



**Housing
Finance
Bank**

FINANCIAL LITERACY
MAKING SOUND FINANCIAL DECISIONS



***WHERE SHOULD I
INVEST MY MONEY?***



**FINANCIAL SECURITY AND MANAGEMENT
BY
YUNUS BABUWAIRE**

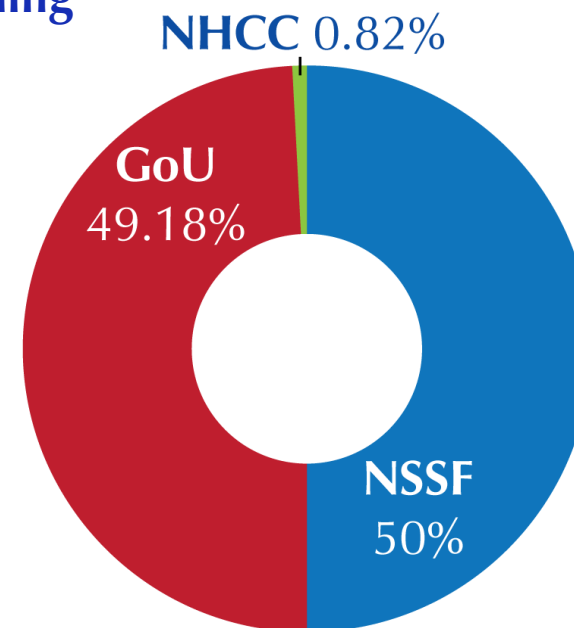


OUR PURPOSE-We enable Sustainable home ownership and financial independence.

Since 1967



Shareholding



- Incorporated in 1967 as Housing Finance Company of Uganda with a core mandate of offering mortgage finance across the country.
- Obtained a Tier 1 commercial banking license in 2007 to offer full-suite banking services as Housing Finance Bank Ltd under Bank of Uganda's supervision



**18
Branches**



**800 Bank
Agents**



**24/7
Banking**



**600+ ATMs &
Master Card via
InterSwitch**

WHY FINANCIAL LITERACY



In the real world, very smart people fail and mediocre people rise. Part of what makes people fail or succeed are skills that have nothing to do with IQ. Also, the idea that intelligence can be gauged by an IQ test is erroneous.

(Camille Paglia)

- Current formal training is focused on management of Corporate finances, Job ethics, good grades which paints a picture that there's a linear relationship between schooling and prosperity.
- Concepts of ***emotional intelligence***, ***financial intelligence***, ***cash flow management***, ***running a budget*** and other life skills in the management of money and ***personal investment*** are largely ignored.
- **Life Risks are ignored like:** Early Death, Debts Mgt, Disability, Job Loss, Long Life Span – No Money, Divorce, Business failure, Cultural pressure
- Created a generation with “**entitlement mentality**” , **High consumption mentality** , low **saving culture**, **poor retirement planning**, suspicions about working together and **want to get rich quick**.

WHERE ARE YOU IN YOUR WEALTHY JOURNEY

Retiring?

Certainty of Cash flows

Planning for your kids education?

**Savings towards a goal
Insurance options**

Running a project

**You need cash flows
Capacity building**

Group of Savers / Investors

Growth

Borrowed Customer ?

