

OVERSTONE

FOR  
INSTITUTIONS

**TRANSFORMING ART INTO AN ASSET**



# OVERSTONE OVERVIEW

Overstone is an **award-winning & FCA-regulated** fintech company supporting fine art transactions. We enable borrowers, lenders, investors and insurers to convert **art into a liquid asset** by scoring artwork financial risks and providing end-to-end product solutions.

## BENEFITS

- Increase client acquisition & boost client retention
- Tailor transactions with end-to-end support
- Deep network of associated service providers
- Easy-to-use and seamless

### Reports

### Collateral Due Diligence

### Collection Monitoring Platform

### Wealth Reporting API

## PRODUCT SUITE

- Risk reports & desktop valuation ready in 24-48 hours
- Full artwork due-diligence
- Checks authenticity, provenance, literature, exhibition history, condition
- Have constant access to all reports and records
- Updated liquidity monitoring
- Collateral selection for loan pre-qualification
- Integrate a collection's real-time stats into existing wealth reporting platforms

## FEATURED IN

**Forbes**

**Bloomberg**

**FT** FINANCIAL  
TIMES

*The New York Times*

**Deloitte.**

Il Sole  
**24 ORE**

# UNTAPPED OPPORTUNITY

Art is a **value-preserving** asset. The art market attracts investment from wealthy collectors and art prices increase year on year. As the **last unleveraged asset**, art represents \$400bn worth of potential loans, and the **demand for art-related financial services** is also growing.

**\$1.74T** worth of art in private hands

**62%** **growth on value** of art sold over past 10 years

**\$64B** worth of art sold annually

**84%** of wealth managers have clients with art collections

**76%** of collectors want estate planning

**81%** of **collectors** wanted wealth managers to **incorporate art into their offering**

**75%** of privately owned art are **dead assets** in storage

## ART & FINANCIAL SERVICES

Art loan requests increase in 2020 30%

Amount of private art used as collateral 2%

Current art loan market size \$24bn

Potential art loan market size \$400bn

Standard LTV 50%

## BUSINESS RISKS

- Difficulty assessing value and risk
- Lack of in-house expertise
- Storing art
- Illiquid & opaque market

# CLAIM YOUR STAKE

Overstone provides a **common language** between art & finance. Take on transactions that will generate liquidity from your clients' collections and manage their art financial planning with ease.

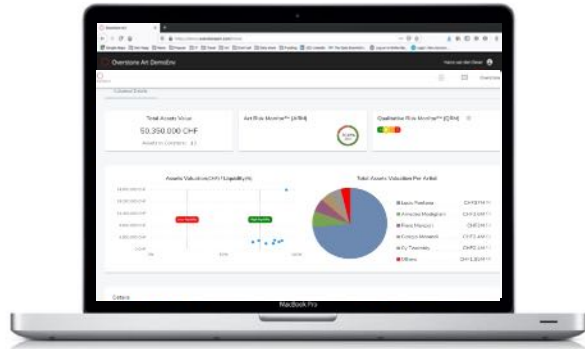
## WHY NOW?

- Growth in value of collections and continued concentration of wealth in art
- Lower-for-longer interest rates
- Increased investment opportunities require new sources of liquidity
- Increased demand of high-touch, high-return product by private wealth clientele
- Improvement in regulatory and legal infrastructure, ie. Anti-Money Laundering

## OVERSTONE OFFERS

- ✓ **Risk assessment.** Stress-tested risk scoring methodology is recognised by multiple institutions
- ✓ **Tailored Solutions.** Flexible products and services designed for the banking environment
- ✓ **3<sup>rd</sup> Party Domain Expertise & Providers.** Over 100 years of combined experience in art, finance and data science and deep networks
- ✓ **Regulated Environment.** Assurance of product quality, data protection, clean business practice

# POWERFUL SOLUTIONS



Once a collection's financial indicators are known, it becomes eligible for use in financial instruments. Our easy-to-use Collection Monitoring Platform distributes assessed price risk and updated portfolio valuations to create a seamless experience for all of our services.

## ART-BACKED LENDING SUPPORT

- Score artworks for use as collateral
- Collateral due diligence
- Support with writing lending policy
- Optimal collateral selection
- Network of lenders and insurers
- FIN EXPO\*\* exhibition scheme  
not applicable to USA

## SCENARIO PLANNING

- Loan pre-qualification services
- Acquisitions and disposition timing
- Estate & succession planning
- Tax strategy

## FIN | EXPO™

Leveraging a network of over 3,000 international curators and 550 museums, artworks taken into custody during the loan process can be placed on short or long-term loans with major institutions.

