



FINTECH
CONSULT

Recent Boom in German Retail Brokerage

From Consors & comdirect via TradeGate Exchange
to Trade Republic and Vivid Money



July 2021

- CONFIDENTIAL -

Major service improvements in retail brokerage



Direct bank (no branches)



Online brokerage



Real-time market data & trading



Flat brokerage commissions



No transaction fees on exchanges



Mobile apps & one-click trading

0\$

Commission-free trading



Fractions

1995 - 2005

2006 - 2010

2011 - 2015

2016 - 2020

2021 - 2025

Long history of online brokerage in Germany

Consors

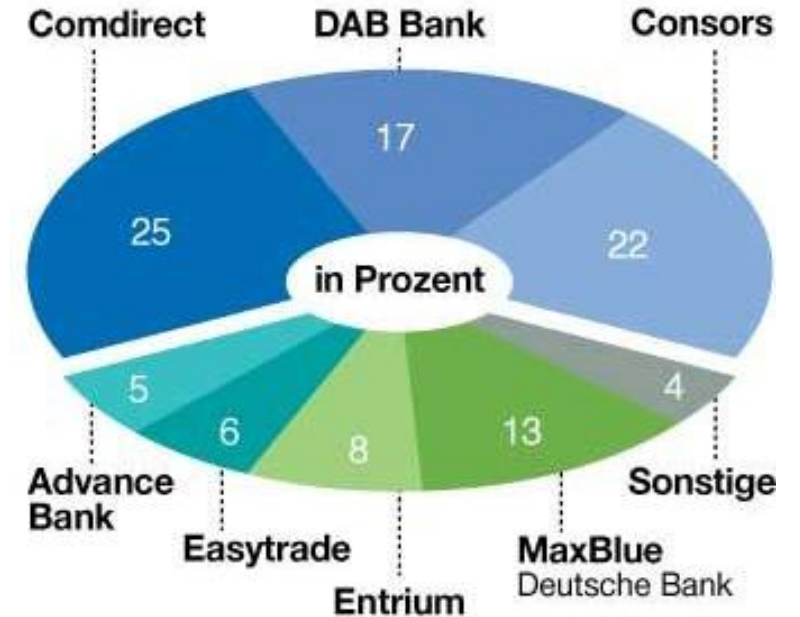
- Founded in 1994 as a subsidiary of Schmidtbank
- Exchange-listed between 1999 and 2002
- Taken over by BNP Paribas in 2002
- Merged with DAB Bank in 2016, after BNP Paribas bought DAB Bank from Unicredit in 2014
- As of 2020, 1.5 million clients, 60 billion € AuM, 1200 employees



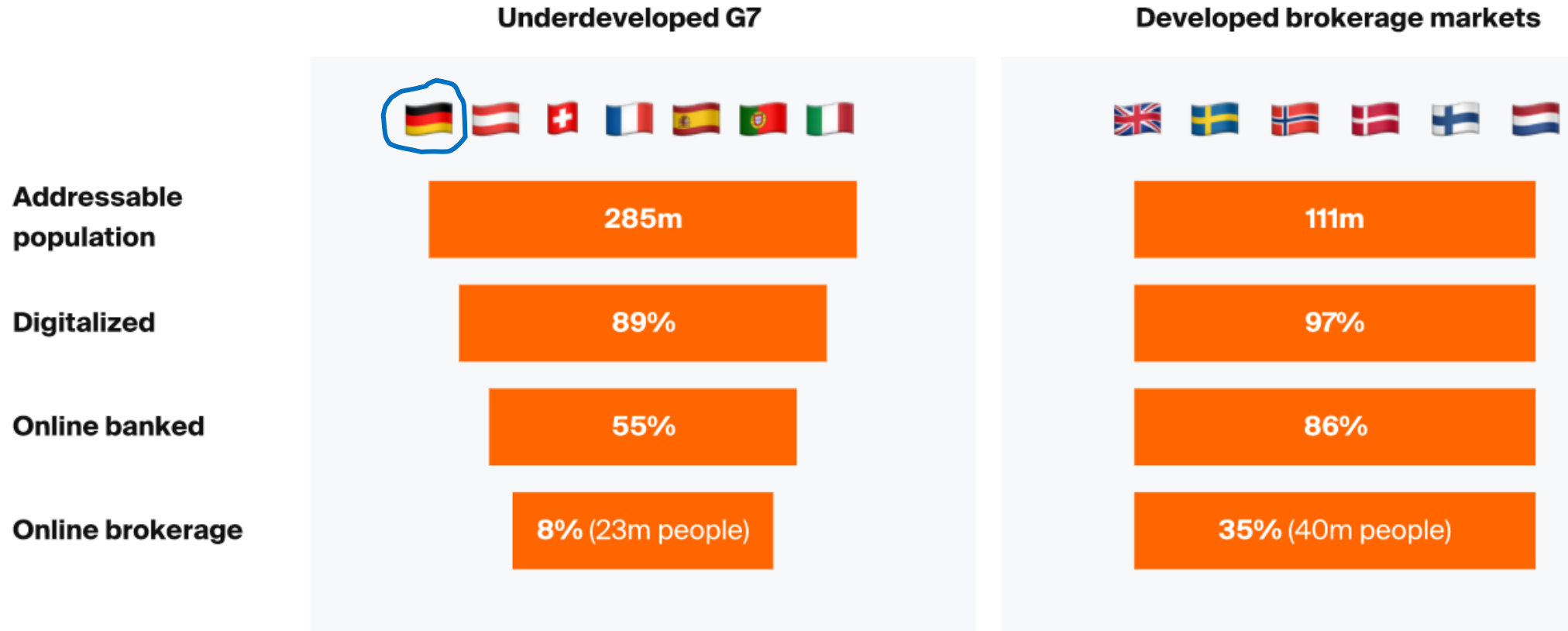
Market share German online brokers in 2001

Comdirect

- Founded in 1994 as a subsidiary of Commerzbank
- First years as direct bank, reachable via phone, fax, and letter
- Securities trading since 1997. Real-time market data since 1998
- IPO in June 2000 (€ 871 million issue)
- Squeeze out and reintegrated into Commerzbank in 2020
- As of 2020, 3 million clients, 90 billion € AuM, 1300 employees

