

CLICK, CONNECT, OWN

Expanding access through digital partnerships

M. Shamsul Arefin, Managing Director, NCC Bank PLC.



“Digital partnerships are redefining how Bangladeshis access finance — by turning a long, paper-heavy process into a simple, connected experience.”

Bangladesh's home finance sector is showing impressive resilience despite global economic headwinds, with demand for housing and construction loans surging over the past three years. Rapid urbanisation, strong remittance inflows, and policy support are fuelling growth while digital innovation and green financing are reshaping how banks serve customers. To explore these trends and challenges, The Daily Star spoke with M. Shamsul Arefin, Managing Director of NCC Bank PLC.



Demand Drivers and Evolving Trends
Accelerating urbanization has made the dream of owning an apartment or constructing a home a tangible goal for many. Non-Resident Bangladeshis (NRBs) are an increasingly active segment, securing home loans as they plan their eventual return. The government's sustained focus on urban development and infrastructure projects has amplified demand for both residential and commercial properties. Concurrently, the sector is embracing technology and sustainable development practices, creating fertile ground for innovation.

Affordability Anchored by Rates and

Regulation
Affordability is anchored by the interplay of interest rates and regulatory support. While high rates can dampen demand, the banking sector has maintained competitive interest rates for home loans, aligning them with deposit rates to keep financing within reach. At NCC Bank, a core strategy is offering lower interest rates to ensure customer affordability. Supportive regulatory bodies have played a crucial role by continually refining guidelines to make home loans more accessible and customer-friendly, thereby encouraging broader homeownership.

Green Housing and Inclusive Finance

Beyond traditional offerings, specialized products like “Home Loan,” “Home Improvement Loan,” and “Abashan Loan” are gaining traction. NCC Bank PLC is actively promoting green housing projects to emphasize environmental protection. Under its “Abashan Loan” scheme, the bank offers special incentives, including reduced processing fees for customers who install solar panels. “We are committed to promoting environmentally responsible housing while keeping costs manageable,” a bank representative stated. This initiative aligns with an industry-wide push towards eco-friendly financing that fosters economic growth and social benefits like enhanced savings. NCC Bank is also planning further competitive offerings for sustainable housing projects.

Addressing Market Challenges
Both developers and buyers face hurdles. Buyers often encounter scrutiny over property quality and market value, sometimes revealing discrepancies between asset value and desired loan amounts. Repayment capacity, especially amidst fluctuating interest rates, and a lack of documented income for informal sector workers

can also hinder access to finance. Developers grapple with volatile construction material costs and high inflation, which can escalate project expenses beyond initial loan estimates. NCC Bank mitigates these issues through comprehensive assessments by its team of home loan experts. They conduct meticulous property document scrutiny, guide customers through the process, and offer competitive interest rates to help manage the impact of inflation and ensure sustainable repayments.

The Rise of Semi-Urban Living
A significant demographic shift towards semi-urban areas is reshaping housing demand. Congestion and high costs in major cities are driving a growing population, primarily from the mid-income segment, towards semi-urban locales that offer more space, lower density, and affordable land. Crucially, improvements in infrastructure—including roads, utilities, and public transport—enhance their appeal. Developers are capitalizing on lower land prices and strong growth potential in these areas.

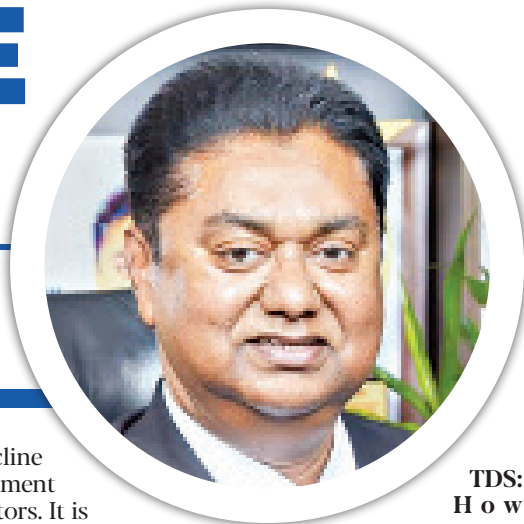
Digital Transformation and

Accessibility
To enhance efficiency, digital solutions are becoming pivotal. NCC Bank PLC has partnered with FinCoach Bangladesh Limited, an online financial marketplace, to streamline its financing process. This collaboration allows customers to apply for home loans conveniently and quickly through a digital platform, advancing paperless processing and customer accessibility.

Strategic Outlook for 2025-2026
Looking ahead to 2025-2026, NCC Bank PLC maintains an optimistic outlook on the housing market. The bank is strategically positioning itself to support this growth by broadening its home loan offerings to cater to diverse customer segments. Key initiatives include forging agreements with top-tier developers to expand apartment financing, enhancing its digital marketing presence, and leveraging all sourcing channels to reach a wider customer base.

Shariah-Compliant RESIDENCE

Mosleh Uddin Ahmed, Managing Director, Shahjalal Islami Bank PLC.



The housing sector in Bangladesh continues to face unique challenges and evolving demands. Shahjalal Islami Bank PLC leverages interest rate movements, the growing importance of semi-urban housing with Shariah-compliant products and digital solutions to support a diverse range of customers and foster sustainable growth in the market.

The Daily Star (TDS): What trends are you seeing in home loan or construction finance demand in the last 2-3 years?
Mosleh Uddin Ahmed(MUA): In the last 2-3 years, due to political turmoil, there has been a significant decline in the other investment sectors of Bangladesh. But as the dwelling place is a basic need of people, we do

not observe any sharp decline in house building investment like other investment sectors. It is also true that there is no increasing growth in this sector, but we may say that a constant growth is achieved.

TDS: How are interest rate movements and regulatory shifts

Urban housing demand is much higher than that of semi-urban housing. But as our labour force in abroad is rising, semi-urban housing is also growing through their remittance income. Besides the political turmoil affect the urban housing is affected much more than the semi-urban housing. As we observe all over Bangladesh that semi semi-urban housing is growing significantly.



affecting homeownership or construction projects?

MUA: In the last 2-3 years, the profit rate has moved from 9% per annum to 14% per annum. Such movement affects the large-scale developer construction, and it has also affected the personal level construction. On the other hand, regulatory shift has almost no effect on this sector.

TDS: What products or schemes (e.g., green housing loans, women's housing finance, SME developer financing) are gaining traction?

MUA: At present, we do not have specific products such as Green Housing Loans or Women's Housing Finance in our portfolio. However, we offer similar Shariah-compliant investment products that promote inclusiveness, sustainability, and ethical growth in housing investment. We also encourage our clients to include several sophisticated technologies, like solar panels, to have green energy.

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