

Bank Lending Survey for Q4:2024-25

Today, the Reserve Bank released the results of 31st 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 Q4:2024-25, collected senior loan officers' assessment of credit parameters for Q4:2024-25 and their expectations for Q1, Q2 and Q3 of 2025-26.

Highlights:

A. Assessment for Q4:2024-25

- Bankers' assessment on loan demand moderated across major sectors during Q4:2024-25, except agriculture, and retail/personal loans ([Chart 1](#) and [Table 1](#)).
- Respondents reported continuation of easy loan terms and conditions for major sectors ([Table 2](#)).

B. Expectations for Q1:2025-26

- Bankers' remained positive on loan demand from all major sectors during Q1:2025-26 though their level of optimism was somewhat lower or similar level as compared to the previous survey round ([Table 1](#)).
- Overall, easy loan terms and conditions are expected to prevail during the quarter ([Table 2](#)).

C. Expectations for Q2:2025-26 and Q3:2025-26

- Bankers' outlook on loan demand from major sectors continue to remain positive till Q3:2025-26 ([Table 3](#)).
- Majority of bankers expect 'no change' in existing terms and conditions for loans.

¹ The results of 30th round of the BLS with reference period as October-December 2024 were released on the RBI website on [February 07, 2025](#). 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.

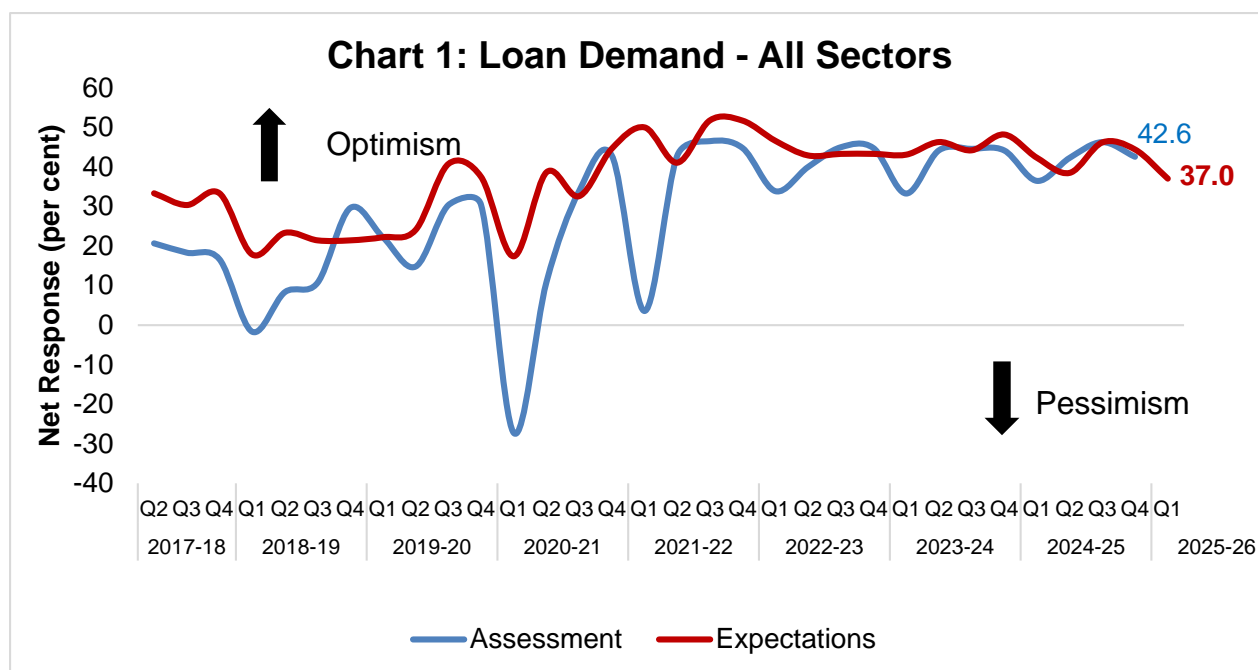


Table 1: Sector-wise Loan Demand - Net Response³

(per cent)

Sector	Assessment Period		Expectations Period	
	Q3:2024-25	Q4:2024-25	Q4:2024-25	Q1:2025-26
All Sectors	46.3	42.6	44.4	37.0
Agriculture	40.0	41.7	40.0	25.0
Mining and Quarrying	11.7	10.0	15.0	6.7
Manufacturing	44.6	42.9	46.4	41.1
Infrastructure	36.7	36.7	38.3	35.0
Services	42.9	41.1	41.1	41.1
Retail/Personal	42.3	52.0	46.2	38.0

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	
	Q3:2024-25	Q4:2024-25	Q4:2024-25	Q1:2025-26
All Sectors	14.3	16.1	17.9	17.9
Agriculture	13.3	15.0	21.7	20.0
Mining and Quarrying	-5.4	-1.7	-5.4	-1.7
Manufacturing	20.4	19.0	18.5	17.2
Infrastructure	12.5	10.0	14.3	13.3
Services	16.7	16.7	16.7	18.5
Retail/Personal	24.0	22.9	24.0	22.9

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

(per cent)

Sector	Loan Demand		Loan Terms and Conditions	
	Q2:2025-26	Q3:2025-26	Q2:2025-26	Q3:2025-26
All Sectors	35.7	37.5	21.4	21.4
Agriculture	43.3	41.7	18.3	20.0
Mining and Quarrying	6.9	12.1	0.0	1.7
Manufacturing	38.3	41.7	21.7	23.3
Infrastructure	32.8	36.2	13.8	15.5
Services	33.9	41.1	15.5	19.0
Retail/Personal	31.0	39.7	17.2	22.4

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