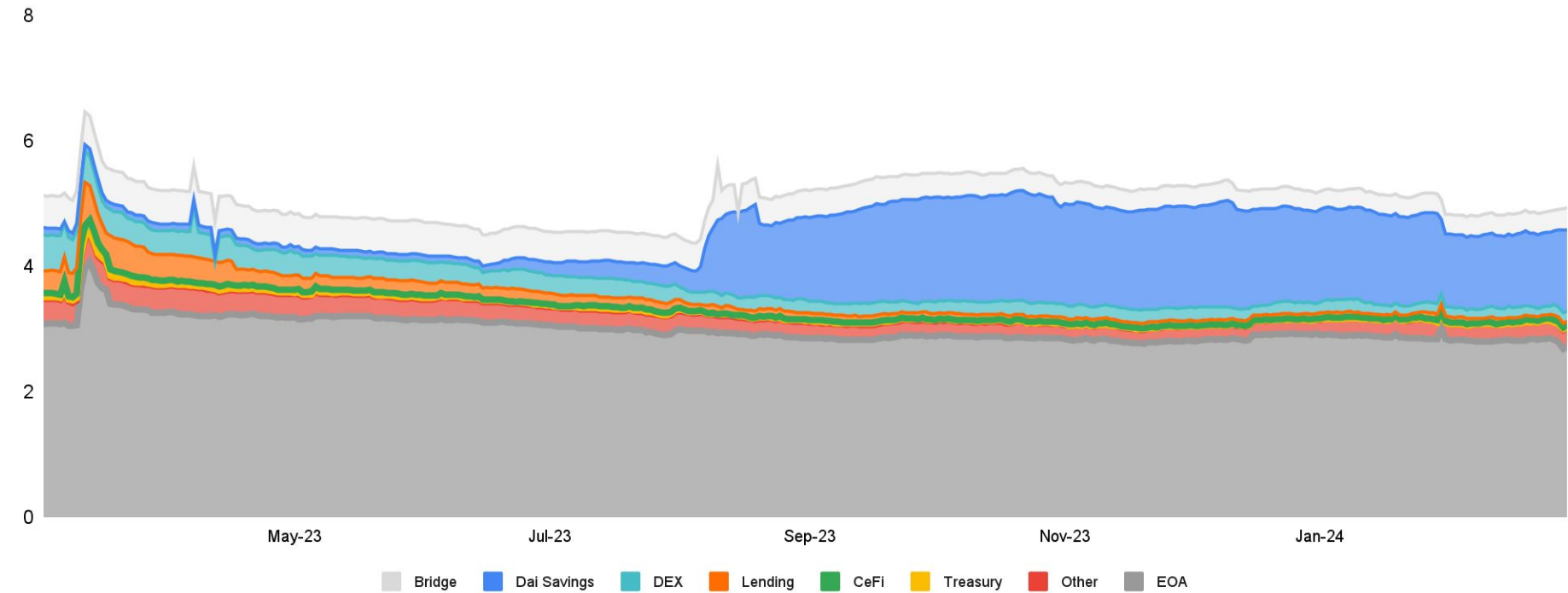
- Clydesdale and Andromeda combined for 5.8M DAI of accrued stability fees in February
- RWA loan balance now stands at 2.22B DAI
- Maker's RWA exposure down roughly 110M DAI from January
- RWAs continue to comprise a significant portion of Maker's stability fees