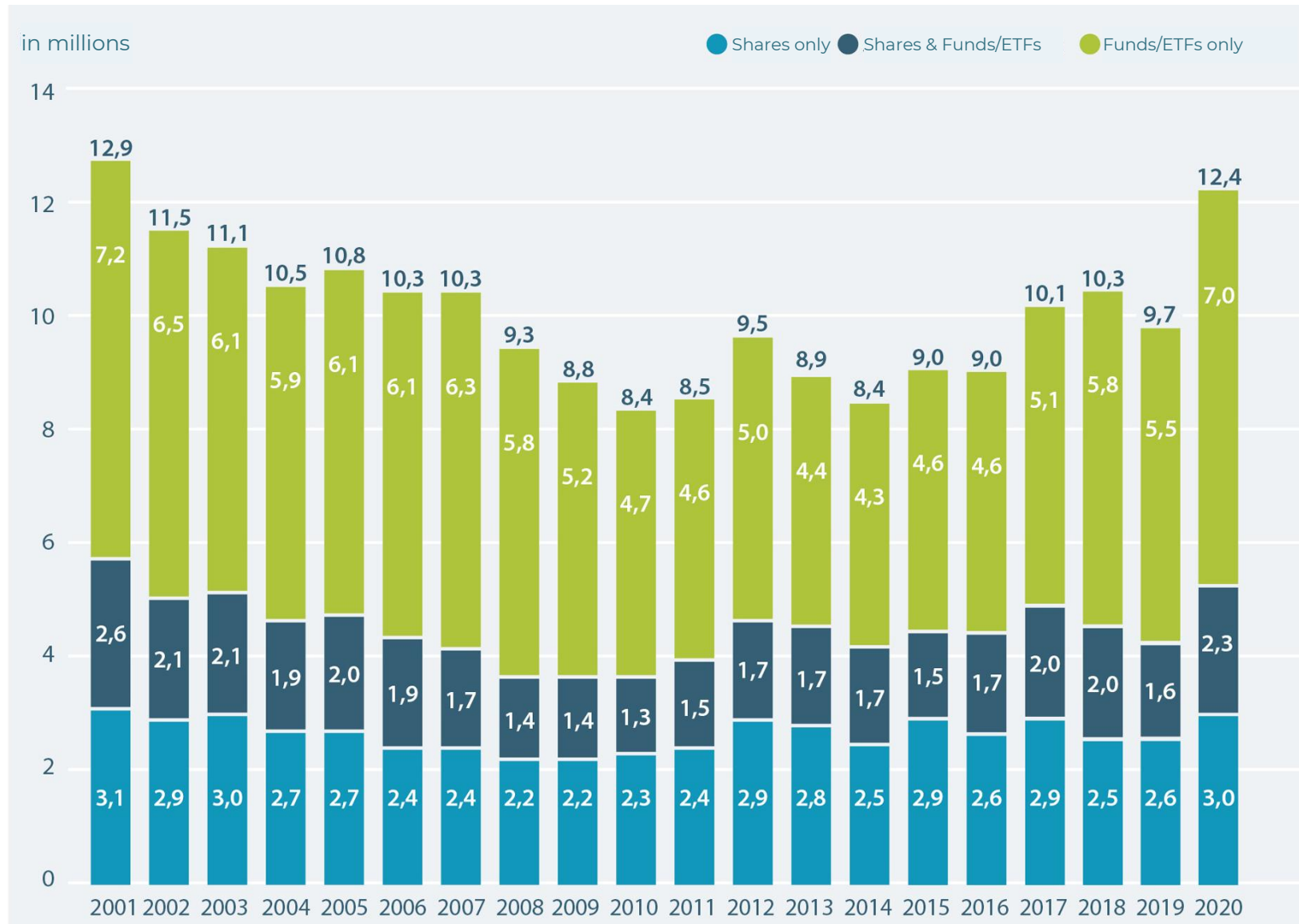


Retail brokerage underdeveloped in a large part of Europe, including Germany

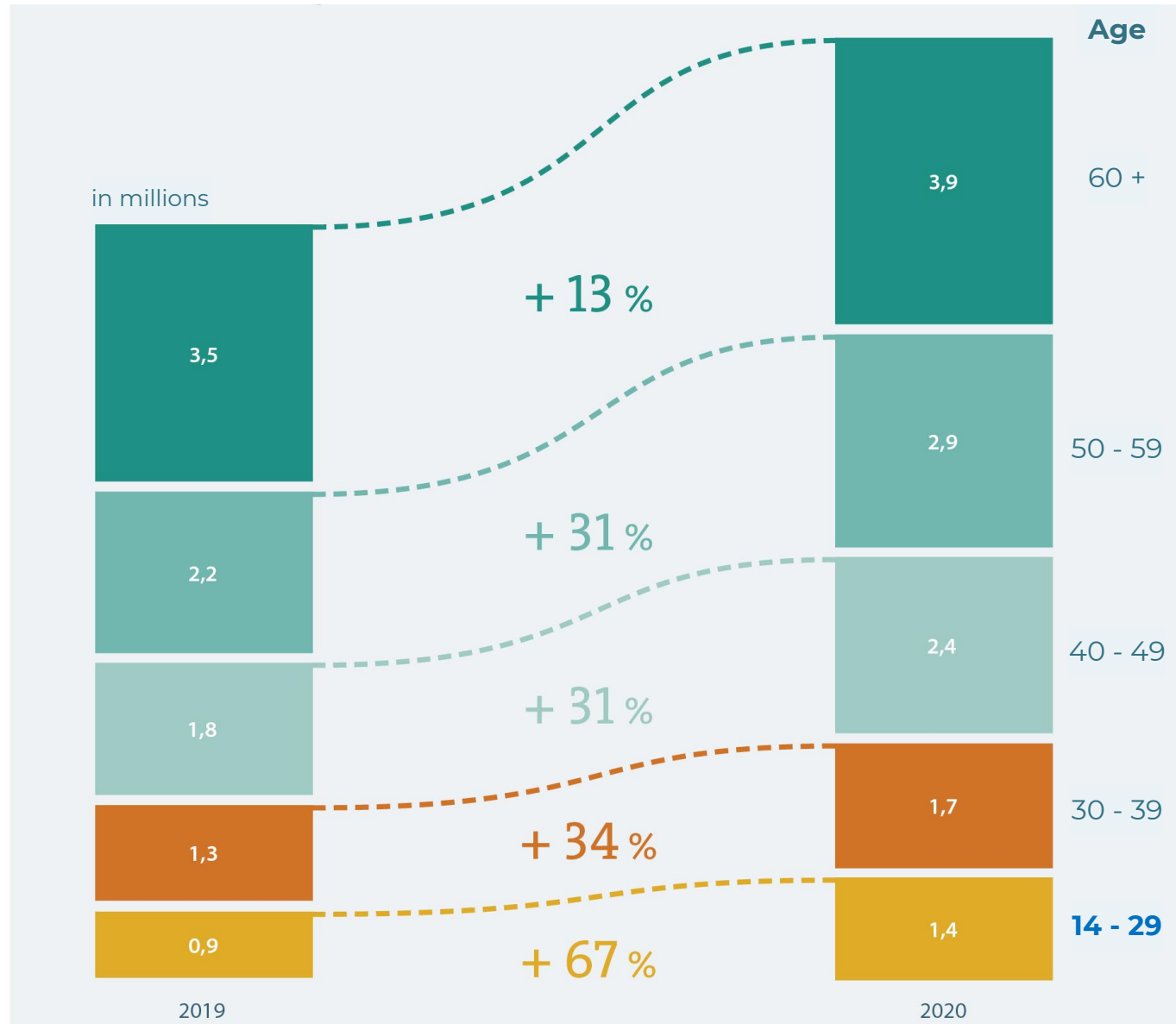


Massive structural gap between developed (35%) and “underdeveloped G7” markets (8%) in online brokered population.

Number of shareholders back to 2000 levels



Strongest growth among young people during the pandemic ...