Cash flow Collateral

MAKING AN INVESTMENT DECISION



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we make it easy

INVESTMENT RISK VERSUS RETURN



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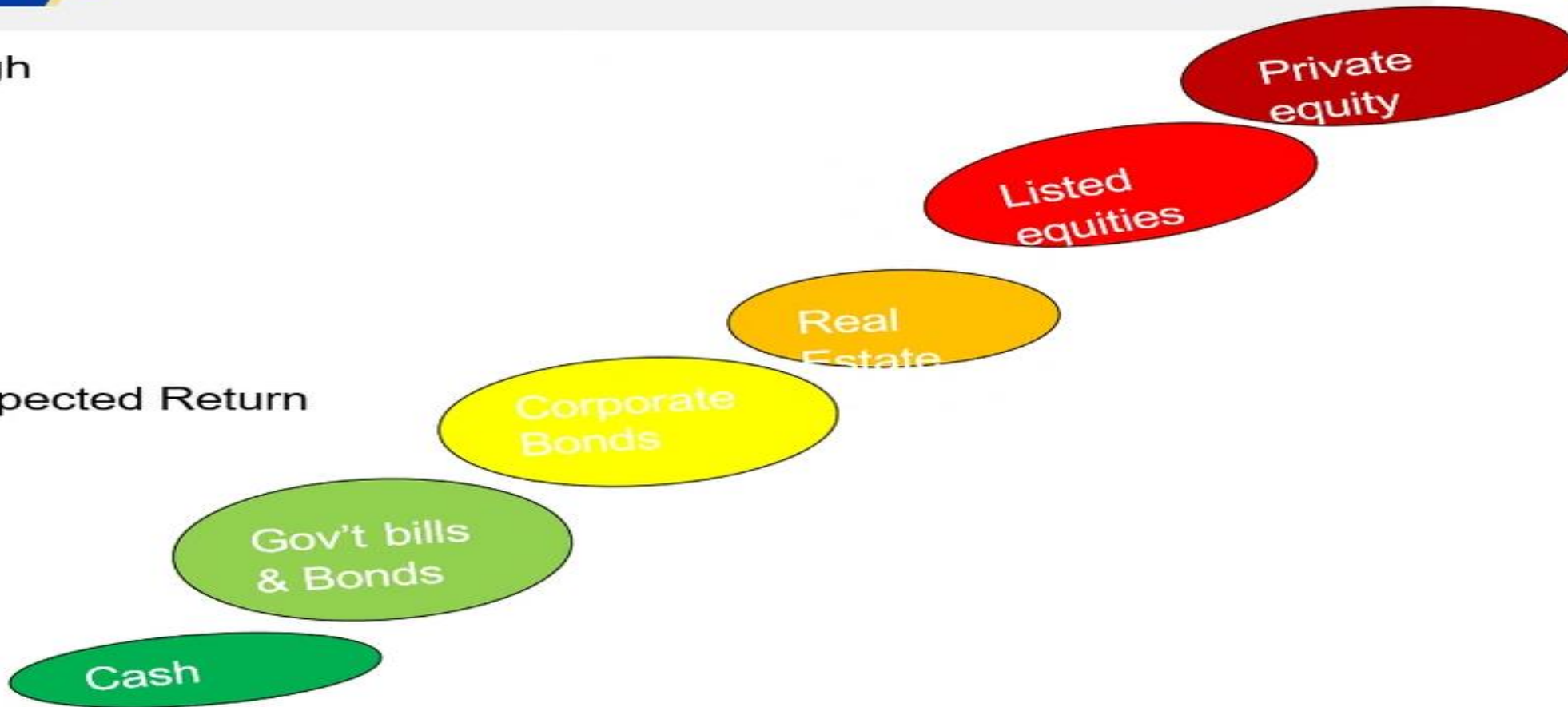
High



Expected Return



Low



Level of risk

High

Retirement

Definition: the action or fact of leaving one's job and ceasing to work.

1. Each day you draw close to the time of retirement.
2. No more going to work.
3. No more office powers.
4. No more societal influence.
5. Reduced cash flow.

Why Plan?

1. To tackle the longevity risk: living many years without money. Insurance schemes assume you live up to 77.5 years.
2. 80% of contributors have savings with only NSSF by the time they retire.
3. 90% of the 80% consume all their savings within 2 years.
4. Only 10% of the 80% have some balance.



