

WEALTH AND INVESTMENT



# THE **AFRICAN** WEALTH REPORT<sup>20</sup><sub>20</sub>

THE ART OF CREATING WEALTH





**THE MAKING OF VIDEO**



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ALL ARTWORK CREATED / Zelé Angelides



**THE ART OF  
CREATING  
WEALTH**

**01**



PHOTOGRAPHER / Daniele Levis Pelusi



“

**The world sees Africa as a massive opportunity and the wealthy will be key players.**

- Chris Browne

”

## FOREWORD

**Chris Browne**  
**Group Head: Standard Bank Wealth and Investment**

Standard Bank's inaugural **African Wealth Report 2020: The Art of Creating Wealth** provides deep insight into the nuances, realities, opportunities and challenges that define the journey of wealth creation of individuals across Africa. In many ways the report was born out of the historic lack of research and insights into how wealth is created, managed and spent in key markets in Africa. The research outcomes based on these insights provide the first holistic view of trends shaping the African wealth landscape and bring to life the essence of what it means to be a HNWI on the continent.

Our aim with this report is to enhance the ability of professionals and high-net-worth individuals to truly understand the depth of requirements of entrepreneurs and the business-people on the continent, each of whom

is seeking the appropriate model to grow and preserve their wealth over time. The report delves deeply into what is driving wealth creation in Africa and presents valuable research findings for both clients and other stakeholders with an interest in the future of wealth in Africa.

To draw a more complete picture of the wealth sector in Africa, a total of 265 respondents were surveyed and 75 face-to-face interviews conducted across five key markets – Ghana, Kenya, Mauritius, Nigeria and South Africa – with the estimated net worth of 67% of participants in the \$1 million to \$5 million range. Around 16% of respondents had an estimated net worth of \$5 million to \$20 million, while the researchers from our partners, Intellidex, also canvassed those with \$20 million to more than \$100 million in net worth.



The 265 high-net-worth respondents who were surveyed for the report, hailed from a diverse array of industries: real estate, manufacturing, construction, financial services, technology, oil and gas, education, entertainment, retail and trade.

The face-to-face interviews are a unique feature of the report as they give us rich insights into the lifestyle

and challenges faced by high-net-worth Africans. Their responses, coupled with the insights of our own industry experts, allow us to delve deeply into the African wealth experience. Each individual has their own unique journey to wealth creation, but the factors influencing their businesses, personal and familial circumstances are constantly changing.

Reports of this nature are essential, as although wealth generating opportunities in Africa remain abundant and are likely to continue being key drivers of the continent's economic transformation, the complexities of each of the markets surveyed in the report still present a risk to many wealthy individuals. It is therefore essential to keep track of the changes and pressures, not only for the individual

but for organisations such as ours who are best placed to interpret, explain and help clients navigate the environment and make more informed choices in the increasingly complex global economic ecosystem.

Creating the **African Wealth Report** has been a rich experience. Aptly named *The Art of Creating Wealth*, the report demonstrates that everyone is

uniquely individual and draws on different sources of inspiration to create their wealth in a distinct and astonishing variety of ways, whilst also highlighting their hard work and determination to succeed.

Our hope is that the insights gained will engender a greater worldwide understanding of the path that Africans walk on their personal wealth journeys.



**AFRICA AND  
ALL ITS  
COLOURS**

**02**



**PHOTOGRAPHER /** Ayo Ogunseinde

The Countries  
in this Study

**GHANA**

**KENYA**

**NIGERIA**

**MAURITIUS**

**SOUTH AFRICA**





“

What enables you to build wealth in Africa is exactly the same thing that enabled you to build wealth in America and European countries in the 19th and 20th centuries.

”

- Survey Respondent

## NIGERIA



A key regional player with a population of approximately 206 million, Nigeria alone accounts for 47% of all the people in West Africa and is home to one of the largest youth populations in the world. The country's national elections held earlier in 2019 were

the sixth consecutive democratic poll since its return to democratic governance in 1999.

According to the World Bank, GDP growth in Nigeria is expected to edge up to 2.1% in 2020 from an expected

2.0% in 2019 and the 1.9% of 2018. Nigeria emerged from recession in 2017, with a growth rate of 0.8%, driven mainly by the oil sector. The macroeconomic framework – characterized by multiple exchange rates, foreign exchange restrictions,

high persistent inflation, and a central bank targeting manifold objectives – is not conducive to confidence, says the World Bank's recent Global Economic Prospects Report.



“

**Rapid urbanisation has created very good opportunities in real estate across much of the continent.**

- Survey Respondent

”

## SOUTH AFRICA



Ratings agency Moody's recently cut South Africa's 2020 growth expectation to just 0.7%, from the 1.5% it had previously forecast in September last year. The lower rate reflects widespread power outages and weak economic activity in key sectors like mining and manufacturing.

According to the World Bank, the South African economy grew by 1.4% in 2017 and 0.8% in 2018, with only 0.4% expected for 2019.

The World Bank says increasingly binding infrastructure constraints – notably in electricity supply

– are expected to inhibit domestic growth, while export momentum will be hindered by weak external demand. Commodity prices remain important for South Africa, a major exporter of minerals but a net importer of oil. Boosting both domestic and foreign direct investment will be critical to

improving the economic growth rate and creating enough jobs to make a difference in the nation's unemployment rate.



“

**All business is risky...  
I have diversified my portfolio  
and invested in different things.**

- Survey Respondent

”

## KENYA



Kenya is expected to record real GDP growth of 6.0% in 2020, marginally up from the 5.8% estimated for 2019, according to the World Bank.

While economic activity faltered in the wake of the 2008 global economic

crisis, growth resumed in the last five years to reach 6.3% in 2018, placing Kenya among the fastest growing economies in Sub-Saharan Africa.

The economic expansion has been bolstered by a stable macroeconomic environment, low oil prices, a rebound

in tourism, strong remittance inflows and a government-led infrastructure development initiative.

While the medium-term growth outlook is stable, the World Bank notes that the threat of drought

and continued subdued private sector investment could drag down growth in the near term.

In the long term, adoption of prudent macroeconomic policies will help safeguard Kenya's robust economic performance.



“

**When you've made money there's a lot of satisfaction in enjoying it.**

- Survey Respondent

”

## GHANA



Activity in Ghana is expected by the World Bank to soften from the 7% growth of 2019 to 6.8% in 2020, partly due to slowing oil production as much-needed maintenance on various oil fields is carried out to ensure their long-term viability.

Longer-term growth prospects will, however, be supported by the improved

strength of the financial sector following much-needed reforms implemented during 2018-19. Over the past two decades Ghana has made major strides to become a multi-party, constitutional democracy with an independent judiciary that has won public trust. Ghana consistently ranks in the top three countries in Africa for freedom of speech and press

freedom while its strong broadcast and print media provide the country with solid social capital.

Ghana's economic growth accelerated to 8.1% in 2017, driven by the mining and oil sectors.



“

I think [success] is a mixture of many things: good business ideas coming at the right time, good economic environment, a lot of luck, and God.

- Survey Respondent

”

## MAURITIUS



Located off the southeast coast of Africa, neighbouring the French island of Reunion, Mauritius is an island state of 1.3 million inhabitants. The country's economy has made great strides since independence in 1968, and Mauritius is now a fully-fledged upper middle-income economy.

According to the World Bank, economic growth is projected to remain in the 3.5 to 4% range until 2022, broadly consistent with the estimated pace of potential growth in output. Growth could even accelerate if the government's ambitious public infrastructure program gathers pace and stimulates more private investment.

Growth of 3.8% was recorded in 2018 (the same as 2017) and is estimated by the World Bank to have reached 3.9% in 2019. The main drivers have been the services sector, especially finance, as well as trade and accommodation services. The latter benefited from a buoyant tourism market, a key sector for the small island's economy.

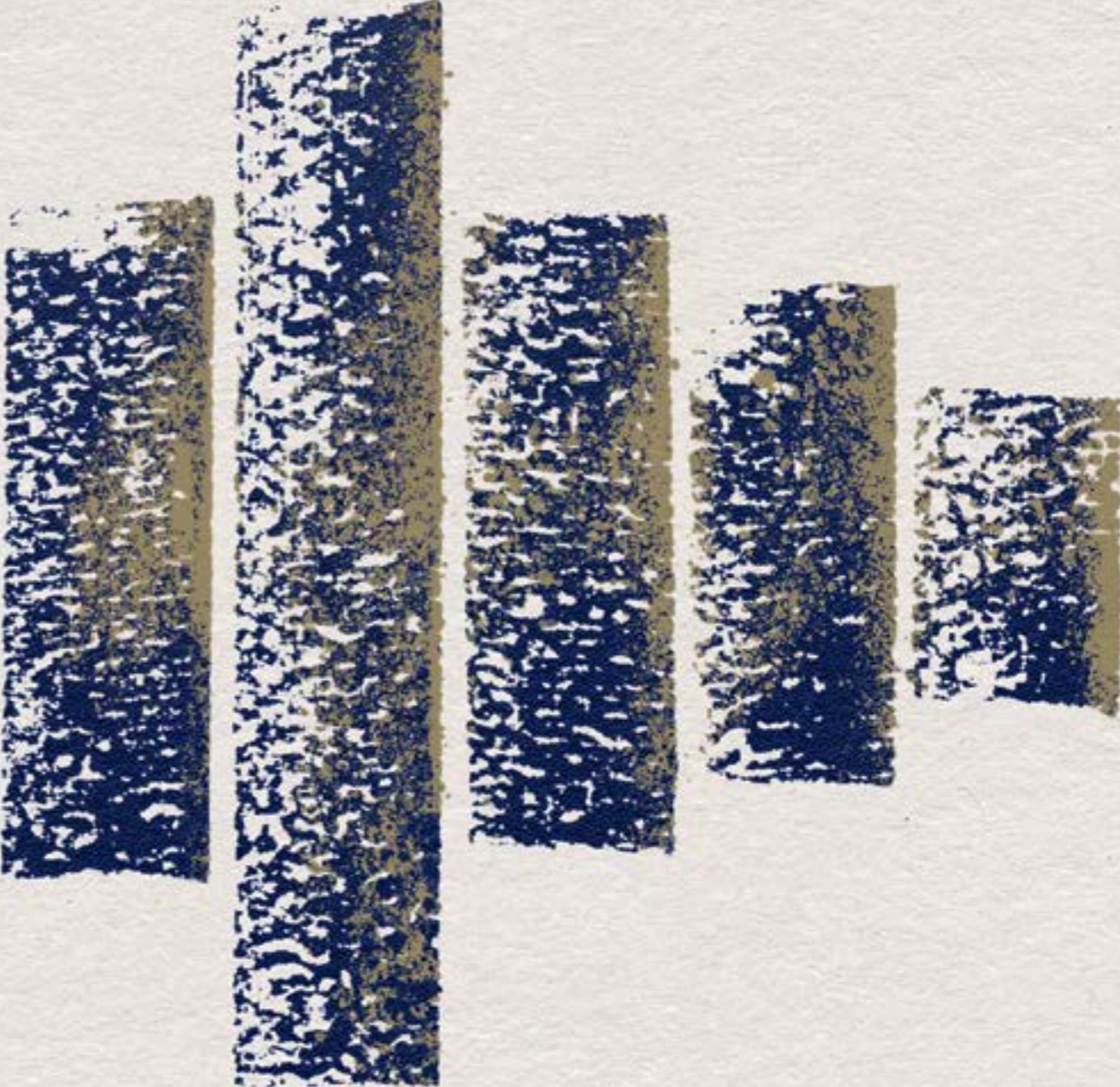


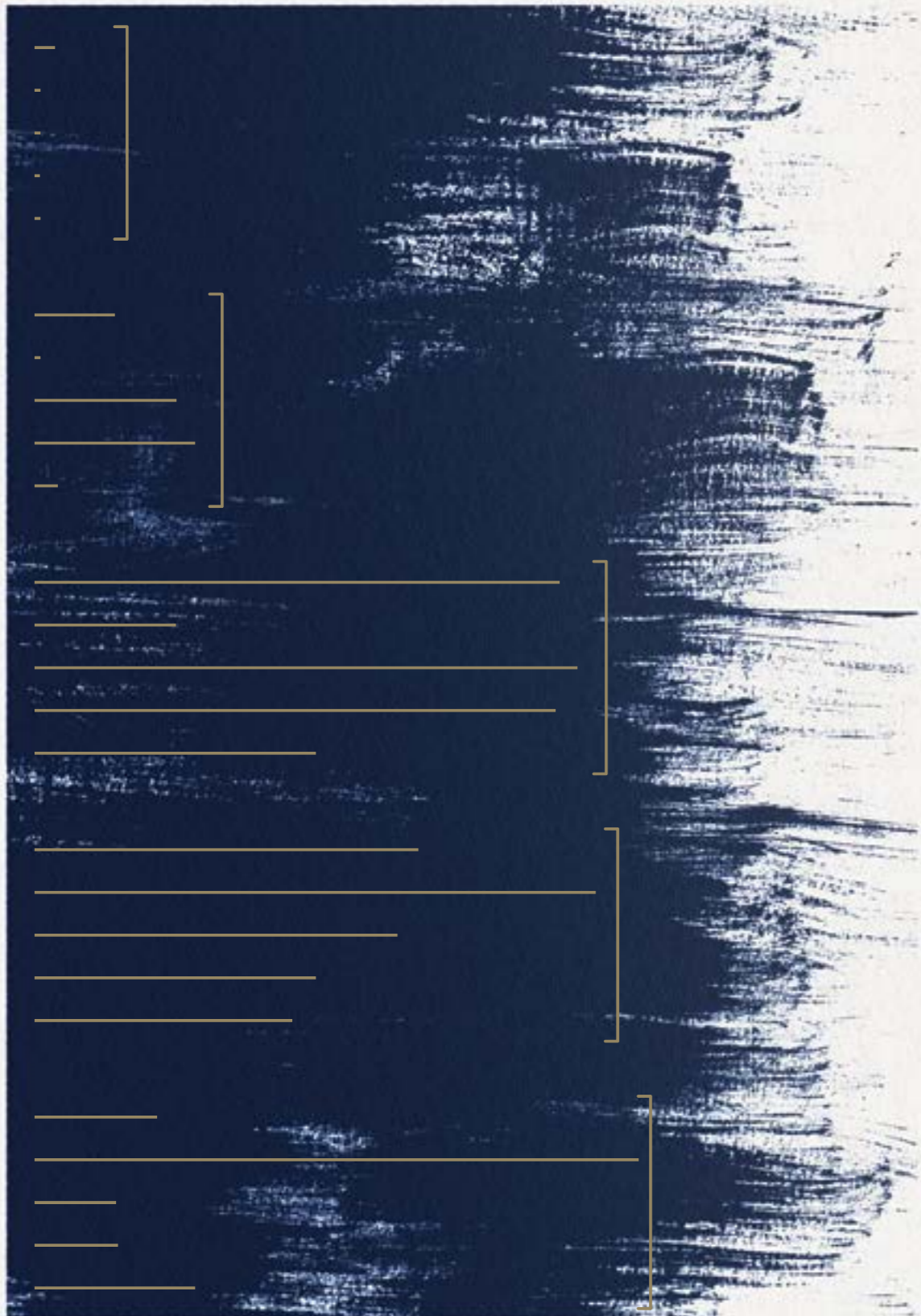
# ABOUT THE RESPONDENTS IN THIS STUDY

For this study, 265 high-net-worth Africans completed a comprehensive survey, of which 75 conducted a further in-depth interview. See page 128 for the full methodology.

### PRIMARY RESIDENCE

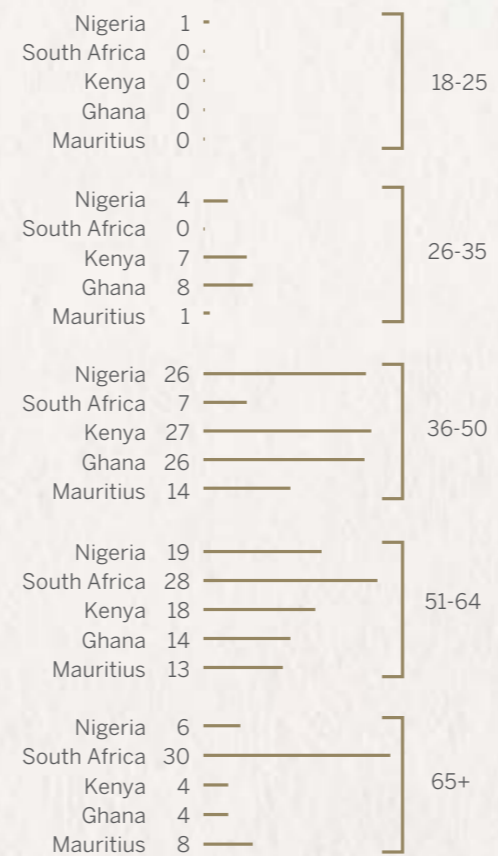
Number of respondents out of 265 high-net-worth Africans





### AGE BREAKDOWN BY COUNTRY

By number of respondents



“

**38% of high-net-worth individuals in this survey are between the ages of 36 to 50 years.**

- Dr Stuart Theobald, CFA

”

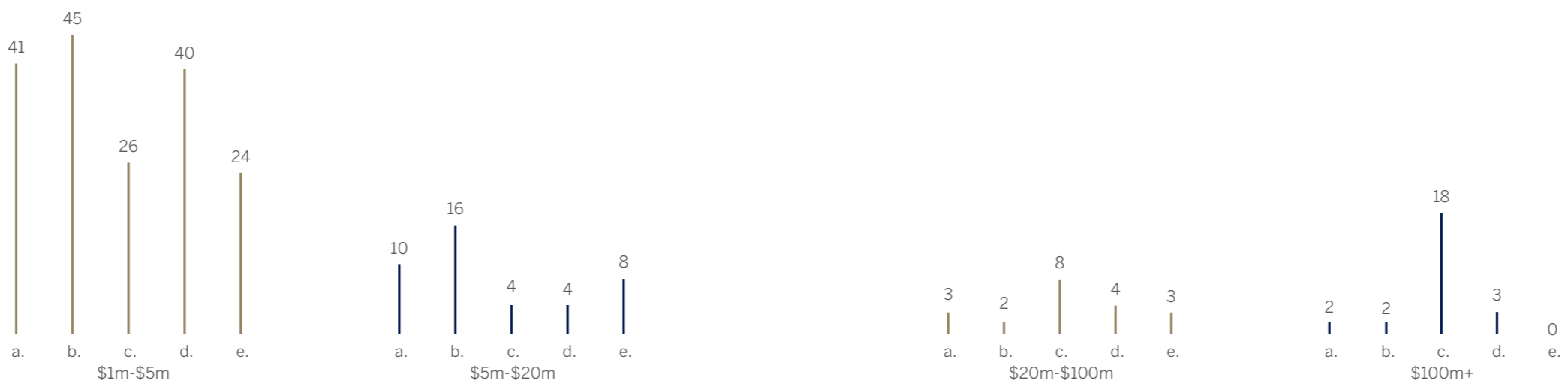


**WEALTH  
BREAKDOWN  
PER COUNTRY**

Total net worth  
across number  
of respondents

**KEY**

- a. Nigeria
- b. South Africa
- c. Kenya
- d. Ghana
- e. Mauritius







**THE BLANK  
CANVAS IS THE  
FOUNDATION  
OF WEALTH**

A SUMMARY OF FINDINGS

**03**



PHOTOGRAPHER / Rustam Shaimov



#### PROPORTION OF RESPONDENTS WHO ARE ENTREPRENEURS



Ghana	78.8%
Kenya	69.6%
Nigeria	66.1%
Mauritius	33.3%
South Africa	29.2%

Every wealth journey begins as a blank canvas. Outlined below are the key insights that were found to be drivers of wealth creation, preservation and generational wealth planning amongst survey respondents.

### 148 of the 265 respondents cited entrepreneurship as their chosen path towards accumulating their first \$1 million.

#### - Survey Finding

#### Genres of Building and Creating Wealth Entrepreneurship Leads the Way

- The most widespread way high-net-worth Africans build wealth is through entrepreneurship.
- 148 of the 265 respondents cited entrepreneurship as their chosen path towards accumulating their first \$1 million.
- Only 71 chose an executive career.
- 51 made use of the family business as a viable path towards wealth creation.
- The favoured industries for entrepreneurs were real estate, construction, trade, financial services, manufacturing, oil and gas, technology and retail.

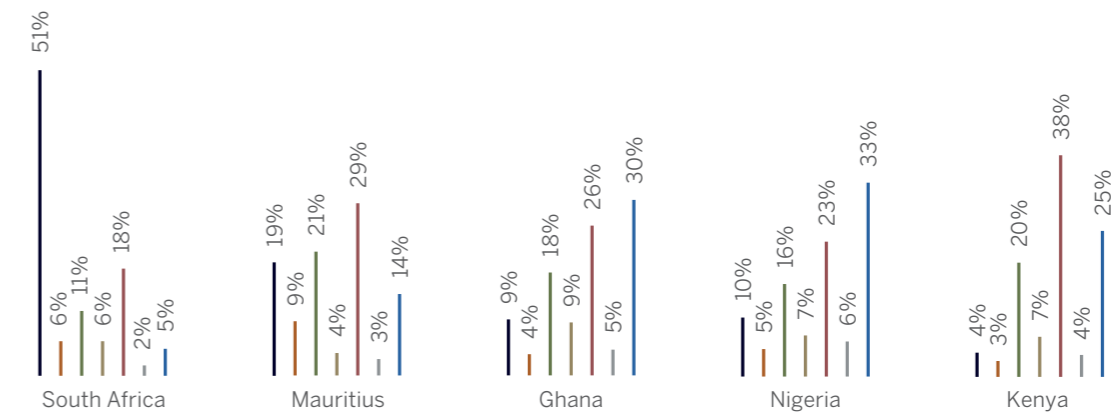


## Tangible assets emerged as one of the favoured asset classes for wealth preservation.

- Survey Finding

### The Aesthetic of Saving and Investing – Where to Invest for Best Results?

- Kenya (38%) followed by Mauritius (29%), Ghana (26%) and Nigeria (23%) stated tangible assets as the most favoured asset class for wealth preservation.
- In South Africa, stocks or equities (51%) were by far the most popular asset class for preserving wealth, with tangible assets such as property comparatively less important (18%).