... driven by a different mindset

A new generation with no negative bias:



„What is the DotCom bubble?“

Increasing digitization:



„I can invest and manage my wealth on my mobile phone.“

Negative interest environment:



„Saving accounts don't generate capital gains.“

Tax-incentivized saving schemes:



„I take care of my pension myself.“

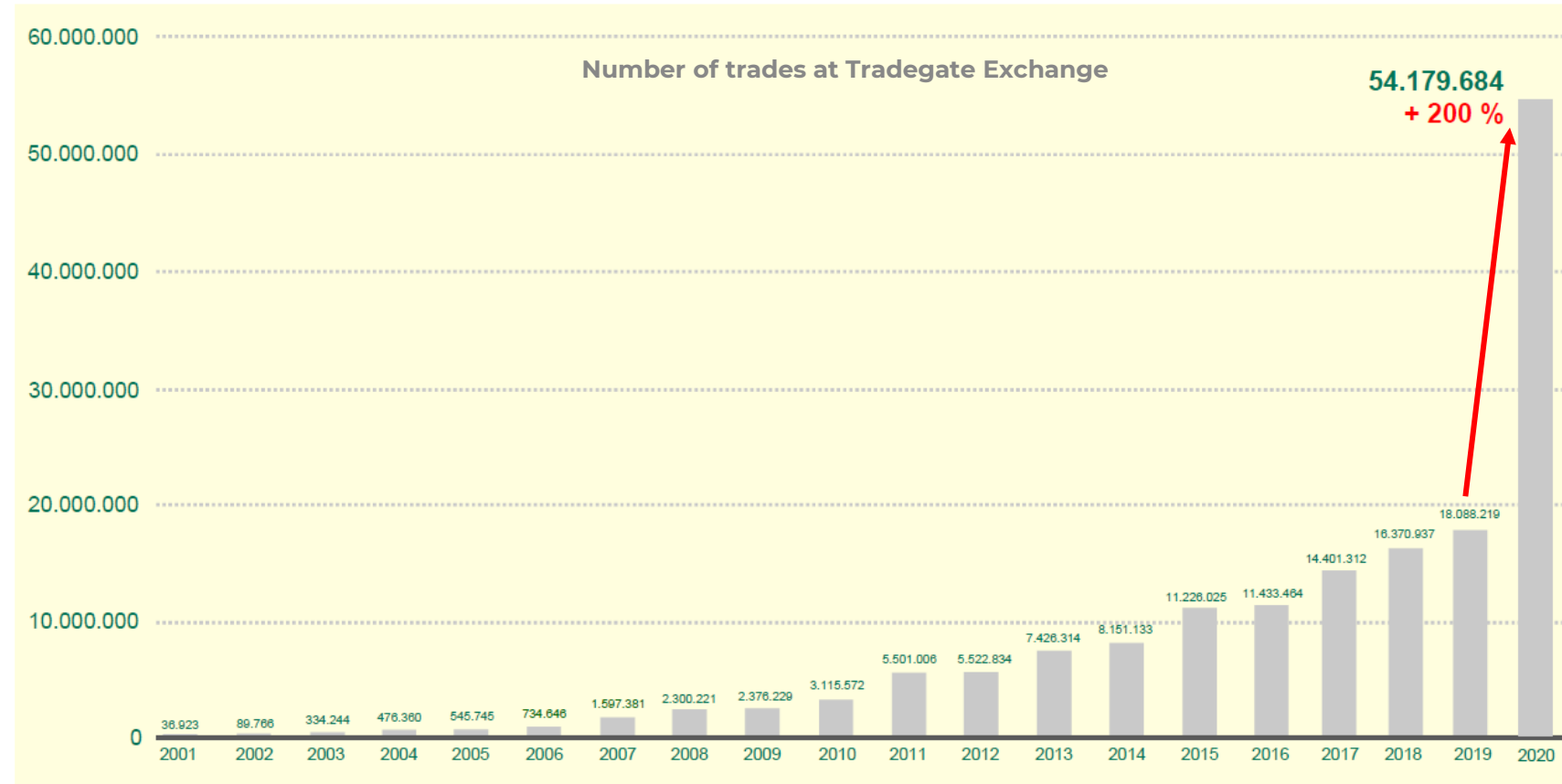
Listed household brands:



