

ModernFi raises \$4.5 million in seed funding as banks embrace software to source deposits and manage balance sheets

Andreessen Horowitz leads round, supporting rapid adoption of the first tech-forward deposit marketplace for banks

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[ModernFi](#), which operates the first tech-enabled marketplace that allows banks to exchange deposits on demand, announced today that it has raised \$4.5 million in seed funding. The round was led by Andreessen Horowitz with participation from executives and founders from JPMorgan Chase, AWS, Coinbase, Q2, and BlackRock.

ModernFi operates a deposit marketplace that connects banks with excess deposits to banks that need funding. By providing an outlet for excess deposits, the firm helps banks manage balance sheet size and earn potential revenue. By providing deposits on demand, the firm helps banks source liquidity and fund asset origination. With a modern tech stack built on a foundation of compliance and regulatory adherence, ModernFi's offering has quickly been embraced by banks of various sizes. ModernFi currently works with U.S.-based banks ranging in size from \$500 million to \$100 billion in assets.

“ModernFi has brought technology and transparency to a historically antiquated and opaque market,” said Paolo Bertolotti, PhD, CEO and Cofounder of ModernFi. “Banks, especially community and regional institutions, are pillars in their local communities, extending credit to folks that want to buy a house or get a car, as well as providing a safe place for people to keep their life savings. By allowing banks to source cost-effective funding on demand and manage balance sheet size, ModernFi is fundamentally improving how banks across the country operate.”

ModernFi intends to use the funds to support and accelerate the firm's growth. The firm intends to hire across engineering, bank partnerships, and compliance. In addition, ModernFi intends to enhance its product offering by deepening its integrations with bank partners and expanding the types of funding available through its marketplace.

“We're thrilled to partner with Paolo, Adam, and the rest of the ModernFi team to build a more efficient deposit marketplace,” said David Haber, General Partner at Andreessen Horowitz. “After over a decade of being relatively staid, this market has become increasingly dynamic, laying a strong foundation for ModernFi's business. With its tech-enabled marketplace, ModernFi is poised to be the interbank solution for those looking to monetize excess deposits and others that need access to balance sheet management on demand.”

About ModernFi

ModernFi empowers banks of all sizes to better serve their communities. Through ModernFi's deposit marketplace, banks can source funding on demand or sweep excess deposits to earn potential revenue. Founded by a team of veteran engineers and bankers, the firm provides banks with seamless balance sheet management built on a foundation of compliance and regulatory adherence. Learn more at modernfi.com

About Andreessen Horowitz

Founded in 2009 by Marc Andreessen and Ben Horowitz, Andreessen Horowitz (known as “a16z”) is a venture capital firm in Silicon Valley, California, that backs bold entrepreneurs building the future through technology.