# IMPACT

We use best-in-class data science, intuitive software and deep knowledge about art to create value for our clients. By fully understanding the challenges of the business intersection of art-finance, our solutions accompany clients through the life cycle of a collection and adopt a holistic approach to art-related needs.

## FOR WEALTH MANAGERS

- Access to competitive loan rates
- Increase and diversify revenues
- Quality assurance
- One-stop shop during loan process

## FOR RELATIONSHIP MANAGERS

- Relate to collector clients' passions meaningfully
- On-going support to manage more of collector clients' art needs
- Share data with clients through Collection Monitoring Platform

## FOR ART COLLECTORS

- Treat collection as part of total portfolio
- Generate liquidity from collection
- Balance passion with planning
- Expert handling of collection

# HOW ART-BACKED LENDING WORKS

Release the liquidity of a collection through using art as collateral, as part of recourse or non-recourse loans.

Overstone streamlines the loan process with purpose-built services designed for a banking environment and a strong network of lenders and providers.

## EXAMPLE TRANSACTION

1. Signing of NDA
2. Initial transfer of basic artwork images & data to Overstone
3. Initial Risk Assessment & Desktop Valuation in 24-48 hours
4. In-depth Risk Assessment to kickstart term sheet negotiations
5. Full Due Diligence process & physical examination of works
6. Delivery of DD and updated Risk Scores on Collection Monitoring Platform
7. **Term sheet signed**
8. Updated collateral monitoring on platform
9. **Draw down of funds**
10. FinExpo

# HOW TO READ OUR SCORES

Our scores help assess an artworks' saleable qualities. They are stress-tested and updated with each auction cycle, reflect new sales with >80% accuracy.

## LIQUIDITY RISK



*Ability to return collateral value in the event of a default.* The realizable value of an artwork. Measure of fitness for use as collateral.

Artworks can command high value, subject to expert opinion and previous sale data. The art market is dynamic and influences how works perform, therefore impacting liquidity. Liquidity measures whether an artwork can be sold at an expected price in current market conditions.

## QUALITATIVE RISK



*All other risk factors that affect future saleability.* To measure this, we look at condition deterioration, authenticity disputes, exhibition history, ownership claims and so on.

## ART RISK MONITOR

Downside risk assessment. A high ARM score indicates a work is likely to sell as expected. Dynamic.

## QUALITATIVE RISK MONITOR

Scores non-price risk factors. A good QRM indicates a work is at low risk for its price to be affected by any implicit factors. Stable.



# WHY OVERSTONE

## AWARDS & ACCREDITATION



Regulated by the UK Financial Conduct Authority, Overstone is fully independent



In recognition of **excellent business processes** and **information security**, products are ISO9001 and IS27001 certified



### Wealth Briefing Awards 2020

**Shortlisted:** Most Innovative Wealth Management Model, Best Platform Provider, Best Outsourcing Solution

**Winner:** Best Innovative Fintech Solution

### Wealth Briefing Awards 2021

**Finalist:** Innovative Client Solution (vendor)

**Highly Commended:** Use of AI (vendor)

## LEADERSHIP



Harco van den Oever, Founder & CEO

- 12 years debt capital markets with Paribas, Bankers Trust and Credit Suisse First Boston
- Founded the UK's first online mortgage brokerage platform
- 12 years senior executive at Christie's International, Global Head of the Impressionist & Modern Art department



Claude Cochin de Billy, Chairman

- 35-year banking career at Bankers Trust, Deutsche Bank
- Co-head Global Family Office Group at UBS
- Executive committee at Kleinwort Benson
- 10 years family office experience

# CONTACT

## GLOBAL TEAM



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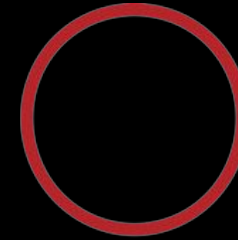
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# OVERSTONE

"The winning firm offers access to a new and burgeoning asset class"

WealthBriefing European Awards 2020  
Overstone: Winner Best Innovative Fintech Solution

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**AWARD-WINNING ART RISK ANALYSIS**