

FINTECH TRANSFORMATION OF TRADITIONAL BANKING IN SWITZERLAND: DUKASCOPY BANK AS A CASE OF REGULATED DIGITAL BANKING

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Abstract. Swiss banking retains exceptional institutional credibility, legal continuity and leadership in cross-border wealth management, but it is losing the digital race for the client interface. Switzerland's digital banking maturity score is 39 against a Digital Champions benchmark of 60, and no Swiss bank is classified among global digital leaders. The gap does not reflect a shortage of assets or trust. It reflects clients' growing expectation that financial security should also include rapid onboarding, mobile continuity, real-time liquidity, transparent reporting and personalised digital service. Dukascopy Bank demonstrates how a hybrid platform can convert this weakness into a new standard of secure wealth. Its model combines a Swiss banking licence and FINMA-supervised prudential discipline with online identification, multi-currency accounts, SWFX trading infrastructure, crypto-fiat services, payments, white-label solutions and a regulated B2B ecosystem. The platform creates Private Banking 2.0: AI and RegTech absorb routine compliance tasks, document collection and workflow preparation, while the relationship manager concentrates on suitability, portfolio strategy, cross-border structuring and the client's individual objectives. The same architecture extends beyond retail and private banking. Dukascopy has engineered a sovereign B2B ecosystem for licensed intermediaries, including neobanks, payment service providers, merchant acquirers, e-money institutions and regulated digital-asset brokers. Participants exchange services inside a closed-loop settlement environment, where internal transactions are cleared on the Dukascopy ledger instantly, 24/7/365 and at near-zero transaction cost. The Bank acts as custodian, guarantor and clearing engine within a single Swiss regulatory perimeter. The 2024 result should therefore be read as an investment cycle rather than as structural decline. The cost-income ratio of 107.4% reflected major strategic investment in proprietary security infrastructure, AI solutions and RegTech. These investments supported the 2025 recovery: operating expenses declined to CHF 18.8 million, operating income increased to CHF 20.8 million and the operating spread returned to positive CHF 2.0 million. Dukascopy's case shows that the next phase of Swiss banking will be defined by platform orchestration: High-Tech execution, High-Touch advice, institutional liquidity management and Swiss-grade regulatory security delivered as one ecosystem.

Keywords: Swiss banking, fintech transformation, Dukascopy Bank, Private Banking 2.0, hybrid platform banking, sovereign B2B ecosystem, SWFX, RegTech, institutional liquidity, regulated digital trust.

JEL Classification: G21, G24, G28, O33, M15

1. Introduction

Swiss banking remains one of the most recognisable institutional brands in global finance. Its traditional strengths are familiar: legal continuity, prudential discipline, cross-border expertise, confidentiality and advisory depth. In 2024, assets under management at banks in Switzerland reached CHF 9,284.0 billion, while

Switzerland remained the world leader in cross-border wealth management for private clients with CHF 2,427.0 billion in such assets (Swiss Bankers Association, 2025). The data point to a specific problem: the old operating formula of traditional Swiss banking is losing part of its force in a market where clients weigh digital execution alongside legal stability.

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The transformation is visible in the gap between structural strength and digital pressure. Swiss banks still manage very large volumes of private and corporate assets. Yet Deloitte Switzerland (2025a) reports that the Swiss digital banking maturity score stands at 39, below the global average of 41 and far below the Digital Champions level of 60. Switzerland ranks 27th out of 44 geographies in that benchmark, and no Swiss bank appears among Digital Champions. At the customer level, Deloitte Switzerland (2025b) finds that personal referrals remain a major driver of bank choice, while end-to-end digital account opening, customer experience and investment functionality remain key unmet expectations. High institutional trust now coexists with uneven digital service delivery.

Premium banking is changing as a result. The older high-touch model of offices, personal meetings, slow documentation cycles and conservative compliance still works for complex advisory relationships. Digitally active clients now ask for faster onboarding, multi-currency functionality, transparent reporting, secure document flows, API connectivity and strict but efficient KYC/AML processes. For these clients, legal stability and speed of execution now form part of the same reliability test.

Pure fintech and neobank models address part of this problem. They tend to offer superior user interfaces, transparent fees, fast account access and mobile-native customer journeys. Their role is narrower for clients that require prudential supervision, bank balance-sheet status, recognised compliance governance, deposit protection, cross-border credibility and the reputational weight of a regulated Swiss institution. Hybrid models occupy the space between digital speed and regulatory depth.

Dukascopy Bank SA is useful for this analysis because it occupies the hybrid space between traditional Swiss banking and fintech platformisation. The bank combines online onboarding, SWFX trading infrastructure, multi-currency accounts, payments, crypto-fiat functionality, corporate services, white-label arrangements and private-banking support. Its 2020–2025 financial trajectory also reveals a strategic investment cycle. The 2024 cost-income ratio exceeded 100% as the Bank intensified investment in proprietary security infrastructure, AI-enabled processes and RegTech, while the 2025 results show the operating return from

that cycle through lower operating expenses and a restored positive operating spread (Dukascopy Bank SA, 2021, 2022, 2023, 2024, 2025, 2026).

The purpose of the article is to examine how Dukascopy Bank illustrates the transition from standalone digital banking to hybrid platform orchestration in Switzerland. The article makes four contributions. First, it reframes fintech transformation as a shift from secrecy and physical prestige toward regulated digital trust. Second, it develops the Private Banking 2.0 model, in which AI-supported compliance and document workflows strengthen rather than replace the personal Swiss banking relationship. Third, it interprets Dukascopy's white-label, corporate, payment and trading infrastructure as a sovereign B2B ecosystem with internal settlement and cross-participant service synergy. Fourth, it shows how strategic investment in security, AI and RegTech can support operating recovery and create a scalable platform for retail, HNWI, corporate and institutional clients.

2. Literature Review

The academic literature on fintech emphasises that technological change rarely replaces banking in a single step. It more often unbundles banking functions and redistributes them across interfaces, data infrastructures, payment systems, credit channels, trading platforms and compliance layers. Boot, Hoffmann, Laeven, and Ratnovski (2021) distinguish between communication innovations and information innovations in financial intermediation. Communication innovations alter how banks interact with clients; information innovations change how data are used to screen, monitor, price and service clients. In Swiss banking, this distinction matters because digital interfaces reshape onboarding, transaction execution, compliance documentation, reporting, segmentation and the economics of client relationships.