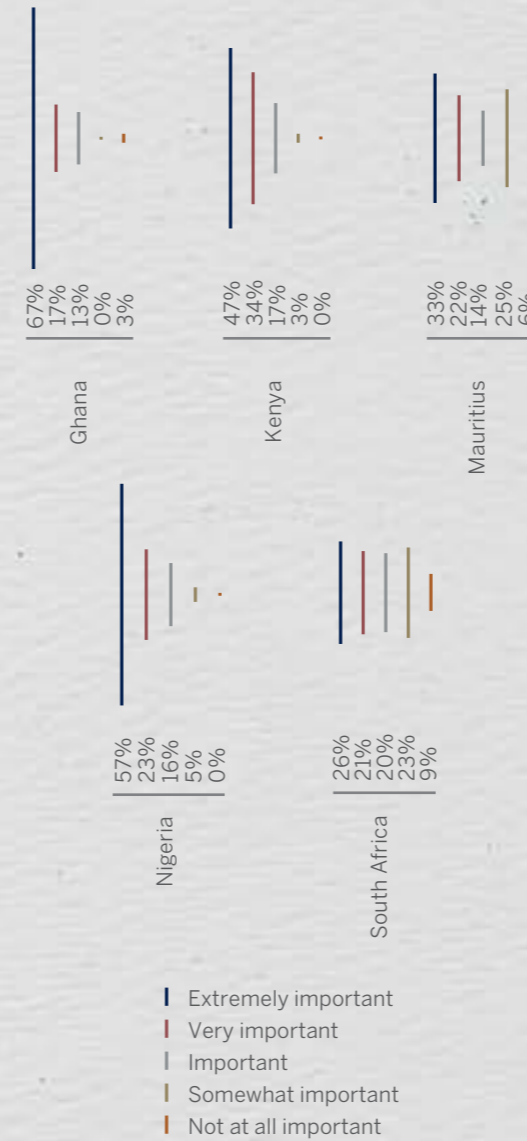


### HOW AFRICANS PRESERVE THEIR WEALTH

- Stocks or equities - The value of shares issued by a company
- Bonds and other debt instruments - Typically refers to debt capital raised by institutions
- Cash or bank deposits - Money placed in banks, which is then a liability the bank owes to the depositor
- Alternative investment vehicles - A financial asset which does not fall into one of the conventional investment categories. Examples include venture capital and private equity
- Tangible assets - Physical assets with a finite monetary value
- Lifestyle assets - An asset like a house or car, which does not produce disposable income
- Investments in own business - Funds used to start and operate a business

### A TIME FOR GIVING

Proportion of respondents and their predisposition to leaving wealth to their heirs

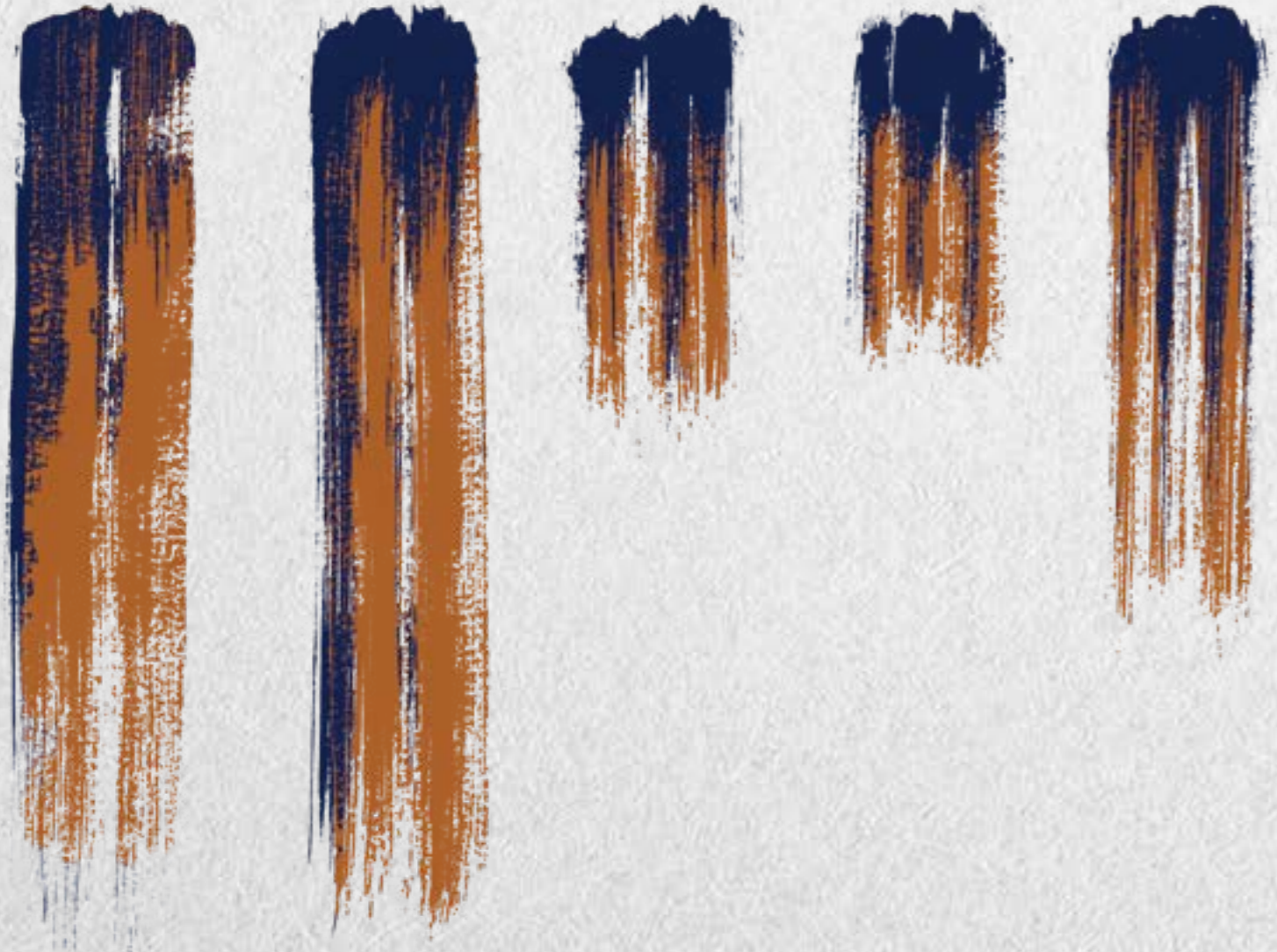


## Respondents generally considered it important to leave wealth to heirs.

- Survey Finding

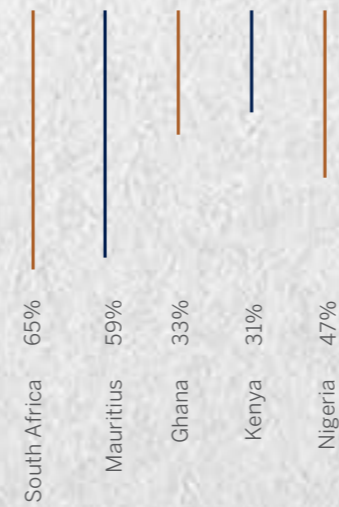
### A Montage Masterpiece – The Gift of Giving

- 87% of respondents ranked leaving wealth to their heirs with either extremely important, very important or important.
- 10% ranked leaving wealth to heirs as somewhat important.
- A mere 3% regarded it as not at all important.
- When asked how they plan to bequeath their estates, respondents overwhelmingly favoured family. (82%) followed by charity (12%) and other causes.
- South Africans assigned the greatest portion of their estates to family (89%) followed by Mauritians (86%), Kenyans (84%) and Ghanaians (82%).
- Nigerians indicated that, on average they would leave 18% of their wealth to charity, 10% to other causes and 72% to family, technology and retail.



### SPENDING TIME WITH FAMILY

Percent of respondents who spend more than 10 hours a week with family



**Time with family is by far the most important, with 47% of respondents spending at least 10 hours a week with their families.**

- Survey Finding

### The Art of Living Well – Balancing Work and Leisure

- When it comes to leisure activities, time with family is by far the most important, with 47% of respondents spending at least 10 hours a week with their families.
- Around 30% only spend between 5 and 10 hours a week with their families, with the rest of their time spent working.
- Travel and reading stand out as the most popular leisure activities.

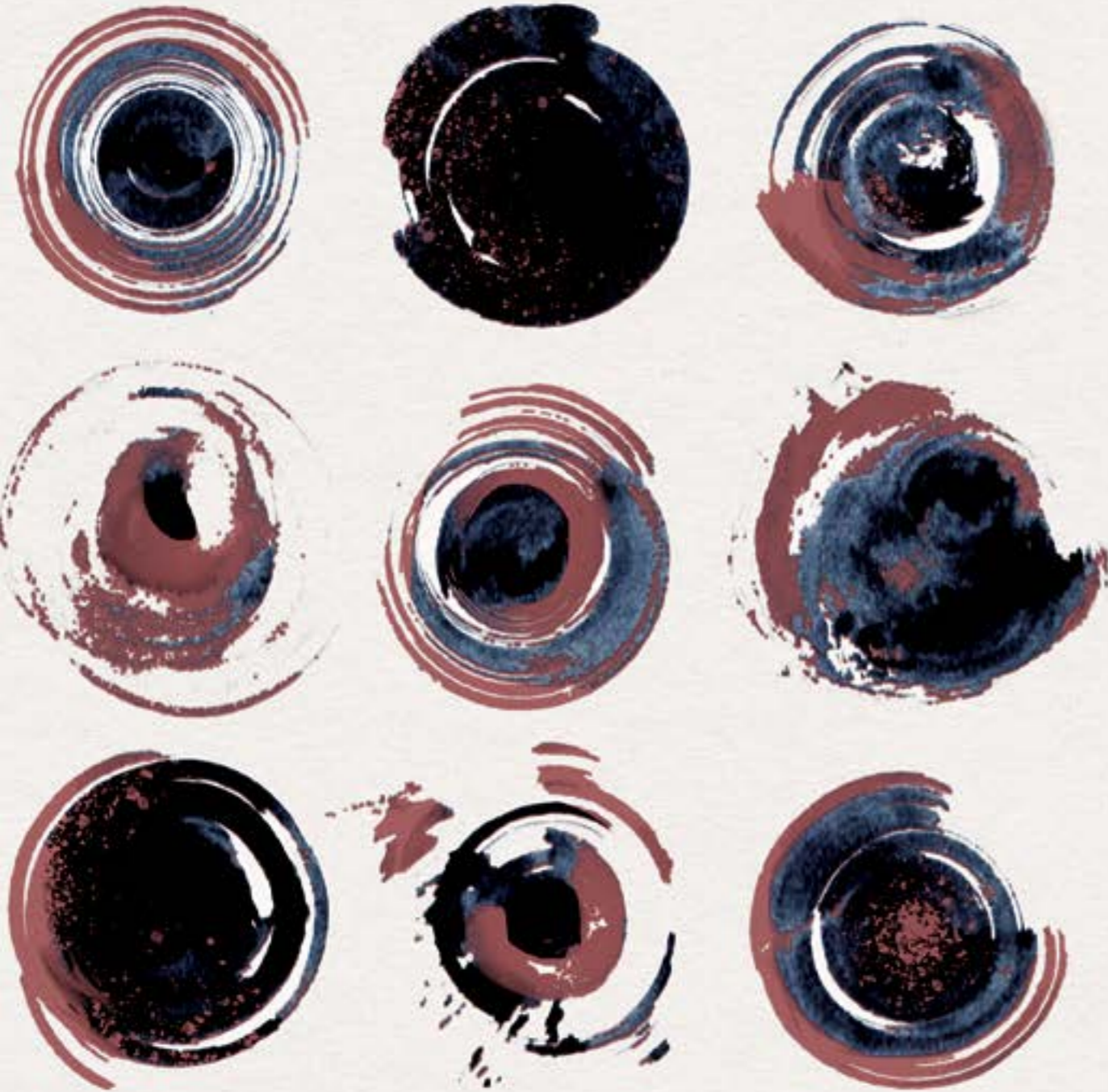


**The political environment is seen as a significant risk to wealth preservation in the majority of markets surveyed.**

- Survey Finding

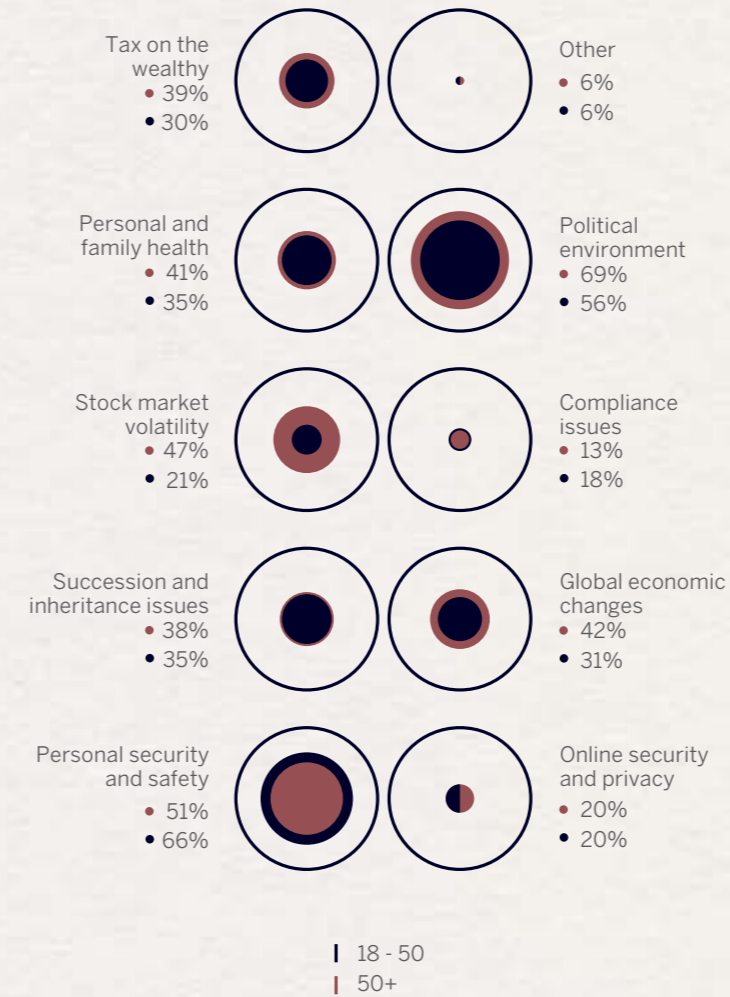
### **Perspectives on Hues and Shading – What Keeps HNWIs in Africa Awake at Night?**

- The political environment is seen as a significant risk to wealth preservation in the majority of markets surveyed.
- Only 31% of Mauritian respondents saw the political environment as a concern.
- 82% of South Africans highlighting it as a concern followed by Ghana (67%), Nigeria (64%) and Kenya (55%).



### THE CONCERNS OF THE WEALTHY

Proportion of respondents across upper age-brackets



**Respondents aged 18-50 were less concerned about the political environment but more worried about their personal security and safety than the older generation.**

- Survey Finding



**OBSERVATIONS  
BY THE  
RESEARCH  
TEAM**

**04**



**PHOTOGRAPHER** / Christopher Burns





**Most strikingly, entrepreneurialism stands out as the strongest trait amongst HNWIs in Nigeria, Ghana and Kenya.**

- Survey Finding

## **ECLECTICISM EMERGES AS A STRONG FEATURE OF AFRICAN ENTREPRENEURIALISM**

**Dr Stuart Theobald, CFA**  
**Co-founder and Executive Chairman, Intellidex and**  
**Dr Graunt Kruger,**  
**CEO: Intellidex USA; Global Lead: Strategy Research**

This study lifts the lid on Africa's highly dynamic, varied and entrepreneurial wealth creating culture. The insights revealed in this study highlight the opportunity for Africans to feature on the list of global wealth players.

As far as we can determine, this is the first study of high-net-worth individuals (HNWIs) in Africa that combines a large survey with face-to-face interviews of people who have successfully made, grown and preserved their wealth in five of sub-Saharan Africa's leading economies – Nigeria, Ghana, Kenya, Mauritius and South Africa.

Since the sample of HNWIs surveyed are drivers of wealth creation in each of their five markets, their experience and insights are critical to understanding how investment, development and growth are likely to evolve in Africa.

Studies of this nature also assist financial services organisations like Standard Bank Wealth and Investment to develop solutions that equip clients to grow and preserve their wealth. A vista of opportunities is opened up by helping HNWIs in Africa access global wealth networks in compliant, risk-managed formats.





## No Boundaries

Most strikingly, entrepreneurialism stands out as the strongest trait amongst HNWIs in Nigeria, Ghana and Kenya. While most HNWIs in these countries made their wealth in one business area, after their first million they tended to expand into businesses in a host of other industries, services or sectors. These high levels of entrepreneurialism appeared to trail off among Mauritian and South African HNWIs. In these economies, with their sophisticated and well-developed financial services sectors, HNWIs were more likely to have made their wealth in their professions – and then invested this in local and global financial markets.

Eclecticism is a strong feature of African entrepreneurialism. HNWIs in Africa do not restrict themselves to certain sectors. Instead, Africa's entrepreneurs, once established, tend to be open to new ideas, regardless of whether they have had direct experience in a sector or not. Perhaps the emerging nature of most of Africa's economies means that all fields are still wide open for Africans to develop products, services and solutions. This reflects the excitement about possibilities and opportunities that characterised our interviews with most of the HNWIs that we met.

The importance of entrepreneurialism in Africa is made clear by the attention that small business development receives during election campaigns in Ghana, Nigeria and Kenya. Citizens of these economies tend to be very involved in, and concerned about, building their own businesses. It is also interesting to see that HNWIs in Africa appear to have a conservative attitude to spending wealth. While spending time with family featured highly, along with quality

leisure time – including pursuits like travel, reading and fine dining – most HNWIs in Africa were primarily focused on preserving their wealth for broader investment or for future generations, rather than spending it. Few of Africa's HNWIs were considering acquiring airplanes or prestige purchases that did not grow or preserve their wealth.

## As Safe as Houses

The study found that in Africa, the primary vehicle chosen for consolidating and preserving wealth was property – from urban residential and commercial, through to industrial property, farmland and agribusiness. In fact, across all five countries surveyed, only in South Africa was property not the primary vehicle for wealth preservation. Investments in stock and equities took the top spot in this country.

Our sense is that since acquiring property is often quite difficult in Africa, HNWIs with the ability to own property are guaranteed good returns as a result of its scarcity. Property is relatively difficult to dispose of quickly, so it acts as a barricade against impulse investing and does not lend itself to quick liquidation in volatile markets. As such, especially in Africa's less developed financial markets, property appears to represent the best store of wealth.

While this study provides the first broad and nuanced view of the actual behavior of Africa's HNWIs, the questions raised by this study are as varied and significant as the insights provided.

Does the absence of a formal economy and a developed financial system drive entrepreneurship? Or, conversely, does the presence of

a formal economy and developed financial sector act as a barrier to entrepreneurship in Africa? Another question that can be asked is how Africans can maintain and develop their highly entrepreneurial cultures as their financial markets become more sophisticated. How can the two be optimally balanced?

We must also question why South Africa, with the continent's most developed financial services sector and the most liquid capital markets, has the lowest level of entrepreneurship among these five countries. The study brings these questions to the fore but more research is needed to answer them definitively.

Other interesting questions include how countries should develop their property law to optimally drive wealth creation and growth. We must also look at how Africa's highly entrepreneurial culture can be leveraged to drive broader growth and elevated global competitiveness. We need to ask how African HNWIs' investment patterns are likely to respond as African financial markets become more developed. And the final question is how can Africa's HNWIs access the global wealth generation and preservation industry more effectively?

It is questions such as these that individuals, entrepreneurs and corporates can ask themselves when forward-planning. At the same time, they point to the value.



