

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
STARRED QUESTION NO. *101

ANSWERED ON TUESDAY, DECEMBER 9, 2025/ 18 AGRAHAYANA, 1947 (SAKA)

FINANCIAL PERFORMANCE OF RRBs

*101 # SHRI SUBHASH BARALA:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has undertaken a review of the financial performance of regional rural banks (RRBs), if so, the details thereof;
- (b) the major aspects examined during the review and the key findings or decisions arising therefrom;
- (c) whether the progress made by RRBs in expanding financial inclusion in rural and remote areas was also assessed during the review, if so, the key findings thereof; and
- (d) the details of the improvement recorded in the financial condition and operational performance of RRBs in recent years?

ANSWER

THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. *101 ANSWERED ON 09.12.2025 REGARDING 'FINANCIAL PERFORMANCE OF RRBs' ASKED BY SHRI SUBHASH BARALA:

(a) to (d): Government is regularly reviewing the financial performance of Regional Rural Banks (RRBs) at national and regional levels. Several reviews have been held at the level of NABARD and at Department level. Further following reviews of RRBs have been held under the Chairmanship of Finance Minister in last four financial years as per the details below:

S.No	National/Regional	Date and Place
1.	National level	07.07.2022 at New Delhi
2.	North-Eastern RRBs	21.07.2023 at Agartala
3.	Southern RRBs	04.08.2023 at Chennai
4.	Northern RRBs	30.08.2023 at New Delhi
5.	National level	19.08.2024 at New Delhi
6.	Western-Central RRBs	22.08.2024 at Udaipur
7.	North-Eastern RRBs	30.09.2024 at Itanagar
8.	Southern RRBs	09.11.2024 at Bengaluru
9.	Eastern RRBs	29.11.2024 at Patna
10.	Karnataka Grameena Bank	16.10.2025 at Ballari

Further, as a follow-up, Department of Financial Services has conducted periodic and regular meeting with RRBs and sponsor banks at various level. 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.

Financial health of RRBs has improved in the recent years as they have posted highest ever consolidated net profit of Rs. 7,571 Crore during FY 2023-24, followed by second highest net profit of Rs. 6,825 Crore during FY 2024-25. This decline was due to implementation of pension scheme with retrospective effect from 01 November 1993, and payments towards computer increment liability. Also, the RRBs have shown consistent improvement in key financial parameters like Capital to Risk Weighted Assets Ratio (CRAR), Deposits, Advances, Non-Performing Asset (NPA), Credit-

Deposit Ratio (CD ratio) etc. Performance of RRBs on key financial parameters in past five financial years and first half of current financial year 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 (PMJDY), Pradhan Mantri MUDRA Yojana (PMMY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY) etc.

ANNEXURE

ANNEXURE REFERRED TO IN PART (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. *101 ON “FINANCIAL PERFORMANCE OF RRBs” FOR ANSWER ON 09.12.2025 ASKED BY SHRI SUBHASH BARALA:

Performance of RRBs on Key Financial Parameters

Sr. No.	Key Financial Parameters	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	As on 30 September 2025 (Provisional)
1.	Total Deposits (In Rs. Crore)	5,25,226	5,62,538	6,08,509	6,59,815	7,13,800	7,20,000
2.	Loans Outstanding (In Rs. Crore)	3,34,171	3,62,838	4,14,368	4,71,384	5,26,763	5,50,509
3.	Credit-Deposit Ratio (CD ratio) (%)	63.6	64.5	68.1	71.4	73.8	76.5
4.	Gross Non-Performing Asset (GNPA) (%)	9.4	9.1	7.2	6.1	5.4	5.8
5.	Net Non-Performing Asset (NNPA) (%)	4.8	4.7	3.2	2.4	2.0	2.3
6.	Net Profit (In Rs. Crore)	1,685	3,219	4,974	7,571	6,825	6,274
7.	Net Worth (In Rs. Crore)	30,476	40,177	47,451	56,780	63,927	69,184
8.	Capital to Risk Weighted Assets Ratio (CRAR) (%)	10.2	12.7	13.4	14.2	14.4	14.8

Source: RRBs