



## Press Release

«Global FinTech Report 2017»  
#FinTech #Blockchain #Insurance #financial\_services

# FinTech and Financial Services team up

PwC's Global FinTech Report 2017 shows that FinTech and Financial Services are competing less and instead building more partnerships to turn threats into opportunities: 82% of Swiss respondents plan to increase partnerships over the next three to five years. The report concludes that the Swiss Financial Services industry can largely benefit from FinTech innovation in a number of areas and that 75% of Swiss respondents plan to adopt blockchain applications over the next three years.

**Zurich, 19 April 2017** –FinTech startups have seen \$40 billion of cumulative investment globally over the past four years according to PwC's DeNovo platform. Funding in blockchain companies increased 79% year-on-year in 2016 to \$450 million globally. PwC's Global FinTech Report concludes that from the 30 surveyed Swiss respondents, 40% believe their core business is at risk in the next five years. Yet an expected threat was reported as 70% of Swiss respondents predict increased price competition. How is the Swiss Financial Services industry handling the threats posed by FinTechs? Dr. Daniel Diemers, Partner Financial Services PwC Strategy& Switzerland says, "In Switzerland, we have a relatively small, fragmented market, with intense competition and high barriers to entry. The perceived threat by FinTechs is comparatively less dramatic than in other markets. The focus here is more on wealth management, an area that sees disruption today as less imminent than retail banking or payments. However, the trends will clearly disrupt all areas of Financial Services in the coming 5-10 years, including Swiss private banking and wealth management."

### **Turning threats into opportunities through partnerships**

The new PwC report “Redrawing the lines: FinTech’s growing influence on Financial services” shows that global financial firms expect an average ROI of 20% for FinTech-related projects. Partnerships with FinTechs are necessary if presumed threats are to be seized upon as opportunities. Indeed, the response to FinTech by Swiss incumbents (banks and insurers) is primarily to monitor and engage them in partnerships. 82% of Swiss respondents anticipate an increase in such partnerships over the next three to five years, and more than half of them (59%) indicate they are currently working more closely with FinTech companies.

### **Reaping the benefits of FinTech innovation within the insurance industry**

The results of PwC’s Global FinTech Report revealed that engaging in partnerships with FinTechs is beneficial for the industry. With advanced data analytics, Swiss insurers can improve their risk modelling, identification and quantification while targeting, reaching and serving clients in a more personalised and committed way. Similarly, blockchain is now garnering increased attention from insurance companies in areas such as personal and marine insurance, including claims processes.

### **Blockchain moving out of the lab**

While blockchain was initially explored by the Financial Services sector, the potential of this technology is now being recognised in many sectors including energy, telecoms and pharma. With 75%, the majority of Swiss respondents specified that they plan to adopt blockchain applications over the next three years. Dr. Daniel Diemers emphasises that, “Swiss institutions need to work with innovators as closely as ever to ensure they are fit for future growth. Blockchain is moving from hype to reality and we can see that the Swiss market is starting to embrace the technology by intensifying interaction with relevant FinTech startups. Ongoing collaboration between Swiss incumbents and FinTechs is key for future success.”



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