

*How do you maximise savings and increments?  
Strategies for wise spending*



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## What is a Co-operative?

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.



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## Who are we?

- A non-profit credit co-operative
- Operating since 1928
- Have a membership base of more than 42,000 members
- Assets more than \$70 million
- Total reserves of more than \$23.5 million
- ISO 9001:2008 certification by TÜV SÜD



## *Services provided by TCC*

1. Offer Attractive options of opening a savings Account with us with No MINIMUM BALANCE to maintain
2. EDU LOAN – pursue your prestigious Degree/Masters
3. Wedding Loans
4. Lifestyle Loan
5. Reno Loan
6. Personal – Unsecured and Secured
7. Consolidated Loan



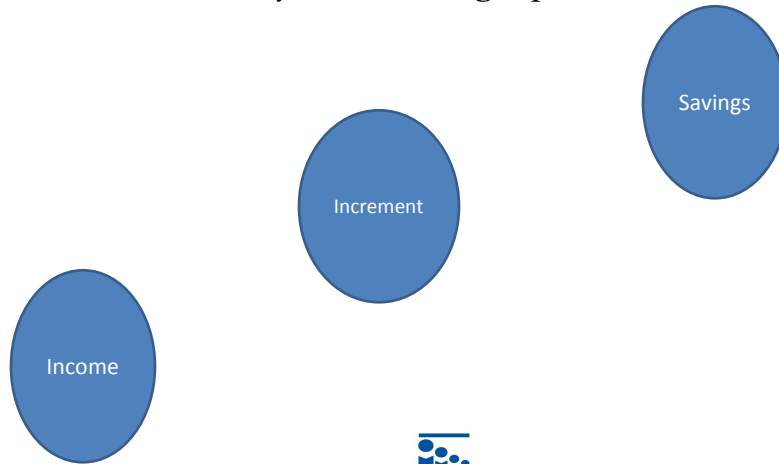
We value our members, once a member always a member, they are never looked at as ACCOUNT HOLDERS



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## *Are you on the right path?*



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## *How Much IS Enough?*

- Typically it is said that we should save 20% of our take home pay.
  - CASE STUDY: 24 year old ,University Graduate, take home: \$2,800
  - Saves \$560 a month for 2 years : **\$13,440**
  - Has an increment in year 3 take home pay increases to \$3,200
- **Scenario 1**
  - Still saves \$560
- **Scenario 2**
  - Saves \$640 for next 2 years: **\$15,360**

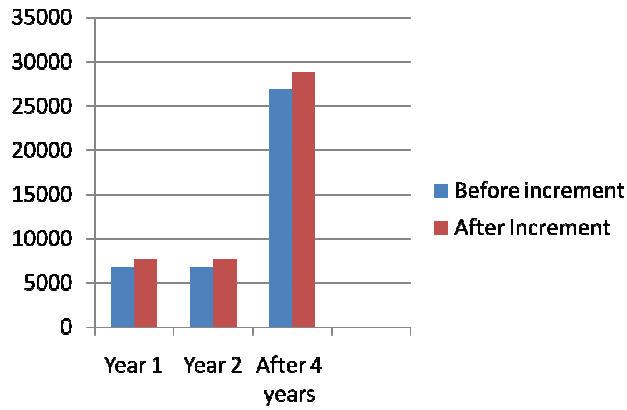


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### *CASE STUDY: Diligent Savings*



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### *CASE STUDY: Dilligent Savings*

- Contributing more towards Savings after your increment gives you an additional savings of \$2,400 after 4<sup>th</sup> year.
- Additional Cash can be used to pay off Liabilities, enrol for a new course, need not take a loan to increase debt standings.



