



DEEP
KNOWLEDGE
ANALYTICS

FinTech Industry in Switzerland Q2 2022

Teaser

May, 2022



FinTech in Switzerland Q2 2022

Table of Contents of the Full Report

Introduction	2
FinTech Market Ecosystem	3
Report Methodology and Approach	4
Executive Summary	6
FinTech in Switzerland Landscape Overview	8
• FinTech Industry in Switzerland Overview	9
• FinTech Companies in Switzerland	13
• FinTech Investors in Switzerland	16
• R&D Centres and Hubs	21
Swiss FinTech Influencers and Events	22
Key Trends to Watch in 2022 and Beyond	26
• Embedded Finance	28
• Open Banking	29
• RegTech	30
• Neobanking	31
• Blockchain	32
• Big Data	33
• Biometric Cybersecurity	34
Key Findings and Predictions	36
Disclaimer	45

Introduction

At Deep Knowledge Analytics, we are dedicated to giving businesses access to the most reliable and up-to-date data on emerging trends and key industry insights.

FinTech Industry in Switzerland Q2 2022 summarises vital observations in the FinTech ecosystem, a rapidly evolving and growing industry. Based on the assembled and analyzed data, the report reveals vital features, trends, innovations, technologies, market size, among other perspectives.

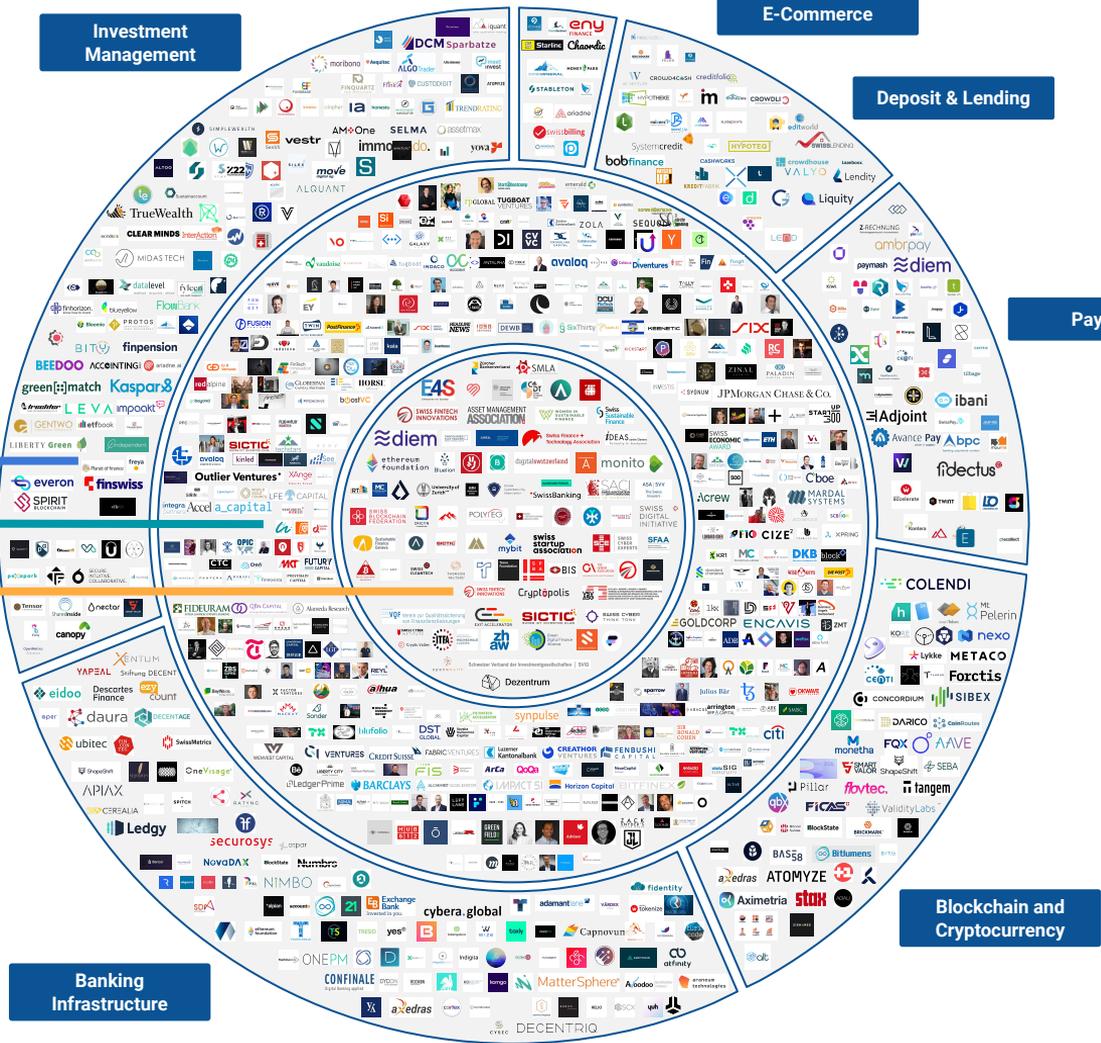
The analytics in the report are based on information about 885+ organisations, including 355+ companies selected by sector, 455+ investors, 75+ R&D Centres & Hubs. FinTech encompasses ten subsectors such as Investment Management, Banking Infrastructure, Blockchain and Cryptocurrency, Payment, Deposit & Lending, E-Commerce.

