

AfrAsia Bank
AFRICA WEALTH REPORT 2021

FULL REPORT



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NWWealth

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1. Introduction

*This is the 4th edition of the **Africa Wealth Report** which has been released annually since 2017. It is sponsored by Mauritius based banking group AfrAsia Bank (www.afrasiabank.com). The data and findings in the report are provided by wealth intelligence firm New World Wealth (www.newworldwealth.com).*

The report provides a comprehensive review of the wealth sector in Africa, including HNWI trends, luxury trends and wealth management trends on the continent. The wealth and HNWI figures in the report are for December 2020 and they therefore take into account the impact of the recent coronavirus outbreak. The following wealth bands are considered in our analysis.

Wealth Tier	Definition
Billionaires	Those individuals with wealth of US\$1 billion or more.
Centi-millionaires	Those individuals with wealth of US\$100 million or more.
Multi-millionaires	Those individuals with wealth of US\$10 million or more.
Millionaires (HNWIs)	Those individuals with wealth of US\$1 million or more.
Mass Affluent	Those individuals with wealth of over US\$100,000.

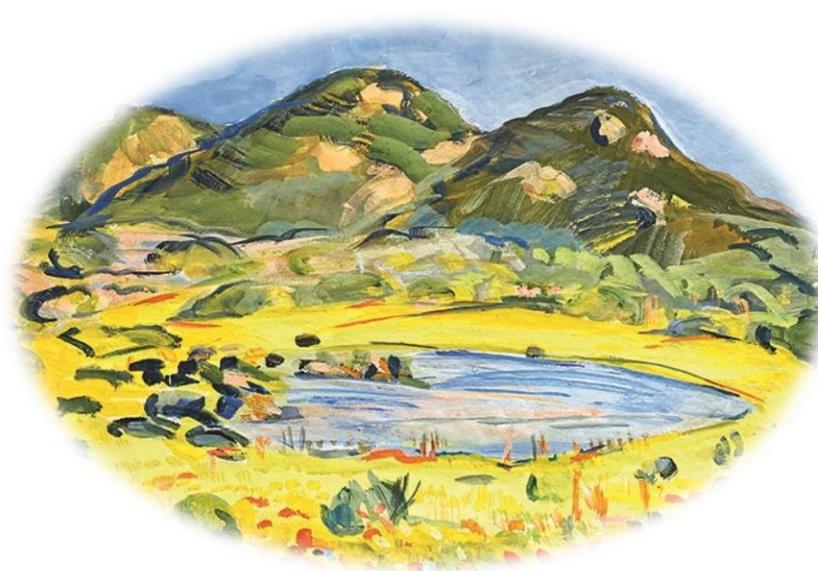
Source: New World Wealth

2. Benchmarking Africa's Wealth in Context

Africa stats (for December 2020):

- *Total private wealth held on the continent amounts to approximately US\$2.0 trillion.*
- *There are approximately 125,000 millionaires (HNWIs) living in Africa, each with net assets of US\$1 million or more.*
- *There are approximately 6,200 multi-millionaires living in Africa, each with net assets of US\$10 million or more.*
- *There are 275 centi-millionaires living in Africa, each with net assets of US\$100 million or more.*
- *There are 22 billionaires living in Africa, each with net assets of US\$1 billion or more.*

Note: *“Wealth” refers to the net assets of a person. It includes all their assets (property, cash, equities, business interests) less any liabilities.*



Year	Total wealth (US\$ trillion)	HNWIs (\$1m+)
2010	2.4	150 000
2011	2.2	138 000
2012	2.4	147 000
2013	2.3	142 000
2014	2.3	140 000
2015	2.1	135 000
2016	2.2	145 000
2017	2.3	148 000
2018	2.2	140 000
2019	2.2	138 000
2020	2.0	125 000

Note: HNWI numbers rounded to nearest 1,000. Only includes people living in Africa (residents). Figures for year-end.

Source: New World Wealth

3. Country wealth rankings

The following table ranks major African countries by total wealth. Larger countries obviously have an advantage here due to their higher populations. As reflected, the “Big 5” wealth markets in Africa are: South Africa, Egypt, Nigeria, Morocco and Kenya – together these five countries account for over 50% of Africa’s total wealth.

Notably, South Africa is home to over twice as many millionaires (HNWIs) as any other African country, whilst Egypt has the most billionaires on the continent.

