

BANK LENDING SURVEY

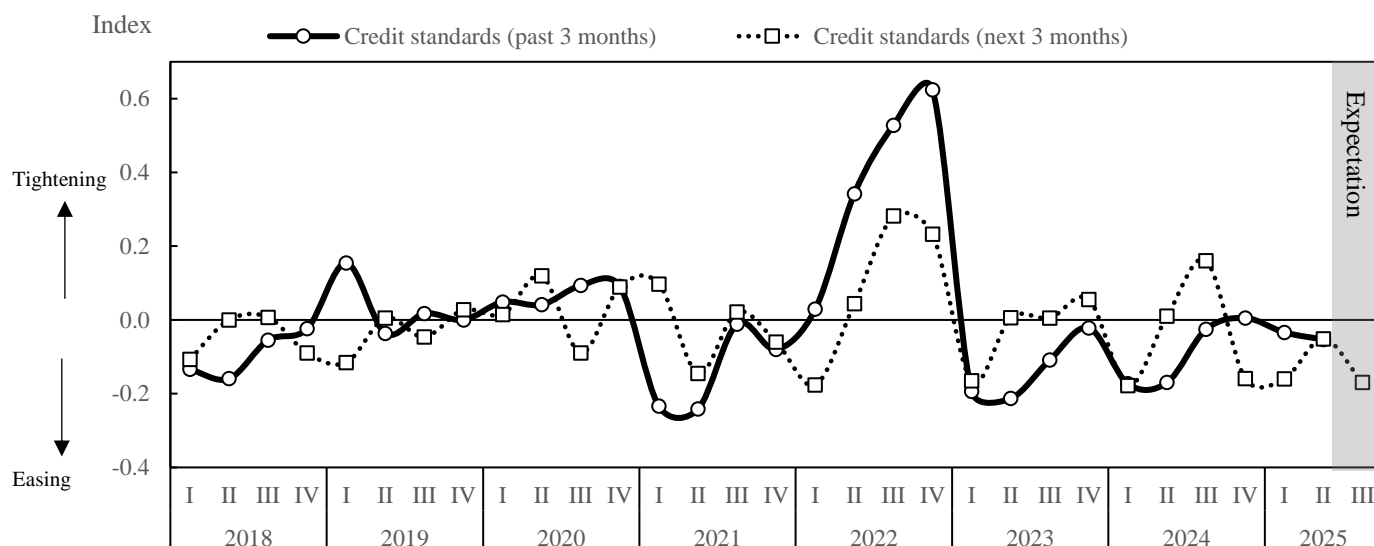
(Second quarter of 2025¹)

I. Credit Standards

1.1 Credit Standards for Corporate Loans

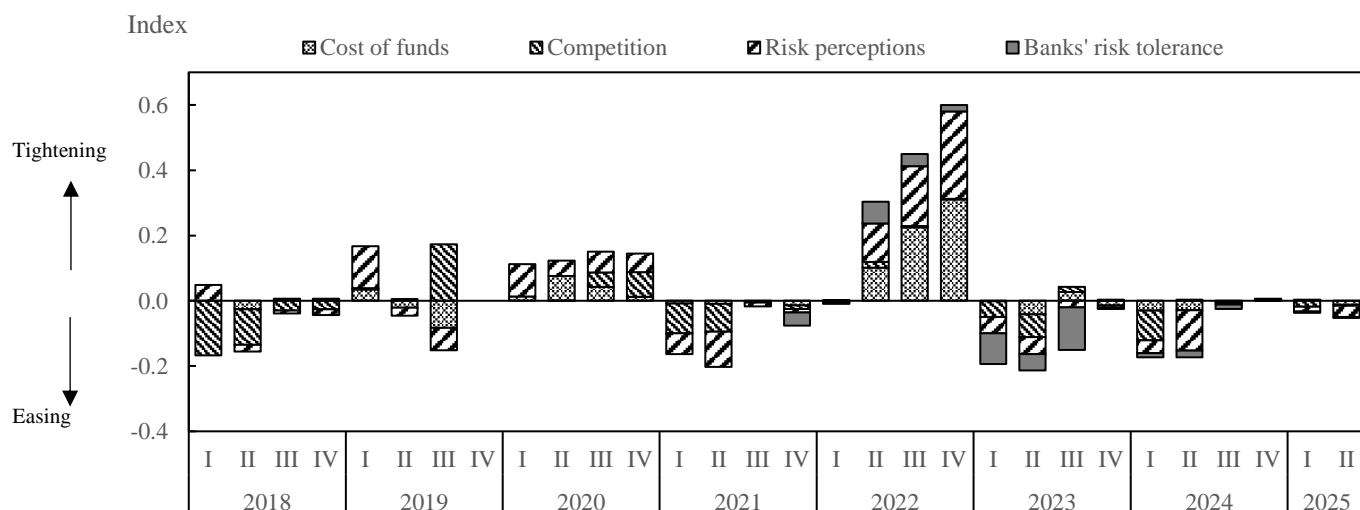
- The diffusion index for credit standards on corporate loans stood at -0.05 in the second quarter of 2025, indicating a slight easing of credit standards. The credit standards for corporate loans are expected to ease slightly over the next three months (Figure 1).