Swiss FinTech is booming. This rapid growth is no surprise, given Switzerland's strengths in finance, technology and innovation. The country is home to leading banks and insurance companies, as well as world-class research institutes and universities. And it has a long tradition of being at the forefront of technological change, from the invention of the world's first computer to the development of blockchain. As a result, **Swiss FinTech companies are well placed to capitalise on the latest trends in financial technology.** And they are already having a major impact, with Swiss start-ups exporting their products and services around the world.

FinTech Industry in Switzerland Q2 2022

Companies - 355+
Investors - 475+
R&D & Hubs - 75+

Companies
Investors
R&D & Hubs



Executive Summary

Switzerland demonstrated the rapid rise of start-ups dedicated to finance; FinTech is becoming a hot topic and a promising asset class for investors.

Why Switzerland?

Switzerland is at the forefront of this FinTech revolution, thanks to its strong tradition of banking and financial innovation.

The Swiss legal system, being stable and liberal, offers both significant protection for intellectual property and a high degree of investment security for R&D activities.

Total investment in Swiss start-ups climbed to over \$3.3 billion in 2021, continuing a decade-long rise, only barely dented in 2020 by the pandemic.

Switzerland has a high level of innovation output. In proportion to its population, Switzerland boasts the third highest number of AI patents in the world.



According to Global Innovation Index, the country is most effective in transforming innovation investments into results.

Switzerland provides a regulatory framework that is innovation-friendly and progressive. Swiss laws are formulated in a technology-neutral way.

Zurich and Vaud – home to the two Swiss federal technology institutes (ETH Zurich and EPFL), hotbeds of innovation and start-ups – enjoyed considerable rises in funding.

Switzerland borders large markets like France, Germany, and Italy, which gives companies easy access to their potential customers.

Executive Summary

The FinTech market has developed into a robust ecosystem in recent years. Start-ups and tech companies have created a variety of products to address the financial needs of individuals and businesses. These products range from mobile apps that allow users to track their spending to online lending platforms that provide small businesses with access to capital. The growth of the FinTech market has been driven by a number of factors, including the increasing use of mobile devices and the popularity of online banking. Additionally, the rise of digital currencies has created new opportunities for FinTech companies. As the FinTech market continues to evolve, we can expect to see even more innovative products and services emerge.

In Switzerland, about 31% of the FinTech market belongs to the Investment Management subsector. It is followed by the Banking Infrastructure, which accounts for 26%, and Blockchain and Cryptocurrency occupying the third place, with 16% each. Together, these top subsectors comprise 72% of the Swiss FinTech market.

Data security is a top priority for financial technology companies. With the increasing digitalisation of financial transactions, there is a growing need to protect sensitive information from cyber criminals. In response to this challenge, FinTech firms are investing heavily in data security solutions.

Key Figures and Facts

72%

of market covered
by top 3
subsectors

37%

of companies are
located in Zurich

31%

of FinTech
companies
addressing
Investment
Management

25%

Swiss investors' share
in terms of investor
representation

\$3.3B

invested in Swiss
FinTech companies
in 2021

\$44.5B

projected transaction
value in the Swiss
neobanking segment
by the end of 2022

FinTech Industry in Switzerland at a Glance



355+
Companies



475+
Investors



75+
R&D and Hubs



6
Subsectors



37%
of companies in Zurich



\$3.3B¹
Investments in 2021



44%¹
Investments growth YoY



72%
Covered by top 3 subsectors

The FinTech Industry can be divided into **six subsectors** covering all aspects of finance, ranging from Banking to Investment Management. The report covers **355+ companies** and **475+ investors**. **Investment Management, Banking Infrastructure, Blockchain, and Cryptocurrency** are the **largest subsectors**, accounting for **72% of the entire Swiss FinTech industry**.

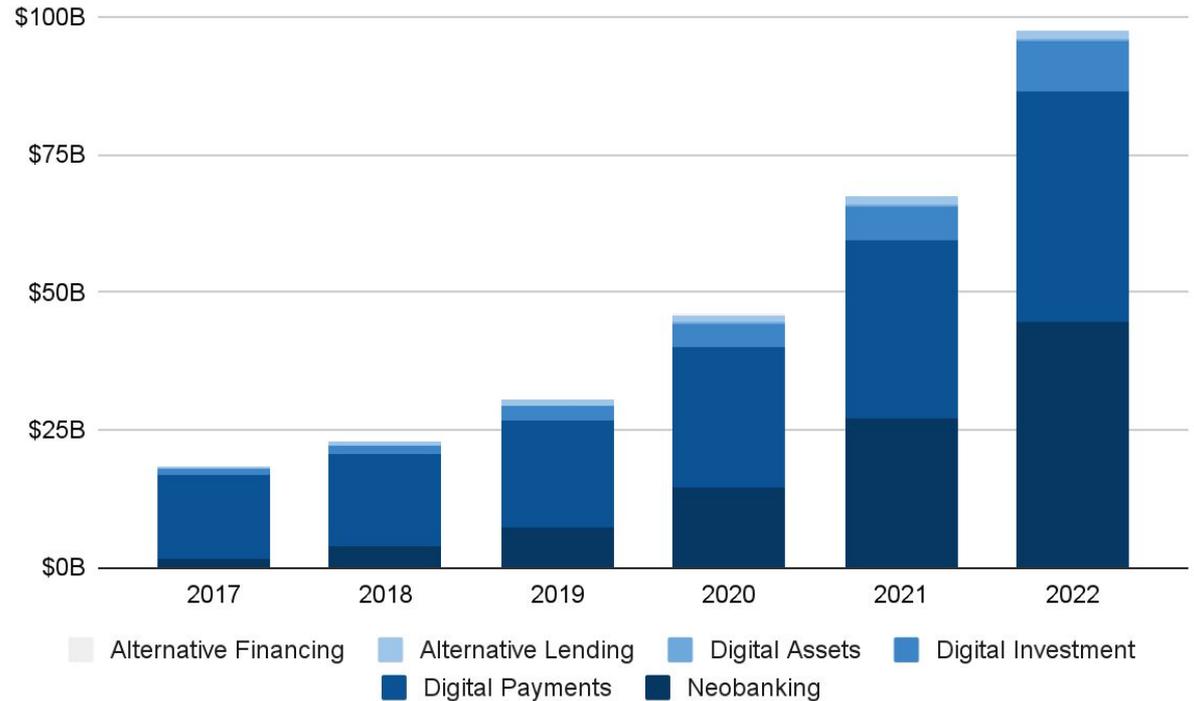
Overview of FinTech Industry in Switzerland