“I can invest easily in companies that I like and use.“

Tradegate Exchange Specialized on private investors

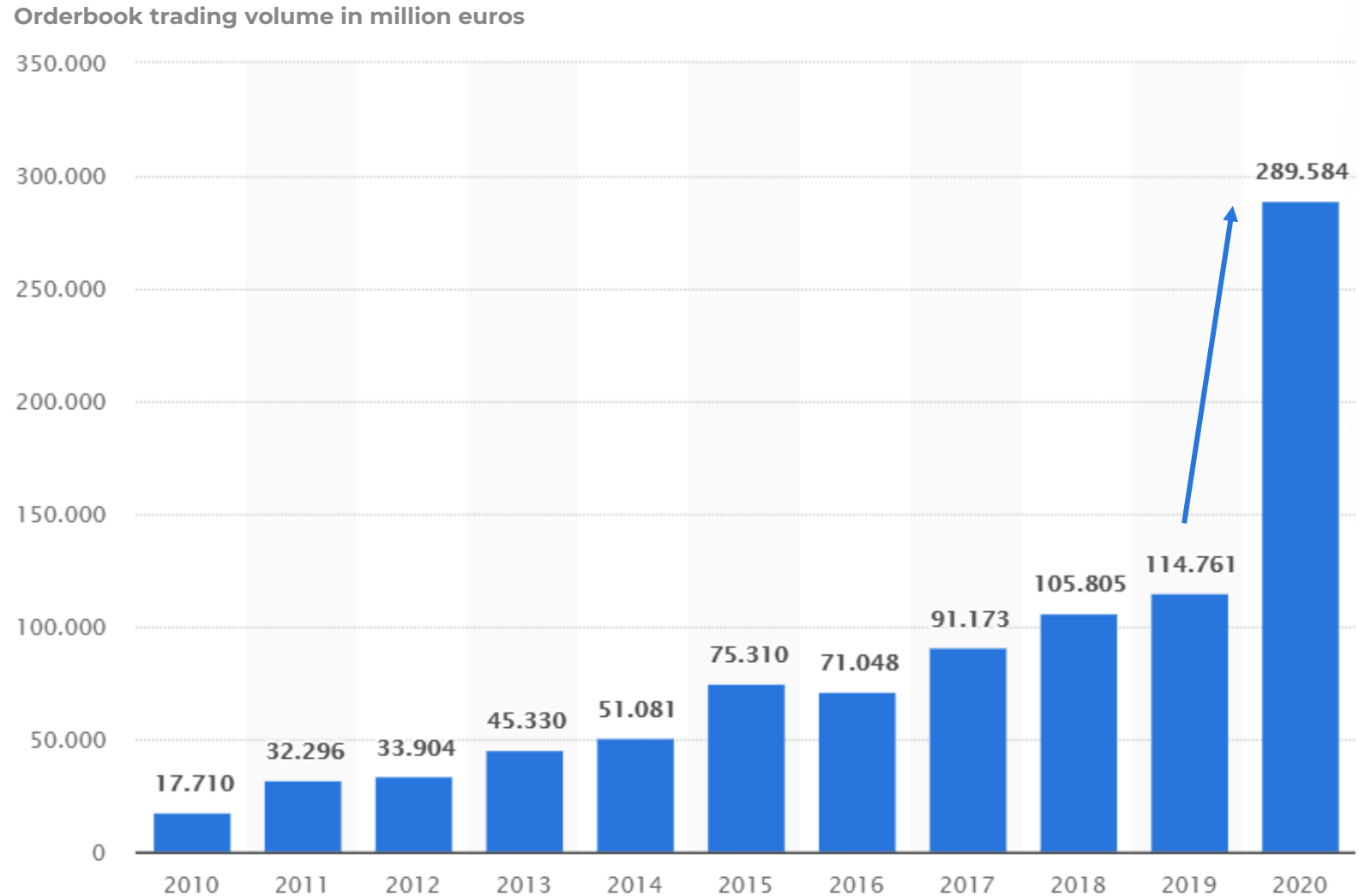
- Founded in Berlin in 2009
- Fully regulated German exchange
- Trading hours: 08:00 – 22:00
- 54 million trades in 2020, up from 18 million in 2019 (+200 %)
- 324 billion € turnover in 2020, up from 123 billion in 2019 (+164 %)
- **No transactions fees**
- Free of charge real-time market data
- 16,000 securities tradable (stocks, bonds, funds)
- Related company Tradegate AG acts as market specialist on Tradegate Exchange and earns the spread



Securities trading by retail investors increased by ~80% in 2020 over all German exchanges

