


Forbes
INSIGHTS

BNP PARIBAS INDIVIDUAL PHILANTHROPY INDEX

MEASURING COMMITMENT IN EUROPE | ASIA | MIDDLE EAST



BNP PARIBAS
WEALTH MANAGEMENT



BNP Paribas
**Individual
Philanthropy
Index**

Forbes
INSIGHTS



CONTENTS

Executive Summary	2
Acknowledgments.....	2
Key Findings.....	3
The BNP Paribas Individual Philanthropy Index.....	4
Other Findings	6
Giving.....	9
Top Causes	11
Motivation	15
Innovation	16
Impacts Measurement	21
Promotion	23
Tone From the Top	25

EXECUTIVE SUMMARY

How committed to individual giving are the wealthy in Europe, the Middle East and Asia? In what ways are philanthropists from these regions similar, and how are they different? Are the ultra wealthy more generous than the very wealthy? What does the younger generation of the wealthy tell us about the future of giving?

The first index of its kind, the BNP Paribas Individual Philanthropy Index by Forbes Insights aims to answer these questions. It measures and reflects the commitment of individual philanthropists from Europe, the Middle East and Asia in terms of three main criteria: the amounts given, innovation (see definition on page 5) and the effort invested to promote their causes. It is based on a survey of more than 300 High Net Worth Individuals (at least \$5 million in assets under management) in those three regions, conducted by Forbes Insights between January and March 2013.

Forbes Insights' research shows that, in terms of High Net Worth Individuals' giving, Europe and Asia are moving in tandem, and both regions are at a halfway point in reaching

total philanthropic commitment. The Middle East marches to its own drumbeat, and is a third of the way there. While the lower score in the Middle East presents an apparent paradox in light of the Islamic imperative toward charitable giving, this might be partly explained by the religious injunction to be discreet about one's giving.

Philanthropists are very much creatures of their geography, with motivations and causes defined by cultures, social needs and economies. They are innovative and often translate their business acumen into their philanthropic works. What's uniting philanthropists is their reluctance to spread the word about their giving. The progress of philanthropy will only accelerate once donors become more open about their philanthropy and promote their causes more.

Forbes Insights would like to thank the following individuals for their expertise and time:

PHILANTHROPISTS

Sheikh Mohammed H. Al Amoudi, Owner, Corral Petroleum Holdings and MIDROC, Saudi Arabia

Richard Desmond, Owner, Express Newspapers, UK

Michael de Giorgio, Chief Executive, Greenhouse Charity, UK

Alexandre de Lesseps, President, Pandaw Investments Holdings of Hong Kong and Coral Capital Limited of London

Najib Mikati, telecommunications billionaire, former Prime Minister of Lebanon

Vincent T. Mo, Founder, SouFun Holdings, China

Kiran Mazumdar-Shaw, Chairman, Biocon, India

Shiv Nadar, Founder, HCL Group, India

Mark Tippetts, Managing Director, Pandaw Investments Holdings of Hong Kong

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FORBES WEALTH/PHILANTHROPY EXPERTS

John Koppisch, Senior Editor, Forbes Asia; editor of the Asian Heroes of Philanthropy list

Nazneen Karmali, India editor of Forbes Asia

Tatiana Serafin, Forbes wealth/philanthropy analyst

KEY FINDINGS

Commitment measurement of individual philanthropists reveals that Europe and Asia are at a halfway mark in their progress toward total commitment to individual philanthropy, while the Middle East is roughly a third of the way there, according to the BNP Paribas Individual Philanthropy Index. While the lower score in the Middle East presents an apparent paradox in light of the Islamic imperative toward charitable giving, this might be partly explained by the religious injunction to be discreet about one's giving.

The total Index score (max=100) is as follows:

- Europe 51.2
- Asia 50.3
- Middle East 33.2

The categories ranked are Giving (Current and Projected), Innovation and Promotion.
(See page 4 for Index methodology and for full Index results.)

Motivations for giving vary vastly by region, and they are embedded in regional cultures and histories.

- In the Middle East, religious faith is the top motivation (63%).
- In Asia, it's the desire to give back to society (25%).
- In Europe, it's equally family legacy, altruistic desire and a sense of duty (17% each).

Most philanthropists do not actively promote their causes.

- 77% of survey respondents said that they either insist on remaining anonymous or do not actively publicize their charity.

THE BNP PARIBAS INDIVIDUAL PHILANTHROPY INDEX

(Methodology)

This report analyzes individual giving in Europe, Asia and the Middle East based on the BNP Paribas Individual Philanthropy Index by Forbes Insights, which is geared toward the measurement of replicable, sustainable and efficient philanthropy. In the highest-scoring regions, not only do individuals give the most, they also approach philanthropy in an innovative way and actively promote their causes.

The data for the Index is derived from a survey of more than 300 individuals—divided equally among the three regions and with at least \$5 million in investable assets—conducted by Forbes Insights between January and March 2013.

For a maximum score of 100, a respondent would have to get the highest marks in three categories: Giving (Current and Projected), Innovation and Promotion.

For the highest Giving score, a philanthropist would have to currently donate at least 25% of his or her annual income to charity, and plan to leave at least 50% of his or her fortune to charitable causes.

For a top Promotion score, a philanthropist would also have to promote a charity or cause by: engaging other public figures in promoting their charities, regularly using social media to advance their causes, creating publicity for their causes and building their public reputation around their causes.

For a top Innovation score, an individual would have to spend money effectively and employ tools to measure this effectiveness; his or her philanthropies would have to utilize self-reinforcing incentives and have an exit strategy, among other criteria.

The weighting afforded the subcategories is 30% for Current Giving, 20% for Projected Giving and 25% each for Promotion and Innovation.

When applied to the survey results for the three regions analyzed for this report, Europe, Asia and the Middle East, the scores, out of a maximum of 100, were:

TOTAL INDEX SCORE (max = 100)	
Europe	51.2
Asia	50.3
Middle East	33.2

The difference in total score for the Middle East versus the other regions is largely due to lower scores in Current Giving and in Promotion.

Europe and Asia are around the midway mark in their march toward total commitment to individual philanthropy, while the Middle East is a third of the way there. It's worth noting that the difference in total score for the Middle East versus the other regions is largely due to lower scores in Giving and in Promotion. While the lower score in the Middle East presents an apparent paradox in light of the Islamic imperative toward charitable giving, this might be partly explained by the religious injunction to be discreet about one's giving.

The subcategory scores for the regions were as follows:

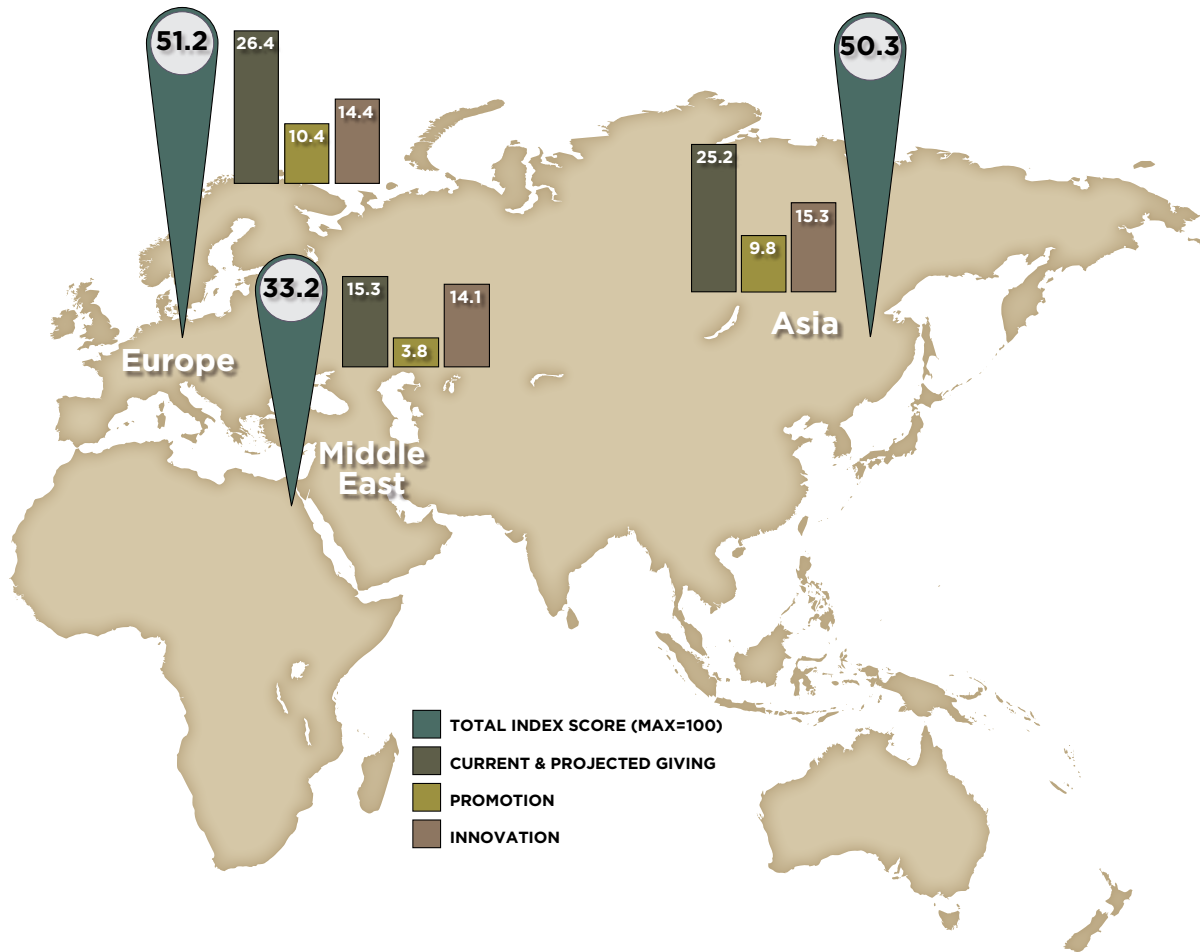
CURRENT GIVING (max = 30)	
Europe	17.1
Asia	16.2
Middle East	9.9