We are still at the earliest stages of true FinTech as the future impact of cloud computing, IoT, Artificial Intelligence (AI), and blockchain cannot even be estimated yet. Even so, it is already transforming how people interact with money and financial institutions. In the past, we would go to a physical bank branch to deposit a check or withdraw cash. As FinTech continue to develop, it is likely that they will upend traditional financial models and create new opportunities for businesses and consumers alike.

Each year, tech companies are digging deeper into the financial services value chain and are also creating new market structures in underbanked developing countries.

Pure FinTech players are now sharing the market with some banks that provide new, digital-friendly banking services and integrate digital payments, microfinancing, and robo-advisor services into existing bank accounts.

Transaction Value by Type, 2022



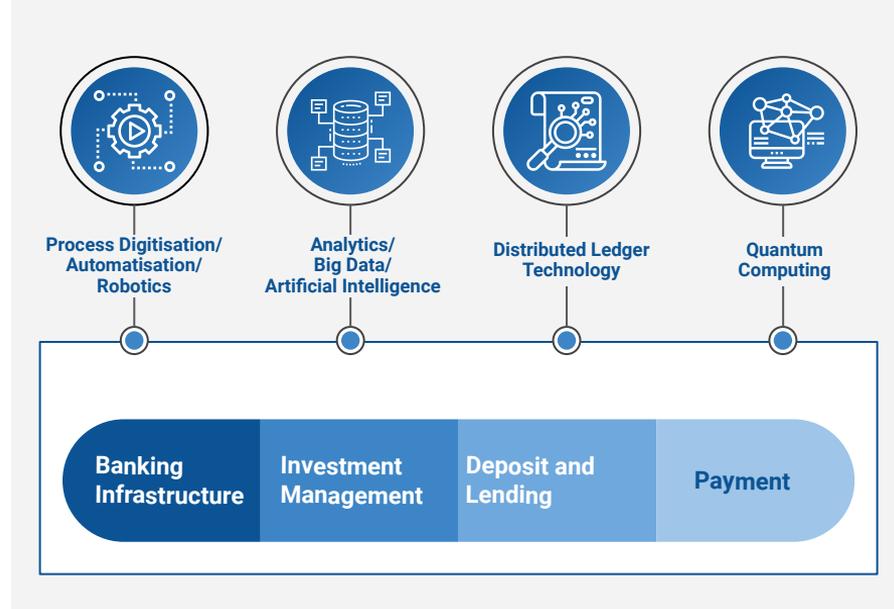
Overview of FinTech Industry in Switzerland

Switzerland is a leader in tracking the trends in FinTech and establishing itself as a catalyst for financial innovation on a global level. Some 10% of global European FinTech enterprises are located in Switzerland. Within the Swiss market, Zurich has a leading role and accommodates almost half of the Swiss-based FinTech businesses. Out of all Swiss FinTech businesses, 30% offer financing-related services.

Chart Comparison by Country, 2021

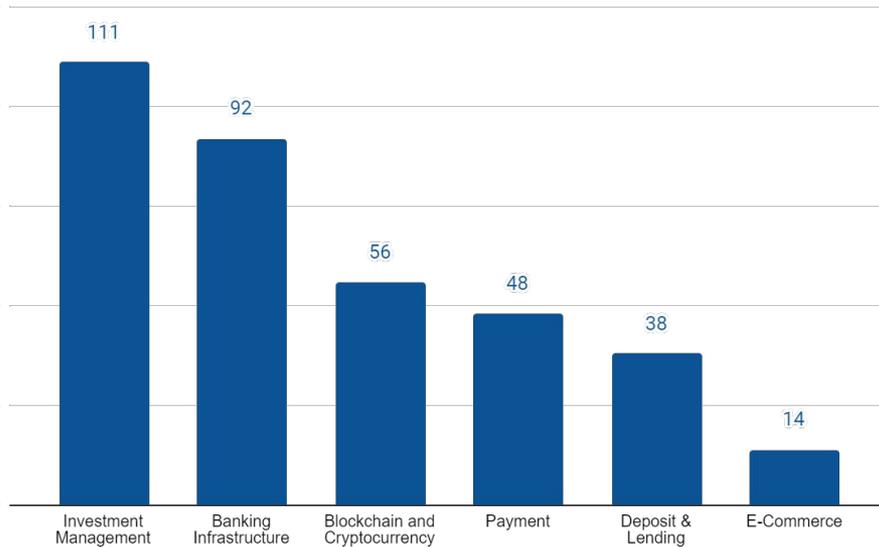
Country	European Ranking	World Ranking	Change From 2020 (World)
United Kingdom	1	2	±0
Switzerland	2	5	±0
Sweden	3	7	±0
Netherlands	4	8	-2
Germany	5	9	+3
Lithuania	6	10	-6
Estonia	7	11	-1
Finland	8	13	1
Spain	9	16	-3
Ireland	10	18	-1