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LETS KICKSTART YOUR WEALTH JOURNEY



Risk Free Investment



Mortgage Finance



Insurance

PEARL BANKING OFFERING



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we make it easy



For personal banking needs

- Dedicated relationship Manager, exclusive banking in pearl suites, access to all digital platforms
- Unsecured Loans of **Upto 800M** at as low as 17.5% .
- Long Tenor of **upto 84 Months.**
- Pearl overdraft of upto 70% of net pay

Pearl Banking

- Where you belong

Sign up for our exclusive **Pearl Banking** and enjoy a broad range of banking solutions, services and privileges that include:

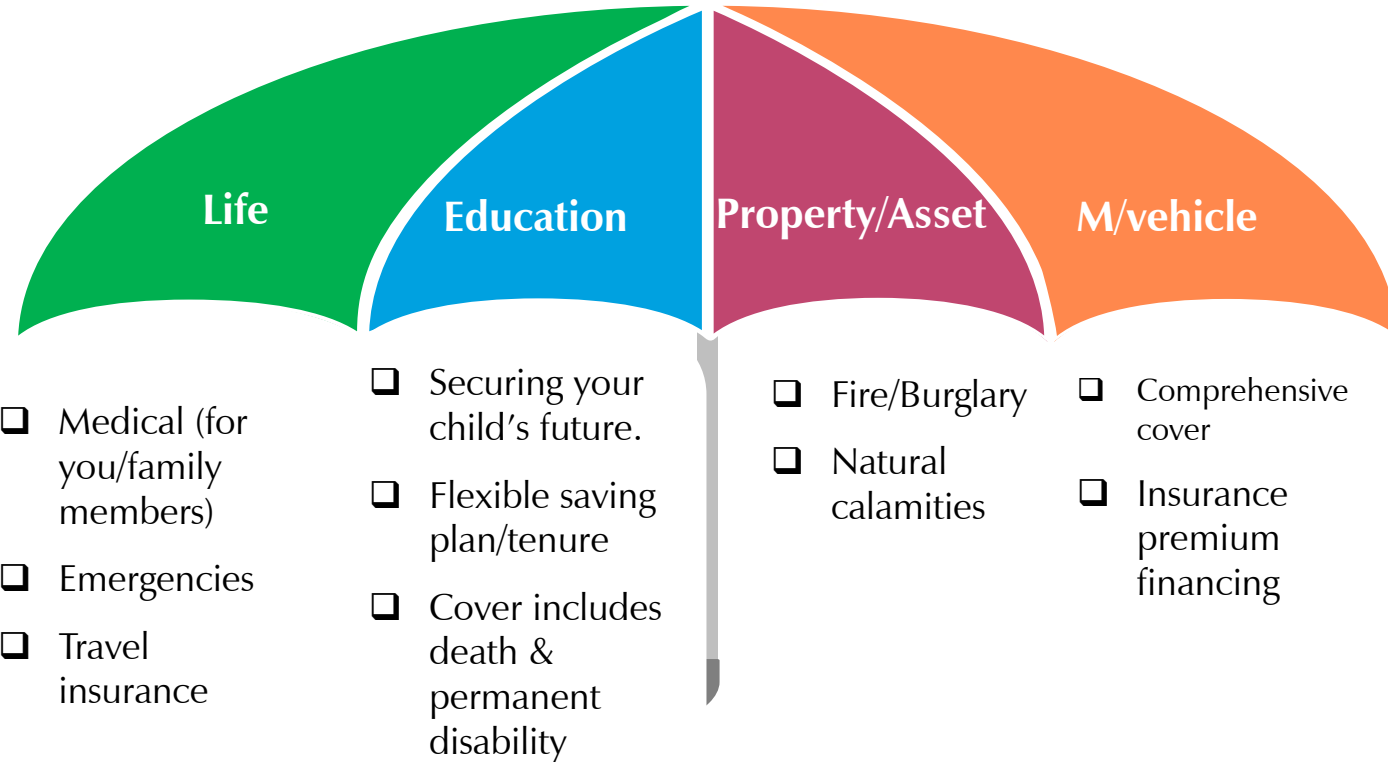
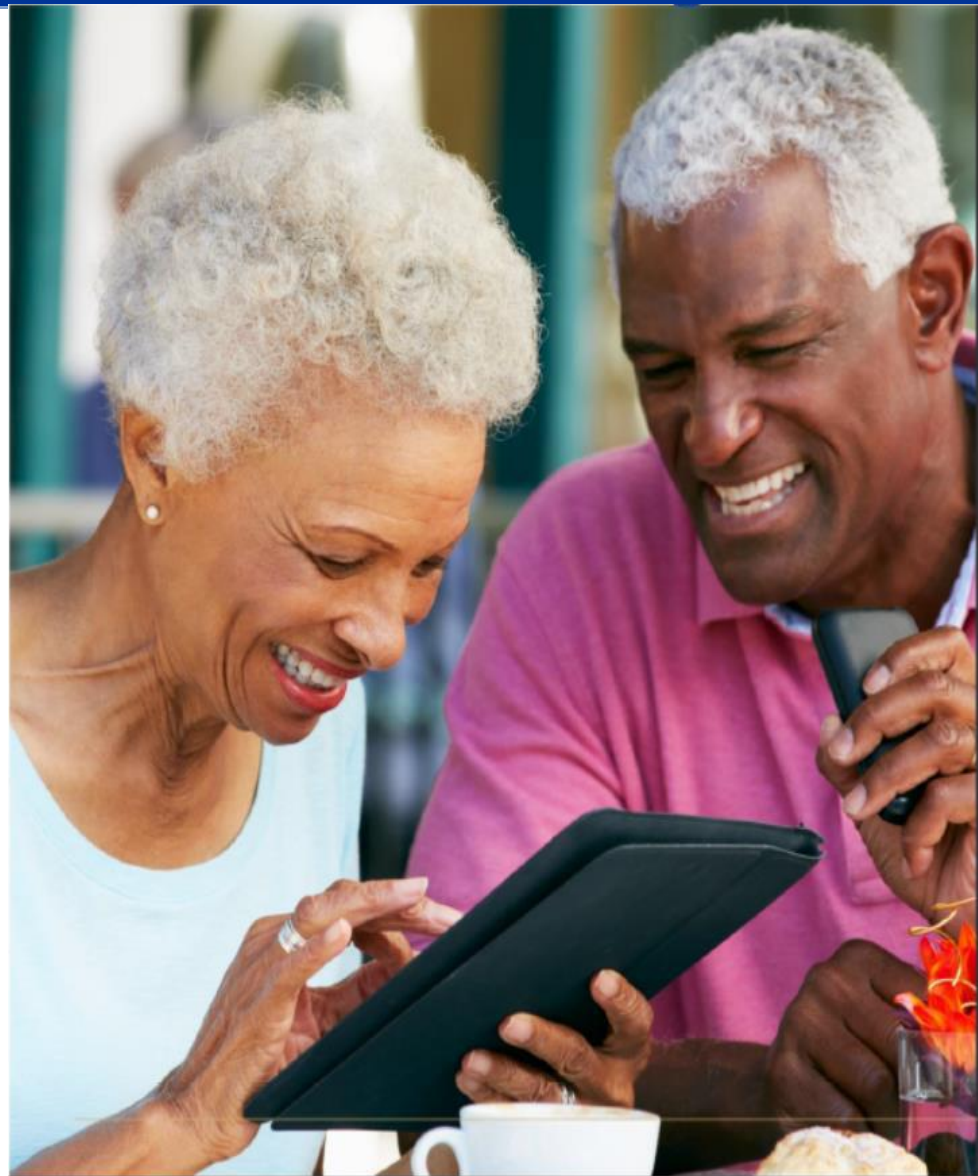
- **Insurance benefits** that cover medical and travel
- **Cash management solutions** like our mobile and internet banking
- **Investment and advisory services** that help you make the most of your money
- **Transactional solutions** like our Mastercard, digital platforms and exclusive Pearl Banking Suites
- **Personalized banking** with a dedicated Relationship Manager

