Bank-level lending to non-banks, now live on TREMOR

tigzig.com → **TREMOR** → **US NDFI** (download available)

FFIEC CALL REPORTS Q2 2026

$2.8 trillion committed to non-banks

$1.70tn Already lent	**$1.09tn** Committed, not yet lent	**14.3%** of their loans

Fitch's US private credit default rate hit **6.1%** in the twelve months to July 2026, and has been at record highs since April.

WHAT IS INSIDE

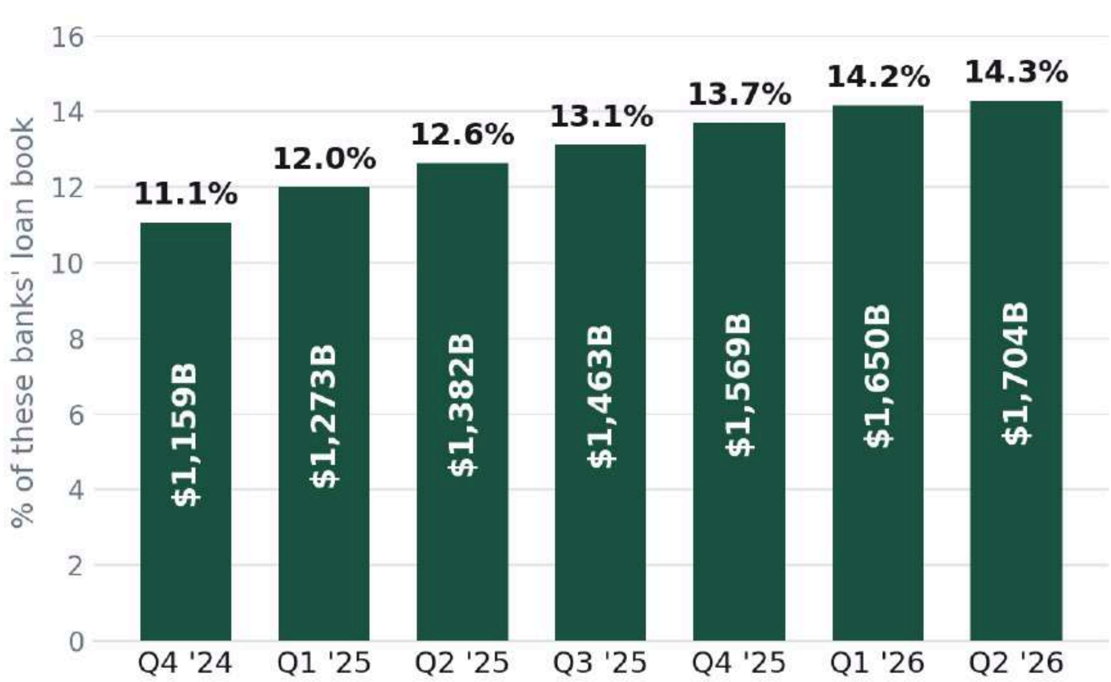
1. **Lending up 47% since Q4 '24**
2. **The biggest lenders are not the most concentrated**
3. **A few banks have lent several times their own capital**
4. **The loss does not arrive as a delinquency**
5. **The regulators, and my earlier analysis**

WHAT IS IN THE DATA

- **754 banks** named, 633 in the latest quarter
- **7 quarters**, Q4 2024 to Q2 2026
- **37 fields** per bank per quarter
- Drawn balances and **undrawn commitments**
- **Five lending categories**
- **Capital ratios**
- **Nonaccrual** and past-due amounts

THE BALANCES Q4 2024 TO Q2 2026

Seven quarters, and it has not paused



Up 47% since Q4 2024

Lending to non-banks has gone from **$1,159 billion to $1,704 billion** since Q4 2024, and it has risen in every single quarter.

Against these banks' own loan books it has gone from **11.1% to 14.3%**. Roughly one dollar in seven that they lend now goes to another financial firm.

