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Housing Finance Bank

HOUSING FINANCE BANK RECEIVES A GLOBAL SUSTAINABILITY CERTIFICATE

Proudly Ugandan, committed to building a sustainable future for all.

2022
EMBEDDED SUSTAINABILITY IN OUR WORK
In how we govern, lend, and operate.

2024
ENABLED GROWTH FOR PEOPLE AND BUSINESSES.
Supporting women, youth, farmers and businesses.

2025
STRENGTHENED TRUST AND SECURITY.
Attaining ISO 27001:2022 Certification.

2023
EXPANDED NETWORK
With affordable financing through digital solutions and a widened brick and mortar network.

2026
INVESTED IN A GREENER FUTURE.
Launched the first Green Mortgage into the market.

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MESSAGE FROM THE BOARD CHAIRPERSON

SUSTAINABILITY IS THE NEW BUSINESS AS USUAL

When Housing Finance Bank received Sustainability Certification under the Bank of Uganda's Sustainability Standards and Certification Initiative, we marked an important milestone. But from the Board's perspective, the certificate itself is not the achievement; the transformation behind it is.

Over the past four years, we have deliberately embedded sustainability into how we govern, lend, operate and create value. That has meant challenging conventional approaches and aligning our strategy with Uganda's long-term development goals because the future of banking extends beyond financial performance alone.

Financial institutions shape where capital flows, which businesses grow and how resilient our economy becomes. We do not take that responsibility lightly.

OUR CONVICTION IS SIMPLE:
HFB's success is inseparable from the success of the communities we serve. That belief anchors our three High Impact Goals: Expanding Financial Inclusion, Growing Sustainable Enterprises, and Advancing Affordable and Sustainable Housing our contribution to an inclusive, resilient and sustainable Uganda.

The scale of the opportunity is significant. Uganda's housing deficit was projected to reach 2.4-2.6 million units by 2025, with roughly 900,000 existing homes classified as substandard. This gap speaks directly to our founding purpose as the country's leading mortgage lender.

HFB Management receive the Sustainability Standards Certification in Karlsruhe, Germany

On the inclusion front, the Bank reached more than eight million Ugandans through digital lending channels in the last financial year alone, while total assets have grown to sh2.7 trillion, giving us a stronger balance sheet from which to extend that reach further. We have backed women entrepreneurs, farmers and MSMEs with capital and capacity building support to help them grow sustainable businesses.

We have championed green financing and climate-resilient housing. And we have looked inward too and invested in energy-efficient infrastructure, solar lighting, document automation and sustainability training for every member of our Board and staff, because sustainability is our culture.

We are grateful to the Bank of Uganda for its leadership in establishing the Sustainability Standards and Certification Initiative, and to our shareholders, customers, regulators and employees for walking this journey with us.

> THE BANK REACHED MORE THAN EIGHT MILLION UGANDANS THROUGH DIGITAL LENDING CHANNELS IN THE LAST FINANCIAL YEAR ALONE, WHILE TOTAL ASSETS HAVE GROWN TO SH2.7 TRILLION


Annette W. Kihuguru, Chairperson, Board of Directors, Housing Finance Bank

Looking ahead, our focus remains on scaling impact across our three High Impact Goals and building a robust pipeline of sustainable projects, deepening partnerships, and directing capital where it creates lasting value.

The certification confirms we have built the right foundations.

The greater task now is turning those foundations into measurable impact for generations to come.

Sustainability is not our destination. It is the way we choose to grow.

On behalf of the Board of Directors, I extend my sincere appreciation to our customers, employees, shareholders, regulators, and partners for walking this journey with us. Together, we are demonstrating that commercial success and sustainable development are not competing objectives.

They are mutually reinforcing aspirations that will shape the future of Housing Finance Bank and the future of Uganda.

BANKING FOR SUSTAINABLE GROWTH

Housing Finance Bank is positioning sustainability at the centre of its growth strategy, linking financial performance with financial inclusion, affordable housing, enterprise development and green financing. Following its Sustainability Standards Certification, the Bank says the recognition is not an end in itself, but a validation of its broader transformation and commitment to long-term value creation. In this interview, the Bank's leadership explains how sustainability is shaping its competitiveness, financing priorities and contribution to Uganda's economic development

Q What does receiving the Sustainability Standards Certification award mean for Housing Finance Bank, and how does it reinforce your long-term strategic vision?