PROTECTING WHAT MATTERS



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we make it easy



PROTECTING WHAT MATTERS

- **Travel insurance** of up to 55,000 USD for up to 5 free trips worldwide covering emergency
- Medical and Repatriation Expenses
- • **Critical Illness cover** of up to UGX 3,000,000. The conditions covered will include; Cardiovascular conditions, Stroke, Cancer, Major organ failure/transplant, Major Burns
- • **Last expense cover** of up to UGX 15,000,000 including spouse & 2 children
- • **Hospital cash benefit** of up to UGX 50,000 per day in case of Hospitalization of account holder





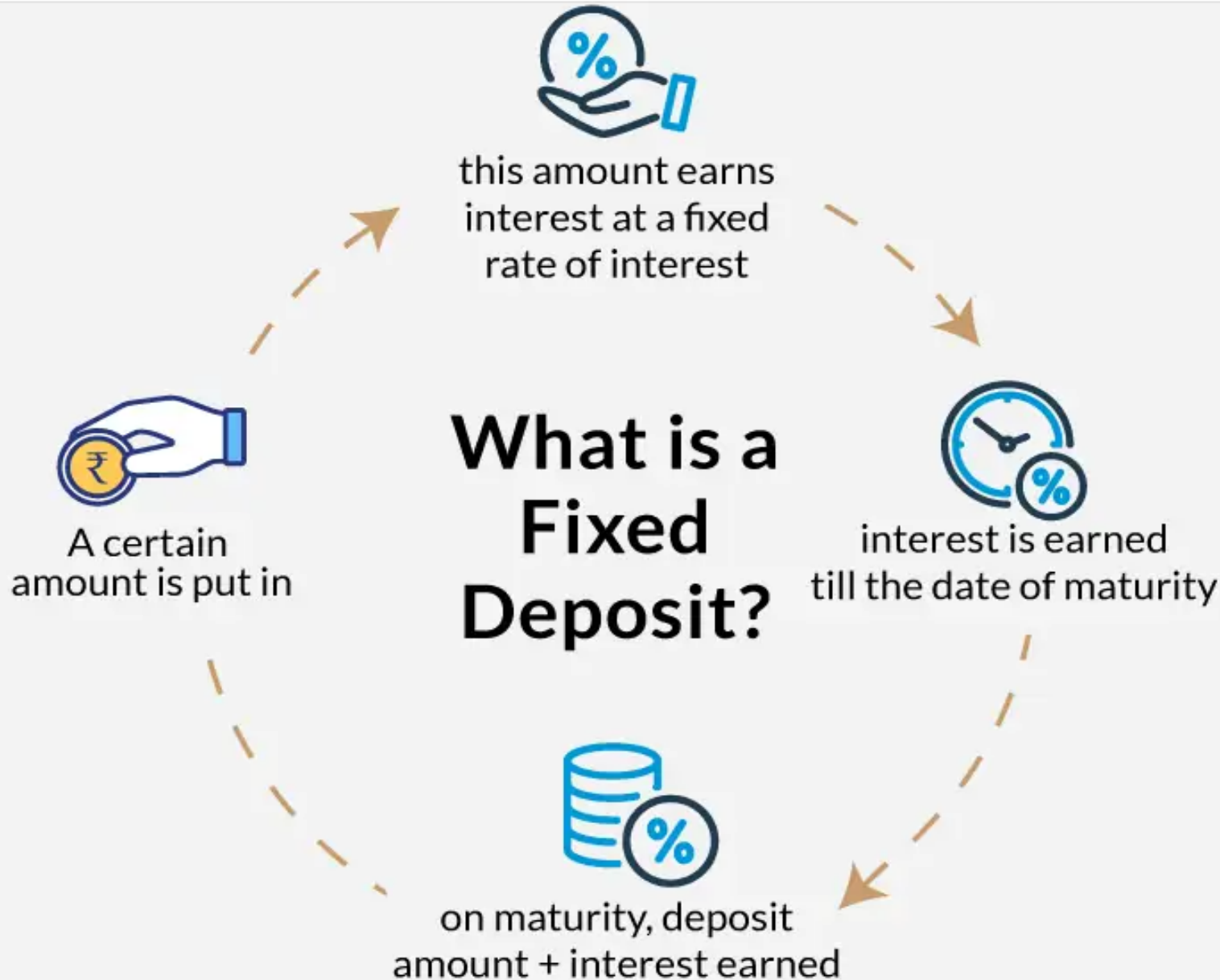
Deposit Earnings

- Call deposits
- Short Term Fixed
- Long Term Fixed Deposit



Government Securities

- Treasury Bills
- Treasury Bonds



Call Deposit

- Flexible-access funds at convenience
- No maturity date.

Short Term FD

- Tenors: 3m, 6m, 9m, 2m.
- Withholding Tax 15% p.a

Long Term FD

- Tenors: 2y, 3y, 5y, 10y.
- Periodic interest payments
- Monthly, quarterly, semi annually or maturity
- Withholding Tax 15% p.a

GOVERNMENT SECURITIES

What are Treasury Bills & Treasury Bonds?	<ul style="list-style-type: none">✓ These are risk free interest bearing instruments issued by government of Uganda
Why invest in bills and bonds?	<ul style="list-style-type: none">✓ Securities offer a competitive rate of return compared to most interest bearing products✓ Risk free (Guaranteed returns/fixed payment dates)✓ Liquid/Tradable, can be easily access your funds (partial/full) at need on the same day.