**THE  
ART OF  
WEALTH**

**05**

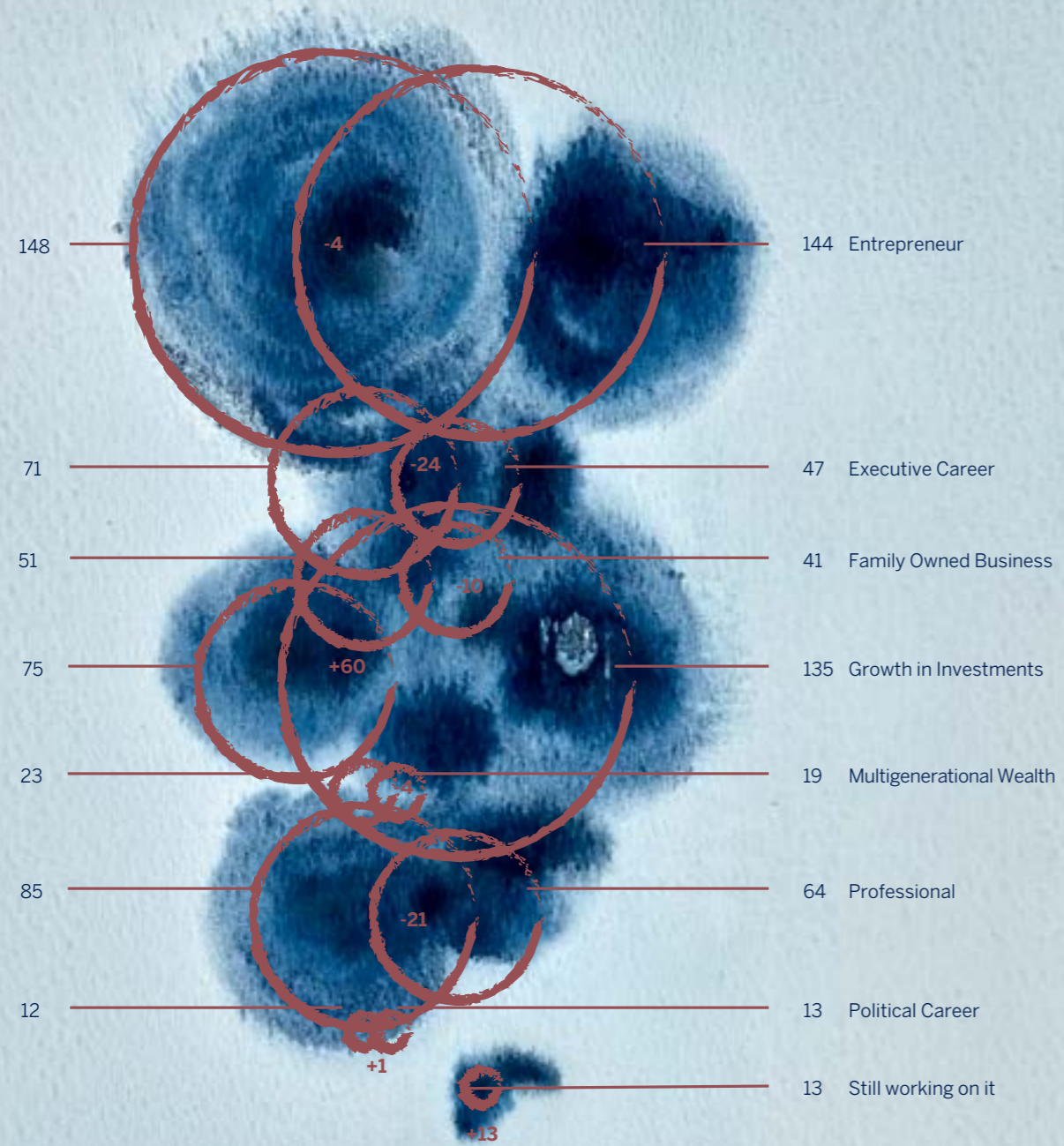


**PHOTOGRAPHER /** Adam Birkett

HOW DID YOU  
GET YOUR FIRST \$1M?

THE DIFFERENCE

HOW HAVE YOU  
GENERATED WEALTH SINCE?



THE CHANGING MEANS OF  
WEALTH CREATION

	a.	b.	c.
Entrepreneur	148	-4	144
Professional	85	-21	64
Growth in Investments	75	+60	135
Executive Career	71	-24	47
Family Owned Business	51	-10	41
Multigenerational Wealth	23	-4	19
Political Career	12	+1	13
Still working on it	0	+13	13

a. How did you get your first \$1m?  
b. Difference  
c. How have you generated wealth since?

“

Everyone's path to business success is as unique as they are.

- Chris Browne,  
Standard Bank Wealth and Investment

”

Among the key findings of the **African Wealth Report 2020** was that the continent's economic landscape is a far more varied and dynamic tapestry than is typically realised.

The 265 high-net-worth respondents who participated in the report hailed from a diverse array of industries, highlighting the complexities and regional nuances of Africa's economic landscape. Real estate, manufacturing, construction, financial services, technology, oil and gas, education, entertainment, retail and trade were all among the sectors most-cited as paths towards wealth creation.



## A Continent of Entrepreneurs

Underscoring Africa's inherent diversity, the report revealed that the continent is home to a number of highly successful entrepreneurs. No less than 148 of the 265 respondents from the five surveyed markets of South Africa, Kenya, Mauritius, Nigeria and Ghana cited entrepreneurship as their chosen path towards accumulating their first \$1 million. By contrast only 71 chose an executive career while a further 51 made use of the family business as a viable path towards wealth creation. Even when asked how they continued creating wealth beyond their first

\$1 million, entrepreneurship stood head and shoulders above alternatives such as an executive career (47) or family-owned business (41). Further highlighting the theme of self-reliance, less than 10% of respondents indicated that they had inherited their wealth.

Although every individual's path to business success is as unique as they are, the fact is that the nature of the market in which one operates has an inordinate influence on the way that wealth is accumulated. In less developed economies, there simply aren't enough established companies

and senior corporate positions available to enable individuals to accumulate substantial wealth via a traditional executive career. Yet the ability of people to nevertheless still acquire considerable wealth in such markets suggests that real economic transformation and progress can be achieved when entrepreneurship is allowed to flourish.

Of the five countries surveyed, respondents from Nigeria, Ghana and Kenya were far more likely to cite entrepreneurship as the main driver of wealth creation. By contrast,

respondents from South Africa and Mauritius, with their more developed and sophisticated financial systems, were more likely to have opted for a traditional corporate career as a path towards achieving financial freedom.

The report found that entrepreneurship is often constrained in the continent's comparatively wealthier markets like South Africa and Mauritius, where the dominant perception is that the formal sector is the smoothest route to both employment and wealth. The difference in the fortunes

of entrepreneurs in the various countries surveyed also brought some important issues to light. A limited formal sector means entrepreneurship is often the only viable route to wealth for many. This suggests that much can be achieved if entrepreneurs are given the space to solve problems directly, supported by an enabling business and policy environment.

Although more developed markets, with their sophisticated financial and professional services infrastructure, can be a strong source of support for entrepreneurs, they can also act

as barriers to entry impeding the development of entrepreneurship that is abundant in economies with less formal means of enterprise.

The high number of executive careers and the professions of South African respondents also highlight a critical shortcoming of the nation's economy – an over-reliance on the established formal sector and not enough disruptive entrepreneurial activity. This implies that the continent's richest country can learn much from the entrepreneurial experiences of its northern counterparts.

To counter the inadvertent barriers to entry created in larger economies with more established formal sectors, entrepreneurs in countries like South Africa need better and more innovative financial support; greater access to markets and supply chains; as well as targeted training and mentoring programmes from both the public and private sector supply chains.



## Risk-taking Versus Hard Work

While economies like Nigeria and Ghana have comparatively smaller formal sectors, their greater number of vibrant small businesses which account for the bulk of employment, means that entrepreneurship is a popular route to wealth creation in these markets. The relative shortage of formal sector positions that offer a viable path towards wealth accumulation through formal executive careers means that people in these markets are more likely to use entrepreneurship as an alternative means of building wealth.

The differences in these two paths to wealth are perhaps best summed up in the words of the survey participants themselves. One South African respondent attributed his wealth to “qualifications and hard work” while his Kenyan compatriot cited “guts, resilience, intensity, tenacity”. In essence, both of these responses highlight the respective qualities required to get ahead in the corporate world versus those required in a more entrepreneurial environment. Equally, it illustrates the age-old adage that necessity is the mother of all invention. Where formal sector employment

prospects are slim, Africa’s wealthy tend to innovate and hustle in order to not only make ends meet, but to build substantial wealth as well.

Africa’s people are resourceful, inventive, creative and above all, tenacious.

Entrepreneurs can also benefit from less developed tax systems. One Nigerian interviewee said of his country: “The tax systems are less developed, so the proportion of your income that you are able to reinvest is significantly higher than in other [countries] where you sometimes

have to remit 40% of your income.” However, this does not imply that there is a lack of tax compliance in less developed markets. A Kenyan respondent indicated that tax compliance is still important to ensure that your wealth remains secure. “If you do not pay your taxes, whatever you have is not yours. The authorities can come and take it. So, you really need to be on the right side of taxation. You need to be able to tax plan for your business.”

In markets where the formal sector is seen as a preferred path to wealth and employment, the talented and ambitious tend to spurn entrepreneurship for a number of reasons ranging from the perceived status and prestige of formal sector employment, as well as perceptions of risk.

Nigerian academic Kalu Ojah, a professor of finance at South Africa’s Wits Business School, states that the findings of the **African Wealth Report 2020** validate academic research that looked at entrepreneurs’ transitioning

rates through stages of the entrepreneurship process or business life cycle in Nigeria and South Africa. “We found they tend to progress through these stages better in Nigeria than in South Africa. We also found preliminary evidence that differences in personality traits between the sets of entrepreneurs in the two countries explain the differential rates of success across entrepreneurship stages.”

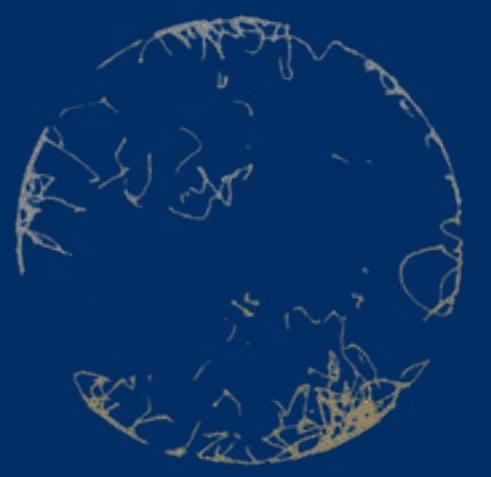
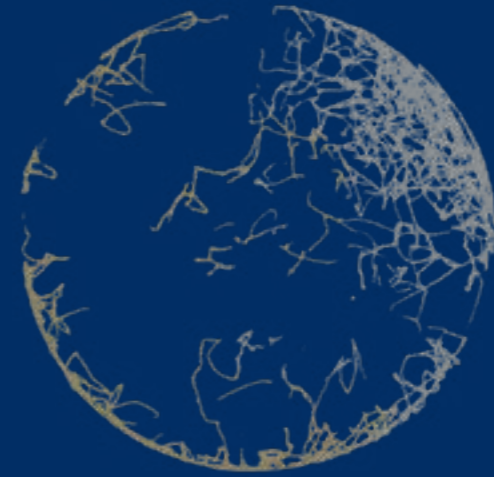
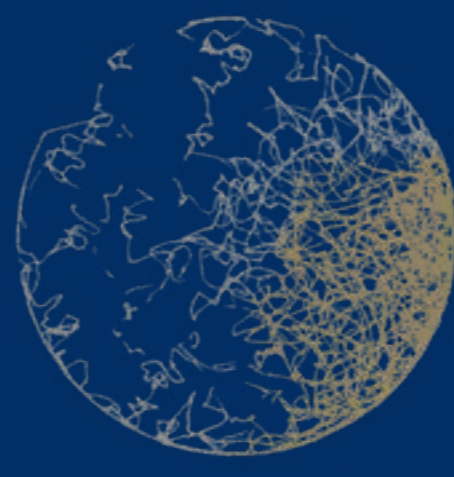
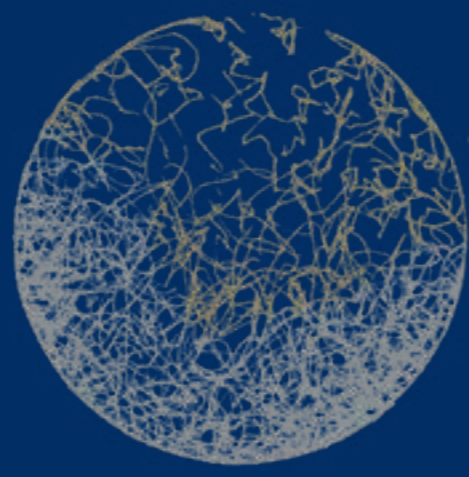
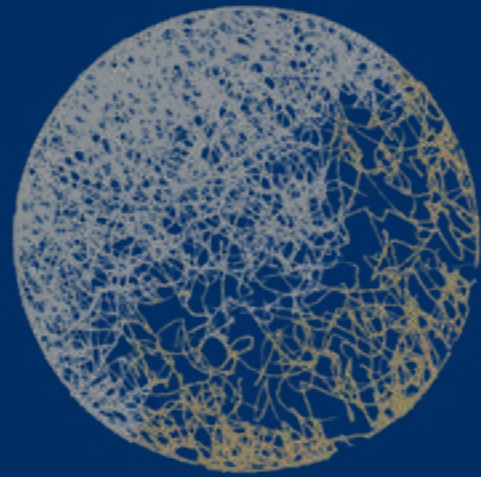
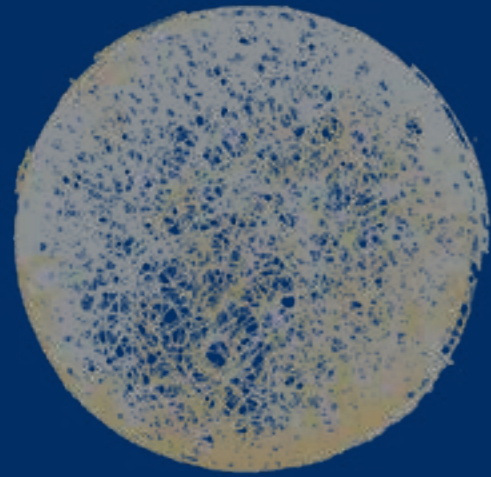
“  
...**HARD WORK BUILDS WEALTH**  
”

### **The Favoured Sectors for Wealth Creation in Africa**

Among those who cited entrepreneurship as their primary route to wealth, the main industries were real estate, construction, trade, oil and gas, retail and manufacturing. Interestingly, none of the entrepreneur respondents said they'd made their money from tourism and hospitality, despite it being a prominent industry in several African markets. Entrepreneurs were particularly active in real estate, with this being the most common economic sector for entrepreneurs in Nigeria, South Africa and Kenya. Regional variations also shone through in that oil and gas is the second most common industry among Nigerian entrepreneurs, a consequence of the country's well-established hydrocarbons industry. Similarly, financial services emerged as a favoured sector in Mauritius, underscoring the island nation's status as an African financial hub. South Africa and Kenya were the only countries where entrepreneurs named manufacturing among the top four industries for wealth creation.

A surprisingly high proportion of respondents – nearly 9 in 10 – indicated that they were able to expand their fortunes beyond the initial \$1 million threshold. However, as respondents became richer, the means by which they continued to amass wealth appeared to change. While entrepreneurship remained a favoured means of continued wealth accumulation, falling to just 144 respondents from a previous 148 once the initial \$1 million level had been reached, there was a noticeable drop (-24) in the number of respondents who opted to continue with an executive career as a means of building wealth beyond that level. Similarly, family-owned businesses also became a less important component of wealth creation as respondents became wealthier.

AFRICAN WEALTH IS DRIVEN  
BY ENTREPRENEURSHIP



ALL



Ghana 78.8%



Kenya 69.6%



Nigeria 66.1%



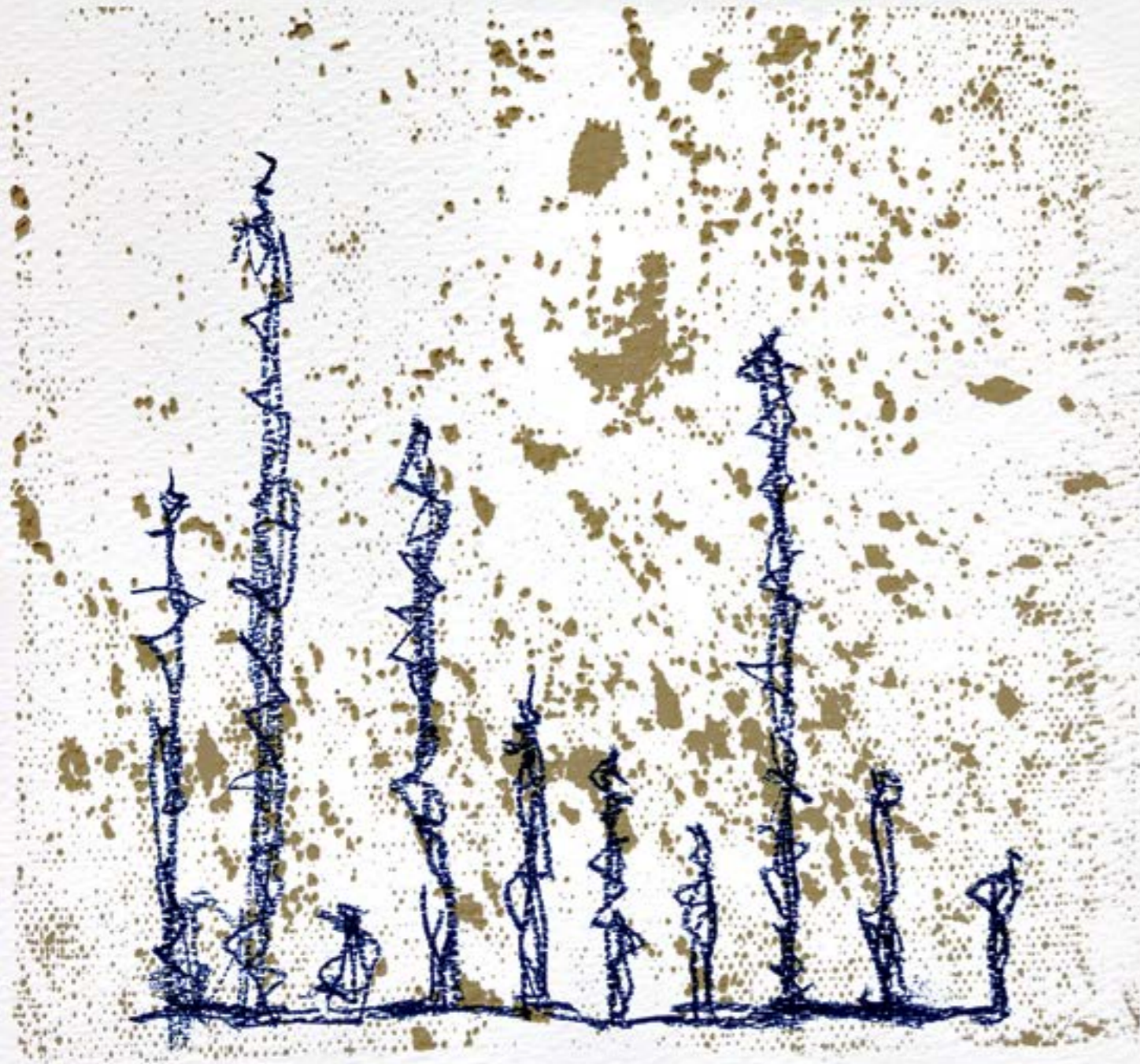
Mauritius 33.3%



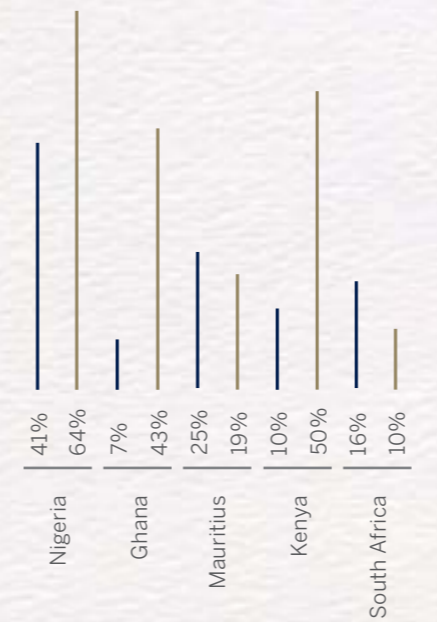
South Africa 29.2%







PROPORTION OF RESPONDENTS WHO ENGAGE IN ENTREPRENEURIAL ACTIVITY ON THE SIDE



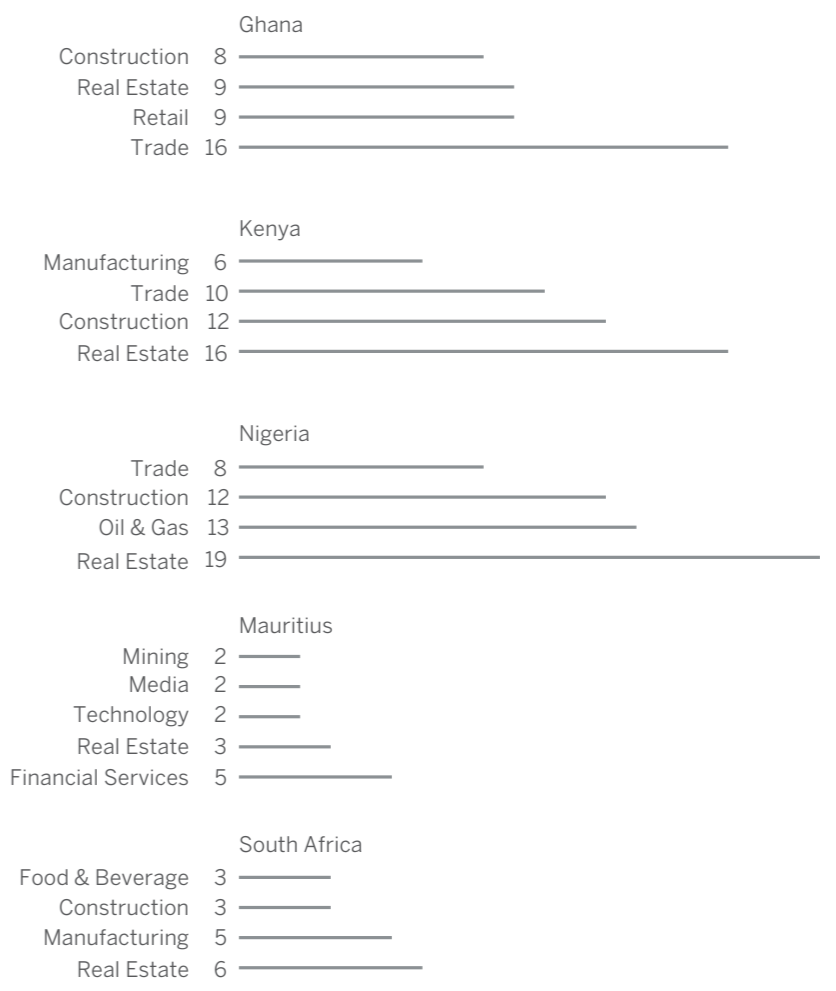
■ Entrepreneurs who are also executives  
■ Executives who are also entrepreneurs