PROJECTED GIVING (max = 20)	
Europe	9.3
Asia	9.0
Middle East	5.4

INNOVATION (max = 25)	
Europe	14.4
Asia	15.3
Middle East	14.1

PROMOTION (max = 25)	
Europe	10.4
Asia	9.8
Middle East	3.8

BNP Paribas Individual Philanthropy Index



The BNP Paribas Individual Philanthropy Index is derived from a Forbes Insights survey of 303 individuals (about 100 each from Europe, Asia and the Middle East) with a minimum of \$5 million in investable assets. The index includes four weighted components: Current Giving (weighted at 30%), Projected Giving (20%), Promotion (25%) and Innovation (25%).

Current Giving (max score = 30) reflects the percentage of annual income respondents said they give to philanthropy on average. Projected Giving (max score = 20) reflects the percentage of total fortune they plan to eventually contribute.

Promotion (max score = 25) reflects the extent to which respondents strive to publicize their charitable causes.

Innovation (max score = 25) reflects the extent to which respondents said their philanthropic efforts take a results-oriented, entrepreneurial approach, with an emphasis on quantitative metrics, cost-effectiveness, sustainability of beneficial effects and replicability. (Other types of philanthropic innovation are outside the scope of this study.)

The sum of these components equals the Total Index Score on a 0-100 scale. A perfect score of 100 would imply an ideal philanthropic world of extreme generosity, advocacy and effectiveness.

OTHER FINDINGS

A third of all survey respondents say that they give 15% or more of their annual income to charity. 17% intend to leave 30% or more of their fortune to charity.

Health is the top charitable cause among all survey respondents (67%), but there are vast regional differences. The majority of the respondents from the Middle East (65%) cited achieving social change as their top cause.

Achieving and measuring impacts are the biggest challenges in realizing philanthropic goals. A majority of respondents believe that their charities focus on ultimate impacts (74%), e.g., reduction of malaria rates, as well as proxies (72%), such as number of mosquito nets distributed.

PHILANTHROPIST PROFILE BY ASSETS

THE MORE THEY HAVE, THE MORE THEY GIVE

Percentage of annual income given to charity each year on average

\$5 million to \$19.9 million in investable assets:
More than 20%—

8%

\$20 million-plus in investable assets:
More than 20%—

35%

Roughly what percentage of your fortune do you plan to leave to charity?

\$5 million to \$19.9 million in investable assets:
Half or more—

1%

\$20 million-plus in investable assets:
Half or more—

13%

How many of the ultra wealthy have foundations?

\$5 million to \$19.9 million in investable assets:

6%

\$20 million-plus in investable assets:

17%

The richest 100

63%

The richest 20

85%

PHILANTHROPIST PROFILE BY REGION

EUROPE		ASIA		MIDDLE EAST	
Driven by family legacy and sense of duty	17%	Driven by desire to give back to society	25%	Driven by religious faith	63%
Focused on health	63%	Focused on health	75%	Focused on social change	65%
Gives between 15% and 19.9% of annual income to charity	24%	Gives between 10% and 15% of annual income to charity	30%	Gives less than 5% of annual income to charity	38%
Insists on anonymity	38%	Doesn't hide involvement	45%	Insists on anonymity	60%
Regularly uses social media to advance cause	49%	Occasionally uses social media to advance cause	48%	Never uses social media to advance cause	57%

(Based on most popular answers.)

PHILANTHROPIST UNDER THE AGE OF THIRTY

Much more likely to be motivated by personal experience in choosing area of focus



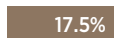
Much less likely to be motivated by religion



Much more likely to partner with other businesses in their philanthropic endeavors



More generous (17.5% give at least 25% of annual income to charity)



Likely to more actively promote philanthropy



More likely to promote causes on social media





Mark Tippetts and Alexandre de Lesseps at the 2001 opening of their second Myanmar Children's Association Orphanage, above Main Thauk Village on Inle Lake, Shan State, Myanmar

.....

“When I took Alex [to Shan State] and showed him the people and the need, he said, ‘Let’s raise the money tonight.’ That’s how he did it.

We were at a meeting at the Inya Princess Hotel, and just told everyone we needed to help these people. I put up \$10,000, and we went around the room. Everyone put up, and in less than five minutes, we raised \$78,000.

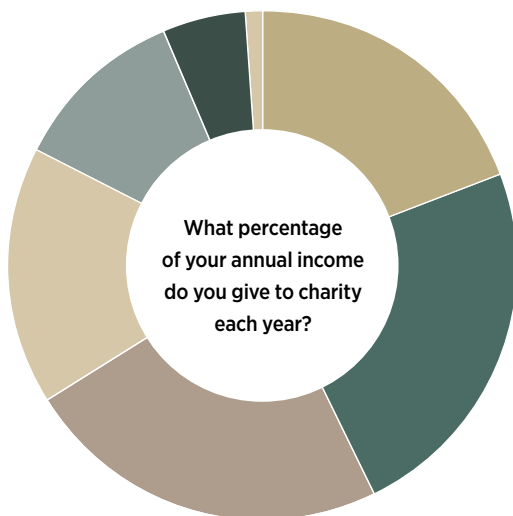
In 1998, that was an absolute fortune for a place like [that].”

—MARK TIPPETTS
Managing Director,
Pandaw Investments Holdings
of Hong Kong

.....

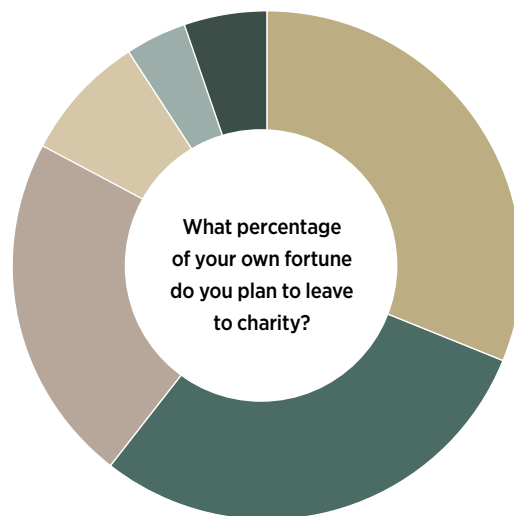
GIVING

The BNP Paribas Individual Philanthropy Index includes a score for the amounts currently given to philanthropy, as well as projected giving. Overall, a vast majority of survey respondents (65%) say that they give less than 15% of their annual income to charity. The ultimate amounts that respondents plan to devote to charity are more significant, with 40% saying that they will leave more than 20% of their wealth to philanthropic causes.



 Less than 5%	19%
 Between 5% and 9.9%	23%
 Between 10% and 14.9%	23%
 Between 15% and 19.9%	16%
 Between 20% and 24.9%	11%
 More than 25%	5%
 Made a gift over the last five years	1%

(Based on answers from respondents from all regions. May not add up to 100% due to rounding.)



