

Bank Lending Survey for Q2:2024-25

Today, the Reserve Bank released the results of 29th round of its quarterly Bank Lending Survey¹, which captures qualitative assessment and expectations of major scheduled commercial banks on credit parameters (*viz.*, loan demand as well as terms and conditions of loans) for major economic sectors². The latest round of the survey, which was conducted during Q2:2024-25, collected senior loan officers' assessment of credit parameters for Q2:2024-25 and their expectations for Q3, Q4 of 2024-25 and Q1:2025-26.

Highlights:

A. Assessment for Q2:2024-25

- Bankers assessed better loan demand conditions across major sectors ([Chart 1](#) and [Table 1](#)).
- Majority of the bankers assessed “no change” in loan terms and conditions ([Table 2](#)).

B. Expectations for Q3:2024-25

- Bankers expect higher loan demand and easy loan terms and conditions across major sectors ([Table 2](#)).

C. Expectations for Q4:2024-25 and Q1:2025-26

- Bankers remain upbeat on loan demand across major sectors till Q1:2025-26 ([Table 3](#)).
- Majority of bankers expect ‘no change’ in loan terms and conditions.

¹ The results of 28th round of the BLS with reference period as April-June 2024 were released on the RBI website on [August 8, 2024](#). The survey results reflect the views of the respondents, which are not necessarily shared by the Reserve Bank.

² The survey questionnaire is canvassed among major 30 SCBs, which together account for over 90 per cent of credit by SCBs in India.

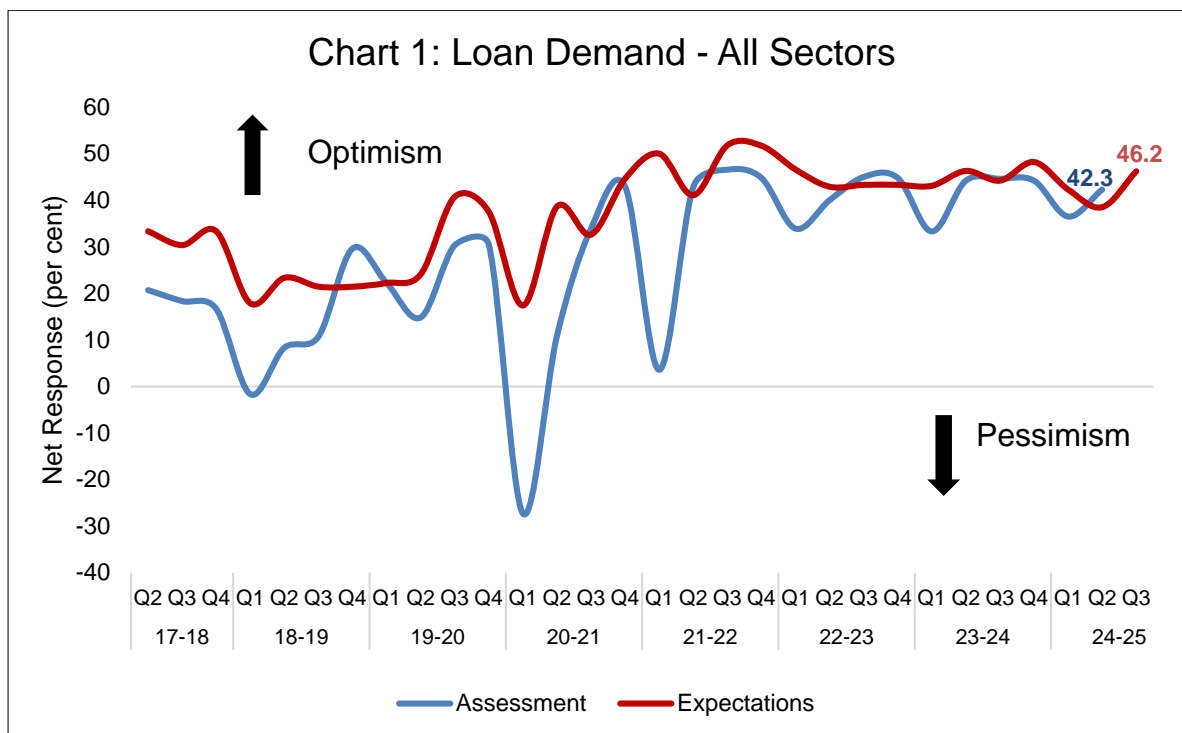


Table 1: Sector-wise Loan Demand - Net Response³

(per cent)

Sector	Assessment Period		Expectations Period	
	Q1:2024-25	Q2:2024-25	Q2:2024-25	Q3:2024-25
All Sectors	36.5	42.3	38.5	46.2
Agriculture	28.3	38.3	36.7	36.7
Mining and Quarrying	1.7	10.0	1.7	15.0
Manufacturing	36.2	43.1	34.5	41.4
Infrastructure	15.0	26.7	30.0	38.3
Services	41.1	41.1	33.9	39.3
Retail/Personal	34.0	45.8	44.0	47.9

³ Net Response (NR) is computed as the difference of percentage of banks reporting increase/optimism and those reporting decrease/pessimism in respective parameter. The weights of +1.0, 0.5, 0, -0.5 and -1.0 are assigned for computing NR from aggregate per cent responses on 5-point scale, i.e., substantial increase/ considerable easing, moderate increase/ somewhat easing, no change, moderate decrease/ somewhat tightening, substantial decrease/ considerable tightening for loan demand/loan terms and conditions parameters respectively. NR ranges between -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism. Increase in loan demand is considered optimism (Tables 1), while for loan terms and conditions, a positive value of net response indicates easy terms and conditions (Table 2).

Table 2: Sector-wise Loan Terms and Conditions - Net Response

(per cent)

Sector	Assessment Period		Expectations Period	
	Q1:2024-25	Q2:2024-25	Q2:2024-25	Q3:2024-25
All Sectors	16.7	13.5	16.7	21.2
Agriculture	13.3	15.5	16.7	24.1
Mining and Quarrying	-1.8	-1.8	1.8	1.8
Manufacturing	22.4	19.6	22.4	17.9
Infrastructure	10.3	14.3	13.8	14.3
Services	21.4	18.5	21.4	16.7
Retail/Personal	15.2	17.4	10.9	17.4

Table 3: Sector-wise Expectations for Extended Period - Net Response

(per cent)

Sector	Loan Demand		Loan Terms and Conditions	
	Q4:2024-25	Q1:2025-26	Q4:2024-25	Q1:2025-26
All Sectors	38.5	42.3	19.2	19.2
Agriculture	37.9	41.4	15.5	20.7
Mining and Quarrying	14.3	19.6	-3.6	-1.8
Manufacturing	37.9	37.9	20.7	19.0
Infrastructure	33.9	39.3	12.5	12.5
Services	40.7	42.6	17.9	19.6
Retail/Personal	39.3	42.9	14.3	21.4

Note: [Please see the attached excel file for detailed time series data.](#)