Gold loans reached their highest share of personal bank credit in July 2026

In this report: what the official figures show; gold loans; farm credit; the weaker sections and the smallest loans; how the figures were made.

Loans against gold jewellery reached 7.69 per cent of banks' personal loans on 31 July 2026, the highest share in any month since January 2019, and were 7.68 per cent on 31 August 2026, the second highest. This brief calls them gold loans, and it reads each share as the Reserve Bank reports it. January 2019 is where the Reserve Bank's DBIE table of these figures begins. Gold loans stood at ₹5,59,468 crore on 31 August 2026, which is 83.2 per cent more than a year earlier.

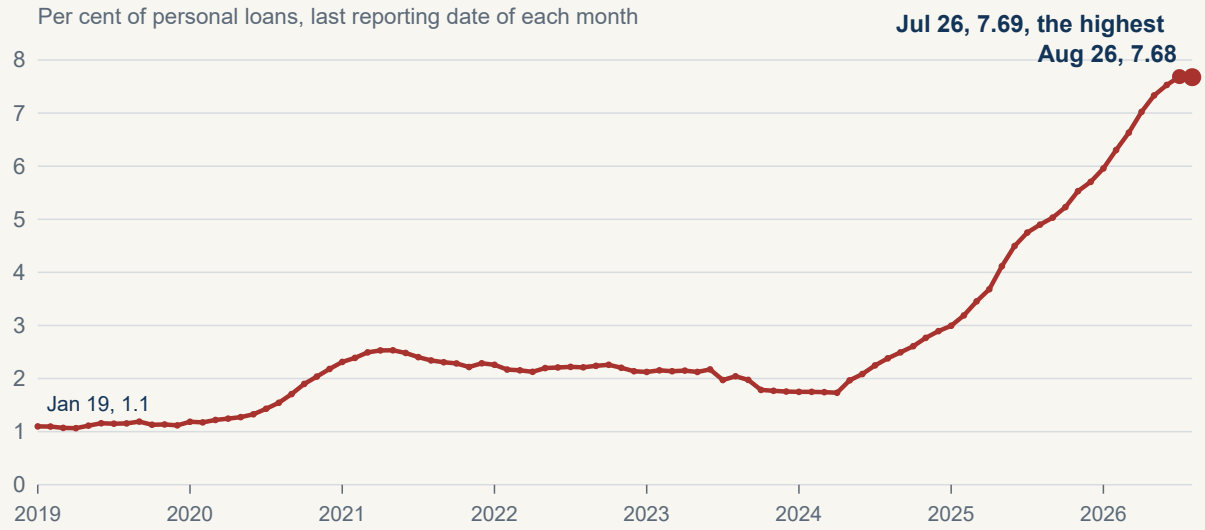
From 2019 to 2023 the share never went above 2.53 per cent, which it reached in May 2021. Of the 82 lines of non-food credit in the Reserve Bank's two tables, gold loans grew fastest in each month from January to July 2026.

Bank credit to agriculture and allied activities, which this brief calls farm credit, has grown more slowly than all non-food bank credit in every one of the 16 months from May 2025 to August 2026.

Sources: read on 27 and 28 October 2026; RBI, Sectoral Deployment of Bank Credit, August 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, July 2026, Statements 1 and 2; RBI, Database on Indian Economy, deployment of gross bank credit by major sectors (Bulletin Table 15), January 2019 to December 2025; RBI press release, Sectoral Deployment of Bank Credit, August 2026, 30 September 2026

