

## Bank Lending Survey for Q3:2024-25

Today, the Reserve Bank released the results of 30<sup>th</sup> round of its quarterly Bank Lending Survey<sup>1</sup>, 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 sectors<sup>2</sup>. The latest round of the survey, which was conducted during Q3:2024-25, collected senior loan officers' assessment of credit parameters for Q3:2024-25 and their expectations for Q4 of 2024-25 and Q1 and Q2 of 2025-26.

### Highlights:

#### A. Assessment for Q3:2024-25

- Bankers assessed higher credit demand across all broad sectors except retail/personal loans, which recorded some growth moderation vis-à-vis the previous quarter ([Chart 1](#) and [Table 1](#)).
- Terms and conditions of loans to mining sector were assessed to have tightened but remained easy for the remaining sectors during Q3:2024-25 ([Table 2](#)).

#### B. Expectations for Q4:2024-25

- Bankers expect some moderation on overall loan demand conditions during Q4:2024-25; the high optimism on demand for retail/personal loans tempered even as it improved or remained at previous quarter's level for other sectors ([Table 1](#)).
- Across sectors, easy loan terms and conditions are expected to prevail during Q4:2024-25 except the mining sector where some tightening is expected ([Table 2](#)).

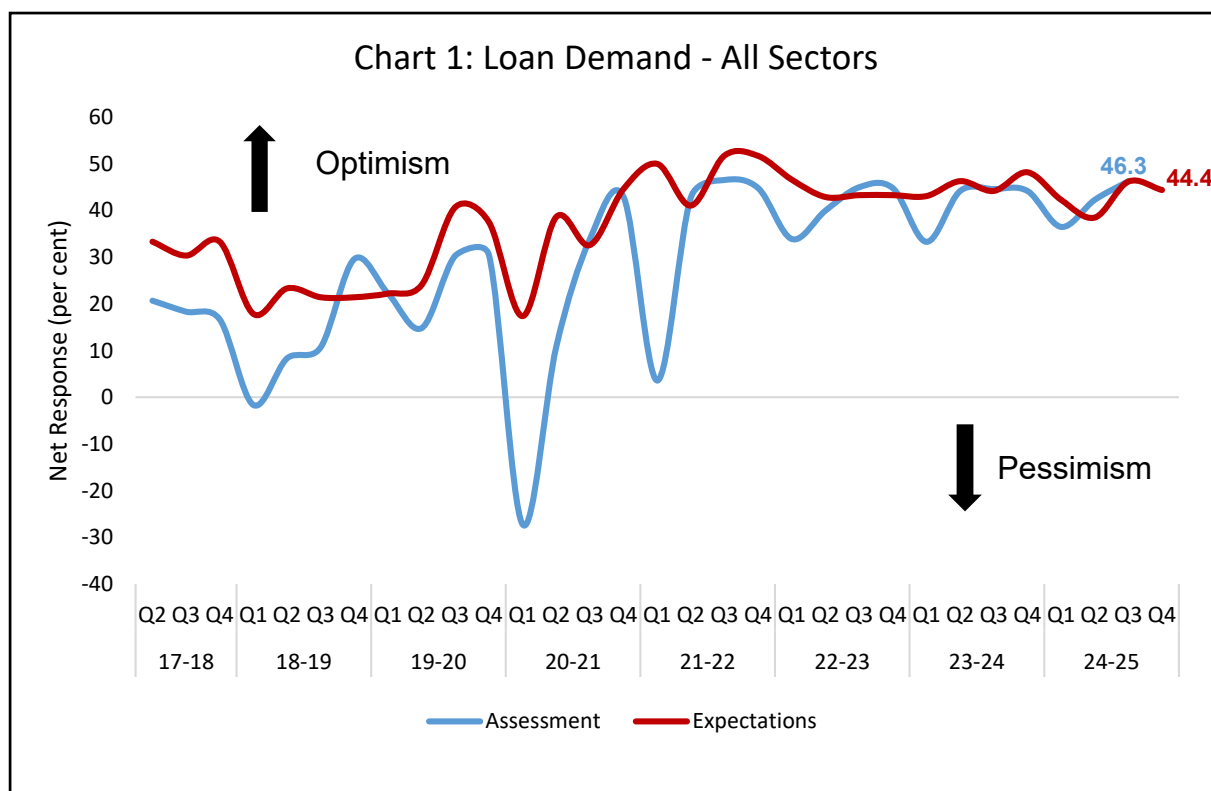
#### C. Expectations for Q1:2025-26 and Q2:2025-26

- Bankers expect seasonal moderation in loan growth across sectors during Q1:2025-26; it is expected to pick up in the subsequent quarter ([Table 3](#)).
- Bankers' expectation of terms and conditions during Q4:2024-25 extend to H1:2025-26.

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<sup>1</sup> The results of 29<sup>th</sup> round of the BLS with reference period as July-September 2024 were released on the RBI website on [October 09, 2024](#). The survey results reflect the views of the respondents, which are not necessarily shared by the Reserve Bank.

<sup>2</sup> 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 Response<sup>3</sup>**

(per cent)

Sector	Assessment Period		Expectations Period	
	Q2:2024-25	Q3:2024-25	Q3:2024-25	Q4:2024-25
<b>All Sectors</b>	<b>42.3</b>	<b>46.3</b>	<b>46.2</b>	<b>44.4</b>
Agriculture	38.3	40.0	36.7	40.0
Mining and Quarrying	10.0	11.7	15.0	15.0
Manufacturing	43.1	44.6	41.4	46.4
Infrastructure	26.7	36.7	38.3	38.3
Services	41.1	42.9	39.3	41.1
Retail/Personal	45.8	42.3	47.9	46.2

<sup>3</sup> 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	
	Q2:2024-25	Q3:2024-25	Q3:2024-25	Q4:2024-25
<b>All Sectors</b>	<b>13.5</b>	<b>14.3</b>	<b>21.2</b>	<b>17.9</b>
Agriculture	15.5	13.3	24.1	21.7
Mining and Quarrying	-1.8	-5.4	1.8	-5.4
Manufacturing	19.6	20.4	17.9	18.5
Infrastructure	14.3	12.5	14.3	14.3
Services	18.5	16.7	16.7	16.7
Retail/Personal	17.4	24.0	17.4	24.0

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

(per cent)

Sector	Loan Demand		Loan Terms and Conditions	
	Q1:2025-26	Q2:2025-26	Q1:2025-26	Q2:2025-26
<b>All Sectors</b>	<b>38.9</b>	<b>40.7</b>	<b>20.4</b>	<b>20.4</b>
Agriculture	32.8	39.7	19.0	20.7
Mining and Quarrying	12.5	16.1	-1.8	-3.6
Manufacturing	31.0	32.8	20.7	19.0
Infrastructure	33.9	35.7	14.3	14.3
Services	35.7	41.1	19.6	21.4
Retail/Personal	26.8	35.7	21.4	23.2

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