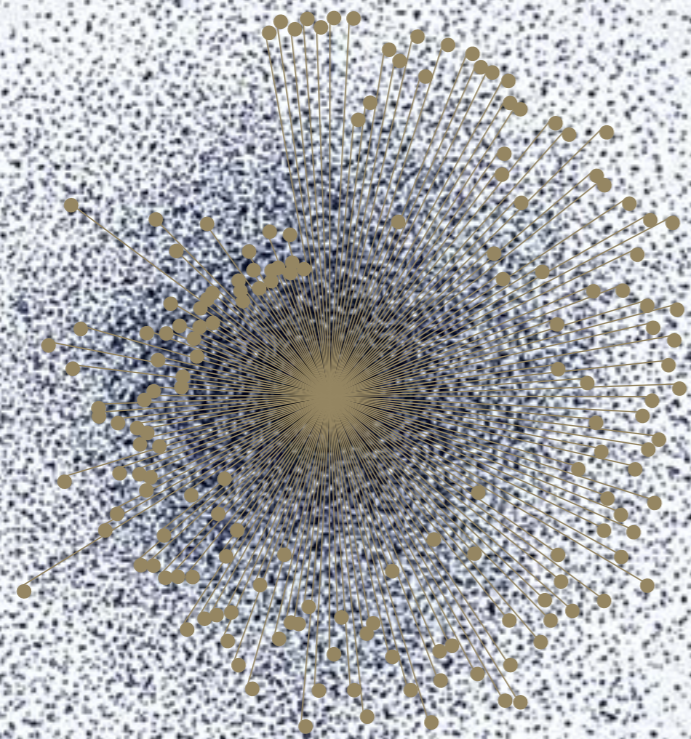
**Entrepreneurship is a side activity of respondents who have executive careers, particularly in Nigeria, Ghana and Kenya.**

- Survey Finding

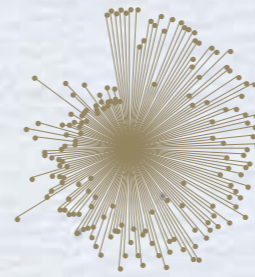


**FAVoured INDUSTRIES FOR  
ENTREPRENEURS BY COUNTRY**





**VARIETY OF INDUSTRIES**



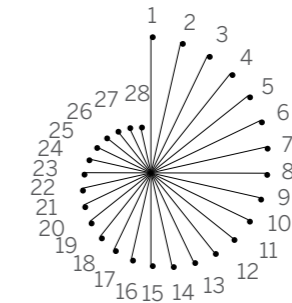
**KEY INDUSTRIES INVOLVED**

1. Real estate
2. Manufacturing
3. Construction
4. Technology
5. Financial services
11. Oil & gas

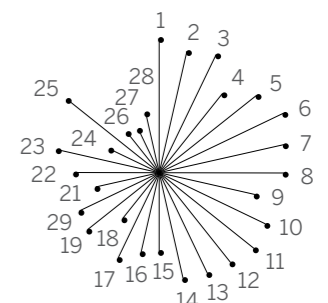
**OTHER INDUSTRIES**

6. Trade
7. Retail
8. Banking
9. Food & beverage
10. FMCG
12. Energy
13. Travel & tourism
14. Education
15. Government & politics
16. Healthcare
17. Mining
18. Insurance
19. Agriculture
20. Accounting, Tax, Consulting
21. Transport & logistics
22. Telecommunications
23. Media
24. Investments
25. Entertainment
26. Legal
27. Engineering
28. Minerals
29. Professional services
30. NGO
31. Pharmaceuticals

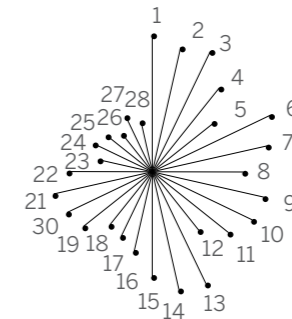
All countries



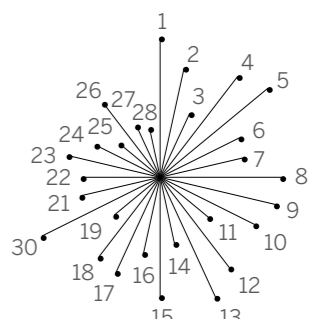
Ghana



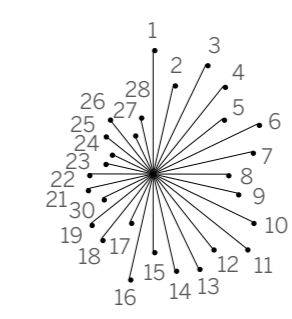
Kenya



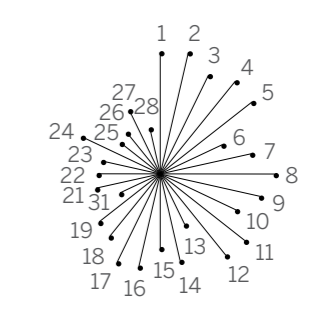
Mauritius

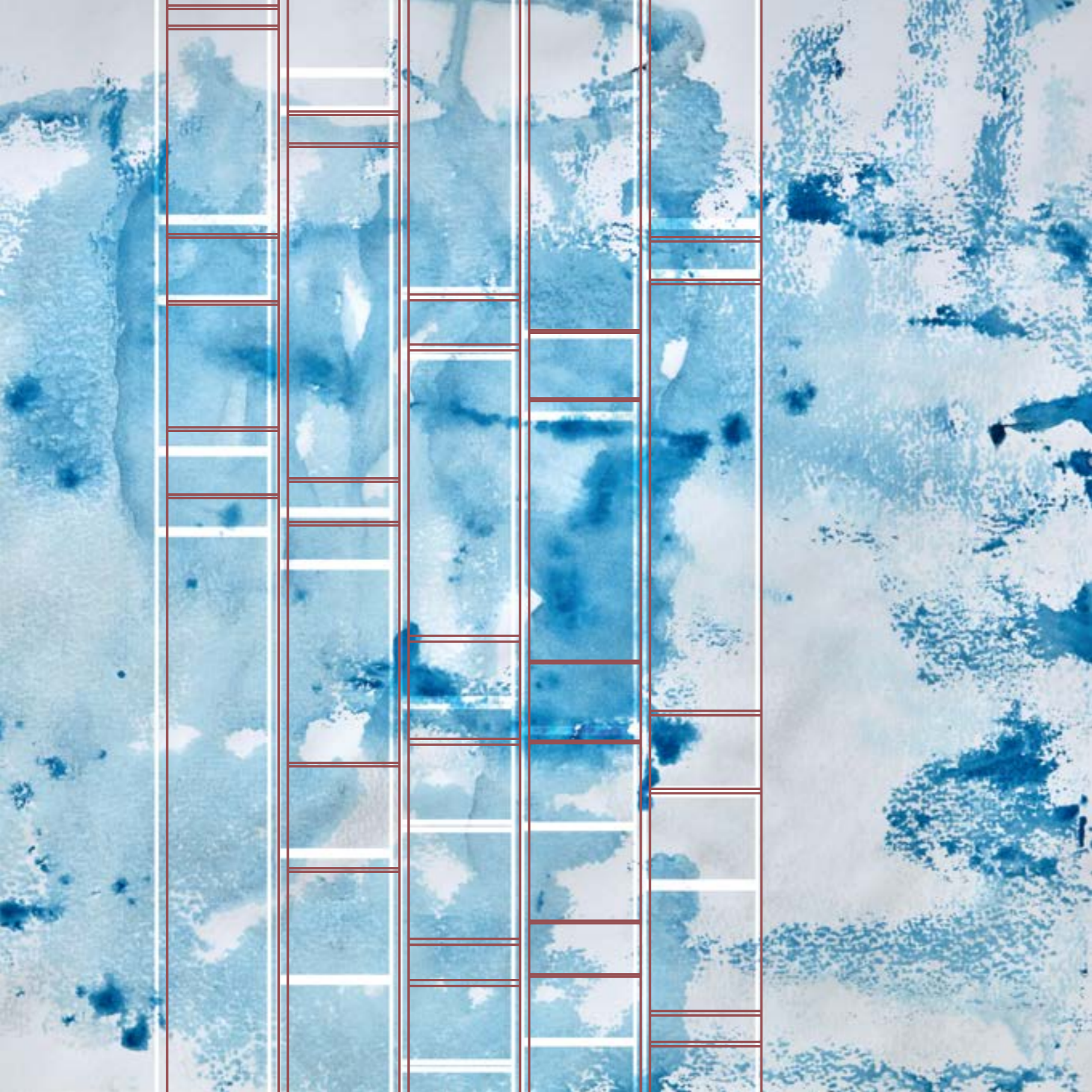


Nigeria



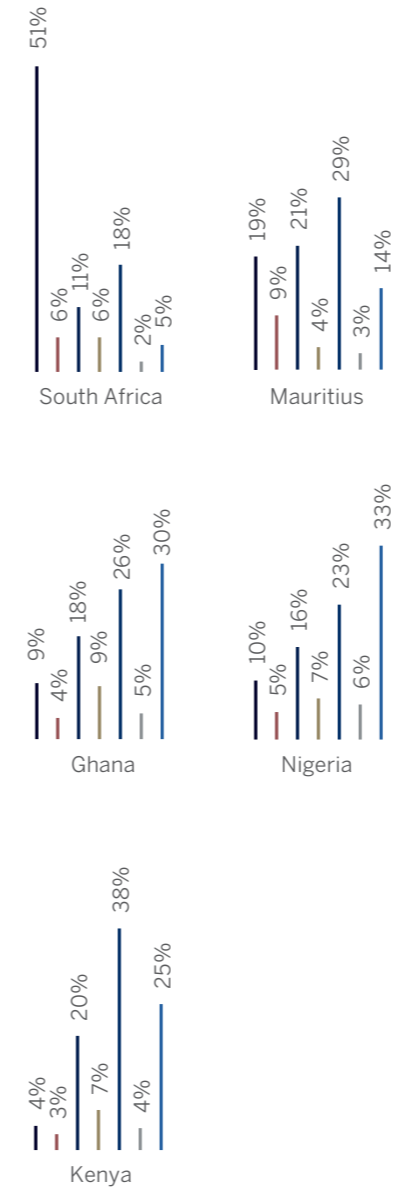
South Africa





## HOW AFRICANS PRESERVE THEIR WEALTH

- Stocks or equities
- Bonds and other debt instruments
- Cash or bank deposits
- Alternative investment vehicles
- Tangible assets
- Lifestyle assets
- Investments in own business



## Healthy Investment Choices

The use of investment assets as a means of accumulating additional wealth increased (+60) as respondents moved beyond the initial \$1 million threshold. However, the degree to which this method of wealth accumulation was utilised was not consistent across countries, a reflection of the varying degrees of sophistication in the investment sectors of each market. Nearly three quarters of South African respondents used investment assets to grow their wealth beyond their first \$1 million compared to far less than half the respondents in Kenya, Nigeria, Ghana and Mauritius. This is not entirely surprising given the comparative scale of South Africa's stock market and its well-developed and sophisticated investment industry. The Johannesburg Stock Exchange is counted among the top 20 stock exchanges in the world by market capitalisation and is the largest exchange on the African continent.

In the 2019 World Economic Forum Global Competitiveness Report, South Africa was ranked 29th out of 141 countries for the soundness of its banks and 20th overall for the depth of its financial system.

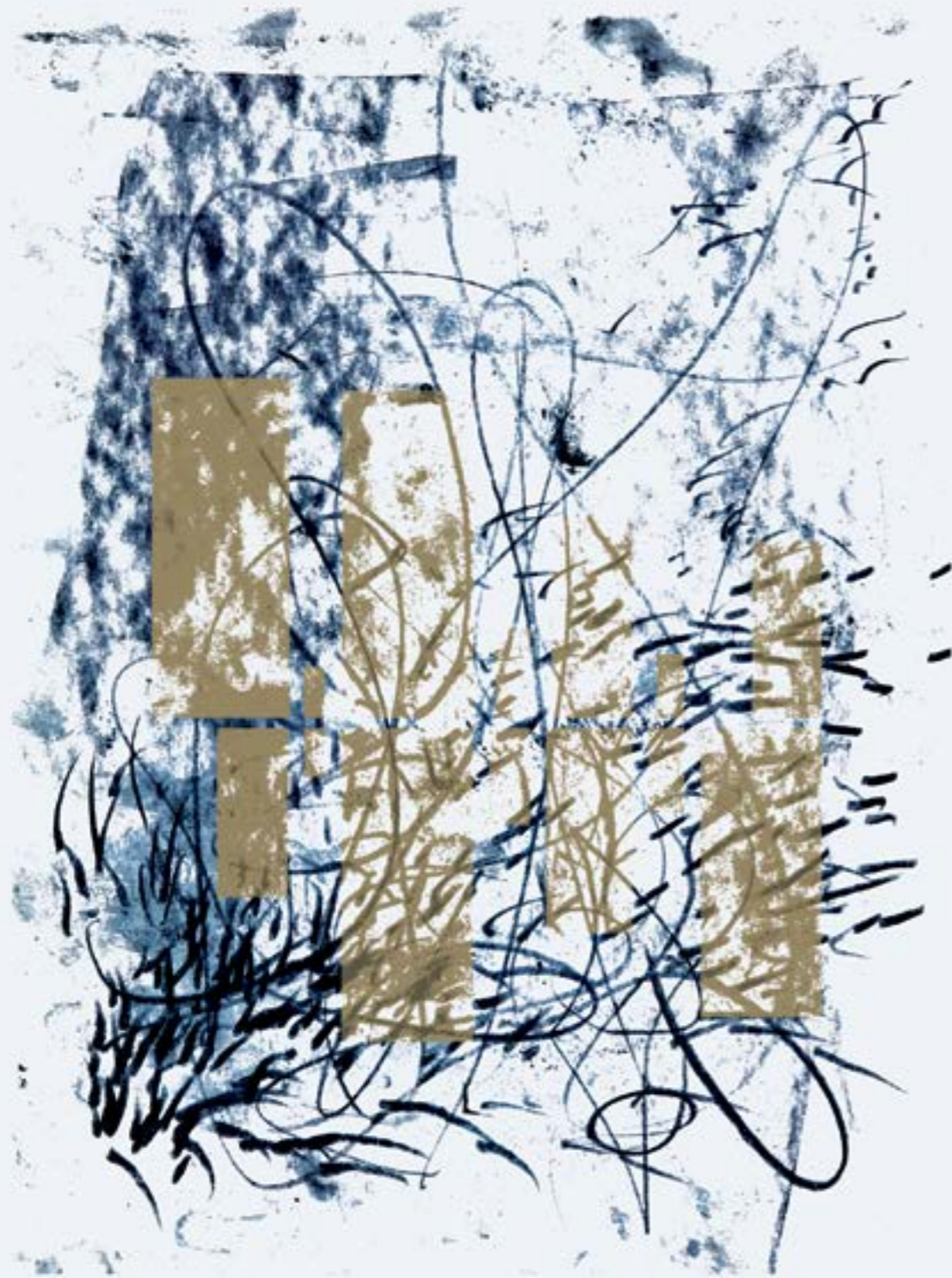
In other markets, where stock exchanges are both smaller in terms of overall market capitalisation and less liquid, property is the favoured asset class for consolidating and growing wealth. This finding is supported by World Bank figures which show that in South Africa stock market turnover was 120% of gross domestic product (GDP) in 2017. In Mauritius, it was less than 5%, while in Kenya, Nigeria and Ghana it was fractions of a percent. Wealth preservation strategies among respondents tended to be conservative with 8 of 10 opting for a combination of tangible assets; investing in their own businesses; stocks or equities; and cash or bank deposits.

## How Africans Preserve Their Wealth

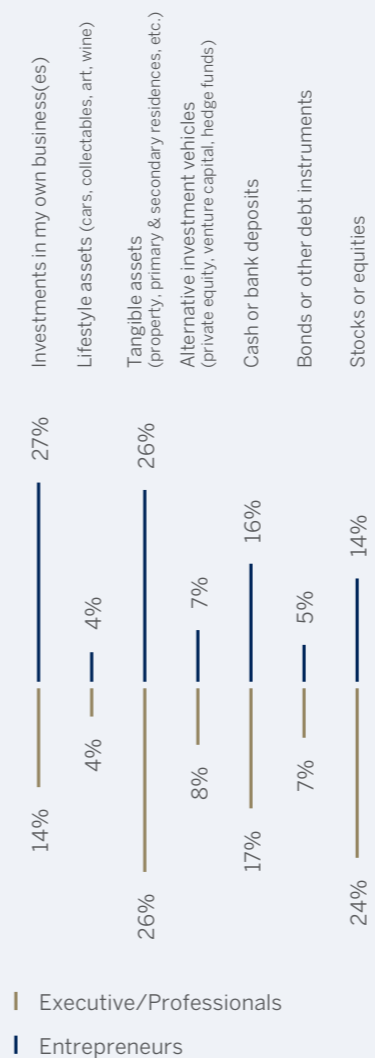
Once again, the preferred mix of asset classes for the purpose of preserving wealth differed starkly between countries. In South Africa, stocks or equities (51%) were by far the most popular asset class for preserving wealth with tangible assets such as property comparatively less important (18%).

growth in the medium to longer term." By contrast, tangible assets were the preferred asset class for wealth preservation in all other markets surveyed with the figure being highest in Kenya (38%) followed by Mauritius (29%), Ghana (26%) and Nigeria (23%).

The rationale for this among South African investors appears to be growth with one respondent saying: "You must have at least 50% of assets in equity. Otherwise there's not much income or



### THE WEALTH COMPOSITION ENTREPRENEURS VS. PROFESSIONALS



### Strength in Diversification

The insights show that there is a strong appreciation of the power of diversification across Africa, which was consistently cited by respondents across all markets as being critical to long-term wealth preservation. Yet while there was a strong belief in the need to spread one's investments across a range of asset classes, in practice there were marked differences in terms of the strategies employed to achieve that goal. Some spoke of the importance of having a diverse portfolio of assets, including property and financial assets, but also about the importance of diversifying sources of revenue across multiple business activities and supply chains. It was clear that respondents see

diversification as a valuable risk mitigation tool, which they use in both their businesses and investment portfolios.

Another respondent from South Africa stressed the importance of both "diversification and financial discipline, investing in business, and fixed properties such as land." Another stressed: "Offshore equities should also be a portion. I often use asset swaps or whatever to get an offshore component. Diversification across investment classes and geographies is important."

While a relatively small amount of respondents' wealth was invested in alternative investment vehicles such

**“ All business is risky. I have diversified my portfolio and invested in different things. I have property, I am in farming, I have a car hire business. So, I might lose in one area but not in all. ”**

#### - Survey Respondent

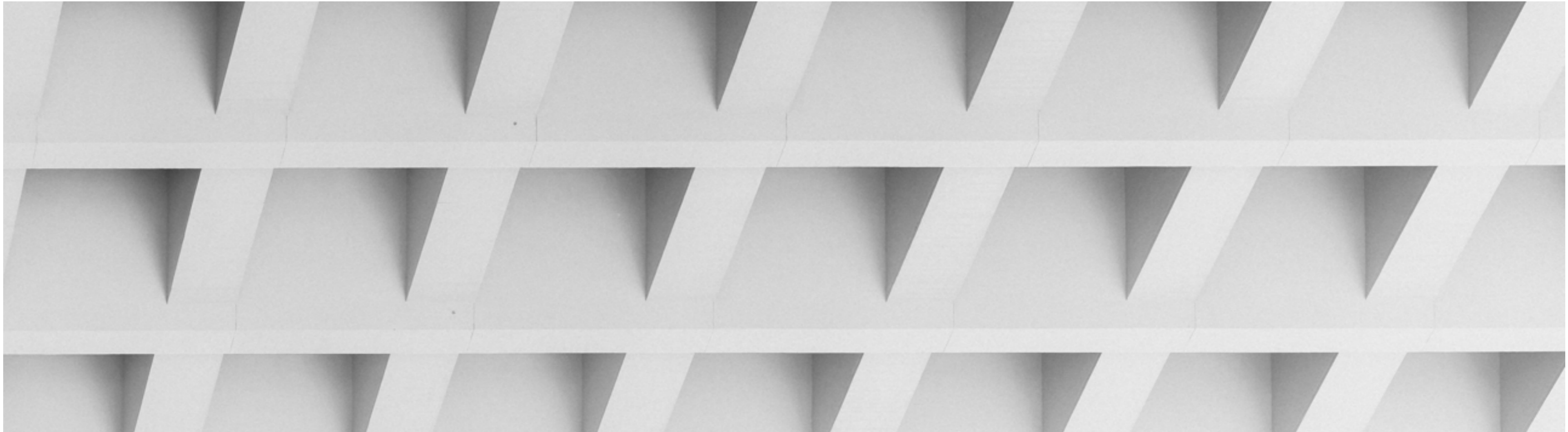
as private equity, there was a high degree of interest in private equity and start-up companies. Hedge funds were the only alternative investments where there were more respondents who exhibited no interest than those who already had exposure.

respondents from Ghana, Nigeria and Kenya were of a generally younger demographic than those in South Africa.

Regional variation was also clear in the amount of wealth respondents had invested in their own businesses. Ghanaians, Kenyans and Nigerians all had at least a quarter of their wealth invested in their own businesses, with Nigerians allocating a third. South African respondents occupied the opposite end of the scale and invested only 5% of their wealth in their own ventures. This may reflect the fact that

While it may also reflect the strong entrepreneurial streak prevalent in these three countries, respondents also appeared to believe that continued investment in what had helped them accumulate wealth in the first place was a prudent strategy. One Nigerian interviewee said:

"One of the major problems business people have is that ... they withdraw the capital and use it for pleasure, but I don't think that is the right thing. As [my] business is growing, I should keep investing in my business more so that it can grow bigger and better."



## Property is Ever-popular

Real estate stands out as the primary repository of wealth, particularly in markets that lack sophisticated stock exchanges and other investment product markets. Wealth preservation is unique to each individual, but what is clear is that property has a powerful psychological impact on most people, with respondents not only thinking of it as an investment vehicle, but also as a source of family financial security, growth and a means of avoiding the psychological temptation that more liquid assets invoke.