Gold loans, a record share

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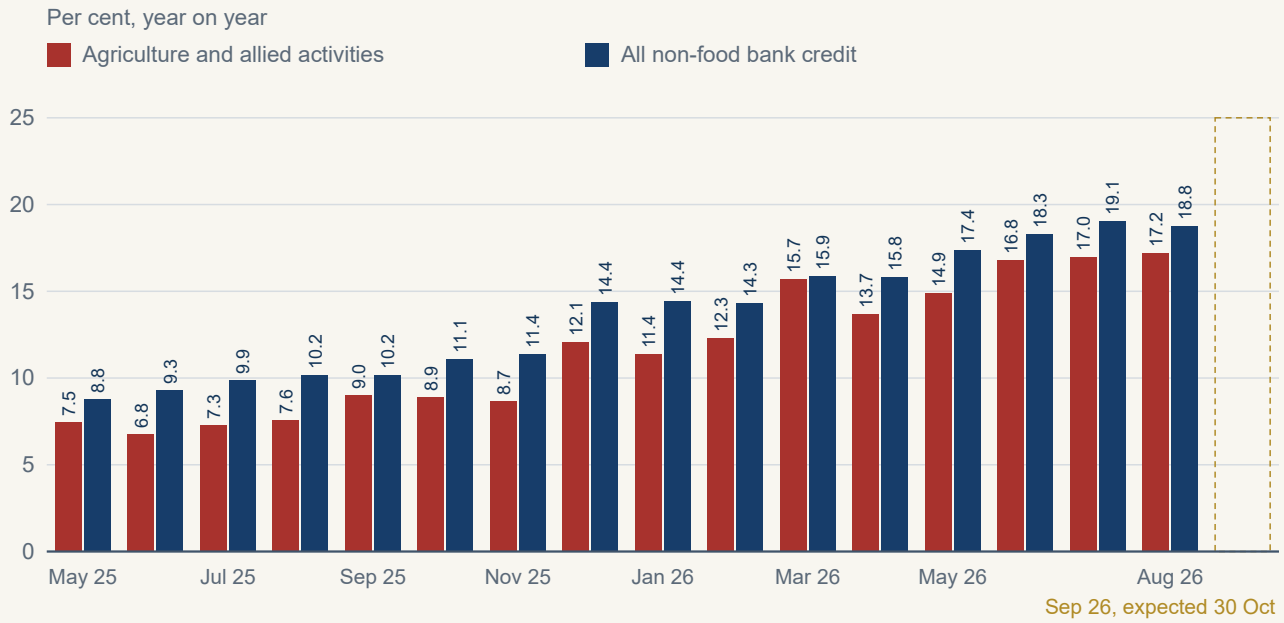
Each point is the share of personal loans that were gold loans on the last reporting date of a month. The line peaks at 7.69 per cent on 31 July 2026, and it ends at 7.68 per cent on 31 August 2026, which is the second highest point.

Gold loans stood at ₹5,59,468 crore on 31 August 2026, against ₹3,05,342 crore a year earlier and ₹1,32,647 crore two years earlier. The stock in August 2026 is 4.2 times what it was in August 2024.

Sources: read on 27 and 28 October 2026; RBI, Sectoral Deployment of Bank Credit, August 2026, Statements 1 and 2; RBI, Database on Indian Economy, deployment of gross bank credit by major sectors (Bulletin Table 15), January 2019 to December 2025

Farm credit and the weaker sections

Bank credit to agriculture and allied activities, which this brief calls farm credit, has grown more slowly than all non-food bank credit in every one of the 16 months from May 2025 to August 2026. In August 2026 farm credit grew 17.2 per cent, while all non-food bank credit grew 18.8 per cent.



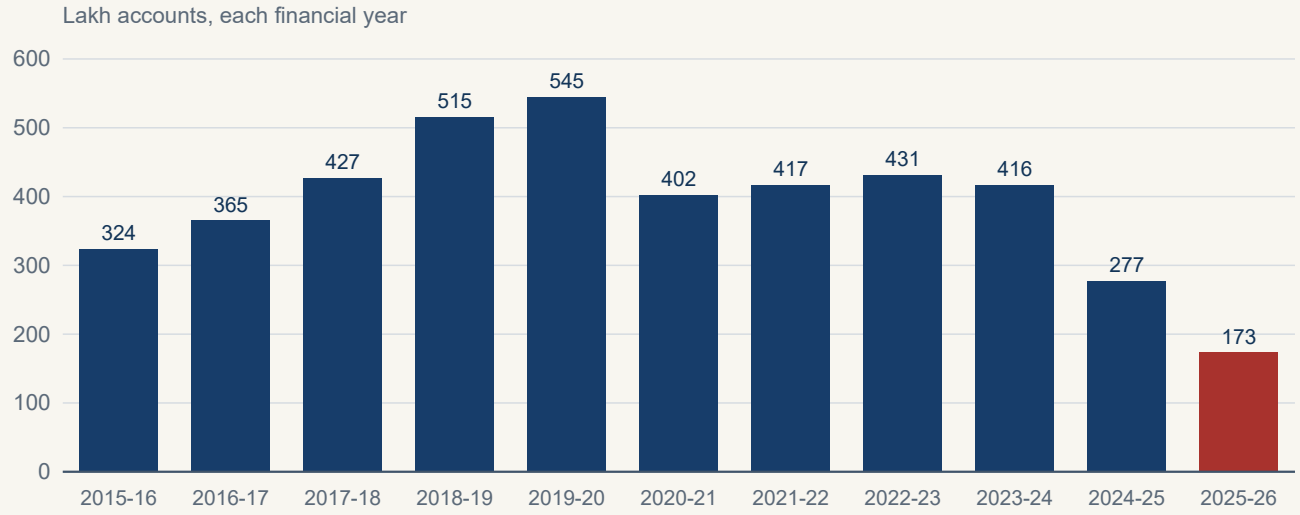
Each pair of bars is one month, with farm credit in red and all non-food bank credit in navy. Each bar is growth over the same month a year earlier, and the red bar is shorter in every pair. The dotted box marks September 2026, which the Reserve Bank has not yet released.

