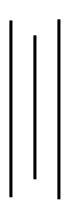
HOUSING LOAN OF NEPAL INVESTMENT BANK LIMITED

By AYUSHMA SHAH Shanker Dev Campus

T.U. Regd. No.: 7-2-271-439-2000 Campus Roll No.: 998/060

A Thesis Submitted to:
Office of the Dean
Faculty of Management
Tribhuvan University



In partial fulfillment of the requirement for the Degree of Master of Business Studies (M.B.S)

Kathmandu, Nepal November, 2009

RECOMMENDATION

This is to certify that the Thesis

Submitted by: **AYUSHMA SHAH**

Entitled:

HOUSING LOAN OF NEPAL INVESTMENT BANK LIMITED

has been prepared as approved by this Department in the prescribed format of the Faculty of Management. This thesis is forwarded for examination.

•••••		
Rishi Raj Gautam	Prof. Bisheshwor Man Shrestha	Prof. Dr. Kamal Deep Dhakal
(Thesis Supervisor)	(Head of Research Department)	(Campus Chief)

VIVA-VOCE SHEET

We have conducted the viva –voce of the thesis presented

Submitted by:

AYUSHMA SHAH

Entitled:

HOUSING LOAN OF NEPAL INVESTMENT BANK LIMITED

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for

Master Degree of Business Studies (M.B.S.)

Viva-Voce Committee

Head, Research Department	••••••
Member (Thesis Supervisor)	
Member (External Expert)	

TRIBHUVAN UNIVERSITY

Faculty of Management

Shanker Dev Campus

DECLARATION

I hereby declare that the work reported in this thesis entitled "HOUSING LOAN OF NEPAL INVESTMENT BANK LIMITED" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master's Degree in Business Study (M.B.S.) under the supervision of Rishi Raj Gautam, Lecturer of Shanker Dev Campus.

.....

Ayushma Shah

Researcher

T.U. Regd. No.: 7-2-271-439-2000

Campus Roll No.: 998/060

ACKNOWLEDGEMENT

This thesis is an outcome of hard work, which is designed to help the readers to have a better understanding of the banking scenario of Nepal with reference to Nepal Investment Bank Ltd. Many respective persons have devoted their precious time and effort in the course of preparing this report. I would like to take this opportunity to acknowledge all of them.

I am indebted to Mr. Mahesh Lal Shrestha (Branch Manager of NIBL, Bhotahity) for his kind co-operation and support.

To prepare this thesis the regular inspiration has been provided by my supervisor Rishi Raj Gautam, lecturer of Shanker Dev Campus and who gave me the valuable time and suggestion for preparation of my thesis. The co-operation and co-ordination in providing information and data by corporate staffs of NIBL, durbarmarg cannot be overlooked. In addition, I am grateful to library of Shanker Dev Campus.

I would also like to thanks Prakash Dhakal, Sarmila Parajuli and Sangita K.C for providing her valuable suggestions and information. My family members and specially my beloved husband Dr. Aashish Shah despite of their busy schedule gave their valuable time and without whose support this thesis would not have been completed. Thank you to Akshay Dai for his support.

Ayushma Shah Researhcer

TABLE OF CONTENTS	
Acknowledgement	
Table of Contents	
List of Tables	
List of Figures	
Abbreviations	
CHAPTER – I INTRODUCTION	Page No
1.1 Background of the Study	1
1.2 Statement of the Problem	2
1.3 Objective of the Study	4
1.4 Significance of the Study	4
1.5 Limitations of the Study	5
1.6 Organization of the Study	5
CHAPTER – II LITERATURE REVIEW	
2.1 Concept of Consumer Finance	7
2.1.1 Consumer Finance at NIBL	9
2.1.2 The Beginning of Home Loan in Nepal	11
2.1.3 Nepal Rastra Bank Regulations Regarding Home Loan	13
2.1.4 House Loan and its Purposes	13
2.1.5 Home Loan Disbursements in the Capital	15
2.1.6 Types of House Loan	16
2.1.7 Home Loans at NIBL	18
2.1.8 Features of Home Loans at NIBL	19
2.1.9 A Basic Understanding	23
2.2 Review of Related Studies	26

26

29

33

2.2.1 Review of Articles

2.2.2 Review of Thesis

2.3 Research Gap

CHAPTER – III	RESEARCH METHODOLOGY		
3.1 Introduction	3.1 Introduction		
3.2 Research Design		35	
3.3 Population and Sa	ample	35	
3.4 Sources of Data	3.4 Sources of Data		
3.4.1 Primary Source	ce	36	
3.4.2 Secondary Source		36	
3.5Data Analysis & I	Processing	36	
CHAPTER -IV	DATA PRESENTATION AND ANALYSI	S	
4.1 Introduction		40	
4.2 Financial Analysis	is Tools	40	
4.3 Analysis of Banks in Terms of House Loan		40	
4.3.1 Analysis of Housing Complex		40	
4.4 Customer Analysis		42	
4.5 Data Analysis Techniques		42	
4.6 Banking Sector's Lending and Deposit		59	
4.7 Major Competitors		60	
4.8 Major Findings		66	
CHAPTER -V	SUMMARY, CONCLUSION AND RECO	MMENDATIONS	
5.1 Summary		67	
5.2 Conclusion			
5.3 Recommendations		70	

Bibliography

Appendix

LIST OF TABLES

Table	No. Title	Page No.
2.1	Interest Rates at NIBL for Consumer Loan	9
2.2	House Loan Amount, Duration and EMI	12
2.3	Various Banks with Interest Rates on Home Loan	12
2.4	Home Loan Disbursements in the Kathmandu Valley	16
2.5	Consumer Loan Composition at NIBL	18
2.6	Major Housing Developers of Nepal	24
3.1	Sampling Framework	35
4.1	Banking Sector's Lending and Deposit	59
4.2	Banks Deposit and Lending	59

LIST OF FIGURES

Figure No. Title		Page No.
2.1	Consumer Loan by Purpose Wise and Loan Type	8
2.2	Consumer Loan Types at NIBL	10
2.3	Flow Chart	22
4.1	Respondents from Housing Complexes	43
4.2	Respondents Composition in Terms of Designation	44
4.3	Reasons affecting People to Live in Housing Complexes	45
4.4	House Finance Via Cash & Loan	45
4.5	Respondent Preference to Banks	46
4.6	Income Source to Purchase the House	47
4.7	Service Preference of Respondents Among Banks	47
4.8	The Most Preferred Bank	48
4.9	Composition of House Loan Amount	49
4.10	Maturity Period of the Loan	50
4.11	The Choice of Financial Institution	51
4.12	Housing Complex Financial Services	51
4.13	Reasons for Rapid Growth in the Housing Sector	52

ABBREVIATIONS

BOK : Bank Of Kathmandu Ltd

HBL : Himalayan Bank Ltd

LBL : Lumbini Bank Ltd

LXBL : Laxmi Bank Ltd

NABIL: Nepal Arab Bank Ltd

NBB : Nepal Bangladesh Bank Ltd

NBL : Nepal Bank ltd

NCC : Nepal Credit and Commerce Bank Ltd

NIBL : Nepal Investment Bank Ltd

NIC : Nepal Industrial and Commercial Bank Ltd.

NRB : Nepal Rastra Bank Ltd

PEST : Political Economic Social Technological

RBB : Rastriya Banijaya Bank Ltd

SBL : Siddhartha Bank Ltd

SCBNL : Standard Chartered Bank Ltd

SWOT : Strength Weakness Opportunities Threats