FinTech Grid

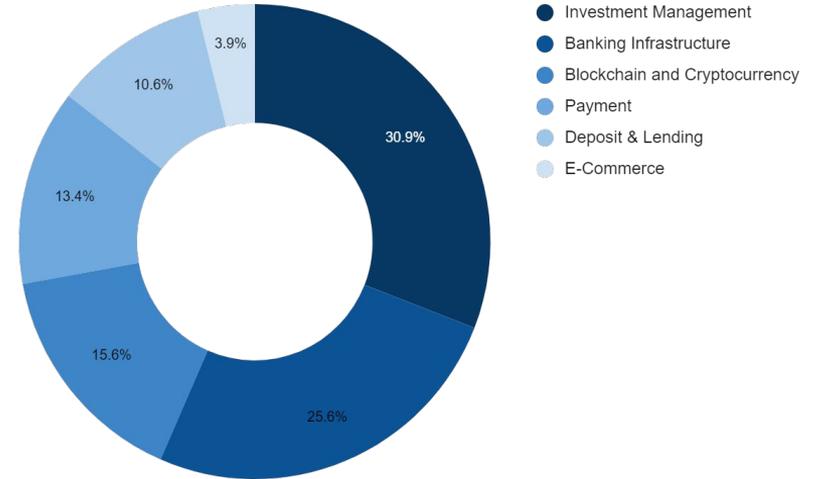


Swiss FinTech Companies by Subsector

Number of FinTech Companies by Subsector, 2022



Share of FinTech Companies by Subsector, 2022



Accounting for 31% of the total market, Investment Management is the largest subsector of the FinTech Industry by the number of companies. It is followed by the Banking Infrastructure subsector, which accounts for 26%, and Blockchain and Cryptocurrency occupying the third place, with 16% each. Together, these top subsectors comprise 72% of the Swiss FinTech market.

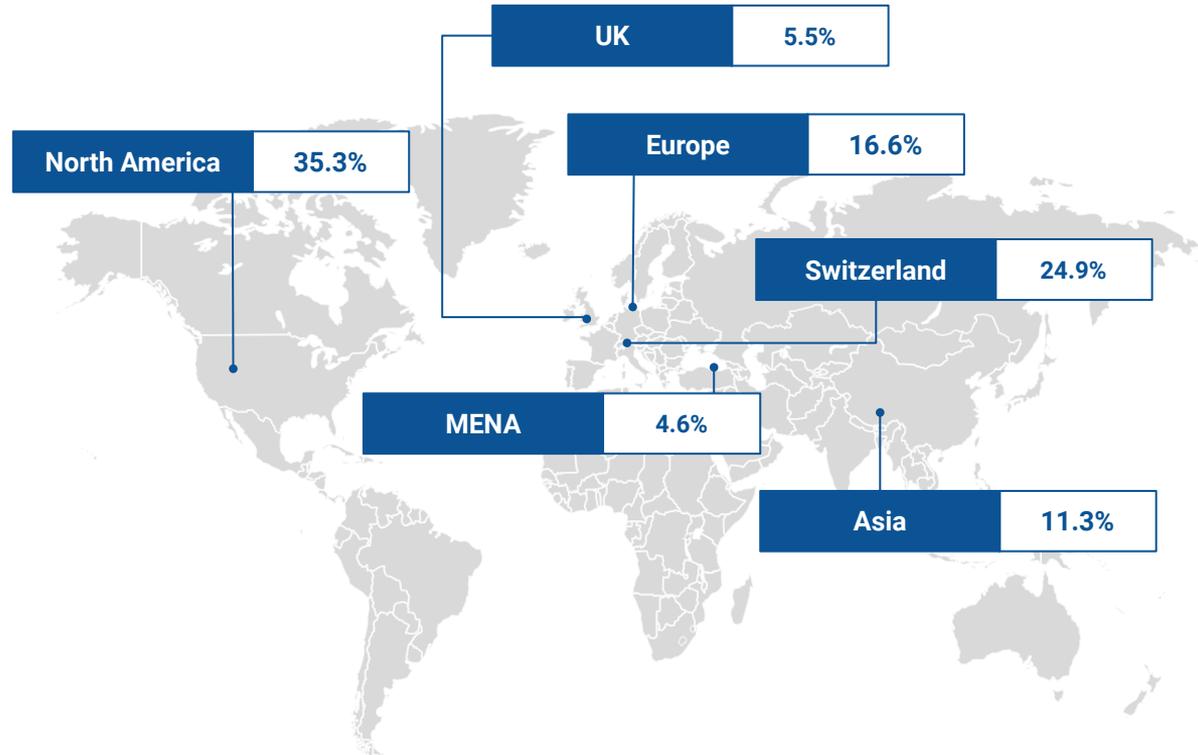
FinTech Investors

As with the most sectors of the Swiss economy, the FinTech sectors show the inherent prevalence of the Swiss investors' share in terms of investor representation. Currently, approximately 24.9% of investment into the Swiss FinTech companies comes from the Swiss-based investors.

The two other significant regions that house the investors are North America and the EU (excluding Switzerland and the UK) and hold 35.3% and 16.6% share of investors, respectively. In North America, the most prevalent country of origin of the investors is the USA while in the EU, the majority of investors come from Germany.

The rest of the investment comes from Asia and MENA regions as well as from the UK.