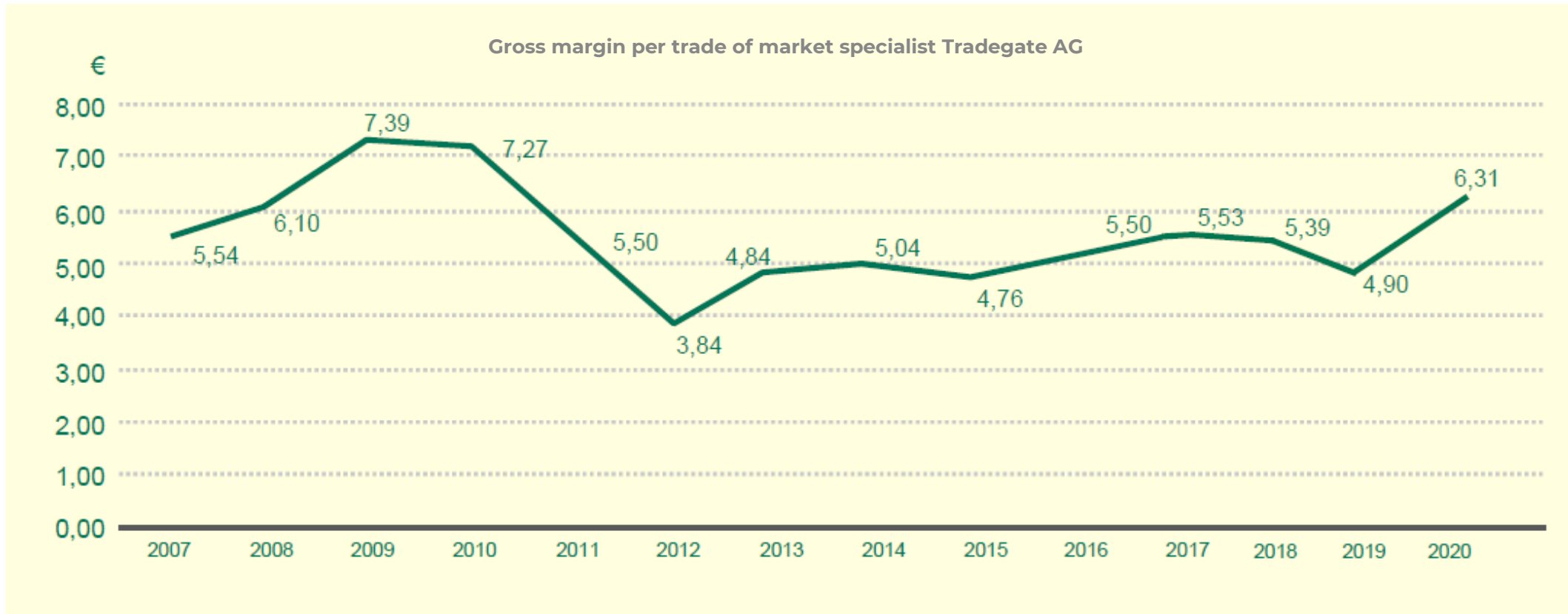
Tradegate Exchange

Steep increase in trading volume in 2020



Tradegate Exchange

Profitable business, even without trading fees



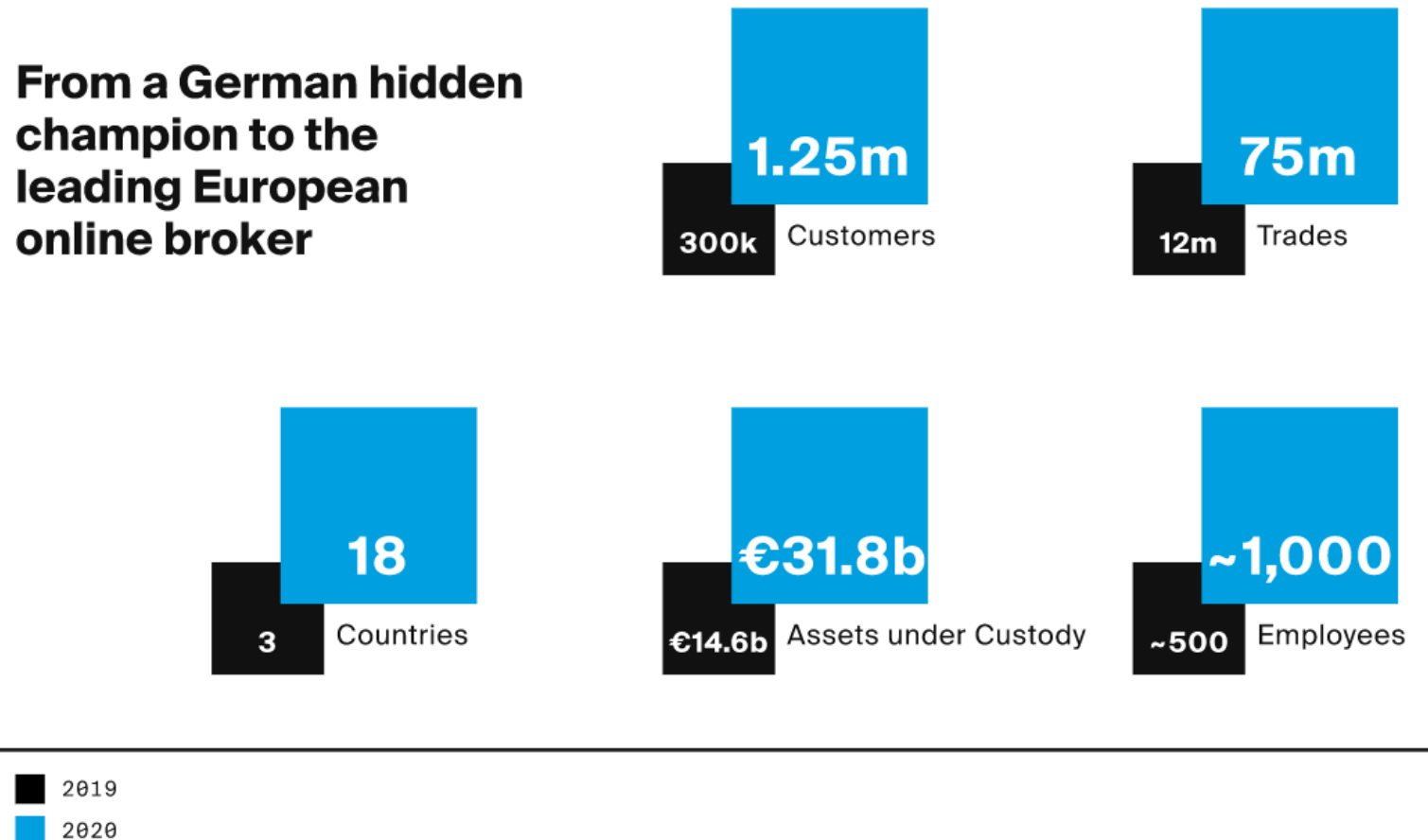
flatexDEGIRO

2020 – A record year ...