Note: “Total wealth” refers to the private wealth held by all the individuals living in each country. It includes all their assets (property, cash, equities, business interests) less any liabilities. We exclude government funds from our figures.



Country	Total wealth (US\$bn)	HNWIs (\$1m+)	Multi-millionaires (\$10m+)	Billionaires (\$1bn+)
South Africa	604	36 500	1 930	5
Egypt, Arab Rep.	282	15 500	810	6
Nigeria	207	9 100	460	4
Morocco	111	4 500	200	3
Kenya	90	8 300	330	-
Ethiopia	57	3 200	150	-
Ghana	56	2 800	110	-
Tanzania	54	2 300	80	1
Angola	48	2 200	100	1
Cote d'Ivoire	41	2 400	100	-
Mauritius	40	4 400	190	-
Uganda	35	1 400	60	-
Namibia	22	1 600	60	-
Mozambique	19	1 000	50	-
Botswana	18	2 000	80	-
Zambia	13	700	30	-
Rwanda	10	600	30	-

Notes: HNWI numbers rounded to nearest 100. Multi-millionaire figures rounded to nearest 10.

Only includes people living in each country (residents). Figures for December 2020.

Source: New World Wealth

Country	Wealth per capita (US\$)
Mauritius	31 900
South Africa	10 310
Namibia	8 790
Botswana	7 810
Morocco	3 050
Egypt, Arab Rep.	2 810
Ghana	1 830
Kenya	1 700
Cote d'Ivoire	1 600
Angola	1 520
Nigeria	1 030
Tanzania	920
Uganda	780
Rwanda	780
Zambia	710
Ethiopia	630
Mozambique	610

Note: Figures for December 2020. Refers to the average wealth of a person living in each country. Rounded to nearest 10.

Source: New World Wealth

4. *Wealth growth trends*

Total wealth held in Africa has fallen by 16% over the past decade (2010 to 2020). Africa's performance was constrained by poor performance in the three largest African markets, namely: South Africa, Egypt and Nigeria. Angola also performed poorly.

Ethiopia was the top performing individual market during this period, although it should be noted that it started from a very low base, which makes growth easier - average wealth in Ethiopia currently stands at around US\$630 per person which is still very low.

Mauritius' growth rate is impressive when considering that wealth per capita levels there are already quite healthy at over US\$30,000 per person. The World Bank officially classified Mauritius as a high-income country in July 2020.

Note: The growth figures in this section are to December 2020 and they therefore take into account the impact of the recent coronavirus outbreak.

Country	10 year growth rate*
Ethiopia	81%
Mauritius	76%
Rwanda	40%
Kenya	40%
Uganda	38%
Cote d'Ivoire	33%
Ghana	30%
Tanzania	28%
Botswana	13%
Mozambique	9%
Morocco	5%
Namibia	-5%
Zambia	-15%
South Africa	-25%
Egypt, Arab Rep.	-30%
Nigeria	-33%
Angola	-34%

*US\$ wealth growth from 2010 to 2020.

Source: New World Wealth

Spotlight on Mauritius:

Mauritius has been one of the top performers in Africa over the past decade. Possible reasons for its strong growth include:

- *Safety - Mauritius was recently rated by New World Wealth as the safest country in Africa, along with Namibia and Botswana. Notably, safety is one of the key drivers of wealth growth in a country.*
- *Ease of doing business in the country - Mauritius ranked 1st in Africa and 13th worldwide in the World Bank's 2020 Doing Business Report.*
- *A thriving and growing financial services sector.*
- *Fast growing local stock market (SEMDEX).*
- *Strong HNWI growth - a large number of wealthy individuals (HNWIs) have moved to this jurisdiction over the past decade. In addition, many locally born HNWIs have been created as the economy has grown. Mauritius is now home to around 4,400 HNWIs, compared to 2,500 HNWIs a decade ago.*
- *Secure ownership rights. Ownership rights are very strong in Mauritius, which encourages locals and foreigners to invest in property and businesses in the country.*
- *Low taxes which encourage business formation and appeal to retirees. Notably, there is no inheritance tax or capital gains tax in Mauritius.*
- *Low level of government regulation in the local business sector (when compared to nearby countries such as South Africa).*
- *It has a well-developed banking system and stock exchange. This encourages people to invest their money within the country and grow their wealth locally. It also ensures that any economic growth filters through to wealth creation.*

Spotlight on South Africa:

SA's performance has been poor, with total private wealth held in the country declining by 25% over the past decade, when measured in US\$ terms. Performance was negatively impacted by:

- *Significant loss of currency value vs. US\$ from around 6.80 Rand per US\$ in 2010 to 14.70 Rand per US\$ in 2020 (year-end rates).*
- *A large number of local businesses closed down during the period, especially in the SME space.*
- *Poor returns from the JSE all share index (down by 12% over the past decade when measured in US\$ terms).*
- *The ongoing migration of wealthy people out of the country. Based on our estimates, around 4,200 HNWI's have left SA over the past decade (2010 to 2020). Most of these individuals have gone to the UK, Australia and USA. Some have also gone to: Switzerland, Israel, Mauritius, New Zealand, the UAE, Canada, Portugal, Spain, Cyprus and Malta.*
- *A sluggish local prime residential market. In particular, homes valued at over R10 million (equates to around US\$700,000) have become very difficult to sell.*

Spotlight on Egypt:

Egypt has traditionally been home to a large number of centi-millionaires and billionaires. However, many of these individuals left the country following the Arab Spring (which started in Dec 2010). Also, many of the wealthy and middle class people that stayed lost significant wealth as the local economy struggled. Notwithstanding this, Egypt's economy has stabilized over the past few years and some HNWI's have returned, although the country still remains very vulnerable.

Spotlight on Nigeria:

Nigeria started off the review period relatively well, but since 2014 has performed poorly. Possible reasons for its poor performance include:

- *Significant loss of currency value vs. US\$ from around 150 Naira per US\$ in 2010 to 380 Naira per US\$ in 2020 (year-end rates).*
- *Drop in oil prices - Nigeria is highly dependent on the oil sector. Brent crude oil prices were steady at around \$100 per barrel between 2011 and 2014 – they have since dropped to around \$50 per barrel (as at December 2020).*
- *Migration of HNWIs out of the country.*

Spotlight on Angola:

Like Nigeria, Angola started the review period relatively well and was actually one of the fastest growing wealth markets in the world between 2000 and 2013. However, the local economy has struggled since then as oil prices have dropped. The currency has also weakened considerably against the US\$, especially over the past few years (with large currency drops vs. US\$ in 2018, 2019 and 2020).

Spotlight on Zambia:

Zambia's currency has weakened significantly against the US\$, especially over the past two years (2019 and 2020), which has pulled US\$ based wealth down in the country. Despite this setback, our projections for Zambia are still relatively strong (see next section).

5. Wealth growth forecasts

Total private wealth held in Africa is expected to rise by 30% over the next 10 years, reaching US\$2.6 trillion by 2030. This growth will be driven by strong growth in the billionaire and centi-millionaires segments in particular.

Strong growth:

We expect Ethiopia, Mauritius, Rwanda, Kenya and Uganda to be the strongest performing wealth markets in Africa during this period (60%+ growth rates). Solid growth is also forecast in Namibia, Botswana, Mozambique and Zambia (40%+ growth rates).

Mid-range growth:

South Africa, Ghana, Ivory Coast, Egypt, Morocco, Tanzania, Angola and Nigeria should all see moderate wealth growth over the forecast period (20%+ growth rates).



Note: *Our overall 30% growth forecast for Africa is relatively healthy when compared to most other regions globally.*

Our wealth forecasts take into account:

- *GDP forecasts - economic growth is usually linked to wealth growth.*
- *Recent wealth migration trends - which we see as an insight into future wealth trends. So for instance if a large number of HNWIs are leaving a country that is probably a bad sign for future wealth growth.*
- *Competitiveness of country's wages relative to worldwide peers.*
- *Competitive advantages of each economy.*
- *Safety levels in country and the efficiency of the local police service.*
- *Ease of doing business in country.*
- *Education standard in country - special focus on Science, Maths and Literacy.*
- *Level of innovation and entrepreneurship in country.*
- *Strength of ownership rights in country.*
- *Tax rates - low tax rates encourage business formation and promote wealth creation in a country.*
- *Ease of investment in each country.*

6. Africa's wealthiest cities

We recently reviewed the wealthiest cities in Africa by total wealth held. Note: "Total wealth" refers to the private wealth held by all the individuals living in each city. It includes all their assets (property, cash, equities, business interests) less any liabilities. We exclude government funds from our figures.