Regional Distribution of Investors Investing in Swiss FinTech Companies



Swiss FinTech Investors

Investments in Swiss start-ups have been on a growth trajectory for 10 years, with a significant acceleration in recent years. In 2018, the amount invested almost tripled whereas the first tripling took almost 6 years.

The number of rounds has increased steadily at 16.8%, close to the values of previous years. However, the average investment per round has more than doubled over the last 3 years.

This trend is attributable to several factors, including the increasing maturity of start-ups and the growing interest of foreign investors in the Swiss ecosystem. While the exact future development remains difficult to predict, it is clear that investments in Swiss start-ups will continue to grow at a rapid pace in the coming years.

Top 10 Swiss Investors by the Number of Portfolio Organisations



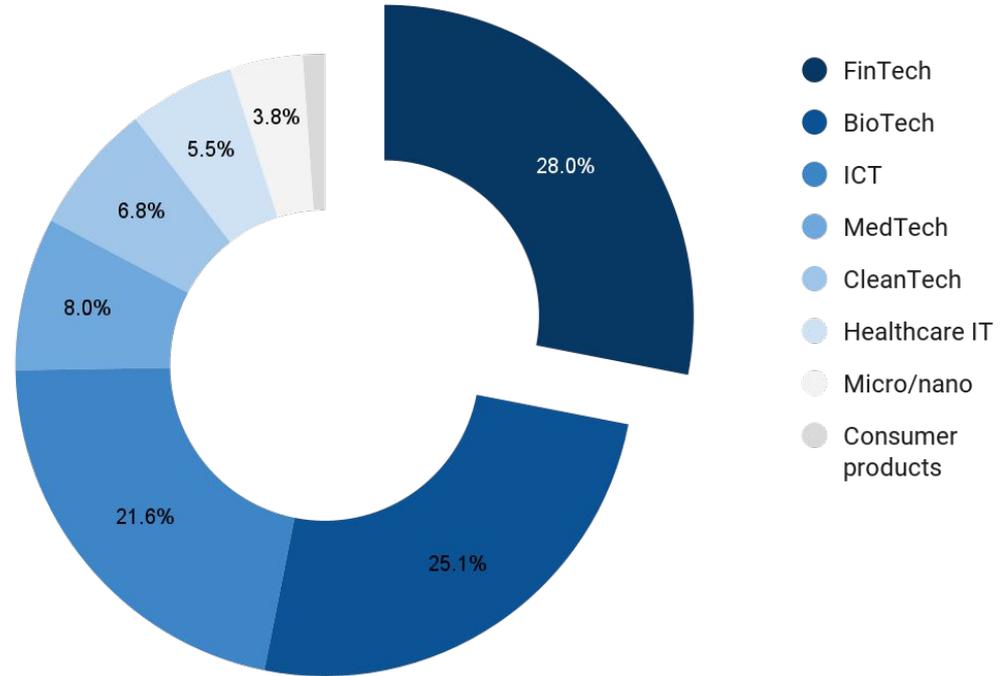
Swiss FinTech Investors

Early-stage rounds constant Seed capital accounted for 37% of total rounds (up from 26% in 2020), with later stage (Series B and later) accounting for 22%.

Vaud and Zurich, the leading cantons in terms of start-ups, recorded high growth rates in 2021. In comparison with 2020, total funds generated in Vaud rose by 47.8% and by as much as 102.1% in Zurich, with both cantons breaking their previous records.

The increasing maturity and size of the market is also reflected in the growing product range from individual managers such as Emerald, Redalpine, Nextech, and Serpentine Ventures (formerly Swiss Start-up Capital).

Invested Capital by Sector in Switzerland, 2021



FinTech Start-ups and Hubs in Switzerland

FinTech Start-ups



avalog

Avaloq is an international FinTech company that digitalises the automation of financial services industry



HQLA X

HQLAX is a financial technology innovation firm that leverages R3's distributed ledger technology.



+alpien

Alpien is a financial services firm that combines banking services, personal wealth management, and tailored investment products in one app.



BRD

BRD designs, develops, and markets financial software.



NetGuardians

NetGuardians is a leading FinTech company recognised for its anti-fraud and risk mitigation solutions.

Hubs and Think Tanks



Swiss Finance + Technology Association

Swiss Finance + Technology Association (SFTA) is fostering the development of the Swiss FinTech ecosystem.



GREATER ZÜRICH AREA

Greater Zurich Area is one of the leading FinTech hubs in Europe and worldwide.



SWISS FINTECH INNOVATIONS

Swiss FinTech Innovations is an independent association of Swiss financial institutions committed to drive collaboration and digital innovation in the financial services industry.



SWISSFINTECHLADIES
PASSIONATE ABOUT CO-CREATION IN TECH AND FINANCE

SWISSFINTECHLADIES aims to promote science and networking with companies in the finance, tech, FinTech, and blockchain industries.



SWISS FINTECH

SWISS FINTECH is Switzerland's nonprofit FinTech association and community for FinTech, entrepreneurship, and digitalisation.

