



Money Matter\$ - 21 May 2026

By Standard Chartered Bank

Title: The Basics of Planning, Building and Protecting Your Financial Future

Have you thought about your financial future? Although it may seem like a long way away yet for some, it is a good idea to start putting aside a monthly sum towards your retirement, your health needs, children's tertiary education requirements and your home.

At Standard Chartered, we believe all your personal finances can be categorised into 5 key areas- emergency funds, protection for you and your family, home planning and ownership, cash and credit management and savings and investment.

Is there a particular order you should follow when managing each of these 5 areas? We believe there certainly is and order is important.

Starting off with emergency funds, ensure you have the funds to see you through unforeseen, short-term emergencies. If you don't, your life could be seriously disrupted. As a guide, you would need to build a cushion of at least 4 months for living expenses, mortgage payments or rental, loan repayment, food, transport and other basic necessities.

Next, you would need to look at protection for you and your family because you need to ensure that the ones you love are protected should you be unable to do so due to death, disability or a serious illness. This area is especially crucial if you have young children or elderly parents who are not financially independent.

When discussing Protection, you would need to consider the following critical areas:

- At your current stage in life, how should you allocate your protection coverage between Disability, Medical and Life Plans?
- How much should you be covered for?
- What are the different types of coverage, for instance, term versus life insurance?
- How often should you review your protection plan?

Most people find out only late in life that they are over-insured but under-protected! You don't have to be one of them.

Your home is likely to be the largest investment you will ever make and probably your longest financial commitment. Hence, how you balance the opposing forces of speed and affordability of owning your own home could save you a substantial sum of money. If you don't do it well, your home could well be more of a liability than an asset. When discussing Home Planning and Ownership, address the following:

- How much should you borrow? In fact, how much can you afford to borrow?
- What are the legalities and regulatory requirements you should be aware of?
- What can you do to shorten your tenor or lower your interest costs?

Having taken care of your long-term needs, you are now in the position to ensure that you practice smart credit and cash management. This means you don't spend beyond your ability



to repay, and that you don't overpay for what you have borrowed. A personal financial consultant will be able to assist you to advise on how to save on interest payments, how to pay off your debts, how to maintain a good credit record and products that best suit your borrowing needs.

Finally, you are now ready to look at how you put away your extra income for the future and how to invest it to gain higher returns. We believe borrowing to invest is irresponsible and risky. In addition, most of us also either take too much or too little risk while investing. How do you get the balance right?

You must first ensure that you understand the basics of investing- what are the different classes of risk and return? What kinds of risks can or cannot be minimised? Why is it important to diversify your investments? What is the difference between risk tolerance and risk ability? Although there is no such thing as certainty in investing, guidance from a personal financial consultant will ensure that your decisions are informed ones.

How do the key 5 areas of your personal financial needs come together? Most experts agree that the secret to success lies in growing your personal wealth to create your own wealth engine which in time and with the right decisions, will run faster and faster, generating good returns for your financial future.

It is important to manage income and expenses prudently so that you enjoy life, yet save enough for asset accumulation. A personal income statement is important for you to tabulate your income and expenditure. A positive income statement leaves you with enough to invest in assets that can generate future income. The assets you accumulate should go into your personal balance sheet, together with your home and personal loans. Manage your balance sheet well to ensure that you are not over-leveraged, that is, you do not borrow well over what you can pay. But, at the same time, you should accumulate enough investments to generate current or future income.

This article is for general information purposes only and whilst the information in it is believed to be reliable, it has not been independently verified by us. You are advised to exercise your own independent judgment with the contents in this article.

783 words