

RAJYA SABHA
UNSTARRED QUESTION NO. 2775
ANSWERED ON TUESDAY, 25 MARCH, 2025/ 4 CHAITRA, 1947 (SAKA)

Financial performance of Regional Rural Banks

2775# SHRI BABURAM NISHAD:
SHRI NARHARI AMIN:
SHRI NARAYANA KORAGAPPA:
SHRI RYAGA KRISHNAIAH:
DR. MEDHA VISHRAM KULKARNI:
SHRI MITHLESH KUMAR:

Will the THE MINISTER OF *FINANCE* be pleased to state:

- (a) whether Government has reviewed the financial performance of Regional Rural Banks (RRBs);
- (b) if so, the details thereof and the agenda set for the same;
- (c) the details of outcome thereof;
- (d) whether Government has also reviewed the progress made by the RRBs in deepening financial inclusion to rural and remote areas; and
- (e) the details of improvement of the financial health of RRBs in recent years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b) Government is reviewing the financial performance of Regional Rural Banks (RRBs) at national and regional levels. The agenda items for the review meetings, *inter-alia*, include:

- (i) Review of the performance of RRBs on Financial Parameters and technology upgradation.
- (ii) Thrust on Micro Small and Medium Enterprise (MSME) portfolio.
- (iii) Importance on loan diversification towards Agri-allied, MSME and Retail Sectors.

(c) to (e) Financial health of RRBs has improved in the recent years as they have posted highest ever consolidated net profit of ₹ 7,571 crore during FY 2023-24. Also, the RRBs have shown consistent improvement in key financial parameters like CRAR, deposits, advances, NPA, CD ratio etc. Performance of RRBs on key financial parameters in past three years is at **Annexure**.

Government has also reviewed the progress made by RRBs in deepening financial inclusion in rural and remote areas by reviewing performance on various financial inclusion schemes like Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Atal Pension Yojana etc.

Statement referred to in part (c) to (e) of Rajya Sabha Un-Starred Question No. 2775 on “Financial performance of Regional Rural Banks” due for answer on 25.03.2025

Performance of RRBs on Key Financial Parameters

Key Financial Parameters	FY 2021-22	FY 2022-23	FY 2023-24
Total Balance sheet Size (In Rs. Crore)	7,04,556	7,70,793	8,40,080
Total Deposits (In Rs. Crore)	5,62,538	6,08,509	6,59,815
Loans Outstanding (In Rs. Crore)	3,62,838	4,14,368	4,71,384
CD Ratio (%)	64.5	68.1	71.4
Gross NPA (%)	9.1	7.3	6.1
Net NPA (%)	4.7	3.2	2.4
Net Profit (In Rs. Crore)	3,219	4,974	7,571
Net Worth (In Rs. Crore)	40,177	47,451	56,780
CRAR (%)	12.7	13.4	14.2