Adoption studies add that digital banking is shaped by more than technical availability. Jünger and Mietzner (2020) show that the use of fintech services depends on acceptance patterns, perceived usefulness and user characteristics. In investment services, Seiler and Fanenbruck (2021) find that trust, perceived performance and familiarity shape the acceptance of robo-advisory solutions. Scherer and Lehner (2023) reach a related conclusion: trust remains a decisive

constraint even when algorithmic advice appears technically credible. High-value clients evaluate digital finance through speed and price, but also through reliability, explainability, confidentiality and institutional defensibility.

Recent wealth-management evidence points in the same direction. Capgemini Research Institute (2026) reports that global HNWI wealth reached USD 98.3 trillion and the HNWI population reached 25.3 million by year-end 2025, while only 17% of HNWIs viewed their advisory experience as seamless and personalised. The gap lies in service delivery, with wealth demand already present. For Swiss institutions, the problem is sharper because the value proposition historically depended on relationship depth, discretion and cross-border expertise instead of mass digital platforms. This 17% satisfaction level defines the service gap that Private Banking 2.0 is designed to close: HNWIs expect digital continuity without surrendering personalised accountability.

The literature on robo-advisory and AI in finance supports a hybrid rather than a substitution model. AI-supported advice improves data processing, scenario generation, profiling, reporting, compliance preparation and workflow coordination, while high-value advisory relationships still require suitability judgement, behavioural understanding, tax and legal context, and personal accountability. Barile, Secundo, and Bussoli (2024) interpret AI-enabled robo-advisory as a platform model whose value depends on the orchestration of data, service layers and institutional credibility. Salo-Lahti (2022) adds that responsible robo-advising requires explainability, accountability and client protection. Private Banking 2.0 therefore combines High-Tech execution with High-Touch advice: technology removes administrative friction and allows the banker to devote more time to the client relationship.

A separate stream of literature and institutional analysis concerns digital-only banks. The European Central Bank (2025) shows that about 60 digital-only banks were identified in the euro area at year-end 2024, while their market share increased from 3.1% of total assets in 2019 to 3.9% in 2024. Digital-only banks are growing from a small base. The ECB also notes that digital banks are less profitable than traditional banks because of higher deposit costs, limited scale, high fixed IT expenses and substantial marketing costs. The neobank

narrative is limited: digital interfaces may disrupt customer expectations without creating a fully diversified, profitable and systemically equivalent banking model.

Swiss evidence places these theoretical points into a specific institutional setting. FINMA (2025a) reports that around half of surveyed Swiss financial institutions already use AI or have initial applications in development, while another quarter intend to use AI within three years. FINMA (2024) also stresses governance, accountability, data quality, data protection, explainability, correctness, outsourcing control and risk management in AI use. In parallel, Swiss open-finance and smart-finance policy materials emphasise data infrastructure, standardised APIs and secure connectivity (State Secretariat for International Finance, 2025). In Switzerland, fintech transformation is a regulated transformation of data, compliance, technology and client-service architecture.

Platform economics provides an additional theoretical layer for interpreting digital banking. Rochet and Tirole (2003) show that platform competition in two-sided markets depends on the ability to bring distinct user groups onto the same infrastructure and allocate prices, access and incentives across sides of the market. Parker and Van Alstyne (2005) develop a related model of two-sided network effects in information-product design. In banking, platform infrastructure coordinates end-clients, brokers, payment firms, technology providers and liquidity channels. A regulated digital bank creates value when that infrastructure reduces coordination costs while preserving supervisory accountability.

The open-banking and API-economy literature strengthens this interpretation. Zachariadis and Ozcan (2017) argue that open APIs transform financial services by changing the boundary between banks, third-party providers and data infrastructures. In the Swiss context, this is consistent with the policy emphasis on smart finance, standardised interfaces and secure data exchange (State Secretariat for International Finance, 2025). Dukascopy's platform logic should be evaluated as customer-facing access and as regulated infrastructure connecting accounts, trading, payments, reporting, corporate clients and compliance processes.

The analytical gap addressed in this article lies in the connection between these strands. Existing literature explains fintech unbundling, digital

adoption, robo-advisory trust, AI governance and digital-bank economics. Swiss institutional sources describe wealth-management strength, customer-experience gaps, fintech ecosystem maturity and supervisory risks. Less developed is a case-based explanation of how a Swiss licensed digital bank can integrate private banking, internal settlement, regulated intermediaries, treasury services and AI-supported compliance into one platform. Dukascopy Bank fills this gap because its architecture shows how High-Tech and High-Touch services can be combined inside a sovereign B2B ecosystem and translated into a strategic investment-and-recovery cycle.

3. Materials and Methods

The article applies a qualitative case-study design that combines documentary evidence with analysis of Dukascopy Bank's operating model. Dukascopy is analytically relevant because its structure combines a Swiss regulated bank and securities house with digital access, trading infrastructure, multi-currency accounts, payments, crypto-fiat functionality, private-banking support and B2B services. The case identifies how a hybrid banking platform creates value across retail, HNWI, corporate and institutional segments.

The evidence base is organised into four levels. The first level includes Swiss official and sectoral sources: the Swiss Bankers Association, the Swiss National Bank, FINMA, the State Secretariat for International Finance and IFZ. These sources are used for factual claims on assets under management, cross-border wealth management, financial stability, fintech ecosystem structure, open finance, AI governance and AML/CFT risk. The second level includes international and market evidence from Deloitte, Capgemini, ECB, KPMG and PwC. These sources are used to assess digital maturity, customer experience, HNWI expectations, digital-only bank economics and profitability pressure in Swiss private banking.

The third level consists of corporate case evidence. Dukascopy Bank annual reports for 2020–2025 are used to extract operating income, operating expenses, net result, cost-income ratio, assets, client deposits, regulatory capital and selected operational indicators. Official product and platform materials are used to describe the multi-currency account, SWFX marketplace, private banking, corporate and institutional accounts, the white-label programme and publicly

disclosed money-market access. Corporate operating information supplied for the case study is used to characterise internal B2B settlement, liquidity management and RegTech architecture. The fourth level includes academic literature on fintech, digital banking, digital investment services, robo-advisory, AI governance and platformisation.

The analytical procedure followed six steps. First, structural pressures on traditional Swiss banking were identified from sectoral and institutional data. Second, Swiss fintech ecosystem evidence was used to distinguish consumer fintech from banking infrastructure. Third, traditional banks, neobanks and hybrid regulated digital banks were compared by function. Fourth, the 17% HNWI satisfaction gap was connected with the High-Tech and High-Touch architecture of Private Banking 2.0. Fifth, Dukascopy's standalone indicators were extracted from annual reports and interpreted as an investment-and-recovery cycle. Sixth, white-label services, internal settlement, treasury access and AI-supported compliance were integrated into a model of sovereign B2B ecosystem orchestration. The temporal focus is 2020–2026, with special attention to 2024–2026.