A Receiving the Sustainability Standards Certification Initiative (SSCI) award is a defining endorsement of the path we have chosen as a Bank.

Michael Mugabi, the Managing Director of Housing Finance Bank giving a speech at an event

Sustainability is not just a principle we advocate for but one we actively embed across our governance, lending, and operational practices. For us, this certification is both a validation and a responsibility.

It reinforces our long-term vision of financing a sustainable future for all, a vision that places equal weight on financial strength, social impact, and environmental stewardship. As we continue to grow, this recognition signals to our stakeholders that we are building an institution designed for longevity; one that will remain relevant, responsible, and impactful in a rapidly evolving financial landscape.

How integral is sustainability, particularly green financing, to the Bank's growth strategy and future competitiveness in Uganda's evolving financial sector?

Sustainability is at the very core of our growth strategy, it is not an add-on, but the lens through which we are shaping our future. As the financial sector evolves, the ability to deliver solutions that are both commercially viable and environmentally responsible is becoming a key differentiator.

Our growing investments in renewable energy, SME financing, and climate-conscious housing are strengthening our competitiveness while enabling us to lead in responsible banking. In essence, sustainability is about securing our relevance and leadership in the future of banking.

How is the Bank balancing strong financial performance with its sustainability commitments?

Our approach has been clear and deliberate: growth must be inclusive, and performance must be purposeful. The fact that we delivered profit after tax of Sh85 billion in 2025, while continuing to expand access to affordable financial services, demonstrates that sustainability and financial performance are not mutually exclusive, they reinforce each other.

We achieve this balance by innovating around affordability, leveraging digital platforms, agent banking, and scalable lending models to reach more people at lower cost. Ultimately, our goal is to ensure that growth is not just measured in financial terms, but in how many lives we uplift along the way.

Which sectors or types of projects are you prioritising under your sustainable financing agenda, and what informs these strategic choices?

Our priorities are closely aligned with Uganda's broader economic transformation agenda, particularly under the Government's Tenfold Growth Strategy and the focus on agro-industrialisation, tourism, and minerals-based industrialisation. They reflect our deliberate intention to channel capital toward areas that drive productivity, job creation, and inclusive economic participation, while also strengthening resilience in the face of climate and socio-economic challenges.

Within housing, we have continued to scale innovative solutions such as our Zimba Mpola Mpola incremental housing product, which has enabled over 350,000 Ugandans to progressively build and complete homes in line with their income flows, making home ownership more attainable and sustainable for a broader segment of the population.

From your perspective, how are customers and communities tangibly benefiting from the Bank's sustainability-focused approach?

The impact of our sustainability strategy is best reflected in the scale and depth of the lives we continue to transform across Uganda. Through our financing solutions in 2025, we supported

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BANKING FOR IMPACT

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over 1,500 housing and construction projects, financed close to 4,000 women-led businesses, enabled more than 2,500 youth initiatives, and backed over 1,000 new enterprises, directly contributing to livelihoods, job creation, and inclusive economic growth.

Our digital transformation has been a powerful catalyst in this journey. Through digital lending platforms and expanded access channels, we have now reached over seven million customers, many of whom were previously excluded from the formal financial system, while continuing to scale our footprint through a growing network of agents, ATMs, and digital touchpoints.

These interventions deliver real, everyday impact at scale for families, businesses, youth and the economy at large.

Has the Bank introduced any innovative financial products or solutions aimed at supporting climate resilience, affordable green housing, or environmental protection?

Innovation is central to how we deliver sustainability in a practical and scalable way. We have integrated renewable energy financing into our housing products, introduced targeted solutions for water and sanitation, and embedded ESG screening into our credit processes to ensure that every investment we make is responsible.

Beyond products, our investment in digital platforms is also a sustainability intervention, reducing the need for physical processes while improving access and efficiency. Initiatives such as our dynamic mobile app and enhanced agent banking network are expanding reach while lowering our environmental footprint.