Figure 1. Credit standards for corporate loans



- Reduced risk perception was the main factor contributing to the easing of credit standards for corporate loans (Figure 2).

Figure 2. Factors contributing to credit standards for corporate loans

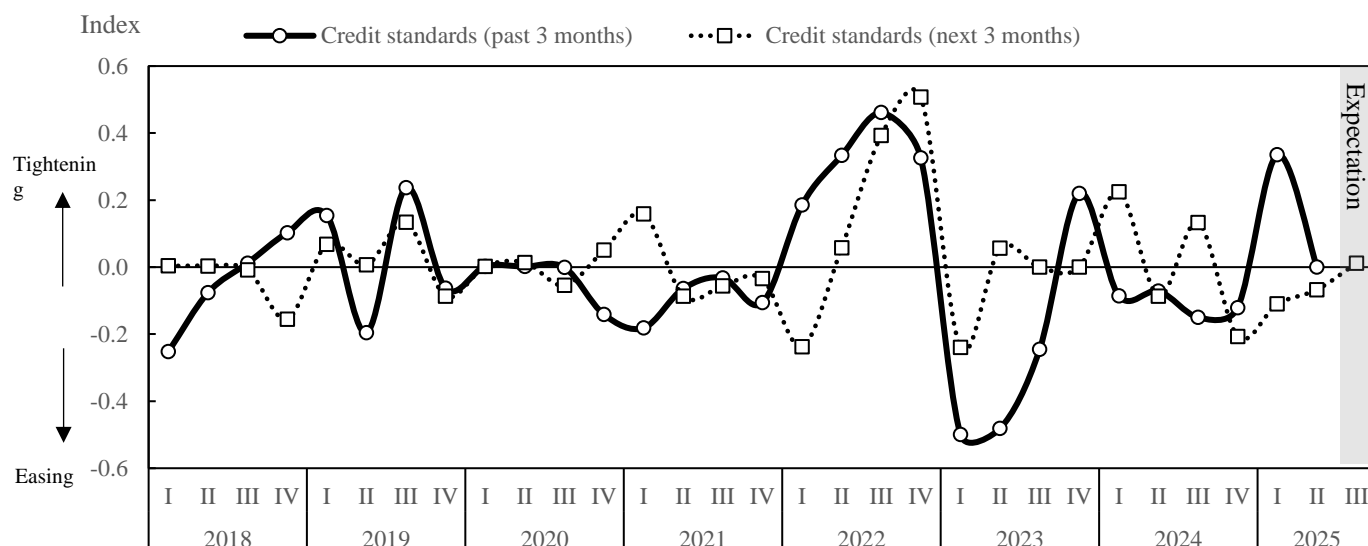


¹ The survey was conducted on 12 actively operating banks from July 2 to July 9, 2025.

