RBL Bank Limited

July 14, 2026

Facilities/Instruments@	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Tier II bonds	SEBI	800.00	CARE AAA; Stable	Upgraded from CARE AA- and removed from Rating Watch with Positive Implications; Stable outlook assigned
Certificate of deposit	RBI	6,000.00	CARE A1+	Reaffirmed

@ Details of instruments/facilities in Annexure-1.

Tier-II Bonds under Basel III are characterised by a point-of-non-viability (PONV) trigger, due to which investor may suffer a loss of principal. PONV will be determined by the Reserve Bank of India (RBI), and is a point at which, the bank may no longer remain a going concern on its own, unless appropriate measures are taken to revive its operations, and thus enable it to continue as a going concern. In addition, difficulties faced by a bank should be such that these are likely to result in financial losses and raising Common Equity Tier-I capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable.

Rationale and key rating drivers

CARE Ratings Limited ('CareEdge Ratings') has upgraded ratings assigned to the long-term instrument of RBL Bank Limited (RB) to "CARE AAA; Stable" while reaffirming ratings assigned to certificate of deposit to "CARE A1+". While arriving at ratings, CareEdge Ratings has assessed standalone financial and operational performance of RBL, factoring in linkages with promoter and majority shareholder, Emirates NBD PJSC (ENBD).

Rating upgrade reflects significant strengthening of RBL Bank's capitalisation profile following the capital infusion of ~₹26,016 crore by ENBD. As a result, the bank's net worth increased to ~₹42,000 crore as on June 30, 2026. The upgrade also factors in RBL's strategic importance within the ENBD group and expectation of continued shareholder support from ENBD.

ENBD is the second-largest bank in the United Arab Emirates (UAE), with total assets of US$331 billion as of March 31, 2026, and is majority-owned by the Government of Dubai through its investment arm. Following the capital infusion in June 2026, ENBD became RBL's promoter, holding an equity stake of ~60% and gaining the right to appoint two-thirds of directors on the bank's Board. The transaction also envisages the amalgamation of ENBD's existing Indian operations with RBL Bank, subject to regulatory approvals, which is expected to increase ENBD's stake to ~62%. ENBD is also expected to drive operational synergies that could improve quality of RBL's deposit franchise and support incremental business growth. The agency also expects ENBD to provide support to RBL, if required, going forward.

Ratings further reflect RBL's healthy capitalisation profile. As on March 31, 2026, the bank reported a Tier-I capital adequacy ratio (CAR) of 12.77% and an overall CAR of 14.25%. These metrics have been substantially strengthened following ENBD's capital infusion, resulting in an estimated CAR of ~35.30%, based on the reported risk-weighted assets as of March 31, 2026. The enhanced capital base provides considerable headroom to support future business expansion.

Ratings also consider RBL's steady and consistent growth in advances and deposits. Comfort is derived from the bank's strategic focus on strengthening its retail portfolio, particularly through accelerated growth in secured retail lending, and the gradual improvement in its deposit profile through a rising share of granular retail deposits.

However, CareEdge Ratings noted the bank's relatively high dependence on bulk deposits and a modest current account savings account (CASA) ratio, which continues to exert pressure on its cost of funds. This dependence is expected to moderate over time, supported by the bank's strengthened capital position. RBL's asset mix continues to include a sizeable proportion of unsecured loans, comprising credit cards, personal loans, and microfinance institution (MFI) exposures. These segments are inherently risk-sensitive and have experienced elevated stress levels, as reflected in higher slippages in recent periods. Consequently, profitability remained moderate, impacted by a relatively high cost-to-income ratio and elevated credit costs arising from stress in the unsecured lending portfolio.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade: Not applicable

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

- Deterioration in credit profile of the promoter or Dilution in support philosophy / shareholding / management control of ENBD.
- Decline in CAR with cushion over the minimum regulatory requirement falling below 3.5%.
- Weakening asset quality with net non-performing assets ('NNPA') ratio remaining above 3.0% on a sustained basis.

Analytical approach: Standalone

CareEdge Ratings has considered standalone RBL's financial and operational performance, while also factoring in linkages and expectation of continued support from its promoter, ENBD considering majority shareholding, promoter status and strategic importance.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that RBL will continue to maintain comfortable capitalisation levels in the near-to-medium term while diversifying its advances in favour of secured retail book and keeping its asset quality under control. Stable outlook also reflects expectation of continued support from its majority shareholder and promoter ENBD.

