

TECHNOLOGY NEWS

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Geneva's Reyl set to launch first digital private Swiss bank

Oliver Hirt



ZURICH (Reuters) - Geneva-based Reyl plans to launch Switzerland's first digital private bank next year, targeting customers who are wealthy rather than super-rich and seeking to undercut more established asset managers, a partner at Reyl told Reuters.



FILE PHOTO: A logo is pictured on the Banque Reyl headquarters in Geneva April 3, 2013. REUTERS/Denis Balibouse

Online banks such as Swissquote ([SQN.S](#)) exist but offer only limited tailor-made advice, Pasha Bakhtiar said in an interview.

“That’s why we are convinced that launching Switzerland’s first digital private bank definitely has some traction,” he said.

Smartphone banks, including Germany’s N26 and Britain’s Revolut, have won millions of customers within a few years.

Alpian, as the new bank would be named, takes a different approach: fewer customers who are willing to pay a fee in return for more than just payment and account services.

It would tap into Switzerland’s significant number of affluent people with assets of 100,000 to 1 million Swiss francs (\$1.03 million), who are expected to weather the devastating impact of the coronavirus crisis on many parts of the world’s economy.

They have become used to video-conferencing, potentially making them receptive to the new digital bank’s approach, which would allow customers to view investment possibilities via 60-second video clips and seek advice via video chat.

Alpian is reviewing price models. One would have clients pay 0.5% of assets under management as a fixed annual fee. That could be only around half the level some Swiss asset management banks charge.

“Our objective is not just to disrupt the offering, but also to disrupt the pricing,” Bakhtiar said.

In a base scenario Alpian could be profitable from 80,000 customers in a Swiss market where 2.6 million people have assets of the target size. The digital bank could expand into neighbouring countries in the longer term. The plan is for Alpian to break even by 2024.

In a first financing round, Alpian raised 12.2 million francs, valuing the business at around 56 million francs. Almost a quarter of shares belong to investors, such as private equity companies and rich individuals, while 26% are reserved for employees. Reyl and Reyl’s partners have the majority.

The funds should be sufficient to start operations in early 2021, Bakhtiar said.

“We are planning an additional financing round in the third or fourth quarter of this year in order to raise the regulatory capital that will be required by (supervisor) FINMA before they grant a licence,” he said.

Alpian aims to roughly double its workforce of a dozen staff by the time it goes live.

Reyl’s research has found many young career people with investable assets of several hundred thousand francs are dissatisfied with existing asset management options.

Most thought their funds were too small for a traditional private bank, but wanted the personal service banks serving a mass audience do not provide. They also struggled to navigate online investment offerings without in-depth financial knowledge.

Writing by Michael Shields; editing by Barbara Lewis