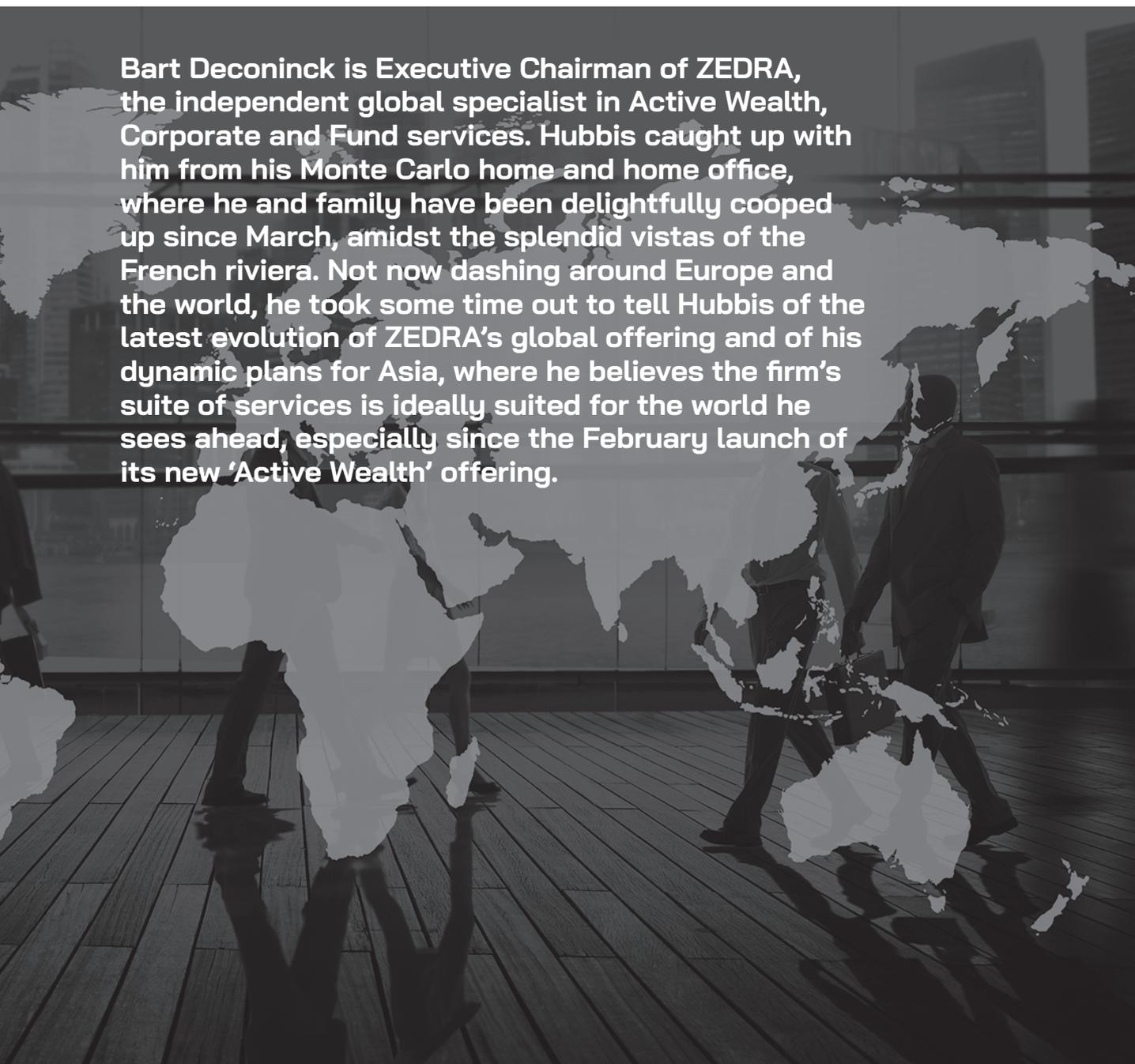


ZEDRA's Eyes Firmly Set – on Rapid Asia Growth amidst Global Expansion

Bart Deconinck is Executive Chairman of ZEDRA, the independent global specialist in Active Wealth, Corporate and Fund services. Hubbis caught up with him from his Monte Carlo home and home office, where he and family have been delightfully cooped up since March, amidst the splendid vistas of the French riviera. Not now dashing around Europe and the world, he took some time out to tell Hubbis of the latest evolution of ZEDRA's global offering and of his dynamic plans for Asia, where he believes the firm's suite of services is ideally suited for the world he sees ahead, especially since the February launch of its new 'Active Wealth' offering.



