

Stellar 1.4 2024

Originator: RBL Bank Limited

March 10, 2026

Instrument	Amount (₹ crore) [@]	Balance Tenure (months) [*]	Credit Enhancement (₹ crore)			Rating ¹	Rating Action
			First Loss Facility	Second Loss Facility	Subordination [^]		
Series A1 PTC	59.01	26	8.23	6.74	14.80	CARE AA+ (SO)	Reaffirmed
Series A2 PTC	6.74				8.07	CARE A+ (SO)	Reaffirmed
Second Loss Facility	6.74			-	-	CARE A (SO)	Upgraded from CARE A- (SO)

Details of instruments/facilities in Annexure-1.

[@]After January 2026 payout.

^{*}Tenure/door-to-door maturity may change due to prepayments or changes in interest rates, if any.

[^]Increase in subordination due to turbo amortisation.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the ratings of both, the Series A1 PTC and Series A2 PTC issued by Stellar 1.4 2024, backed by personal loans receivables originated by RBL Bank Limited (RBL), at 'CARE AA+ (SO)' [pronounced as Double A Plus (Structured Obligation)] and at 'CARE A+ (SO)' [pronounced as Single A Plus (Structured Obligation)], respectively. CareEdge Ratings has upgraded the rating of the Second Loss Facility (SLF) issued by Stellar 1.4 2025, to 'CARE A (SO)' [pronounced as Single A (Structured Obligation)] from 'CARE A- (SO)' [pronounced as Single A Minus (Structured Obligation)].

Reaffirmation and upgrade in the ratings is primarily based on the performance of the underlying loans in the last 10 months post-securitisation, the robust legal structure, the well-defined payment mechanism, the significant build-up in cash collateral (CC) and over collateral (OC) – 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 2% and the sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Sustained build-up of CC of over 2x the initial proposed (as a percentage of the balance POS).

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

- Delinquencies (90+ DPD as percentage of initial POS) of over 5% and the 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 action and reaffirmation is based on inter alia, observed and expected performance of pool, presence of credit enhancement, and adherence to the transaction structure.

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

Detailed description of key rating drivers

The transaction structure stipulates timely payment of interest with the repayment of principal on or before the final legal maturity. The transaction features a turbo amortisation, where EIS will be utilised to prepay Series A1 PTCs until they are redeemed in full and post redemption of Series A1 PTCs, the EIS will be utilised to prepay Series A2 PTCs. Principal of Series A2 PTCs is also promised to be paid by final legal maturity.

Pool performance: The pool has amortised by ~51% in 10 months post-securitisation. As of January 2026 payout, overdue (OD) (as a percentage of initial pool POS) is 2.79% and First Loss Facility (FLF) and Second Loss Facility (SLF), which is in the form of FD, stands at 20.28% (as percentage of balance pool POS) with nil utilisation. The credit enhancement (CE) available is sufficient to sustain ratings for the balance tenure.

Pool summary (as of January 2026 payout)	
Months post-securitisation	10
Pool amortisation	50.69%
30+ delinquency (percentage of the initial pool POS)	4.67%
90+ delinquency (percentage of the initial pool POS)	2.79%
Overdue amount (percentage of the initial pool POS)	2.79%
Cumulative collection efficiency (CCE)*	102.39%
FLF (percentage of the balance PTC POS)	12.52%
SLF (percentage of the balance PTC POS)	10.24%
Cumulative prepayments	6.81%

*includes advance collections

Key strengths:

- High CCE of 102.39% (includes advance collections) with Series A1 PTC amortisation of ~59%. Pool amortisation stands at ~51%.
- FLF and SLF as a percentage of PTC POS is ~23%, which remains unutilised, and OC, which is ~12% of PTC POS.
- Well-defined payment mechanism and adherence to the transaction structure.

Key weaknesses:

- Moderate delinquency with OD of 2.79% and 90+ DPD of 2.79% (both as a percentage of initial pool POS).
- Exposed to inherent credit risk associated with unsecured nature of asset class.

Liquidity:

Liquidity – Strong for Series A1 PTCs

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, payouts are expected to be supported by credit enhancement consisting of CC (consisting of FLF and SLF), principal subordination in the form of Series A2 PTCs, OC and EIS.

Liquidity – Adequate for Series A2 PTCs

The inherent liquidity in the structure for the Series A2 PTCs is adequate and it is supported by CC (consisting of FLF and SLF), OC, and EIS.

Liquidity – Adequate for SLF

The inherent liquidity in the structure for the SLF is adequate and it is supported by the FLF 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 5.50% to 6.50% of the POS. 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, basis risk from differing interest rate benchmarks, 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 Ratnakar Bank) is a mid-sized private sector bank, incorporated in 1943. The bank gained the status of a scheduled commercial bank in 1959. The bank is headed by R Subramaniakumar, who was appointed as Managing Director and CEO of the bank for three years effective June 23, 2022. Its total business book stands at ₹217,196 crore as on September 30, 2025. As on September 30, 2025, its operations are across 564 branches with 75% branches solely in metro cities. The banks business correspondence branches stood at 1,347 as on September 30, 2025, of which majority branches were of RBL Finserve Limited (RFL), a wholly owned subsidiary of RBL. 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 income	15,437	17,845	8,951
Profit after tax (PAT)	1,168	695	379
Total assets	137,859	145,416	153,337
Net interest margin (NIM) (%)	4.76%	4.55%	4.08%
Gross non-performing assets (NPA) (%)	2.65	2.60	2.32
Net NPA (%)	0.74	0.29	0.57
Capital adequacy ratio (CAR) (%)	16.18	15.54	15.02

A: Audited; UA: Unaudited; Note: these are latest financial results available

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	-	27-03-2025	8.75	19-03-2028	59.01	CARE AA+ (SO)
Pass-through Certificates	-	27-03-2025	11.00	19-03-2028	6.74	CARE A+ (SO)
Second Loss Facility	-	-	-	-	6.74	CARE A (SO)

Annexure-2: Rating history for last three years:

Sr. No.	Name of 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	59.01	CARE AA+ (SO)	1)CARE AA+ (SO) (05-Jun-25)	1)Provisional CARE AA+ (SO) (26-Mar-25)	-	-
2	Pass-through Certificates	LT	6.74	CARE A+ (SO)	1)CARE A+ (SO) (05-Jun-25)	1)Provisional CARE A+ (SO) (26-Mar-25)	-	-
3	Second Loss Facility	LT	6.74	CARE A (SO)	1)CARE A- (SO) (05-Jun-25)	1)Provisional CARE A- (SO) (26-Mar-25)	-	-

LT – Long term

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
2.	Second Loss Facility	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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