 Less than 10%	31%
 Between 10 and 19.9%	29%
 Between 20% and 29.9%	22%
 Between 30% and 39.9%	8%
 Between 40% and 49.9%	4%
 50% or more	5%

(Based on answers from respondents from all regions. May not add up to 100% due to rounding.)

For this report Forbes Insights also looked at giving by the world's wealthiest individuals. Back in 2011 the Forbes wealth team created a list of the world's richest who had given away at least \$1 billion. The elite list had 19 members, and the majority of them were from the United States. The U.S. still leads in terms of giving by its wealthiest, with Bill Gates and Warren Buffett traveling the world and spreading their Giving Pledge idea (a commitment by the world's wealthiest individuals to dedicate the majority of one's wealth to philanthropy), which as of this writing has been signed by 105 of the ultra wealthy, mostly Americans.

Interviews conducted for this report with some of the wealthiest individuals in Europe and Asia about their charitable efforts reveal that there is also impressive individual giving in Europe and Asia, but it depends on the stage of philanthropy in a given region, and in some regions, on religious background.

The latest news in individual giving came from India, according to Nazneen Karmali, writing for Forbes.com: "Days after tech tycoon Azim Premji officially announced he'd signed the Giving Pledge, the Indian billionaire made his biggest philanthropic donation ever: Premji, ranked as India's third-richest person, with a fortune of over \$13 billion, announced that he is donating \$2.2 billion, or a 12% stake in his IT outsourcer Wipro, to a trust to fund his education-focused Azim Premji Foundation.

"The billionaire's latest act of charity comes on top of an initial \$125 million worth of shares in Wipro that he had earmarked to start the foundation in 2001, followed by his gifting shares worth \$2 billion to the trust three years ago, which had made him Asia's most generous philanthropist," writes Karmali.

Shiv Nadar, founder and chairman of HCL and Shiv Nadar Foundation, tells Forbes Insights: "I had said in the past that we will set aside 10% of my net worth towards philanthropy, but the way it's going, it looks like it will be 20%. This will not be a limitation. The foundation has invested approximately Rs 20,000 million so far (Ed. note: \$364 million)."

Kiran Mazumdar-Shaw, chairman and managing director of Biocon, says that "50% of my income is what I ascribe to philanthropy on an annual basis. I plan to pledge 75% of my net worth to a philanthropic trust."

One of the interviewees, Vincent T. Mo, founder and chairman of the board of SouFun Holdings Ltd. (and a member of the Forbes China Rich List in 2011, with a net worth of \$555 million), says that he is at the early stages of thinking about philanthropy and doesn't yet know how much he will be donating, though he expects that much of his wealth will be left to charity.

In the Middle East, giving is correlated with religious faith. Saudi Arabia's Sheikh Mohammed H. Al Amoudi says, "As a person of the Muslim faith, I tend to adhere to principles of zakat, which



"I plan to pledge 75% of my net worth to a philanthropic trust."

—KIRAN MAZUMDAR-SHAW
Chairman and Managing Director,
Biocon, India



is somewhat equivalent to tithing in the Christian faith.”

Najib Mikati explained his giving in the following way: “Zakat is one of the five pillars of Islam, and is expected to be paid by all practicing Muslims who have the financial means. According to Islamic law, zakat is an annual amount of 2.5% on capital assets. However, we are also encouraged by our religious and family traditions to make voluntary contributions known as Sadaqah. Such voluntary contributions have no limited amount or form.”

For some philanthropists, the amounts given and raised come from a more unstructured process and result from their emotional and more free-wheeling approach to both choosing a cause and financing it.

Alexandre de Lesseps and Mark Tippetts are partners in Hong Kong-based Pandaw Investments, which they formed in 1999 as a vehicle for investing in Myanmar (Burma), but also to assist their unusual philanthropic endeavors. A Forbes Insights correspondent caught up with both philanthropists at the home of De Lesseps, in a suburb of Yangon (Rangoon), the largest city and former capital of Myanmar.

De Lesseps and Tippetts have built orphanages and schools for the needy in Shan State in Myanmar. They not only established the orphanages and schools, but also provided support right through school and beyond, so that the kids would have a chance to get good jobs and build a real future. They first raised money in 1998.



“I believe that empowering women is the mechanism for breaking the cycle of gender discrimination, dependency and vulnerability.”

—NAJIB MIKATI
Former Prime Minister of Lebanon

Here is how Tippetts describes the funding process and the amounts of money needed: “When I took Alex there [to Kakku, in Pa-O country in Shan State, a remote area where people see some tourists, but never had much contact with outsiders] and showed him the people, and how they were living, and the need, he said, ‘Let’s raise the money tonight.’ That’s how he did it. We were at a meeting at the Inya Princess Hotel, and just told everyone we needed to help these people. I put up \$10,000, and we went around the room. Everyone put up, and in less than five minutes, we raised \$78,000. In 1998, that was an absolute fortune for a place like Pa-O.”

Richard Desmond, a British media magnate and an innovative and dedicated philanthropist, describes his annual or lifetime giving in the following way: “There is no such thing as a typical year. At the moment, I give a lot more than I earn. And the amount I will leave to charities is considerable.”

Nathalie Sauvanet, head of Individual Philanthropy at BNP Paribas Wealth Management, notes that among her European clients, the amounts that people are donating to philanthropy have been increasing. Philanthropy is no longer perceived as an end-of-life activity; with younger people giving money to philanthropy, it now often happens in midlife, especially for entrepreneurs.

TOP CAUSES

In the early stages of giving, philanthropy tends to be focused on what's close to the philanthropist's heart—such as hometown or religion—on check-writing versus creating a sustainable financing vehicle, and often on giving instant help versus creating long-term change.

For example, in China, hometown nostalgia pulls at the purse strings. Traditionally, there has been a lot of pumping money into the ancestral village, says John Koppisch, senior editor at Forbes Asia, and the editor of Forbes Asia's Heroes of Philanthropy list. Ethnic Chinese businesspeople throughout Southeast Asia put money back into their original hometown, or their ancestral home. Among the first philanthropic activities of Shi Zhengrong, founder of Suntech Power, a solar panel maker who is on Forbes China's list of the 400 richest Chinese, was to build homes and finance other projects in his hometown of Yangzhong.

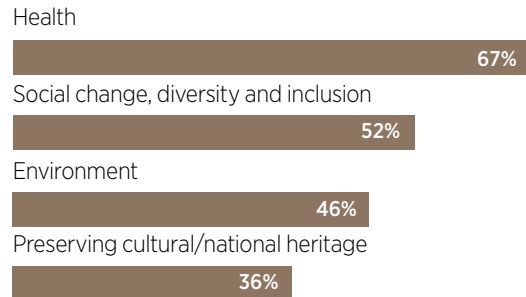
The same is true for Vincent Mo, who got involved in planning a program for helping rural teachers and students in his hometown of Guangxi. Mo tells Forbes Insights: "I personally benefited from education. Education is something helpful and supportive to the ordinary people's life in the long term. It is a fundamental asset to everyone. We started with my hometown in Guangxi."

His philanthropy brings teachers from rural and remote areas to Beijing and Shanghai for two or three weeks at a time so they can observe the primary schools in these big cities. "One thousand teachers can impact 100,000 students," says Mo. "They can see that the rest of the world is different. It won't change the world, but it will have an impact on these children."

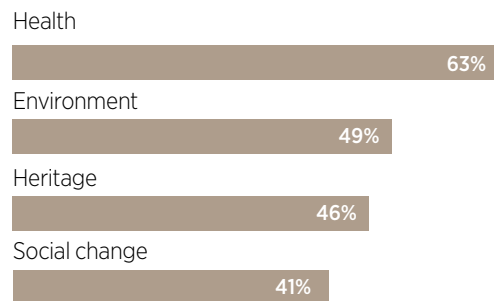
In India, there is a strong tradition of individual philanthropy, but it has mostly consisted of giving to temples and religious charities. That is the underpinning of the culture in India, according to Nazneen Karmali, Forbes Asia's India editor. The large business houses, such as the Tatas, Godrejs and Birlas, which are the older ones, have always had a tradition of philanthropy. Their founders had a philosophy of giving back to the communities where their factories were located. Having said that, new wealth has been created in India. Modern philanthropy as we know it has taken some time to develop, so it's a fairly recent phenomenon, according to Karmali.