City	Total wealth (US\$bn)	HNWIs (\$1m+)	Multi-millionaires (\$10m+)	Billionaires (\$1bn+)
Johannesburg	226	15 100	790	2
Cape Town	123	6 500	390	1
Cairo	118	7 500	400	4
Lagos	88	5 000	260	2
Durban & Umhlanga	55	3 400	210	-
Nairobi	47	6 000	250	-
Paarl, Franschhoek & Stellenbosch	47	2 800	160	2
Pretoria	42	2 400	100	-
Casablanca	39	2 200	110	2
Accra	34	2 300	100	-

Notes: HNWI numbers rounded to nearest 100. Multi-millionaire figures rounded to nearest 10.

Only includes people living in each city (residents). Figures for December 2020.

Source: New World Wealth

City	Total wealth (US\$bn)	HNWIs (\$1m+)	Multi-millionaires (\$10m+)	Billionaires (\$1bn+)
Luanda	29	1 800	80	1
Abidjan	24	1 800	90	-
Dar Es Salaam	23	1 200	50	1
Alexandria	21	1 600	90	1
Kampala	15	800	40	-
Addis Ababa	14	800	40	-
Gaborone	12	1 200	50	-
Windhoek	10	900	40	-
Abuja	10	600	30	-
Marrakesh	10	500	30	-
Tangier	10	500	30	-
Maputo	9	700	40	-
Lusaka	8	400	20	-
Mombasa	7	800	40	-

Notes: HNWI numbers rounded to nearest 100. Multi-millionaire figures rounded to nearest 10.

Only includes people living in each city (residents). Figures for December 2020.

Source: New World Wealth

Johannesburg:

The wealthiest city in Africa. Most of Johannesburg's wealth is concentrated in Sandton, which is home to the JSE (the largest stock market in Africa) and to the head offices of most of Africa's largest banks and corporates. Major sectors in the city include: financial services (banks) and professional services (law firms, consultancies).

Cape Town:

Home to Africa's most exclusive suburbs including: Clifton, Bantry Bay, Fresnaye, Llandudno, Camps Bay, Bishopscourt and Constantia. Also home to a number of top-end lifestyle estates including: Steenberg, Atlantic Beach and Silverhurst Estate. Major sectors there include: real estate and fund management.

Cairo:

Located along the Nile River, Cairo is one of the world's most important cities historically. It is also home to more billionaires than any other city in Africa. Major sectors there include: financial services, telecoms, retail, tourism and basic materials.

Lagos:

The largest city in Africa (in terms of its overall population) and the economic hub of West Africa. Affluent parts of Lagos include: Ikoyi and Victoria Island. Major sectors in the city include: basic materials, oil & gas, transport and financial services.

Durban & Umhlanga:

Our wealth stats for this area include wealth held in Durban, Umhlanga, La Lucia and Ballito. Notably, Umhlanga and Ballito are two of the fastest growing towns in South Africa, in terms of wealth growth over the past decade. The apartments on Lagoon Drive in Umhlanga are some of the most exclusive in SA - notable top-end complexes include: the Pearls, Edge of the Sea and the Bermudas.

Nairobi:

Nairobi is the economic hub of East Africa and one of the fastest growing cities in the world. Affluent parts of Nairobi include: Runda Estate, Lavington, Kitisuru, Karen and Muthaiga. Major industries there include: financial services, real estate, tourism, media, clothing, textiles, processed foods, beverages and cigarettes.

Paarl, Franschhoek & Stellenbosch:

These three towns are located next to one another. They combine to form one of the fastest growing areas in South Africa for HNWI's. Notably, a large number of retired HNWI's have moved to these towns over the past decade. There are also several exclusive residential estates in the area that have attracted HNWI's including: Val de Vie, De Zalze and Domaine des Anges.



7. The coronavirus impact

Apart from the human cost, the coronavirus outbreak has also had a severe economic impact - our estimates show that private wealth and HNWI levels in Africa have dropped by around 9% over the past year (2020).

