

PRESS RELEASE

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HIGH NET WORTH BUSINESS OWNERS: THE NEW PHILANTHROPISTS

The commitment to local philanthropy is a defining characteristic of this group

23 JULY 2014 – In a recent study launched by Standard Chartered Private Bank (the Private Bank) in partnership with Campden Wealth Research, the Private Bank found that High Net Worth (HNW) business owners in Asia, Africa and the Middle East¹ are highly focused on growing their business, and that personal wealth ambitions come second. The research has also revealed that amidst this focus on growing their businesses and increasing market share, HNW business owners prioritise giving back to their communities, but in ways that contrast to their counterparts in the developed world.

“We recognise that entrepreneurs in our footprint of Asia, Africa and the Middle East are keen on philanthropic causes that have a measurable social and economic impact. This is well aligned with our brand promise of being *Here for good* and one of our key priorities of working with local communities to promote social and economic development. We have a proven history of caring for and contributing to the communities in which we operate. From Seeing is Believing, which has already raised over \$63 million and reached 45 million people, to 86,000 girls empowered through our GOAL programme and many other locally driven initiatives. I am excited by how we can support this new segment of wealthy as they embark on new, more impactful ways of giving back,” said Michael Benz, Global Head, Private Banking Clients, Standard Chartered Private Bank.

The impact of giving

Almost all (91%) of those surveyed currently contribute to philanthropic causes, with efforts extending beyond one-off donations. For these participants the preference is to become directly involved in the cases they support, over one-time donations and simple aid giving. They seek causes/programmes that will deliver measureable social, economic and environmental impact to their local communities as opposed to the developed world’s more common mode of disbursements of capital. As one respondent commented: “I’m excited less by donation and more with how we can give back to the community.”

¹ The research surveyed stakeholders in family businesses with a 2012 turnover and family net worth in excess of US\$100 million, as well as stakeholders in non-family businesses with a 2012 turnover and individual net worth in excess of US\$25 million.

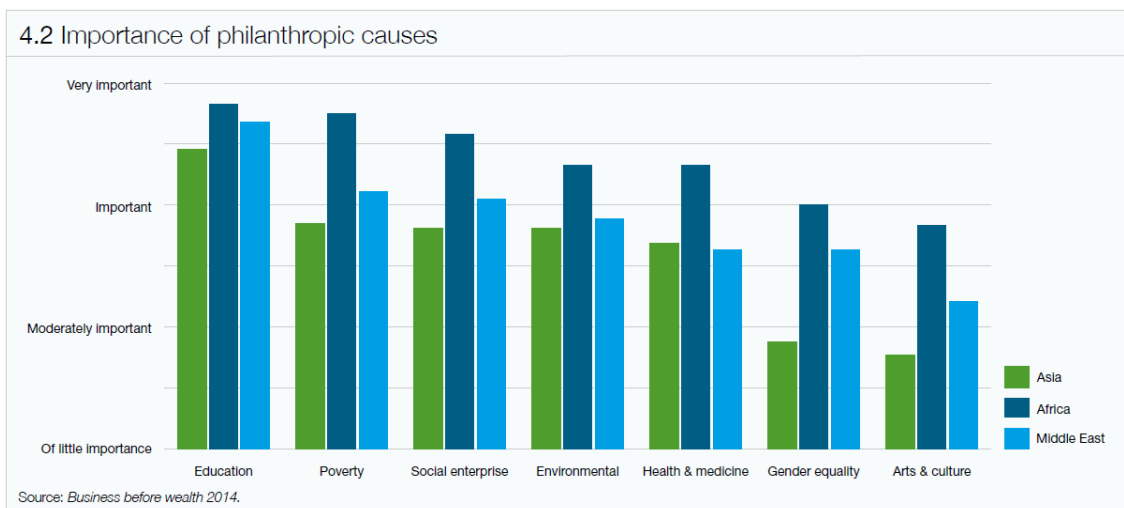
Commenting on the findings of the report, Stephen Richards Evans, Regional Head of Private Banking for Europe, Middle East, Africa and South Asia, said:

“Philanthropy is an integral part of Middle Eastern culture. It is felt to be an essential component of one’s religious and cultural duties to give a portion of one’s wealth, however small, to those less fortunate. In that sense, commitment to philanthropy has been a very personal matter for the people of this region.

The report shows that there is a lack of awareness on the role that private banks can play in supporting their clients in their philanthropic activities. With more than 92 years of history in the Middle East, Standard Chartered has deep knowledge of the customs and practices in the region and this, combined with our global expertise, enables us to deploy the best philanthropic practices for the benefit of our clients across the region.”

