

Banks keep funding the non-banks. The number won't stop climbing.

US bank loans to non-depository financial institutions hit **\$1.65 trillion** in Q1 2026, **up 42% in five quarters**, now **14.2%** of the entire bank loan book. This is the channel that funds private credit.

Central banks and regulators are all now flagging it: **the Fed, FSB, OCC, IMF, ECB, BoE and the DOJ.**

Q1 2026 · NOW UPDATED

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tigzig.com → **TREMOR** → **US NDFI**

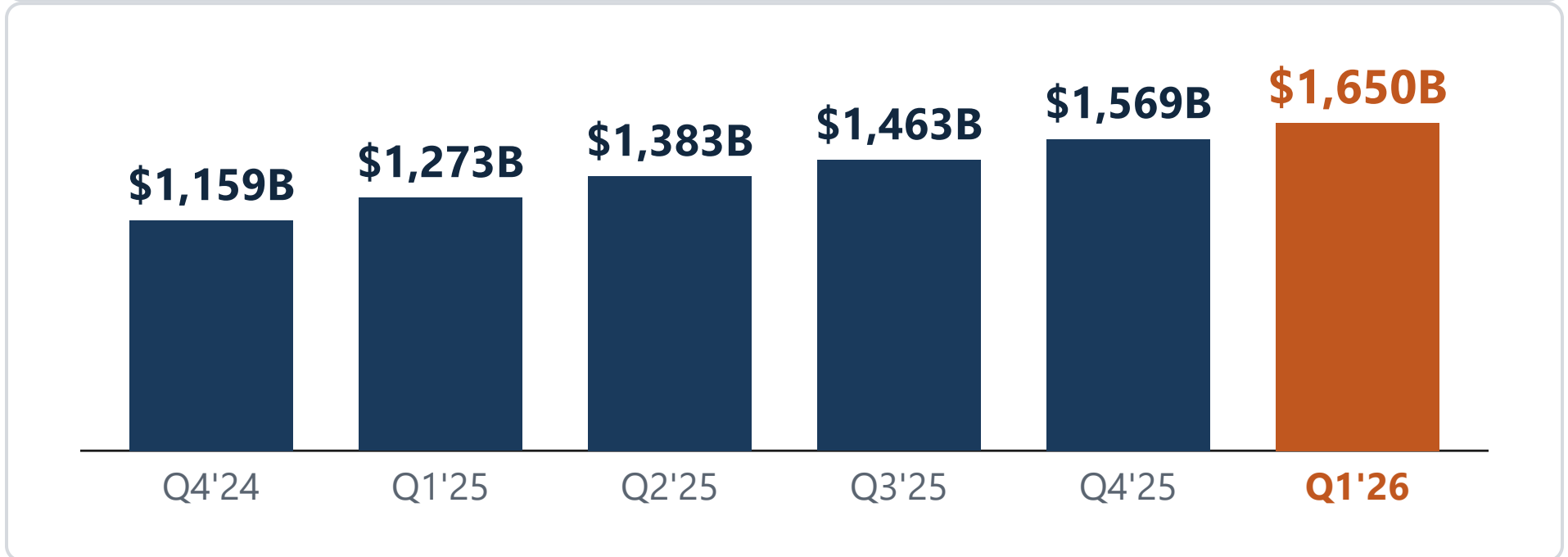
Balances · Commitments · Credit Quality · Exposure

