



BUILDING HOUSEHOLD WEALTH

By Mathias Katamba, M.D, Housing Finance Bank
Rotary Club of Kampala South, Hotel Africana 5th September, 2016



Quick Facts & Figures



- Only 28% of Ugandan adults above 15 years have a bank account
- 17% used the account for saving
- 16% accessed financial institution credit

However 80% of Ugandan adults have accessed some form of credit

World Bank's Little Data Book on Financial Inclusion 2015

- 70% of Ugandan adults borrow from Family, Friends & 6% informal lenders
- Total private sector credit accounts for 16% of Uganda's GDP: (Kenya 40%).



Uganda

Housing Sector

- Uganda is rapidly urbanizing, at a rate of 5% per annum.
- It is estimated that by 2050, Uganda will be among the most urbanized countries in Africa
- The estimated housing backlog ranges from 560,000 to 1.6 million units, with annual need of 233,000 units.
- If nothing is done, this deficit will grow to 6 million units in the next twenty years
- Uganda will need at least 12.6 million new housing units within the next thirty years according to the National Development Plan 2015 to 2020.



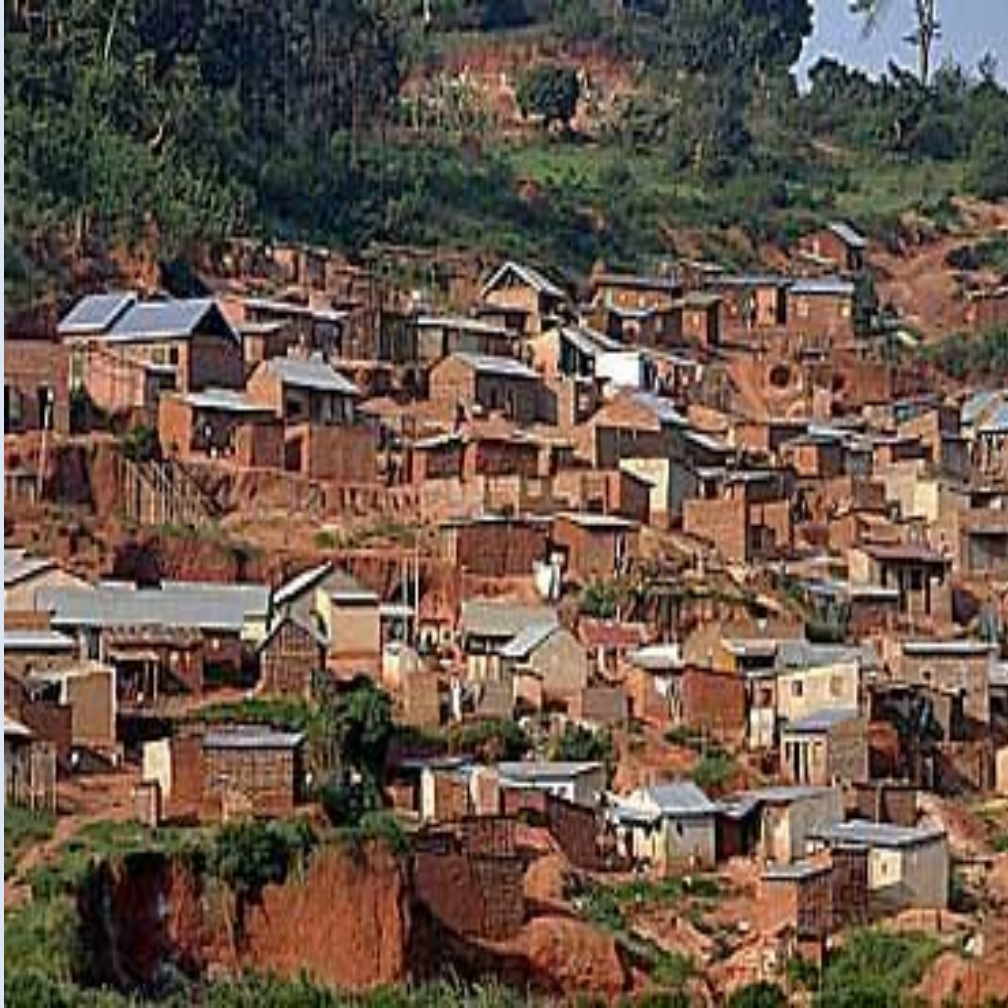
The World at Night



World Air Traffic



What do You See



Egypt



- Khalifa Residential City project in Cairo

Botswana





Mortgage Sub-Sector

- Ugandans build their houses incrementally using savings and short term loans.
- Research shows that this process can take up to seven years to complete the house and has devastating effects on the household and business cash flows. (Rent plus Building)
- The current situation is being fuelled by the low availability of long term mortgages in banks and it is the reason Housing Finance Bank was started.
- We have an unmatched depth of experience when it comes to packaging the best housing related financial solutions for you.



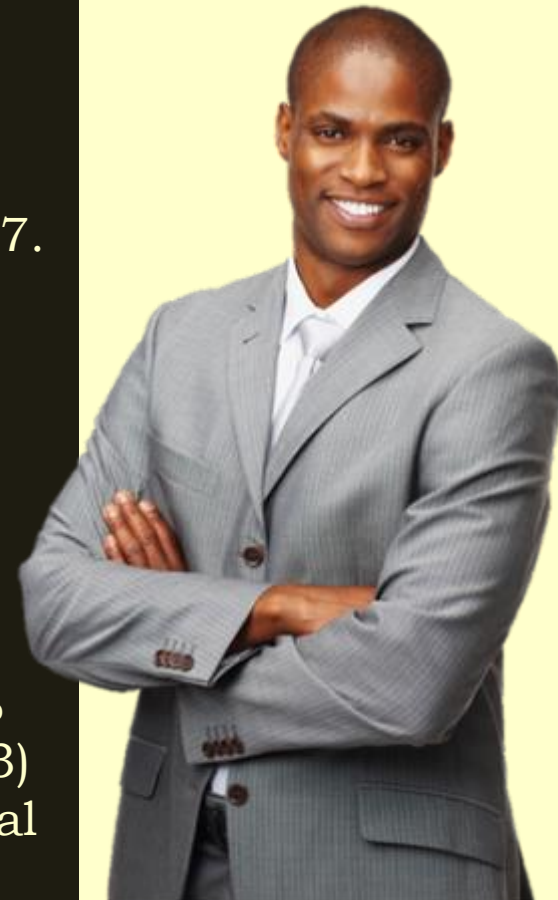
History of Mortgages

European Perspective