Who can invest & what is the minimum amount?	<ul style="list-style-type: none">✓ SACCOs, Investment Clubs, Private companies, Insurance companies, pension funds, government agencies, individuals (of at least 18-year old) and offshore investors.✓ Minimum amount of Investment is UGX 100,000
Requirements	<ul style="list-style-type: none">✓ Open Account with HFB✓ Complete a CSD (Central Securities Depository) account opening form✓ Complete HFB T-Bill/ Bond purchase form
Charges	<ul style="list-style-type: none">✓ 20% With Holding Tax on the interest earned for all securities with tenors below 10 years (3m,6m,12m,2y,3y,5y)✓ 10% With Holding Tax for Securities with tenors of 10 years & above (10y,15y,20y)

TREASURY BONDS



Maturity Date	05-May-27		
Coupon rate	16.00%		5 YEAR BOND
Face Value	500,000,000		
Settlement Date	05-May-2022		
All-in Cost	592,684,480	Debit amount	
<u>Dates</u>	<u>Cashflow</u>	<u>Days to cashflow</u>	NET INCOME
			0.8
27-Aug-26	540,000,000.00	1,826	32,000,000.00
26-Feb-26	40,000,000.00	1,644	32,000,000.00
28-Aug-25	40,000,000.00	1,462	32,000,000.00
27-Feb-25	40,000,000.00	1,280	32,000,000.00
29-Aug-24	40,000,000.00	1,098	32,000,000.00
29-Feb-24	40,000,000.00	916	32,000,000.00
31-Aug-23	40,000,000.00	734	32,000,000.00
2-Mar-23	40,000,000.00	552	32,000,000.00
1-Sep-22	40,000,000.00	370	32,000,000.00
3-Mar-22	40,000,000.00	188	32,000,000.00
2-Sep-21	40,000,000.00	06	32,000,000.00
			TOTAL INTEREST PYT
			352,000,000



Why Invest in Real Estate?