4. Results

4.1 Structural Pressure on the Traditional Swiss Banking Model

Swiss banking enters the fintech transformation from a position of structural strength. Assets under management reached a new high in 2024, and the sector retains a leading position in cross-border private wealth management. Several indicators still point to pressure on the traditional model. The share of assets belonging to foreign-domiciled customers declined from 51.1% in 2014 to 45.5% in 2024, even though foreign customers' assets increased in absolute terms over the same period (Swiss Bankers Association, 2025). Foreign assets still grew; what shifted was the composition of Switzerland's international client base.

The pressure is also visible in digital delivery. Deloitte Switzerland (2025a) finds that Swiss banks scored 39 in the Digital Banking Maturity Index, below the global average of 41 and far below the Digital Champions level of 60. Switzerland ranked 27th out of 44 geographies, and no Swiss bank was classified as a Digital Champion. The premium

character of Swiss banking is now judged through onboarding, reporting, mobile access, investment functionality and data-driven personalisation as well as through reputation.

Private-banking profitability data reinforce the same point. KPMG Switzerland (2025) reports that only 31% of Swiss private banks achieved a return on equity above their cost of equity in 2024, while almost two-thirds reported a weaker cost-income ratio. PwC Switzerland (2026) adds that cost-income ratios increased for small and medium-sized private banks in 2025 as operating income came under pressure after the interest-rate tailwind faded. The traditional Swiss model remains strong in assets and trust while operating in a more demanding environment of scale, technology and fee-based productivity.

Table 1 and Figure 1 locate the fintech transformation of Swiss banking in a tension between asset strength and service adequacy.

The old model still holds large assets and institutional credibility. Clients now expect the operational layer of Swiss trust to be digital, transparent and fast.

4.2. Swiss Fintech Ecosystem and the Shift Toward Banking Infrastructure

The Swiss fintech ecosystem confirms that the transformation is moving beyond consumer-facing applications. According to the IFZ FinTech Study 2026, there were 529 fintech companies in Switzerland and Liechtenstein at the end of 2025, a 4% increase compared with 2024. The moderate growth rate points to consolidation, specialisation and technological repositioning. Infrastructure, data and institutional integration now define the ecosystem as much as start-up formation.

The technological composition of the sector is especially relevant. In 2025, data analytics,

Table 1

Structural indicators of Swiss banking and pressure on the traditional model

Indicator	Latest value / signal	Source	Analytical meaning
Assets under management in Swiss banks	CHF 9,284.0 bn in 2024	Swiss Bankers Association (2025)	Confirms structural strength and safe-haven capacity
Cross-border private wealth managed in Switzerland	CHF 2,427.0 bn in 2024	Swiss Bankers Association (2025)	Shows continued global leadership in private cross-border wealth
Foreign-domiciled customer share of AUM	51.1% in 2014 to 45.5% in 2024	Swiss Bankers Association (2025)	Indicates a changing composition of international wealth
Swiss digital banking maturity	Score 39; global average 41; champions 60	Deloitte Switzerland (2025a)	Shows that digital delivery lags institutional strength
Swiss rank in global digital maturity	27th of 44 geographies; no Digital Champion	Deloitte Switzerland (2025a)	Reveals relative deterioration in digital competition
Private-bank profitability pressure	Only 31% above cost of equity in 2024	KPMG Switzerland (2025)	Links digital and operating pressure with scale constraints

Source: Compiled by the author based on Swiss Bankers Association (2025), Deloitte Switzerland (2025a), KPMG Switzerland (2025), and PwC Switzerland (2026)

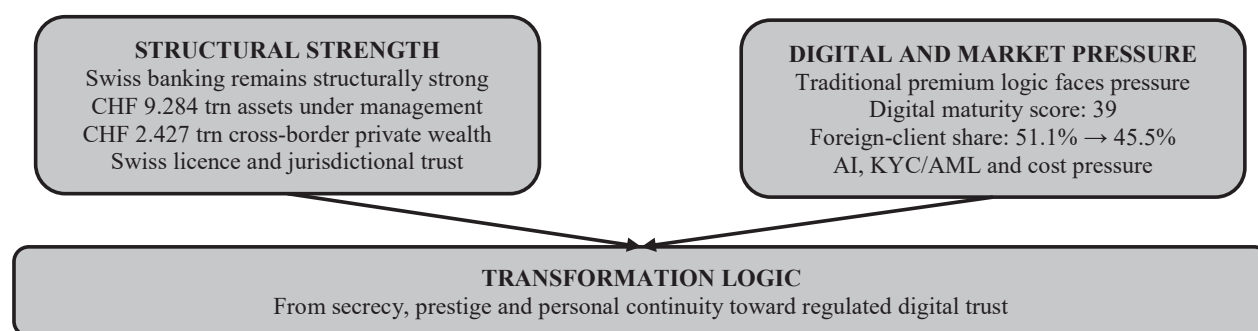


Figure 1. Swiss banking strength and digital pressure as a dual transformation context

Source: Compiled by the author based on Swiss Bankers Association (2025), Deloitte Switzerland (2025a), and KPMG Switzerland (2025)

big data and artificial intelligence became the largest technology category, with 35% of fintech companies active in that area, ahead of distributed ledger technology at 34% and process digitalisation, automation and robotics at 31% (Institute of Financial Services Zug IFZ, 2026). These technology indicators should be kept separate from product-segment indicators. At the product level, the IFZ evidence identifies banking infrastructure as the largest segment, with 204 companies, followed by investment management with 198 companies. Read against the total number of

fintech companies in the ecosystem, these counts correspond approximately to 39% and 37%, but they describe a separate product taxonomy.