1.2 Credit Standards for Household Loans

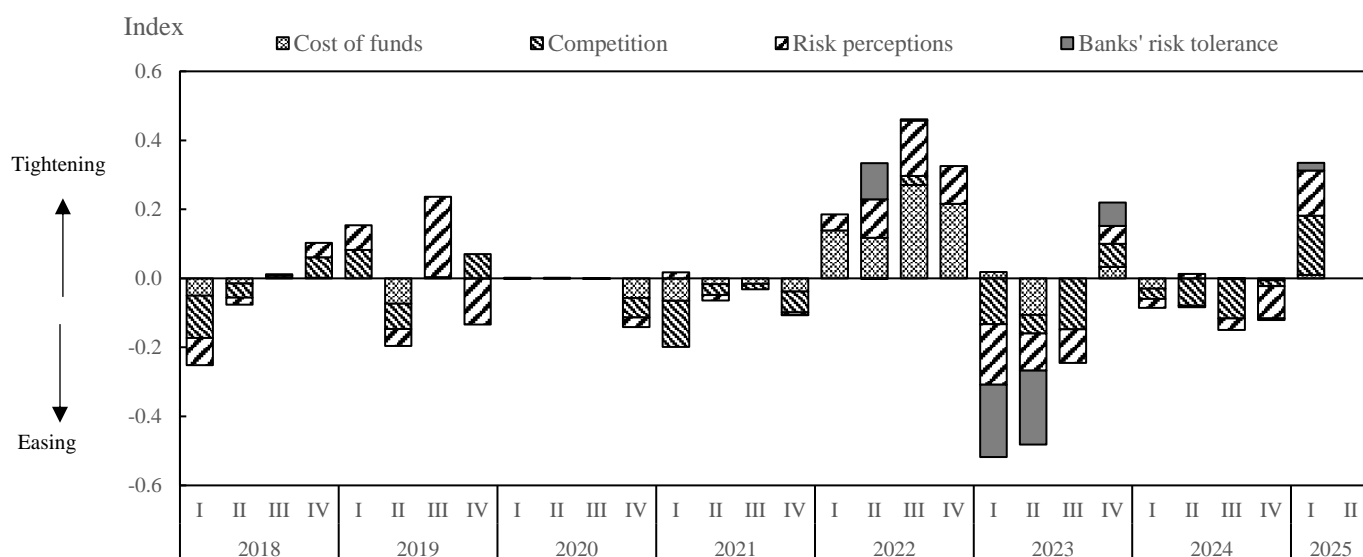
- The diffusion index of credit standards for household loans was 0, indicating that banks did not change their credit standards in the second quarter of 2025. This trend is expected to persist over the next three months (Figure 3).

Figure 3. Credit standards for household loans



- Banks maintained their credit standards for household loans unchanged in the second quarter of 2025 (Figure 4).