Vault Code	Transaction Name	Dai Loan Balance	Dai Debt Ceiling	Covenants Passing	Stability Fees MTD	Stability Fees YTD	Stability Fees LTD	Stability Fees LTD (On-Chain)	Variance
RWA-001	6s Capital ¹	14,492,708	15,000,000	Yes	28,366	30,393	322,678	178,007	144,671
RWA-002	New Silver	14,807,888	50,000,000	Yes	79,324	87,500	1,201,439	1,198,862	2,577
RWA-003	ConsolFreight ²	1,608,033	2,000,000	No	7,427	7,902	152,259	113,376	38,883
RWA-004	Harbor Trade Credit ²	1,560,600	7,000,000	No	8,367	8,894	236,679	144,265	92,414
RWA-005	Fortunafi	5,521,445	15,000,000	No	19,276	19,924	496,081	458,125	37,956
RWA-007	Monetalis Clydesdale ³	665,833,375	3,000,000,000	N/A	2,688,101	4,491,280	41,197,126	41,005,972	191,154
RWA-008	Societe Generale	-	-	N/A	0	0	211	211	0
RWA-009	Huntingdon Valley Bank	100,000,000	100,000,000	Yes	496,075	483,100	6,190,479	58,202	6,132,277
RWA-012	BlockTower 3	69,613,621	80,000,000	Yes	213,154	203,207	1,652,609	1,643,027	9,581
RWA-013	BlockTower 4	62,818,288	70,000,000	Yes	201,846	219,659	2,889,224	2,880,621	8,603
RWA-014	Coinbase Custody	624,069,500	500,000,000	N/A	0	305,186	6,335,965	6,335,965	0
RWA-015	Andromeda	660,782,234	3,000,000,000	N/A	3,132,981	3,979,092	31,410,504	30,007,398	1,403,106
NA	GUSD PSM	2,086	110,000,000	N/A	0	0	7,799,187	7,799,187	0
NA	USDP PSM	704,650	120,000,000	N/A	227,489	227,761	4,004,599	4,004,599	0
Total		2,221,814,428	7,069,000,000	-	7,102,406	10,063,897	103,889,040	91,823,219	8,061,222

EOA outflows decrease as DSR inflows increase

Where is Dai?

Dai billions



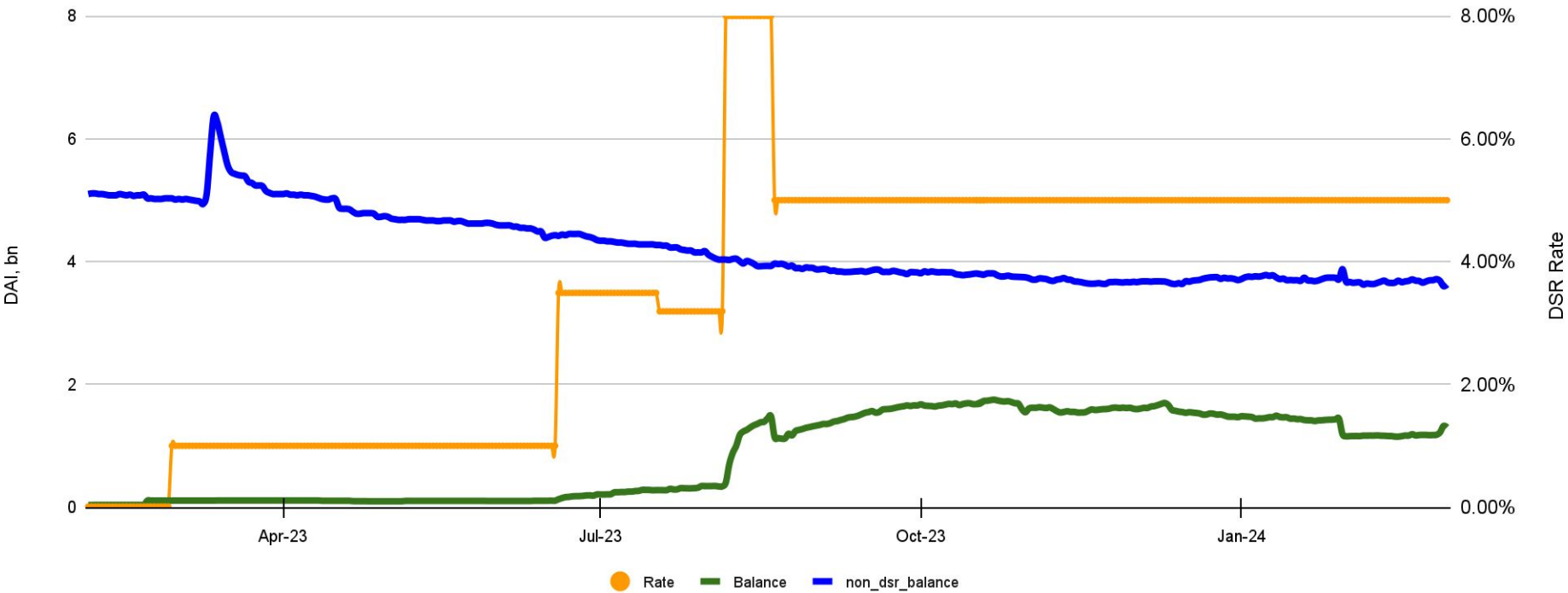
DAI Demand increased vs prior month, driven by 12% increase in DSR