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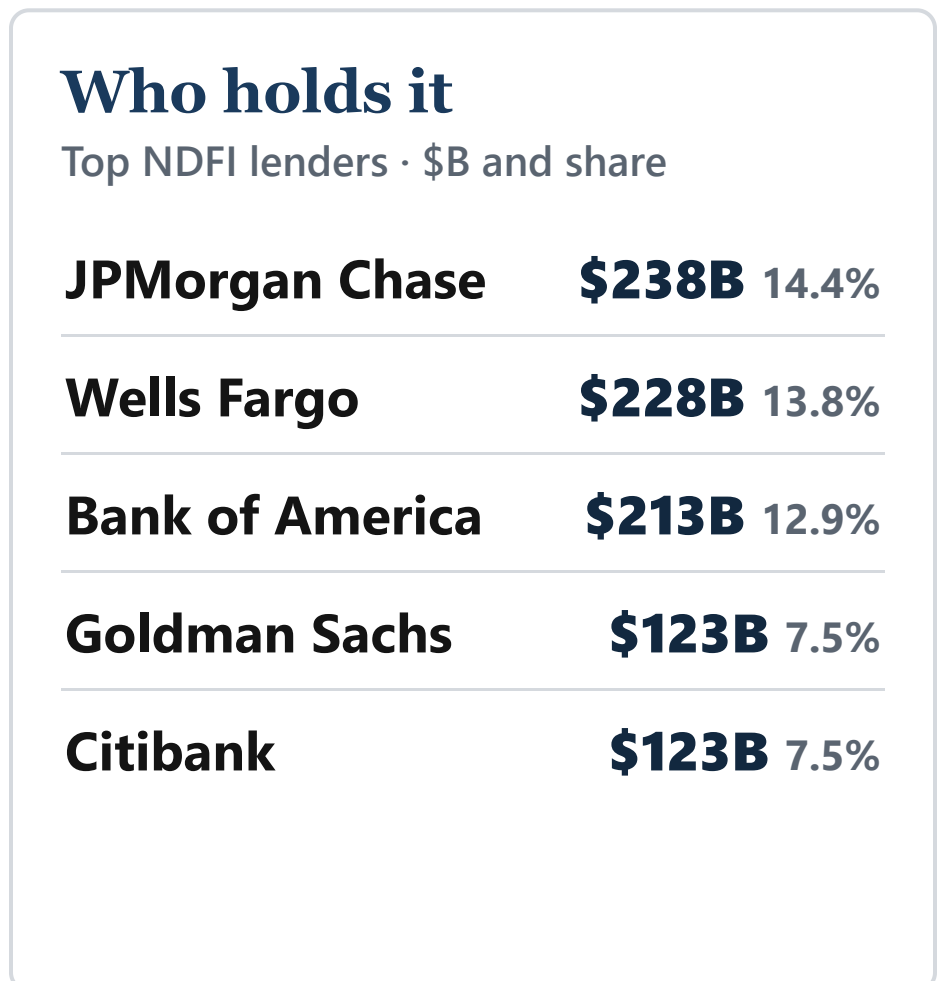
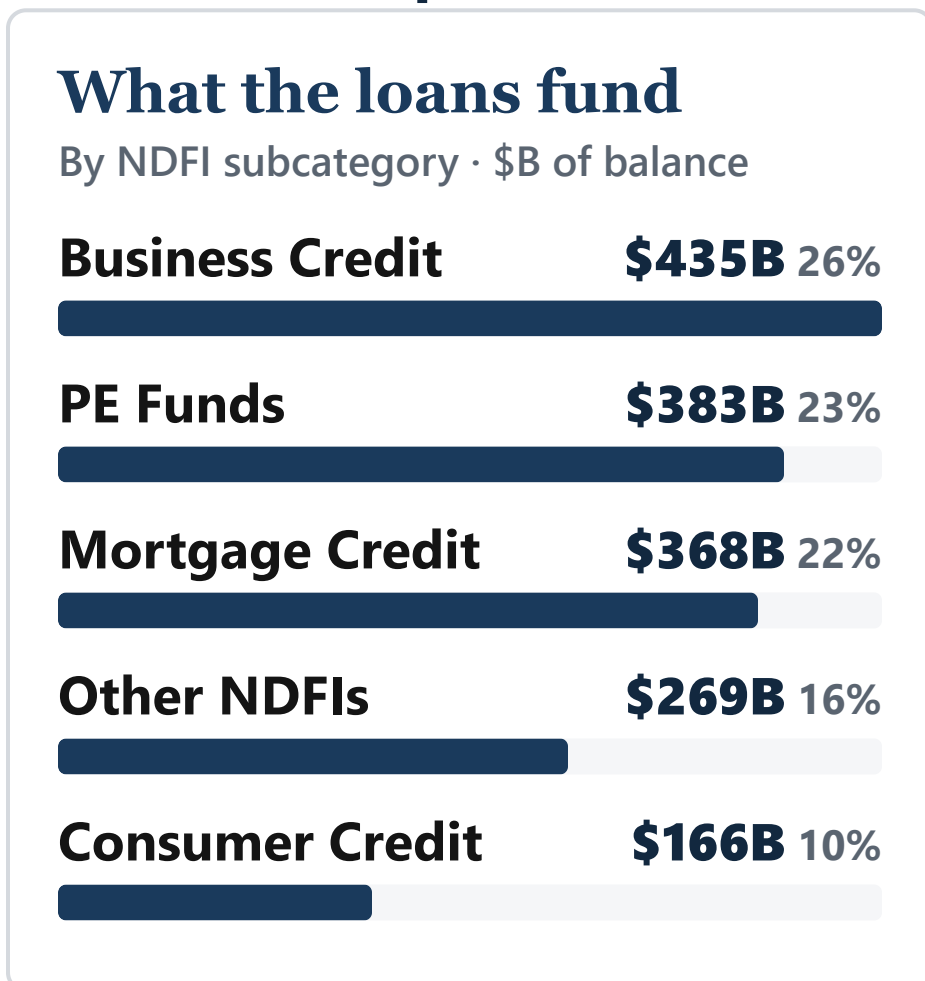
Built by an analyst, for analysts.

622 banks. \$1.65T. Five quarters straight up.

<p>NDFI LOANS</p> <p>\$1,650B</p> <p>Q1 2026</p>	<p>5-QTR GROWTH</p> <p>+42%</p> <p>+5.1% this qtr</p>	<p>% OF ASSETS</p> <p>7.1%</p> <p>from 5.6%</p>	<p>% OF LOANS</p> <p>14.2%</p> <p>from 11.1%</p>
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Top 10 banks hold 73% of all NDFI loans.



The drawn balance is only half the story.

Add the undrawn lines and exposure hits \$2.7T. \$1.65T already lent, plus **\$1.06T in commitments** still to be drawn.

And the stress is showing. The private-credit default rate just hit a **record 6.0%** (Fitch), though roughly 9 in 10 of those are stressed restructurings, not bankruptcies. The Bank of England calls it a “market for lemons.”

Here are the previous four dispatches

Read them all at tigzig.com/analysis

- 04** [Is Private Credit Turning Into a Lemon?](#) *latest* May 28
- 03** [Red Flag in US Life Insurance: \\$2.4T in Private Credit](#) May 8
- 02** [US Banks & Non-Bank Lending: How Deep Is the Exposure?](#) Mar 26
- 01** [The \\$2.7T Shadow Lending Market Is Showing Cracks](#) Mar 24

Source: “Loans to nondepository financial institutions,” reported by US banks in their quarterly FFIEC Call Reports (Schedule RC-C), Q1 2026. US-domiciled exposure only; foreign-branch lending not included. Served via Tremor. Default-rate and regulator references from the Tigzig private-credit series.