This drop has been driven by:

- *A drop in salary levels and job losses (mainly related to the virus outbreak and the related lockdowns). The travel, hospitality, manufacturing and real estate sectors have been most heavily impacted.*
- *A large number of local businesses closed down during the year, especially in the SME space.*
- *The residential property market weakened, especially the prime (top-end) market.*
- *Rising household debt. Debt is subtracted when calculating net assets so this has a negative impact on private wealth.*

The coronavirus outbreak has also caused many wealthy people (HNWIs) in Africa to change their spending habits. Recent trends include:

- *A move away from commercial airliners and towards private jet travel, especially among the super-rich (i.e. centi-millionaires and billionaires).*
- *Many HNWI's have chosen to work remotely and live in smaller towns. For instance, many South African HNWI's are now working remotely from affluent small towns such as Hermanus and Franschhoek.*
- *Less international tourism. The luxury hotel sector in each country has become more dependent on local HNWI's.*
- *Outdoor hobbies/sports that allow for easy social distancing (such as golf, hiking, fishing, cycling and bird-watching) have become more popular.*



8. Luxury market

South Africa is home to the largest luxury market in Africa by revenue, followed by Kenya and then Morocco. Major components of this include: luxury hotels & lodges, luxury cars, luxury clothing & accessories, luxury watches, private jets and yachts.

Luxury hotels & lodges:

The luxury hotel sector is one of the most important sectors in Africa as it brings a large amount of forex spending into the continent. It also creates a large number of well-paying jobs for local hoteliers, chefs, game rangers etc. Much of this income is seasonal in the form of tips.

The coronavirus outbreak has severely impacted on this sector in 2020/2021 and hotel occupancy rates are down substantially in most African countries. A lack of international visitors has also forced many luxury hotels & lodges to lower their prices in order to appeal to locals.

South Africa is the main luxury tourist destination in Africa. Major SA destinations for wealthy people (HNWIs) include: Cape Town, Umhlanga, Franschhoek and the Kruger Park area (especially Sabi Sands).

Major destinations for HNWIs in the rest of Africa include: Marrakech in Morocco, Cairo in Egypt, the Serengeti in Tanzania, Sharm El Sheikh in Egypt, the Masai Mara in Kenya, Livingstone in Zambia and the Okavango Swamps in Botswana. Gorilla safaris in the Virunga Mountains (Rwanda) and the Bwindi Forest (Uganda) are also popular.

The following game lodges in Africa are especially popular for HNWIs:

- *Ngorongoro Crater Lodge - Serengeti, Tanzania.*
- *Cottars Camp - Masai Mara, Kenya.*
- *Chiefs Camp - Okavango Delta, Botswana.*
- *Singita - Sabi Sands, South Africa.*
- *Gorilla Forest Camp - Bwindi, Uganda.*

Popular trains and boats for HNWIs visiting Africa:

- *Blue Train - South Africa.*
- *Rovos Rail - Tanzania to South Africa.*
- *Zambezi Queen - Botswana.*

Popular hotel groups for HNWIs visiting Africa include: Red Carnation, &Beyond, Sanctuary Retreats, Belmond, the Royal Portfolio, Wilderness Safaris, Virgin Limited Edition and Singita.



Luxury cars:

Luxury car brands with a presence in Africa are listed below, ranked by number of dealerships. As reflected Porsche has dealerships in South Africa, Kenya, Egypt, Nigeria, Mauritius and Morocco. Porsche sells around 2,000 cars in Africa per annum (of which around 1,200 are sold in South Africa).

Brands	Dealership locations
Porsche	South Africa, Kenya, Egypt, Nigeria, Mauritius, Morocco
Bentley	South Africa, Egypt, Kenya, Morocco
Ferrari	South Africa, Morocco
Aston Martin	South Africa, Egypt
Rolls Royce	South Africa
Lamborghini	South Africa
McLaren	South Africa

Source: New World Wealth

Notably, luxury SUVs are especially popular in Africa. Reasons for their popularity include:

- *High road clearance. SUVs handle potholes and bad roads better than luxury sedans and sports cars.*
- *Safety aspects.*
- *Space for children.*
- *Useful for holidays – off road, game drives etc.*

Some of the more popular SUVs for HNWI's in Africa include:

- *Range Rover (all models).*
- *Porsche Cayenne.*
- *Mercedes GLE.*
- *BMW X6.*
- *Jaguar F-Pace.*
- *Bentley Bentayga.*
- *Rolls Royce Cullinan.*
- *Lamborghini Urus.*
- *Aston Martin DBX (new).*



The Rolls Royce Cullinan, Bentley Bentayga, Aston Martin DBX and Lamborghini Urus are currently the most expensive SUVs on the market. Ferrari (Purosangue) is also expected to release an SUV soon, which will also be ultra-exclusive.