<i>in millions of DAI</i>	Feb-24	Jan-24	MoM %	Nov-23	QoQ %	Feb-23	YoY %
Dai Demand							
EOA	2,722.8	2,848.9	-4%	2,814.3	-3%	3,097.8	-12%
Dai Savings	1,299.4	1,155.0	12%	1,619.3	-20%	107.8	1106%
Bridge	344.3	316.9	9%	330.1	4%	521.5	-34%
Dex	158.1	151.8	4%	198.3	-20%	554.4	-71%
Lending	67.4	77.2	-13%	81.6	-17%	369.3	-82%
CeFI	27.4	26.7	3%	12.9	112%	61.6	-55%
Treasury	0.9	1.1	-17%	2.4	-62%	26.8	-97%
Other	310.5	255.4	22%	226.7	37%	397.6	-22%
Total Dai	4,930.9	4,833.0	2%	5,285.6	-7%	5,136.9	-4%

DSR Balance & Rate

DSR Balance & Rate

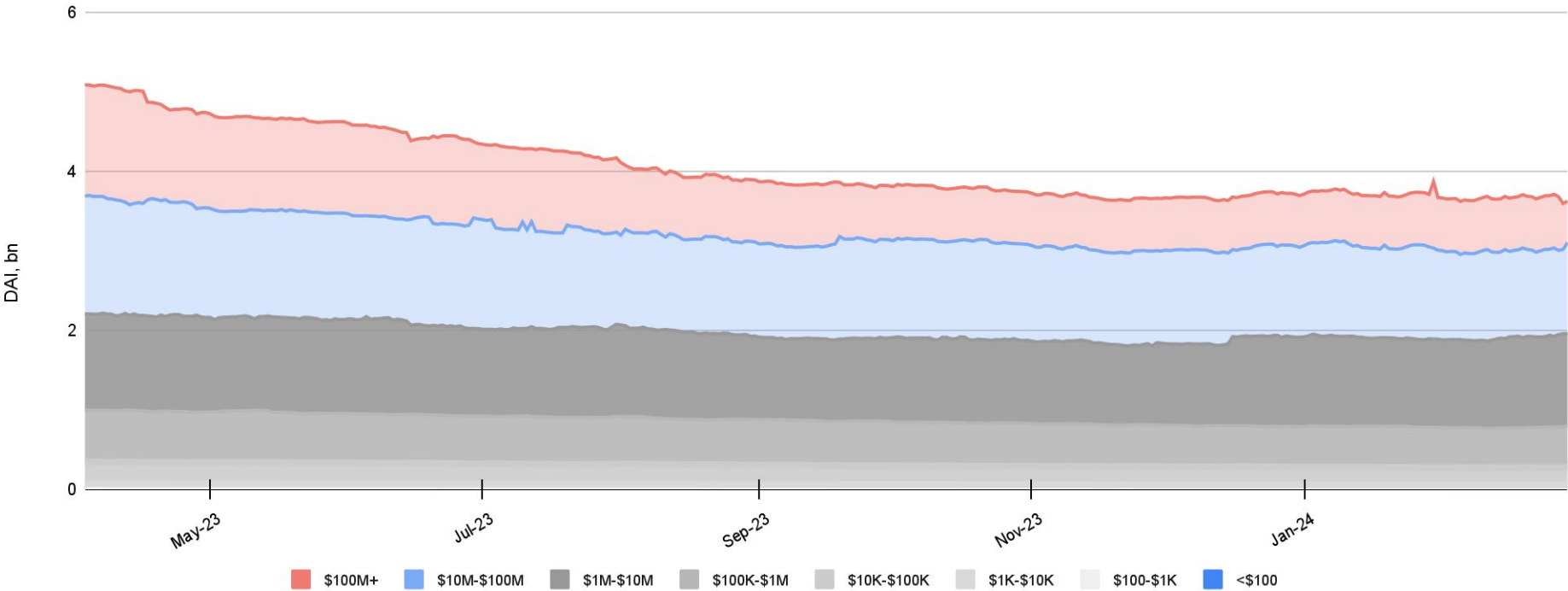
Portion of DAI in DSR



DAI User Demographics*

Dai Wallet Distribution

DAI Holder Wealth Distribution



Source: Dune Analytics
*Does not include funds in the DSR