Upcoming FinTech Events in Switzerland



Blockchain in Financial Services 2022

31 May 2022



Crypto Valley Conference 2022

2-3 June 2022



Point Zero Forum

21-23 June 2022



Swiss FinTech Awards Night 2022

29 June 2022



Swiss FinTech Investor Day 2022

14 June 2022



Swiss FinTech Fair 2022

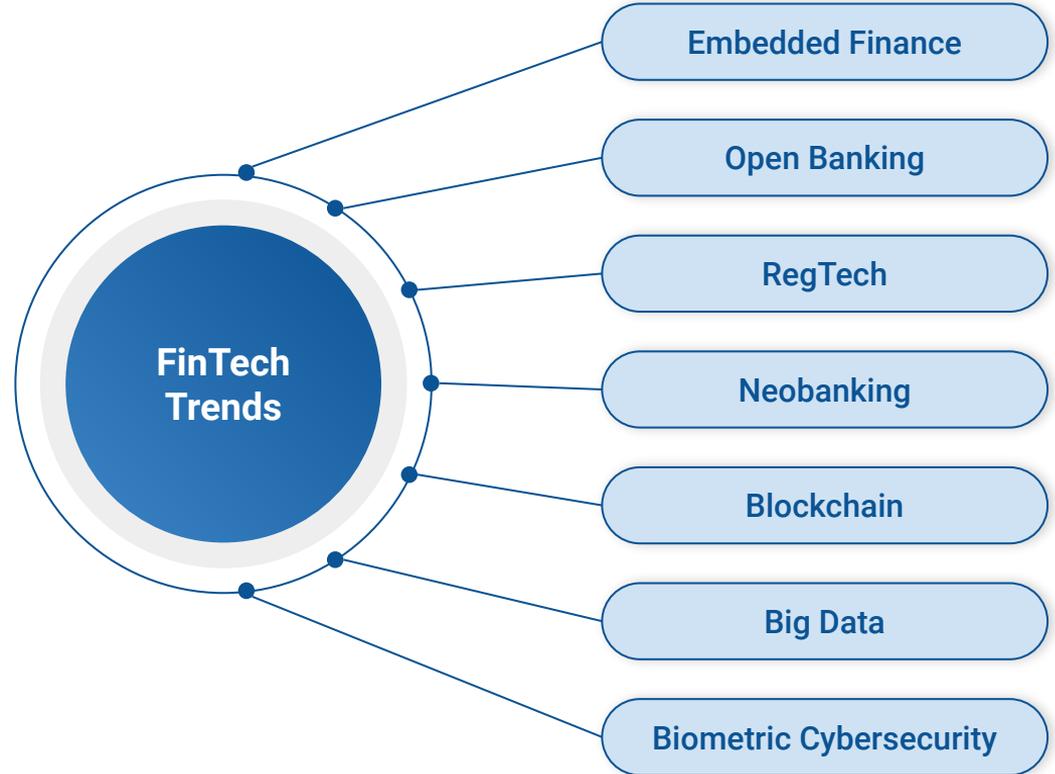
9 September 2022

Seven Key Trends Shaping FinTech in 2022

As we move into 2022 and beyond, there are several FinTech trends that are likely to shape the industry. First, we will see a continued focus on mobile banking and payments.

More and more people are using their smartphones to manage their finances, and this trend is only going to continue. It is expected a rise in AI and Machine Learning. These technologies can help financial institutions to automate tasks, make better decisions, and provide personalised service to customers.

Finally, blockchain technology is also likely to have a major impact on the FinTech industry. This distributed ledger technology has the potential to revolutionise the way we make financial transactions, by making them faster, more secure, and more transparent.



Obstacles for FinTech in Switzerland



Data Security

The popularity of cashless transactions has helped FinTech companies flourish in recent years. This has also caused a steep rise in fraudulent transactions and scams. It is no surprise that data security has gone on to the top of the agendas of businesses, offering their products online.

Regulation Increase



The Swiss FinTech sector has remained relatively unaffected by different forms of regulation, with only a handful laws and regulatory organisation monitoring. Yet there is a possibility of introduction of new laws and regulations that would restrict the rules of the industry and, therefore, constrict further growth.

FinTech Obstacles



COVID-19 Lockdown

While the COVID-19 pandemic's effect on Swiss FinTech sector was relatively light, the issues it has brought could still affect further development and growth of the industry. There was a shift of trust towards the larger banks while the smaller ones had a relative loss of it. Apart from that, the smaller banks have experienced an outflow of net cash flows during the pandemic.

Growth Slowdown



While the Swiss FinTech sector has continued to grow over the past year, a closer look suggests that certain segments are showing signs of stagnation. Other indicators showing a slowdown in the Swiss FinTech market include a decline in the companies' overall median capitalisation and a stagnant median number of employees.

Key Takeaways



Switzerland demonstrated a rapid rise of start-ups dedicated to finance; FinTech is becoming a hot topic and a promising asset class for investors. The digital readiness and innovativeness of Switzerland provides a solid basis for the development of the FinTech industry. A well-developed financial sector, an educated workforce, and a supportive regulatory environment are all important factors in attracting FinTech businesses to locate in Switzerland.



The FinTech industry can be divided into six subsectors, covering all aspects of finance, ranging from Banking to Investment Management. Investment Management, Banking Infrastructure, Blockchain, and Cryptocurrency are the largest subsectors, accounting for 72% of the entire Swiss FinTech industry.



As with the most sectors of the Swiss economy, the FinTech sectors show the inherent prevalence of the Swiss investors' share in terms of investor representation. Currently, approximately 24.9% of investment into the Swiss FinTech companies comes from the Swiss-based investors.