Luxury clothing & accessory brands:

A large number of exclusive brand stores were put up in Africa between 2002 and 2007 during the global consumer boom period. Since then growth in this sector has slowed. Notable luxury brands with stores in Africa are listed below (ranked by number of stores). Most of these stores are based in exclusive shopping centers such as Sandton City in Johannesburg and the V&A Waterfront in Cape Town.

Prada previously had a store in South Africa (Sandton City), which it closed in 2020.

Brands	Specialty	Store locations
Zegna	Mens clothing	South Africa, Nigeria, Egypt
Louis Vuitton	Clothing & Accessories	South Africa, Morocco
Burberry	Clothing & Accessories	South Africa, Egypt
Gucci	Clothing & Accessories	South Africa, Morocco
Salvatore Ferragamo	Clothing & Accessories	South Africa, Egypt
Paul Smith	Mens clothing	South Africa
Dolce & Gabbana	Clothing & Accessories	South Africa
Jimmy Choo	Women's shoes	South Africa
Patek Philippe	Watches	South Africa

Source: New World Wealth

Future brands:

The following luxury brands are likely to open brand stores in Africa over the next decade. Most of these brands already have stores in other emerging markets such as China, Vietnam and the UAE.

Future Brands	Specialty
Berluti	Leather goods
Bottega Veneta	Clothing & accessories
Christian Louboutin	Women's shoes
Goyard	Leather goods
Hermes	Clothing & accessories
Loewe	Leather goods
Mulberry	Leather goods

Source: New World Wealth

9. Collectables

Collectables are a growing segment in Africa. They include any luxury item that holds its value reasonably well over time. Prominent examples include: art, classic cars, top-end watches, jewelry, fine wine and stamps. Note: Collectables do not include yachts, private jets and new cars as these items are unlikely to hold their value.

Spotlight on Art:

The global top-end art market is currently valued at around US\$80 billion. African art accounts for around US\$1.2 billion of this.

Some of the best known local artists include:

- *Gerard Sekoto (South Africa)*
- *Maggie Laubser (South Africa)*
- *Irma Stern (South Africa)*
- *Ben Enwonwu (Nigeria)*
- *El Anatsui (Ghana)*

Irma Stern is currently the most valuable local artist. Her paintings can fetch up to US\$3.0 million each, with an average price of around US\$250,000 per painting.



10. Wealth management sector

Approximately US\$140 billion of Africa's HNWI wealth is tied up with wealth managers and private banks. Typically, wealth managers in Africa target individuals with over US\$500,000 in investable assets. Services that are most in demand from them include: asset management services, financial planning and inheritance planning.

South Africa (mainly Johannesburg) is the main wealth management hub in Africa with AuM of around US\$80 billion (as at December 2020).

We estimate the African wealth management market will grow by around 40% over the next decade, driven by strong growth in Kenya and Mauritius in particular. Reasons for our strong growth projections in these two countries include:

- They both have well-developed retail banking systems - this is important as wealth management offerings leverage off these same systems.*
- They are relatively stable markets economically and politically.*
- They have shown steady wealth growth over the past 10 to 20 years, and their wealth growth forecasts are strong.*

Spotlight on family offices:

Family offices are a fast growing wealth management segment in Africa and throughout the world. They traditionally provide a more customized offering than wealth managers and private banks. Services they offer include: managing household staff, property management, philanthropy coordination, managing family education, intergenerational transfer and legal and tax services, on top of the usual investment services.

Typically family offices are exclusively for family members and family related trusts, foundations, charities and venture capital companies.

Single-family offices (SFO)

Single-family offices generally take the form of a private company that manages the investments of ultra-wealthy individuals (normally with net assets of more than US\$100 million) and their extended family. Typically, an SFO has a small team consisting of a lawyer, an investment specialist and an accountant.

Multi-family offices (MFO)

There are a significant number of families with between US\$10 million and US\$100 million in assets that do not have the economies of scale to establish stand-alone family offices. MFOs cater to these families and allow them to share administrative costs. Stonehage Fleming is a notable MFO with a presence in Africa - it has an office in SA.



