

Non-food credit growth improved to 14%YY in Dec-2025, buoyed by sequential momentum and gains across key sectors

February 11, 2026

TRUST
In Partnership With Trust

Data Highlights

Non-food credit by sector

- In December, non-food credit to farm, industry, services, and personal loans surged to 18-month high at 14.1%YY from 11.2% in November, buoyed by the strongest sequential momentum in four years and gains across key sectors.

Agriculture and industry

- Credit growth to agriculture improved to 12.1%YY from 8.7% in November. Credit growth to industry at 13.3%YY was the highest in almost 12 years amid improvement in growth across key sub-sectors. Micro and small firms continued to clock in the sharpest growth, followed by medium enterprises. Around two-third share of overall credit to industry continued to flow to large firms, while small firms continued to dominate the share in incremental credit (year-on-year nominal change) at ~46%. Accordingly, micro and small firms contributed the most to year-on-year credit growth to industry, followed by large and medium enterprises.

Services

- Credit to both services and personal loans grew at the fastest year-on-year pace in 18 months. Credit to services rose 15.3%YY from 11.7% in November. All segments posted double-digit growth, except transport operators where credit fell for the first time in almost 11 years. Around one-third share of total and incremental credit went to NBFCs that also contributed the most to year-on-year credit growth to services.

Personal loans

- Personal loan growth rose to 14.4%YY from 12.8% in November. There was double-digit growth in many sub-groups but there were exceptions. Gold loan growth stayed above 100% for 11th straight month, comprising one-fourth share in incremental credit. Vehicle loan growth has improved post the GST rate cuts effective Sep-2025. But the largest share of total and incremental personal loans continued to accrue to housing that also contributed the most to year-on-year growth in personal loans. Growth in credit card outstanding and advances against shares and bonds eased, while loans for consumer non-durables remained in contraction.

Non-food credit by industry

- Credit growth was positive across 19 industries, with 15 of them posting double-digit growth. The largest share continued to flow to infrastructure, with rise in credit to the power sector in recent months to over 50% share within infrastructure.

Outlook

- **Headline credit growth:** Detailed bank credit data by sectors and across industries is collected by RBI from banks that account for 95% of non-food credit extended by all scheduled commercial banks. The headline non-food credit growth that includes data from all SCBs increased 14.4%YY in December.

- **Bank vs. non-bank sources:** The flow of financial resources to the commercial sector from non-bank sources continued to exhibit the same trends in fiscal year-to-date terms, as seen in November. These included year-on-year surge in corporate bond issuances within domestic non-bank sources. The increase in resources from foreign sources were led by FDI and ECBs by non-financial entities.

- **Outlook:** In its latest monetary policy update in Feb-2026, the RBI announced measures to improve the flow of credit in the economy. These included increasing the limit of Rs.10 lakh for collateral-free loans to MSMEs to Rs.20 lakh and allowing banks to lend to REITs with certain prudential safeguards. Additionally, the ongoing bilateral trade deal efforts, including the recently concluded India-EU FTA and the prospective India-USA deal, could further provide a fillip to external demand and therefore, need for credit by industry. This optimism is reflected in guidance for credit growth by some of the largest domestic banks.

Flow of financial resources to the commercial sector

Source	April-March		Upto December 31	
(Rs. lakh crore)	FY24	FY25	FY25	FY26 P
A. Non-food bank credit	**21.4**	**18.0**	**12.8**	**20.3**
B. Non-bank (B1+B2)	**12.6**	**17.1**	**8.6**	**10.6**
B1. Domestic	10.2	13.9	6.4	7.7
B2. Foreign	2.4	3.2	2.1	2.9
C. Total (A+B)	**34.0**	**35.1**	**21.3**	**30.9**

Note: P stands for provisional estimates. For more detailed table, click here. Source: RBI

