Ministry of Finance

Regional Rural Banks (RRBs) Record Strong Growth in Credit Delivery during FY 2025–26

Gross Loans outstanding of RRBs rises 10.3% to ₹5.78 lakh crore in FY 2025–26; average Priority Sector Lending achievement reaches 91.7% of ANBC

Credit to weaker sections reaches ₹3.49 lakh crore, reaffirming RRBs' role in advancing inclusive access to institutional Credit

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During FY 2025–26, Regional Rural Banks (RRBs) have continued to strengthen their role in promoting rural economic development and financial inclusion by expanding credit delivery and maintaining a strong focus on Priority Sector Lending (PSL).

While gross loans outstanding of RRBs increased by 10.3%, from ₹5,24,163 crore in FY 2024–25 to ₹5,78,349 crore in FY 2025–26, the performance of RRBs under the Reserve Bank of India's Priority Sector Lending framework remained strong during the year. The average achievement against the overall PSL prescribed target of 75% reached 91.7% of Adjusted Net Bank Credit (ANBC). Almost all RRBs achieved the overall PSL target, reflecting the RRBs' robust focus on supporting priority sectors and advancing financial inclusion.

Agriculture and allied activities remained the largest component of the RRB credit portfolio, with outstanding credit of ₹3.78 lakh crore, constituting 77% of total Priority Sector Lending. Farm credit accounted for nearly 98% of agricultural lending, thereby supporting crop cultivation, allied agricultural activities and investment in the rural economy

Credit to the MSME sector stood at ₹66,978 crore (13.6% of total PSL), reaffirming the pivotal role of RRBs in supporting rural entrepreneurship and employment generation. Over 95% of MSME lending was directed towards micro enterprises, reflecting the RRBs' focus on financing first-generation entrepreneurs, self-employed individuals, artisans, and small business units in rural and semi-urban areas. Within MSME lending, the services sector accounted for the largest share, followed by manufacturing enterprises and Khadi & Village Industries.

RRBs extended credit of ₹3.49 lakh crore to weaker sections, reaffirming their commitment to financial inclusion and equitable access to institutional credit. In addition, lending for housing, education, renewable energy and social infrastructure continue to support inclusive and sustainable development by promoting human capital formation, household asset creation, clean energy adoption and the creation of local infrastructure.

Overall, the financial performance of RRBs during FY 2025–26 highlights sustained expansion in rural credit, strong alignment with national development priorities and continued support to farmers, micro-enterprises and other underserved segments. RRBs thus remain key pillars in advancing financial inclusion, strengthening rural livelihoods and supporting the Government of India's vision of inclusive and balanced economic growth.

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