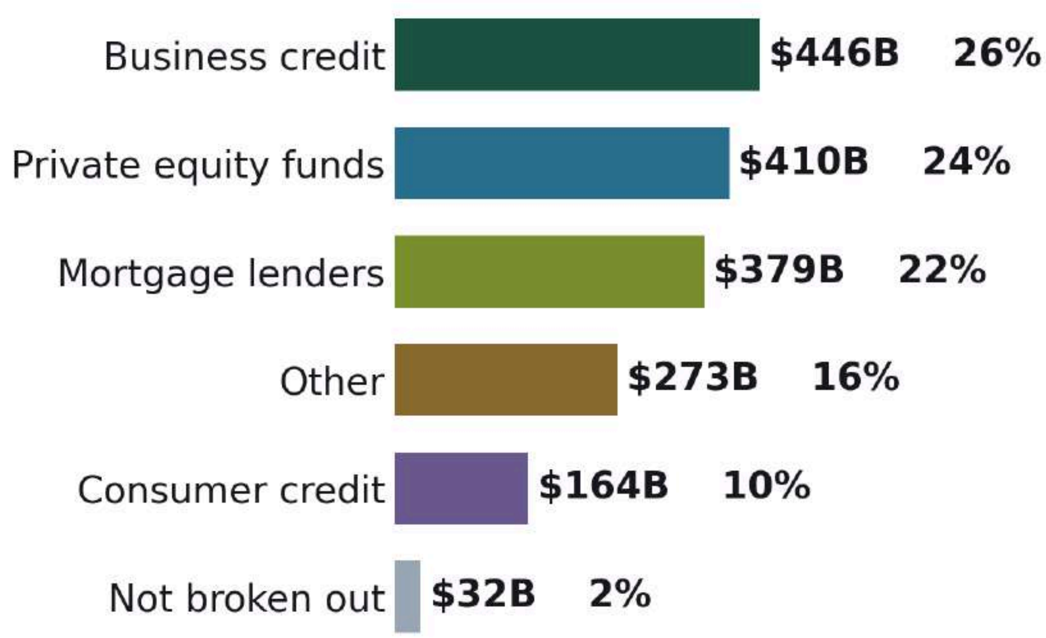
Q4 2024 is the start because that is the first quarter banks had to report it separately. Before that it sat inside other loan lines.

What it is lent against

Business credit is the largest single category at $446 billion. This is the line that holds bank lending to private credit funds.

Add private equity funds at $410 billion and **half the book** is financing the two things most people mean when they say private credit.

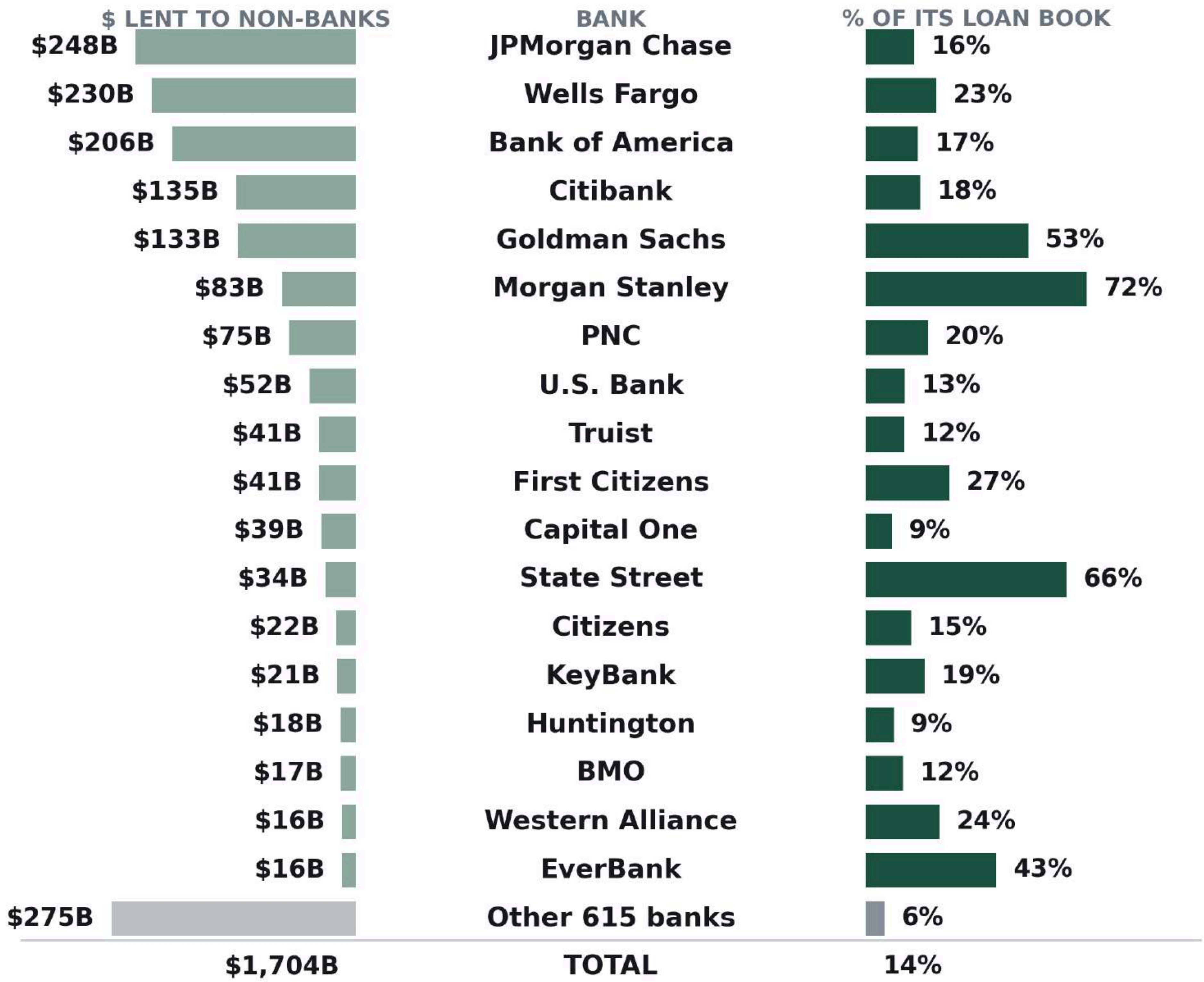
The $32 billion not broken out is mostly banks under $10 billion in assets, which file the total and not the split.