Outstanding credit to the commercial sector

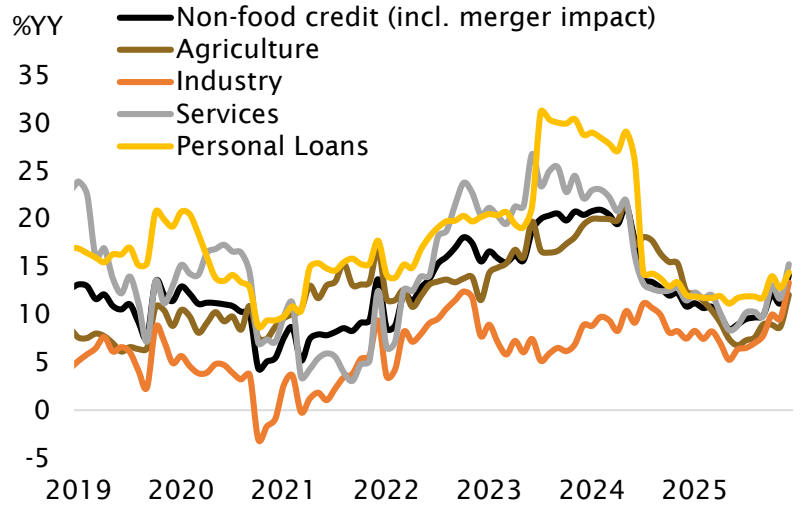
Source	At end-March		As on December 31	
(Rs. lakh crore)	2024	2025	2024	2025 P
A. Non-food bank credit	**164.1**	**182.1**	**176.9**	**202.4**
	(20.2)	**(11.0)**	**(11.1)**	**(14.4)**
B. Non-bank (B1+B2)	**77.6**	**88.9**	**82.1**	**95.6**
	(4.2)	**(14.6)**	**(11.7)**	**(16.4)**
B1. Domestic	56.6	66.4	60.2	71.6
	(4.9)	(17.3)	(14.8)	(18.9)
B2. Foreign	21.0	22.5	21.9	24.0
	(2.4)	(7.2)	(4.2)	(9.2)
C. Total (A+B)	**241.7**	**270.9**	**259.0**	**297.9**
	(14.5)	**(12.1)**	**(11.3)**	**(15.0)**

Note: Figures in parentheses are y-o-y percentage changes. For more detailed table, click here. Source: RBI

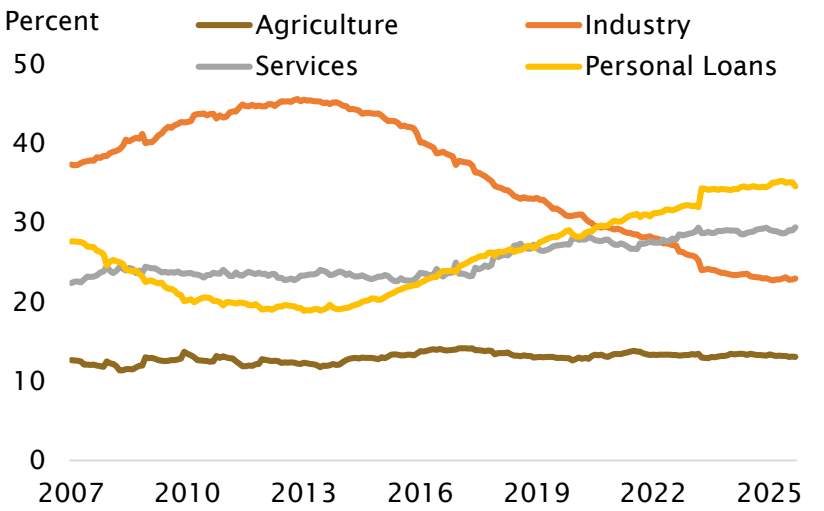
Non-food credit growth improved to 14.1%YY in Dec-2025 from 11.2% in Nov-2025 amid gains across key sectors

TRUST
In Partnership With Trust

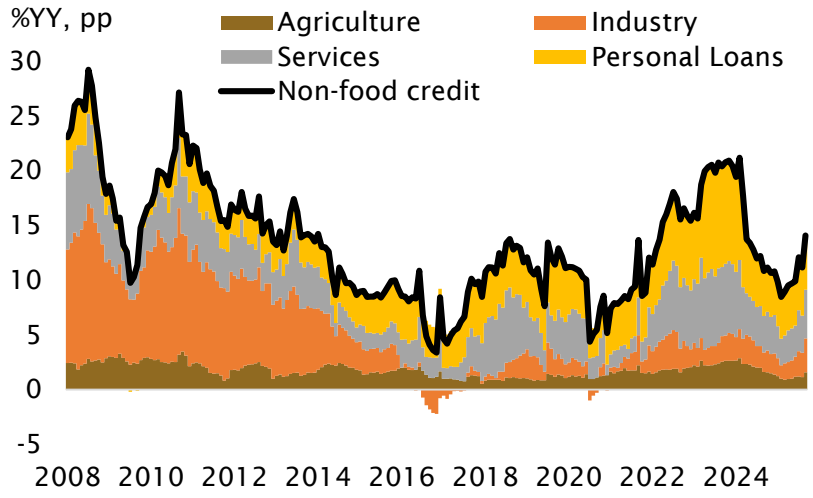
Non-food credit growth including impact of merger