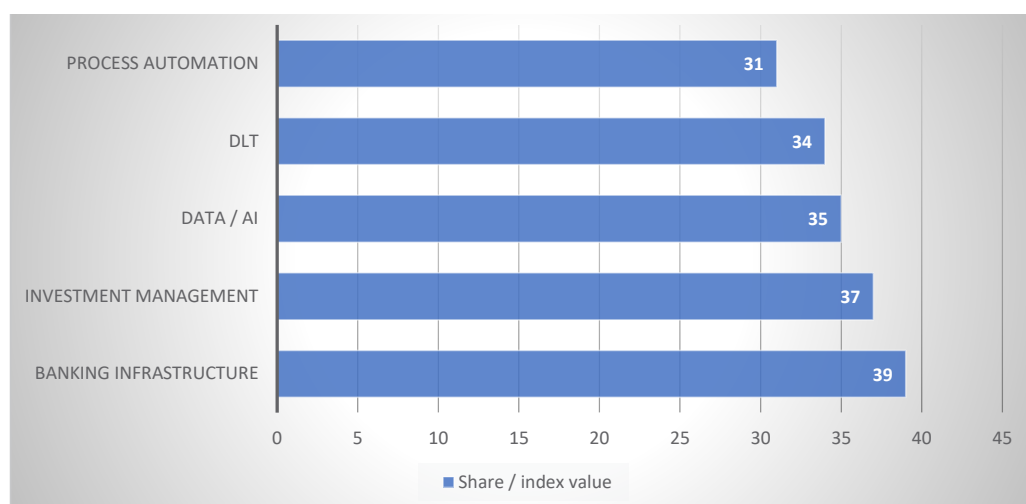
Dukascopy fits this infrastructure logic better than a narrow neobank definition. The case combines banking access, trading connectivity, payment functionality, corporate accounts, white-label solutions and compliance-sensitive digital services. The sharper line runs between institutions that can fold regulated financial functions into digital infrastructure and those that cannot.

Table 2

Swiss fintech ecosystem: from consumer fintech to banking infrastructure

Indicator	Taxonomy level	Value / tendency	Relevance for banking transformation
Number of fintech companies	Ecosystem size	529 at end-2025	Provides a dense innovation environment
Annual growth	Ecosystem dynamics	+4% compared with 2024	Signals maturation rather than pure start-up expansion
Data analytics / big data / AI	Technology category	35% of fintech companies	Connects fintech with AI-supported banking operations
Distributed ledger technology	Technology category	34% of fintech companies	Supports crypto, tokenisation and digital-asset services
Process digitalisation / automation / robotics	Technology category	31% of fintech companies	Supports RegTech, workflow and onboarding efficiency
Banking infrastructure	Product segment	204 companies; approximately 39% of the ecosystem	Shows fintech as partner infrastructure for financial institutions
Investment management	Product segment	198 companies; approximately 37% of the ecosystem	Links fintech with Swiss advisory and asset-management strengths

Source: Compiled by the author based on Institute of Financial Services Zug IFZ (2026) and SECO SME Portal summary of the IFZ FinTech Study 2026

**Figure 2. Selected Swiss fintech technology categories and product segments in 2025**

Note: The first three bars are technology categories; the last two bars are product-segment categories. They are not mutually exclusive and should be read as indicators of ecosystem structure rather than as additive shares.

Source: Compiled by the author based on Institute of Financial Services Zug IFZ (2026)

4.3. Neobanks, Traditional Banks and the Value of a Swiss Banking Licence

Digital banking is often framed as a direct conflict between neobanks and traditional banks. The evidence suggests a more differentiated picture. Neobanks and digital-only banks have changed expectations in user experience, onboarding, fees and mobile access. Deloitte Switzerland (2025b) notes that neobanks set the pace with sleek digital services and low fees, while Swiss banks face pressure to improve customer experience across the client life cycle. The digital-only model remains structurally narrower than the full banking model.

ECB evidence is useful because it separates digital visibility from market scale. At year-end 2024, about 60 euro area banks were identified as digital-only, but their share of total assets was only 3.9%, up from 3.1% in 2019 (European Central Bank, 2025). The same analysis notes that digital banks often rely heavily on retail deposits, operate with high liquidity buffers, and face lower profitability because of higher deposit costs, high fixed IT expenses and marketing costs. Digital banks remain relevant, yet interface speed alone does not replace a bank's balance-sheet, regulatory and compliance functions.

For HNWI, corporate and institutional clients, a Swiss banking licence still has economic value. It signals prudential supervision, capital and liquidity discipline, recognised due diligence, legal continuity and reputational accountability. The hybrid model seeks to combine the speed and platform logic of fintech with the regulatory

depth of a Swiss bank. Dukascopy belongs to this hybrid category more than to either the traditional private-bank model or the retail neobank model.

Table 3 clarifies the role of the hybrid model. It makes regulatory credibility operational through digital infrastructure and removes the false choice between a slow relationship bank and an impersonal digital interface. The value proposition is strongest where clients need speed, liquidity and jurisdictional trust together: HNWI advisory, multi-currency services, trading accounts, corporate banking for regulated intermediaries, payment operations, crypto-fiat interfaces and compliance-sensitive cross-border reporting. This combination provides the basis for Private Banking 2.0.

4.4. Private Banking 2.0: the High-Tech and High-Touch model

The wealth-management challenge is not a lack of demand but a mismatch between high-value advice and fragmented digital delivery. Only 17% of HNWIs describe their advisory experience as both seamless and personalised (Capgemini Research Institute, 2026). Traditional Swiss private banking preserves discretion, continuity and individual judgement, but slow document cycles, repeated compliance requests and fragmented product access weaken the premium experience. Private Banking 2.0 closes this gap by integrating the relationship manager into a continuously available digital platform.

Table 3

Traditional Swiss banks, neobanks and hybrid regulated digital banks

Criterion	Traditional Swiss bank	Neobank / fintech platform	Hybrid regulated digital bank
Regulatory status	Strong licence and prudential supervision	Often licence-light or partnered model	Full bank licence combined with digital access
Client trust basis	Reputation, discretion, advisory continuity	Interface convenience, price transparency	Swiss legal trust plus technological execution
Onboarding	Often controlled but slower	Fast and mobile-first	Digital onboarding under bank KYC/AML controls
Multi-currency and trading	Available but often fragmented by product line	Strong in payments; weaker in full banking depth	Integrated FX, trading and account infrastructure
Corporate suitability	Strong for established clients	Limited for complex regulated firms	Useful for brokers, PSPs and e-money institutions
Compliance credibility	High but administratively heavy	Variable by model and jurisdiction	Compliance becomes a digital operating layer
Main weakness	Administrative friction and digital gap	Scale, profitability and regulatory depth	Investment intensity and ecosystem governance

Source: Compiled by the author based on Deloitte Switzerland (2025a, 2025b), European Central Bank (2025), FINMA (2024, 2025a), and Swiss Bankers Association (2025)

Dukascopy's hybrid approach is based on High-Tech plus High-Touch. The digital platform does not replace the classical Swiss banker; it frees the banker from routine. AI-supported systems take over document collection, data extraction, KYC file preparation, sanctions and PEP screening, transaction-monitoring triage and recurring compliance workflows. The relationship manager retains the client-facing role and uses the resulting information to provide personalised investment, liquidity and cross-border advice.