ZEDRA originated in January 2016 and is now almost five years on from the management buy-in of the Barclays private client trust business. “Since then we’ve been working really hard, building on the heritage of Barclays, which went back for more than 100 years, and I’m really proud to be able to say that in less than five years, we have nearly tripled in size, whether that would be in the revenues or in number of staff. And we’ve doubled the jurisdictions in which we are present. So, we’ve come a long way. And Asia is crucial and central to our worldwide expansion plans.”

Bart comments that the success to date has much to do with the firm’s ‘Active Wealth’ approach, which aims to serve the clientele holistically. “That’s why we’ve added services ranging from fund administration through corporate services, outsourcing into escrow facilities,” he explains. “This is not to set up separate pillars of activities, but to be able to serve that typical UHNW client in a better, comprehensive and bespoke manner.”

It was in February that ZEDRA announced the launch of its revamped and refocused private client service offering, built around its brand-new ‘Active Wealth’ offering, perhaps in reality more of an approach, accompanied by the launch of its remodelled website.

The website now defines three business service propositions which better reflect the changing needs of today’s clients. Services are now presented in three linked groups, private family wealth, now known as Active Wealth, Corporate services and Fund services.

“The new and innovative Active Wealth approach has been

developed following a combination of client feedback and industry research,” Bart reports. “This has led to a transformation in how the company will work to support private clients in the future. Today’s family business owners, entrepreneurs and high net worth individuals often require a multitude of family wealth services from the same provider. Where other service providers require that these are engaged separately, we do not. Our Active Wealth solutions embrace a multitude of particular needs faced by private clients and allow clients and their advisors to liaise with a single contact in any of our offices globally.”

“The world is an increasingly complex place in which to do business, especially as regulations and rules change more frequently and become more stringent. At the same time, there are extensive opportunities, especially for family business owners who are looking to deploy their wealth in more dynamic, personalised ways. To capture these new opportunities, clients want to partner with an agile provider that is highly efficient and can offer simplified access to the full scope of private wealth, corporate and fund service solutions. That is why we developed Active Wealth, which we expect to be particularly attractive to family business owners and private clients. ZEDRA also remains committed to providing stand-alone fund and corporate services to businesses, asset managers and fund promoters.”

Holistic and bespoke

Streamlining and simplifying the private client offering process has other benefits too. With a more holistic view of a client’s needs, ZEDRA is able to proactively cover anything from the administration of

traditional diversified investments through to the establishment and running of corporate and trust structures, bespoke investments, single-family offices, or private funds for family members.

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Yolanda Bornand, Group Head of Marketing and Communications at ZEDRA, adds: “It was important that our website reflects the company’s modern and agile identity and engages and informs our visitors in a seamless way. A combination of better design and our new streamlined business lines description gives clients and partners an informative and most importantly, smooth experience.”

Refining the teams

Bart says that as a private client company, moving to ‘Active Wealth’ was not only a major step forward, but it also involved a significant change in the type of people the firm hires. “This,” he says, “in turn has meant an evolution in the type of clients we are now able to onboard, because typically if you adopt a more holistic approach with all these different skills on hand, we are able to end up serving a more sophisticated customer.”

He says this is especially true in Asia where, for example in Hong Kong, until only a few years ago, the offering of some of the trust companies was pretty plain vanilla. “We can report that some truly UHNW families, with sophisticated estate planning needs, are onboarding with us, so too in Singapore,” he reports. “In short, we are really advancing, succeeding in the mission we set out for ourselves when imaging the Active Wealth offering to help position us at the very high end of what we used to call the private client space.”

Asia at the forefront

Bart explains that Asia is high up amongst the priorities for the firm, which has a robust presence in Europe, operating in the typical jurisdictions of Switzerland, Jersey, Guernsey, the Isle of Man, Luxembourg, the Netherlands, and Malta. “When we took over in 2016, there was nothing in Hong Kong, and there were only small outfits in Singapore, so we immediately started investing as Asia for us is a major focus and growth driver for the years ahead.”

He reports that although Hong Kong has faced many challenges in recent years, it remains home to many ultra-wealthy and HNW clients. ZEDRA has noticed that the business has transformed from an inbound business much more to a local business. “At the same time,” he reports, “we have seen a rapid sophistication in the last 10 years in terms of estate planning, the approach to structuring, working to transmit wealth and responsibility to the next generations, legacy planning and so forth.”