Detailed description of key rating drivers:

Key strengths

Strong parentage and strategic importance to ENBD

ENBD is a Dubai-based bank that provides a range of financial products and services, including personal, private, investment and corporate banking, Islamic banking, asset management and brokerage services to governments, individuals, corporates and financial institutions. It is the third-largest bank in the Gulf Cooperation Council (GCC) region, and the second largest in the UAE, in terms of total assets. As on March 31, 2026, the bank had total net worth of AED 144 billion and a total asset base of AED 1,217 billion. As on March 31, 2026, ENBD operated through a network of 790 branches across 13 countries. ENBD is backed by the Government of the UAE through its investment arm 'Investment Corporation of Dubai (ICD)' as the largest shareholder of the bank. ENBD is also listed on Dubai Financial Markets ('DFM') with market capitalisation of AED 190 billion as on June 30, 2026.

ENBD also has presence in India and operates as a foreign bank under the branch model. It operates through three branches (Mumbai, Gurugram and Chennai), having a total asset base of ₹12,457 crore, a net worth of ₹2,416 crore and a PAT of ₹84 crore in FY25 (FY refers to April 01 to March 31).

ENBD is now the promoter and majority shareholder in RBL with ~60% shareholding as on June 30, 2026. With the investment, RBL is now classified as a subsidiary of a foreign bank and is expected to derive significant comfort from its parent. ENBD's investment in RBL Bank is in line with its strategic expansion in MENATSA (the Middle East, North Africa, Turkey, South Asia) region. Given the size of investment and scale of RBL, the venture is expected to be strategically important to ENBD. With ENBDs healthy board representations and management control, RBL is expected to derive strategic and managerial support from ENBD. ENBD is also expected to extend support in scaling up RBL's deposit franchise and incremental business by leveraging its strong brand presence and healthy market position.

CareEdge Ratings expects ENBD to provide need-based support to the bank on an ongoing basis.

Healthy capitalisation profile

The bank has demonstrated a strong ability to raise capital over s, enabling it to maintain comfortable capitalisation levels despite healthy growth. The latest capital infusion of ~₹26,016 crore in June 2026 by ENBD has led to an increase in net worth to ₹42,000 crore significantly boosting the company's capitalisation profile. Existing branches of ENBD India operations are expected to merge with RBL, leading to further increase in net worth of the merged entity to ~₹45,000 crore.

As on March 31, 2026, the bank's CAR stood at a comfortable 14.25%, with a Common Equity Tier-I (CET I) ratio of 12.77% (CAR of 15.54% and CET I ratio of 14.06% as on March 31, 2025), compared to CAR of 16.18% and CET I ratio of 14.38% as on March 31, 2024. However, the capital raise will lead to an increase in CAR to ~35.30% (on the basis of risk weighted assets as on March 31, 2026). The bank is well-capitalised to leverage its strong capital base for further growth and expansion. Given the strong capital base, impact of ECL on the capitalisation profile is expected to be negligible.

CareEdge Ratings expects the bank to continue maintaining sufficient capital buffers in the medium term despite subdued accretion to reserves given the strong capital base.

Steady advances growth

The bank has built a diversified portfolio comprising corporate and institutional banking (C&IB), credit cards, commercial banking (CB), business loans and micro loans, while also expanding into newer secured products such as housing loans, loans against property (LAP), rural vehicle finance. In FY26, RBL recorded steady growth of 20.50% (PY: 13.34%) in the retail segment and 27.62% (PY: 5.96%) in the wholesale segment, resulting in overall advances growth of 23.34% (PY: 10.28%). The bank's advances stood at ₹1,14,232 crore as on March 31, 2026 (₹92,618 crore as on March 31, 2025). Disbursements in the unsecured segment were moderate in FY25 due to stress in the MFI book, leading to a decline in the proportion of joint-liability group (JLG) advances to 6.21% as on March 31, 2025, from 8.94% as on March 31, 2024. However, the incremental disbursements under Credit Guarantee Fund for Micro Units (CGFMU 2.0) led to marginal increase in share of JLG loans to 6.74% as on March 31, 2026. However, given the stress in credit cards (including personal loans) segment, share of the same reduced significantly from 22.00% as on March 31, 2025, to 16.82% as on March 31, 2026.