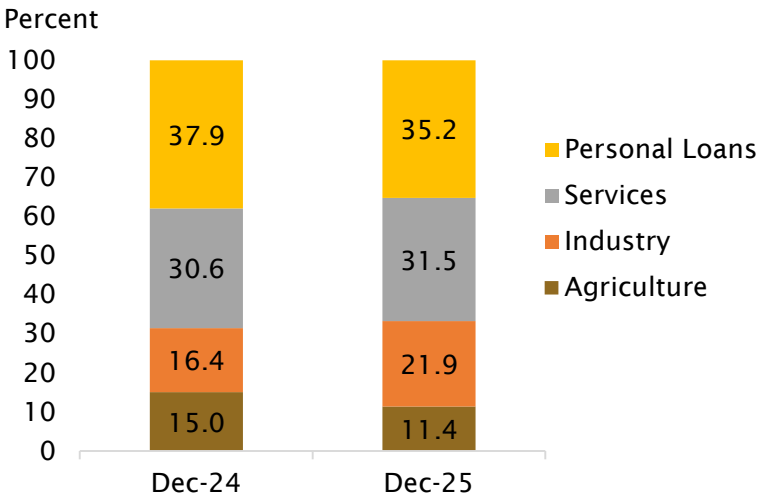
Share in non-food credit by sector



Contribution of sectors to non-food credit growth

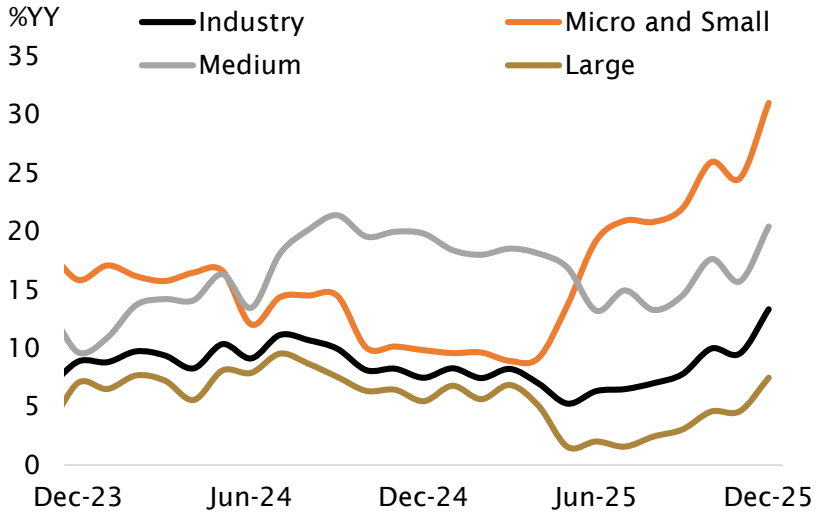


Share in incremental credit (nominal y-o-y change)

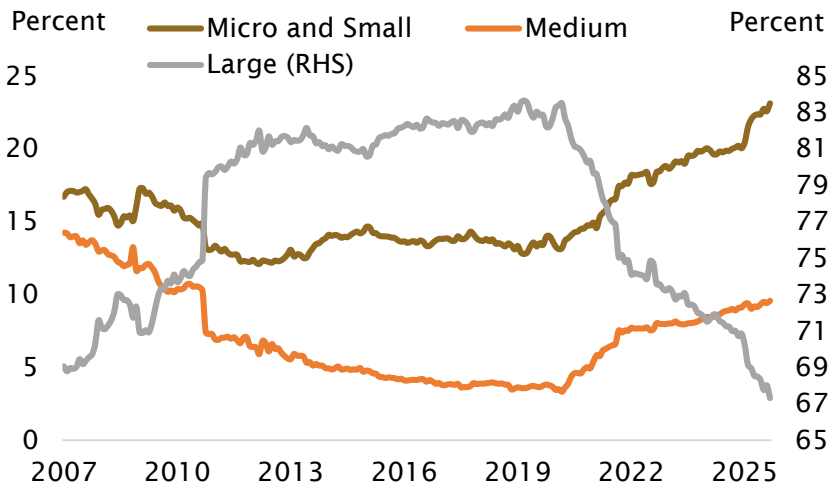


The largest portion of incremental credit continued to flow to small firms amid improvement in share of credit to large firms

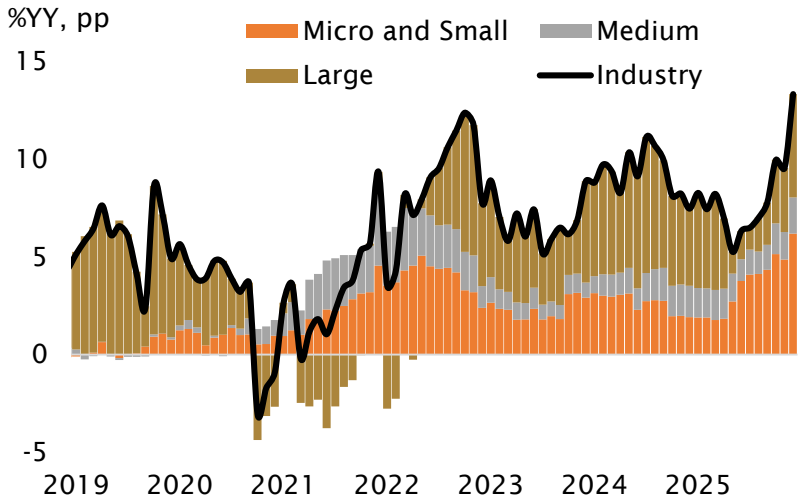
Non-food credit including merger impact: industry