For the premium client, the operational difference is direct. A single regulated environment provides rapid onboarding, real-time access to multi-currency liquidity, trading and investment products, secure document exchange and immediate contact with a personal adviser. The client no longer has to choose between fintech speed and Swiss private-banking depth. Bureaucratic waiting is replaced by a digital workflow, while human judgement remains available for decisions that involve suitability, family wealth, tax exposure, jurisdictional complexity or behavioural risk.

This model creates a new standard of secure wealth. Security is no longer represented only by custody, secrecy and legal continuity; it also includes the ability to act immediately without leaving the Swiss regulatory perimeter. Dukascopy thereby converts digital execution into an extension of private-banking trust and positions the relationship manager as a high-value adviser supported by an automated compliance and liquidity infrastructure.

4.5. Dukascopy Bank: Strategic Investment Cycle and Operating Recovery

Dukascopy Bank SA is a strategically important case of regulated digital banking. Its annual report for 2025 describes the group as a fully digital, internet-based Swiss bank and securities house, with regulated entities in Switzerland, Latvia and Japan. The SWFX platforms offered more than 1,500 products by the end of 2025, while online identification enabled an account to be opened in less than a day (Dukascopy Bank SA, 2026). The platform combines digital onboarding, multi-product trading, payments, private banking and institutional infrastructure inside a single Swiss banking perimeter.

The 2024 result represents the most intensive phase of the Bank's strategic investment cycle. The cost-income ratio reached 107.4% and the net

result was CHF 0.2 million as Dukascopy directed substantial resources toward proprietary security infrastructure, AI solutions, RegTech, platform resilience and the expansion of its regulated digital ecosystem. This expenditure financed the operating architecture required to automate compliance, support internal settlement, integrate new partners and scale digital services across retail, private-banking and institutional segments.

The 2025 results demonstrate the return from this investment cycle. Total operating income increased from CHF 18.5 million to CHF 20.8 million, operating expenses declined to CHF 18.8 million and the operating spread recovered from negative CHF 1.3 million to positive CHF 2.0 million. Net profit rose to CHF 1.2 million. At the same time, assets reached CHF 256.5 million and client deposits CHF 188.6 million. The combination of lower expenditure, renewed income growth and a larger funding base shows that the infrastructure investments of 2024 strengthened operating efficiency and restored profitability.

The six-year series reveals three distinct phases. The exceptional 2020 volatility environment produced CHF 40.1 million in operating income and CHF 10.4 million in profit. The 2021–2024 period was a platform-expansion and reinvestment phase during which the Bank enlarged its assets, deposits, account infrastructure and technological capabilities despite normalised trading income. The 2025 result marks the transition from investment intensity to operating recovery. Between 2020 and 2025, total assets increased from CHF 162.7 million to CHF 256.5 million, an implied CAGR of approximately 9.5%, while client deposits rose from CHF 105.3 million to CHF 188.6 million, or about 12.4% per year. This balance-sheet expansion created the scale on which the next stage of the ecosystem can develop.

Figure 3 shows the progression from an exceptional trading peak through a strategic investment phase to renewed operating profitability. The 2024 cost-income ratio reflects the concentration of expenditure required to strengthen security, AI, RegTech and platform infrastructure. In 2025, operating expenses fell to CHF 18.8 million and the spread returned to positive territory. The recovery reflects higher trading income, lower operating expenses and a return to positive operating profitability within the expanded digital platform.

Table 4

Dukascopy Bank SA operating dashboard and investment-cycle recovery, 2020–2025

Year	Total operating income, CHF mn	Total operating expenses, CHF mn	Operating spread, CHF mn	Net result / profit, CHF mn	Cost-income ratio	Total assets, CHF mn	Client deposits, CHF mn	Regulatory capital, CHF mn
2020	40.1	21.0	19.1	10.4	52.5%	162.7	105.3	50.4
2021	22.7	19.7	3.0	2.1	86.8%	184.5	125.9	51.1
2022	27.4	19.6	7.8	6.4	71.3%	196.3	131.3	57.1
2023	22.1	19.7	2.4	1.3	89.2%	195.8	130.9	56.7
2024	18.5	19.8	-1.3	0.2	107.4%	235.1	163.1	55.0
2025	20.8	18.8	2.0	1.2	90.2%	256.5	188.6	55.4

Note: Operating spread is calculated as operating income minus operating expenses. Cost-income ratios are reproduced as reported by the Bank; minor deviations from ratios calculated from rounded figures reflect source rounding. Regulatory capital is reproduced as disclosed; the 2024 figure excludes annual profit.

Source: Compiled by the author from Dukascopy Bank SA annual reports for 2020–2025

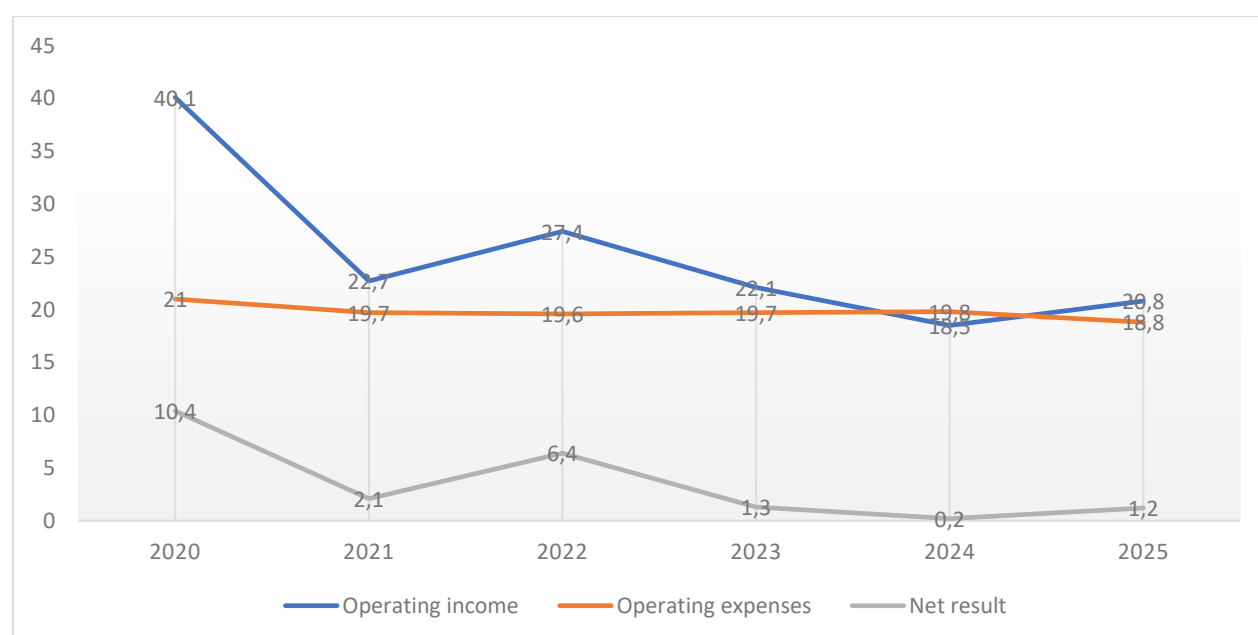


Figure 3. Dukascopy Bank SA operating income, operating expenses and net result, 2020–2025