Education is key

Of the various philanthropic causes surveyed, education emerges as the top preference, with 97% of respondents rating it important or very important. Specifically, 65% of respondents ranked education as the most important philanthropic cause, with typical efforts including building of schools and offering of scholarships. This was followed by supporting social enterprise (76%) and fighting poverty (74%). Respondents shared that they use their businesses to create internship opportunities as well as provide venture capital for entrepreneurs.



Comparing across regions, African respondents rated almost all philanthropic causes as important/very important, unlike Asian and Middle Eastern respondents for whom education is the standout cause. The largest difference in importance between African respondents and their Asian and Middle Eastern counterparts lie in poverty and health/medicine causes, a possible reflection of the level of development of the continent.

Supporting giving: the role of private banks

The current sentiment towards private banking involvement in local philanthropy is ambivalent for this group of HNW business owners. Almost all respondents indicated that they do not get involved via their private bank (96%), as donating to charities is something they would rather do themselves. Often, this segment approaches philanthropy by creating their own foundations and initiatives, not simply donating to the work of others.

Our interviews revealed the personal nature of their commitment to philanthropy, which can often form part of their family values: "I'm all for receiving and engaging ideas, but not at the expense of my family believing they don't need to think about those questions themselves."

African entrepreneurs are especially keen for banks to demonstrate support for the causes closest to them (education, poverty and social enterprise). In regions where a formal culture of giving is relatively undeveloped, and with a limited number of foundations or structures through which to donate, private banks have an opportunity to better inform their clients about the most effective means of utilising their resources.

This might include educating business owners on the risks, considerations and best practices in order to professionalise their independent philanthropic efforts, or supporting philanthropic endeavours by creating a network of like-minded philanthropists or even offering financing especially for capital intensive projects such as building schools or hospitals.

At Standard Chartered Private Bank, our Philanthropy programme, *Investing for a Better Future*, provides options depending on clients' philanthropic goals. These include education and involvement (for clients who want to contribute more than financially), bespoke structuring for personal interest ventures, and sustainability consultation for those who wish to embed sustainability programmes in their own businesses. The wealth planning team has worked closely with the family offices of several international clients to deliver solutions around philanthropy. These range from setting up charitable trust structures, to enabling funding to build hospitals in India.

To read the full report, please visit www.sc.com/privatebank/en/campden.html.

Since the inception of Standard Chartered's Private Banking business in 2007 (through organic growth and the acquisition of American Express Bank Ltd.), the Private Bank has continued to see strong year-on-year growth. It is currently one of the top ten global private banks in Asia with one of the widest pan-Asian private banking networks in the region.

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Notes to Editors:**About the research**

Business before wealth is the result of proprietary research undertaken with high net worth business owners in Asia, Africa and the Middle East (AAME) in the winter of 2013-2014. The participants completed an extensive questionnaire and offered insight during in-depth interviews, typically lasting an hour, conducted by members of the Campden Wealth Research team. An exclusive selection of AAME business owners, active across a range of industries, participated in the study. Participants were stakeholders in family businesses with a 2012 turnover and family net worth in excess of US\$100 million, as well as stakeholders in non-family businesses with a 2012 turnover and individual net worth in excess of US\$25 million.

Business before wealth explores three major dynamics of AAME business owners' experience: growth strategies, succession and philanthropy. The report offers comparisons and distinctions across regions and wealth profiles, in order to capture the unique challenges and opportunities faced by AAME business owners in the pursuit of sustainable business development.

About Campden Wealth Research

Campden Wealth is the leading independent provider of information, news and education for generational family business owners and family offices globally in person, in print, via research and online. Campden Research supplies market insight on key sector issues for its client community and their advisers and suppliers. Through in-depth studies and comprehensive methodologies, Campden Research provides unique and proprietary data and analysis based on primary sources. For more information, please visit: campdenresearch.com

Standard Chartered Private Bank

Standard Chartered Private Bank is the private banking division of Standard Chartered. Headquartered in Singapore, the Private Bank provides exciting career opportunities to over 1,200 employees including over 350 relationship managers globally. It has 11 offices including two trust offices in 12 cities across Asia, Africa, the Middle East and Europe.

The Private Bank has grown strongly since its inception in May 2007. On top of its strong organic growth, it acquired American Express Bank Ltd. in 2008, and Morgan Stanley's onshore private wealth management business in India, through which it has further improved its capabilities.

The Private Bank leverages the natural strengths of Standard Chartered: a heritage of over 150 years in international banking, an international network across more than 70 countries and strong local presence in growth markets. This puts the Private Bank in an advantageous position to build and deepen relationships with its clients.

For more information, please visit: www.sc.com/privatebank

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Standard Chartered

We are a leading international banking group, with more than 86,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East, where we earn around 90 per cent of our income and profits. Our heritage and values are expressed in our brand promise, *Here for good*.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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