1
Higher returns
on principal
capital/investme
nt over the long-
term

2
Real estate
investment in
most cases
beats/outperfor
ms inflation

3
Passive Income-
Not much time
needed to
supervise

4
Real estate offers
a range of
investment
options to
choose from

5
Real estate
investments
create jobs-5+
jobs created per
Housing unit built

Challenges in Real Estate?



➤ Properties require big cash outlays

➤ The gestation period for some properties is long before cash inflows can start.

➤ The waiting game may be frustrating if an immediate need for cash arises.

➤ The process of carrying out due diligence on properties before acquisition is not uniform given the different land tenure systems.

➤ The pay back period may not be witnessed by the investor



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Our Intervention Model



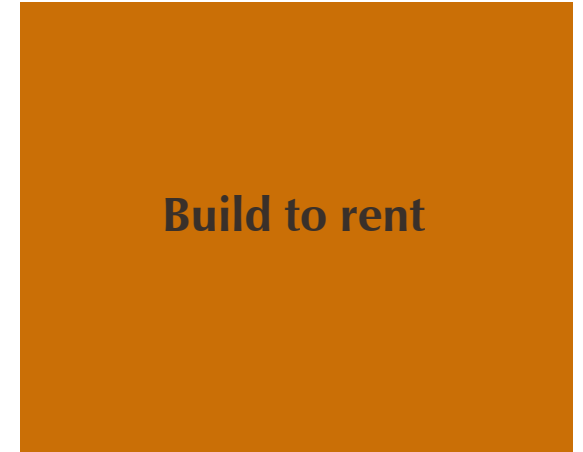
**Developer Financing
to stimulate supply**



Off-taker Finance



Build to occupy



Build to rent



Mortgage Solutions

No one structures mortgages better than us. We have solutions for whatever stage you are at;

- Land title access finance (Kyapa loan)
- Land Loan
- Incremental Housing Loans
- Home Loans
- Equity Release (vacant land or developed land)
- Multi-unit Purchase/completion
- Commercial mortgages



5 YEAR DEVELOPMENT PLAN



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we make it easy

FIVE YEARS TO FINANCIAL FREEDOM



**BUILD AN EMERGENCY
FUND OF 6 MONTHS
EXPENSES**



**BUILD A SIDE HUSTLE
TO QUANTUM LEAP
YOUR INCOME**



**INVEST A GROWING
PORTION OF YOUR
PROFIT**



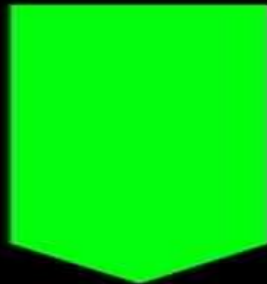
**LET YOUR MONEY
HABITS CREATE
FREEDOM**



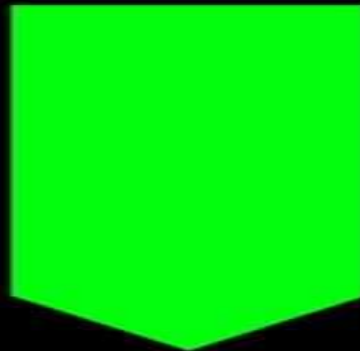
**AUTOMATE 10% OF
YOUR INCOME INTO
SAVINGS**



YEAR 1



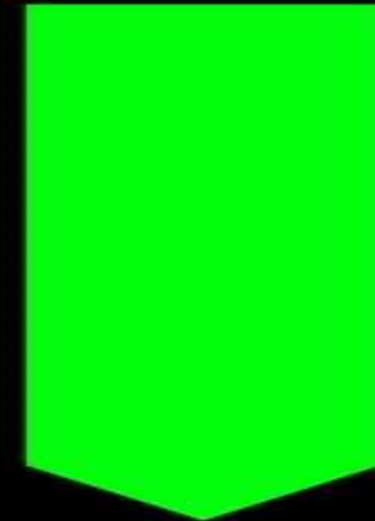
YEAR 2



YEAR 3



YEAR 4



YEAR 5

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