As on March 31, 2026, retail advances accounted for ~59% of the total loan book, with credit cards (including personal loans) (~17%), business loans (15%), microfinance loans (7%), and housing loans (8%) forming key segments. Wholesale advances contributed 41% to total advances, with corporate & institutional banking at 28% and commercial banking at 13%. Within retail, unsecured loans—comprising credit cards, personal loans, and JLG loans—accounted for ~24% of overall advances. CareEdge Ratings understands that the combined share of Cards + JLG is expected to be below ~20% going forward.

CareEdge Ratings expects the bank to continue to grow its advances at a stable pace in the medium term, led by the wholesale and secured retail segment.

Healthy scale up of deposits

The bank's total deposits stood at ₹1,39,018 crore as on March 31, 2026, compared to ₹1,10,933 crore as on March 31, 2025, witnessing growth of ~25% in the deposit base on y-o-y basis. The bank's deposit base is fairly concentrated considering higher reliance on bulk deposits, compared to larger peers, with top 20 depositors accounting for 15.75% of total deposit as on March 31, 2026 (as on March 31, 2025: 13.59%). However, per business update for Q1FY27, RBL bank tactically chose not to renew certain wholesale deposits in Q1FY27, given the excess liquidity available with the bank post the completion of the preferential allotment leading to deposit reduction by ~10% (Q-o-Q) and stood at ₹1,24,813 crore as on June 30, 2026.

The bank has been increasing the proportion of retail deposits in the overall deposits. The proportion of CASA deposits stood at 33.61% as on March 31, 2026 (34.15% as on March 31, 2025) and remains lower than some of its peer private sector banks. The deposit base is expected to benefit with ENBDs strong market standing and expected business synergies leading to healthy scale up of deposit franchise.

Key weaknesses

Asset quality challenges persist on unsecured loans

The bank's unsecured portfolio remains sizeable, forming ~40% of the retail book and ~24% of overall advances as on March 31, 2026. However, the same has reduced significantly from ~47% of the total retail book and ~28% of overall advances as on March 31, 2025. This comprises personal loans, credit cards, and microfinance loans, which were significantly impacted in the COVID-19 period, leading to an erosion in profitability. Although asset quality improved gradually year-on-year since then, the unsecured segment continues to remain vulnerable. However, majority incremental disbursements in MFI has been under CGFMU 2.0, which enables the company to claim in case of losses and hence asset quality under this segment is expected to improve while overall share of MFI is expected to be in a similar trajectory.

The bank's gross non-performing asset (GNPA) ratio moderated to 1.45% as on March 31, 2026, from 2.60% as on March 31, 2025, primarily driven by high write offs in unsecured segment. However, gross slippages continue to remain elevated at 4.14% in FY26 compared to 4.93% in FY25. The bank's provision coverage ratio (PCR; excluding technical write-offs) stood at 73.57% as on March 31, 2026, against 89.02% as on March 31, 2025. CareEdge expects credit cost to be slightly elevated given the impact of ECL transition in near term.

Going forward, CareEdge will continue to monitor RBLs share in unsecured segment and its ability to contain overall slippages.

Moderate profitability

In FY26, the bank reported a total income of ₹18,457 crore and profit after tax (PAT) of ₹822 crore, compared to total income of ₹17,845 crore and PAT of ₹696 crore in FY25.

Non-interest income increased by 8% year-on-year to ₹4,121 crore in FY26 (FY24: ₹3,806 crore), driven by higher commission, exchange and brokerage income, credit card charges, profit on sale of investments/forex, and other miscellaneous income. Operating expenses also increased by ~8% to ₹7,182 crore in FY26 (FY25: ₹6,642 crore), reflecting the bank's continued investments in expanding its branch network, scaling up retail products, and enhancing technology. Consequently, the cost-to-income ratio moderated to 68.52% in FY26 from 64.67% in FY25.

