

**“A STUDY ON IMPACT OF CHANGES IN INTEREST RATES ON  
HOUSING LOAN CUSTOMERS OF ICICI BANK, JEEVAN BIMA NAGAR  
BRANCH, BANGALORE”.**

Submitted By:

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Submitted To:



**VISVESVARAYA TECHNOLOGICAL UNIVERSITY,  
BELAGAVI**

In partial fulfilment of the requirements for the award of the degree of  
**MASTER OF BUSINESS ADMINISTRATION**

**Under the guidance of**

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SEPTEMBER - 2023**

30/08/2023

**TO WHOMSOEVER IT MAY CONCERN**

This is to certify that **MURALI K M (USN: 4AL21BA047)** student of 2<sup>nd</sup> MBA from **Alva's institute of engineering and technology**. Has successfully completed his project work entitled "**A study on impact of changes in interest rates on housing loan customers of ICICI Bank, Jeevan bima nagar branch, Bangalore**". From 17/04/2023 to 27/05/2023. Under the guidance of the branch Manager.

Ref: AIET/MBA/IP/2021-23/33

During his period he has shown keen interest in this project work and did the project work successfully.

We are satisfied with his work and wish every success in his professional career and his life. We wish all the best in his future Endeavours.

**Branch Manager**  
(Raghavendra V)  
(Jeevan Bima Nagar, Bangalore)



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Date: 02-09-2023

## CERTIFICATE

This is to certify that **MURALI K M** bearing **USN 4AL21BA047** is a bonafide student of Master of Business Administration course of the Institute in 2021-23, affiliated to Visvesvaraya Technological University, Belgaum. Project report on **"A STUDY ON IMPACT OF CHANGES IN INTEREST RATES ON HOUSING LOAN CUSTOMERS OF ICICI BANK, JEEVAN BIMA NAGAR BRANCH, BANGALORE."** is prepared by him under the guidance of **Dr. Catherine Nirmala**, Professor PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belgaum Karnataka.

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## DECLARATION

I Murali K M, hereby declare that the project "A STUDY ON IMPACT OF CHANGES IN INTEREST RATES ON HOUSING LOAN CUSTOMERS OF ICICI BANK, JEEVAN BIHIMA NAGAR BRANCH, BANGALORE". Prepared by me under the guidance of Dr. Catherine Nirmala, PG Department of Business Administration, Alva's Institute of Engineering and Technology and external assistance by Mr Raghavendra V, Branch Manager, ICICI Bank Jeeva, Bima Nagar, Bangalore. I also declare that this project work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone the project for a period of six weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/ diploma to any other University or Institution.

Place: Mijar

Date: 02/09/2023

Signature of the student



## **ACKNOWLEDGEMENT**

I am happy to take this opportunity to extend my sincere thanks to all those who have supported me, directly and indirectly in completing this project meaningfully.

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## **EXECUTIVE SUMMARY**

The project, titled “A Study on the Impact of Changes in Interest Rates on Housing Loan Customers of ICICI Bank, jeevan bima nagar, Bangalore”. Delves into the intricate dynamics of housing loan interest rates and their impact on ICICI Bank's clientele, particularly within the Bangalore region. Despite ICICI Bank's interest rates being relatively higher compared to those of public sector banks, the bank has effectively attracted and retained customers by virtue of its streamlined loan approval process and unique offerings, including a noteworthy 6-month moratorium period for housing loan customers. Acknowledges the susceptibility of housing loan interest rates to the ebb and flow of real estate demand, resulting in fluctuations that significantly influence the financial choices of borrowers. A noteworthy discovery from the research is the common inclination of diverse occupational groups towards fixed interest rate loans, underscoring a significant trend in customer preferences. In terms of navigating the complex landscape of interest rate fluctuations, the project puts forth the recommendation for ICICI Bank to adopt robust risk mitigation strategies.

This encompasses the empowerment of customers with knowledge that enables them to make informed decisions concerning refinancing, prepayments, and selecting the most appropriate loan type in response to shifts in interest rates. To augment the array of choices available to customers while bolstering security, the study advocates for the promotion of long-term fixed-rate mortgage options. Beyond its direct benefits of providing stability to customers, this strategy further bolsters ICICI Bank's competitive stance within the market.

The project furnishes insightful revelations about the intricate interplay between interest rate changes and the decisions of ICICI Bank's housing loan customers. It underscores the bank's strengths, such as its efficient processes and customer-centric features, which have bolstered its success despite relatively higher interest rates. The research offers strategic suggestions for ICICI Bank, encompassing risk management techniques, customer education, and competitive strategies, as it endeavors to maintain its leadership position within the market.