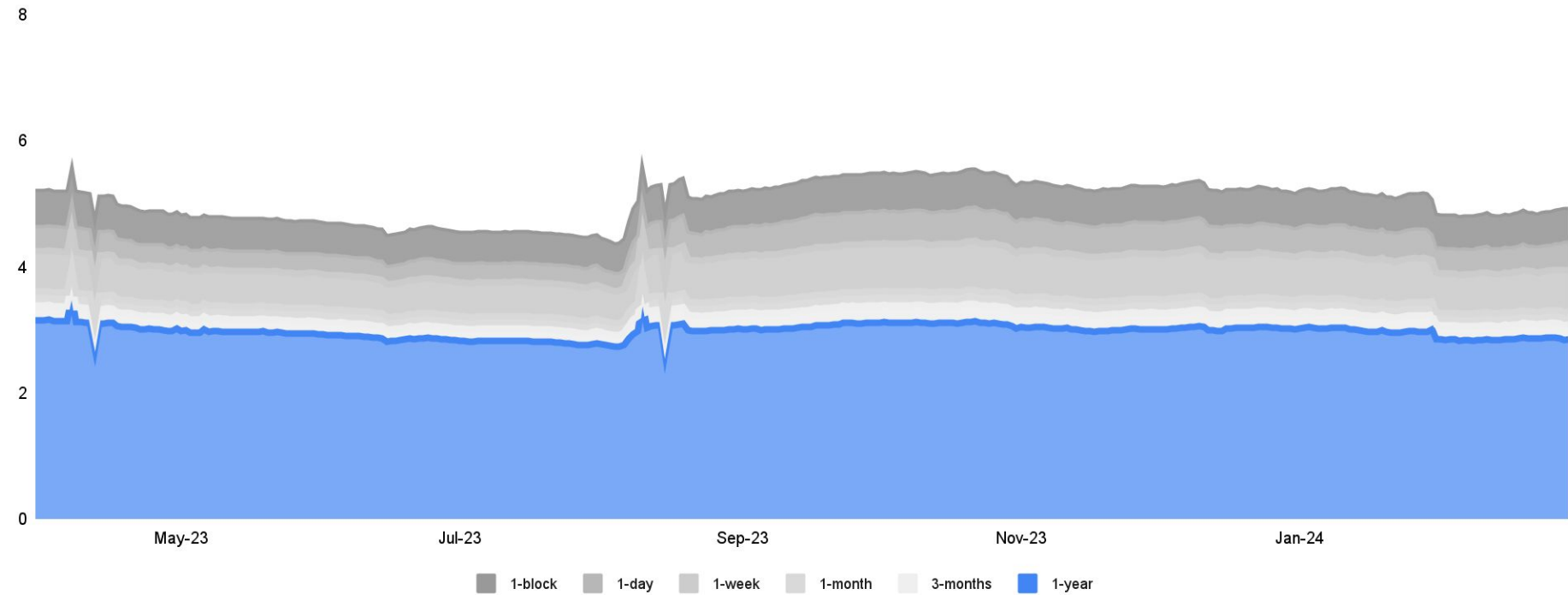
Appendix

DAI Maturity Profile

1-year+ duration DAI stable

Dai Maturity Profile

Dai bn

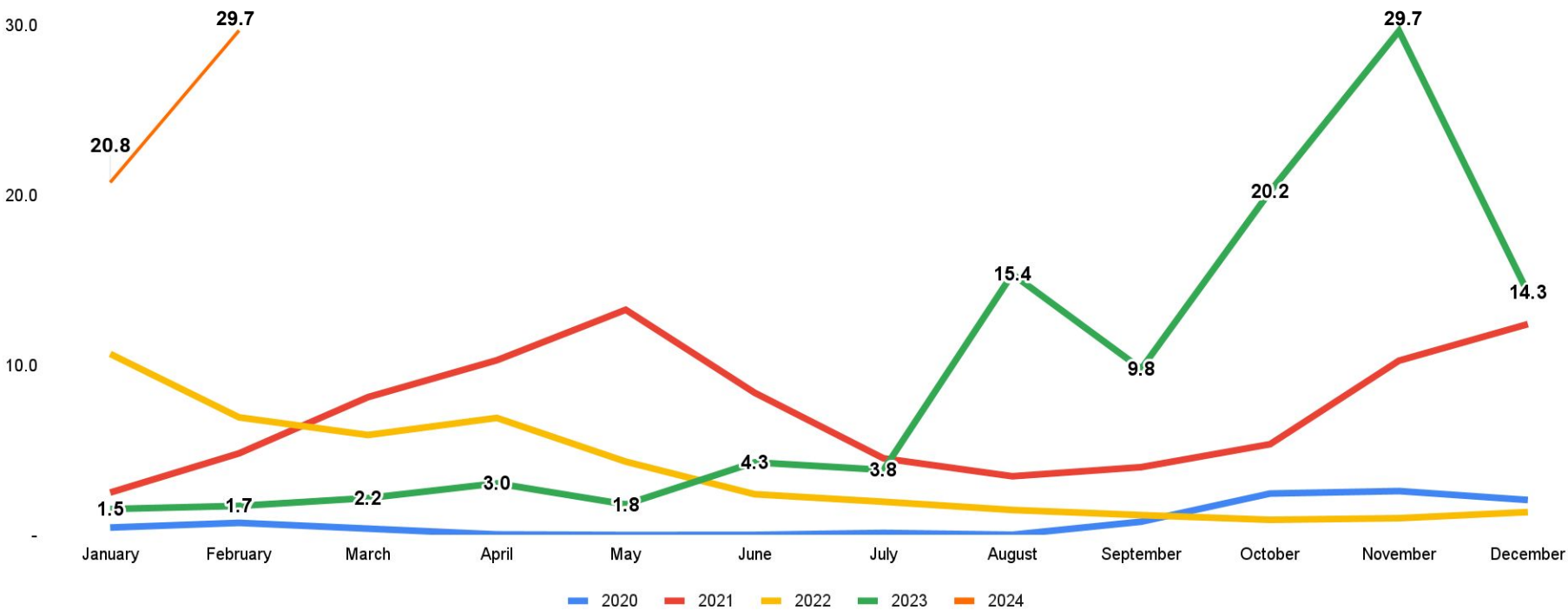


Monthly revenues continue surpassing last few years'

On-chain gross stability fees will continue to be lumpy as Arrangers currently return excess capital as the treasury ladder matures

Monthly gross interest revenue (by year)