Dr Julian Adyeri Omalla, a large scale farmer

Uganda's financial sector is still evolving on ESG. How prepared do you think the industry is to fully embrace sustainability-driven banking practices?

The industry is making steady and encouraging progress, but there is still a journey ahead. Sustainability awareness is growing, and there is increasing recognition that it is not optional, but rather fundamental to long-term resilience.

However, full integration requires strengthened frameworks, improved data capabilities, and continuous capacity building across institutions. At Housing Finance Bank, we have taken a leadership position by embedding Sustainability into our governance structures, risk management systems, and lending decisions.

We believe that as more institutions witness the tangible link between sustainability and long-term value creation, adoption across the sector will accelerate significantly.

Looking ahead, what should customers, investors, and stakeholders expect from Housing Finance Bank as it continues to advance its sustainability journey?

Looking ahead, stakeholders should expect a local Bank that is scaling both its growth and its impact. We will continue to innovate to expand our footprint in affordable housing, foster growth of sustainable enterprises and underserved communities, and accelerate our investments in green and climate-resilient financing. We believe that this will grow our asset base, strengthen our capital position, and deliver superior customer experiences.

Our ambition is to remain a trusted partner in Uganda's development, one that not only finances progress but actively shapes and finances a more inclusive, resilient, and sustainable future for all.

UECCC, HFB BOOST CLEAN ENERGY FINANCING

For many Ugandan households and businesses, accessing clean energy is less about whether the technology exists and more about whether they can afford it. A farmer may need solar-powered irrigation, a business refrigeration, or a school a cleaner cooking system. A household may need wiring before it can be connected to the grid. Yet the cost of purchasing and installing these systems can put them out of reach.

The Uganda Energy Credit Capitalisation Company (UECCC) is seeking to close this financing gap by making clean-energy technologies more affordable and accessible. One of its key partners is Housing Finance Bank, which has received a sh5b credit line under the Credit Support Facility to help businesses and households acquire clean-energy technologies.

The partnership is part of Uganda's wider Electricity Access Scale-up Project (EASP), supported by the World Bank. The project has a $135m off-grid component, with UECCC responsible for programmes that support energy access beyond the national grid.

"We partner with the private sector to address the barriers inhibiting the development of renewable energy projects and the acquisition of clean-energy technologies," said Roy Baguma, Managing Director of UECCC.

The technologies supported go beyond solar lighting. They include solar systems for lighting and charging, clean cooking technologies, irrigation equipment, refrigeration and cooling systems, water heaters, grain mills and other productive-use equipment. The model is straightforward: UECCC provides affordable funding to financial institutions, which then lend to businesses, farmers and households seeking clean-energy solutions.


Roy Nyamutale Baguma - MD UECCC

HOUSING FINANCE BANK RECEIVED A SH5B CREDIT LINE UNDER THE CREDIT SUPPORT FACILITY TO HELP BUSINESSES AND HOUSEHOLDS ACQUIRE CLEAN-ENERGY TECHNOLOGIES.

Housing Finance Bank is one of 15 financial institutions working with UECCC under the programme. Its sh5b credit line will serve both sides of the market.

Energy service companies can access working capital to import clean-energy equipment, while businesses and farmers can borrow to purchase larger systems for their own use.

This supply-and-demand approach is critical. Financing suppliers to import equipment is of limited value if customers cannot afford it. Similarly, giving customers access to credit is less effective if suppliers cannot bring sufficient equipment into the country. The programme therefore supports both ends of the market. For a farmer, financing could support solar irrigation, while a business could invest in refrigeration or cooling. Other enterprises could acquire water heaters, grain mills or similar equipment. "Productive use is essential to be able to create jobs," Baguma said.

The focus on productive use means clean energy is being treated not only as a way to power homes, but also as an input into economic activity. Solar irrigation can help farmers reduce reliance on diesel, while reliable refrigeration can reduce losses for businesses.

UECCC is also addressing a more basic barrier to electricity access: household wiring. Financing can support wiring, a prerequisite for connection to the electricity grid. Enterprises can also receive support for three-phase connections.

