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IFZ FinTech Study 2017

An Overview of Swiss FinTech

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1. Preface

The pressure on the financial industry is still growing. A lot of financial institutions consider digitalisation an opportunity to counteract this development, since it may help to improve revenues and reduce costs, or at least enable institutions to stabilize both. FinTech, as the innovative spearhead of digitalisation, benefits from this increasing pressure on established financial services providers. As a consequence, the Swiss FinTech sector has grown considerably in the last year. The number of FinTech companies has grown from 162 in 2015 to 190 in 2016, which reflects a growth rate of 17 percent. In an international perspective, however, the Swiss FinTech sector rarely gets much recognition, as it is overshadowed by metropolises like Silicon Valley, London and Singapore. This study therefore aims to shed light on the actual state of the Swiss FinTech sector and evaluates its conditions on a global scale. The conditions for FinTech companies in Switzerland are excellent, according to the presented FinTech hub ranking. This study gives an overview of the relevant parties and the measures they implement in order to further improve these conditions.

This study is divided into two parts. The first part provides an overview of the different dimensions of the Swiss FinTech ecosystem that are surrounding the relevant companies. The following chapter 2 serves as a basis for all subsequent chapters by delineating the methodological framework for this study. Chapter 3 to 6 describe the Swiss FinTech ecosystem in a qualitative way. In particular, chapter 3 focuses on the political and legal framework of the Swiss FinTech sector, covering aspects such as the current and planned regulation concerning FinTech. The economic dimension of the ecosystem is elucidated in chapter 4, including venture capital investments and the lively supporting programs, i.e. accelerators, incubators and awards. The fifth chapter contains information on the actual state and current developments of the social environment. More precisely, the Swiss customer base, the availability of talent and skills, the local media, and resident FinTech-specific associations are put into focus. The technological aspects of the FinTech ecosystem are described in chapter 6. In chapter 7, the ecosystems of the globally leading FinTech hubs are quantitatively evaluated by deriving a FinTech hub ranking based on political/legal, economic, social and technological aspects. The ranking shows that Switzerland is one of the leading location when considering the general conditions for starting and running a FinTech business. Chapter 8 of part one reveals insights into our FinTech-database. Several aspects of the Swiss FinTech companies' business models are highlighted and put in comparison to the findings of last year's study. A summary of the findings is given in the final chapter of part one.

In the second part of this study, the factsheets of 104 FinTech companies that participated in our study are presented. The factsheets contain information about the companies themselves and multiple aspects of their business models, such as value propositions and served customer segments.

At this point, we would like to thank all parties that made the second edition of the study possible. A very special thanks is due to our sponsors *Avaloq*, *Finnova*, *Inventx*, *SIX Group*, *Swisscom*, *Thomson Reuters*, and *Trüb by Gemalto* for their financial support. In addition, we would like to express our appreciation to all companies that participated in the survey and to all our partners for their valuable inputs. Last but not least, our thanks go to all guest authors for their significant contributions to the study.



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www.hslu.ch/ifz
ISBN 978-3-906877-09-9

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