

**Banks' non-food credit up 3.2% in first half**

Our Bureau

*Driven by robust demand for loans from services and priority sectors*

Mumbai, November 1:

Robust demand for credit from the services, priority sector and personal loan segments helped banks expand their non-food credit portfolio better in the first half of the current financial year *vis-à-vis* the year-ago period.

According to Reserve Bank of India data, non-food credit portfolio — comprising loans given for agriculture and allied activities, industry, services, personal loans and priority sector — of the banking system grew 3.2 per cent in the first half of this fiscal as against 1.6 per cent in the year-ago period. In the first half, non-food bank credit in absolute terms increased by ₹2,08,700 crore as against ₹95,700 crore in the year-ago period. Credit to the services sector, which includes professional services, other services, wholesale trade (other than food procurement), trade and transport operators, increased 7.7 per cent in the reporting period as against a de-growth of 0.8 per cent in the year-ago period.

Credit to the personal loans segment, which includes credit cards outstanding, other personal loans, consumer durables, housing (including priority sector housing), nudged up 7.9 per cent from 7.6 per cent in the year-ago period.

Credit to the priority sector, which includes loans given for agriculture and allied activities, micro and small enterprises, manufacturing, services and housing, increased by 5.1 per cent as against 4.4 per cent in the year-ago period. Credit to industry (micro, small, medium and large enterprises), however, de-grew further by 2.9 per cent as against a decline of 1.1 per cent in the year-ago period.

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