Ministry of Finance

Secretary, DFS reviews performance of Regional Rural Banks (RRBs) and progress on amalgamation plan

Shri. M. Nagaraju urges RRBs to leverage its lending in Agriculture and allied activities, MSME and Government sponsored schemes

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Sh. M. Nagaraju, Secretary, Department of Financial Services, Ministry of Finance, reviewed performance of Regional Rural Banks (RRBs) and progress on amalgamation plan in Mumbai.

Chairman, NABARD and officials of DFS, Sponsor banks, SIDBI, Reserve Bank of India and Chairpersons of all RRBs were also present.

With the implementation of One State-One RRB, RRBs have been urged to leverage its lending in Agriculture and allied activities, MSME and Government sponsored schemes. RRBs have grown in their reach to more than 22,000 branches, covering 700 districts of the country and more than 92% of its branches are in rural/semi urban areas. RRBs have recorded consolidated net profit of ₹7,148 crore in FY 2024-25. Gross Non-Performing Assets (GNPA) has reached a new low of 5.3%, lowest in a decade period. Secretary, DFS urged the rural banks to continue to focus on their amalgamation process and long-term sustainability.

Secretary, DFS asked Sponsor Banks to guide RRBs in their amalgamation process and provide level playing field for long term sustainability. Sponsor banks should continue to facilitate technology upgradation in RRBs and to complete integration process adhering to the strict timelines of 30-09-2025. He also suggested Sponsor Banks and RRBs to also address HR related issues emerging in the process.

He asked sponsor banks and RRBs to recognize the challenges that lie ahead. Sponsor banks in consultation with RRBs to draft a roadmap for RRBs for next 5 years.

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