Source: Compiled by the author from Dukascopy Bank SA annual reports for 2020–2025

4.6. The Sovereign B2B Ecosystem: SWFX, MCA and Internal Settlement

Dukascopy's platform structure is organised as a sovereign B2B ecosystem rather than as a collection of separate banking products. SWFX provides the trading marketplace and execution layer; the multi-currency account provides the account and payment layer; online identification supplies remote entry; JForex, MT4 and MT5 provide user access; and white-label, corporate and institutional services connect licensed intermediaries to the same infrastructure. Retail clients, HNWI, brokers, neobanks, payment service providers, merchant

acquirers, e-money institutions and regulated digital-asset brokers therefore interact within one regulated operating perimeter.

SWFX is the liquidity and execution core of this ecosystem. Dukascopy's annual reports describe the trading platforms operated by the Bank as bilaterally organised trading facilities (Dukascopy Bank SA, 2026). Economically, SWFX functions as an ECN-based marketplace that links clients and institutional participants to multi-asset liquidity, while the Bank provides the regulated account, custody, compliance and settlement layers. This structure allows trading infrastructure to operate as part of a wider

banking network rather than as an isolated brokerage interface.

The multi-currency account creates the settlement bridge between trading, payments and banking. Dukascopy reports that 38,158 new MCA accounts were opened in 2025 and that MCA deposits increased by 34.1%, from CHF 102.5 million to CHF 137.5 million. Payment quantity rose by 24.0%, while regulated brokers, e-money companies and PSPs became increasingly important corporate clients (Dukascopy Bank SA, 2026). Within the ecosystem, these accounts support instant internal transfers, currency conversion, safeguarding, partner connectivity and service exchange across participating institutions.

Moving beyond traditional White Label services, Dukascopy Bank has engineered a private, fully regulated financial ecosystem within its core banking infrastructure. This network aggregates a diverse range of licensed intermediaries, including neobanks, payment service providers, merchant acquirers, e-money institutions and regulated digital-asset and crypto brokers. The key structural

advantage is the orchestration of a closed-loop settlement engine. Participants actively exchange B2B services, with internal transactions cleared on the Dukascopy ledger instantly, 24/7/365 and with near-zero transaction costs.

This platform synergy significantly expands the service catalogue available to final clients. By combining proprietary bank products with specialised services from ecosystem participants, Dukascopy can deliver virtually any financial service required by the market. The Bank acts as the ultimate guarantor, custodian and clearing engine, ensuring that cross-entity settlements are secure, compliant and backed by Swiss regulatory standards.

4.7. Treasury, Asset Management and RegTech: Institutional Liquidity Management and Overnight Market Access

To support the operational resilience of ecosystem participants, Dukascopy Bank provides advanced treasury and liquidity-management tools. A central feature is seamless access to high-yield,

Table 5

Components of Dukascopy's sovereign B2B ecosystem

Component	Function	Client segment	Value created	Main risk / constraint
SWFX trading marketplace / ECN infrastructure	FX and multi-asset trading access	Traders, brokers, institutional users	Liquidity access and digital execution	Market cyclicity and conduct risk
Multi-currency account	Account layer in multiple currencies and payments	Retail, mobile, internationally active clients	Bridges banking, payments and trading	Deposit scale and user retention
Online onboarding	Remote identification and account opening	International and digital-first clients	Reduces administrative friction	KYC quality and fraud control
Trading platforms	JForex, MT4, MT5 and related interfaces	Self-directed traders and partners	Platform continuity and broad product access	Technology and operational resilience
Payments and cards	Classic and mobile payment functionality	Retail and corporate account users	Extends the model beyond brokerage	Payments compliance and operational risk
Crypto-fiat functionality	Crypto-related services and Dukascoin ecosystem	Crypto-oriented clients and traders	Adds digital-asset functionality under bank controls	AML/CFT and reputational scrutiny
Corporate / institutional accounts	Integrated accounts, safeguarding, FX, settlement and treasury access	Brokers, neobanks, PSPs, acquirers, EMI and digital-asset firms	Connects licensed intermediaries to one regulated ecosystem	Counterparty, AML and participant-governance risk
White-label and partner integration	Banking, trading and payment infrastructure embedded in partner services	Banks, brokers, fintechs and regulated platforms	Scales the ecosystem through service synergy	Dependency, governance and service-quality control
Closed-loop settlement engine	Instant internal clearing on the Dukascopy ledger	Licensed ecosystem participants	24/7/365 settlement with near-zero internal transaction costs	Operational resilience and participant due diligence

Source: Compiled by the author based on Dukascopy Bank SA (n.d.-a, n.d.-b, n.d.-c, n.d.-d, 2026) and corporate operating information supplied for the case study

