

# Notional Finance Closes \$10M Funding Round Led by Pantera Capital

New York, NY - April, 29, 2021 - Notional Finance announced the completion of a \$10M Series A funding round from institutional investors, led by Pantera Capital with participation from Parafi Capital, 1Confirmation, Spartan Group, Nascent, Nima Capital, and others.

This funding round will be used to build a world-class team of finance and technology experts and enable the company to strengthen its position as the leader in fixed interest rate borrowing and lending on Ethereum. With the vast majority of lending in the traditional finance system done at fixed rates, as opposed to the variable and often volatile rates common in crypto, Notional's offerings underpin the expansion and mainstreaming of DeFi adoption.

## What is Notional?

Notional is the first fully decentralized ethereum-based protocol for borrowing and lending at fixed rates. In the three months since launching in mid-January 2021, the protocol has seen great traction, attracting more than \$17M in TVL and executing \$9.5M in loans.

*"With Notional, anyone with an internet connection can lend their money at fixed rates of interest to businesses halfway across the world with the confidence that their funds are secure, and with none of the friction that comes with using the traditional financial system," says Teddy Woodward, CEO & Co-Founder of Notional. "We look forward to easing global capital flows and expanding financial access to those who have been shut out of finance for far too long."*

The use cases for fixed rate products are well known. People borrow money so they can buy a house or a car. Businesses borrow money to invest in their expansion. In either case, they might pay off their debt over years or even decades. In order to plan for the long-term, people need to know what their costs will be - they need fixed rates. Notional's fixed rate lending protocol on Ethereum gives users the certainty needed to plan for the future without relying on entrenched and exploitative legacy financial institutions.

*"Fixed rate debt is 25x the size of floating rate debt in traditional capital markets," says Ben Forman, Founder of Parafi Capital. "Yet in DeFi, this ratio is inverted, as the vast*

*majority of debt protocols are floating rate. By creating a marketplace for fixed rate, long duration debt, Notional will bring the next cohort of institutions into DeFi. ParaFi is excited to double down on our Notional investment ahead of the v2 launch," Forman continued.*

Notional users are borrowing against their crypto to invest in their businesses, purchase land, and even to ditch their mortgage altogether by [becoming their own lender](#). This was a monumental first for DeFi and other traditional use cases are already being enabled by Notional. Notional's initial users have proven that there is a market for an alternative to the traditional financial system - one that is open, transparent, and leaves them in control of their finances.

*"Fixed rate borrowing is a critical piece of financial infrastructure and an essential building block for DeFi to realize its potential. We believe that it won't take long for fixed rate borrowing to eclipse variable rate borrowing in DeFi, the same way it does in traditional financial markets," says Woodward. "Notional enables fixed rate debt on Ethereum using an entirely new on-chain automated market maker with dynamic curve sensitivity."*

Notional's upcoming V2 promises to be a big step toward unleashing even more potential in DeFi. This fundraise will help ensure that the right team is in place to continue building high-quality products that meet the demands of a new financial system. Notional's founders blend their expertise in traditional finance and blockchain-enabled smart contract technology - the same deep expertise reflected in the investors of this round.

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