

# BlockFi joins crypto unicorn club with mega-round

Article

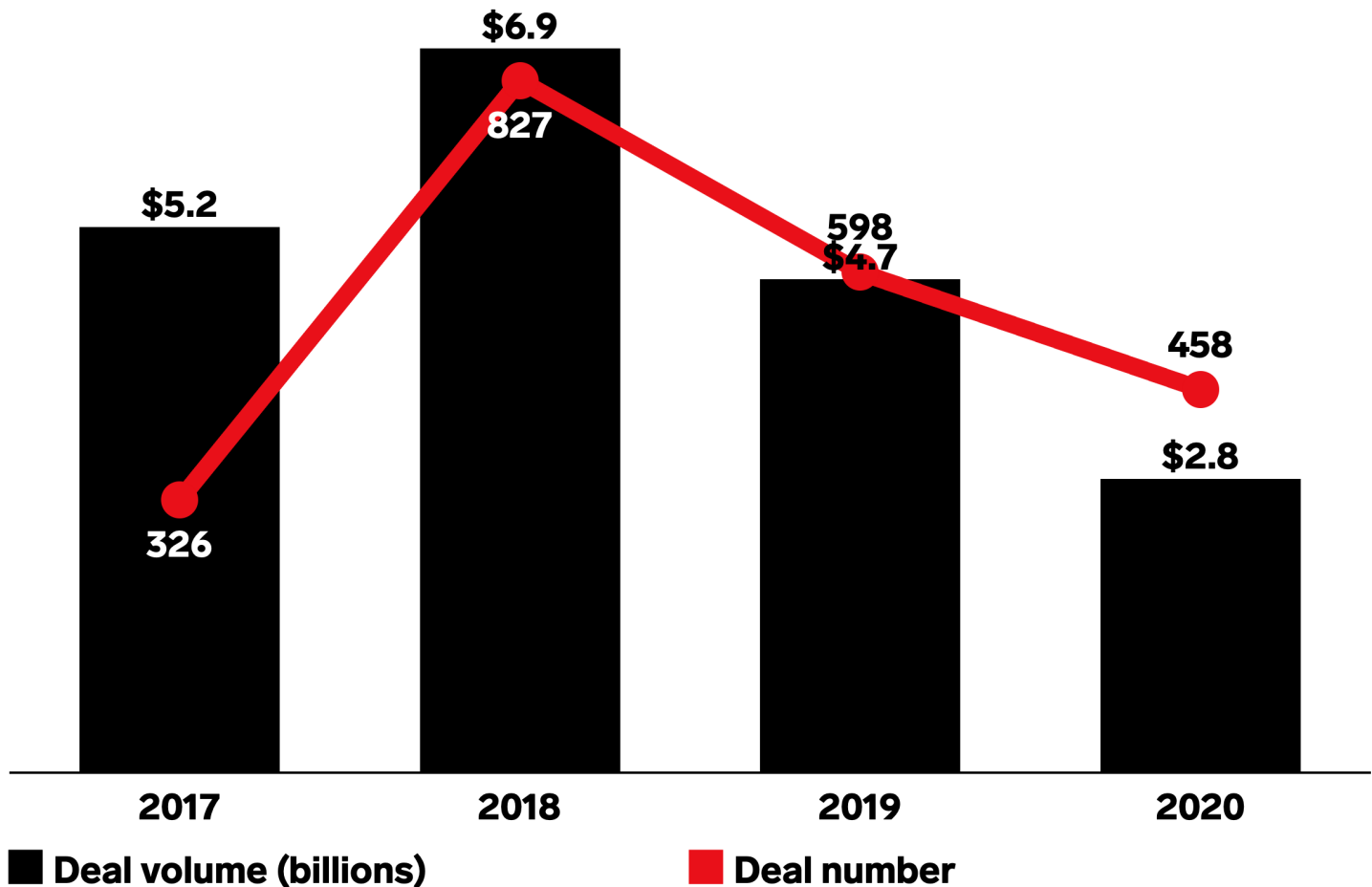
The US-based crypto firm raised a whopping \$350 million at a \$3 billion valuation, following a \$50 million raise last August at a \$450 million valuation, [per](#) TechCrunch. [BlockFi](#) offers retail users cryptocurrency trading, an 8.6% APY crypto savings account, and crypto-backed loans starting at 4.5% APR. It also offers crypto lending and trading services to [institutions](#).

**Much like its peers, BlockFi is growing fast thanks to crypto fever taking hold of both retail and institutional clients in recent months.** Cryptocurrencies were the [top-performing](#) asset class of the last decade, with their total market value now worth \$1.3 trillion, up from \$193 billion in January 2020. Attracted by the potential high gains, retail and institutional clients have been pouring investments on crypto trading platforms, driving their stratospheric growth over the past year: BlockFi's mega-round comes after reaching \$15 billion worth of assets held on its platform, up from \$1 billion last March, and increasing its monthly revenues to over \$50 million, from \$1.5 million a year prior, per TechCrunch. Crypto peer [Grayscale Investment's](#) AUM, meanwhile, reached \$20.1 billion, more than 10 times its volume at the beginning of the year.

**As more players add crypto trading services to capitalize on this demand, crypto firms are broadening their financial services to stay ahead—highlighting the space's move from stage one to the second stage of maturity.**

- **First stage: Crypto trading becomes table stakes.** Trading [apps](#) like Revolut and eToro, which added crypto offerings years ago, have also seen a rise in trading activity in 2020, with more fintechs [looking](#) to add crypto trading options. Meanwhile, financial incumbents, like [Fidelity](#), [BlackRock](#), and Goldman Sachs, are also getting in on the action to better serve institutions.
- **Next stage: Crypto proliferates to more financial services.** As more people hold crypto assets, they'll seek ways to generate wealth from their holding beyond trading, such as via earning interest or borrowing against the asset, per Stefan Cohen, Bain Capital Ventures partner and BlockFi investor. In response, crypto fintechs are launching new financial products to cater to this demand and stay ahead of noncrypto firms adding trading options: [Both](#) crypto exchanges Gemini and Luno already offer crypto-based savings accounts, while BlockFi and Blockchain.com support crypto-backed lending. BlockFi is also launching a [credit card](#) next quarter that will enable clients to earn Bitcoin on every transaction, per TechCrunch.

# Global Private Investment in Blockchain and Cryptocurrency



Source: KPMG, "Pulse of Fintech H2 2020," February 2020

Methodology: Data is from the February 2021 KPMG report titled "Pulse of Fintech H2 2020." The data was provided by Pitchbook Data on December 31, 2020. Due to the private nature of many of the transactions, the data set cannot be definitive, but is an estimate based on information available to PitchBook.

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