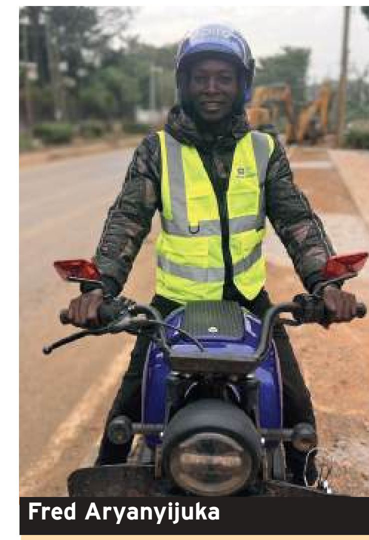
For Housing Finance Bank, the partnership provides an opportunity to expand green financing while supporting Uganda's energy transition. For UECCC, it offers another channel through which public resources can reach households, farmers and businesses.

The financing is structured as a revolving fund rather than a one-off grant. "When we provide this concessional financing, they have to repay it and we have to recycle it back," Baguma said.

Housing Finance Bank is now identifying and assessing potential beneficiaries. UECCC expects the partnership to support at least 1,069 connections. Baguma commended the Bank's commitment to green financing.

"It is our job to encourage as many financial institutions as possible to partner with us to facilitate the energy transition of our people and communities," Baguma said.

For Uganda, that transition will require more than generating power or installing solar panels. It will also require making clean energy affordable for households, farmers and businesses. The UECCC-Housing Finance Bank partnership is one step towards closing that gap.


Fred Aryanyijuka

FINANCING UGANDA'S GREEN MOBILITY FUTURE

"I used to depend on casual work. Today, I am working for myself." I was working as a dairy attendant when I heard about Spiro electric motorcycles through the boda boda Union. I saw an opportunity to change my life, but I needed financing to make it possible. Through Housing Finance Bank, I was able to get my motorcycle with an initial payment of just sh120,000. Today, I earn from my own work and make regular payments towards my motorcycle. By riding an electric motorcycle, I also benefit from lower operating costs, allowing me to keep more of what I earn while contributing to cleaner and more sustainable transport. This opportunity has given me more than a motorcycle. It has given me a livelihood, independence and a way to provide for my family. Housing Finance Bank made it possible for me to take that first step

CHIEF RISK OFFICER STATEMENT

HFB: FROM CERTIFICATION TO SUSTAINABLE IMPACT

In April this year, Housing Finance Bank (HFB) stood before an international audience in Karlsruhe, Germany, with a story worth telling. For nearly four years, the Bank had been systematically embedding sustainability into its lending, operations and governance through the Bank of Uganda's Sustainability Standards and Certification Initiative (SSCI).

FIVE YEARS IN THE MAKING

The journey began in December 2022, when HFB submitted its expression of interest for SSCI. The Board and Executive Committee backed the initiative from the outset, setting aside a budget for the work ahead. The programme was launched jointly with the Bank of Uganda and PostBank in March 2023.

Weeks later, staff gathered for a town hall meeting that the Bank calls its 'Green Fireplace' launch. Cross-functional teams and goal leaders were appointed across the institution.

In 2024, the Bank developed its Purpose Statement and High Impact Goals and drew up alignment plans for each SSCI module, with the Board and Executive Committee briefed at every stage. In 2025, the Bank refined its goals, finalised implementation plans and secured formal Board endorsement.

By April 2026, HFB had achieved certification, marking the culmination of almost four years of work.

"This certification is not the end of the story. It is proof that the systems we built work. What matters now is that we keep holding ourselves to the same standard," said Marietta Naiga, Chief Risk Officer at HFB, who has overseen the Bank's sustainability programme.

GOALS ALIGNED WITH UGANDA

HFB developed its three High Impact Goals – accelerating financial inclusion, growing sustainable enterprises, and promoting sustainable housing – in alignment with Uganda's broader development ambitions, including the Tenfold Growth Strategy and its focus on agro-industrialisation, tourism, minerals and technology.

The Bank has set five-year targets under each goal, seeking to grow its balance sheet in step with Uganda's economic ambitions while directing capital towards inclusive and sustainable development.