Homes were seen as tremendously important with between 92% and 98% of respondents from all countries surveyed owning their primary residential residence. A high proportion of respondents also owned secondary residential properties, although this was not the case in South Africa where just more than half of those who took part in the survey said they owned a secondary home.

Ownership and interest in tangible assets other than the primary

residential home, such as commercial real estate and farmland, was significant although, once again, South African respondents were noticeably more wary than those in other countries. Nigerians were the most widely invested across property types, with most respondents also holding commercial real estate and farmland. Respondents from both Nigeria and Mauritius were most likely to hold foreign property, with 43% and 41% respectively indicating that they currently own property outside of their

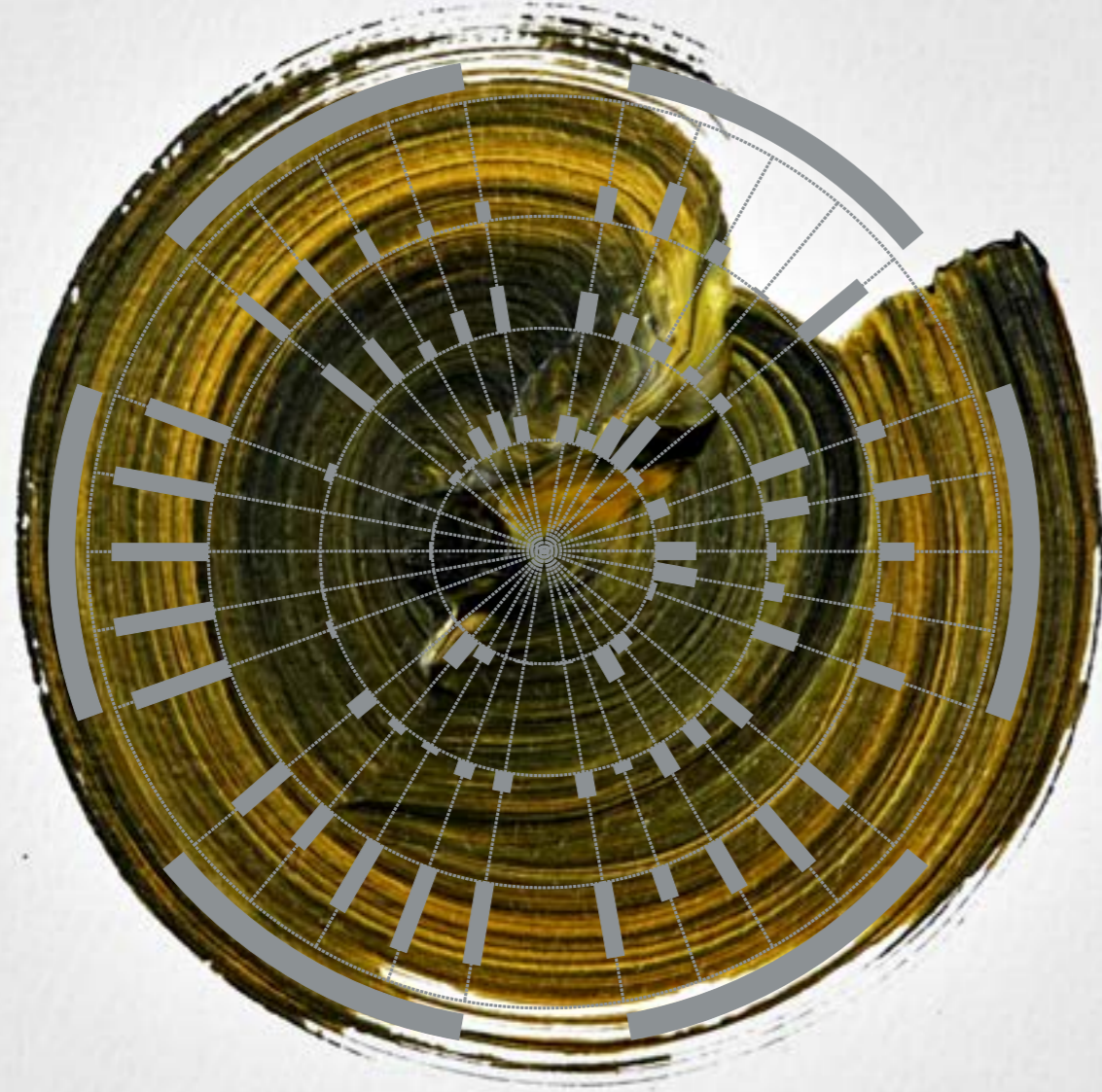
home countries. Interest in holding foreign property was strongest among Ghanaians (63%) while more than half of Nigerians and Kenyans were similarly intrigued by offshore property holdings. Somewhat surprisingly, 43% of South African respondents exhibited no interest in foreign property. The rationale for investing in real estate seemed to hinge on the lack of availability of property investment in certain markets as well as the relative illiquidity of the asset class.

In Ghana's capital Accra, for instance, access to land is difficult to negotiate and is politically controlled, with much of the available land under communal stewardship. However, there is significant demand for housing in Accra, particularly high-end accommodation for the use of the city's emerging upper-middle class and the expat community. Capital growth and security of tenure stand out as major drawcards for investing in property. Ghanaians, for instance, strongly support the use of land and real estate

as an investment target. One of our interviewees said: "It's clear that developing country real estate is the safest bet for your money as a first step, then you have to look at financial instruments. It has to be a combination. Real estate is a good foundation stone, not because it will make you huge amounts of money but because it secures your money in a convertible way that holds its value."

This view of real estate as an excellent inflation hedge was cited by many of

the respondents. Given that inflation rates in three of the study countries have at times exceeded 20% within the last two decades (briefly above 30% in Ghana in 2001), this concern with protecting spending power is understandable. But it was also a concern in relatively low inflation countries. A retired South African interviewee, for example, said: "A big enemy is inflation, as I am currently retired... and my money is not growing as well as I hoped in the markets."



## Property and real estate are widely owned tangible assets.

### - Survey Finding

#### PROPERTY INVESTMENTS BY AFRICANS

- █ Foreign Property
- █ Farmland
- █ Commercial Real Estate
- █ Residential Real Estate
- █ Residential Property: Secondary Home/s
- █ Residential Property: Primary Home

	No interest	Interested in	Currently own
Ghana	6%	58%	29%
Nigeria	5%	48%	41%
Mauritius	28%	17%	31%
South Africa	34%	31%	14%
Kenya	23%	45%	18%

#### Foreign Property

	No interest	Interested in	Currently own
Ghana	23%	37%	33%
Nigeria	14%	27%	54%
Mauritius	39%	17%	19%
South Africa	55%	11%	3%
Kenya	9%	13%	77%

#### Farmland

	No interest	Interested in	Currently own
Ghana	17%	54%	23%
Nigeria	0%	43%	54%
Mauritius	39%	8%	33%
South Africa	40%	18%	15%
Kenya	4%	43%	45%

#### Commercial Real Estate

	No interest	Interested in	Currently own
Ghana	6%	38%	52%
Nigeria	0%	25%	73%
Mauritius	8%	31%	53%
South Africa	38%	9%	32%
Kenya	0%	23%	73%

#### Residential real estate (rental or investment)

	No interest	Interested in	Currently own
Ghana	2%	17%	79%
Nigeria	0%	14%	86%
Mauritius	14%	6%	75%
South Africa	32%	8%	45%
Kenya	2%	25%	63%

#### Residential Property: Secondary Home/s

	No interest	Interested in	Currently own
Ghana	0%	4%	96%
Nigeria	0%	2%	96%
Mauritius	3%	0%	94%
South Africa	2%	0%	97%
Kenya	0%	7%	84%

#### Residential Property: Primary Home

**Most respondents already own residential property, and second homes in all countries except South Africa. Most Kenyans and Nigerians also own farmland.**

- Survey Finding

**INTEREST IN FOREIGN PROPERTY**



- | 63% of Ghanaians were interested in holding foreign property
- | More than half of Nigerians and Kenyans were similarly intrigued by offshore property holdings
- | 43% of South African respondents exhibited no interest in foreign property







“

**The importance of political stability in allowing for and deepening economic and social progress is beyond debate.**

- Simon Freemantle,  
Standard Bank Economist

”

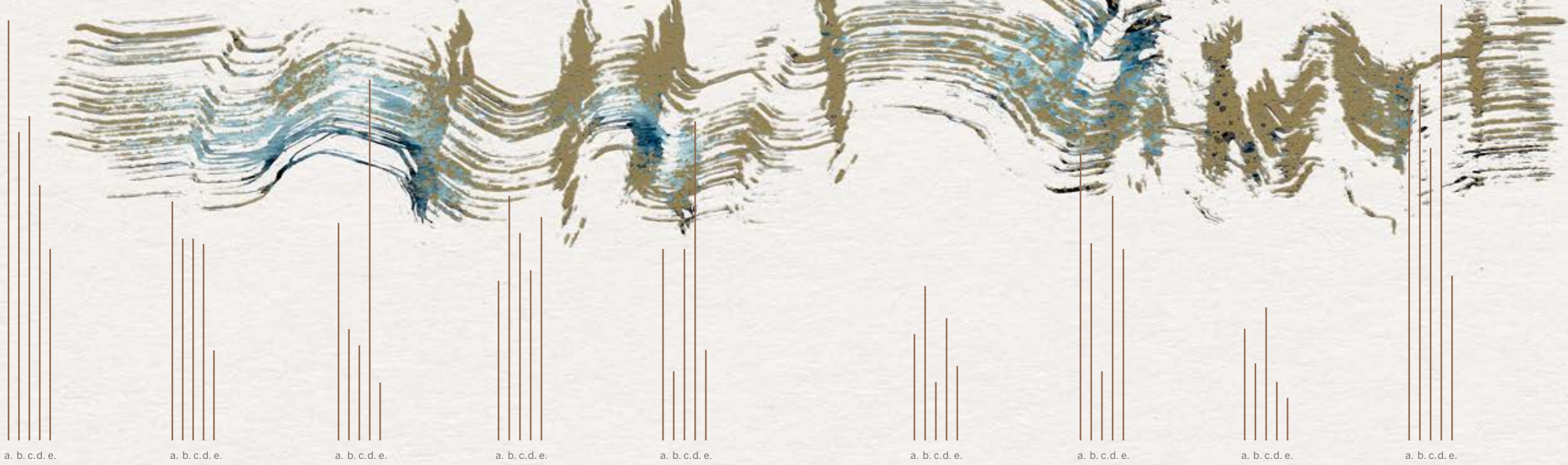
## THE CONCERNS OF AFRICA'S WEALTHY

When it comes to concerns about preserving wealth, political instability and personal security are the key issues for most high-net-worth Africans. The political environment is seen as a significant risk to wealth preservation in the majority of markets surveyed – with 82% of South Africans highlighting it as a concern, followed by Ghanaians (67%), Nigerians (64%) and Kenyans (55%). By contrast, only 31% of Mauritian respondents saw the political environment as a threat, a factor which probably goes a long way towards explaining the country's popularity and appeal as an offshore investment destination.

Political instability is a concern as it can mean policy changes, or unexpected challenges. Political stability allows for better planning, which is critical to driving investment.

Without long-term visibility of the policy environment, it is very difficult to make informed investment decisions as a volatile political climate can dramatically affect the value of assets.

If you have a politically stable society, then chances that the economy would be stable is very high. As one respondent said: "Government policies have always been one of the major factors that is a concern to business people like us. However, we manage as best we can when it comes and make sure our business still thrives."



**FEARS CONCERNING WEALTH**

Personal security and safety

a.	Nigeria	79%
b.	Ghana	58%
c.	Kenya	61%
d.	South Africa	48%
e.	Mauritius	36%

Succession and inheritance issues

a.	Nigeria	45%
b.	Ghana	38%
c.	Kenya	38%
d.	South Africa	37%
e.	Mauritius	17%

Stock market volatility

a.	Nigeria	41%
b.	Ghana	21%
c.	Kenya	18%
d.	South Africa	68%
e.	Mauritius	11%

Personal and family health

a.	Nigeria	30%
b.	Ghana	46%
c.	Kenya	39%
d.	South Africa	32%
e.	Mauritius	42%

Tax on the wealthy

a.	Nigeria	36%
b.	Ghana	13%
c.	Kenya	36%
d.	South Africa	60%
e.	Mauritius	17%

Online security and privacy

a.	Nigeria	20%
b.	Ghana	29%
c.	Kenya	11%
d.	South Africa	23%
e.	Mauritius	14%

Global economic changes

a.	Nigeria	54%
b.	Ghana	37%
c.	Kenya	13%
d.	South Africa	46%
e.	Mauritius	36%

Compliance issues

a.	Nigeria	21%
b.	Ghana	10%
c.	Kenya	25%
d.	South Africa	11%
e.	Mauritius	8%

Political environment

a.	Nigeria	64%
b.	Ghana	67%
c.	Kenya	55%
d.	South Africa	82%
e.	Mauritius	31%

## Importance of Political Stability

Standard Bank economist Simon Freemantle says the “importance of political stability in allowing for and deepening economic and social progress is beyond debate. The absence of political calm – a reality which still besets many African economies – has the ability to fundamentally constrain economic growth and institutional reform, deter investment, and compound already pressing welfare and humanitarian challenges. Conversely, prolonged periods of relative stability allow nascent economic and social gains to take root and begin to meaningfully compound.” He points to data from the Institute for Economics and Peace which underscores the importance of political stability:

- In the last 70 years, per capita GDP growth has been three times higher in highly peaceful countries when compared to the ones with low levels of peace;
- Over the last decade, countries with the largest improvements in peace recorded seven times higher per capita GDP growth than those that deteriorated the most;
- Inflation is on average three times higher and 10 times more volatile in low peace countries than high peace countries; and
- Foreign direct investment inflows are more than two times higher in countries with higher levels of peace relative to less peaceful countries.

The other very widely held concern was personal security and safety, which was the most cited worry in Nigeria and Kenya and the second-most listed concern in Ghana and Mauritius. Surprisingly perhaps, given the frequency of crime stories in the media, it was only the fourth-most reported worry for South African respondents. While ransom-related concerns may not rank highly, personal security and safety is indeed a concern for all South Africans more broadly. One of the big worries for South African respondents to this survey (68%) was stock market volatility, no doubt a reflection of the country’s stock exchange being a favoured investment destination for its wealthier citizens.

Similarly, South African respondents were particularly concerned about taxes on the wealthy with 60% citing this as a major worry compared to only 36% in both Nigeria and Kenya, 17% in Mauritius and just 13% in Ghana.





## How Africa's Wealthy Spend Their Time and Money

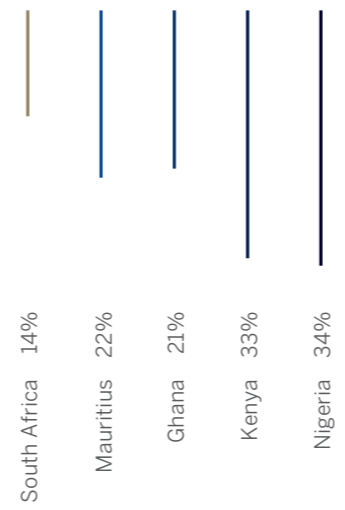
Relatively few respondents opted to give up working after accumulating their wealth, with almost two thirds still working at least 40 hours a week. A significant portion of respondents from all countries still maintain long office hours – between 40 and 60 hours a week – with many still working more than 60 hours a week. While a portion of respondents from each country indicated that they work less than 20 hours a week, or no longer work at all, this must be viewed in context that many are retired, with 52% of respondents being over the age of 65.

A Nigerian respondent said: "For you to be successful in your business you must work hard, you must be a workaholic like the likes of [Nigerian billionaire] Aliko Dangote, Bill Gates and others. They work all round and that has [convinced me to] wake up very early, go to bed late, thinking of how to add some innovations to my business."



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**TIME SPENT AT WORK**  
Percent of respondents  
who work more than 60 hours  
per week



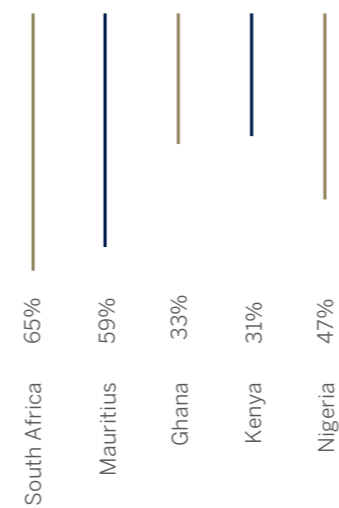
**A high percentage of respondents across countries spend more than 60 hours per week at work.**

- Survey Finding



### SPENDING TIME WITH FAMILY

Percent of respondents who spend more than 10 hours a week with family



**Ghana, Kenya and Nigeria were the only countries where any respondents spent more than 10 hours a week on such restorative time.**

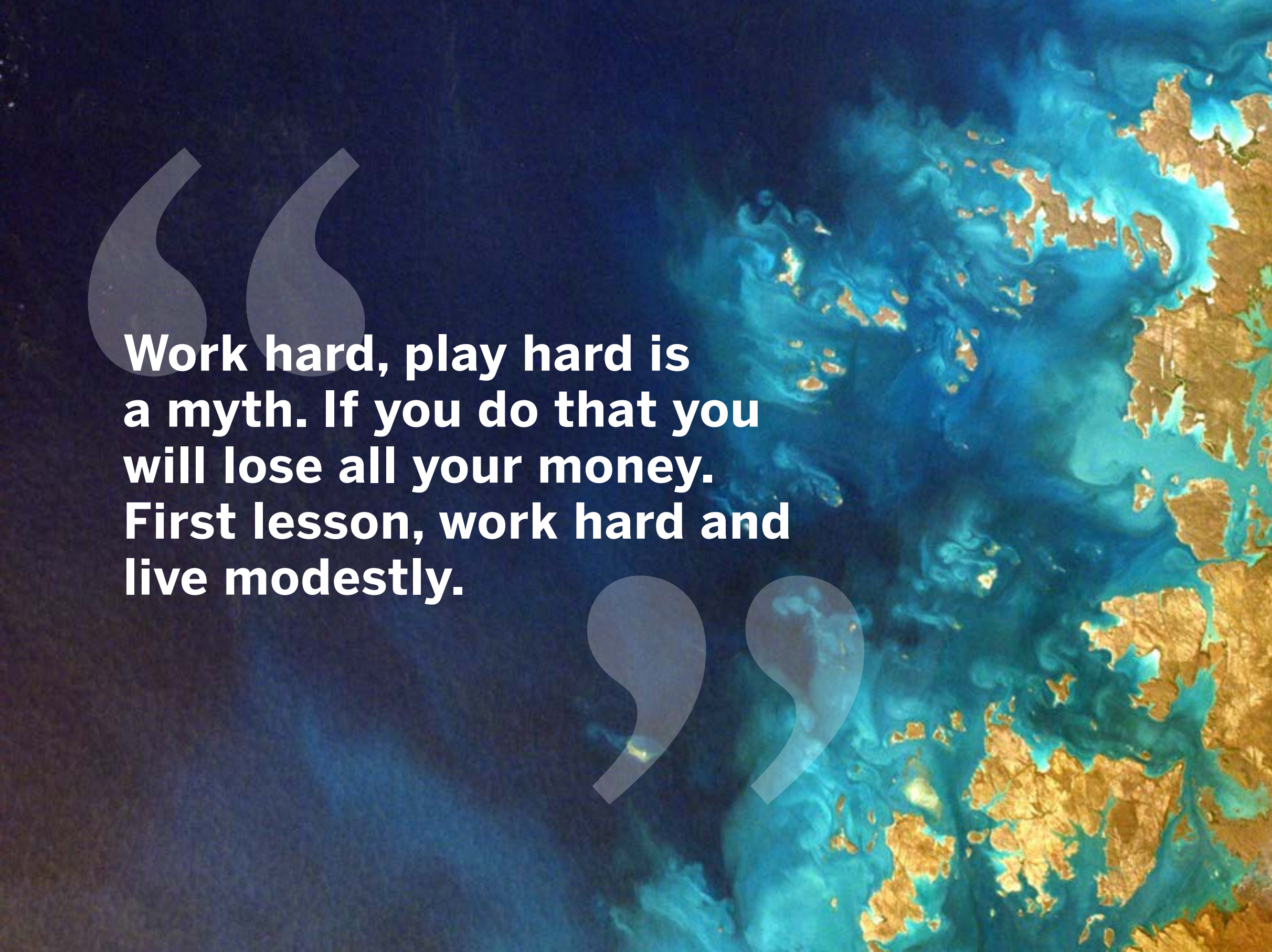
- Survey Finding

### Putting Family First

Leisure time appears to be important to high-net-worth Africans. Time with family was by far the most important leisure activity cited and was particularly important to respondents from South Africa, Nigeria and Mauritius.

As with other questions put to respondents, the answers varied from country to country. The greatest variance between respondents in the countries surveyed was in the time spent on restorative activities such

as prayer, meditation, yoga or other spiritual pursuits. Ghana, Kenya and Nigeria were the only countries where any respondents spent more than 10 hours a week on such restorative time. In Mauritius and South Africa, no respondents spent more than 10 hours a week on these activities and a significant proportion (39% and 27% respectively) didn't spend any time on them at all. All the Nigerian respondents spent at least some time on restorative activities, the only country where this was the case.