Figure 4. Factors contributing to credit standards for household loans

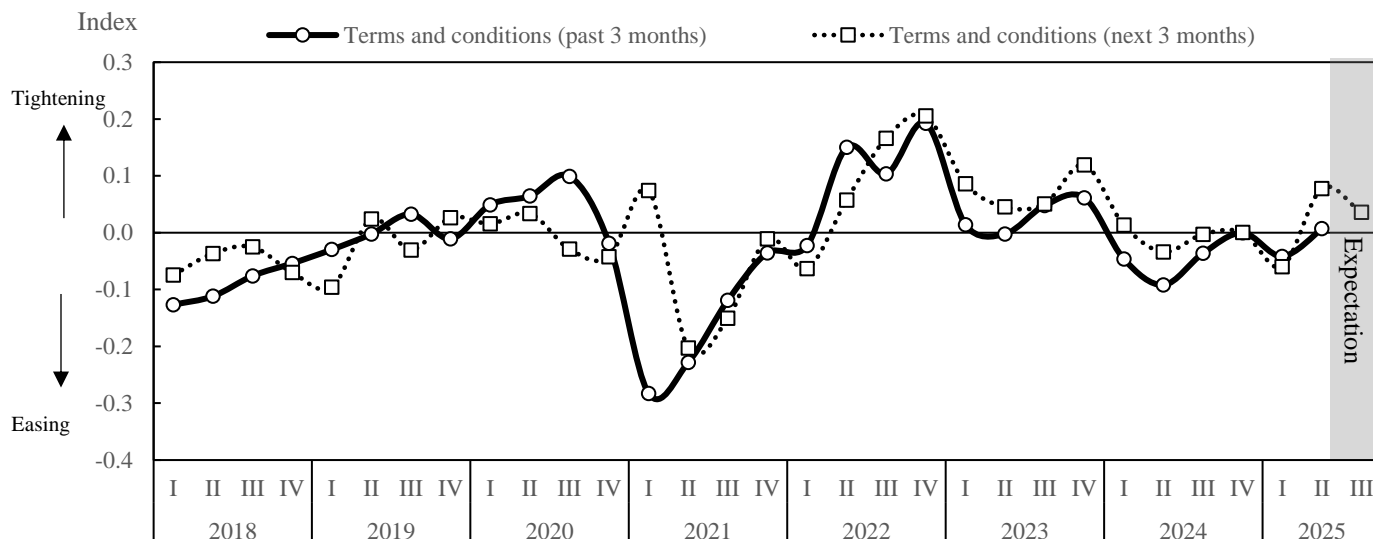


II. Terms and Conditions

2.1 Terms and Conditions for Corporate Loans

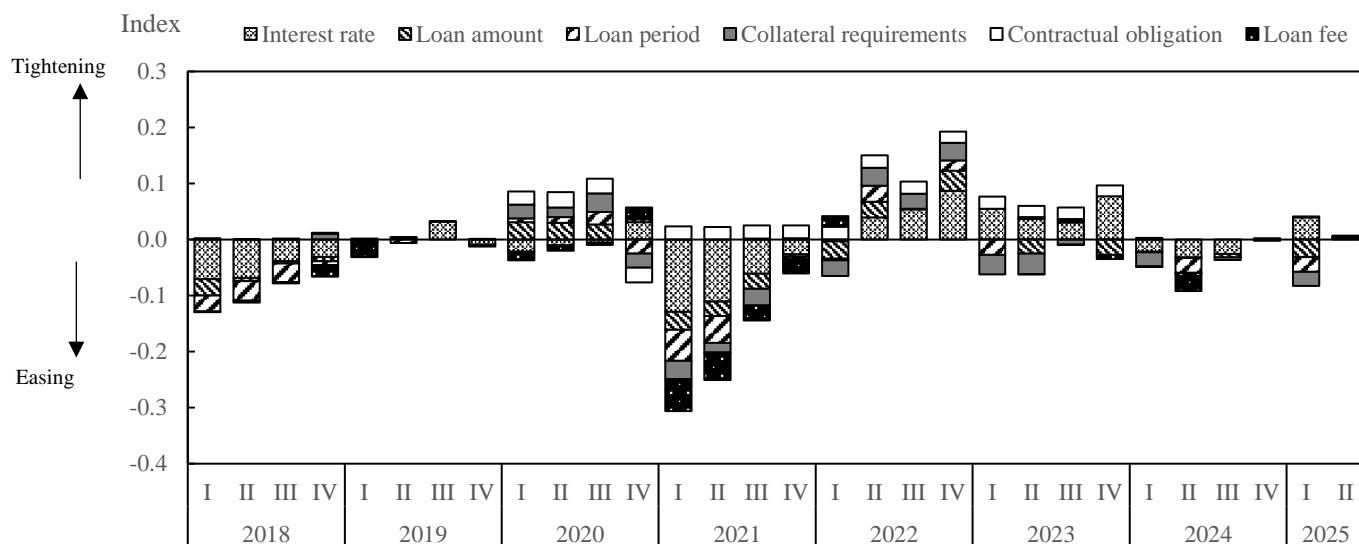
- The diffusion index for terms and conditions on corporate loans remained unchanged in the second quarter of 2025. However, a slight tightening is expected over the next three months (Figure 5).

Figure 5. Terms and conditions for corporate loans



- Banks kept their terms and conditions for corporate loans unchanged in the second quarter of 2025 (Figure 6).

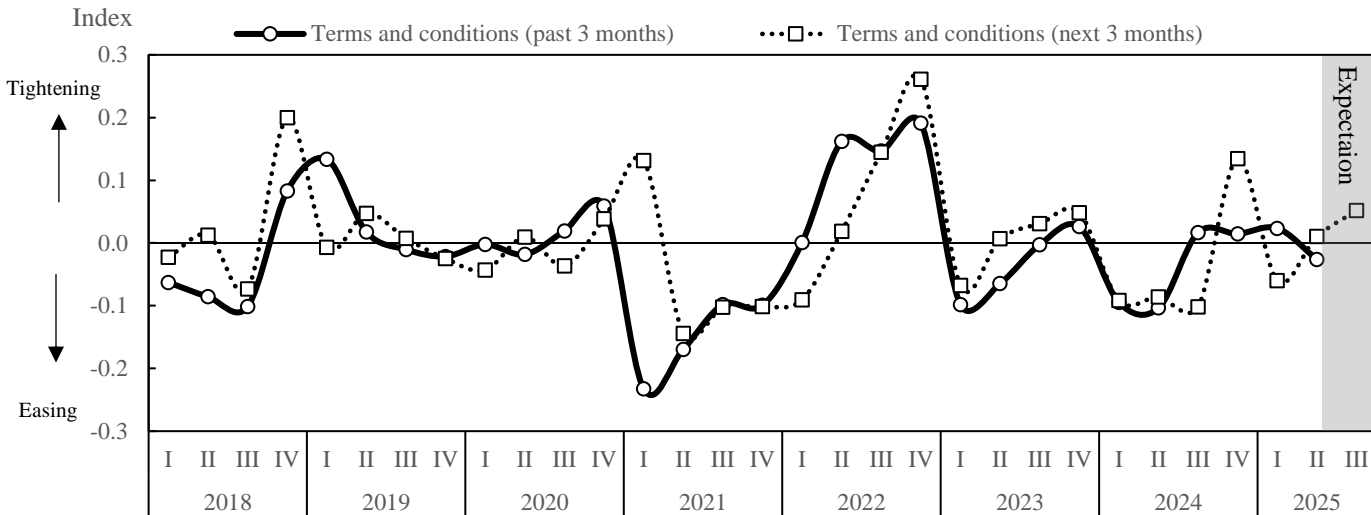
Figure 6. Contribution of terms and conditions for corporate loans