Asia’s dual hubs

As a result, what ZEDRA is doing in Hong Kong today is significantly

different from what the firm would have done in Hong Kong 10 years ago, when 80% would have been inbound European or American clients, while today 80% is local Hong Kong and China.

“With such a major shift taking place, we don’t hire expats anymore unless they speak fluent Mandarin or Cantonese. Despite any headwinds relating to difficult political matters and social unrest, Hong Kong is still a place to do business and from our viewpoint, we haven’t seen a slowdown in the last 12 months, on the contrary actually, our business has been growing at double digit rates”.

Singapore shines

In Singapore, Bart reports the market is more inbound, and sophistication levels higher from his perspective. “Singapore also still serves as a financial centre towards Europe, the Middle East and surrounding regions. We have enjoyed very rapid growth there, and are now 40-strong and hiring, and we have recently acquired the trust business from BNP Paribas Singapore.”

ZEDRA announced the acquisition of BNP Paribas Singapore Trust Corporation Limited in January, when it was renamed Zedra Trustees (Singapore) Limited. “Singapore is such a core jurisdiction for ZEDRA given the country’s reputation for its high-quality financial services sector, prudent supervision and resilient infrastructure,” Bart comments. “The BNP deal has brought additional scale and expertise to our already fast-growing Singapore office.”

BNP Paribas Wealth Management will work with ZEDRA as a

preferred partner for trust services while continuing to render its clients their wealth management services, leveraging the firm's best-in-class private banking team and global reach.

Forging ahead despite...

Wendy Sim, Managing Director ZEDRA Singapore, said at the time: "In spite of the disruption caused by the COVID-19 pandemic, we are seeing an increase in enquires, in particular around succession planning. The situation has acted as a catalyst, prompting clients to review how their estates will be managed and assets passed on. Clients want to be reassured that existing structures are fit for purpose."

"We adopt the holistic approach to their broad based needs for structure the affairs of the families, and also because the right structures enable better ways of transferring assets and interests between different family members, rather than having disparate SPVs. Family offices especially are going in that direction of consolidation, and Singapore is driven more by this approach, rather than the ultimate single beneficiary style in Hong Kong. That's the key difference. We see this happening because Singapore has developed for years into a wealth management centre, whereas perhaps Hong Kong is more of a capital markets centre with a broader focus. In short, Singapore has become more specialised."

The deal added to ZEDRA's existing headcount of over 585 industry experts across 15 countries, spanning Asia, Oceania, the Americas and Europe. The acquisition will bring ZEDRA's combined staff numbers in Singapore to 40 all located in a brand new, centrally located ZEDRA office.

Bart explains that in Singapore, ZEDRA has the trustee license, and also handles corporate activities and fund administration.

Increasing sophistication

"This is not actually because we want to handle those other services necessarily," he reports, "but because we want the clients to have these three pillars as they are generally sophisticated clients, especially the family offices, and we adopt the holistic approach to their broad based needs for structure the affairs of the families, and also because the right structures enable better ways of transferring assets and interests between different family members, rather than having disparate SPVs. Family

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Regulatory drivers

Bart comments that the whole evolution of trust and trust services in Asia is set against an increasingly difficult and onerous regulatory environment worldwide.

“But that does not hamper us,” he says, “as the type of clients we serve are sophisticated enough to be able to cope with it. And we are at that upper end of the market, we are not pushing out trusts for low prices, we deliver sophisticated, robust solutions for fair fees. We make sure there are no legal issues later, that the trust is constructed in such a way that it cannot be attacked as a sham trust, so it is purposed and defensible.”

A huge range of wealth

The types of underlying assets, he explains, span liquid and illiquid and multi-classes, often include the family business, involve real estate, often private investments and of course liquid market assets. “Our clients can vary anywhere from 50 million dollars of assets to multi-billions and through our Active Wealth concept we can deliver all the skills is that clients or their advisors require.”

In terms of preferred jurisdictions for trusts, Bart reports that the names that are in favour offer the highest reputation and standards of excellence and compliance, with Jersey, Guernsey and Switzerland featuring often, and the BVI and comparable offshore jurisdictions shunned more often than not nowadays.

Flight to quality

“We have seen a major shift,” he reports, “a flight to quality, a flight to substance, a flight to a more regulated environment. We can complain about regulation, but at the end of the day, that regulation is there to protect the client. As clients are getting more sophisticated, they start to understand that. Obviously, Singapore is a very well-regulated environment, but we’ve seen in Hong Kong more regulation also in the trust space. And that’s a good thing at the end of the day.”