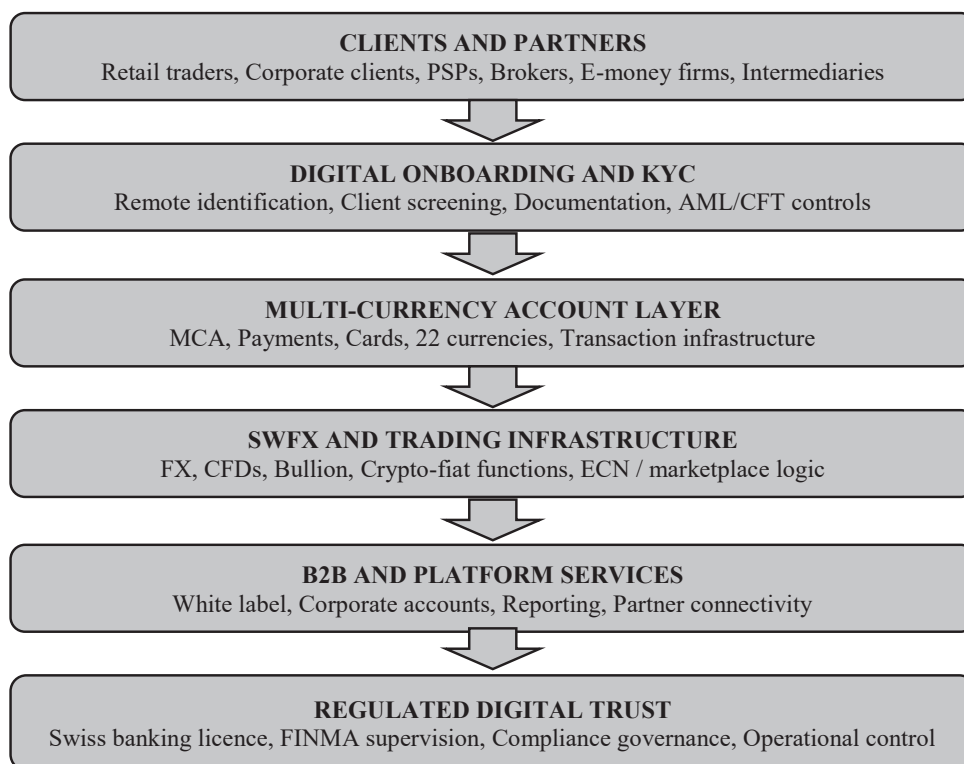


Figure 4. Architecture of Dukascopy's sovereign regulated digital ecosystem

Source: Compiled by the author based on Dukascopy Bank SA (n.d.-a, n.d.-b, n.d.-c, n.d.-d, 2026)

ultra-reliable money-market funds managed by world-class asset managers, including BlackRock and Goldman Sachs. These instruments extend the platform from transaction execution to active balance-sheet and cash-management optimisation.

The first function is overnight yield optimisation. Ecosystem members, corporate clients and private-banking customers can deploy idle fiat liquidity into AAA-rated money-market instruments on an overnight basis. The structure combines Swiss-grade custody and regulatory security with competitive short-term yield, allowing clients to preserve immediate liquidity while avoiding unproductive cash balances.

The second function is liquidity bridging and settlement. Dukascopy guarantees flawless and immediate clearing and settlement with the connected funds, so that cash can move between operational accounts, investment instruments and payment obligations without breaking the internal service chain. The Bank also addresses short-term cash-flow mismatches by providing overnight and intraday overdraft facilities and liquidity bridging to ecosystem participants. These facilities preserve continuous operational

flow and prevent temporary timing gaps from interrupting payments, acquiring, trading or client withdrawals.

This treasury layer is strategically important because it links the Bank's balance-sheet discipline with the liquidity needs of the wider ecosystem. Internal settlement, overnight investment access and short-term credit support transform Dukascopy from a transaction platform into a full-service institutional liquidity hub. Treasury, asset management and RegTech therefore operate as mutually reinforcing parts of the same regulated architecture.

4.8. AI-Supported Onboarding, KYC/AML and B2B Compliance Infrastructure

Compliance is a decisive dimension because the Swiss financial centre remains structurally exposed to money-laundering and sanctions risks. FINMA (2025b) stresses that Switzerland's role as a global cross-border wealth-management hub creates elevated AML/CFT exposure, especially in relation to high-risk countries, crypto transactions, geopolitical uncertainty and questionable capital flows. A digital Swiss bank competes through

faster and more systematic compliance rather than through shortcuts around it.

AI and RegTech provide the operational means to strengthen compliance at digital scale. FINMA's 2025 AI survey of around 400 licensed Swiss financial institutions found that around 50% already use AI or have initial applications in development, while another 25% intend to use AI within three years. Among AI users, 91% already use generative AI, and respondents report around five AI applications in use and nine in development on average (FINMA, 2025a). FINMA also notes that AI governance now focuses on data protection, IT and cyber security, data management, enterprise risk management, data quality, explainability, correctness and outsourcing risk.

Dukascopy applies digital identification, AI-supported document processing and automated compliance workflows as an operating layer across retail, private-banking and B2B services. AI takes over routine document collection, extraction, screening, file preparation, alert prioritisation and recurring monitoring. This reduces onboarding time and releases both compliance specialists and relationship managers from repetitive administrative work. Human experts retain approval, escalation and advisory responsibility, while the platform provides the speed and

continuity expected by premium and institutional clients.

AI changes the operating cost and speed of compliance while preserving the substance of Swiss prudential control. In Private Banking 2.0, the technology layer prepares a complete and continuously updated client view so that the personal banker can focus on advice. In the B2B ecosystem, the same infrastructure supports higher-volume and more complex flows from brokers, neobanks, e-money companies, PSPs and digital-asset firms. Compliance automation is therefore not a back-office supplement; it is the control system that makes instant onboarding, internal settlement and ecosystem scale possible.

5. Discussion

Regulated digital trust is the central competitive principle emerging from the case. Swiss banks continue to hold exceptional institutional credibility, but a digital maturity score of 39 against 60 for Digital Champions shows that trust is no longer sufficient when the client interface remains fragmented. The next standard of Swiss banking combines legal stability, custody and prudential supervision with immediate execution, platform continuity and data-driven personalisation.

Table 6

AI-supported onboarding, KYC/AML and compliance infrastructure in Swiss digital banking

Use case	Banking function	Economic benefit	Compliance risk	Governance requirement
Online identification	Remote client entry and identity verification	Shorter onboarding journey	Fraud, identity abuse and weak documentation	Strong ID controls and audit trail
Document extraction	KYC file preparation and data capture	Lower administrative labour intensity	Incorrect or incomplete extraction	Human review and data-quality checks
KYC case preparation	Client risk assessment and file routing	Faster case handling	Over-standardised classification	Clear ownership and risk tolerance
Sanctions / PEP screening	Name matching and exposure detection	Higher screening productivity	False positives and false negatives	Model validation and escalation logic
Adverse media screening	Reputation and conduct-risk detection	Earlier risk signals	Source reliability and bias	Documented review process
Transaction monitoring	Detection of suspicious behaviour	Better pattern recognition at scale	Model opacity and alert overload	Explainability and threshold governance
AML alert prioritisation	Risk-based triage of cases	Compliance productivity gains	Missed high-risk cases	Testing and periodic recalibration
Client-file summarisation	Relationship-manager and compliance support	Faster preparation and continuity	Hallucinated or inaccurate output	Human-in-the-loop review
Outsourcing control	Third-party AI, cloud and data processing	Access to specialist capabilities	Concentration and dependency risk	Vendor mapping, contracts and exit plans

Source: Compiled by the author based on FINMA (2024, 2025a, 2025b), State Secretariat for International Finance (2025), and Dukascopy Bank SA (2026)