2.2 Terms and Conditions for Household Loans

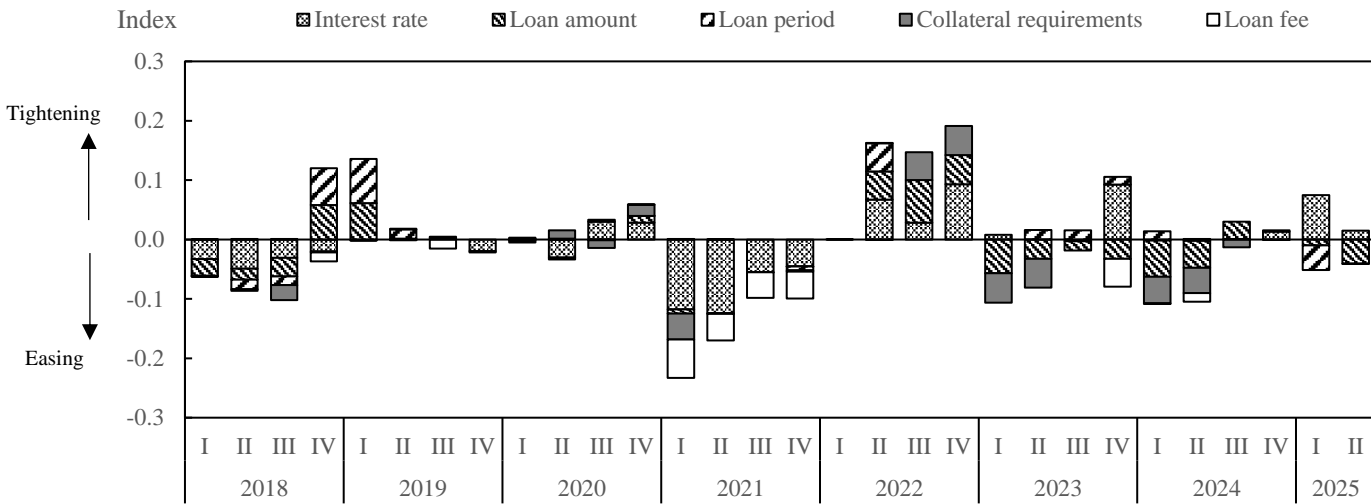
- The diffusion index for terms and conditions on household loans slightly eased in the second quarter of 2025. However, a slight tightening is expected over the next three months (Figure 7).

Figure 7. Terms and conditions for household loans



- Banks' overall terms and conditions for household loans eased slightly in the second quarter of 2025. While loan amounts contributed to easing, interest rates exerted a tightening effect (Figure 8).