- ❖ Originated in England around 1190
- ❖ Groups of people would form a Building society to construct houses member by member and once all houses were completed, the temporary society would be closed.
- ❖ Gradually Societies become popular and Permanent Building Societies became the most common in the UK
- ❖ The majority have transformed into Commercial Banks
- ❖ That is why Housing Finance Bank was called First Permanent Building Society in colonial times before 1967.

North American Perspective

- ❖ In the late 1800s & early 1900s, waves of immigrants to America increased the need for mortgages.
- ❖ In 1934, the Federal Housing Administration was established to protect lenders & reduce risk by creating many of the lending practices we know today.
- ❖ This included; (1) reducing the down payment from 50% to 20%, (2) extending the loan term from 5 to 30 yrs & (3) introducing a repayment schedule with monthly principal & interest installments as opposed to a lump sum payment of the 50% balance at the end of the mortgage.



EVOLUTION OF HFB



1967 to 2007
Mortgages Only



In 2007, HFCU
transformed from
a Mortgage
Company to a full
Commercial Bank




Current focus is
on a complete and
competitive value
proposition to
customers; with a
range of Housing,
Business and
Personal Solutions

BUSINESS SOLUTIONS

HFB has evolved;

- Credit & deposit solutions for business
- Overdrafts & other short term facilities
- Vehicle and Asset Financing
- Solutions for money remittance i.e. Western Union, Moneygram and SWIFT
- Solutions for land registration (Ekyaapa Loan)



Give your business that much needed boost with our business loans

Visit or call us on: +25641-7-707-689/771

HOUSING SOLUTIONS FOR WHATEVER STAGE YOU ARE IN LIFE



Land
Purchase
Solutions

Home
Construction
Solutions

Home
Purchase
Solutions

Refinance /
Equity
Release

Commercial
and Rental
Property



THANK YOU



Housing
Finance
Bank