11. Drivers of wealth growth

Based on our research, the top factors that encourage wealth growth in a country include:

- **Strong safety & security** - the safety levels in a country and the efficiency of the local police are probably the most critical factors in encouraging long-term wealth growth. Based on our latest safety index, the safest countries in Africa are: Mauritius, Botswana and Namibia.
- **Media freedom** - it is important that major news outlets in a country are neutral and objective. A well-developed financial media is especially important as it helps to disseminate information to investors.
- **Strong ownership rights** - Zimbabwe offers a case in point as to what happens when ownership rights are stripped – once assets are taken away they tend to lose value as no one is willing to buy anything.
- **Strong economic growth** - economic growth is usually linked to wealth growth.
- **A well-developed banking system and stock market** - ensures that people invest and grow their wealth locally.
- **Low level of government intervention** - government tampering in the business sector creates large inefficiencies within an economy. Government owned enterprises and parastatals can also be a problem (as shown with Eskom in SA).
- **Low income tax and company tax rates** - Dubai and Singapore are examples of the power that tax rates can have in encouraging business formation – both have very low tax rates.
- **Ease of investment** - barriers such as exchange controls inhibit wealth growth.
- **Wealth migration** - the migration of HNWI's to a country helps build wealth.

12. *Wealth vs. GDP*

We consider wealth to be a far better measure of the financial health of an economy than GDP. Reasons for this include:

- *In many developing countries, a large portion of GDP flows to the government and therefore has little impact on private wealth creation.*
- *GDP counts items multiple times (for instance, if someone is paid \$100 for a product/service and they then pay someone else that \$100 for another product/service, then that adds \$200 to a country's GDP, even though only \$100 has been produced at the start).*
- *GDP ignores the efficiency of the local banking sector and the local stock market at retaining wealth in a country.*
- *GDP largely ignores the impact of property and stock market moves. These two factors obviously have a massive impact on wealth.*
- *GDP is quite a static measure - it tends to only move slightly year on year. As a result, it is not a great gauge of the performance of an economy.*

Wealth figures, on the other hand, do not have any of these limitations, making them a far better gauge of the financial health of an economy than GDP figures.

13. Research and methodology

Country stats:

We use a model to calculate wealth breakdowns for each country, with key inputs including:

- *Wealth data from our in-house HNWI database.*
- *Stock market stats in each market.*
- *Property stats in each market.*
- *Household income stats in each market.*
- *Household savings and household debt stats in each market.*

These metrics are combined together in our model to calculate the total wealth held in each country and to calculate the number of people in each wealth tier. For the top wealth tiers (such as billionaires and centi-millionaires) we mainly rely on our in-house HNWI database.

Our model also maps historical wealth growth trends in each country by considering:

- *Currency movements vs. the US\$ (note: all our stats are in US\$ terms).*
- *Stock market movements (in US\$ terms).*
- *Property price movements (in US\$ terms).*

It should be noted that the average HNWI worldwide has the bulk of their wealth tied up in residential property and equities, so large movements in these two segments heavily impact on the total private wealth held in a country.

Demographic breakdowns:

We mainly rely on our in-house HNWI database for the demographic splits within each country (i.e. city, suburb and sector wealth breakdowns). For our city breakdowns, we also take into account public prime property stats (property registers and property sales stats) - specifically, we look at the number of highly-priced homes in each area.

HNWI database:

We have a sample of over 150,000 HNWIs worldwide in our database. The database is focused on HNWIs with the following work titles: Directors, Chairman, CEOs, Founders and Partners. We do not give out the names of these individuals to anyone. We purely use this database for in-house statistical studies.



Our wealth intelligence research covers 90 countries and 150 cities worldwide.

For more information, please visit www.newworldwealth.com.

14. About AfrAsia Bank

Strategically based in Mauritius with a representative office in South Africa, AfrAsia Bank is continuously leveraging its African footprint and positioning itself as a boutique financial services provider. The Bank's entrepreneurial approach helps to tailor innovative banking solutions for both local and international markets, by connecting Africa, Asia and the World using Mauritius as the gateway for investment.

AfrAsia Bank develops tailored financial solutions in four distinct business lines:

- *Corporate Banking.*
- *Global Business Banking.*
- *Private Banking and Wealth Management.*
- *Treasury and Markets.*

In addition to its anchor Mauritian shareholder, IBL, the largest conglomerate in the country, other strong strategic partners include National Bank of Canada, and Intrasia Group.

With an experienced team and regional foundations giving customers the reliability and trust of a global banking network, the Bank helps clients achieve their financial aspirations, all delivered with boutique agility and service. AfrAsia Bank is an award-winning bank who has bagged several awards from reputed institutions namely Euromoney, The Banker and EMEA Finance.

For more information on AfrAsia Bank, please visit www.afrasiabank.com.

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Note: This report features art from Maggie Laubser and Irma Stern.