Among current regional trends in India and throughout Asia is a wave of donations under way to set up universities, as many Asians would rather see their kids educated at home than send them off to study abroad, according to Forbes Asia's Koppisch.

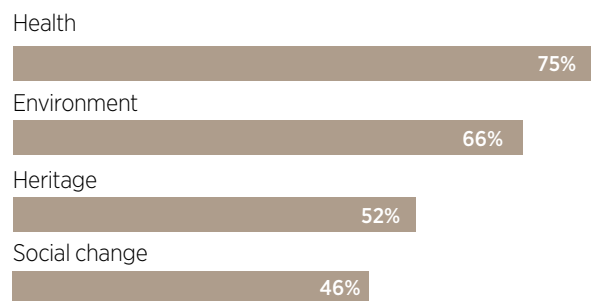
What are your core program areas of focus?



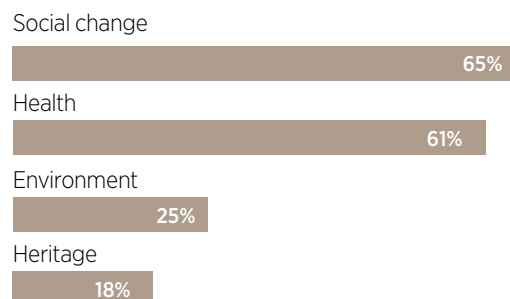
Europe



Asia



Middle East



(Based on answers from respondents from all regions. Respondents could choose more than one answer.)

Ciputra, an Indonesian businessman who runs property developer Ciputra Group, founded a university for entrepreneurship, Universitas Ciputra, in Surabaya in 2006. He parlayed an initial commitment of \$10 million into a campus with almost 2,000 students studying subjects ranging from fast-growth accounting to intellectual property law. He sends teachers for training in Silicon Valley and elsewhere, according to Forbes Asia.

Indian tech billionaire Shiv Nadar's namesake charitable foundation set up Shiv Nadar University in 2011 on a 286-acre campus in Greater Noida, near New Delhi. It is a research-led interdisciplinary university imbued with the vision of bringing global education to India. Azim Premji, India's most generous philanthropist, created a private university on the outskirts of Bangalore, specializing in education and development.

The BNP Paribas Individual Philanthropy Index shows that, depending on the region, health and social change are among the top causes. We will discuss health, which is also the main focus of many philanthropists mentioned in this chapter, elsewhere in this report.

Among the philanthropists interviewed for this study, social change is mostly represented by investments in education, making it accessible to all, irrespective of gender or wealth. Many philanthropists believe that equal access to education will transform their societies. "I chose education," says India's Shiv Nadar, "because I am a product of education and believe that education can be the single largest tool for large-scale, high-impact transformation. Education empowers individuals and is vital to reap our country's demographic dividend."

The primary focus of his Shiv Nadar Foundation is to address the entire learning spectrum that comprises literacy, primary, secondary and higher education. It has launched the SSN College of Engineering, which is already a top-ranked private engineering college in India. In the K-12 education space, the foundation opened the VidyaGyan schools, a radical social experiment in nurturing leadership among highly

gifted rural children from low-income families. The plan is to have set up 25 schools by 2020.

Nadar explained his vision of philanthropy and its role to Forbes Insights: "The most common approach to philanthropy has been to identify gaps and address them. This is the corrective route. Governments, companies and several foundations globally have been following this approach and working in the areas of education, health, environment, among others. So typically, the most common approach is towards correcting social ills through strategic mass intervention initiatives.

"Creative philanthropy is another very powerful model in philanthropy. The Shiv Nadar Foundation chose this route to social transformation. Our students at SSN and VidyaGyan are now symbols of hope, inspiration and aspiration for many more. This is what I call a force multiplier, where every beneficiary acts as a catalyst of sustained transformation for many more, and it's a critical element of creative philanthropy. I believe that education has the power to be the single-largest tool for socioeconomic transformation."

Education is also among the causes espoused by Saudi Arabia's Al Amoudi, who adds the twist of applying a self-sustaining financial model to funding



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"I chose education because I am a product of education and believe that education can be the single largest tool for large-scale, high-impact transformation."

—SHIV NADAR
Founder, HCL Group, India

.....

education. As he explained to Forbes Insights: “Through the years I have provided major support for universities in Saudi Arabia, including King Abdulaziz University, King Saud University, King Fahd University and King Abdullah University for Science and Technology (KAUST). My donations have been used for the construction of buildings on campus, including some that generate rental income, which is in turn used to support certain university programs.” Sums up Al Amoudi: “I apply business principles to my philanthropic work so that maximum value is given to the causes I support.”

Najib Mikati, philanthropist, businessman and former prime minister of Lebanon, also aims at social change with his philanthropy, especially breaking the cycle of gender discrimination.

During the civil war that raged in Lebanon during the 1980s, Mikati and his brother Taha established a philanthropic association called Azm & Saade in the heart of their hometown of Tripoli in northern Lebanon. Azm & Saade Association strives to make an effective impact on the surrounding region through a wide range of programs in the areas of vocational education, health, sustainability, literacy, social welfare and creative industries.

Mikati’s foundation, for example, brought change to many dependent and impoverished Tripoli women by training them to produce hand crafts. These women are empowered since they are now trainers and have an independent and respected livelihood. “I believe that empowering women,” says Mikati, “is the mechanism for breaking the cycle of gender discrimination, dependency and vulnerability. Furthermore, improved access of women to management and entrepreneurial skills can have a great effect on the national per capita income.”

Making social change happen runs against regional biases and traditions. Perhaps the most daunting attempt to change how society acts toward women has been undertaken by India’s Rajashree Birla, who chairs the Aditya Birla Center for Community Initiatives and Rural Development. Through its health- and education-related

philanthropy, the center’s reach across India is enormous—it has a presence in 3,700 villages and claims to have made an impact on 7 million lives, according to Nazneen Karmali writing for Forbes.com.

Rajashree is the mother of Kumar, who runs the Aditya Birla Group, a commodities conglomerate largely owned by the Birla family, and the widow of Aditya, who died of cancer in 1995 at the age of 52.

The center took up the cause of widow remarriage, which is considered taboo, especially among the rural poor. Birla’s social workers approached the village chiefs to convince them that it was a good idea. Prospective husbands were given loans to start small businesses. So far, 500 widows have remarried under the scheme. “This project is closest to my heart,” Rajashree told Karmali.

Europe is different from the Middle East and Asia: social change is not such a pressing cause there for philanthropy. Instead, the top causes are health and environment. An example of a trailblazer in environmental philanthropy is Swiss billionaire Ernesto Bertarelli, a prominent supporter of cleaning up the world’s oceans, says Tatiana Serafin, a wealth and philanthropy analyst. Bertarelli sails competitively in the Extreme Sailing Series; earlier this year he launched a new 92-meter yacht, Vava II, worth over \$100 million. Clearly his passion for the ocean is all-encompassing.

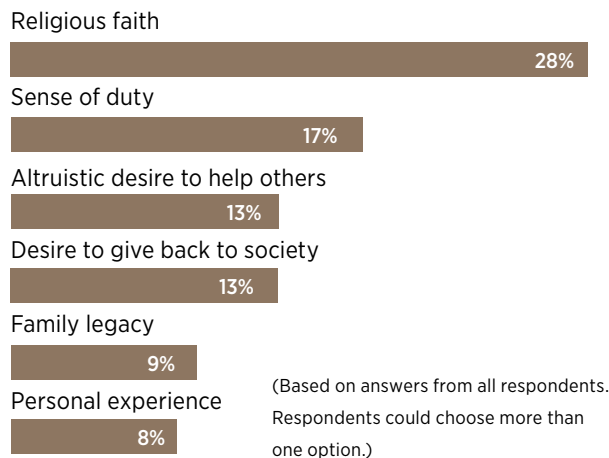
“In Europe,” says Sauvanet, “causes vary by age and nationality of the philanthropist. Older philanthropists typically bequeath their fortunes to medical research, to help poor children in developing countries, or to national heritage and culture. For entrepreneurs, it tends to depend more on nationality. A big trend in France is to focus on promoting social integration, with grants for young people to attend top business schools, for example, and helping social entrepreneurs. This last one is also seen with Belgian philanthropic entrepreneurs, who tend to extend their support to the areas that their companies specialize in, such as technical or scientific research.”