FFIEC CALL REPORTS Q2 2026

Which banks lend most to non-banks

Dollars lent on the left, and what share of that bank's own loan book it represents on the right. The two say different things: the biggest lenders are not the most concentrated.



Read the right-hand column with that in mind. Goldman Sachs, Morgan Stanley and State Street are not primarily lenders. Loans are a third or less of their balance sheets and lean towards funds, so a high share of a small loan book is close to what you would expect. The $133 billion and the $83 billion are real, and so is the exposure.

FFIEC CALL REPORTS Q2 2026

Now ranked by capital at risk

Banks that have lent $1 billion or more to non-banks, 66 of them, ranked by that lending as a share of their own core capital. The top 20 are shown.

$ LENT TO NON-BANKS	BANK	% OF ITS CORE CAPITAL
$4B	Northpointe	557%
$5B	Stifel Bank	505%
$11B	Axos	411%
$16B	EverBank	372%
$8B	Merchants of Indiana	337%
$9B	Texas Capital	270%
$6B	Customers Bank	259%
$4B	Apple Bank	253%
$133B	Goldman Sachs	224%
$2B	Forbright	224%
$16B	Western Alliance	207%
$83B	Morgan Stanley	203%
$2B	Centier	189%
$41B	First Citizens	181%
$2B	Cross River	168%
$34B	State Street	167%
$5B	Banc of California	159%
$1B	TBK Bank	155%
$230B	Wells Fargo	155%
$2B	Stifel Bank & Trust	151%
$1,704B	SYSTEM TOTAL	86%

Read it as loss absorption. A 20% loss on this book would take 16% of JPMorgan's core capital, 45% of Goldman Sachs' and more than all of Northpointe's. It does not say how concentrated a bank is: at Goldman and Morgan Stanley the loan book is a third or less of the balance sheet, at Northpointe and Axos it is almost the whole bank.

At system level it is contained. A 10% loss across the whole $1.70 trillion uses 8.6% of combined core capital. One small bank failing is contained. Several failing together is not. The Call Report names no counterparties, and nothing else published does either, so the overlap between them cannot be seen. What the FSB set out in May 2026 is the shape of it: layers of leverage stacked on one another, and a web of links between banks, funds and the same borrowers.

The loss does not arrive as a delinquency

1 Banks left the lending. They never left the financing.

After 2008, regulators pushed banks out of risky middle-market lending. They came back as the financiers behind it: credit lines, warehouse facilities, leverage. The risk did not leave the banking system. It moved one step away from it.

2 The past-due buckets will not warn you.

These borrowers keep paying until they cannot, and many switch to paying in kind before they stop, which keeps a deteriorating loan looking current. When it does break, it usually breaks as a bankruptcy filing.

3 And the loss never shows up as a charge-off.

Most private credit losses are carried at fair value. They hit the profit and loss account directly and never pass through the delinquency or charge-off lines that everyone watches.

FITCH RATINGS the number that moves when the bank data does not

6.1% **US private credit default rate, twelve months to July 2026.** At record highs since April, across about 1,500 US private credit issuers. Published monthly. Fitch Ratings, 13 August 2026

5.2%
MCO · Model-based Credit Opinion
Fitch's own opinions on issuers, which feed the ratings on pooled assets such as middle-market CLOs. A record, up from 4.9%.

