

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 4978**

ANSWERED ON MONDAY, MARCH 23, 2026/CHAITRA 02, 1948 (SAKA)

**Review of Performance of Regional Rural Banks (RRBs)**

4978. Shri Captain Brijesh Chowta:

Shri Anurag Singh Thakur:

Shri Jagdambika Pal:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has undertaken a review of the performance and financial health of Regional Rural Banks (RRBs) across the country in recent years, if so, the details thereof;
- (b) whether it is a fact that RRBs have shown improvement in key financial indicators, including profitability, reduction in NPAs and expansion of business in recent years, if so, the details thereof;
- (c) the details of the total number of RRBs, their branch network including number of branches, State-wise and district-wise particularly in Himachal Pradesh and Karnataka, including Dakshina Kannada along with total business and net profit recorded during the last three years, bank-wise;
- (d) the measures taken by the Government to strengthen RRBs through consolidation, capital infusion, digital banking infrastructure and improved governance; and
- (e) the steps taken to further enhance the role of RRBs in promoting financial inclusion, priority sector lending and rural credit access across the country?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b): Government of India regularly reviews the performance and financial health of Regional Rural Banks (RRBs) at national and regional levels. The following reviews of RRBs have been held under the Chairpersonship of Finance Minister in last four financial years:

<b>Sr. No</b>	<b>National/Regional level</b>	<b>Date and Place</b>
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 (DFS) conducts periodic and regular meetings with RRBs and sponsor banks at various levels.

Financial health of RRBs has improved in the recent years. RRBs posted the highest ever consolidated net profit of Rs. 7,571 Crore during FY 2023-24, followed by second highest net profit of Rs. 6,820 Crore during FY 2024-25. In nine months (April-Dec) of FY 2025-26, RRBs have posted consolidated net profit of Rs. 7,160 Crore (*Provisional*). RRBs have also shown consistent improvement in key financial parameters like Capital to Risk Asset Ratio (CRAR), deposits, advances, Non-Performing Asset (NPA), Credit-Deposit Ratio (CD ratio) etc. Performance of RRBs on key financial parameters in past three years is at **Annexure I**.

(c) As on 31.12.2025, there are 28 RRBs operating in 26 States and 3 Union Territories having 22,207 branches. RRB wise detail of number of branches is at **Annexure II**.

Himachal Pradesh Gramin Bank (HPGB) is operating in the state of Himachal Pradesh and Karnataka Grameena Bank (KGB) is operating in the state of Karnataka. Details of the district wise branch network for the RRBs in Himachal Pradesh and Karnataka as on 31.12.2025 is given in **Annexure III** and **Annexure IV** respectively.

Total Business and Net Profit of the RRBs in Himachal Pradesh and Karnataka during the last three Financial Years (FY) are as follows:

HPGB			
(In Rs. Crore)			
Sr. No.	Financial Year	Total Business	Net Profit
1	2022-23	11,112	2.17
2	2023-24	12,327	6.89
3	2024-25	13,616	34.71

Source: NABARD

In FY 2025-26 (April-Dec), the total business and net profit of HPGB is Rs. 14,492 Crore and Rs. 26.07 Crore (*Provisional*) respectively.

Karnataka Gramin Bank (erstwhile)			
(In Rs. Crore)			
Sr. No.	Financial Year	Total Business	Net Profit
1	2022-23	61,202	7.56
2	2023-24	62,422	-174.27
3	2024-25	63,533	-791.31

Karnataka Vikas Grameena Bank (erstwhile)			
(In Rs. Crore)			
Sr. No.	Financial Year	Total Business	Net Profit
1	2022-23	32,450	40.25
2	2023-24	35,383	104.17
3	2024-25	37,912	126.04

Source: NABARD

Both the above erstwhile RRBs of Karnataka amalgamated on 01.05.2025 and the new entity is now Karnataka Grameena Bank. In FY 2025-26 (April-Dec), the total business and net profit of KGB is Rs. 1,02,063 Crore and Rs. 32 Crore (*Provisional*) respectively.

(d) The Government has implemented following strategy to strengthen RRBs :

**1) Phased Implementation of Amalgamation of RRBs:**

In order to improve operational viability of RRBs and to take advantage of economies of scale, Government of India initiated phase wise structural consolidation of RRBs in FY 2005-06. In the first three phases (2005-2021), the number of RRBs were brought down from 196 to 43 by March 2021.

In the fourth phase of amalgamation, guided by the principle of ‘One State-One RRB’, the number of RRBs were further reduced from 43 to 28 on 01.05.2025.

**(2) Recapitalisation of RRBs:** In order to improve Capital to Risk weighted Assets Ratio (CRAR) of RRBs, the Government of India approved recapitalization of Rs.10,890 crore (including Government of India share of Rs.5,445 crore) which was infused in RRBs from the FY 2021-22 to FY 2024-25.

**3) Implementation of Viability Plan Framework:** Consequent upon the sanction of recapitalisation assistance to RRBs, all RRBs rolled out a 3-year Board approved Viability Plan with SMART (Specific, Measurable, Achievable, Relevant, Time-bound) metrics from FY 2022-23 to FY 2024-25 with a well-defined implementation mechanism aimed at achieving sustained viability through **credit expansion, business diversification, asset quality improvement, cost rationalization, technology adoption and improvement in corporate governance.**

**4) Digital Banking Infrastructure:** All RRBs have implemented Core Banking Solution (CBS) and most of them provide digital services like Mobile Banking, Internet Banking, UPI and Contactless Debit card to their customers.