- Company founded in 1999
- Online broker flatex started in 2006
- IPO in 2009
- Acquired Dutch online broker DEGIRO in 2020
- First discount broker offering **flat fee trading** in Germany
- Self-directed, execution-only trading
- Inhouse bank and settlement unit allow to effectively manage costs
- Extensive product range across all asset classes
- Fast growth over the last years, particularly during the pandemic in 2020

Seized the opportunity: game-changing trophy deal

From a German hidden champion to the leading European online broker



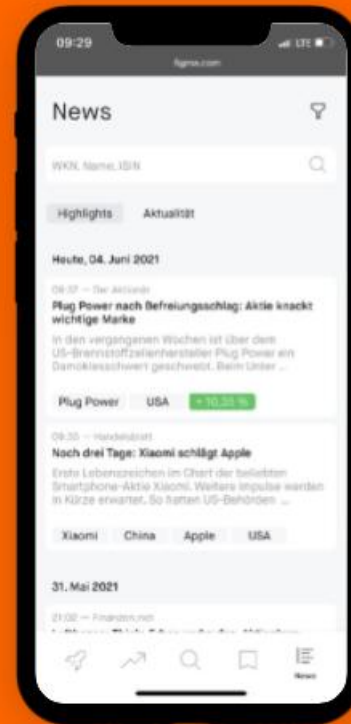
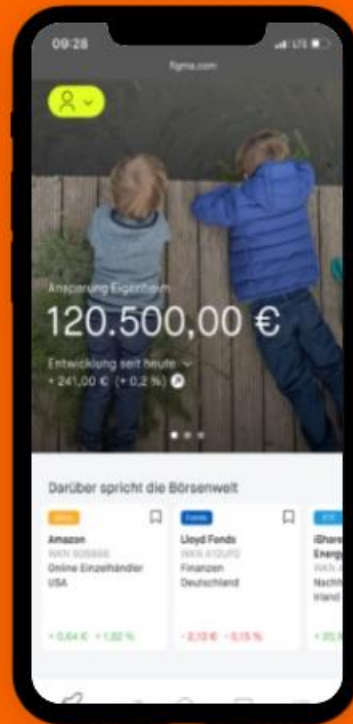
flatexDEGIRO ... reflected in the stock price



flatexDEGIRO

New mobile app with one-click trading

Sneak preview



Convenience



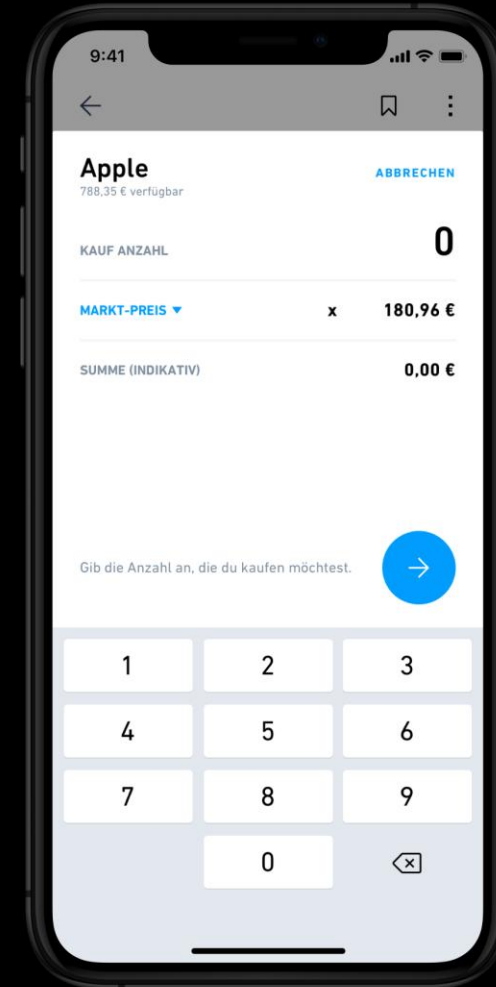
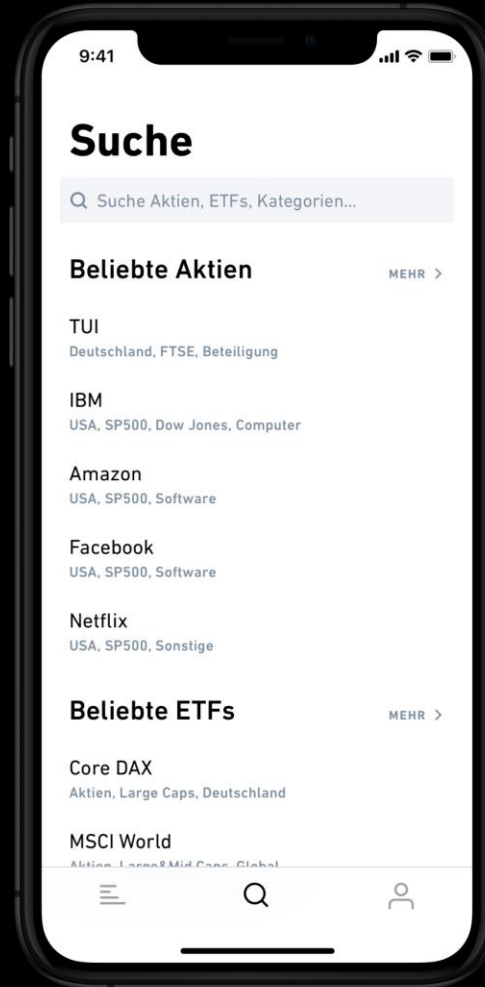
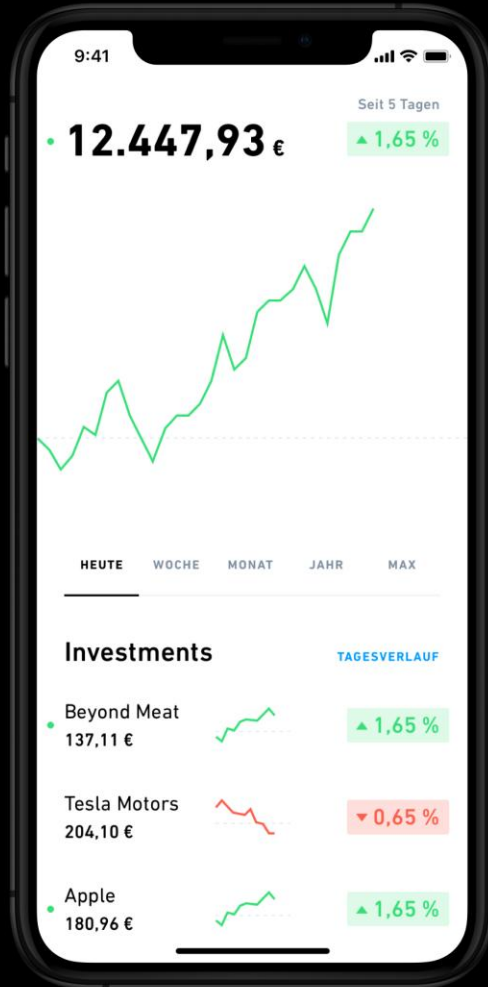
Value