Marietta Naiga, Chief Risk Officer

> "OUR PURPOSE IS TO FINANCE A SUSTAINABLE FUTURE FOR ALL. THAT IS ALSO THE STANDARD WE ARE HOLDING OURSELVES TO, LONG AFTER THE CERTIFICATE IS SIGNED.

WHAT THE JOURNEY HAS DELIVERED

On financial inclusion, HFB opened three branches in Masaka, Soroti and Nansana and onboarded 2,000 Parish Development Model SACCOs. Through its HFB Women product, launched in partnership with UWEAL, the Bank disbursed 230 loans worth sh902m to 500 newly opened accounts. Partnerships with landlords in Kapeeka, Market Voice and Equator Seeds also expanded access to finance, while the Bank began financing electric motorcycles for boda boda riders.

Under sustainable enterprise growth, two HFB Business Clinics reached 103 women-led MSMEs, while 80 business owners received financial literacy training. Through the Uganda Green Enterprise Finance Accelerator, HFB channelled sh18b to 150 SMEs.

In sustainable housing, the HFB Zimba Housing Challenge brought together 12 young innovators to design affordable, climate-resilient homes. A partnership with Easy Housing created a pipeline of 30 customers worth sh1.5b for modular, eco-friendly homes. A Women in Construction Symposium also provided financial literacy training to more than 1,000 women.

Internally, HFB has installed LED and solar lighting across its premises, saving sh71.4m in power costs.

Its Tiny Forests campaign has planted 14,000 trees across 10 sites, backed by a sh100m commitment and a target of one million trees by 2027. Document automation has reduced paper use, while all Board members and staff have completed sustainability training.

THE ROAD AHEAD

For HFB, certification is not a finish line but a foundation for greater impact. The Bank plans to expand its sustainable project pipeline, deepen partnerships and accelerate digital transformation, including the use of artificial intelligence to improve internal processes and support businesses.

AFD, HFB EXPAND HOUSING FINANCE ACCESS

For many Ugandans, building a home does not begin with a mortgage and a set of completed architectural drawings. It begins with a few bags of cement, a foundation, a little money saved this month and perhaps a few more savings next month. A wall goes up, then another. Construction pauses when money runs short and resumes when the next bit of income comes in. For millions of Ugandan households, this is simply how a home is built: slowly, bit by bit.

It was this reality that inspired Housing Finance Bank (HFB) to rethink how housing finance could work for Ugandans whose circumstances do not fit the traditional mortgage model. The result was *Zimba Mpola Mpola*, a housing finance product designed around the way many Ugandans actually build their homes. The name of the product literally means "build bit by bit".

With support from the Agence Française de Développement (AFD), through a credit line and technical assistance, HFB developed and rolled out this approach, reaching thousands of households that conventional mortgage products often struggle to serve and helping families improve the safety and quality of their homes. More than 8,400 households have


Marc Trouyet, Country Director

benefited from the programme through Housing Finance Bank and its partner microfinance institutions, demonstrating the strong demand for housing finance solutions tailored to incremental construction.

But the partnership was about more than creating a new product. HFB also strengthened its capacity to serve lower-income customers, streamlined loan processes, decentralised approval to improve turnaround times and expanded its reach through partnerships with microfinance institutions.

Through this model, the Bank directly served 2,883 households, while a further 5,570 households accessed housing finance through partner microfinance institutions, extending the programme's reach beyond HFB's branch network. The aim was not simply to lend more, but to make housing finance more accessible and better suited to the realities of its customers.

The impact of that work is now part of a broader story of responsible banking at HFB. The Bank has recently attained certification under the Sustainability Standards Certification Initiative (SSCI), an important milestone in its commitment to responsible and sustainable banking. The certification reflects efforts that go beyond housing finance, including the integration of environmental and social considerations into the Bank's operations and the promotion of green housing.

"For AFD, sustainability is about creating lasting value for people, institutions and the wider economy," says the AFD Country Director in Uganda.

"That means supporting solutions that do more than meet an immediate need; solutions that strengthen institutions, widen access and keep creating opportunities over time."

AFD is proud to have accompanied Housing Finance Bank on this journey. We congratulate the Bank on its SSCI certification and look forward to continuing our partnership as HFB builds on these achievements and expands access to responsible, affordable and sustainable housing finance for Ugandan families.