GIVING: MOTIVATION

The philanthropists from the three regions analyzed for this report vary in terms of their motivations for giving. The Middle East is once again a standout as compared with the other regions, with a vast majority of respondents pointing to religious faith as the main motivator. In Asia, the top motivation for giving is the desire to give back to

society. Vincent Lecomte, co-head of BNP Paribas Wealth Management, comments: “In a growth region like Asia, wealth is more recent. It is interesting therefore to note that the biggest motivation in philanthropy is to give back to society. I can only see this trend continuing.”

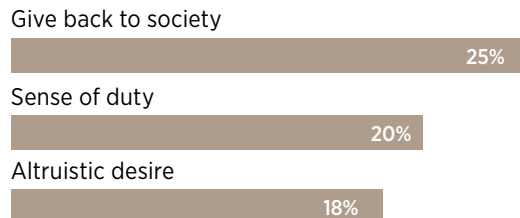
What motivates your philanthropy?



Europe



Asia



Middle East



“In a growth region like Asia, wealth is more recent. It is interesting therefore to note that the biggest motivation in philanthropy is to give back to society.”

—VINCENT LECOMTE
Co-Head of BNP Paribas
Wealth Management

Najib Mikati, former prime minister of Lebanon and co-founder of a telecommunications company, (Forbes estimates Mikati’s net worth at \$3 billion), explains his religious motivation to Forbes Insights: “Our philanthropic work lies at the core of our family’s culture, which is influenced by Islamic morals and values. The social principle of Islam obliges capable citizens to remain aware, and ensure fulfillment of duties that are essential to sustain a nourishing society.”

Sheikh Mohammed Al Amoudi also points to his faith when asked about his giving. His motivation also comes from personal experience—and that nostalgic pull of childhood and origins that we have discussed above—as reflected by the geographical concentration of his philanthropy on Africa and the Arab world. (Al Amoudi is the son of a Saudi father and an Ethiopian mother.) He is also guided by the needs of various communities, as is the case with his health-related philanthropy. Last but not least, Al Amoudi tells Forbes Insights, “Football is a personal interest which has been turned into a philanthropic initiative directed at encouraging social cohesion during the difficult process of African modernization.” Al Amoudi has donated substantial amounts to both the Ethiopian men’s and women’s football teams, for example.

In the case of Indian tech billionaire Shiv Nadir, motivation for philanthropy comes both from within and from outside influences. He tells Forbes Insights: “Philanthropy is a state of mind. Eighteen years ago, when I started the Shiv Nadar Foundation, it was just a leap of faith. It was a beginning that emanated from my mother’s belief that it was time for me to give back to society, and my own sense of empowerment to use my skills for a larger social cause.”

Childhood experience is at the root of his support for a children’s medical charity, says British media mogul Richard Desmond. “When I was three years old, my

father contracted a virus while he was travelling abroad for work,” he tells Forbes Insights. “The severity of the illness cost him his hearing, his job and, in a way, my family’s security. We never fully recovered. For that reason, I think I have always been involved in health charities. I have seen the impact of illness up close, and it has made me want to make a difference.”

A trip back to the homeland of his grandparents was an emotional trigger for philanthropy for Desmond as well. “Last year I went with my son Robert to the Ukrainian city of Kiev,” he says, “to find out where my grandparents came from and to visit Babi Yar. It was a very personal journey. But as a result, I am funding a major project which will help fund elderly care in the Ukraine. It will try to build some social infrastructure in a part of the world where I saw for myself how tough life is.”

Apart from the personal approaches and motivations, there are also external situations that seem to unite philanthropists and whole nations to donate. National disasters seem to be just such a trigger. The Sichuan earthquake in China in 2008 changed the nature of philanthropy in China. It created a huge national outpouring of donations—the sheer death toll was shocking for China. Many government agencies and companies mobilized to donate huge sums of money. Many individuals in China also gave money. Many of the philanthropists in China feel that after the 2008 earthquake, Chinese people’s awareness of how much wealth they had and how they could use it to help causes or people in need improved greatly.

Philanthropist Vincent Mo agrees that the Sichuan earthquake had an impact on how the Chinese view philanthropy: “Our company did participate in donating to the cause. It was a big challenge for philanthropy in China. I would say it was a turning point. Many Chinese people got involved. And it led people to think more about philanthropy and how to get more involved.”



“One thousand teachers can impact 100,000 students.”

—VINCENT T. MO
Founder
SouFun Holdings,
China

When the cyclone hit Myanmar in May of 2008, De Lesseps and Tippetts, who conduct business and charity hands-on and on-the-ground in Myanmar, were just in the right place, and their reaction was instantaneous. According to Tippetts, “The devastation was incredible. You really didn’t get a clear picture outside, partly because of the extreme difficulties in reaching the affected areas, but also because of Myanmar’s isolation. And then there were all the problems with aid reaching the people who needed it, both because of the infrastructure and the politics.

“But we were here, on the ground, and could mobilize. So we did. We went to the affected areas, we took officials, flew over and told them we would do whatever we could to help. The immediate need was housing. Because we operate personally, and are here, we can move fast and get people involved. So we raised money from our friends and began building emergency housing. We worked for a year, in about a dozen villages, and built 280 homes. We built wells. We did what was needed.”

Philanthropy also depends on social expectations and on government tax policies or regulations. In some societies, especially those with socialist leanings, government—and not wealthy individuals—may be perceived as the source of social benefits for others. Another natural source of charity in many cultures is religious organizations. Tatiana Serafin sees government and religion as influencing attitudes toward philanthropy in Europe: “Across Europe, there are different expectations and attitudes towards philanthropy. Overall, the government and the church have traditionally been viewed as the first source of giving to causes ranging from solving poverty to arts funding; individuals have not felt the same inclination to give from their own pocket.

“The standout is the UK, where you see a broad array of charities and prominent names backing such charities, including members of the royal family like

Prince Charles, whose Prince’s Trust is the largest multi-cause charitable enterprise in the UK. Britain’s wealthiest follow this example.”

Asia is very different from most of Europe in that sense, notes John Koppisch. “I think that in Europe there is a feeling, with the government being so big in those countries and taxes so high, that the government should be solving these problems. But in Asia, taxes are generally lower and the governments are not as big and overbearing as they are in much of the rest

of the world. So I think there is a feeling that philanthropy—understood as solving society’s problems—is not necessarily a government job.”

Most countries in Asia don’t have any kind of tax deduction for charitable contributions. So a lot of the philanthropy is just pure philanthropy, notes Koppisch. However, some Asian governments try to appeal to their wealthy citizens to give their money away. “In China,” says Koppisch, “the government pressures the wealthy to give. When there’s a big disaster, like an earthquake, the government will really kind of twist arms to get the billionaires to pony up, while in other countries, it’s just seen as their responsibility to do that.”

The government is still very active in charity in China. In fact, China is the only nation in the world that puts out a

list of the top philanthropists in the country. In India also there is a movement to increase philanthropy by mandating that companies set aside 2% of their profits for CSR, according to Karmali.

The government, however, is not seen as the alternative to businessmen philanthropists in India. “It may not even be due to lack of resources,” notes Karmali. “The government may have all the alternate resources in the world, but sometimes it just lacks execution skills. Philanthropy from the business side helps with execution and implementation.”



.....
—ALEXANDRE DE LESSEPS
President, Pandaw Investments
Holdings of Hong Kong and Coral
Capital Limited of London
.....

INNOVATION

For the purposes of the BNP Paribas Individual Philanthropy Index, innovation is defined as elements that support “high-impact” or “entrepreneurial” philanthropy.

Thus, the Index favors philanthropic endeavors that lend themselves to quantitative measures of impact and cost-effectiveness, and to replicability. It awards more points to measures of ultimate impact than to proxy measures. “More and more philanthropists today are taking an entrepreneurial approach to giving. That means not just making a financial commitment, but also putting their managerial skills to work and measuring the impact of their investment,” says Sofia Merlo, co-head of BNP Paribas Wealth Management.

As an example, for a charity aiming to fight malaria, an ultimate impact measurement would be measuring the malaria infection rate, while a proxy measure would be counting the number of mosquito nets distributed. (Some recipients might not use the nets correctly, or might decide to use them for a different purpose.) Another example: for a charity targeting poverty in a given area, the ultimate impact measurement would be the poverty rate. A proxy measure might be the number of people who receive micro loans or training in job skills.

The Innovation score of the Index also favors sustainable impacts, projects with an exit strategy in place and partnerships with other organizations and individuals.