Ubiquity

Trade Republic

Mobile convenience and zero commissions

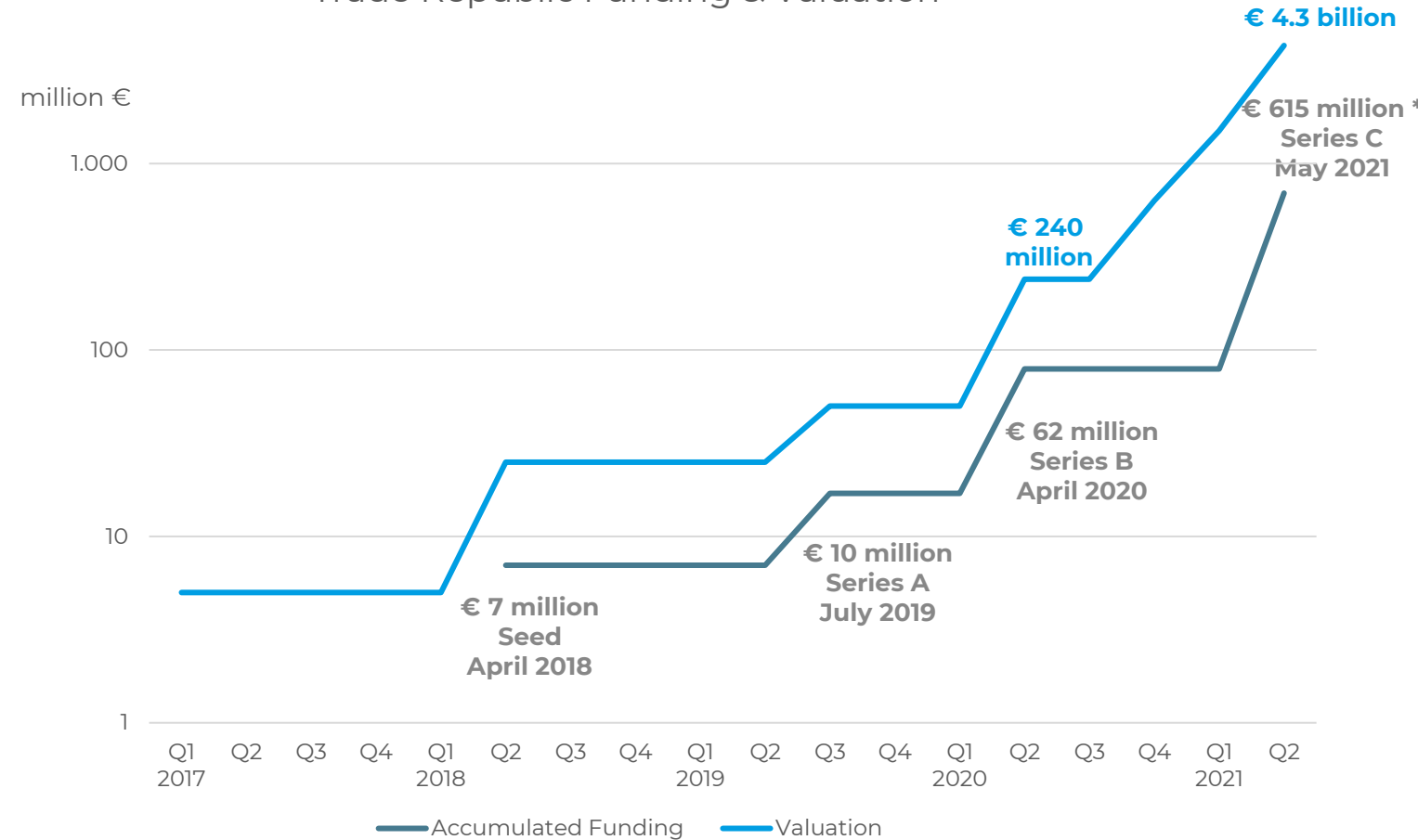


Trade Republic

A new German unicorn almost overnight

- Founded in 2015
- Mobile-only trading platform, with fast mobile account opening
- Long trading hours: 07:30 – 23:00 (derivatives: 08:00 – 22:00)
- 7,300 German and international stocks, 500 ETFs, commodities and currencies as well as 40,000 derivatives
- **Commission-free trading**
- Offers also cryptocurrency trading
- 400 employees
- 1M+ customers
- €6B+ assets under management
- Valuation of \$5.3 billion (€4.3 billion) since recent \$900 million (incl. secondaries) Series C funding round in May 2021

Trade Republic Funding & Valuation



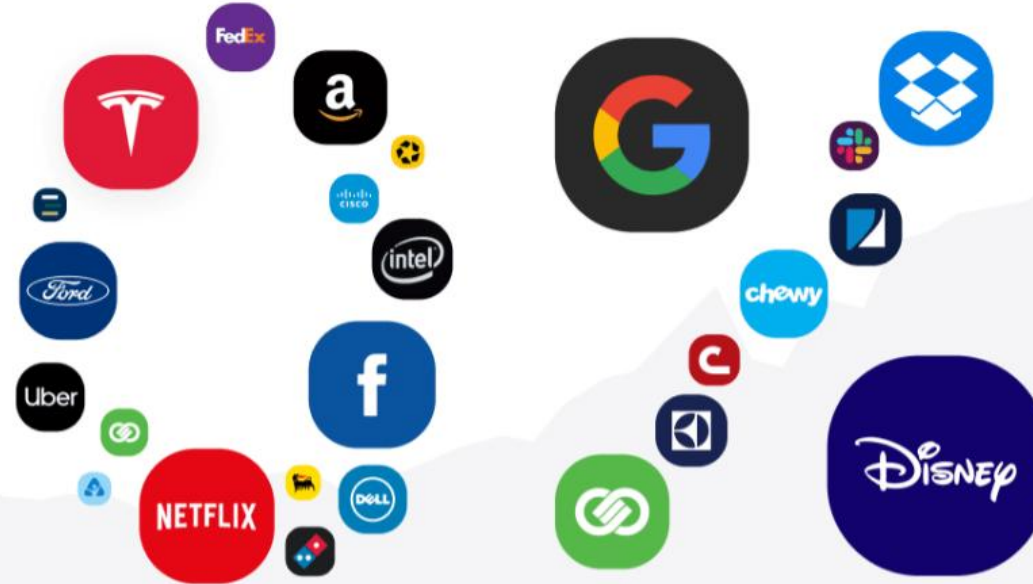
* without secondaries

Vivid Money

Commission-free fractional shares

- Founded in 2020
- Mobile bank with brokerage & crypto trading
- **Commission-free trading**
- **Fractional shares**
- 200 employees
- 100k+ customers
- Valuation of €360 million after a €60 million Series B funding round in April 2021