Despite improvement in income, profitability was impacted by elevated credit costs, which stood at ₹2,260 crore (1.38% of average assets) in FY26 compared to ₹2,959 crore (2.08%) in FY25, largely considering stress in the microfinance and Cards segments. As a result, return on total assets (ROTA) continued to be moderate at 0.50% in FY26 compared to 0.49% in FY25.

Going forward, RBL's ability to contain its credit cost, and its ability to achieve operational efficiencies and reduce cost to income shall continue to remain a key monitorable.

Liquidity: Strong [3]

Per the structural liquidity statement as on March 31, 2026, there were no negative cumulative mismatches in the time buckets up to one year. The bank manages its deposit maturities in a particular time bucket by appropriately modifying deposit rates. The bank also has access to systemic liquidity, including RBI's liquidity adjustment facility (LAF), marginal standing facility (MSF), and access to refinancing from Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB), and National Bank for Agriculture and Rural Development (NABARD), among others, and access to call money markets. Liquidity coverage ratio (LCR) for Q4 FY26 stood at a comfortable 130%, well above the regulatory minimum of 100%, while the net stable funding ratio (NSFR) stood at 112.16%.

Environment, social, and governance (ESG) risks

Although RBL's service-oriented business model limits its direct exposure to environmental risks, credit risk may arise if operations of asset classes in the portfolio are adversely impacted by environmental factors. The bank has a well-articulated Board-approved ESG policy. Accordingly, the bank also conducts a detailed E&S risk assessment for large corporate lending and project financing transactions, screening them against an 'exclusion list,' which prohibits funding for activities related to weapons, alcoholic beverages (except beer and wine), tobacco, gambling, and other such sectors.

Social risks in the form of cybersecurity threats or customer data breach or mis-selling practices can affect RBL Bank's regulatory compliance and reputation and hence remain a key monitorable. To address cybersecurity and fraud risk, RBL runs awareness campaigns (such as "RahoCyberSafe") and maintains 24×7 transaction monitoring teams to detect suspicious/fraudulent transactions.

The bank's Board consists of 11 Directors, with seven Independent Directors including one female Director.

Applicable criteria

Definition of Default
Notching by Factoring Linkages in Ratings
Rating Outlook and Rating Watch
Banks
Rating Basel III- Hybrid Capital Instruments issued by Banks
Financial Ratios - Financial Sector
Short Term Instruments

[3] ALM/IRS

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Banks	Private sector bank

RBL (erstwhile Ratnakar Bank) is a mid-sized private sector bank, incorporated in 1943. The bank gained status of a scheduled commercial bank in 1959. The bank is headed by R Subramaniakumar, who was appointed as Managing Director & CEO of the bank for three years from June 23, 2022. Its total gross loan book stands at ₹1,15,464 crore as on March 31, 2026. As on March 31, 2026, its operations are spread across 603 branches with 75% branches across metro cities. The bank's business correspondence branches stood at 1,339 as on March 31, 2026, of which majority belong to RBL Finserve Limited (RFL), a wholly owned subsidiary of RBL.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total income	17,845	18,457
Profit after tax (PAT)	696	822
Total Assets	1,46,725	1,80,685
Net Interest Income / Average Total Assets (NIM) (%)	4.55%	3.89%
Gross non-performing assets (NPA) / gross stage three (%)	2.60%	1.45%
Net NPA (%)	0.29%	0.39%
Capital adequacy ratio (CAR) (%)	15.54%	14.25%

A: Audited; UA: Unaudited; Note: these are latest available financial results; NA: Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds-Tier II Bonds-Proposed	SEBI	Complex	-	-	-	-	800.00	CARE AAA; Stable
Certificate Of Deposit-Proposed	RBI	Simple	-	-	-	-	6000.00	CARE A1+

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 2026-2027	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
1	Bonds-Tier II Bonds	LT	800.00	CARE AAA; Stable	-	1)CARE AA-; (RWP) (31-Oct-2025) 2) CARE AA-; Stable (30-Sept-2025)	1)CARE AA-; Stable (07-Oct-24)	1)CARE AA-; Stable (21-Mar-24) 2)CARE AA-; Stable (27-Sep-23)
2	Certificate Of Deposit	ST	6000.00	CARE A1+	-	1)CARE A1+ (31-Oct-2025) 2)CARE A1+ (30-Sept-2025)	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (21-Mar-24)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

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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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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