Asia leads the other regions here by roughly a full point in the weighted score. A look through the scores for individual questions indicates that much of this lead stems from a propensity for quantitative measurement and a tendency to seek input from a wide variety of stakeholders.

Although the Index is based on quantitative and qualitative measures, we don’t want to lose sight of the spirit of philanthropy. In the words of Richard Desmond: “Personally, I think it is about getting the right balance between doing good and measuring the good you are doing.”

Michael de Giorgio of London’s Greenhouse Charity is an innovative philanthropist and a winner of the BNP Paribas Prize for Individual Philanthropy. De Giorgio started Greenhouse, which runs sports-related programs for underprivileged youth, in 2002 after a career running a financial consulting business. Here is how he explains the impetus behind starting his own charity: “I looked around and initially I started giving money to people, but I didn’t really think their organizations were very sustainable, or I didn’t really feel the impact that they were making was what I wanted. So that’s when I decided to set up my own charity. I run Greenhouse very much like a business.”



“More and more philanthropists today are taking an entrepreneurial approach to giving.”

—SOFIA MERLO
Co-Head of BNP Paribas
Wealth Management

INNOVATION (max = 25)	
Europe	14.4
Asia	15.3
Middle East	14.1

For Desmond, it was the financial crisis that led to an innovative fundraising solution: “When the fundraising climate became very difficult after the collapse of Lehman Brothers, I realized that if I was going to help raise a lot of money, it would have to be done in a different way. Just over a year ago I helped launch The Health Lottery, a great new innovation that raises money for 51 local areas covering England, Scotland and Wales. It has already helped raise more than £30 million.”

Sheik Al Amoudi also believes that there is a natural link between the effective running of his businesses and the effective direction of philanthropic funds. That’s why a significant emphasis in his operations is upon self-sustainability. For example, with his food security agriculture projects in Ethiopia, his operation gives neighboring farmers plots of land and provides them seeds and access to his farming experts, and then it purchases their crops at market prices. “This enables the local farmers to become self-sustaining and no longer dependent on charity,” he says. “My team uses a variety of methods to ensure that the funds are used most effectively.”

Philanthropy is innovative when it aims at systemic change and creates a sustainable model, such as the health philanthropy supported by Kiran Mazumdar-Shaw, chairman of Biocon, a biopharmaceutical company in India. She initiated her philanthropic efforts through an

innovative micro-health insurance program called Arogya Raksha (Protecting Health), which is based on delivering cashless healthcare via a network of healthcare clinics, nursing homes and hospitals through a hub and spoke model. Mazumdar-Shaw’s philanthropy supports the primary healthcare centers in terms of staffing, lab infrastructure and a pharmacy that provides low-cost, quality generics to address the challenge of spurious drugs.

Like many pioneers in their fields, Mazumdar-Shaw’s challenge is to bring about change. She says that the progress of her health insurance program has been slower than anticipated, as the concept of health insurance itself has been difficult to sell. There has also been the challenge of mixed signals from state government micro-health insurance schemes that provide free insurance coverage but poor delivery, she notes, whereas Arogya Raksha is not free (\$3 per annum), but delivery is of high quality. “We would like government to finally take over our efforts by ensuring high-quality delivery,” she says, “and I would then think our efforts have been successful in catalyzing a sustainable model.”

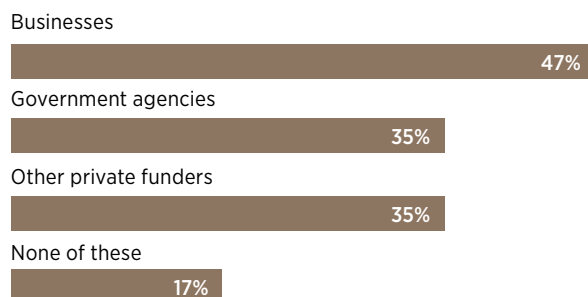
Partnerships and cooperation with other parties may also often lead to building a successful charitable organization and expanding it. Such partnerships may include other businesses, government agencies or other philanthropists.



“I run Greenhouse very much like a business.”

—MICHAEL DE GIORGIO
Founder,
Greenhouse Charity

With whom do you partner in your philanthropic endeavors?



(Based on answers from all respondents.
Respondents could choose more than one option.)

Najib Mikati points to his life experiences as a foundation for building successful partnerships across different structures. “My personal experience is an innovation; I am a prime minister, an entrepreneur and a philanthropist,” he says. “My private, public and social experiences permitted me to adopt a new philanthropic philosophy called PPCP (public-private-civil society partnership) that if fulfilled can generate peace and social justice in troubled areas across Lebanon. PPCP provides fundraising, grant strategizing and administration, donor development and coordination, creates corporate relationships between NGOs and business entities.”

Sheikh Al Amoudi works with trusted partners such as the Clinton Foundation in relation to HIV/AIDS treatment and prevention in Ethiopia, and has upcoming work with the Gates Foundation in relation to food security and agriculture development.

Successful partnerships are often based on a need for expertise and models that work. When Mazumdar-Shaw wanted to create economies of scale in her quest to fight cancer in India, she decided to partner with Dr. Devi Shetty, who employed economies of scale in cardiac care. Shetty built a globally known affordable cardiac care hospital that performs open heart bypass surgeries for less than \$2,000, based on economies of scale through the sheer

number of patients. Mazumdar-Shaw’s objective was to develop a similar model in affordable cancer care.

Cancer is an expensive and unaffordable disease to treat in India. The growing incidence of cancer also poses a grave economic burden to the country. Added to this is the fact that cancer diagnostics is poor, leading to late diagnosis and therefore poor outcomes and expensive treatment, according to Mazumdar-Shaw. Economies of scale based on high numbers of cancer patients—both inpatients and outpatients—could help amortize the huge infrastructure costs that are required in radiotherapy and imaging technologies for scanning. So the Mazumdar-Shaw Cancer Center, MSCC, was created in 2009. A 1,400-bed cancer hospital, it is the largest cancer center in the region, and also boasts the largest bone marrow transplant unit in the country. The Mazumdar-Shaw Cancer Center has already been recognized as a center of excellence for head and neck cancer in the country, with the best diagnostic and treatment outcomes.

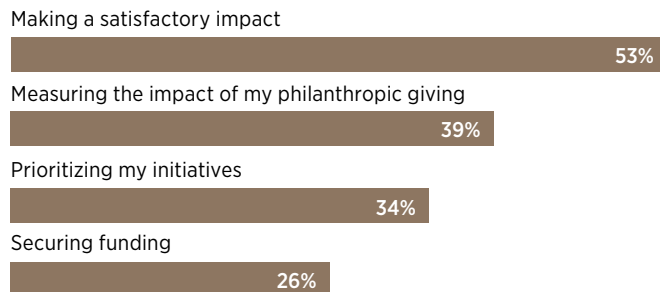
Sometimes giving comes from partnerships based on long-term friendships and trust, as in the case of Richard Desmond’s work with Roger Daltrey (from rock band The Who) to raise money for The Teenage Cancer Trust, and his consistent support for projects like Sir Elton John’s AIDS Foundation over the last 20 years.



IMPACTS MEASUREMENT

Making an impact and measuring the impact the charity makes are among the top challenges for philanthropists, with more than half of the survey respondents citing the former as a challenge, and 39% pointing to measurement as a challenge. Philanthropists may measure proxy impacts their philanthropy is making, ultimate impacts, or both. (See chart for explanation of the difference between proxy and ultimate measures.)

What are the biggest challenges in realizing your philanthropic goals?



(Based on answers from all respondents. Respondents could choose more than one option.)

Measures of the effects of my philanthropy focus strictly on ultimate impacts related to the primary mission (reduction in malaria rates or an increase in incomes in a poor community)



(Percentage of respondents who agree or strongly agree with the statement.)

Measures of the effects of my philanthropy focus on other factors as proxies for impacts

(e.g., numbers of mosquito nets distributed, persons who receive business training in a poor community)



The most crucial aspect of philanthropic work is to be able to measure the effectiveness of programs for individuals and communities: this is the conclusion Mikati reached after 25 years of philanthropic work. Once this is achieved, he feels that moral goals are fulfilled. Thus, he believes that the programs of his charity Azm & Saade are effective and visible, as the ultimate impact measurements show improvements. As a result of his charitable work, illiteracy rates among marginalized women in Tripoli have dropped from 35% in 1988 to 14% in 2011. Moreover, the number of dropouts from schools in the disadvantaged areas of Tripoli where Azm & Saade is present have dropped from 60% in 1990 to 29% in 2011.