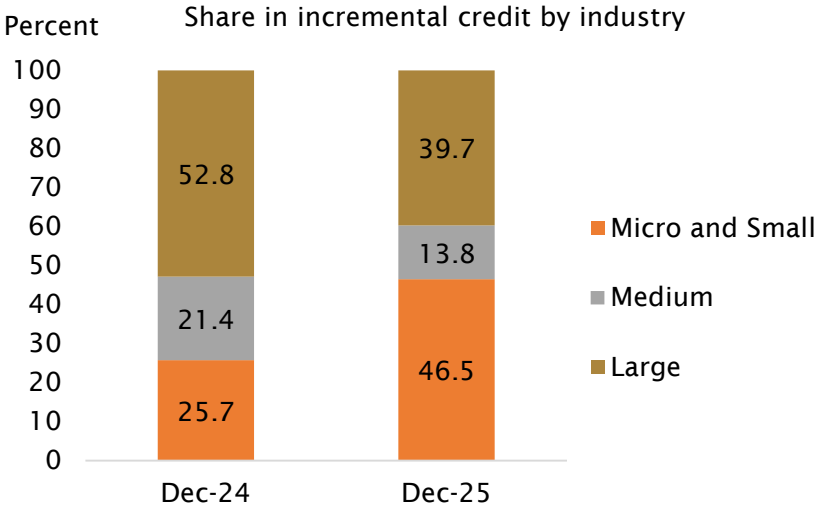
Share in non-food credit: industry



Contribution to non-food credit growth: industry



Share in incremental non-food credit growth: industry



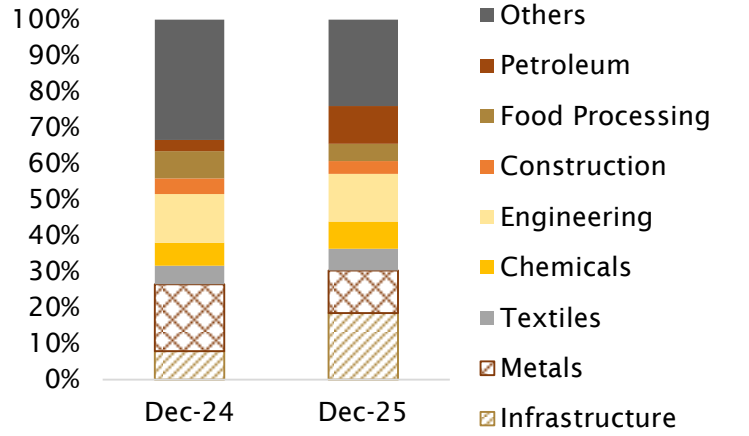
By industry, one-third share of credit accrued to infrastructure; credit to power sector has increased in recent months