Figure 8. Contribution of terms and conditions for household loans

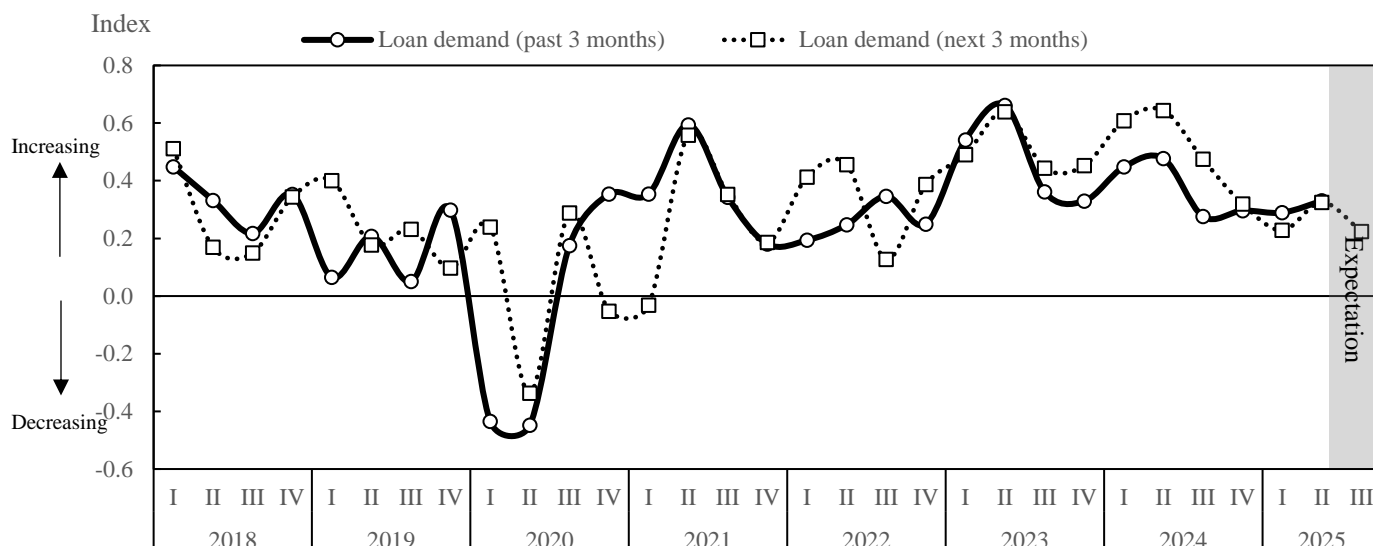


III. Loan Demand

3.1 Corporate Loan Demand

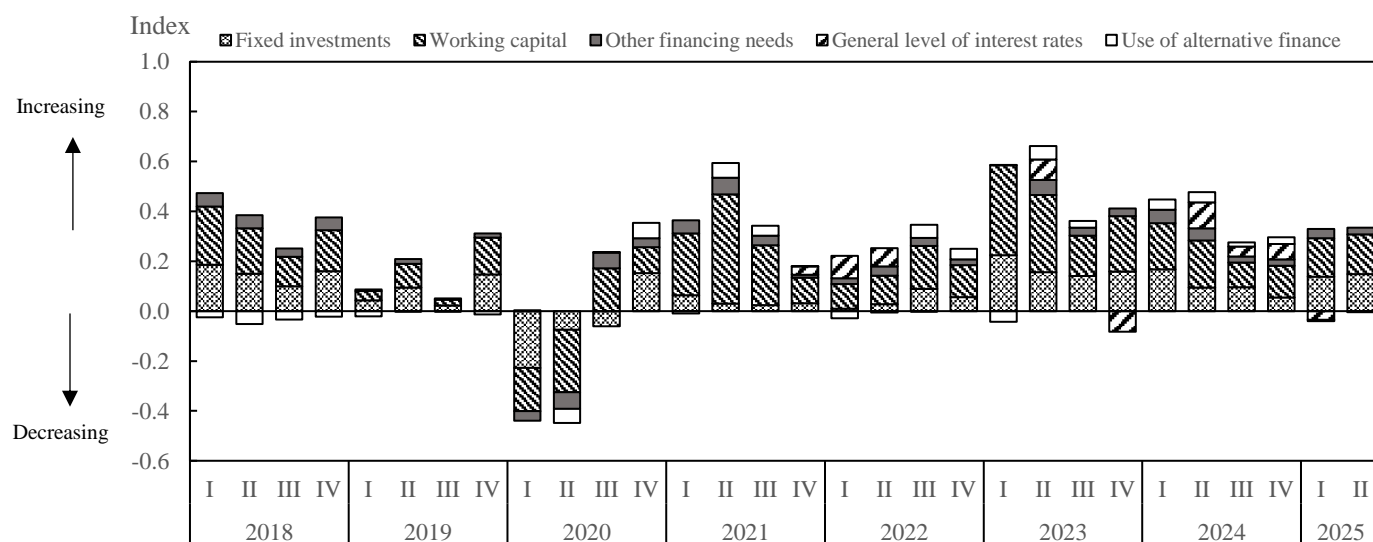
- In the second quarter of 2025, the diffusion index for corporate loan demand stood at 0.33, consistent with expectations from the previous quarter. A slight decrease in corporate loan demand is anticipated over the next three months (Figure 9).

