



An introduction to Art & Finance

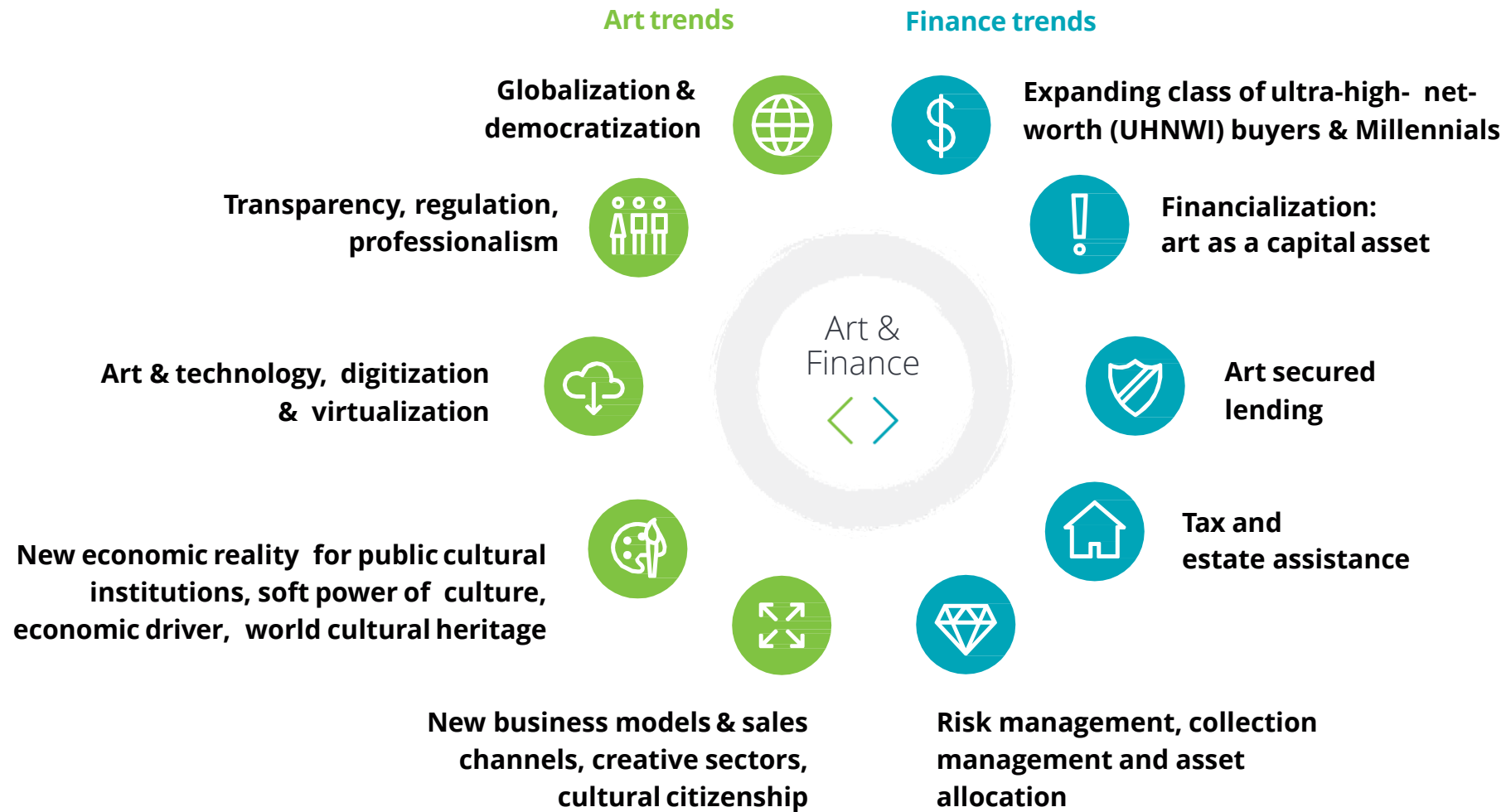
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April 9, 2019 – Romanian Entrepreneurs Network Events