**5) Improved Governance:** For better governance, Department of Financial Services has appointed Government Nominee Directors in the board of all RRBs. Further, Sponsor Banks are advised to hand hold their respective RRBs for better corporate governance.

(e) RRBs were established as an alternate financial institution for credit dispensation to small and marginal farmers, agricultural labourers, socio-economically weaker section of population for development of agriculture, trade, commerce, small scale industry and other productive activities in rural areas. RRBs have consistently met, and often exceeded, their Priority Sector

Lending (PSL) targets and sub-targets over the years. Nearly, 92% branches of RRBs are in rural/semi-urban areas. These branches are largely meeting credit requirements in these areas.

Government regularly reviews the progress made by RRBs in deepening financial inclusion in rural and remote areas. The targets for 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) are set by DFS and periodically monitored.

Further, RRBs have participated in Gram Panchayat (GP) level Saturation Campaign of DFS from 01.07.2025 to 31.10.2025 for achieving comprehensive financial inclusion.

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**ANNEXURE REFERRED TO IN PART (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO 4978 ON “REVIEW OF PERFORMANCE OF REGIONAL RURAL BANKS (RRBS)” FOR ANSWER ON 23.03.2026**

**Performance of RRBs on Key Financial Parameters**

<b>Sr. No.</b>	<b>Key Financial Parameters</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>As on 31 December 2025 (Provisional)</b>
1.	Total Deposits (In Rs. Crore)	6,08,509	6,59,815	7,13,800	7,33,959
2.	Loans Outstanding (In Rs. Crore)	4,14,368	4,71,384	5,26,763	5,65,614
3.	Credit-Deposit Ratio (CD ratio) (%)	68.1	71.4	73.8	77.0
4.	Gross Non-Performing Asset (GNPA) (%)	7.2	6.1	5.4	5.6
5.	Net Non-Performing Asset (NNPA) (%)	3.2	2.4	2.0	2.2
6.	Net Profit (In Rs. Crore)	4,974	7,571	6,820	7,160
7.	Net Worth (In Rs. Crore)	47,451	56,780	63,927	71,712
8.	Capital to Risk Weighted Assets Ratio (CRAR) (%)	13.4	14.2	14.4	15.0

Source: RRBs

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<b>Sr. No.</b>	<b>Name of the RRB</b>	<b>No of Branches (As on 31.12.2025)</b>
1	Andhra Pradesh Grameena Bank	1,351
2	Arunachal Pradesh Rural Bank	38
3	Assam Gramin Bank	464
4	Bihar Gramin Bank	2,101
5	Chhattisgarh Gramin Bank	627
6	Gujarat Gramin Bank	745
7	Haryana Gramin Bank	693
8	Himachal Pradesh Gramin Bank	274
9	Jammu and Kashmir Grameen Bank	326
10	Jharkhand Gramin Bank	449
11	Karnataka Grameena Bank	1,750
12	Kerala Grameena Bank	635
13	Madhya Pradesh Gramin Bank	1,319
14	Maharashtra Gramin Bank	752
15	Manipur Rural Bank	27
16	Meghalaya Rural Bank	89
17	Mizoram Rural Bank	106
18	Nagaland Rural Bank	14
19	Odisha Grameen Bank	979
20	Puducherry Grama Bank	48
21	Punjab Gramin Bank	470
22	Rajasthan Gramin Bank	1,596
23	Tamil Nadu Grama Bank	685
24	Telangana Grameena Bank	933
25	Tripura Gramin Bank	150
26	Uttar Pradesh Gramin Bank	4,330
27	Uttarakhand Gramin Bank	296
28	West Bengal Gramin Bank	960
<b>Total</b>		<b>22,207</b>

Source: RRBs

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<b>District Wise No of Branches of Himachal Pradesh Gramin Bank</b>		
<b>Sr. No.</b>	<b>Name of the District</b>	<b>No of Branches (As on 31.12.2025)</b>
1	Bilaspur	14
2	Chamba	39
3	Hamirpur	25
4	Kangra	52
5	Kinnaur	3
6	Kullu	19
7	Lahaul and Spiti	2
8	Mandi	57
9	Shimla	26
10	Sirmaur	9
11	Solan	14
12	Una	14
<b>Total</b>		<b>274</b>

*Source: HPGB*

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<b>District Wise No of Branches of Karnataka Grameena Bank</b>		
<b>Sr No</b>	<b>Name of District</b>	<b>No of Branches (As on 31.12.2025)</b>
1	Bagalkote	76
2	Ballari	52
3	Belagavi	167
4	Bengaluru Rural	19
5	Bengaluru South	14
6	Bengaluru Urban	51
7	Bidar	51
8	Chamarajanagara	26
9	Chikkaballapura	37
10	Chikkamagaluru	52
11	Chitradurga	84
12	Dakshina Kannada	24
13	Davanagere	51
14	Dharwad	75
15	Gadag	61
16	Hassan	60
17	Haveri	77
18	Kalaburagi	87
19	Kodagu	26
20	Kolar	45
21	Koppal	51
22	Mandya	58
23	Mysuru	95
24	Raichur	68
25	Shivamogga	42
26	Tumakuru	67
27	Udupi	23
28	Uttara Kannada	46
29	Vijayanagara	50
30	Vijayapura	79
31	Yadgir	36
<b>Total</b>		<b>1,750</b>

Source: KGB