The Reserve Bank reports a line of the priority sector, which its workbooks label "Weaker Sections including net PSLC- SF/MF". The Reserve Bank's line for the weaker sections, which includes net priority sector lending certificates, grew more slowly than all non-food bank credit in each month from January to August 2026, eight months in a row, as the workbooks show. The widest gap came in May 2026, when the line grew 9.1 per cent and all non-food bank credit grew 17.4 per cent.

Sources: read on 27 and 28 October 2026; RBI press release, Sectoral Deployment of Bank Credit, August 2026, 30 September 2026; RBI press release, Sectoral Deployment of Bank Credit, May 2025, 30 June 2025; RBI press release, Sectoral Deployment of Bank Credit, June 2025, 31 July 2025; RBI press release, Sectoral Deployment of Bank Credit, July 2025, 29 August 2025; RBI press release, Sectoral Deployment of Bank Credit, August 2025, 30 September 2025; RBI press release, Sectoral Deployment of Bank Credit, September 2025, 31 October 2025; RBI press release, Sectoral Deployment of Bank Credit, October 2025, 28 November 2025; RBI press release, Sectoral Deployment of Bank Credit, November 2025, 31 December 2025; RBI press release, Sectoral Deployment of Bank Credit, April 2026, 29 May 2026; RBI press release, Sectoral Deployment of Bank Credit, May 2026, 30 June 2026; RBI press release, Sectoral Deployment of Bank Credit, June 2026, 31 July 2026; RBI press release, Sectoral Deployment of Bank Credit, July 2026, 31 August 2026; RBI, Sectoral Deployment of Bank Credit, January 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, February 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, March 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, April 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, May 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, June 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, July 2026, Statements 1 and 2; RBI, Sectoral Deployment of Bank Credit, August 2026, Statements 1 and 2; RBI, Database on Indian Economy, deployment of gross bank credit by major sectors (Bulletin Table 15), January 2019 to December 2025

The smallest loans, and how the figures were made

Lenders reported 1,72,97,817 Shishu loan accounts under the Pradhan Mantri MUDRA Yojana (PMMY) in 2025-26, which is the fewest since the scheme began in 2015-16. That is 68.2 per cent fewer than the 5,44,80,992 accounts of 2019-20, when the count was highest.



Each bar is the number of Shishu accounts in one financial year, in lakh, as MUDRA's table for that year prints it. The red bar is 2025-26, which is the lowest.

Every figure on bank credit in this brief comes from the Reserve Bank of India. Each month the Reserve Bank publishes a release and a workbook, "Sectoral Deployment of Bank Credit", which show how much banks have lent to each sector.

In 2026 the sector figures come from a return filed by 41 select banks, which together hold about 95 per cent of the non-food credit of all scheduled commercial banks.

On the Reserve Bank's own figures, gold loans reached 7.69 per cent of personal loans on 31 July 2026, which is the highest since January 2019, and they were 7.68 per cent on 31 August 2026. Farm credit grew more slowly than all non-food bank credit, and it did so in every one of the 16 months from May 2025 to August 2026.

Sources: read on 27 and 28 October 2026; MUDRA, PMMY Overall Performance, 2023-24; MUDRA, PMMY Overall Performance, 2024-25; MUDRA, PMMY Overall Performance, 2025-26; RBI, Sectoral Deployment of Bank Credit, August 2026, Statements 1 and 2; RBI press release, Sectoral Deployment of Bank Credit, August 2026, 30 September 2026