**Work hard, play hard is a myth. If you do that you will lose all your money. First lesson, work hard and live modestly.**

### **Spare Time is Precious, Use it Wisely**

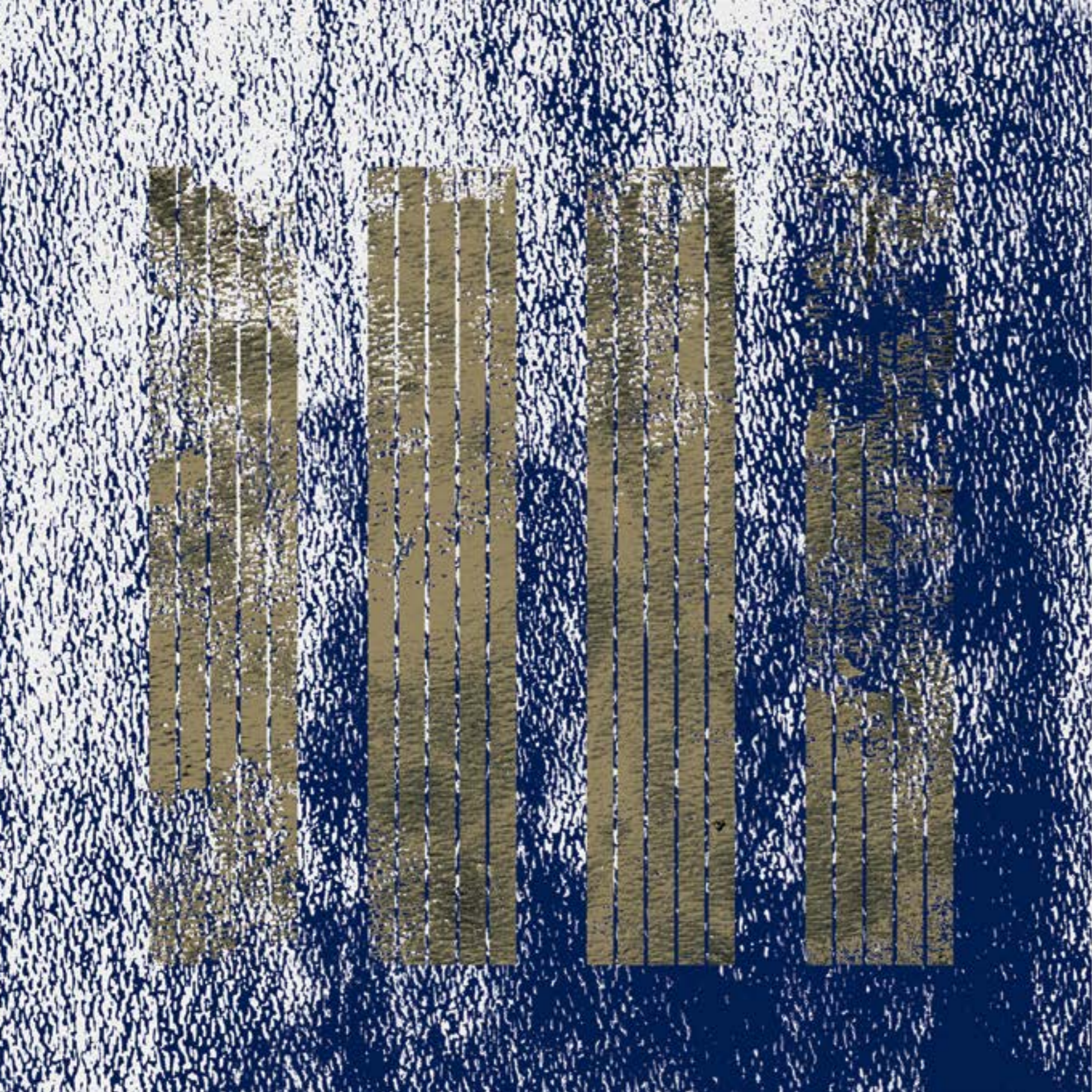
Respondents in all countries indulged in similar leisure activities: travel, health and exercise as well as reading. They also exhibited very low levels of participation in activities such as horses, horse racing, boating and yachting.

A Kenyan respondent said: "The fact that I have been investing in assets is [what] allows me to have the fun of it and I have travelled a lot since I retired." A Mauritian respondent emphasised the importance of balance. "I spend money on family vacations, invest in education, entertainment such as movies on weekends while some spending is done with family on a yearly basis."

Although one of the South African respondents was of the opinion that to have a successful career, one must work 60 hours a week at least, there was acknowledgement that other interests are needed for relaxation: "I cycle a lot, enter competitive races every year. So, I think it's important to do both. I also sail and go diving."

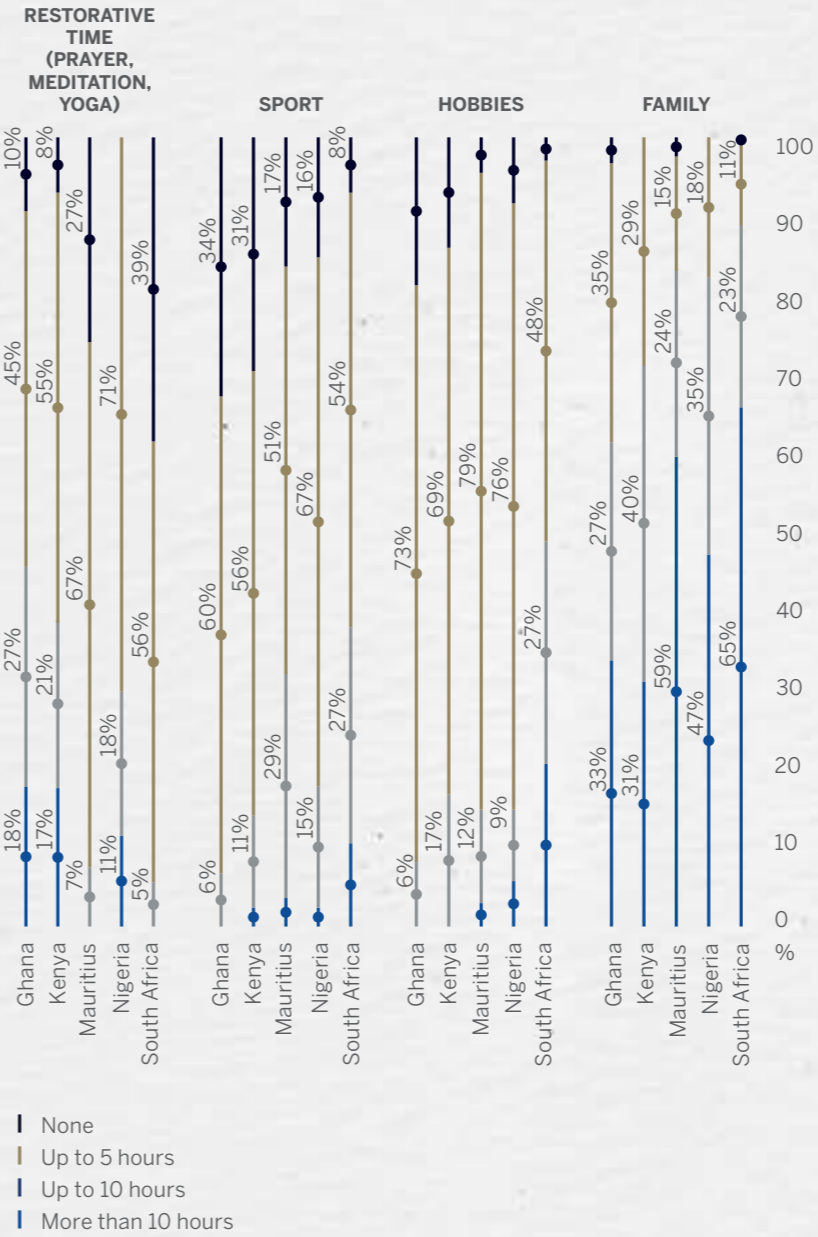
A Ghanaian respondent said: "For every transaction, for every deal that you do, take 10 percent of that money and just have fun with it. There's no sense in working very hard if you aren't going to enjoy the money that you've made and play with it... And when you've made money there's a lot of satisfaction in enjoying it. But there must be a balance, you have to know when to say, 'playtime is over'."

Some didn't agree. A Nigerian respondent indicated he was not willing to spend on leisure. "If you are willing to spend on leisure more than you want to invest, then you must be ready to face hard times in the later part of your life." A Ghanaian respondent concurred, "Work hard, play hard is a myth. If you do that you will lose all your money. First lesson, work hard and live modestly."

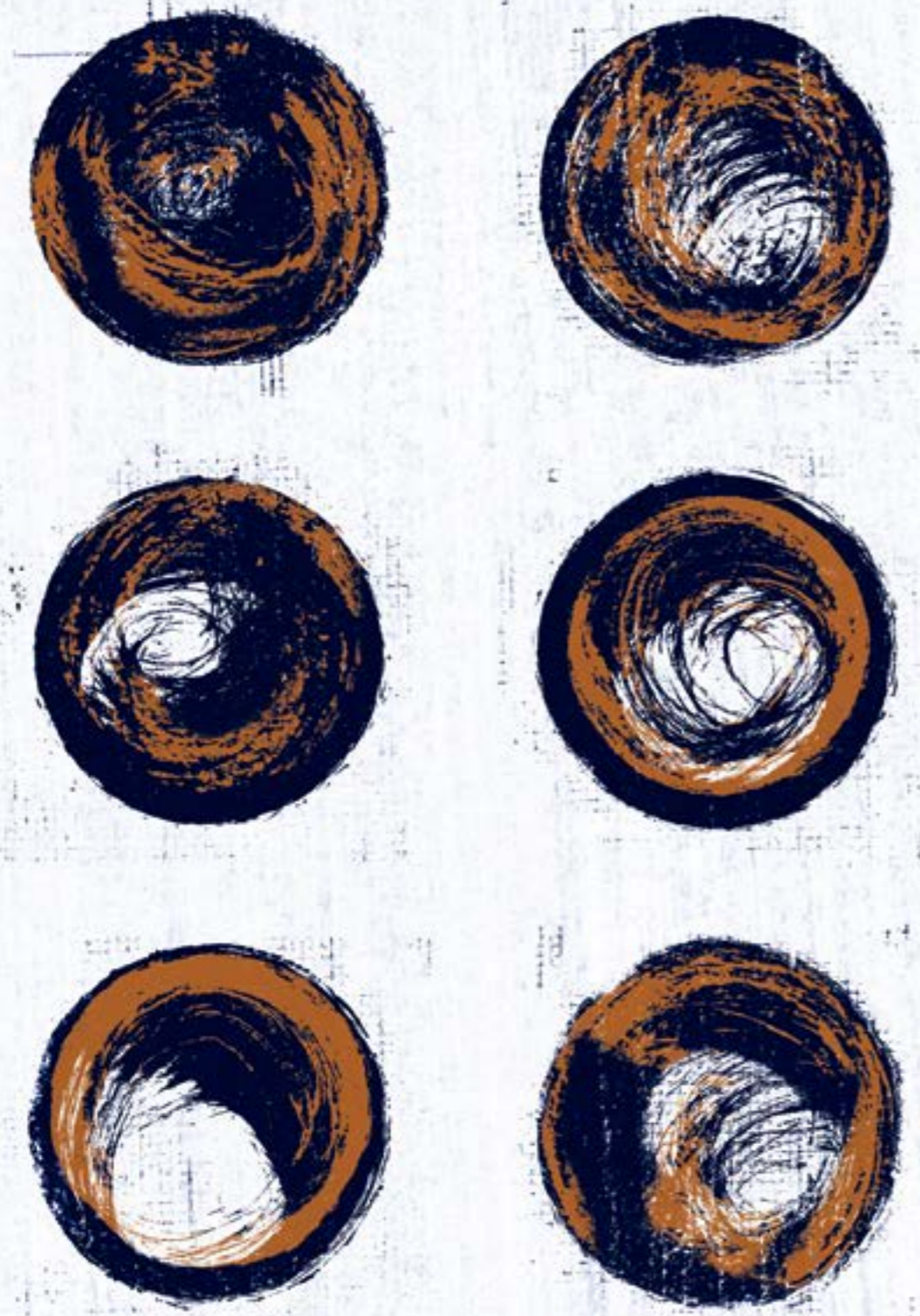


## HOBBIES AND LEISURE

How respondents spend their time across various activities

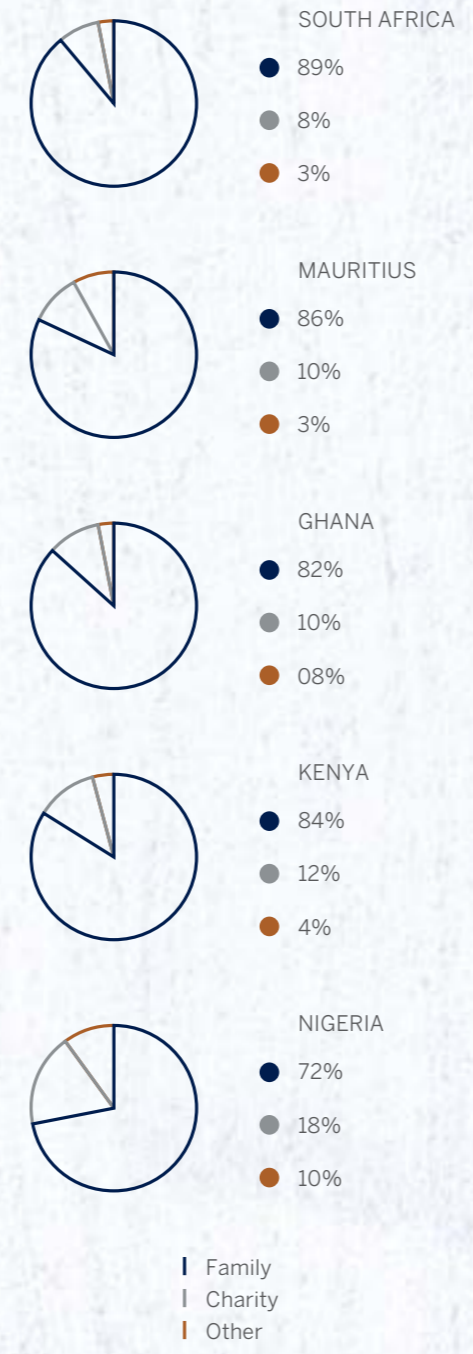






**FAMILY IS THE FOCUS OF BEQUEATHS**

How respondents from different countries plan to split their estates between family, charity and other



**Respondents exhibited a strong sense of responsibility to others and their respective societies.**

- Survey Finding

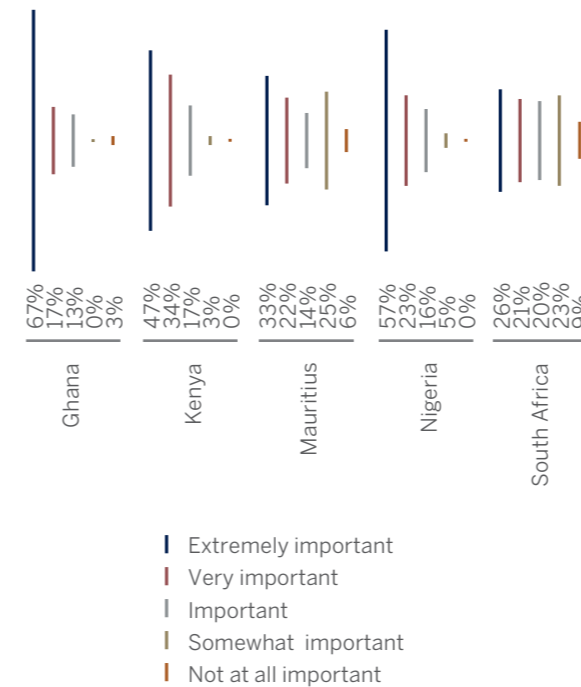
**Leaving a Legacy**

Some two thirds of wealthy Africans support charities, a figure that was quite consistent across markets, while two thirds of those focused their philanthropy on the less fortunate in their own societies. Respondents exhibited a strong sense of responsibility to others and their respective societies.



### A TIME FOR GIVING

Proportion of respondents and their predisposition to leaving wealth to their heirs



### After You're Gone

Losing money to inheritance tax is a concern for 21% of respondents overall, but this is driven up by the fact that 48% of South African respondents cited it as a concern. South Africa was the only country where this was the most widely held concern.

Some 37% of respondents were worried about choosing appropriate heirs and 26% were worried that inheriting money would stand in the way of their heirs creating their own wealth. Leaving wealth to heirs was therefore of great importance to respondents, particularly those from Ghana, Kenya and Nigeria. The majority of respondents from all countries favoured leaving the bulk of their money to their family. This emphasises the high value that African HNWI's place on family and leaving a legacy from which future generations can benefit. Financial plans in Africa therefore need to be crafted in a manner that also takes into account the financial needs of future generations.

### The Next Generation

Family members will overwhelmingly benefit from the wealth of respondents, with charities receiving just 12% on average. One in five respondents will leave all their wealth to their families. Charities will benefit at least a little from roughly two thirds of estates.

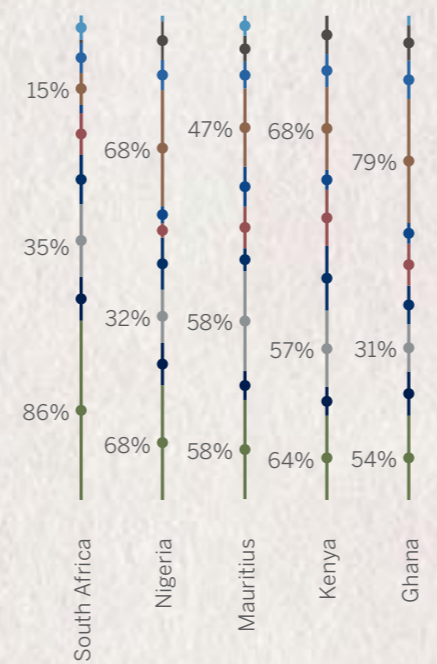
Nigerian respondents emerged as the most charitable and plan on leaving 28% of their wealth to charities and other causes. Only one Nigerian respondent said they would leave their entire estate to their families. South African respondents were the least charitable with family getting 89% by value and 55% saying that their families would inherit everything.



ARTWORK / Handcrafted, Watercolor on Cotton Rag Paper

### GIVING BACK

The percentage of ways that respondents give back to society



- | I don't currently undertake any philanthropic activities
- | Social entrepreneurship: own a company to address social or environmental solutions
- | Invest in companies that support positive social, environmental policies and practices
- | Own a company creating jobs and opportunities for others
- | Work for a nonprofit organisation
- | Serve on the board of nonprofit organisation or foundation
- | Give to university or school endowments
- | Volunteer time, skills and services to nonprofits
- | Have my own or family foundation or charity
- | Give financially to nonprofit organisations

**Respondents indicated in many ways how they contributed back to society.**

- Survey Finding

### The Art of Giving Back

Funding nonprofit organisations was cited by 68% of respondents as the most popular way to give back. This was followed by creating jobs and opportunities (54%) and volunteering time, skills and services to nonprofit organisations (42%).

The least common ways of giving back were working for a nonprofit organisation (11%) and social entrepreneurship (18%). Only six percent of respondents did not undertake any philanthropic activities at all.



**VANTAGE  
POINT**

**06**



**PHOTOGRAPHER** / Brandon Wong



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**This report helps make visible and relevant a demographic that to date has been largely invisible.**

- Deon de Klerk

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## **SHEDDING LIGHT ON AFRICA'S 'INVISIBLE' WEALTH MARKET**

**Deon de Klerk, CE Wealth Africa Regions, Standard Bank**

Standard Bank's inaugural **African Wealth Report 2020** brings to light a highly relevant segment of the global wealth market, which to date has been largely left out of international studies. With the help of leading research house, Intellidex, we have produced a profound body of insights that will go a long way towards promoting a greater understanding of the African HNWI segment – a segment critical to Africa's future. Perhaps most importantly, this report helps make visible and relevant a demographic that to date has been largely invisible.

The significance of Africa's HNWIs cannot be overstated as they are the very people that are practically leveraging the continent's enormous growth opportunities. In the five years between 2013 and 2018 the number of dollar millionaires in Africa grew 8% to

177,265, according to The Knight Frank 2019 Wealth Report. This number is expected to grow by a further 18% over the next five years to 208,713 in 2023. Africa's population of ultra-wealthy individuals, defined as those with net assets worth \$30 million or more, is growing at an even faster rate.

The number of these ultra-high-net-worth individuals (UHNWIs) grew by 10% to 2,050 in the five years to 2018 and is expected to rise a further 20% to 2,450 by 2023.

Yet Africa's wealth market still represents a comparatively small slice of the global wealth and investment landscape, which Knight Frank expects will have no less than 23,404,810 dollar millionaires and 241,053 UHNWIs by 2023. Nevertheless, since most African



countries are still developing their capital market infrastructure, HNWIs in Africa (outside of South Africa and Mauritius) are, arguably, much more significant drivers of economic growth than in other parts of the world. The absence of sophisticated financial market infrastructure on the continent also means that African HNWIs are generally compelled to reinvest their wealth back into their businesses or begin new ventures. This represents an enormous opportunity for the continent's wealth to access a wider variety of asset classes as part of their long-term wealth creation strategies.

Despite the significance of this segment for Africa's growth, previous attempts at further analysis have been faced with limited data, particularly on how their wealth was created; their attitudes to wealth; and how they re-invest and preserve their wealth. By drawing on individual data points, informed by face-to-face interviews, the **African Wealth Report 2020** reveals that the processes underpinning wealth creation, growth and preservation across Africa are being shaped in unique ways.

The fact that African HNWIs travel so much, generally educate their children abroad and eventually seek to externalise their wealth, largely through property in the United Kingdom and the United States, is an important insight. This especially speaks to the need for sophisticated onshore and offshore capabilities for this segment. The propensity for African HNWIs to hold and secure wealth in property, also presents a strong case for the continent's legislators to fast-track legislation that enables more generally accessible and secure land ownership.

The fact that, outside South Africa, the equity component of HNWIs' investment portfolios is so low, also sends important signals to legislators regarding the development of capital markets that offer strong domestic investment propositions. HNWIs in Africa need access to alternate diversification options, beyond just local and global property.

There is a strong need for African HNWIs to have access to their holistic financial universe so they can get a single view of their net wealth. Access to a myriad of solutions ranging from due diligence capabilities, investment acquisitions advice, digital technology and easily accessible financial platforms are likely to become increasingly important to HNWIs seeking to grow their wealth.