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*I save and save and is still not enough cost of living is rising? How can I save more?*



I. **SPEND WISELY:** budget and prioritize what needs to be bought



II. **PAY OFF HIGH COST DEBT :** review housing Loan, credit cards. Use **income** to offset high Loans

III. **INVESTMENT SPREAD :** risk appetite and spread your basket of eggs to make your money work harder for you.



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## *Increments – Housing Loans/Credit Cards*

Housing Loan: Most of us have this burden for 30 Years

CASE STUDY 2: HOUSING LOAN AND INTEREST SAVINGS



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Name	MR TAN AH KOW				
Property at					
Cash Upfront					
CPI Loan					
Housing Loan	\$600,000				
Purchase Price					
Loan Tenure (in years)	20				
Interest Rate	1st yr	1.20%			Mbly Instal (\$2,813.25)
	2nd yr	1.68%			(\$2,945.21)
	3rd yr	2.20%			(\$3,092.46)
	4th yr	3.25%			(\$3,403.17)
	5th yr	3.76%			(\$3,567.26)
	Thereafter				

No	Prin Bal	Mbly Instal	Prin Repay	Interest	End Prin	Cumm Int
1	\$600,000.00	(\$2,813.25)	\$2,213.23	\$600.00	\$597,186.77	\$600.00
2	\$597,786.77	(\$2,813.25)	\$2,215.45	\$597.79	\$594,971.52	\$1,197.79
3	\$595,571.32	(\$2,813.25)	\$2,217.68	\$595.57	\$592,756.84	\$1,793.36
4	\$593,355.66	(\$2,813.25)	\$2,219.88	\$593.35	\$590,542.96	\$2,388.71
5	\$591,139.78	(\$2,813.25)	\$2,222.10	\$591.13	\$588,329.86	\$2,977.85
6	\$588,911.88	(\$2,813.25)	\$2,224.32	\$588.91	\$586,117.54	\$3,569.76
7	\$586,687.26	(\$2,813.25)	\$2,226.54	\$586.69	\$583,905.92	\$4,154.44
8	\$584,460.82	(\$2,813.25)	\$2,228.77	\$584.46	\$581,695.05	\$4,737.91
9	\$582,232.05	(\$2,813.25)	\$2,231.00	\$582.23	\$579,484.82	\$5,309.14
10	\$580,001.05	(\$2,813.25)	\$2,233.23	\$580.00	\$577,275.22	\$5,890.14
11	\$577,767.82	(\$2,813.25)	\$2,235.46	\$577.77	\$575,066.25	\$6,471.31
12	\$575,532.36	(\$2,813.25)	\$2,237.70	\$575.53	\$572,857.65	\$7,053.44
13	\$573,294.65	(\$2,845.21)	\$2,142.60	\$602.61	\$571,152.05	\$7,856.05
14	\$571,152.05	(\$2,845.21)	\$2,146.60	\$709.61	\$569,004.46	\$8,658.66
15	\$569,004.46	(\$2,845.21)	\$2,148.60	\$796.61	\$566,857.86	\$9,462.27
16	\$566,857.86	(\$2,845.21)	\$2,151.61	\$793.60	\$564,704.25	\$10,245.87
17	\$564,704.25	(\$2,845.21)	\$2,154.62	\$790.59	\$562,551.63	\$11,036.46
18	\$562,551.63	(\$2,845.21)	\$2,157.64	\$787.57	\$560,399.99	\$11,824.04
19	\$560,399.99	(\$2,845.21)	\$2,160.66	\$784.55	\$558,249.34	\$12,608.59
20	\$558,249.34	(\$2,845.21)	\$2,163.68	\$781.53	\$556,099.65	\$13,390.11
21	\$556,099.65	(\$2,845.21)	\$2,166.71	\$778.50	\$553,950.94	\$14,168.61
22	\$553,950.94	(\$2,845.21)	\$2,169.74	\$775.46	\$551,793.20	\$14,944.08
23	\$551,793.20	(\$2,845.21)	\$2,172.78	\$772.43	\$549,636.41	\$15,716.50
24	\$549,636.41	(\$2,845.21)	\$2,175.82	\$769.39	\$547,480.59	\$16,485.89
25	\$547,480.59	(\$3,092.46)	\$2,069.92	\$1,003.54	\$545,325.67	\$17,489.42
26	\$545,325.67	(\$3,092.46)	\$2,062.75	\$999.71	\$543,162.92	\$18,488.13
27	\$543,162.92	(\$3,092.46)	\$2,066.59	\$995.87	\$541,002.35	\$19,485.01
28	\$541,002.35	(\$3,092.46)	\$2,100.43	\$992.03	\$538,853.90	\$20,477.03
29	\$538,853.90	(\$3,092.46)	\$2,104.28	\$988.18	\$536,707.62	\$21,465.21
30	\$536,707.62	(\$3,092.46)	\$2,108.14	\$984.32	\$534,563.48	\$22,448.53
31	\$534,563.48	(\$3,092.46)	\$2,112.00	\$980.45	\$532,421.48	\$23,429.99
32	\$532,421.48	(\$3,092.46)	\$2,115.88	\$976.58	\$530,281.61	\$24,408.57
33	\$530,281.61	(\$3,092.46)	\$2,119.75	\$972.70	\$528,143.85	\$25,379.27
34	\$528,143.85	(\$3,092.46)	\$2,123.64	\$968.82	\$526,022.21	\$26,348.09
35	\$526,022.21	(\$3,092.46)	\$2,127.53	\$964.92	\$523,914.68	\$27,313.01
36	\$524,194.68	(\$3,092.46)	\$2,131.43	\$961.02	\$522,824.24	\$28,274.04