TRUST
In Partnership With Trust

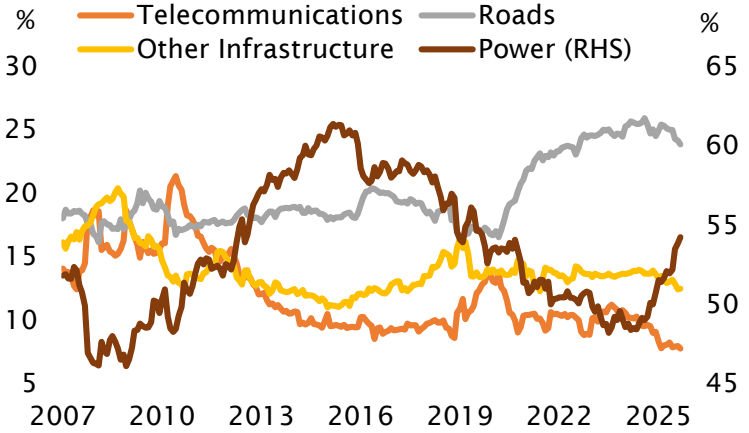
Industry-wise deployment of bank credit

	Share (%)		%YY		Share in incremental credit (%)	
	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25
Infrastructure	34.6	32.7	1.6	7.2	7.9	18.5
Basic metals	11.1	11.2	13.1	14.2	18.5	11.8
Others	7.8	7.7	25.4	12.6	22.7	7.3
Textiles	6.8	6.7	5.6	11.8	5.2	6.0
Chemicals	6.8	6.9	7.0	14.8	6.4	7.5
Engineering	5.8	6.7	19.3	30.4	13.6	13.3
Food processing	5.4	5.4	10.7	11.7	7.6	4.8
Petroleum, coal, etc.	3.6	4.4	6.5	39.0	3.1	10.5
Construction	3.9	3.9	8.3	12.2	4.3	3.6
Vehicles and parts	3.0	3.1	4.5	19.0	1.8	4.2
Rubber, plastic	2.5	2.5	12.7	9.8	4.1	1.9
Gems and jewellery	2.3	2.5	-1.1	25.3	-0.4	4.3
Cement and products	1.6	1.5	2.2	4.9	0.5	0.6
Mining and quarrying	1.4	1.5	-1.8	20.3	-0.4	2.1
Paper and products	1.3	1.3	13.2	11.8	2.2	1.2
Beverage, tobacco	0.8	0.8	8.4	22.1	0.9	1.3
Wood and products	0.7	0.7	13.8	14.0	1.2	0.7
Leather and products	0.3	0.3	5.6	7.1	0.2	0.2
Glass and glassware	0.3	0.3	10.2	10.0	0.4	0.2

Share in incremental credit to industry

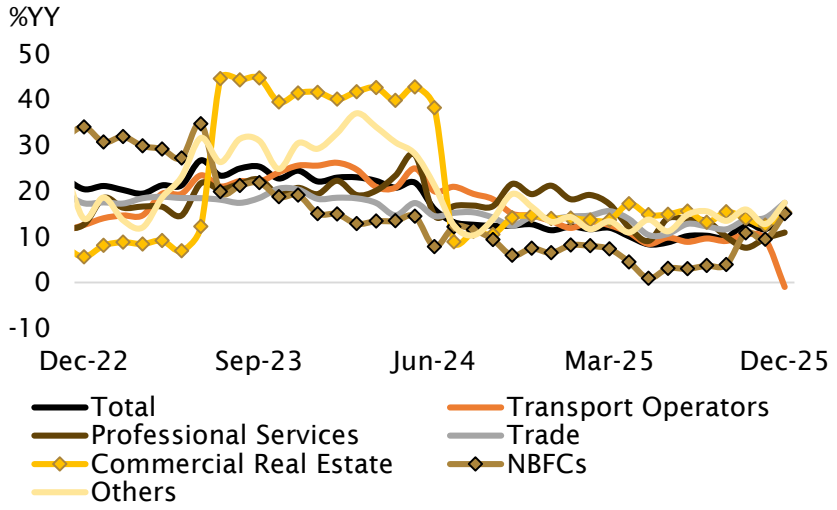


Share in deployment of bank credit: infrastructure

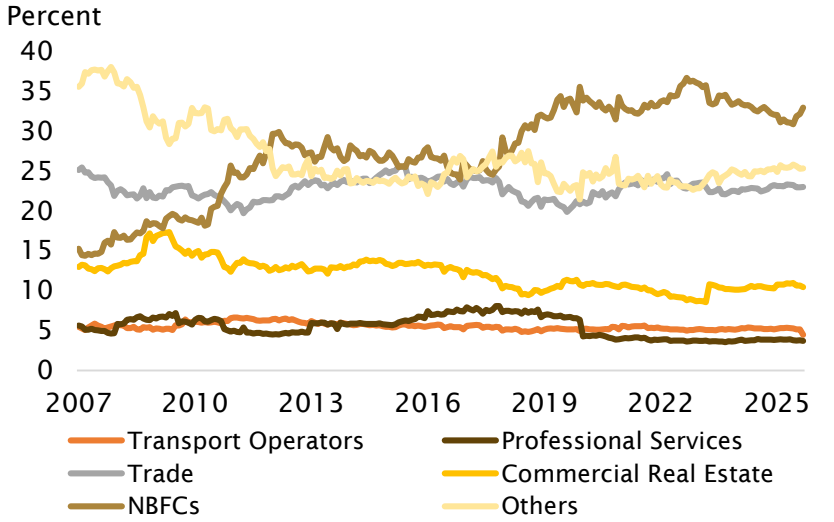


Within services, the share of overall and incremental credit to NBFCs has improved in recent months to around one-third

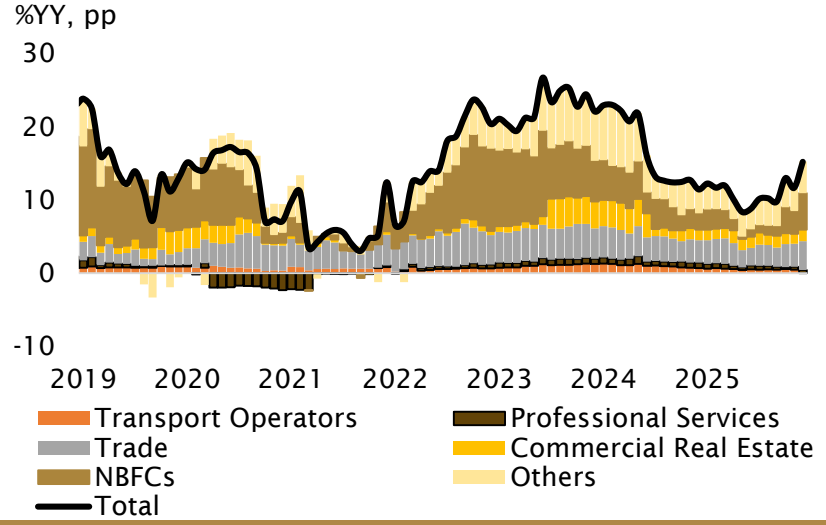
Non-food credit including merger impact: services



