

Trade Republic raises whopping \$900M to leap ahead of European trading apps

Article

The Germany-based trading app is now valued at \$5.3 billion, up from “just” [\\$723 million](#) in December, [per](#) TechCrunch. The Series C round makes Trade Republic the [highest](#)-valued

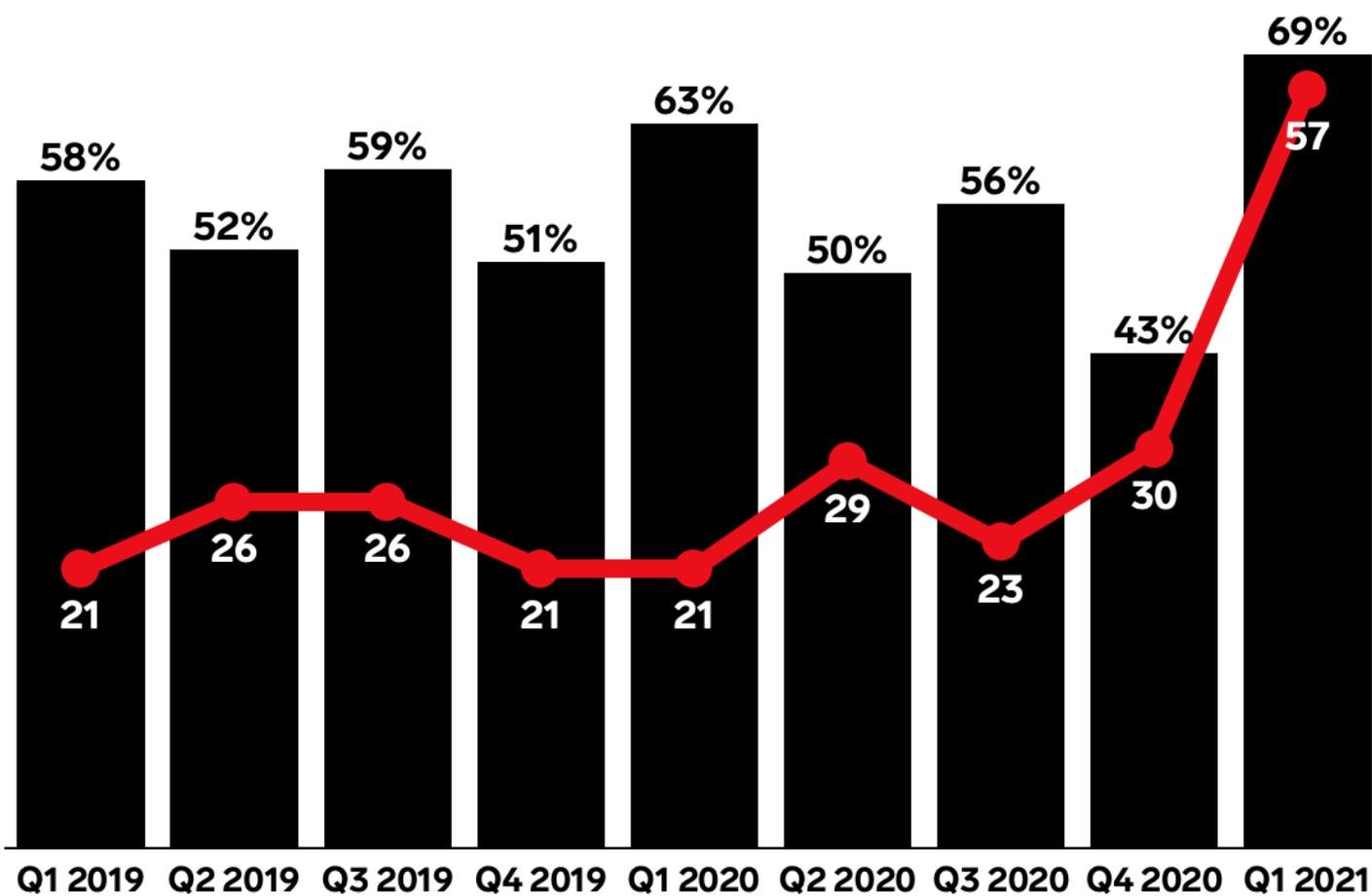
fintech in Germany. Currently available in Germany, Austria, and France, the trading app plans to use the funding to expand “aggressively” across the Eurozone in the next four months—and later into the UK.

Trade Republic’s fast growth over the past year, combined with a sticky customer base, transparent pricing, and the addition of cryptos, helps make sense of the eye-watering raise.

- **Fast growth:** Much like other trading apps, pandemic-induced market [volatility](#) and ultra-low interest [rates](#) helped Trade Republic surpass 1 million users and €6 billion (6.84 billion) in assets under management (AUM), [per](#) CNBC, up from [150,000](#) users and €1 billion (\$1.14 billion) in AUM in April last year.
- **Sticky customer base:** Seventy percent of its users “are not looking for short-term gains,” per co-founder Christian Hecker. Rather, they consider Trade Republic a savings plan that helps their funds grow over decades, meaning the app can rely on high customer retention.
- **Transparent pricing:** Trade Republic charges users €1 (\$1.12) per trade, an easy-to-understand-price model that promotes user trust. By contrast, the Securities and Exchange Commission [fined](#) Robinhood \$65 million in December for misleading users about its [controversial](#) payment for order flows model.
- **Cryptos:** The app added [crypto](#) trading last month, starting with Bitcoin, Ether, Litecoin and Bitcoin Cash, to capitalize on the recent [hype](#). This should further accelerate user and AUM growth this year.

The race is on for trading apps to spread across Europe, and Trade Republic’s massive funding round could help it leap ahead through strategic acquisitions. Trade Republic is not the only European trading app having a good year: [Bux](#), which is available in the Netherlands, Germany, Austria, France, and Belgium, and UK-based [Freetrade](#), which is planning a European expansion, recently raised \$80 million and \$64.1 million, respectively. And [eToro](#) went public via a \$10.4 billion SPAC deal in March. However, all these fintechs more or less offer the same brokerage services, making it increasingly difficult to stand out as they spread across Europe. In response, Trade Republic could use some of its funding to acquire existing competitors, instantly gaining a foothold—and users—in its target markets.

Global VC-Backed Fintech Mega-Round (\$100M+) Funding Trends



■ Mega-round share of total funding ● Number of mega-rounds

Source: CB Insights, "State of Fintech Q1 2021 Report: Investment & Sector Trends to Watch," May 2021

Methodology: Numbers reported on a quarterly basis by CB Insights.

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