Greenhouse's De Giorgio stresses that "it's very important for us to measure our outcomes." But he also points to the importance of measuring the right outcomes. For example, while his Greenhouse charity uses sports to engage young people, the sports outcome is the least of the organization's desired outcomes. The goal is not to create champions, but to make sure that sports improve the performance of young people in other areas of life, according to De Giorgio.

Therefore, Greenhouse looks at the participants' education, health and well-being, and their engagement in the community. As an example, in terms of education, De Giorgio believes that probably the most important factors to measure are school attendance, behavior and grades. "We believe that the skills they learn with us are transferable to their education," he says.

The question that De Giorgio needs to answer for his funders and for himself

is: "What difference are you making for these kids?" He points out that very often funding is done based on looking at the wrong numbers, and stresses the difference between looking at proxy numbers versus true (ultimate) outcome numbers. "If you tell me that you've got 50,000 children in your program, you are better than my program, which has only got 40,000 children. Whereas the reality is, it's not the number of children, it's what you do with those children."

In her fight against head and neck cancer, India's Mazumdar-Shaw tries to achieve ultimate outcomes by going straight to the root of the problem (prevention). Head and neck cancers represent 30% of cancers in India. This is attributed to tobacco consumption and afflicts the lower strata of society. Mazumdar-Shaw is thinking innovatively by trying to root out the problem causing the head and neck cancers—the use of tobacco—and applying technology in its outreach.

The tobacco cessation program works through a door-to-door education program, based on an innovative technology-driven initiative. Outreach workers use mobile phones with pre-loaded software that captures not only data on tobacco consumption habits but also photographs of mouth lesions, which are remotely evaluated by oncologists. Suspicious-looking lesions are then further investigated by the nearest tertiary care centers.

The pilot study, which screened around 2,000 people, has yielded 50 cases of head and neck cancers. Early detection has led to early treatment at lower cost and greatly enhanced outcomes.



Sheikh Mohammed H. Al Amoudi (center) at the opening of his Center of Excellence in Breast Cancer, King Abdulaziz University, Saudi Arabia

"I apply business principles to my philanthropic work so that maximum value is given to the causes I support."

—SHEIKH MOHAMMED
H. AL AMOUDI
Owner,
Corral Petroleum Holdings
and MIDROC

PROMOTION

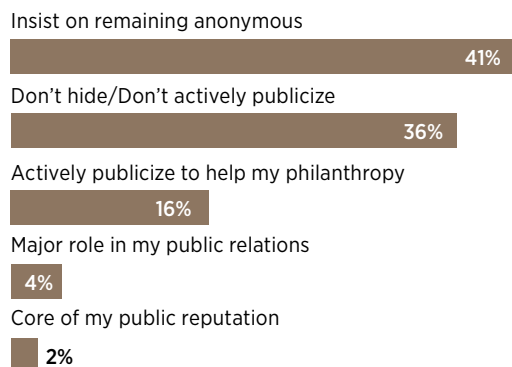
Promotion of a philanthropy is a tricky category, as it's entangled with a sense of modesty, as the promotion of one's charity may well be misunderstood as shameless promotion of oneself.

According to the BNP Paribas Individual Philanthropy Index, which looked at Promotion as a means to help the cause, none of the regions are halfway there in terms of the reach of the maximum score, and the traditional "modest" approach still prevails. In fact, a vast majority of survey respondents (77%) stated that they either remain anonymous or don't actively publicize their charity.

The Promotion category was calculated on the basis of a philanthropist's willingness to speak about his philanthropy, to use a public figure to promote his philanthropic cause, as well as the utilization of social and traditional media to promote the cause.

PROMOTION (max = 25)	
Europe	10.4
Asia	9.8
Middle East	3.8

Which of the following best describes your approach to publicizing your philanthropic involvement?



(Based on answers from all respondents. May not add up to 100% due to rounding.)

Even though Europe has the highest promotion score, talking about giving is somewhat controversial. “In Europe, for French, German or Belgian people, it’s still really personal. It’s bad manners [to herald one’s donations],” explains BNP Paribas’s Sauvanet, and notes that people are just now beginning to feel more at ease when addressing peers about philanthropy, showing a bit less reluctance in this situation than in discussing their charities with the press or the general public.

Maybe because he is in the business of storytelling, Richard Desmond, a British publisher who owns Express Newspapers and other media properties, believes in promoting philanthropy. Says he: “I am lucky enough to be able to have a whole range of media assets which can be supportive.”

Just like most of Europe, much of Asia is discreet about giving, says Forbes Asia’s Koppisch. While all Asian countries are different to a degree, in some countries people are expected to donate, but they’re not expected to announce it or maintain a high profile as a philanthropist. This is especially true for Buddhist countries such as Thailand, Malaysia to a degree, Japan and Korea. Discretion is also a function of Asian culture, with the principle: Don’t be the nail that sticks out. Don’t be the braggart, observes Koppisch, and notes how different this is from America, where “we’re all marketing ourselves, signing giving pledges and trumpeting our big donations, and putting our names on buildings.”

However, Koppisch also notes that the attitudes in other former British colonies are the opposite of the rest of Asia. In places like Hong Kong, Singapore and India, people do talk about their giving more. As the editor of the Forbes Asia list of the Asian Heroes of Philanthropy, Koppisch notes that a few Indian philanthropists have lobbied the magazine to be included on the list.

In India, people have begun to talk about philanthropy, agrees Forbes Asia’s Karmali. “For an awful lot of people, it’s about being a role model for others,” she says. For example, Azim Premji last year co-hosted a philanthropy

meeting in Bangalore with Bill Gates as well as Indian businesspeople. It was about sharing thoughts and ideas. The meeting was very well attended, notes Karmali: “The [philanthropy] consciousness is spreading.”

Again, the interesting differential here is between the Middle East and the other regions. Those in the Middle East are more likely to want to remain anonymous (60% as opposed to 38% in Europe and 26% in Asia). They are also far less likely to be proactive with the media or to have used a public figure to publicize a charitable cause. It is worth noting that there is a difference in how the wealthy and ultra-wealthy survey respondents from the Middle East answered the survey questions about anonymity as opposed to the analysis of the region’s richest individuals, presented in the Tone from the Top sidebar (page 25). The latter group is much more open to promoting their causes.

Throughout the Middle East, approaches to promotion among philanthropists vary. Al Amoudi says that his approach is simply to help others through the various projects and then hope and expect that others are encouraged by his example to do the same.

He notes, however, that the organizations that he funds will often have vigorous promotional programs related to their needs, especially if they are involved in health awareness. He is pleased to contribute to these programs insofar as they raise awareness of issues such as HIV/AIDS, breast cancer prevention and the essential unity of all Ethiopians overseas and at home regardless of ethnic origin.

Mikati, on the other hand, believes in promoting his causes, which is more in line with the richest individuals (see Tone from the Top, page 25). “We always aim,” he says, “to share our success story with other stakeholders, which can be translated into partnership programs with international funding organizations and institutions. Such partnerships can enable us to attract more funds for our causes and allow programs and services to reach a larger number of beneficiaries in all regions of Lebanon.”



“I think it is about getting the right balance between doing good and measuring the good you are doing.”

—RICHARD DESMOND
Owner, Express Newspapers

TONE FROM THE TOP— HOW THE 100 RICHEST IN EUROPE, ASIA AND THE MIDDLE EAST ENGAGE IN PHILANTHROPY

In addition to the survey of more than 300 ultra wealthy for this report, Forbes Insights also analyzed the 100 richest individuals from 28 countries across Asia, Europe and the Middle East. Forbes Insights looked at the 2012 Forbes Billionaires list and the Forbes Insights wealth database to find the richest individuals in those countries. Of the 100 ultra wealthy studied, the average net worth was \$9.5 billion. Thirty-four of them came from Asia, 36 from Europe and 30 from the Middle East. The net worth ranged from \$41 billion (Bernard Arnault of France) to \$230 million (Mohamed Bensalah of Morocco). Only five of them were women. The average age was 64.

The richest in the world set a standard, a “tone from the top,” setting an example for other billionaires and millionaires in how they go about their philanthropic giving. The findings from this analysis of how the richest 100 from these countries engage in philanthropy are presented below.

