Stellar 1.0 2024

Originator: RBL Bank Limited

November 06, 2025

Instrument	Amount (₹ crore)[@]	Balance Tenure (months)[*]	Credit Enhancement (₹ crore)		Rating[1]	Rating Action
			Cash Collateral	Subordination		
Series A1 PTC	39.73	25	9.47	15.50	CARE AA (SO)	Reaffirmed
Series A2 PTC	15.50			-	CARE BBB (SO)	Reaffirmed

[@]After September 2025 payout.

[*]Tenure/door-to-door maturity may change due to prepayments or changes in interest rates if any.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the ratings of the Series A1 PTCs and Series A2 PTCs issued by Stellar 1.0 2024, backed by personal loans receivables originated by RBL Bank Limited (RBL), at 'CARE AA (SO)' [pronounced as Double A (Structured Obligation)] and 'CARE BBB (SO)' [pronounced as Triple B (Structured Obligation)], respectively.

The reaffirmation in the ratings is primarily based on the performance of the underlying loans in the last 15 months post-securitisation, the robust legal structure, the well-defined payment mechanism, the significant build-up in cash collateral (CC) – as a percentage of the balance amount of pass-through certificates (PTCs), the subordination of excess interest spread (EIS), the servicing capability, and overall performance of RBL.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Delinquencies (90+ days past due [DPD]) (as percentage of initial principal outstanding [POS]) of less than 3% and a sustained high collection efficiency (cumulative collection efficiency of over 98%).

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD) (as percentage of initial POS) of over 8% and a sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Deterioration in the credit profile of the originator.
- Utilisation of CC.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

The rating affirmation is based on inter alia, observed and expected performance of pool, presence of credit enhancement, and adherence to the transaction structure.

Detailed description of key rating drivers

Pool performance:

The pool has amortised by ~68% in 15 months post-securitisation, with nil utilisation of CC. The pool has exhibited moderate delinquencies. As of September 2025, overdue (OD) (as a percentage of the initial POS) is 3.92%. The credit enhancement (CE) available is sufficient to sustain the ratings for the balance tenure.

Pool summary (as of September 2025 payout)	
Months post-securitisation	15
Pool amortisation	67.93%
30+ delinquency (percentage of the initial pool POS)	6.45%
90+ delinquency (percentage of the initial pool POS)	3.28%
Overdue amount (percentage of the initial pool POS)	3.92%

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications

Pool summary (as of September 2025 payout)	
Cumulative Collection Efficiency [CCE]*	99.34%
CC (percentage of the balance PTC POS)	17.15%
Cumulative prepayments	8.92%

*includes overdue and advance collections

Key strengths:

- CCE of 99.34% and pool amortisation of ~68% after 15 months post securitisation.
- CC as a percentage of PTC POS is 17.15%, which remains unutilised.
- Well-defined payment mechanism and adherence to the transaction structure.

Key weakness:

- Moderate delinquency with OD of 3.92% (as a percentage of initial pool POS) and 90+of 3.28% (as a percentage of initial pool POS).
- Exposed to inherent credit risk associated with unsecured nature of asset class.

Liquidity:

Series A1 PTCs: Strong

The inherent liquidity in the structure is strong. The interest payouts for Series A1 PTCs are promised monthly, while the principal of Series A1 PTCs is promised to be paid by final legal maturity. In case of delinquency, the payouts are expected to be supported by credit enhancement consisting of CC, principal subordination in the form of Series A2 PTC, and EIS.

Series A2 PTCs: Adequate

The inherent liquidity in the structure for the Series A2 PTC is adequate and it is supported by cash collateral and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover shortfalls. Since the transaction is sensitive to the credit quality of the underlying pool, CareEdge Ratings has analysed the performance of the pool and the overall portfolio performance of the originator. Considering the borrower profile and the nature of the loan, the pool characteristics and the portfolio performance, CareEdge Ratings has taken the average shortfall from 5.00% to 6.00% of the principal outstanding. The base case shortfalls were stressed along with other key factors such as the timing of shortfalls, the recovery assumptions, and the time to recovery. CareEdge Ratings has found that the CE provided is sufficient to cover shortfalls in a stress scenario commensurate with the assigned rating. The pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayments in the range of 0.50%-1.00%.

Key risks, concerns, and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties, such as trustee and banker among others.

Applicable criteria

Policy on Default Recognition

CARE Ratings' methodology for asset/mortgage-backed securitisation

About the Originator / Servicer and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

RBL (erstwhile The Ratnakar Bank Limited) is a Kolhapur-based small-sized old private sector bank, which was incorporated in 1943. The bank was established by the efforts of Babgonda Patil, an advocate from Sangli, and Gangaram Chougule, a merchant from Kolhapur. The bank caters to banking requirements of low- and middle-income segment engaged in trade and commerce. The bank gained status of a scheduled commercial bank in 1959. It underwent radical transformation in FY11 in areas such as

top management, ownership, capital structure, organisational structure, and business verticals. The bank's management team is now headed by R Subramaniakumar, who was appointed for three years from June 10, 2022. Since past 20 years, RBL has been engaged in personal loan business and is an active player in securitisation/bilateral market. As on September 30, 2025, RBL has around five such live pools with initial size amounting to over ₹1,000 crore.

Key financial indicators - RBL

Brief financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	15,437	17,845	8,951
PAT	1,168	695	379
Interest coverage (times)	NA	NA	NA
Total assets*	137,859	145,416	153,337
Net NPA (%)	0.74	0.29	0.57
ROTA (%)	0.92	0.49	0.51

A: Audited; UA: Unaudited; Note: these are latest financial results available
*All the values are per CareEdge Ratings' calculations

Key terms of Servicer Contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the special purpose vehicle (SPV) in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises CC in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. The terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities:

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Pass-through Certificates	-	28-06-2024	9.85	19-10-2027	39.73	CARE AA (SO)
Pass-through Certificates	-	28-06-2024	10.50	19-10-2027	15.50	CARE BBB (SO)

Annexure-2: Rating history for last three years:

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Pass-through Certificates	LT	39.73	CARE AA (SO)	-	1)CARE AA (SO) (09-Aug-24) 2)Provisional CARE AA (SO) (04-Jul-24)	-	-
2	Pass-through Certificates	LT	15.50	CARE BBB (SO)	-	1)CARE BBB (SO) (09-Aug-24) 2)Provisional CARE BBB (SO) (04-Jul-24)	-	-

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Pass-through Certificates	Highly complex

Annexure-5: Lender details

Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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