Figure 9. Corporate loan demand



- Demand for corporate loans in the second quarter of 2025 remained same as in the previous quarter (Figure 10).

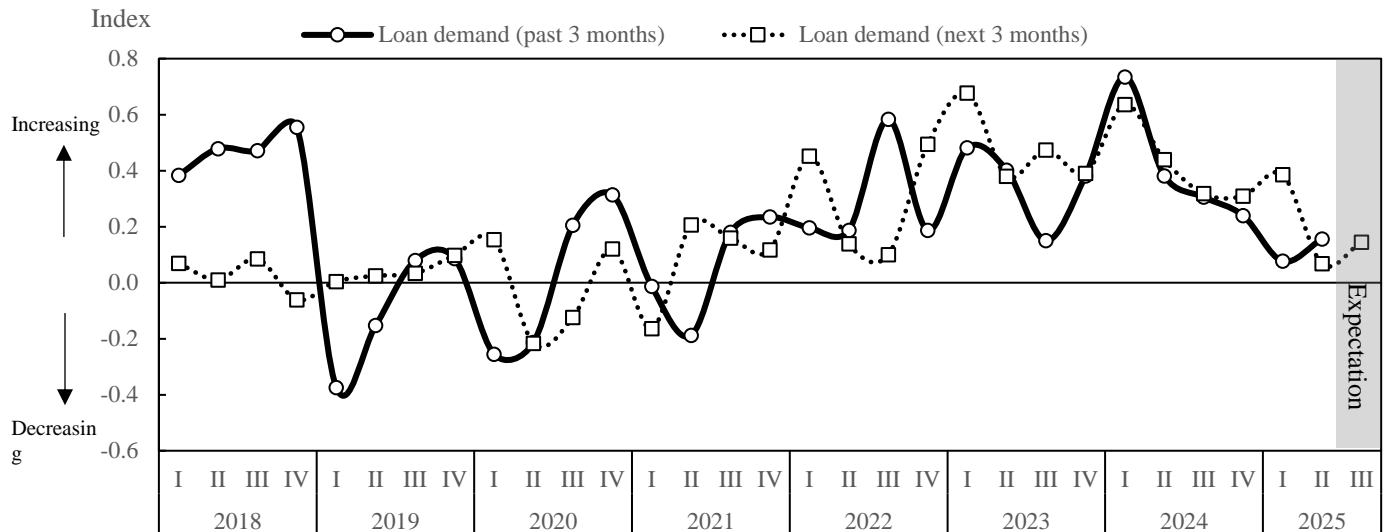
Figure 10. Factors contributing to loan demand from corporates



3.2 Household Loan Demand

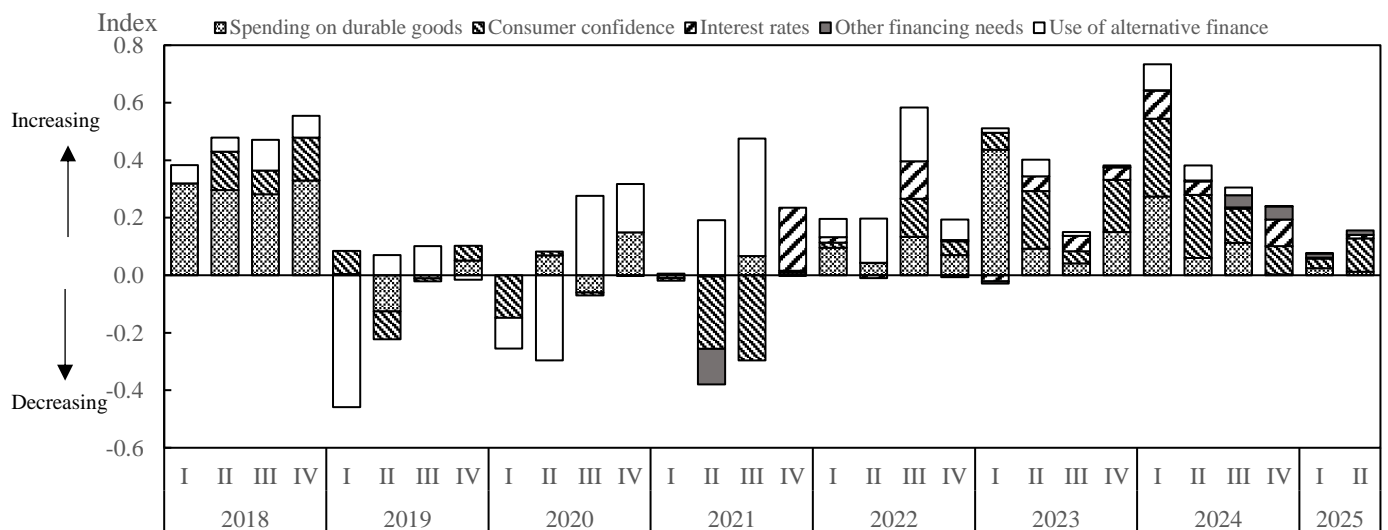
- The diffusion index for household loan demand stood at 0.16 in the second quarter of 2025, a significant increase from 0.08 in the previous quarter. Household loan demand is expected to slightly increase over the next three months (Figure 11).