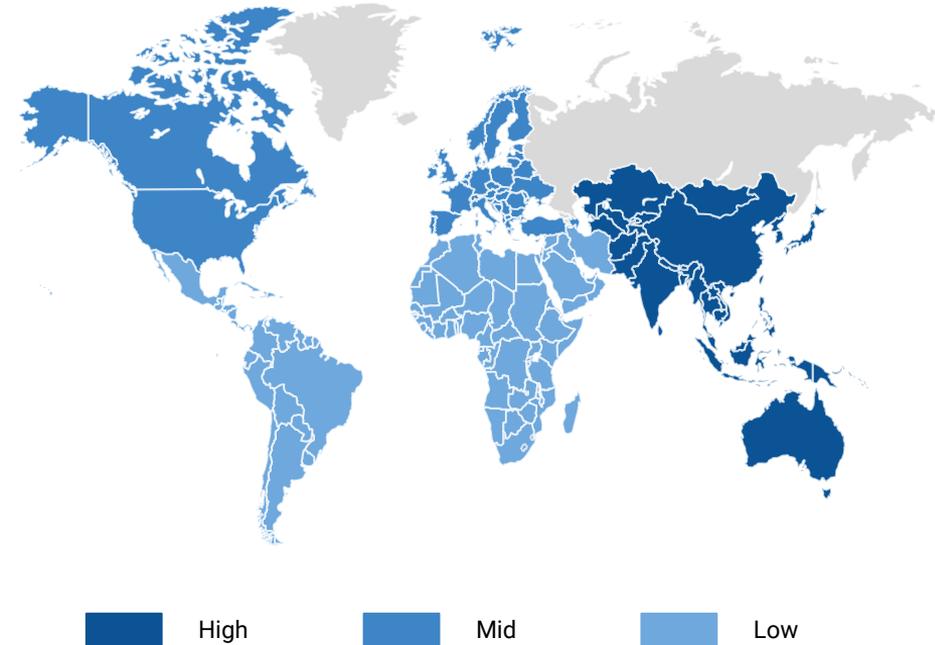
The majority of Swiss FinTech companies are start-ups. It can be attributed to Switzerland's regulatory environment, which is more conducive to innovation than in other jurisdictions. Switzerland's strong culture of banking and finance provides a talent pool for FinTech firms to draw from.



The popularity of cashless transactions has helped FinTech companies flourish in recent years. This has also caused a steep rise in fraudulent transactions and scams. It is no surprise that data security has gone on to the top of the agendas of businesses, offering their products online.

Predictions of the Global FinTech Market Development

FinTech Market Growth Rate by Region, 2022-2026



Key Projections

The global FinTech technologies market size was valued at \$110.57 billion in 2020 and is projected to reach \$698.48 billion by 2030, growing at a CAGR of 20.3%.

Privacy and security concerns, owing to massive movement of consumer data and varied and conflicting regulations across different jurisdictions hamper growth of the market.

COVID-19 pandemic has a significant impact on the FinTech technologies industry, owing to increase in usage and adoption of online and digitalised financial product lines among consumers globally.

The neobanking market from business account segment is set to expand at above 45% growth rate through 2028, impelled by the increasing demand for reduced complexities in managing banking processes of enterprise clients.

Swiss Longevity Valley

I.

Swiss Government Engagement on National Longevity Development Plans and Initiatives

Proactive engagement with Swiss government agencies and members of the Swiss Parliament to establish a framework for a National Swiss Longevity Development Plan and Industrial Strategy to grow Switzerland's Longevity ecosystem to scale and enable extension of the national Health-Adjusted Life Expectancy (HALE).

III.

Coordinated Development of AI Centres for Longevity To Enable the Shift From Treatment to Prevention

Though the intensive application of AI to advanced biomedicine, Switzerland can lead the world in Precision Health, utilising the latest innovations in AI, Longevity, Biomarkers of Ageing, and Advanced Biomedicine to become the nation leading the world in preventive, personalised, and precision healthcare for its citizens.

II.

Cross-Sector Dialogue With All Major Longevity Industry Players

With a focus on cross-sector dialogue, projects, and initiatives spanning government, industry, academia, and other relevant spheres of activity, Swiss Longevity Association aims to achieve a maximum level of synergy and convergence, growing every aspect of Switzerland's Longevity ecosystem to scale.

IV.

Support of Progressive Longevity Financial Reform To Neutralise Economic Burden of Ageing Population

Swiss Longevity Association will work alongside large Swiss financial institutions, including pension funds, insurance companies, private wealth banks, and other relevant entities to roadmap initiatives and policy proposals to turn the problem of ageing population into the economic opportunity of Healthy Longevity.



Swiss Longevity Valley

Stay on Top of the Latest Intelligence

Stay on top of the latest information about Switzerland's DeepTech Industry with our analytical case studies and interactive IT platforms.

A blue-toned image of a female mannequin with a futuristic, metallic-looking headpiece and a glowing, circuit-like pattern on her back, set against a dark blue background with light rays.

FemTech Industry in Switzerland
Landscape Overview Q4 2021
November 2021
www.femtech.health

FemTech Analytics

A dark blue background with a complex, glowing, organic pattern resembling a network or a biological structure.

Mitochondria-Longevity Research in Switzerland
Special Analytical Case Study
Q3 2021
www.aginganalytics.com

AGING ANALYTICS AGENCY

A blue background with a white silhouette of a city skyline, including several prominent buildings and spires.

Basel Area Life Sciences Ecosystem
Landscape Overview Q3 2021
Teaser
www.dbs.global

DEEP KNOWLEDGE ANALYTICS

A dark blue background with a glowing, blue, particle-like pattern that forms the shape of a human head.

Artificial Intelligence Industry in Switzerland
Landscape Overview 2021/Q3
Teaser
August, 2021

DEEP KNOWLEDGE ANALYTICS

A dark blue background with a large, stylized red ribbon that curves across the bottom right corner, featuring a white Swiss cross in the center.

