

# Co-founder Alex Borissov on Finaport's Agility, Focus and Positioning to Thrive in an Uncertain World

Swiss private banking and asset management firm Finaport is now well into its second decade in Asia, having first opened in Singapore in 2009, just one year after Alex Borissov co-founded the firm in Zurich along with Hellmut Schuemperli. Hubbis 'met' with Borissov from his home office in Zurich recently to hear of how the firm had coped with the challenges of 2020 and how it is positioning itself for the year ahead and beyond. Finaport is headquartered in Zurich, and with operations out of Singapore and Liechtenstein focuses its three markets on a range of clients from entry-level private banking customers in Switzerland up to HNWIs and UHNW clients with perhaps tens of millions of dollars to invest, including the assets of several family offices as well. To achieve this depth of service and range, Finaport leverages its relationships with over 60 banks and custodians around the globe. In Asia, the Singapore office is co-headed by Borissov as its CEO and a managing partner Philipp Piazz, working closely with the Swiss based management. Borissov explains that they have in recent years been pushing out some key missions in the region, such as attracting experienced relationship management talent, expanding the awareness of the brand, character and offerings of the firm in the region, enhancing digital connectivity and solutions, growing the platform, and finding niches for incremental growth.

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### Borissov begins by

reporting that FINAPORT enjoyed a surprisingly good year from a business perspective in 2020. "It was bad for everyone earlier on, but as the markets and liquidity recovered, we grew substantially," he says. "The portfolio management business performed well because we ended up on the right side of the strategies, putting most of our bets on passive investments, staying in the markets, and not trying to trade in and out to catch highs and lows. That approach paid off really well."

He expands on this, adding that the firm's main appeal for clients is its asset management expertise. "We work hard to identify and then select the best public market investment options, as well as offering our clients broad access to alternative markets, primarily the private asset markets. As the clients see positive results, even amidst difficult conditions, those relationships are cemented and that helps us build more clients."

### Tough competition

Having offered that backdrop, Borissov also takes a brief but realistic look at the developments taking place in wealth management in Switzerland, remarking that the pandemic had to some extent reduce competition from new entrants, as it had forced potential players to take a longer, colder look at potential returns and timelines. At the same time, tighter regulatory demands for licenses and more stringent rules for operational requirements has further squeezed the market, as potential entrants realise there will be additional costs and longer time horizons required to realise returns.

"Essentially," he reports, "many people have realised that actually today we are in an environment where you need to be established and fully digitised with a highly efficient platform if you want to drive your business forward. And at the same time, there is pressure on fees at a moment when it is difficult to get out and about to acquire new clients, so even without new entrants, competition is fierce. And that means smarter investments required in the digital space in order to be ultra-competitive and efficient."

### Devising new strategies

Borissov concludes that all these factors combining at this point in time had left many industry

ing, project their expertise in managing assets, and delivering a top-quality experience through cost-efficient platforms.

### Taking up new offerings

"We continue to work with existing custodians and existing solutions in the marketplace, but also with newer platforms such as Interactive Brokers, SwissQuote, Saxo Markets which are also gaining a lot of momentum, because it's just easier to operate, it's easier to trade, it's easier to do business with these companies. And we have done much work to consolidate information and reporting across the incumbent bank custodians as well. Of course, ultimately

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participants wondering what they should do next. "But there are enough independent asset management firms such as FINAPORT, however, that have positioned themselves for greater flexibility, able to rapidly adapt their solutions and delivery," he explains. "Whereas the banking institutions are less agile and have a lot of fixed product lines and services, so change is more cumbersome."

He elaborates on just how the boutique firms can direct their journeys to offer clients advisory support for self-directed invest-

blockchain adoption would be the ideal situation for transactions, and would bypass traditional custodian requirements, but the wider acceptance of that transactional and registration protocol in the finance industry is still far away from being realised."

He reports that in Switzerland, a lot of independents and smaller private banks and asset managers have migrated to the digital/online platforms, not only because of costs, but because of efficient reporting of, for example, NAV calculations, as



**ALEX BORISSOV**  
Finaport

well as other system features, and various elements that help business efficiency and reduce administrative labour.

### Challenging the status quo

Borissov also comments that it is remarkable that the banks in Europe or in Singapore, even today, are charging such high commissions for electronic transfers of funds and other transactions, whereas at these online brokerage platforms the fees are now moving towards razor thin levels.

“I have been appalled to realise how much the banks still charge for these services, which cost so little to perform,” he states. “This makes it even more important to have different custodians and work with different platforms, such as Swissquote in Singapore for example, which can offer better conditions and much more flexibility in terms of custodianship and for what we can do through that platform.”

### Agility and creativity

He also highlights that independents such as Finaport

### Getting Personal with Alex Borissov

Borissov is a naturalised Swiss who is Russian by birth, coming originally from a small town, Syktyvkar, which lies some 1000 miles to the northeast of Moscow. He was educated in the United States, graduating from Washington University in 1995.

He then began his career in banking at Uebersee Bank, which was part of AIG Private Bank, which itself was later sold to the Falcon Bank Group of Abu Dhabi. Borissov later found his way to Singapore, working with Credit Suisse from 2001 to 2004 on the international wealth management desk, handling non-Asian clients. He then joined Union Bancaire Privee in Zurich as a member of the executive committee responsible for eastern European business. He co-founded FINAPORT in 2007, shortly before the global financial crisis.