Figure 11. Household loan demand



- The increase in household loan demand during the second quarter of 2025 was primarily driven by a rise in consumer confidence (Figure 12).

Figure 12. Factors contributing to loan demand from households

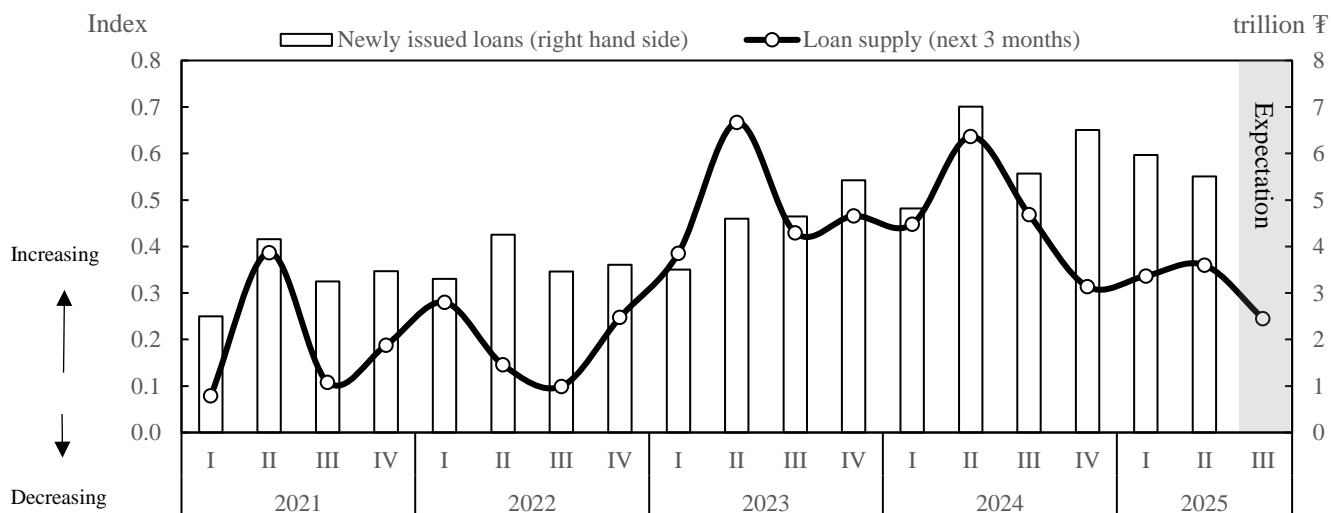


IV. Loan Supply

4.1 Corporate Loan Supply

- The second quarter of 2025, banks issued a total of ₹5.5 trillion in corporate loans, reflecting an 7.7% decrease from the previous quarter. A slight increase in corporate loan supply is expected in the third quarter of 2025 (Figure 13).

Figure 13. Corporate loan supply



4.2 Household Loan Supply

- In the second quarter of 2025, banks issued a total of ₹5.0 trillion in household loans, marking an 29.6% decrease from the previous quarter. A slight increase in household loan supply is expected in the third quarter of 2025 (Figure 14).

Figure 14. Household loan supply