DAI millions

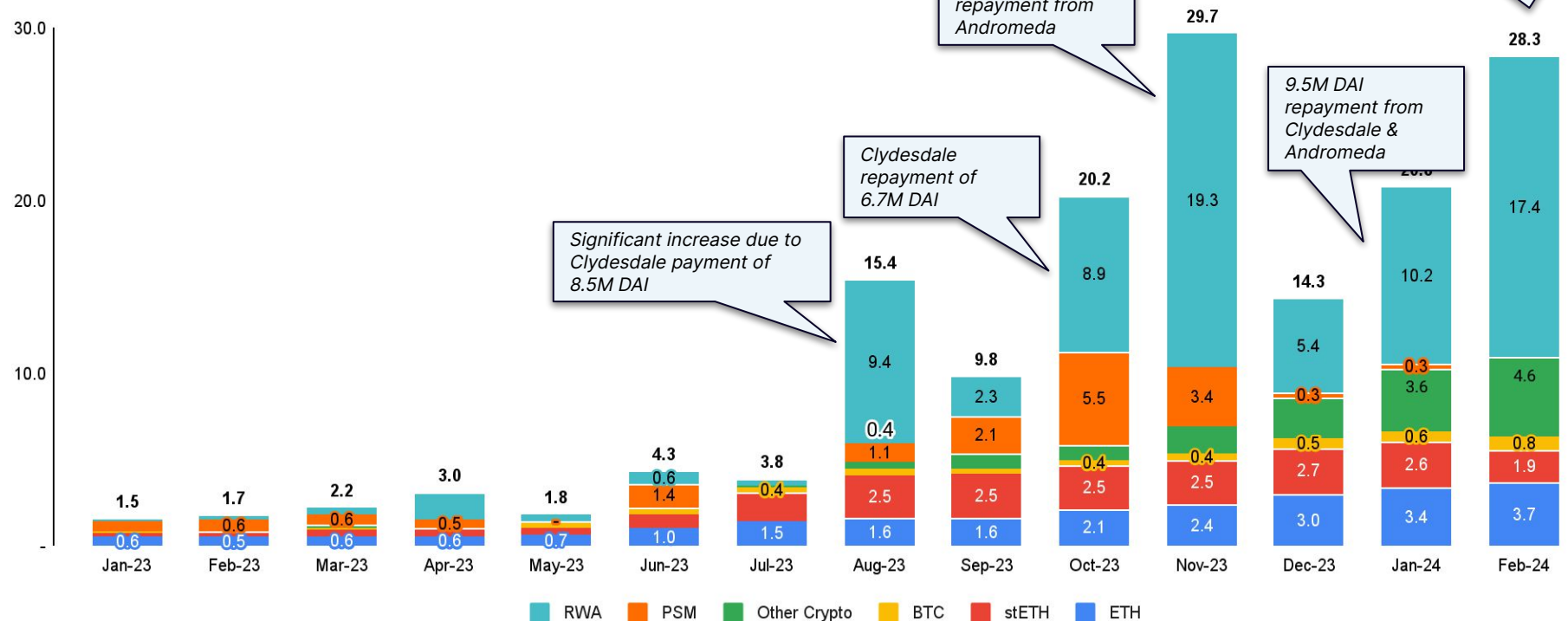


Revenue Ramping Up from Crypto Vaults

Large RWA revenues in February surpass Crypto Vault revenues

Gross interest revenue by collateral type

DAI millions



Overview of Key Balance Sheet and Valuation Ratios

February 2024

<i>in millions of DAI, unless otherwise stated</i>	LTM	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	vs YA
Ratios & per token metrics															
Value per token															
Average MKR tokens outstanding (000s)	900.9	900.9	900.9	898.3	901.7	904.1	904.3	908.0	913.2	911.4	910.0	908.9	907.5	906.6	-1%
Net operating income per token (DAI/token)	24.2	24.2	4.5	3.2	20.6	7.7	1.4	4.1	(2.7)	2.2	(3.3)	(2.5)	(3.8)	(1.1)	NM
Book value per token (DAI/token)	75.2	75.2	59.4	59.0	65.1	55.4	55.7	59.3	70.4	78.4	75.5	77.9	79.7	82.3	-9%
Average earning assets (DAI/token)	4,437	4,437	4,437	4,961	4,924	4,934	5,106	4,404	4,139	3,678	3,669	2,447	2,234	2,721	63%
Closing price (USD/token)	2,096	2,096	1,962	1,700	1,527	1,370	1,532	1,157	1,227	831	636	696	681	783	168%
Market capitalization (Total)	1,888	1,888	1,767	1,527	1,376	1,239	1,386	1,050	1,120	757	579	633	618	710	166%
Key Ratios															
	LTM	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	vs YA
Price to Book	27.9x	27.9x	33.0x	28.8x	23.4x	24.7x	27.5x	19.5x	17.4x	10.6x	8.4x	8.9x	8.5x	9.5x	18.3x
Price to Operating Income (annualized)	7x	7x	36x	45x	6x	15x	91x	23x	NM	31x	NM	NM	NM	NM	NM
Net Interest Margin (annualized)	6.8%	6.8%	4.0%	1.9%	5.7%	3.2%	0.9%	2.7%	0.9%	1.3%	0.6%	1.5%	1.1%	0.7%	6%
Net Interest Spread (annualized)	3.8%	3.8%	-0.6%	-1.9%	2.5%	-0.5%	-2.1%	-0.8%	-1.5%	0.0%	-0.5%	0.5%	0.1%	0.4%	3%
Return on Assets (annualized)	5.5%	5.5%	1.0%	0.7%	4.2%	1.6%	0.3%	0.9%	-0.6%	0.5%	-0.8%	-0.5%	-0.8%	-0.2%	6%
Return on Equity (annualized)	386.4%	386.4%	90.9%	64.5%	380.0%	166.8%	30.2%	83.2%	-45.9%	34.4%	-52.6%	-37.8%	-56.7%	-15.4%	402%
Growth in Book Value per token	26.6%	26.6%	0.6%	-9.3%	17.5%	-0.5%	-6.1%	-15.7%	-10.2%	3.9%	-3.1%	-2.2%	-3.1%	3.2%	23%

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