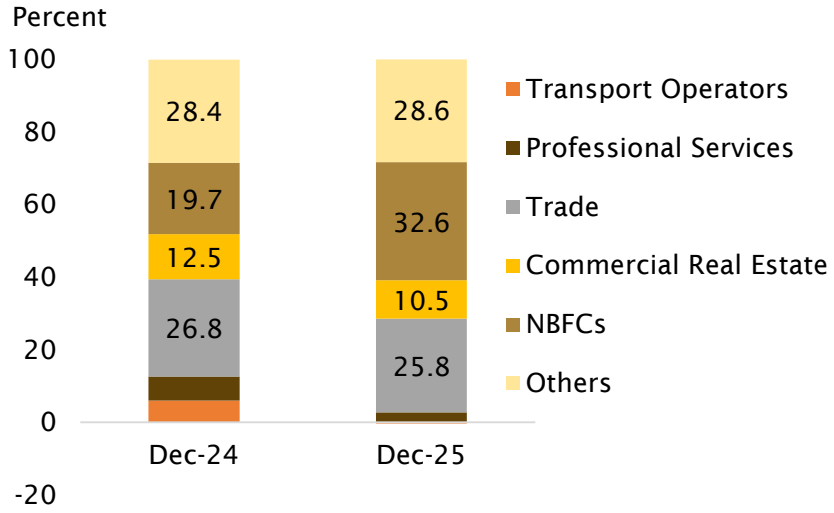
Share in non-food credit: services



Contribution to non-food credit growth: services



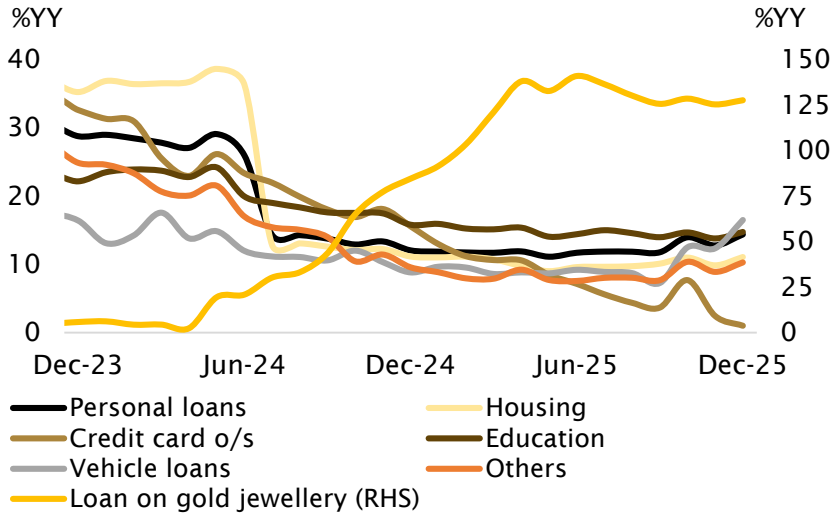
Share in incremental non-food credit growth: services



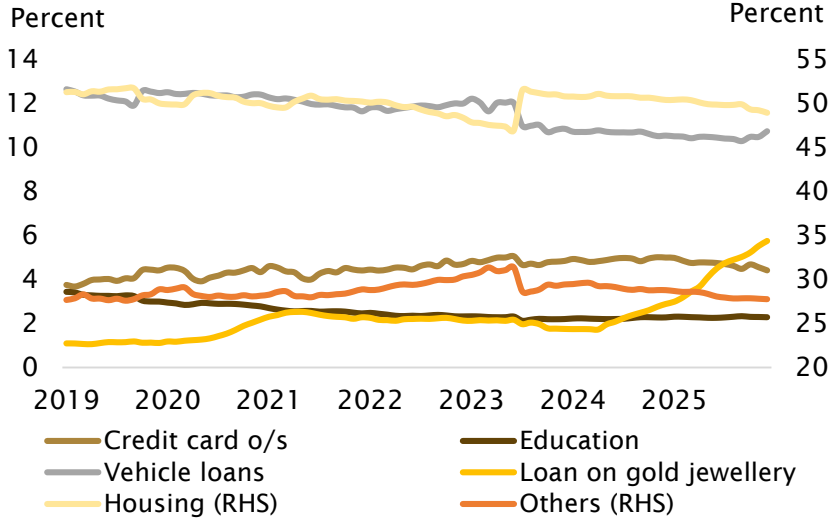
Vehicle loan growth has improved post GST rate cuts; share of gold loans in incremental credit stayed at around one-fourth