Married with two children of 18 and 15, Borissov and family love their life in Switzerland, living in a rural setting in a town near Zurich, named Kusunacht. Normally very active skiing and playing tennis and enjoying other sports, life has been rather disjointed of late due to the continuing problems of the pandemic.

“We have to find ways of entertaining ourselves differently these days,” he reports. “We did manage to get to the South of France in the less virus-prone summer months, as well as enjoying a short trip to the Black Sea, but of course usually I would be travelling a lot more for business as well as longer family trips.”

Spending much more time at home has, he explains, been a major positive. “Getting closer to the children, spending more time with one’s partner, these are refreshing and great things, and the timing has been good for both our son and daughter really. However, one does get restless if one has been used to a certainly work and social and outdoor life, as we have.”

can provide in terms of innovative tailored offerings, noting for example that well-conceived, fairly priced and well-executed structured products find strong demand. “Independence, freedom from shareholder pressures at this time and open architecture are all key features of the independent asset management firms,” he observes. “Combine that with true professionalism, creativity

and the credibility of the asset manager and things can work well, as they have been for us in recent years. But we have to keep ahead of the game and make certain judgements and decisions, including active re-allocation of strategies and portfolios.”

Borissov comments that the requisite digital-only interaction with clients of today is not ideal

but has been working well. “It does of course diminish the human touch,” he says, “but at the same time you can conduct business, and you can connect people efficiently together, including for tasks such as a due diligence call, or for the relaying of key information, or simply for introductions.”

As for the UHNW segment of clients, he reports they are looking less at pure investment mandates these days, and more at connections matchmaking for deals that are out there in the private space.

**“As I explained, we search for the right people with genuine entrepreneurial drive. People who want to join a fast-growing international setup, to bring in additional services and value to their clients, these are the type of people who fit in very well. The idea behind Finaport from the outset was to create the most suitable and the easiest environment for a banker to realise his, or her, abilities and bring the greatest capabilities to their clients. Right from day one, we wanted to create a platform that would not only open doors to many financial institutions and other companies in the market, but also to bring objectivity, independence, and global reach to the bankers and their clients.”**

“Naturally,” he reports, “for such high-level clients we would in the past have built those direct relationships and introductions, but it has to be digital only for now. In reality, it is highly efficient, even if less enjoyable for everyone. However, we are in this situation, and there are big questions being asked about how we work and live in the future.”

### The quest for talent

He notes that a key driver for the firm has always been to

identify new talent, but that, understandably, hiring is not easy in these conditions. “There are the many uncertainties around of course, which mean that people might be more reluctant to move from the banks, and there is the difficult of gaining personal insights into individuals that face-to-face relationships offer. You gain impressions of people when you meet them, such as how they present themselves, how they react and behave, their body language, and these are all

incremental elements of making decisions on who to work with. However, we also confront these challenges head on and do our best to overcome them, as we have been doing.”

### Digital ways

He reports that digital solutions are now bringing costs down and making working life easier in many areas. “For example,” he reports, “we have been working with a lot of custodians on consolidation and reconciliation, and we are learning





all the time from their experts, so that in the future in this and other areas we build our own expertise in those fields. We cannot simply rely on outsourcing, we need the expertise to form our own assessments and judgements of what works, where the truth lies, which is what we have been doing.”

### Key Priorities

A key mission, Borissov reports, remains the search for talent. “As I explained, we search for the right people with genuine entrepreneurial drive,” he says. “People who want to join a fast-growing international setup, to bring in additional services and value to their clients, these are the type of people who fit in very well. The idea behind Finaport from the outset was to create the most suitable and the easiest environment for a banker to realise his, or her, abilities and bring the greatest capabilities to their clients. Right from day one, we wanted to create a platform that would not only open doors to many financial institutions and other companies in the market, but also to bring objectivity, independence, and global reach to the bankers and their clients.”

He notes that aside from client bankers, the top management has been strengthened as well, with a new CEO started in Zurich last year. He adds that the Zurich based business has been expanding its focus also on private markets since late 2019, building its expertise and reputation. “Things have been evolving rather well actually,” he says.

And on the operational side, he reports that Finaport continues to drive its digital solutions investment in a highly focused manner, after thorough analysis of where the solutions work and

where the firm can truly add value to the business and to the clients.

The third key priority is to continue to build the firm’s image and brand so that colleagues and clients see a coherent image, team, and values that combine to make the brand stand out.

### Gateway to Asia

Singapore continues to serve as Finaport’s gateway to Asia. The firm is also a founding committee member of the Association of Independent Asset Managers Singapore, where the firm’s managing partner for Asia, Philipp Piazz, is still president, after having served as treasurer and committee member since inception.

“Asia has been a key priority for us since we set the firm up on day one and it was absolutely a logical step for us to open here early on, with Philipp being the founding cornerstone for us from the very beginning,” Borissov reports. “It is a marketplace we cannot neglect if you want to be international, if you want to capture all the opportunities that the world has to offer. This region also produces the greatest number of rich and newly wealthy clientele and is expanding in all key areas. Growth in the region will resume before long we hope, and they have managed to control the pandemic rather well in many of the countries there.”

### Staying alert to change

His final word is essentially that the one certainty we all face right now is uncertainty. “There will inevitably be many financial, political, economic, social and health-related changes ahead, but we do not know what exactly. Right now, people are fairly optimistic, but as things stand, we take it a year at a time.” ■