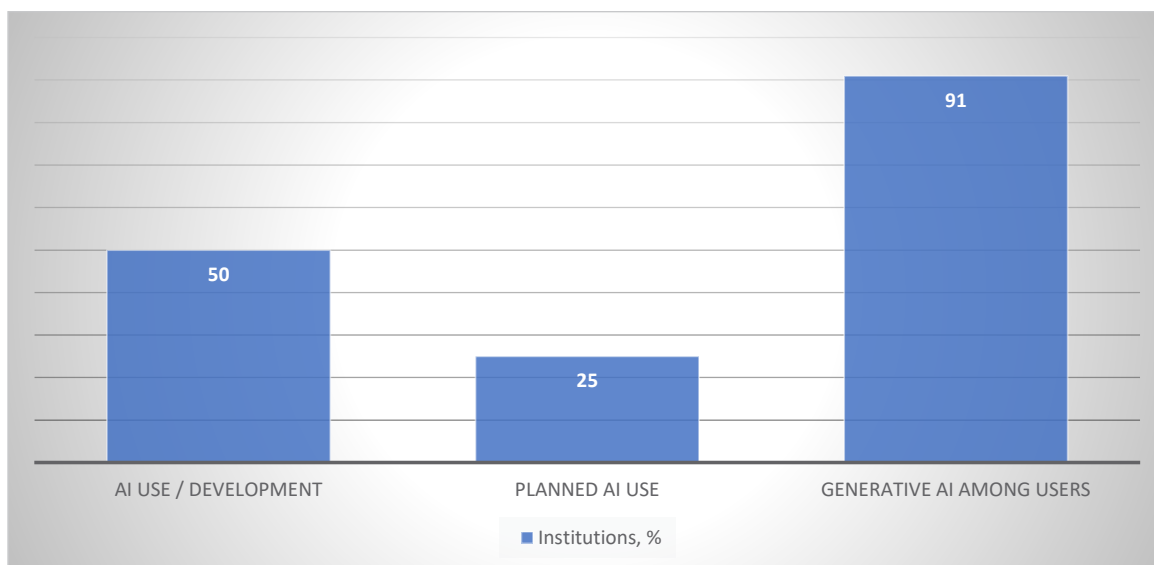


Figure 5. AI adoption and governance signals in Swiss financial institutions

Note: FINMA also reports around five AI applications in use and nine in development on average among respondents.

Source: Compiled by the author based on FINMA (2025a)

Dukascopy Bank illustrates how a hybrid platform can deliver this combination. Private Banking 2.0 resolves the apparent conflict between digital automation and personal advice. AI and RegTech remove routine compliance, document and workflow burdens, while the relationship manager remains responsible for the client's strategy and complex decisions. The model directly addresses the finding that only 17% of HNWIs consider their service both seamless and personalised.

The sovereign B2B ecosystem extends this logic beyond the individual client. White-label infrastructure, SWFX, multi-currency accounts, payments, APIs and the closed-loop settlement engine connect licensed intermediaries inside the Bank's core ledger. Network participants can exchange services and settle instantly, while Dukascopy remains the custodian, clearing engine and ultimate guarantor. This architecture turns regulatory status into a scalable platform resource.

The treasury layer adds a further source of strategic value. Overnight access to high-grade money-market funds managed by BlackRock and Goldman Sachs allows clients and ecosystem participants to optimise idle liquidity. Immediate settlement, intraday overdrafts and liquidity bridging prevent short-term timing mismatches from disrupting payment, trading or acquiring activity. The Bank therefore coordinates liquidity as well as transactions and compliance.

The financial series supports the interpretation of 2024 as a strategic investment cycle. The 107.4% cost-income ratio reflects the concentration of expenditure in security, AI, RegTech and core infrastructure. In 2025, operating expenses fell to CHF 18.8 million, income recovered to CHF 20.8 million and the operating spread returned to positive CHF 2.0 million. These results show that the investment programme strengthened the platform's efficiency and commercial capacity.

For incumbent Swiss private banks, the case provides a clear strategic benchmark. Advisory depth should be preserved, but administrative friction should not. Onboarding, document exchange, reporting, currency execution, investment access and liquidity management can be platformised without weakening the human relationship. The competitive advantage lies in allowing the adviser to spend less time managing bureaucracy and more time managing wealth.

Swiss banking is therefore moving from standalone products toward platform orchestration. Dukascopy demonstrates how one licensed institution can connect retail banking, HNW advisory, corporate accounts, fintech partners, digital assets, treasury and compliance within one secure perimeter. The model combines the speed of fintech innovation with the discipline of FINMA supervision and establishes a transferable architecture for the next stage of Swiss digital finance.

6. Conclusions

The fintech transformation of Swiss banking is a transition from standalone banking to platform orchestration. Switzerland remains a global centre of institutional trust and cross-border wealth, but its digital maturity gap shows that the traditional model cannot rely on reputation alone. High-Tech execution, High-Touch advice and regulated infrastructure now define the new standard of secure wealth.

Dukascopy Bank demonstrates this new model. Its Swiss licence, digital onboarding, SWFX infrastructure, multi-currency accounts, payment and crypto-fiat functionality, Private Banking 2.0, corporate services and white-label architecture operate as parts of a sovereign ecosystem rather than as isolated products. The licensed B2B ecosystem extends the Bank's digital capabilities beyond the limits of a standalone product model by connecting specialised intermediaries to one custodian, guarantor and clearing engine.

The 2024–2025 financial trajectory confirms the strategic logic of the transformation. The cost-income ratio of 107.4% in 2024 represented the peak of a major investment cycle in security, AI solutions and RegTech. In 2025, operating expenses decreased to CHF 18.8 million, operating income recovered to CHF 20.8 million and the Bank restored a positive operating spread. The

investment programme therefore created the technological and organisational basis for renewed profitability.

For retail and private-banking clients, the ecosystem dismantles the limits of traditional product suites and provides frictionless access to fintech, acquiring, investment and crypto-fiat services within a single secure Swiss banking perimeter. HNW clients receive immediate liquidity and digital continuity while retaining a personal adviser. Corporate and institutional partners gain a high-performance clearing hub, treasury solutions, overnight yield optimisation and liquidity bridging. This hybrid paradigm resolves the friction between rapid fintech innovation and strict Swiss prudential supervision.

The future outlook is the continued expansion of this platform logic across client segments and partner networks. Further research should compare the performance of hybrid regulated ecosystems with traditional private banks and standalone neobanks, measure the productivity effects of AI-supported compliance, and assess how internal settlement and institutional liquidity services affect client retention, operating margins and network growth. Dukascopy provides an early model of how Swiss banking can preserve its historic strengths while extending the digital horizon for all client segments.

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