FROM BODA BODA RIDER TO HOMEOWNER: BUILDING DREAMS WITH *ZIMBA MPOLA MPOLA*

For Charles Muhumuza, owning a home once felt like a dream reserved for people with stable incomes and significant financial resources. As a boda boda rider, he had spent years renting and longed for a place his family could call their own. "I was renting for a very long time, and I was really tired of that situation. I always admired people who owned their own homes," Charles recalls. That door finally opened when he discovered Housing Finance Bank's *Zimba Mpola Mpola*, an incremental housing solution designed to help Ugandans build toward home ownership step by step, rather than all at once. The solution offered him a realistic path to acquiring land and building a home within his financial capacity.

"I was sold on the idea of *Zimba Mpola Mpola*, and I took it up. Today, I can proudly say that my family has a beautiful place they call home, courtesy of Housing Finance Bank through the Kampala Metropolitan Boda Boda Association."


Charles Muhumuza

HFB LEADS IN ELECTRIC BIKE FINANCING

A new financing partnership between Union Boda and Housing Finance Bank (HFB) is making electric motorcycles more affordable for riders, helping them reduce operating costs, increase earnings and support their families.

For Fred Ssenoga, Managing Director of Union Boda, the partnership worked because HFB understood the local market.

"Being a Ugandan bank owned by Ugandans was a plus for us," he said. Union Boda was already exploring ways to help riders shift from petrol motorcycles as electric vehicles became more practical.

HFB was pursuing a similar goal of supporting the transition to electric mobility.

The two organisations spent months developing a financing product tailored to boda boda riders, consulting them on the application process and repayment options.

"It was tailored exactly to the rider. It's not like a normal financing product on the market," Ssenoga said. "The rider has options on how to pay. Riders can make payments daily, weekly or monthly."

For riders, the biggest benefit is lower daily operating costs, allowing them to retain more of their earnings. "With an EV bike, you save more money per kilometre," Ssenoga said. "To maintain and run this EV bike, it is far more cost-effective than a petrol bike."

HFB signs MOU with Union Boda

Because boda boda riders are often the main breadwinners in their households, these savings can translate into more money for food, school fees, savings and other household needs.

Ssenoga also sees electric mobility as an economic opportunity, arguing that reducing reliance on imported fuel could conserve foreign exchange and support Uganda's wider development ambitions.

Ssenoga has an ambitious target: within three years, he expects 50-60% of boda bodas under the partnership framework to be electric. With Uganda estimated to have about 1.5 million boda bodas, this could mean financing 750,000-900,000 electric motorcycles.

HFB AND ENSIBUUKO EXPAND CREDIT ACCESS FOR VSLAS

For years, many savings groups in Uganda have relied on a simple model: members save together, lend to one another and record transactions in notebooks. While the system works, groups often struggle to access larger loans because their financial history is not easily visible to formal lenders. That is the challenge Ensibuuko and Housing Finance Bank (HFB) are seeking to address. "The simple problem is that many savings groups have a financial history, but that history is often not visible to a bank," said Gerald Otim, Managing Director of Ensibuuko, the financial technology company behind Chomoka, a platform that helps savings groups digitise their financial activities.


Gerald Otim, MD Ensibuuko

The partnership, launched in 2026, combines Ensibuuko's digital platform with HFB's lending capacity. Under the agreement, the bank committed up to sh2.5b to lend to qualifying Village Savings and Loan Associations (VSLAs).

The idea is straightforward: by digitally capturing a group's financial behaviour, banks gain more information to assess its creditworthiness and determine how much it can borrow.

Chomoka brings this history into a digital record, capturing savings, internal loans, meetings and repayments. The data can generate a credit score and recommend a loan limit, which HFB considers alongside its eligibility, KYC and credit assessment processes.

Digital records also improve financial management by giving members clearer visibility of their savings and borrowing, while enabling repayments to be reconciled and missed payments flagged early. "Digitalisation is not just replacing the book with a phone," Otim said. "It is helping groups build stronger financial discipline." For HFB, the partnership offers an opportunity to use digital information to bring an underserved segment of Uganda's economy into formal finance.