Macro trends

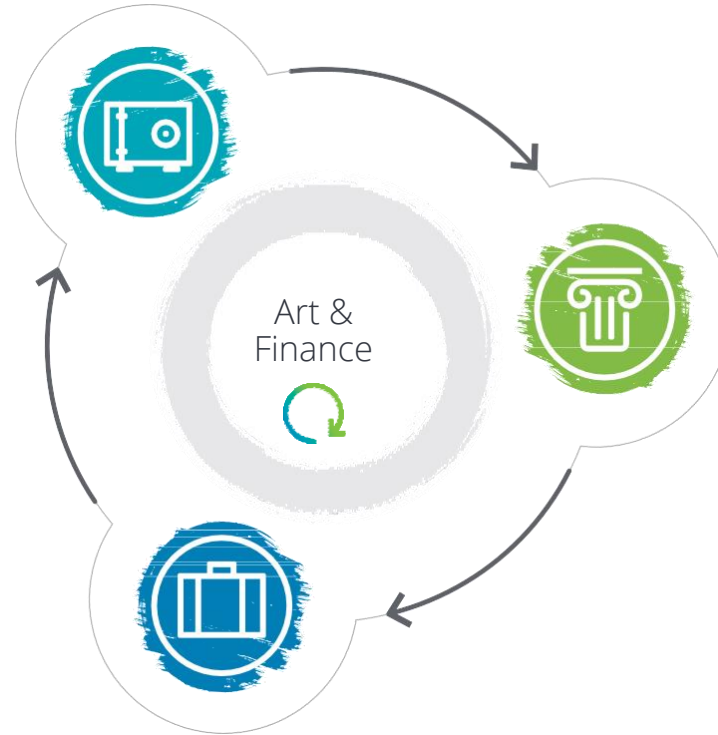


Source : Deloitte Luxembourg

Art & Finance industry is uniquely positioned at the intersection of three interconnected sectors

Finance

- Private bankers
- Wealth managers
- Family offices
- Private investors/collectors
- Art/collectible fund promoters
- Art insurance companies
- Art trading companies
- Etc.



Culture

- Large public museums
- Private museums
- Corporate collectors
- Private collectors
- Public authorities (country, region, city, etc)
- Etc.