But can ZEDRA charge the fees necessary in Asia to expedite this flight to quality for its clients? Bart says the firm can. “Clients in Asia remain price sensitive, but there’s a greater acceptance in that domain. You have still the discussion, but a client who wants a decent structure and is properly advised by third party advisor or a lawyer, they get it in the end. Nowadays, both parties will usually reach a fair equilibrium.”

Mixing it up

As to the sources of new business, Bart reports that there has been a shift for the wealthiest types of clients to work with a coterie of experts, whereas before perhaps the private banker was the central advisor. “We saw this trend first in Europe some years back, and I can say perhaps that the private banker’s role, while still very important for the most sophisticated UHNW clients, is perhaps somewhat less central today as these individuals and their families today have a wider range of lawyers, tax advisors, accountants, trustees and other professionals supporting them than ever before, especially in a dramatically more regulated world.”



Bart also sees a trend towards more involvement from the IAM community, especially amongst the younger generations. "The evolution is slower for example of course than in the US and Europe," he reports, "where sometimes you find IAMs managing USD25 billion of AUM, but it is gradually taking place out in Asia, particularly as more younger entrepreneurs build businesses or take control of family wealth."

ZEDRA's USP

Bart explains that the firm's motto of 'Do More. Achieve More' says it all in this regard. "Everyone in the firm embraces this concept and we build our skills in an integrated manner, projecting our expertise and capabilities to clients in a broad and holistic approach. Typically in Asia, when an Asian client or family trust you, they will stick with you, so it is also about retaining our talent and building the longevity with our teams and clients, in a mutual trust scenario."

Additionally, Bart reports the firm has an entrepreneurial and

independent culture at heart. "We are not tied to a bank or any other institution, we are still small enough to be able to be very personal, but at the same time, have the size to have everything in-house. In short, our USP centres around these three things, the can-do attitudes, the relationship drive we have and then that entrepreneurial mindset. It is these three values every day we are communicating to our employees."

Asia today comprises 60 people in Singapore and in Hong Kong. "We are growing three times faster than in Europe according to our plans," he reports. "Asia currently stands at about 10% of the global business but growing fast. However, we are also acquisition driven as a firm, so if we make interesting deals in Europe or the US, the Asia percentage might not rise so fast, even if the actually organic growth is so dynamic."

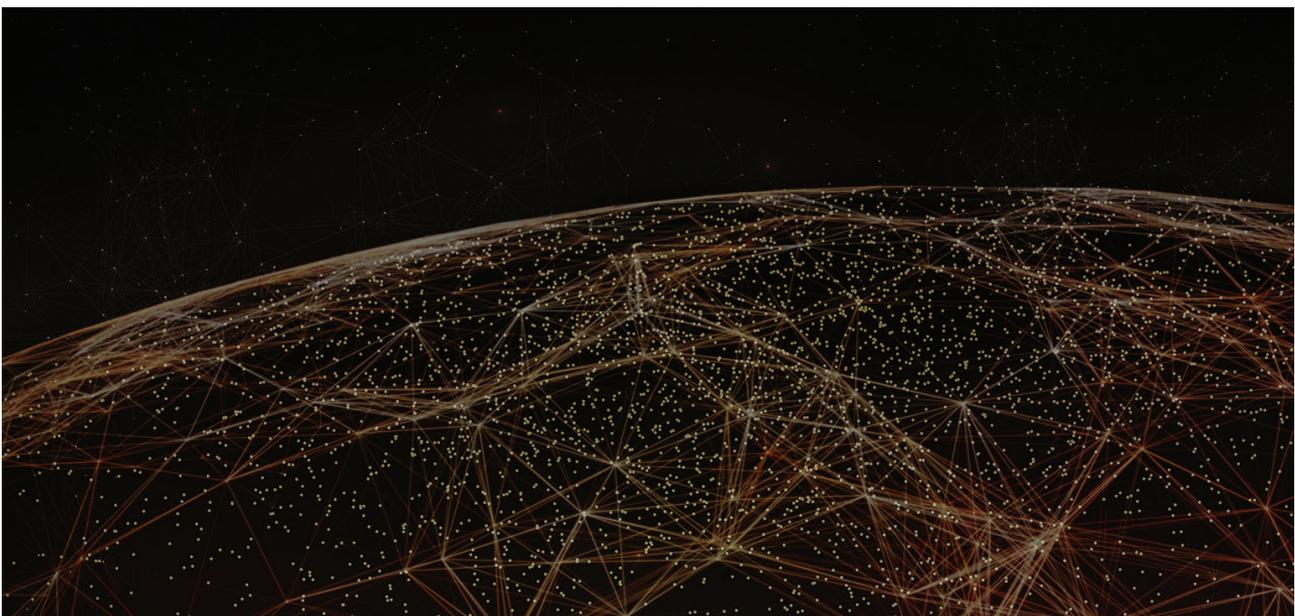
Key Priorities

Building and retaining talent is high on Bart's list of missions for the foreseeable future. "Secondly,"

he reports, "marketing is still very important in Asia, perhaps more so compared to all the other parts of the world, so once the pandemic abates we want to drive that forward, with events and a host of other initiatives, including the long-lost face-to-face meetings, of course, as this is even more important in Asia for clients than elsewhere."