More subtle insights, such as how much reading HNWIs in Africa do, their enjoyment of the theatre and the arts, as well as the amount of time they spend with family and on spiritual development also have profound implications for the kinds of legacies they plan to leave. African HNWIs are very family-focused. This is not only important to understand from a client perspective but also critical to informing how we build an inter-generational wealth advisory practice.

Ultimately, we are in the business of people so understanding our client's unique wealth journeys and personal ambitions forms the cornerstone of our service offering. It is our hope that the Standard Bank **African Wealth Report 2020** will widen this understanding to a global audience, thereby making the importance of this previously invisible segment visible for the first time.



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**The successful development of a sought-after wealth management practice relies on granular and accurate insight into client motivation and behaviour.**

- Kuhle Kunene

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## LOOKING BEYOND THE DATA

**Kuhle Kunene, Head of Wealth Advisory for Standard Bank Wealth and Investment**

In an increasingly complex world cluttered with information, guidance built on real insight is arguably one of our most precious commodities. A combination of targeted service strategies, relevant management models and client-centricity are crucial components in improving wealth outcomes for people on the continent we serve. However, this is only possible with insights that get to the heart of what people really want for themselves, their businesses and their families.

The Standard Bank **African Wealth Report 2020** is extremely helpful in providing these granular insights into the motivations, behaviour and nuanced experiences of high-net-worth individuals (HNWIs) on the continent. Prior to its release, a survey of the available data on Africa's HNWIs would've turned up very little information, and even

less insight. While data was available on specific aspects of wealth in Africa, like property or offshore investment trends, there was little meaningful information on how Africans actually earned, invested, spent or preserved their wealth. This is precisely what is required to understand the passions, motivations, challenges, opportunities and attitudes that inspired wealth creation in Africa.

What is unique about the Standard Bank **African Wealth Report 2020** is that it goes beyond the data.

In addition to the 265 people who were surveyed, 75 face-to-face interviews were conducted to glean further insight into what it means to be a HNWI in Africa.

What emerged was a detailed, complex and nuanced body of information that illustrates just how varied the wealth creation, investment

and preservation process is across different markets on the continent. Although the majority of survey respondents seemed to favour entrepreneurship as a means of accumulating wealth, this was by no means consistent across countries.

Political instability and personal security emerged as key concerns for the majority of respondents yet the degree to which these issues weighed on HNWIs, differed across markets. For example 82% of South Africans highlighted politics as a concern whereas only 31% of Mauritians saw it as an issue.

Survey respondents also exhibited signature differences in terms of the strategies they employed to diversify their investments across asset classes. There were also clear differences in the wealth preservation strategies employed by respondents, including their comparative appetite for intangible assets like farmland or real estate. Somewhat surprisingly, the report revealed that a lot of money in Africa gets ploughed back into property which, as a tangible, fixed asset, appears to represent a degree of financial stability. Property can also be used as collateral, making it easier to access capital for further investment.

These findings confirm what we've known intuitively from dealing with HNWIs across Africa – that wealth journeys are personal and a generic approach does not provide an adequate solution. African countries are all at different stages of development. They are also very different culturally. It is critically

important for the wealth industry, as well as HNWIs themselves, to understand these differences so that offerings can be built around the unique needs and ambitions of the continent's wealthy residents.

Although it is clear that many HNWIs in Africa are still on their journey towards creating sustained long-term, intergenerational wealth, there is an increasing realisation of the importance of leaving a legacy for future generations. A now renowned report by the Williams Group wealth consultancy highlights a frightening statistic – 70% of high-net-worth families lose all their wealth in the second generation and 90% lose it all by the third generation. Given that the survey data reveal that African HNWIs place a strong emphasis on family, it is clear that any sustainable wealth preservation strategy on the continent must take into account education of the next generation.

Since capital preservation remains critical to an effective overall wealth strategy, it is increasingly important that individuals' goals, requirements, time horizons, lifestyles and tolerance for risk are understood early on and effectively managed over time. To achieve this, HNWIs must get the maximum benefit out of their meetings with their advisors. This is why terms such as executional excellence and best-in-class service are more than just marketing buzzwords. In fact, they are critical to long-term growth, preservation and transfer of inter-generational wealth. The decisions you make today are what will determine your legacy.







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**It is crucial for us as wealth stewards to develop a deep understanding of the personal journeys of our clients.**

- Phil Faure

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## **UNDERSTANDING THE WEALTH JOURNEY**

**Phil Faure,  
Strategic Projects, Wealth and Investment**

Perhaps the single biggest learning to emerge from the Standard Bank **African Wealth Report 2020** is the critical role that entrepreneurship plays in the wealth journeys of high-net-worth-individuals (HNWIs) on the continent. The large proportion of respondents who indicated that entrepreneurship was their chosen method of accumulating wealth shows it is crucial for us as wealth stewards to develop a deep understanding of the personal journeys of our clients.

Only by cultivating an intimate understanding of their trials and tribulations, their fears and concerns, their hopes and dreams, and their vision for future generations, can we begin to advise them appropriately on how to preserve their wealth for posterity.

While the affinity for entrepreneurship is perhaps not surprising, after all the love of the “side hustle” is popular across the continent, the nuances that emerged between the nations that were surveyed provided much food for thought.

The hard data shows that respondents from Nigeria, Ghana and Kenya were far more likely than those from South Africa and Mauritius to opt for entrepreneurship as a means to achieve financial freedom.

This raises the interesting question of whether citizens of Nigeria, Ghana and Kenya are somehow inherently more entrepreneurial than those from South Africa or Mauritius, despite the latter two countries enjoying more sophisticated financial systems. As a pan-African bank with

operations across the continent, our interpretation is that people in markets with fewer formal paths to wealth creation are simply more likely to become entrepreneurs. The net effect of this over time is that it creates a more entrepreneurial environment. By contrast, a country like South Africa with its excellent private schooling, sophisticated financial system and well-developed professional services industry, makes the relative certainty of a formal executive career an appealing option for those with the qualifications to access these networks.

Of course, this also begs the question of whether more formal economies may actually act as a barrier to entry for new enterprise. While this is certainly a subject deserving of more rigorous academic inquiry, it may also suggest that government can play a supporting role by creating a policy environment that is supportive of entrepreneurial endeavours. Given that much of the continent does not have sufficient formal or mainstream employment to make a sizeable dent in unemployment, the ability to promote entrepreneurship can be a useful mechanism to stimulate economic growth.


Financial services firms, too, can play an important role in nurturing entrepreneurs via access to capital, diversification across asset classes, long-term wealth preservation and

inter-generational wealth transfer. Thanks to our network across the continent, we can also facilitate greater intra-African learning. Whether through knowledge sharing or formal introductions, there is great scope to provide a platform for South Africans and Mauritians to learn from the entrepreneurial journeys of their counterparts in Nigeria, Ghana and Kenya. Similarly, South African and Mauritian HNWIs are in the ideal position to share insights into diversification across asset classes and geographies.

Another insight gleaned from the Standard Bank **African Wealth Report 2020** is that there is much scope on the continent to provide greater access to a wider array of asset classes as a means of spreading risk and safeguarding capital. Successful entrepreneurs on the continent tend to favour reinvesting much of their wealth back into their own businesses. While admirable, we know as wealth managers that the best strategy for creating wealth is not always the best strategy for preserving it. By the same token, chasing extraordinary returns is generally not a good approach to long-term wealth preservation.

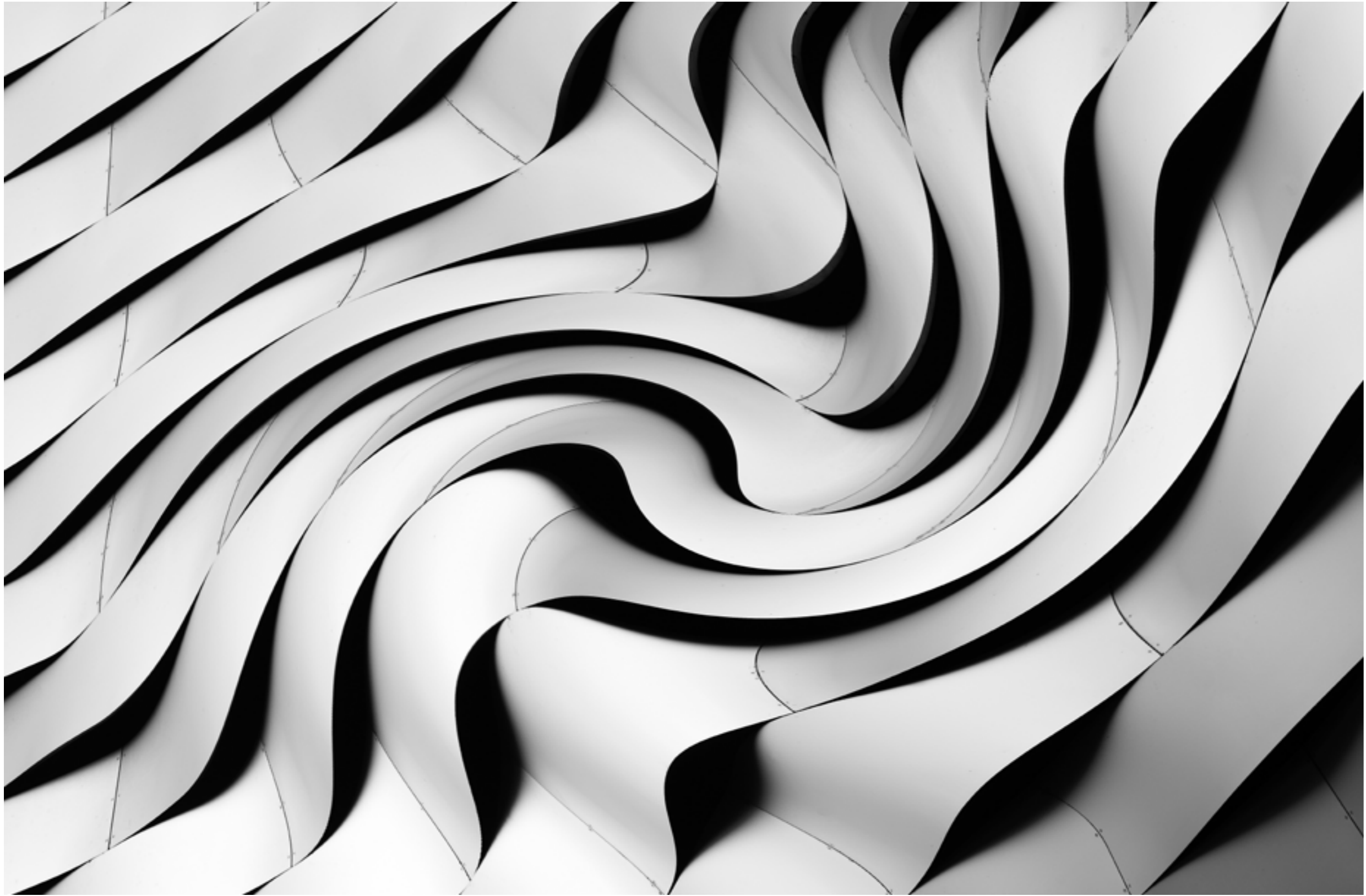
What the Standard Bank **African Wealth Report 2020** makes all too clear is that one's wealth journey does not end after accumulating wealth. In many ways it is just beginning.





**Our African Wealth Report provides deep insight into how wealth is generated across Africa and amongst South Africans alike. It unpacks the many success stories which exist on our continent and catalogues the challenges faced by those trying to protect their prosperity for future generations. These stories demonstrate that it doesn't always take money to create wealth - it takes guts, most times it takes hard work, but every time, it takes believing that you can do it. A business built from humble beginnings, can be an unparalleled success. Protecting this hard-earned wealth for generations to come remains a priority. If we empower ourselves and set in motion intergenerational wealth planning, backed by a genuine commitment throughout the entire family unit, you can protect your legacy.**

— Peggy-Sue Khumalo, Chief Executive, Standard Bank Wealth, South Africa.



**THE  
CREATIVE  
PROCESS**

**07**



**PHOTOGRAPHER /** Ricardo Gomez Angel



## METHODOLOGY

### Africa's Largest Survey of Wealth

The data gathering for Standard Bank's **African Wealth Report 2020** called for a mix of online questionnaires, telephone surveys, in-person surveys and face-to-face interviews.

The survey questionnaires were brief and collected some quantitative and qualitative data. We adapted the methodologies to each country. In South Africa, respondents all completed the survey online. In Kenya, Mauritius, Ghana and Nigeria only a minority of respondents were comfortable with online surveys, opting instead for in-person or telephone-based surveys.

Surveys were conducted simultaneously in each country from May to August 2018. While research instruments were slightly different in each country, great care was taken to ensure that the core of the research design and integrity remained intact. The survey questionnaires across the instruments were exactly the same. This means that data is standardised and enables meaningful comparisons between markets.

### Depth and Insight

Through the survey process, we requested that respondents make themselves available for a face-to-face interview. We wanted a minimum of 50 survey and 15 interview respondents in each market. Mauritius was the only country where the target was 30 surveys and 15 interviews. In the end we got 265 eligible respondents to the survey and 75 responses to the interviews.

These interviews were completely voluntary, and the research team did not select the interviewees from the survey responses. The interview data was used in support of the survey data. From the interviews, we were able to gather more depth and insight into particular issues. Respondents' quotes from the interviews are used through the report to explain some of the survey findings.

For the survey, respondents were recruited by the country research teams based on their databases and networks.

We did not have access to a master database and hence respondent selection was not randomised. This is known as a non-probability poll. It should therefore be noted that respondents in this study cannot be regarded as a representative sample of HNWLs in each country. Therefore, people surveyed may not hold the views that are representative of the larger population.

### Ground-breaking Research

Respondents were not given any monetary compensation for participating in this study. The only incentive for the target market to engage with the process included the opportunity to be part of a ground-breaking research exercise. This would offer them the results of the research in that they would get an advance copy of the research publication.

The research principal was disclosed as a large financial services company in Africa. This was done to avoid potential bias in respondents choosing to participate or not based on knowing the company and secondly, to avoid any bias from those who did participate.



**SUMMARY OF  
SURVEY DATA**

**08**



PHOTOGRAPHER / Christian Hebell

## SUMMARY OF SURVEY DATA

In this appendix we present the summarised results for each survey question. The results are reported in terms of percentage of respondents choosing each option from the total response base of 265 respondents. Not all questions were answered by all respondents. Identifying information is excluded.

Note that where respondents could choose more than one option, the spread over the options do not sum to 100. Due to rounding, in some cases the percentage allocation to the options also does not sum to exactly 100.

### Q1. How did you get to your first million dollars? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)

Method of wealth creation	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Entrepreneur	79%	70%	33%	66%	29%	56%
Executive career	13%	14%	44%	20%	45%	27%
Family-owned business	19%	25%	11%	29%	11%	19%
Growth in investment assets	29%	20%	11%	38%	37%	28%
Multi-generational wealth	2%	9%	8%	23%	2%	9%
Professional	25%	30%	39%	30%	37%	32%
Political career	2%	2%	8%	13%	0%	5%

### Q2. How have you generated wealth since then? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)

Method of wealth creation	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Entrepreneur	79%	70%	47%	59%	22%	54%
Executive career	4%	9%	50%	13%	23%	18%
Family-owned business	17%	20%	8%	25%	6%	15%
Growth in investment assets	42%	46%	42%	45%	72%	51%
Multi-generational wealth	2%	5%	0%	23%	3%	7%
Political career	4%	4%	3%	14%	0%	5%
Professional	21%	20%	22%	36%	22%	24%
Still a work in progress	10%	2%	19%	20%	12%	12%

### Q3. The following five factors are often said to account for business success. Please rank them in terms of how they contributed to your success

#### Ghana:

Factor	One	Two	Three	Four	Five
Timing	10%	33%	27%	15%	15%
Team	10%	13%	25%	35%	17%
Ideas	69%	12%	15%	4%	0%
Business Model	4%	27%	15%	27%	27%
Funding	8%	15%	17%	19%	40%

#### Kenya:

Factor	One	Two	Three	Four	Five
Timing	27%	30%	23%	13%	7%
Team	9%	11%	20%	34%	27%
Ideas	57%	16%	9%	13%	5%
Business Model	5%	18%	30%	34%	13%
Funding	2%	25%	18%	7%	48%

#### Mauritius:

Factor	One	Two	Three	Four	Five
Timing	22%	17%	19%	22%	19%
Team	17%	28%	6%	33%	17%
Ideas	53%	25%	11%	6%	6%
Business Model	3%	25%	42%	19%	11%
Funding	6%	6%	22%	19%	47%

**Nigeria:**

Factor	One	Two	Three	Four	Five
Timing	9%	14%	29%	27%	21%
Team	7%	20%	18%	30%	25%
Ideas	64%	13%	7%	5%	11%
Business Model	11%	27%	25%	20%	18%
Funding	9%	27%	21%	18%	25%

**South Africa:**

Factor	One	Two	Three	Four	Five
Timing	17%	26%	17%	18%	22%
Team	15%	22%	28%	9%	26%
Ideas	43%	15%	20%	15%	6%
Business Model	18%	28%	17%	25%	12%
Funding	6%	9%	18%	32%	34%

**All countries**

Factor	One	Two	Three	Four	Five
Timing	17%	25%	23%	19%	17%
Team	11%	18%	20%	27%	23%
Ideas	57%	15%	13%	9%	6%
Business Model	9%	25%	25%	25%	16%
Funding	6%	17%	19%	20%	38%

**Q4. Through which industry did you create your wealth? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)**

Method of wealth creation	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Accounting, Tax, Consulting	4%	7%	14%	0%	2%	5%
Agriculture	4%	5%	0%	7%	5%	5%
Banking	15%	5%	11%	4%	9%	9%
Construction	17%	34%	0%	32%	8%	19%
Education	8%	13%	0%	11%	6%	8%
Energy	10%	2%	8%	9%	8%	7%
Engineering	0%	0%	0%	0%	5%	1%
Entertainment	12%	0%	0%	2%	2%	3%
Fast-moving consumer goods	10%	9%	6%	16%	5%	9%
Financial services	15%	2%	39%	7%	11%	13%
Food and beverage	6%	11%	8%	7%	8%	8%
Government and Politics	2%	9%	8%	5%	5%	6%
Healthcare	2%	5%	3%	14%	6%	6%
Insurance	0%	2%	6%	7%	5%	4%
Investments	0%	2%	3%	0%	6%	2%
Legal	0%	0%	6%	2%	2%	2%
Manufacturing	12%	13%	6%	9%	18%	12%
Media	8%	0%	6%	0%	3%	3%
Minerals	2%	0%	0%	2%	2%	1%
Mining	4%	2%	6%	0%	8%	4%
NGO	0%	2%	0%	0%	0%	0%
Oil and gas	12%	7%	0%	30%	8%	12%
Pharmaceuticals	0%	0%	0%	0%	3%	1%
Real estate	29%	52%	25%	43%	17%	33%
Retail	17%	11%	3%	13%	6%	10%
Sports	0%	0%	0%	0%	2%	0%
Technology	6%	9%	11%	16%	15%	12%
Telecommunications	4%	5%	3%	2%	3%	3%
Trade	31%	20%	3%	21%	3%	16%
Transport and Logistics	2%	9%	3%	2%	3%	4%
Travel and tourism	8%	13%	11%	13%	0%	5%



**Q5. When it comes to preserving your wealth, what portion of your portfolio have you allocated to each of the following asset classes?**

Asset class	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Stocks or equities	9%	4%	18%	10%	51%	54%
Bonds and other debt instruments	4%	3%	9%	5%	6%	18%
Cash or bank deposits	17%	20%	21%	16%	11%	15%
Alternative investment vehicles	9%	7%	4%	7%	6%	51%
Tangible assets	26%	38%	29%	23%	18%	7%
Lifestyle assets	5%	4%	4%	6%	2%	5%
Investments in my own business(es)	30%	25%	14%	33%	5%	24%

**Q6. Which of the following alternative investments do you own, don't own but are interested in, or have no interest in?**

**Ghana:**

Alternative investment	Currently own	Interest in owning	No interest in owning
Private equity	53%	27%	20%
Start-up companies	56%	40%	4%
Hedge funds	16%	45%	39%
International financial markets exposure	28%	50%	22%

**Kenya:**

Alternative investment	Currently own	Interest in owning	No interest in owning
Private equity	50%	31%	19%
Start-up companies	64%	24%	13%
Hedge funds	6%	45%	49%
International financial markets exposure	33%	24%	43%

**Mauritius:**

Alternative investment	Currently own	Interest in owning	No interest in owning
Private equity	19%	31%	50%
Start-up companies	41%	24%	35%
Hedge funds	10%	6%	84%
International financial markets exposure	28%	22%	50%

**Nigeria:**

Alternative investment	Currently own	Interest in owning	No interest in owning
Private equity	61%	27%	13%
Start-up companies	69%	25%	5%
Hedge funds	36%	38%	26%
International financial markets exposure	48%	39%	13%

**South Africa:**

Alternative investment	Currently own	Interest in owning	No interest in owning
Private equity	53%	29%	18%
Start-up companies	15%	31%	54%
Hedge funds	8%	21%	71%
International financial markets exposure	84%	11%	5%

**All countries:**

Alternative investment	Currently own	Interest in owning	No interest in owning
Private equity	49%	29%	22%
Start-up companies	50%	29%	21%
Hedge funds	16%	33%	51%
International financial markets exposure	47%	29%	23%

**Q7. In the case of tangible assets, what types do you own, don't own but are interested in, or have no interest in?**

**Ghana:**

Tangible asset	Currently own	Interest in owning	No interest in owning
Residential property: primary home	96%	4%	0%
Residential property: secondary home/s	80%	18%	2%
Residential real estate (rental or investment)	54%	40%	6%
Commercial real estate	24%	57%	18%
Farmland	35%	40%	25%
Foreign property	31%	63%	6%