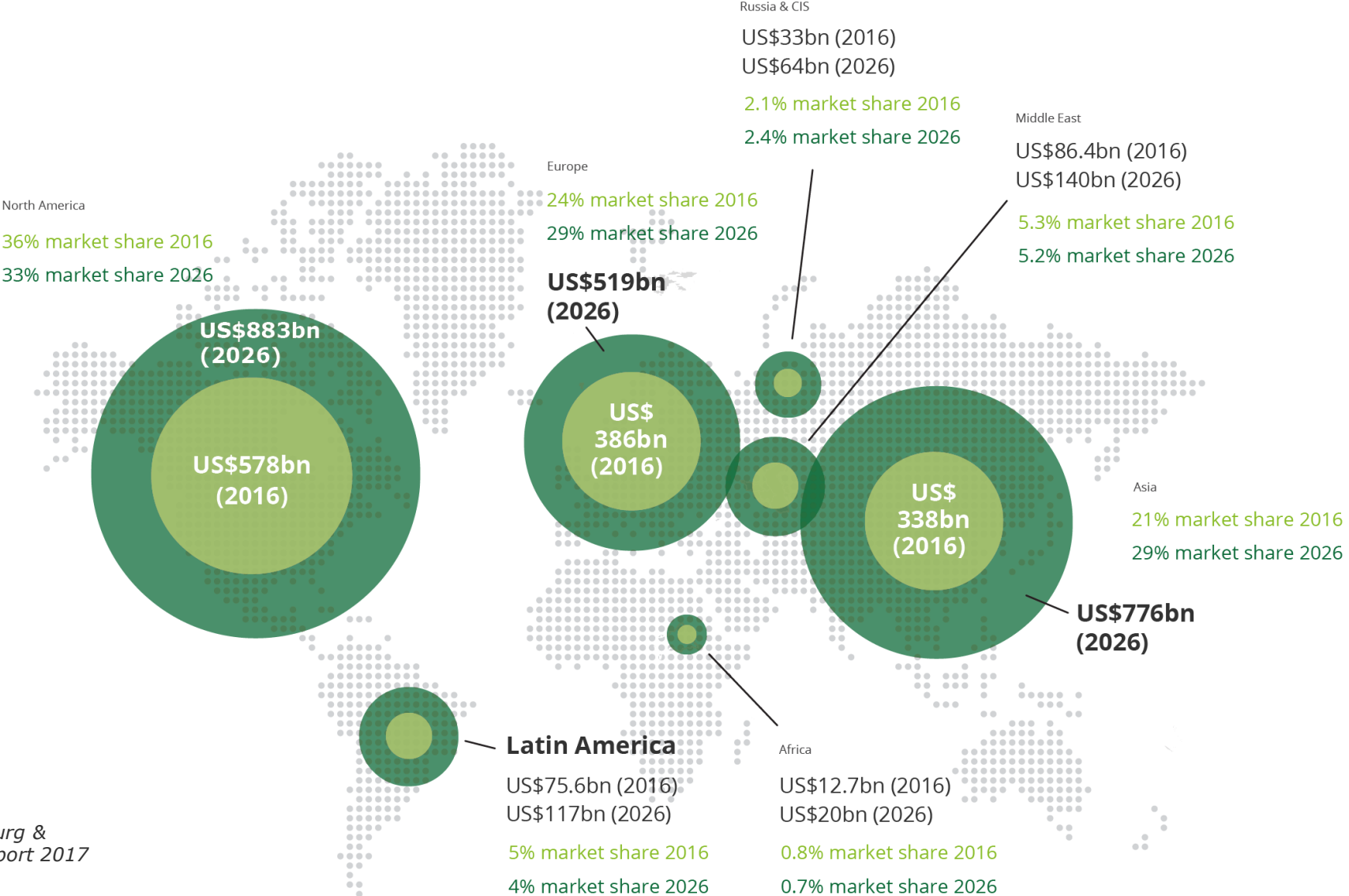
Business

- Companies selling art
- Digital art companies
- Art logistics companies
- Art fairs
- Art & media companies
- ArtTech companies
- Creative industries
- Etc.

Source : Deloitte Luxembourg

Global UHNWI Art & collectibles Wealth 2016 to 2026 Estimates

US\$ 1.622 billion in 2016 to US\$2.706 billion in 2026

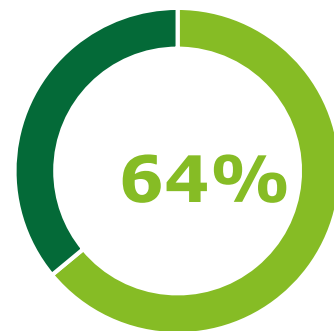


Source: Deloitte Luxembourg & ArtTactic Art & Finance Report 2017

Innovation in Wealth Management : Holistic advisory approach

- Holistic advisory looks at a client's total balance sheet beyond assets held with a wealth manager, i.e., clients are being served with respect to their entire financial wellbeing
- A shift from mainly providing investment advice to managing all the financial affairs of clients will open up new sources of revenue and strengthen client relationship: however, this will require banks to build expertise in new areas
- The holistic advisory approach requires banks to go beyond the current core and develop adjacent innovation types and create opportunities for new products and profit models