TRUST
In Partnership With Trust

Non-food credit incl. merger impact: personal loans

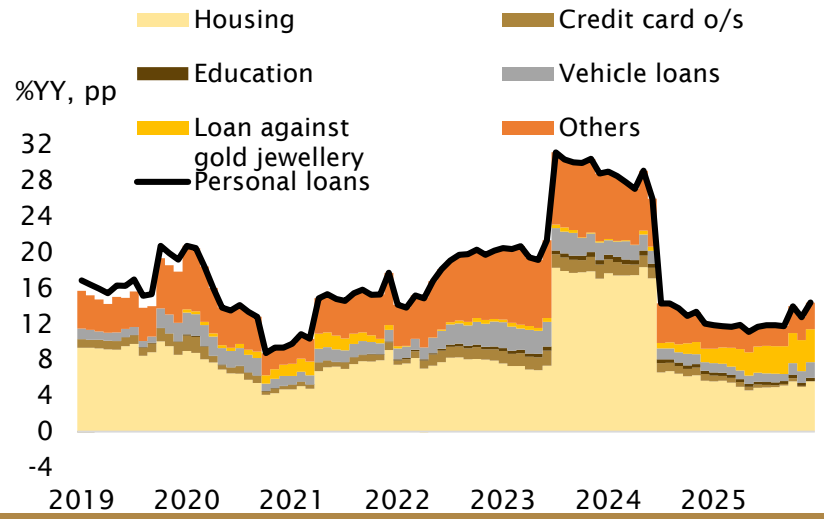


Share in non-food credit: personal loans

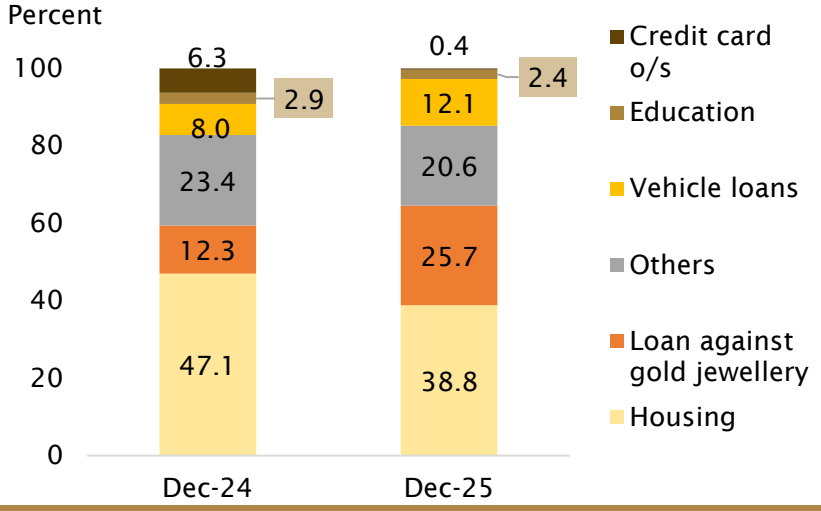


Note: Others includes loans for consumer durables, advances against FDs, shares and bonds, etc.