Commission-free investing with no limits



Start with 0.01 € using fractional shares

You only need a Vivid Account and 0.01 € to invest in any EU and US companies thanks to fractional shares. This means you're investing in a portion of a company share, so you don't need 1,000 € to get started





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ABOUT US

We are an international team of FinTech founders, experts & investors from the cities of Amsterdam, Frankfurt, Hong Kong, Kigali, Seoul, Singapore, Tel Aviv, and Vienna.

All our partners are FinTech founders themselves, investors or experts and have an excellent knowledge of their local ecosystems.

We support FinTech companies in raising capital and expanding globally.

We do so by providing research & market studies. And we introduce them to investors, clients, partners, and peers.

We have specialized in European, Asian, MENA, and African markets.

We help European and African FinTech companies to enter Hong Kong, China, Korea, and Singapore, four leading Asian FinTech hubs, and to do business in Israel and the U.A.E.

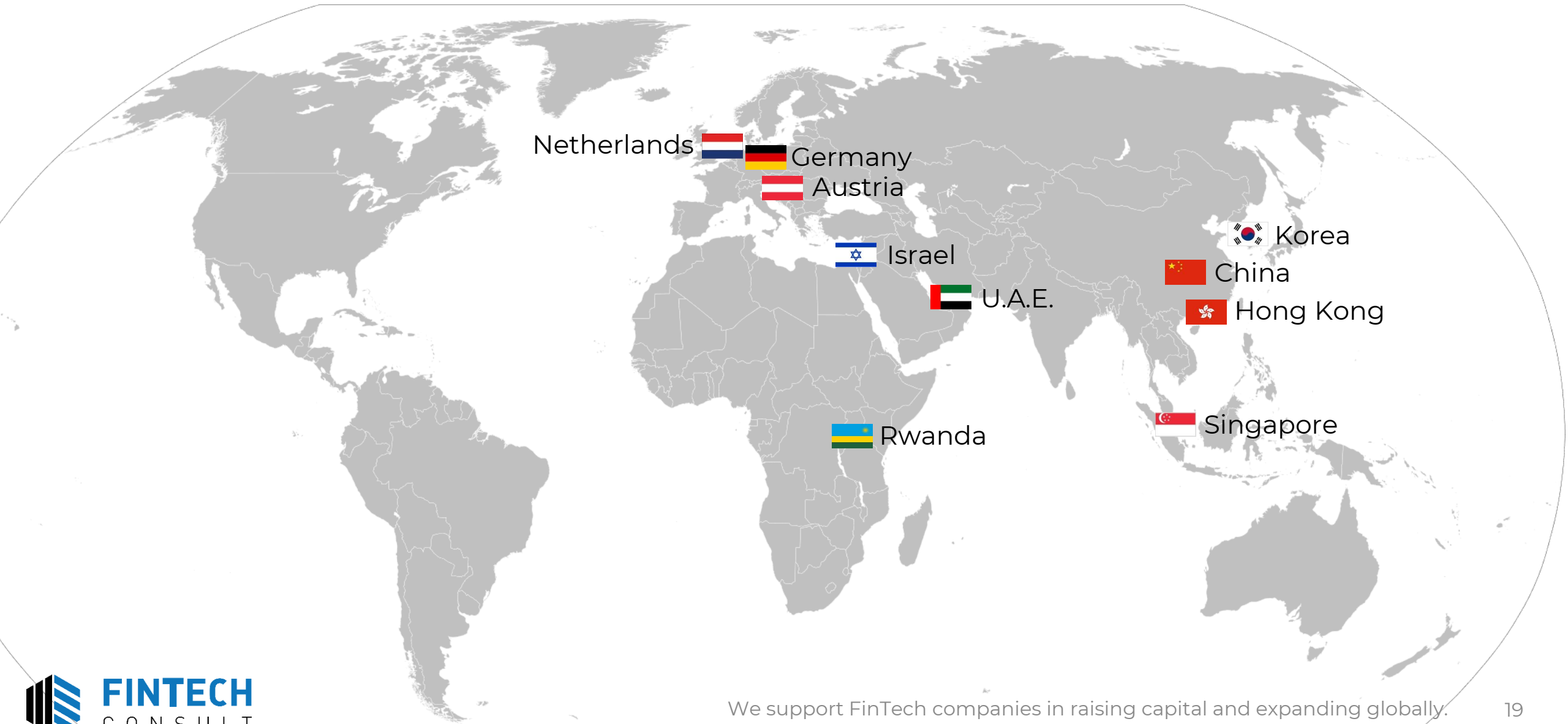
Furthermore, we support Asian, MENA, and African FinTech companies in getting started in Germany, the Netherlands, as well as in Austria and South-East Europe.

We bring corporates together with FinTech companies in the most innovative cities worldwide.

We support you in scouting for innovation and managing your digital transformation process.



OUR GLOBAL NETWORK



Netherlands



Germany



Austria



Israel



U.A.E.



Rwanda



Korea



China



Hong Kong



Singapore

OUR TEAM



Dr. Jochen Biedermann
Managing Partner
Germany & Hong Kong



Marquesa V. Leung
Partner
Hong Kong & China



Georg Schattney
Partner
Germany



Thomas Schalow
Partner
Germany



Peter Kim
Partner
Korea



Julius Kim
Partner
Korea



Hasib Anwar
Partner
Singapore



Niels van Rossem
Partner
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Kaloyan Ratchev
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Gil Kraiem
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