Holistic advisory relationship with clients as key for performance

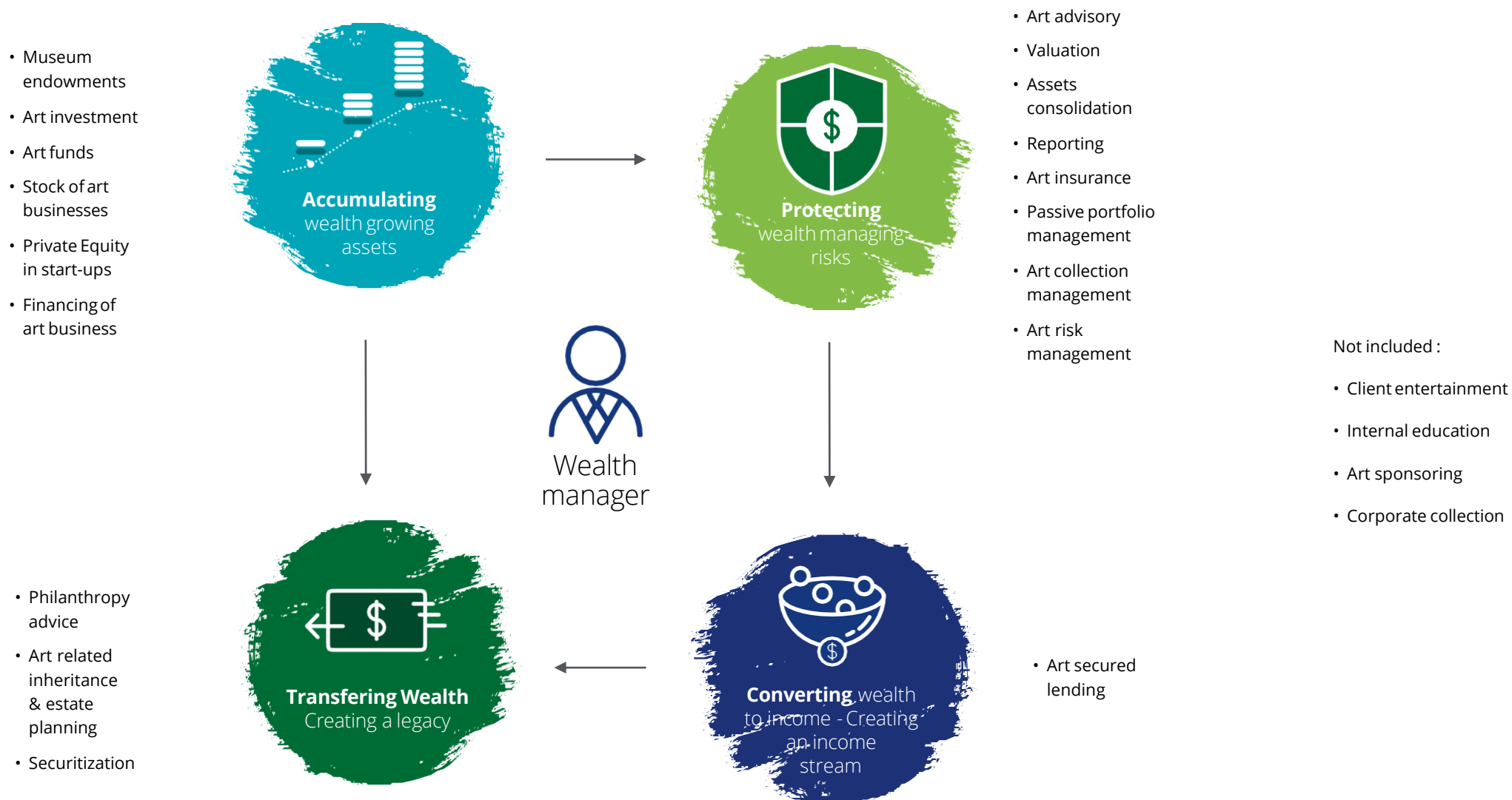


64% of surveyed Wealth Managers consider holistic advisory relationships as key for their future business performance

- Consider holistic advisory as key for performance
- Do not consider holistic advisory as key for performance

Source: Deloitte in Switzerland, Innovation in Private Banking & Wealth Management, 2017

Typology of art wealth management services



Source : Deloitte Luxembourg - Art & Finance Report 2017

Deloitte's services within the art market's ecosystem

01/

Traditional consulting for art-related companies

- Strategy & operations
- Finance
- Marketing
- Tax
- Technology
- Risk Advisory
- Financial Advisory
- Statutory Audit

02/

Public sector, museum, cultural institutions strategy

- Strategic planning
- Impact analysis & feasibility study
- Finance
- Social & Cultural impact studies
- Building consultancy
- Statutory Audit

03/

Private wealth art-related services

- Strategy & operations
- Tax - Estate planning
- Art-secured lending - selection of third party service providers
- Strategy, operations and risks management
- AML and forensics
- Family Business

04/

Product development (i.e., art funds, art financing models)

- Art & collectible funds - set-up assistance, tax, statutory audit
- Selection of third party service providers
- Education



N.B. Deloitte is not involved in any art transaction and does not provide any art valuation services

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Thank you!



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