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## Increments – Housing Loans/Credit Cards

### CASE STUDY 2: HOUSING LOAN AND INTEREST SAVINGS

Interest payable for a Fix Rate Package over 3 years

Year 1 : \$7,053.44

Year 2: \$9,432.45

Year 3: \$11,788.15

Year 4: **\$16,608.25**

If you time your Loan Perfectly, exactly on 37<sup>th</sup> Month you can refinance at a lower Interest rate

e.g. Back to 1.2% Interest Savings in Year 4, Loan Quantum of \$522K, Interest payable is

**\$6113.04**

**SAVINGS OF \$10,495.21**

\*After refinancing the loan and installment is reduced, take the difference in the new installment versus the old installment and accumulate as savings to pay down your loan faster using your increments.



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## *Increments – Housing Loans/Credit Cards*

Credit Cards: Most of us have more than 1 Card

Interest Savings on Credit Cards:

Outstanding Balance: \$10,000

Minimum Payment paid every month

It would take you 10 years to pay it all off and you would have settled an interest of **\$5,000**

**INTEREST**

**\*Tips: Analyze your cards, Pick the Highest Interest rate Payable and Increase your monthly Contribution using your Increments to Pay it off**



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## *How to Build Savings while Paying off Debt?*

- I. **PAY YOURSELF FIRST:** Most of would start paying off all the bills first than have nothing to survive on and start looking at Credit cards, Pay close attention to budgeting and even if you are making a headway with debts to clear allocate some cash savings for yourself
- II. **AIM TO REDUCE DEBT PAYMENT:** up to 25% of your monthly budget.
- III. **ADOPT Investment Mentality :** Asking “Will this let me save or earn more money?”



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### *PAINLESS Strategies in Saving More Money*

1. **RE-THINK INSURANCE** : Re-evaluate your insurance policies to check not just one coverage but also on co-deductibles, don't keep buying life policies one after another, have a mixture include term policies
2. **IMPROVE CREDIT SCORE**- Aim to pay your bills on time.
3. **CHEAPER INVESTMENTS** – explore alternative investments bonds , mutual Funds that have low expense ratios
4. **COMBINE BILLS** – use Cable TV/Phone s/ISP under one provider to ask for more rebates
5. **PREPAID VS CONTRACT** – explore having a prepaid phone to save your phone bills.
6. **ONLINE SHOPPING** – So many platforms offering consumer paradise online and is cheaper
7. **CASH BACK CREDIT CARDS** – allows to offset on purchases



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THANK YOU  
Q & A



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