**Kenya:**

Tangible asset	Currently own	Interest in owning	No interest in owning
Residential property: primary home	92%	8%	0%
Residential property: secondary home/s	70%	28%	2%
Residential real estate (rental or investment)	76%	24%	0%
Commercial real estate	49%	47%	4%
Farmland	78%	13%	9%
Foreign property	21%	52%	27%

**Mauritius:**

Tangible asset	Currently own	Interest in owning	No interest in owning
Residential property: primary home	97%	0%	3%
Residential property: secondary home/s	79%	6%	15%
Residential real estate (rental or investment)	58%	33%	9%
Commercial real estate	41%	10%	48%
Farmland	26%	22%	52%
Foreign property	41%	22%	37%

**Nigeria:**

Tangible asset	Currently own	Interest in owning	No interest in owning
Residential property: primary home	98%	2%	0%
Residential property: secondary home/s	86%	14%	0%
Residential real estate (rental or investment)	75%	25%	0%
Commercial real estate	56%	44%	0%
Farmland	57%	28%	15%
Foreign property	43%	51%	6%

**South Africa:**

Tangible asset	Currently own	Interest in owning	No interest in owning
Residential property: primary home	98%	0%	2%
Residential property: secondary home/s	53%	9%	38%
Residential real estate (rental or investment)	40%	12%	48%
Commercial real estate	21%	25%	54%
Farmland	4%	16%	80%
Foreign property	18%	39%	43%

**All countries:**

Tangible asset	Currently own	Interest in owning	No interest in owning
Residential property: primary home	97%	3%	1%
Residential property: secondary home/s	73%	15%	11%
Residential real estate (rental or investment)	61%	26%	13%
Commercial real estate	39%	39%	22%
Farmland	43%	24%	33%
Foreign property	30%	48%	22%

**Q8. What concerns, if any, do you have when it comes to preserving wealth? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)**

Concern	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Personal security and safety	60%	61%	36%	79%	48%	58%
Succession and inheritance issues	38%	38%	19%	45%	37%	37%
Stock market volatility	21%	18%	11%	41%	68%	35%
Personal and family health	46%	39%	42%	34%	32%	38%
Tax on the wealthy	13%	36%	17%	36%	60%	35%
Online security and privacy	31%	11%	14%	20%	23%	20%
Global economic changes	37%	13%	36%	54%	46%	37%
Compliance issues	10%	25%	8%	21%	11%	15%
Political environment	69%	55%	31%	64%	82%	63%

**Q9. Thinking about your leisure time, typically how do you allocate your time per week?**

**Ghana:**

Leisure activity	None	Up to 5 hours	Up to 10 hours	More than 10 hours
Family	4%	35%	27%	33%
Community	37%	43%	14%	6%
Hobbies	20%	73%	6%	2%
Sport	34%	60%	6%	0%
Restorative time (prayer, meditation, yoga or other spiritual pursuits)	10%	45%	27%	18%

**Kenya:**

Leisure activity	None	Up to 5 hours	Up to 10 hours	More than 10 hours
Family	0%	29%	40%	31%
Community	14%	70%	13%	4%
Hobbies	15%	69%	17%	0%
Sport	31%	56%	11%	2%
Restorative time (prayer, meditation, yoga or other spiritual pursuits)	8%	55%	21%	17%

**Mauritius:**

Leisure activity	None	Up to 5 hours	Up to 10 hours	More than 10 hours
Family	3%	15%	24%	59%
Community	6%	76%	9%	9%
Hobbies	6%	79%	12%	3%
Sport	17%	51%	29%	3%
Restorative time (prayer, meditation, yoga or other spiritual pursuits)	27%	67%	7%	0%

**Nigeria:**

Leisure activity	None	Up to 5 hours	Up to 10 hours	More than 10 hours
Family	0%	18%	35%	47%
Community	35%	56%	5%	4%
Hobbies	9%	76%	9%	5%
Sport	16%	67%	15%	2%
Restorative time (prayer, meditation, yoga or other spiritual pursuits)	0%	71%	18%	11%

**South Africa:**

Leisure activity	None	Up to 5 hours	Up to 10 hours	More than 10 hours
Family	2%	11%	23%	65%
Community	34%	50%	9%	7%
Hobbies	4%	48%	27%	21%
Sport	8%	54%	27%	10%
Restorative time (prayer, meditation, yoga or other spiritual pursuits)	39%	56%	5%	0%

**All countries:**

Leisure activity	None	Up to 5 hours	Up to 10 hours	More than 10 hours
Family	2%	22%	30%	47%
Community	27%	58%	10%	6%
Hobbies	11%	68%	14%	7%
Sport	21%	58%	17%	4%
Restorative time (prayer, meditation, yoga or other spiritual pursuits)	16%	58%	16%	10%

**Q10. Typically, how many hours do you spend working per week?**

Working hours	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Do not work	2%	0%	3%	0%	46%	12%
Less than 20 hours	10%	5%	11%	5%	12%	9%
20 to 40 hours	21%	13%	19%	11%	12%	15%
40 to 60 hours	48%	52%	47%	52%	20%	43%
More than 60 hours	19%	30%	19%	32%	9%	22%

**Q11. For each of the following hobbies and activities, which do you participate in, not participate in but are interested in, or have no interest in? (Respondents could choose more than one option, therefore the percentage in columns can sum to more than 100%.)**

**Ghana:**

Hobby or activity	Currently participate	Interested in	No interest
Automobiles	51%	28%	21%
Art	33%	35%	33%
Boating	2%	39%	59%
Collectables	13%	36%	51%
Culture	49%	44%	7%
Cycling	11%	18%	70%
Fashion	48%	23%	29%
Fine dining	41%	30%	28%
Fishing	2%	23%	75%
Golf	21%	53%	26%
Health and exercise	77%	17%	6%
Horses	0%	27%	73%
Horse racing	0%	24%	76%
Hunting	2%	20%	77%
Jewellery	33%	30%	37%
Reading	84%	10%	6%
Photography	27%	36%	36%
Skiing	2%	19%	79%
Team sports	36%	29%	36%
Travel	79%	17%	4%
Watches	65%	13%	22%
Wildlife safaris	20%	50%	30%
Wine and spirits	44%	11%	44%
Yachting	2%	42%	56%

**Kenya:**

Hobby or activity	Currently participate	Interested in	No interest
Automobiles	41%	27%	31%
Art	13%	32%	55%
Boating	6%	15%	79%
Collectables	8%	28%	64%
Culture	34%	30%	36%
Cycling	25%	22%	53%
Fashion	37%	23%	40%
Fine dining	75%	6%	19%
Fishing	10%	30%	60%
Golf	63%	17%	20%
Health and exercise	81%	9%	9%
Horses	4%	39%	57%
Horse racing	10%	37%	53%
Hunting	2%	12%	86%
Jewellery	43%	8%	49%
Reading	87%	5%	7%
Photography	46%	21%	33%
Skiing	4%	26%	70%
Team sports	32%	28%	40%
Travel	91%	5%	4%
Watches	58%	18%	24%
Wildlife safaris	62%	25%	13%
Wine and spirits	51%	8%	41%
Yachting	2%	39%	59%

**Mauritius:**

Hobby or activity	Currently participate	Interested in	No interest
Automobiles	22%	28%	50%
Art	13%	37%	50%
Boating	24%	21%	55%
Collectables	11%	21%	68%
Culture	19%	61%	19%
Cycling	20%	7%	73%
Fashion	7%	14%	79%
Fine dining	66%	13%	22%
Fishing	17%	27%	57%
Golf	43%	13%	43%
Health and exercise	67%	27%	6%
Horses	0%	18%	82%
Horse racing	0%	21%	79%
Hunting	14%	3%	83%
Jewellery	7%	7%	86%
Reading	63%	17%	20%
Photography	10%	31%	59%
Skiing	21%	7%	72%
Team sports	21%	14%	66%
Travel	74%	10%	16%
Watches	31%	3%	66%
Wildlife safaris	7%	28%	66%
Wine and spirits	30%	20%	50%
Yachting	22%	22%	56%

**Nigeria:**

Hobby or activity	Currently participate	Interested in	No interest
Automobiles	46%	31%	23%
Art	27%	47%	25%
Boating	4%	29%	67%
Collectables	41%	26%	33%
Culture	54%	26%	20%
Cycling	15%	48%	37%
Fashion	44%	35%	22%
Fine dining	46%	37%	17%
Fishing	9%	25%	66%
Golf	43%	22%	35%
Health and exercise	89%	11%	0%
Horses	2%	34%	64%
Horse racing	2%	32%	66%
Hunting	6%	19%	75%
Jewellery	46%	24%	30%
Reading	87%	13%	0%
Photography	44%	43%	13%
Skiing	6%	28%	66%
Team sports	31%	41%	28%
Travel	94%	6%	0%
Watches	61%	28%	11%
Wildlife safaris	15%	50%	35%
Wine and spirits	50%	20%	30%
Yachting	13%	31%	56%

**South Africa:**

Hobby or activity	Currently participate	Interested in	No interest
Automobiles	16%	34%	50%
Art	15%	44%	41%
Boating	9%	15%	75%
Collectables	20%	16%	64%
Culture	26%	42%	32%
Cycling	28%	13%	59%
Fashion	0%	12%	88%
Fine dining	44%	38%	18%
Fishing	22%	16%	62%
Golf	30%	13%	57%
Health and exercise	84%	16%	0%
Horses	6%	8%	87%
Horse racing	2%	6%	92%
Hunting	9%	8%	83%
Jewellery	9%	11%	80%
Reading	78%	14%	9%
Photography	26%	34%	40%
Skiing	11%	23%	66%
Team sports	4%	42%	54%
Travel	79%	18%	4%
Watches	17%	9%	74%
Wildlife safaris	39%	36%	25%
Wine and spirits	49%	33%	18%
Yachting	6%	13%	81%

**All countries:**

Hobby or activity	Currently participate	Interested in	No interest
Automobiles	35%	30%	35%
Art	21%	40%	40%
Boating	8%	24%	68%
Collectables	20%	25%	55%
Culture	38%	39%	24%
Cycling	20%	23%	57%
Fashion	29%	22%	49%
Fine dining	54%	26%	21%
Fishing	12%	24%	64%
Golf	40%	24%	36%
Health and exercise	81%	15%	4%
Horses	3%	26%	72%
Horse racing	3%	24%	73%
Hunting	6%	13%	81%
Jewellery	29%	17%	54%
Reading	81%	11%	7%
Photography	33%	33%	34%
Skiing	8%	22%	70%
Team sports	25%	33%	42%
Travel	84%	11%	5%
Watches	47%	16%	37%
Wildlife safaris	31%	38%	31%
Wine and spirits	46%	19%	34%
Yachting	8%	30%	62%

**Q12. For each of the following lifestyle and passion assets, please indicate which do you currently own, don't own but have an interest in, or have no interest in? (Respondents could choose more than one option, therefore the percentage in columns can sum to more than 100%.)**

**Ghana:**

Hobby or activity	Currently participate	Interested in	No interest
Art	45%	31%	24%
Ceramics	33%	30%	37%
Diamonds	28%	41%	30%
Coins	31%	18%	51%
Classic cars	45%	34%	21%
Jewellery	58%	14%	28%
Furniture	67%	17%	15%
Holiday homes	35%	55%	10%
Watches	67%	8%	24%
Stamps	27%	20%	53%
Private aircraft	0%	61%	39%
Luxury automobiles	51%	29%	20%
Luxury homes	60%	23%	17%
Wine	40%	16%	44%

**Kenya:**

Hobby or activity	Currently participate	Interested in	No interest
Art	27%	25%	47%
Ceramics	33%	24%	43%
Diamonds	20%	37%	43%
Coins	33%	20%	47%
Classic cars	68%	8%	25%
Jewellery	47%	13%	40%
Furniture	85%	7%	7%
Holiday homes	31%	61%	7%
Watches	65%	12%	23%
Stamps	12%	16%	73%
Private aircraft	0%	73%	27%
Luxury automobiles	42%	43%	15%
Luxury homes	39%	54%	7%
Wine	50%	10%	40%

**Mauritius:**

Hobby or activity	Currently participate	Interested in	No interest
Art	24%	17%	59%
Ceramics	10%	7%	83%
Diamonds	19%	10%	71%
Coins	14%	7%	79%
Classic cars	13%	13%	75%
Jewellery	20%	3%	77%
Furniture	28%	3%	69%
Holiday homes	48%	18%	33%
Watches	47%	0%	53%
Stamps	7%	3%	90%
Private aircraft	3%	13%	84%
Luxury automobiles	26%	10%	65%
Luxury homes	30%	24%	45%
Wine	25%	11%	64%

**Nigeria:**

Hobby or activity	Currently participate	Interested in	No interest
Art	43%	32%	25%
Ceramics	47%	19%	34%
Diamonds	33%	44%	23%
Coins	15%	37%	48%
Classic cars	64%	19%	17%
Jewellery	64%	15%	21%
Furniture	83%	9%	7%
Holiday homes	59%	33%	7%
Watches	70%	17%	13%
Stamps	30%	23%	47%
Private aircraft	4%	64%	32%
Luxury automobiles	73%	19%	8%
Luxury homes	83%	9%	8%
Wine	49%	21%	30%

**South Africa:**

Hobby or activity	Currently participate	Interested in	No interest
Art	59%	14%	27%
Ceramics	21%	7%	72%
Diamonds	37%	10%	53%
Coins	33%	5%	61%
Classic cars	12%	9%	79%
Jewellery	38%	10%	52%
Furniture	50%	12%	38%
Holiday homes	49%	10%	41%
Watches	40%	4%	56%
Stamps	17%	3%	80%
Private aircraft	2%	9%	89%
Luxury automobiles	33%	11%	56%
Luxury homes	44%	5%	51%
Wine	48%	26%	26%

**All countries:**

Hobby or activity	Currently participate	Interested in	No interest
Art	42%	24%	34%
Ceramics	31%	18%	52%
Diamonds	28%	29%	42%
Coins	26%	18%	56%
Classic cars	42%	16%	42%
Jewellery	48%	12%	41%
Furniture	66%	10%	24%
Holiday homes	45%	36%	19%
Watches	58%	9%	33%
Stamps	19%	13%	67%
Private aircraft	2%	46%	53%
Luxury automobiles	46%	23%	30%
Luxury homes	52%	23%	25%
Wine	44%	18%	38%

**Q13. In which of the following ways do you give back to society? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)**

Philanthropic activity	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Give financially to nonprofit organisations	54%	64%	58%	68%	86%	68%
Have my own or family foundation or charity	27%	21%	17%	25%	20%	22%
Volunteer time, skills and services to nonprofits	31%	57%	58%	32%	35%	42%
Give to university or school endowments	23%	50%	14%	30%	23%	29%
Serve on the board of a nonprofit organisation or foundation	27%	43%	25%	9%	20%	25%
Work for a nonprofit organisation	13%	11%	22%	11%	5%	11%
Own a company creating jobs and opportunities for others	79%	68%	47%	68%	15%	54%
Invest in companies that support positive social, environmental policies and practices	23%	23%	14%	20%	15%	19%
Social entrepreneurship: own a company to address social or environmental solutions	23%	29%	17%	23%	2%	18%

**Q14. When it comes to making personal decisions about philanthropic activities, which of the following are priorities for you? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)**

Philanthropic activity	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Supporting issues that personally affect	31%	48%	39%	48%	31%	39%
Honour family philanthropic traditions	42%	20%	17%	43%	3%	25%
Addressing local needs	69%	84%	58%	52%	58%	65%
Establishing your own philanthropic foundation	27%	9%	14%	21%	6%	15%
Supporting issues that affect others less fortunate	67%	75%	44%	63%	62%	63%
Responding to crises elsewhere in the world	8%	4%	8%	20%	6%	9%
Supporting environmental causes or animal welfare	12%	36%	31%	21%	40%	28%
Invest in companies that support positive social, environmental policies and practices	23%	23%	14%	20%	15%	19%
Social entrepreneurship: own a company to address social or environmental solutions	23%	29%	17%	23%	2%	18%



**Q15. To what extent, if at all, is it important to leave wealth to your heirs?**

Importance	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Extremely important	67%	46%	33%	57%	26%	46%
Very important	17%	34%	22%	23%	22%	24%
Important	13%	18%	14%	16%	20%	17%
Somewhat important	0%	2%	25%	4%	23%	10%
Not at all important	2%	0%	6%	0%	9%	3%

**Q16. Approximately what percentage of your wealth do you intend to leave to the following?**

Heir	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Family	82%	84%	86%	72%	89%	46%
Charity	10%	12%	10%	18%	8%	24%
Other	8%	4%	3%	10%	3%	17%

**Q17. What concerns, if any, do you have when it comes to passing wealth to your heirs? (Respondents could choose more than one option, therefore the total percentage for each country is more than 100%.)**

Concern	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Choosing appropriate heirs	50%	45%	11%	52%	20%	37%
My children won't be encouraged to make their own wealth	33%	30%	17%	34%	18%	27%
My children won't know how to handle the investments	25%	20%	11%	14%	22%	19%
My children won't be responsible with the money	19%	5%	3%	5%	15%	10%
Loss of money to inheritance tax	8%	14%	11%	14%	48%	21%
The money will change my children for the worse	10%	4%	6%	4%	9%	6%
I don't know how much to pass on to my children	23%	4%	6%	16%	3%	10%

**Q18. In which country is your primary residence?**

Country	Percentage
Ghana	20%
Kenya	21%
Mauritius	14%
Nigeria	21%
South Africa	25%

**Q19. How old are you?**

Age	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
18 to 25	0%	0%	0%	2%	0%	0%
26 to 35	15%	13%	3%	7%	0%	8%
36 to 50	50%	48%	39%	46%	11%	38%
51 to 64	27%	32%	36%	34%	43%	35%
65+	8%	7%	22%	11%	46%	20%

**Q20. What is your estimated total wealth?**

Total wealth	Ghana	Kenya	Mauritius	Nigeria	South Africa	All countries
Less than \$1m	2%	0%	0%	0%	0%	0%
\$1m to \$5m	77%	46%	69%	73%	69%	67%
\$5m to \$20m	8%	7%	23%	18%	25%	16%
\$20m to \$100m	8%	14%	9%	5%	3%	8%
More than \$100m	6%	32%	0%	4%	3%	9%

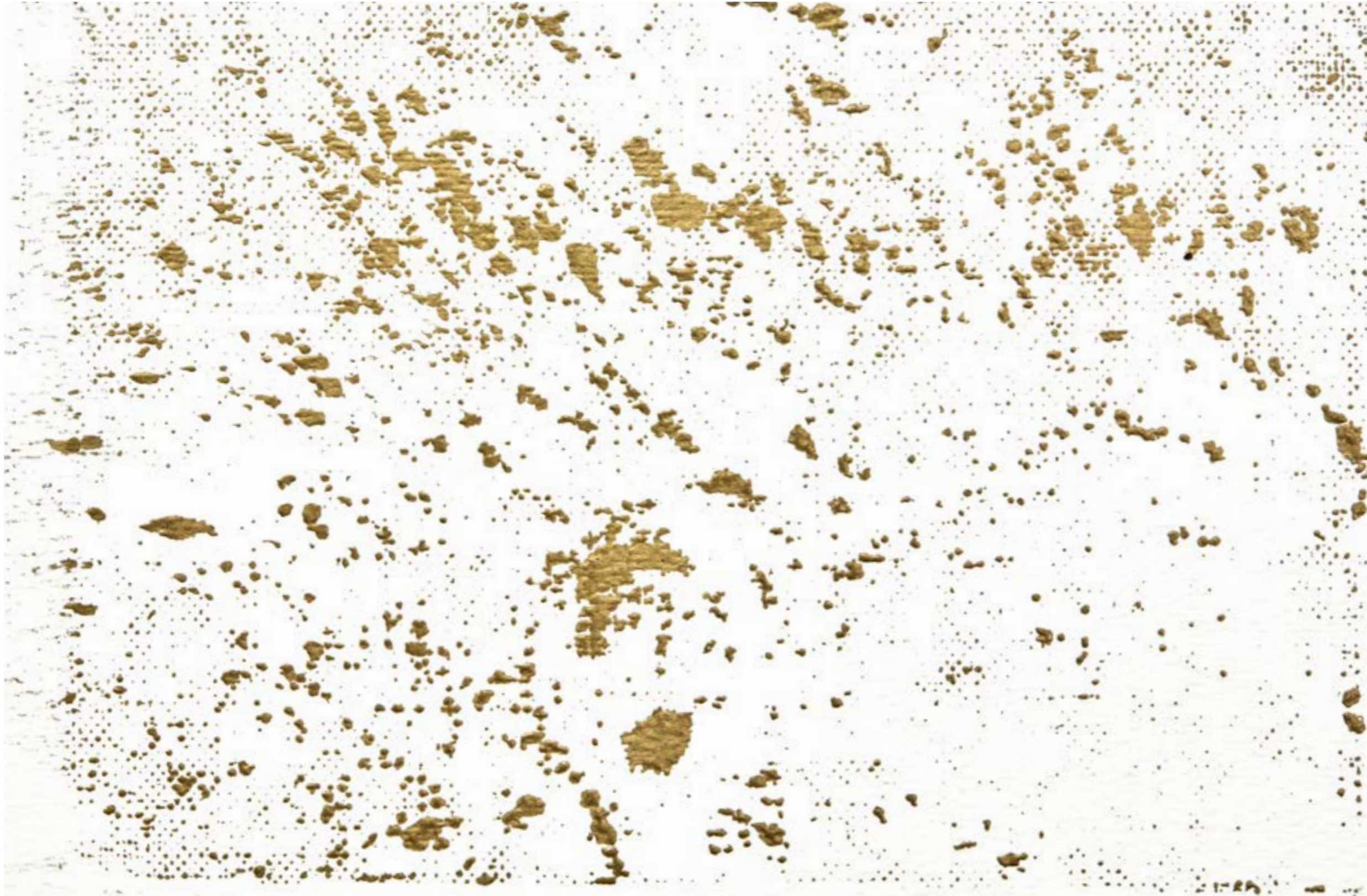


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