Contribution to non-food credit growth: personal loans

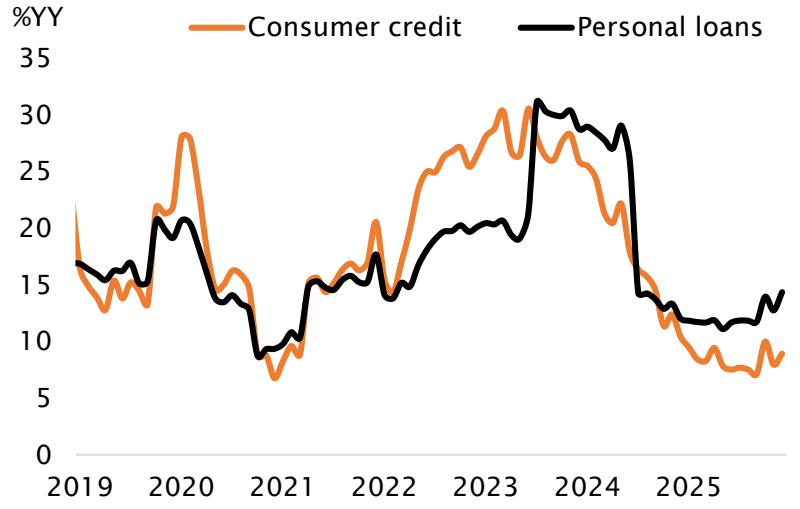


Share in incremental credit growth: personal loans

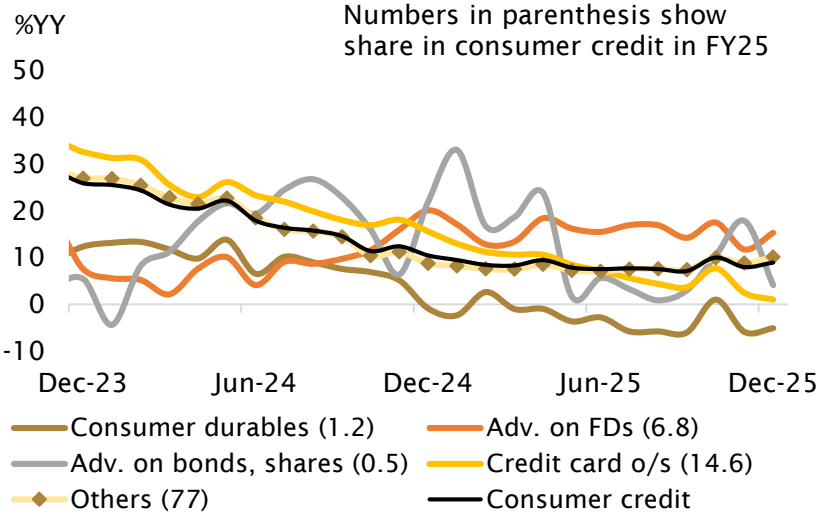


Consumer credit growth improved in Dec; overall credit growth was buoyed by strongest sequential momentum in four years

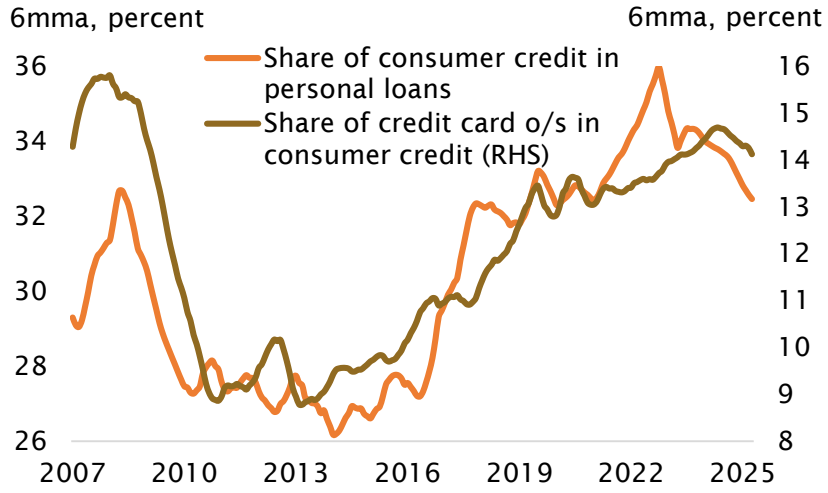
Non-food credit incl. merger impact: consumer credit



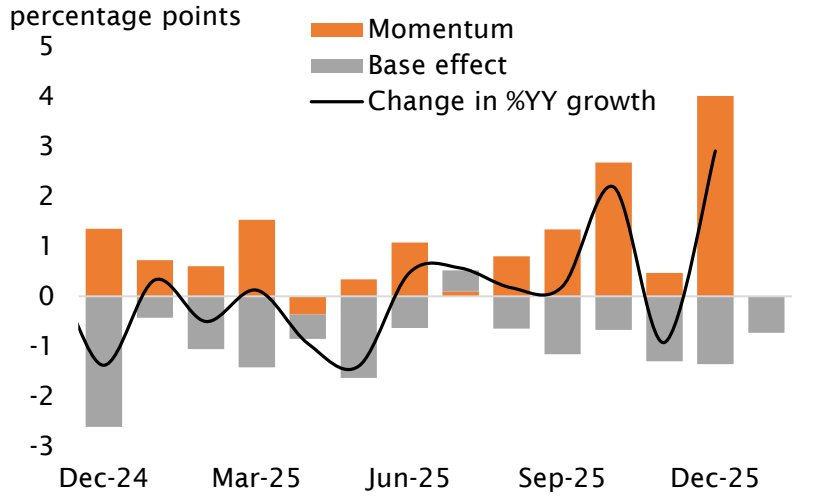
Non-food consumer credit components



Trends in consumer credit and credit card outstanding



Non-food credit growth: base effect vs. momentum



DISCLAIMER:

We are committed to providing completely independent views to help our clients reach a better decision. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Nothing in this document should be construed as investment or financial advice, and nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. The intent of this document is not in recommendary nature. The recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Trust Group has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. Trust Group, its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of Trust Group. The views expressed are those of analyst and the Company may or may not subscribe to all the views expressed therein. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose.

Copyright in this document vests exclusively with Trust Group.

Trust Group
1101, Naman Centre, Bandra Kurla Complex, Bandra (E), Mumbai -400 051, Maharashtra.
Ph: +91 22 4084 5000 • Fax: +91 22 4084 5052 • www.trustgroup.co.in