His third mission ahead in Asia is to look further into acquisitions, both centred on Singapore and Hong Kong as the hubs for the region. "We will not go in Mainland China, we will not go in other places in Asia, but we will further focus through Singapore and Hong Kong and work the region from those two key centres," he reports.

Bart closes the discussion by reiterating the commitment ZEDRA has to Asia. "Organically and through acquisition, we will expand to serve the growing market for our services, and refine our people and our offerings to suit the rising needs and sophistication of what is a remarkably dynamic market across the region." ■



Getting Personal with Bart Deconinck

Bart spoke to us from his family home in Monte Carlo, from which he operates as Executive Chairman, normally outside of the pandemic dividing his time between there and offices in Europe and Asia. "I used to spend more time travelling, but since March, I have not set foot in an airport, and although I can work remotely very efficiently, I do miss the interaction with colleagues and the banter of office life."

His and his wife's annual involvement in the Montreux Jazz Artist's Foundation was one of the many highlights of his year that the virus has put paid to in 2020. "The little things in life we all took for granted are in the mists of time," he laments, "but I am optimistic the world can get on top of all this sooner rather than later."

Bart is also very excited about ZEDRA first international charity partnership with World Heart Beat Music Academy. Through the partnership, ZEDRA sponsors a jazz development programme for eight talented young musicians in London. "With our international presence, we understand well that dealing with cultural differences is not always a smooth process. Music is one of the few universal forms of communication which can bridge language, cultural and even political barriers. Giving disadvantaged children the opportunity to express their ideas and feelings through music and seeing so many positive impacts on other aspects in their life can be very rewarding. If ZEDRA can help young adults to grow their self-confidence and lay the foundations for success, we will have already started the process of changing their lives".

Bart originally hails from a small town in Belgium named Kortrijk. He holds a Master's degree in Economics from the University of Antwerp and a Master's degree in Management Accounting from the Vlerick Leuven-Gent Management School.

"And my rather interesting first job was as a DJ," he recalls, "not just in the clubs, but I also had my own radio programme. I enjoyed it at the time, but frankly I did not make much money then, and my mother was keen for me to do something sensible with my life, so I dropped the DJ business and became first an accountant at Ernst & Young and then a banker with one of the "nicer" private banks, MeesPierson, at the time."

He later became the Finance Director of the bank and subsequently the Managing Director of the Belgium office, as well as later joining the global board, including after the bank was bought by Fortis. Among his responsibilities during his years at the bank were the worldwide trust activities, for which he became CEO of Intertrust after the bank acquired that business, which became MeesPierson Intertrust.

In 2006, Bart left Fortis to create Vistra Group, which is today one of the leading providers of corporate, fiduciary and company formation services. He was with the firm for 10 years before selling it in 2015 to Barings Private Equity. He then co-founded ZEDRA in 2016, where he plays an active role in the company as Group Executive Chairman.

"I was intrigued to take this role at ZEDRA on the acquisition out of Barclays, so here we are again with this whole new company with a totally different vision from before," he reports. "I enjoy new challenges, so it was a natural for me to take on this challenge, with my focus mainly on strategy and some of the major commercial relationships of the firm, on marketing initiatives and on group acquisitions."

In addition to his role at ZEDRA, he is a non-executive board member of Beaulieu International Group (B.I.G), the world leader in flooring, engineered products and polymers. During the Pandemic, and with the help of its Belgian sites, B.I.G collected mouth masks used by their employees for personal protective equipment. In addition, the company was able to order several thousand more masks with the help of their Chinese colleagues in Shanghai. In this way, B.I.G could donate 10,000 high-quality mouth masks to the White-Yellow Cross West-Flanders and the Network for Palliative Care West-Flanders in Belgium.

Happily married to his wife Magali, the couple have four children aged from 25 to ten years old, the first three boys. Historically, the family have spent a lot of time skiing in the French Alps.