8.6%
PMR · Privately Monitored Rating
Ratings insurers need on the loans they hold, for regulatory capital. Down from 9.4%, a third straight monthly fall from a record 10.0% in March.

And look at what counts as a default. Half the default events were an interest deferral or payment in kind replacing cash interest. Another 38% were maturity extensions under stress. Only 8% were an uncured missed payment.

GO DEEPER WHAT THE REGULATORS ARE SAYING

The major regulators have written on this

Financial stability bodies on both sides of the Atlantic, and the international bodies, have published on private credit and on bank lending to non-banks in the past eighteen months. They do not agree on how serious it is.

[Report on Vulnerabilities in Private Credit]
Financial Stability Board · 6 May 2026

[Financial Stability Report]
Federal Reserve · May 2026

[Financial Stability Review]
European Central Bank · May 2026

[Global Financial Stability Report]
IMF · April 2026

[Semiannual Risk Perspective]
OCC · Spring 2026

[This time is different? Speech by Sarah Breeden]
Bank of England · April 2026

[Bank lending to private credit: size, characteristics and financial stability implications]
Federal Reserve, FEDS Note · 23 May 2025

[Could the growth of private credit pose a risk to financial system stability?]
Boston Fed, CPP 25-8 · 21 May 2025

My earlier analysis on this

PUBLISHED ON TIGZIG.COM

Bank loss rates look calm. The stuff underneath says otherwise
4 June 2026

Banks keep funding the non-banks. $1.65 trillion in Q1 2026, up 42% in five quarters
30 May 2026

Private credit default rate hits a record 6.0%: a market for lemons
28 May 2026

Red flag in US life insurance. $2.4 trillion in private credit and offshore reinsurance
8 May 2026

The convergence risk: credit stress already past 2007 pre-crisis
29 April 2026

NDFI Analytics: US bank exposure to non-bank lenders
31 March 2026

US banks and non-bank lending: how deep is the exposure, and is there a systemic risk
26 March 2026

Private credit: the $2.7 trillion shadow lending market is showing cracks
24 March 2026

DETAILED SECTIONS, THESE AND MORE

tigzig.com → **TREMOR → US NDFI** the bank-level data behind this deck

tigzig.com → **Private Credit** every analysis and live tool on this topic, in one place

My read

Where it stands today

I am not calling this a crisis. Nonaccrual on this book is 0.13% and it fell again this quarter, though page 5 is exactly why I would not lean on that. Roughly one dollar in seven that these banks lend now goes to another financial firm, and that share has risen in every quarter since it became separately reportable.

What the money is lent against

A large part of private credit sits with software companies and the businesses building out AI, the part of the market with a live valuation question over it. In Fitch's own data, technology software is among the largest sectors in private credit and has the lowest default rate of any of the big ones, 1.2%.

The consumer is already turning

Fitch's consumer products and services default rate went from 5.9% in July 2025 to 9.9% in July 2026. In the NY Fed and Equifax consumer credit panel, US auto loans 90 days past due sit at 5.5%, a level beaten only once in the sixty-six quarters since 2010, and credit cards at 12.9% have been higher in only six of them. Both eased a little this quarter. That 90-day measure includes balances already charged off, repossessed or foreclosed, which the NY Fed groups as severely derogatory.

Why it could spread

So it is finely balanced. If AI valuations correct, or the economy weakens enough that insolvencies pick up, the losses land first on the private credit funds and then on the banks financing them. That is where contagion risk sits, because the market is layered: a bank lends to a fund, the fund lends to a company, and there is leverage at every level. Most of the regulators on page 6 make some version of that point.

Sources

The bank data

FFIEC Call Reports, Q2 2026, 633 banks reporting lending to non-banks. Loans to nondepository financial institutions became a separate reporting line in Q4 2024, which is why the series starts there.

FDIC BankFind API for the cross-check. Every bank in every quarter was matched on RSSD ID and compared. Total assets agree on all 4,320 bank-quarter records. The NDFI balance agrees on 4,319, the exception being M&T Bank in Q4 2024, where FDIC shows $1.4 billion more than the filing we read.

Everything else

Fitch Ratings for the private credit default rates, from the July 2026 release published on 13 August 2026.

NY Fed Household Debt and Credit Report, Q2 2026, for the auto and credit card figures.

The regulator and central bank sources are listed on page 6, and my own earlier analysis on page 7.

tigzig.com

Built by an analyst, for analysts. Track macros, compare securities, query databases. In your browser, in Excel, in Claude, or through an API.