

PRESS RELEASE

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Nomura's Laser Digital Invests in DeFi Protocol Infinity to Accelerate Hybrid Finance

Hong Kong and Zurich / 15 February 2023 - Nomura's digital assets subsidiary, [Laser Digital](#), today announces a strategic investment in [Infinity](#), a decentralized finance (DeFi) protocol for institutional lending and borrowing. The investment accelerates Infinity's development of critical infrastructure for "Institutional DeFi" or "Hybrid Finance."

Founded by ex-Morgan Stanley Head of Structuring [Kevin Lepsoe](#), Infinity is a [pioneering interest rate protocol](#) that forms the basis for benchmark rates and institutional-grade lending, borrowing, and risk management in DeFi. Infinity's wholesale exchange, the first of several planned infrastructures, provides inter-exchange clearing, fixed and floating rate markets, as well as enterprise-grade risk management utilizing hybrid on-chain/off-chain infrastructures that deliver transaction efficiency, security, and scalability. Infinity is led by a team of structurers, quantitative developers, and financial engineers who formerly worked at Morgan Stanley, Citigroup, PIMCO, and other global financial institutions.

Infinity [recently raised seed funding](#) from digital asset market makers and VCs, including [Susquehanna International Group](#), [GSR](#), [Flow Traders](#), [CSquared](#), [Block0](#), [OWC](#), [CMS](#), and others. The investment by Nomura's Laser Digital marks a concerted advance by traditional investment banks into the Institutional DeFi or "Hybrid Finance" space.

"Infinity is building critical infrastructure for DeFi, and its protocol enabling price discovery and management of risk within DeFi is transformative for institutions," commented Olivier Dang, Head of Ventures at Laser Digital. *"Infinity's groundwork paves the way for institutional flows on-chain, new levels of rates and risk innovation, and we are keen to support their advances in the hybrid finance space."*

Laser Digital was [recently unveiled](#) by Nomura to spearhead its digital asset ambitions and is chaired by Steve Ashley, who previously led Nomura's wholesale division, with Dr. Jez Mohideen as its CEO. Headquartered in Switzerland, Laser Digital's investments are focused on DeFi, centralized finance (CeFi), web3, and blockchain infrastructure.

"Laser Digital Ventures is an active investor in hybrid finance and a superb partner as we look to advance a rates protocol that meets the needs of the global investor community," commented Kevin Lepsoe, Founder of Infinity. *"With institutional flows set to migrate to DeFi in 2025 under new BIS guidelines and with CeFi crypto proving fraught with risk, the transparency and risk mitigation of hybrid finance is truly unrivaled, and we look forward to close collaboration with Laser Digital as this market gathers pace."*

Hybrid finance — also known as Institutional DeFi or "HyFi" — represents an evolution of DeFi that combines elements of decentralized and centralized finance. It aims to enhance the efficiency, scalability, and security of on-chain transactions by using off-chain risk management and computing. This enables practitioners to access blockchain efficiencies while still retaining enterprise-grade risk management. The design of HyFi allows for the off-chain components to eventually move onto the blockchain as security and standards improve.

Lepsoe elaborates, “DeFi 1.0 has been revolutionary from a proof-of-concept standpoint; however, interest rates, credit, and counterparty risk simply don’t exist in DeFi. Neither does a proper yield curve. Infinity addresses these foundation gaps and supports institutional adoption through basic wholesale infrastructure and a mathematically complete financial markets protocol that enables i) interoperability between protocols and the formation of benchmark rates; ii) dynamic open-source product and market innovation; iii) permissioned TradFi - DeFi fungibility; and iv) leading-edge risk, collateral, and counterparty management.”

The development of Hybrid Finance comes in the wake of recent [Bank of International Settlements \(BIS\)](#) guidelines for crypto exposures published December 2022, with bank prescribed risk-weightings for tokenized assets to be treated on par 1:1 with their analog counterparts. The guidelines for global banks come into effect 1 January 2025.

With US\$300 trillion of credit securities outstanding and multiples of that in the loan, derivative, and equity markets, the new guidelines portend a major wave of tokenization across financial and real assets. Read more on BIS guidelines [here](#).

Lepsoe concludes, “With trillions of securities outstanding and most needing a more efficient means of issuance or exchange, hybrid infrastructures, global banks, and a new set of digital asset players will play a pivotal role in migrating these assets on-chain. HyFi addresses crypto’s most pressing issues of trust, governance, and efficiency, and its time has arrived.”

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About Laser Digital

[Laser Digital](#) is a crypto business redefining the frontier of digital finance. Backed by [Nomura](#), Laser Digital delivers scalable, robust opportunities across trading, asset management, and ventures. The team works at higher risk management standards, compliance, and commercial viability, all driven by a belief in more responsible crypto innovation. With an open and dynamic culture, Laser Digital has the freedom to adapt to market needs, to move swiftly to capitalisation, and to share learnings with clients and partners – bringing greater confidence to the institutional market for the benefit of all.

About Infinity

[Infinity](#) is a hybrid interest rate protocol that's building the foundation for the next generation of DeFi. Infinity is built on Ethereum and delivers fixed, floating, spot and futures markets eventually to form the first complete financial markets protocol. Developed by veteran traders, quants and financial engineers, Infinity marries theoretical finance with distributed ledger technology and enterprise-grade risk management to enable broad institutional participation in DeFi.