InsurTech in Switzerland
Landscape Overview
November, 2021
www.aginganalytics.com

AGING ANALYTICS AGENCY

About Deep Knowledge Analytics

Deep Knowledge Analytics is a DeepTech-focused agency producing advanced analytics on DeepTech and frontier-technology industries, using sophisticated multidimensional frameworks and algorithmic methods that combine hundreds of specially designed and specifically weighted metrics and parameters to deliver insightful market intelligence, pragmatic forecasting, and tangible industry benchmarking.

Deep Pharma
Intelligence

GovTech
E-Governance
Analytics

COVID-19
Assessments

Innovation Eye

Interactive
Mind Maps

SpaceTech
Analytics



Deep Knowledge Analytics specialises in conducting special case studies and producing advanced industry analytical reports on the topics of Artificial Intelligence, DeepTech, GovTech, Blockchain, FinTech, and Invest-Tech.

Deep Knowledge Analytics can engage with strategic partners via several different approaches, including:

- Conducting customised case studies, research, and analytics for internal (organisational) use, tailored to the precise needs of specific clients;
- Producing analytical reports for open source use (freely accessible);
- Performing customised solutions, using specialised software, industry and technology databases, and interactive IT-platforms.

Deep Knowledge Analytics Dashboards

Dashboard Overview

Deep Knowledge Analytics is building a sophisticated cloud-based engine for advanced market and business intelligence in various DeepTech industries. This includes a data-mining engine, infrastructure for expert data curation, and advanced visualisation dashboards, containing mindmaps, knowledge graphs, and 3D visualisations. The dashboard can be developed with a varied industrial and regional scope and stands as an interactive tool for advanced data visualisation, which allows for the user-friendly experience.

Smart matching tool

Machine Learning for database extrapolation

Dynamic SWOT analysis representing evolution of a company

Companies database

Machine Learning and deep neural networks for companies clusterisation

Interactive industry mindmaps

Investors database

Machine Learning for COVID-19 predictions

Real-time investments data analytics platform for DeepTech corporations

SWOT analysis

Governmental programmes for digital companies database

Longevity Industry financial instruments analytics

About Deep Knowledge Analytics

Deep Knowledge Analytics is focusing on three key activities:

Providing Commercial Services

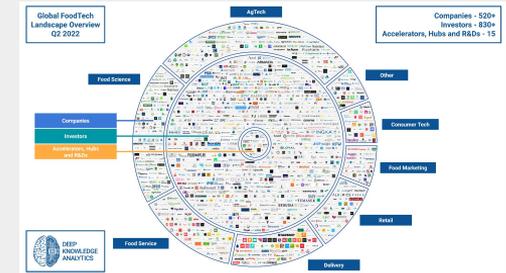
Conducting customised case studies, research, and analytics for internal (organisational) use, tailored to the precise needs of specific clients.

Big Data Analytics Platforms

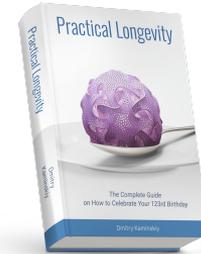
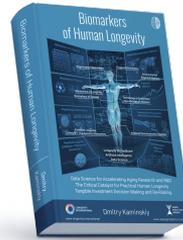
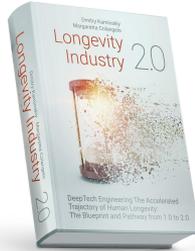
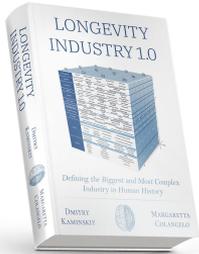
Offering customised analysis using specialised interactive industry and technology databases, IT-platforms, and Big Data Analytics Dashboards.

Preparing Open Access Reports Building

Producing regular open access and proprietary analytical case studies on the emerging topics and trends in the Longevity Industry.



Deep Knowledge Group: Books

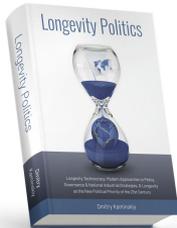


Longevity Industry 1.0
2010-2020: Evolution of the Longevity Industry From Zero to 1.0

Longevity Industry 2.0
2020-2025: DeepTech Engineering the Accelerated Trajectory of Human Longevity – The Blueprint and Pathway From 1.0 to 2.0

Biomarkers of Human Longevity
The Critical Catalyst for Practical Human Longevity, Tangible Investment De-Risking, and Accelerated Aging Research and Longevity R&D

Practical Longevity
Practical, Market-Ready Tools, Approaches and Frameworks for Optimizing Personal, Practical, Healthy Human Longevity



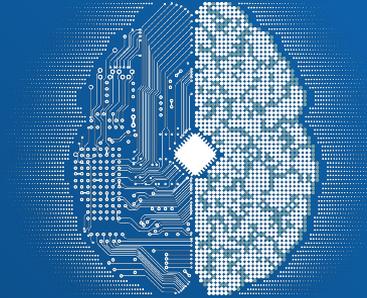
Longevity Politics
2021-2030: The Rise of Longevity Politics and the Solidification of Longevity as the New Political Priority of the 21st Century



Longevity Financial Industry
Health as New Wealth, Engineered Solutions to Bridge the Longevity Liquidity Gap, and the Rise of Longevity Investment Banks, Stock Exchanges, and Financial Instruments



The 5th Industrial Revolution
2030-2035: Defining, Forecasting, Optimizing, and De-Risking the Accelerated Trajectory of Progress Toward the 5th Industrial Revolution



Link to the Report: www.dka.global/fintech-in-switzerland-q2-2022

E-mail: info@dka.global

Website: www.dka.global

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