Country	Number of ultra wealthy
Russia	11
India	10
Saudi Arabia	10
Germany	7
Hong Kong	6
Lebanon	6
Kuwait	5
Morocco	5
Singapore	5
UAE	5
France	4
China	3
Sweden	3
Belgium	2
Indonesia	2
Italy	2
Japan	2
Malaysia	2
Switzerland	2
Cyprus	1
Ireland	1
Philippines	1
South Korea	1
Spain	1
Taiwan	1
Thailand	1
Ukraine	1
United Kingdom	1

Foundations

Many of the world’s billionaires have their own philanthropic foundations to focus their giving. Of the top 20 billionaires from Europe, Asia and the Middle East, 17 of them, or 85%, have their own philanthropic foundations as a vehicle for their giving. When you go further down the list, there are fewer private foundations. Of the 100 ultra high net worth individuals, only 37 have no philanthropic foundations, so the overall rate of philanthropic foundations is 63% in total.

Increased amount of philanthropy

Outside of the United States and Western Europe, there is not as much of a tradition of philanthropic giving, but this is changing due to societal pressure. Warren Buffett and Bill Gates travel the world urging billionaires to sign their Giving Pledge, a commitment to give the majority of their fortune to charity. Many non-American billionaires are not as eager to sign the Giving Pledge—they are either reluctant to give that much money away, or would rather use their own methods of giving. They are interested in the concept, and have attended conferences and meetings held by Buffett, Gates and others concerning the subject.

Europe

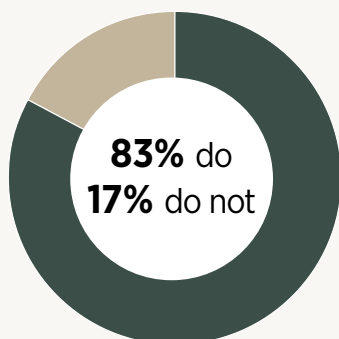
Forbes Insights analyzed 36 European billionaires, including Eastern Europe. Considering that Western Europe is a developed economy, it is not surprising that 12 of the top 20 billionaires come from Europe. But Russians are quickly moving up in the ranks—3 of those 12 are from Russia. 12 of the 36 billionaires come from Eastern Europe.

Western Europe, being more established, has a higher overall rate of philanthropic foundations. 30, or 83%, of European billionaires have their own foundations. The average net worth of the wealthiest Europeans is \$14.9 billion, higher than the global average. Eastern Europeans are also eager to establish their own foundations.

Russians are not shy about showing off their wealth, and that includes boasting about their philanthropic activities. There has been an increase in the number of Russians who say that they will give away all their money, such as Vladimir Lisin and Vladimir Potanin.

An organization set up and financed by Lukoil chief Vagit Alekperov has provided interest-free loans totaling \$4.8 million over the past five years to self-supporting projects that benefit disadvantaged or underserved people. Alekperov’s Our Future Foundation is promoting the “social entrepreneur” concept, pushing the idea of self-sustaining charities run as businesses.

Who has their own foundation among Europe’s richest?



Asia

The majority of the Asians studied come from India (10), followed by billionaires from Hong Kong (6), Singapore (5), China, Japan, Indonesia, Malaysia, the Philippines, South Korea, Taiwan, and Thailand.

19 of the 34 Asians studied have their own philanthropic foundations, or 56%, which is slightly lower than the global average. The average net worth was \$9.5 billion, equal to the global average. All but one of the 34 Asians are men. The average age is 67, slightly higher than the global average.

6 billionaires do not have any mention or record of charitable donations. The wealthier the billionaire, the more likely he is to have his own foundation.

Asians, particularly the Chinese, are slower to start their own foundations, partly because their fortunes are not as old and well established as those of developed economies. Li Ka-Shing, the richest man in China and Asia, and eleventh richest in the world, was interviewed by Forbes about his philanthropy. He refers to his foundation as his “third son” and considers it one of, if not his biggest, accomplishments. He says that the “third son” metaphor is particularly suggestive for Asian cultures, and sometimes refers to the foundation as a “him” to reinforce the imagery of personhood. This is a powerful metaphor in a culture where wealth is passed predominantly along family lines. It is effective in a family-oriented culture to think of charity as doing social good for a child.

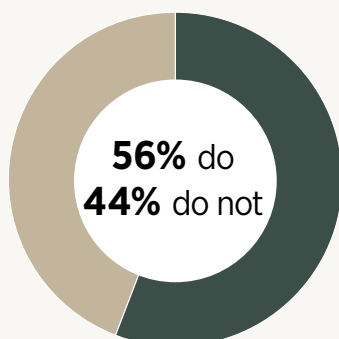
Robin Li, the second-richest man in China and co-founder of the popular search engine Baidu, is also leading the way to increased philanthropy in China. Zong Qinghou, the third-richest man in mainland China, made a pledge to start his own foundation at a charity meeting held by Global Philanthropist Circle, a family philanthropic network established by American philanthropist David Rockefeller and his daughter Peggy.

Medical and healthcare donations are especially important culturally for billionaires in China and Hong Kong, partially because of the influence of Buddhism. Healthcare is recognized as an important part of well-being in a society.

As for Singapore, the richest man in the country, Wee Cho Yaw, recently set up his own foundation, initially giving \$30 million to start the Wee foundation with his family. Media-shy Peter Lim has become more open about his philanthropy. Lim, an avid sports fan, has set up a \$10 million scholarship under the Singapore Olympic Foundation (SOF) to nurture local sports talents in 2010. Singapore’s Sunday Times described him as “publicity shy” and supporting education without seeking the spotlight.

Indian billionaires are as slow to start foundations and make public donations as their peers in East Asia. They are reluctant to start foundations and are sometimes suspicious about mishandling money. However, this is changing as India becomes more developed and billionaires become more established.

Who has their own foundation among the richest in the Asia?



The Middle East

There are 30 Middle Easterners (including North Africa) in our list, the majority of which are from Saudi Arabia (10). The average net worth is \$3.2 billion, which is lower than the average of the 100. All 30 are men, and the average age is 62. The wealthiest Middle Eastern billionaire in the Forbes Billionaires list (2012) is Prince Alwaleed Bin Talal Alsaud of Saudi Arabia, who is worth \$18 billion. He has a large philanthropic foundation called the Alwaleed Foundations. 13, or 43%, have their own foundations, less than the global average, though this may be related to the lower net worth of many in the region. The wealthiest Middle Easterners do have foundations. 11 of the Middle Eastern ultra wealthy have no easily accessible record of charitable giving, all of which are the least wealthy of those studied.

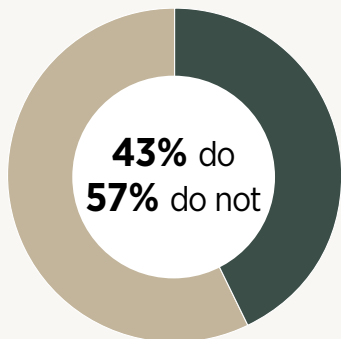
Just as the Middle Eastern rich are typically not as shy as other rich people in emerging markets to show off their wealth, they are not as shy when it comes to speaking about their charitable contributions and foundations.

That is in contrast to the wealthy individuals surveyed for this report. This discrepancy between the richest and the ultra wealthy shows that openness about charitable giving may increase in tandem with the size of a fortune. For instance, the Moroccan billionaire Miloud Chaabi, Najib and Taha Mikati of Lebanon, the Hariri family of Lebanon, and Prince Alwaleed Bin Talal Alsaud have philanthropic foundations as well as websites touting their accomplishments.

The Emirati billionaire Abdul Aziz Al Ghurair has spoken about wanting to follow closely in the footsteps of Dubai Ruler HH Sheikh Mohammed Bin Rashid Al Maktoum's US \$10 billion education charity donation, and improve and encourage widespread philanthropic activity in the Emirates.

Mohammed Al Rahji of Saudi Arabia has announced his plans to donate most of his \$7.7 billion to charity.

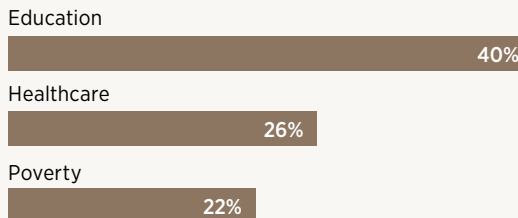
Who has their own foundation among the richest in the Middle East?



Preferred causes of the 100 richest

There does not seem to be any correlation between region or country and the preferred charitable causes. Among the 100 richest, education (40% of those studied), healthcare (26%) and poverty (22%) are the most popular causes.

Most popular causes among the 100 richest



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