

July 07, 2026

RBL Bank Limited: Issuer rating of [ICRA]AAA (Stable) assigned, ratings reaffirmed for other instruments

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]AAA (Stable); assigned
Basel III Tier II bonds	70.00	70.00	[ICRA]AAA (Stable); reaffirmed
Fixed deposit	-	-	[ICRA]AAA (Stable); reaffirmed
Short-term fixed deposit	-	-	[ICRA]A1+; reaffirmed
Certificates of deposit	10,000.00	10,000.00	[ICRA]A1+; reaffirmed
Total	10,070.00	10,070.00	

*Instrument details are provided in Annexure II

Rationale

The ratings factor in RBL Bank Limited's (RBL) strong parentage following the acquisition of a controlling stake by its new promoter – Emirates NBD PJSC (ENBD; rated A1 by Moody's) – through a preferential allotment involving an investment of ~Rs. 26,016 crore in June 2026. In addition, ENBD India's branches are likely to be merged (to ensure compliance with Reserve Bank of India (RBI) regulations) with the bank in the next few months, subject to requisite approvals. Accordingly, RBL's capital profile and liquidity have improved considerably, enhancing its financial flexibility and providing healthy buffer for growth. With the capital infusion, the bank's pro forma (adding fresh infusion to capital and considering risk-weighted assets as on March 31, 2026) CET I and capital-to-risk weighted assets ratio (CRAR) would improve to ~34%¹ and ~35%¹, respectively, from 12.77% and 14.25%, respectively, as on March 31, 2026.

Moreover, the association with ENBD is expected to provide RBL with capital support if needed, improved financial flexibility, and operational and technological synergies. The bank is also likely to benefit from strategic guidance and reputational advantages arising from its integration with a well-established international banking group.

The ratings also consider the healthy growth in advances and the deposit base along with the progressive granularisation of the bank's asset and liability profile over the past few years. However, the earnings profile has remained constrained by elevated credit provisions and high operating expenses, resulting in suboptimal operating profitability. The higher credit costs were due to increased slippages in the unsecured retail portfolio – primarily credit cards and microfinance – which, in turn, moderated the return metrics in FY2025 and FY2026. ICRA expects RBL to benefit from the recent equity infusion and the likely reduction in the cost of funding, leading to an improvement in its net interest margins (NIMs) and return on assets (RoA). Nevertheless, its ability to improve its liability profile and achieve a sustained reduction in the cost of funds will be a long-term driver of profitability.

RBL's operational efficiency is also expected to improve as it scales up further and explores different revenue streams. Additionally, the anticipated reduction in credit costs would support its overall profitability. However, this would depend on the bank's ability to operate in better customer profile and asset segments in the medium-to-long term.

The Stable outlook reflects ICRA's expectation that RBL's credit profile will continue to benefit from ENBD's parentage and it will scale up its operations and profitability while maintaining strong capitalisation and solvency, keeping the same above the negative triggers.

¹ Basis March 2026 financials

Key rating drivers and their description

Credit strengths

Strong parentage with ENBD onboarded as largest shareholder – RBL’s credit profile is expected to benefit significantly from the strong parentage of ENBD, following its capital infusion of ~Rs. 26,016 crore and the acquisition of a controlling stake (~60%). Thus, RBL is now classified as a foreign bank subsidiary with ENBD as the promoter. As per RBI approval, ENBD will have to maintain a stake of at least 51% and it has the right to appoint the majority of the directors on the board. Consequently, it nominated its key management personnel (KMP) to the board. This, together with the current Managing Director (MD) & Chief Executive Officer (CEO) and Executive Director (ED) of the bank, gives it majority representation on the board. Also, ENBD’s established global franchise and strong capital base are expected to enhance RBL’s financial flexibility, funding profile, and overall stability. The association is expected to facilitate access to diversified and relatively lower-cost funding sources.

Headquartered in Dubai, Emirates NBD Bank is one of the largest banking groups in the Middle East and the second largest bank in the United Arab Emirates (UAE; in terms of assets) with total assets of \$331 billion as of March 2026. It was formed in 2007 through the merger of Emirates Bank International (Emirates) and the National Bank of Dubai (NBD) and is majority owned by the Investment Corporation of Dubai (principal investment arm of the Government of Dubai), reflecting strong sovereign linkage. The Group has a diversified business model spanning retail, corporate, Islamic, private and investment banking, supported by a strong domestic franchise and a growing international presence across multiple geographies including the Middle East, Europe and Asia.

Strong capital position – RBL’s capitalisation position remained strong with the CET I and CRAR at 12.77% and 14.25%, respectively, as on March 31, 2026 (14.06% and 15.54%, respectively, as on March 31, 2025). ENBD’s capital infusion has materially boosted the capitalisation profile with pro forma CET I and CRAR at ~34% and ~35%, respectively, enhancing the bank’s ability to support business growth. Prior to this, RBL had also demonstrated its fundraising ability with the equity capital raise of Rs. 1,566 crore in FY2021 and Rs. 2,701 crore in FY2020 despite the weak profitability/losses during these periods. Furthermore, given the improved capital position, the impact of transitioning to the expected credit loss (ECL) framework is likely to remain negligible on RBL’s capital ratios.

Improving deposit base, although share of bulk deposits remains high – Deposit accretion remained healthy, with the overall deposit base growing by 25.3% year-on-year (YoY) to Rs. 1.39 lakh crore as on March 31, 2026. The bank has been progressively increasing the share of retail deposits, which has supported its liquidity coverage ratio (LCR) despite the reduction in on-balance sheet liquid assets. However, the share of granular deposits (<Rs. 3 crore) remained relatively low at 46.0% as on March 31, 2026 (49.8% as on March 31, 2025). While depositor concentration has improved, it continues to be high, with the top 20 depositors accounting for 16% as on March 31, 2026 (14% as on March 31, 2025). Despite improving, RBL’s current account savings account (CASA) ratio (33.6% as on March 31, 2026) continues to trend slightly below the private sector banks’ (PVB) average (36.9%). Additionally, its cost of interest-bearing funds remained high at 5.69% vis-à-vis 5.11% for PVBs in FY2026, largely due to higher deposit rate offerings. Nevertheless, the bank’s ability to mobilise deposits at better rates is expected to improve, going forward, aided by the ENBD deal, coupled with continued efforts towards liability granularisation and branch network expansion. This will be critical for moderating funding costs and supporting profitability, particularly as RBL scales up its presence in relatively lower-yielding secured retail segments.

Credit challenges

Asset quality remains monitorable; credit costs remain high – ICRA notes the moderation in the gross fresh slippage rate to 4.1% of standard advances in FY2026 from 4.9% in FY2025, although it remained above the banking sector average (1.7%). While stress in the microfinance institution (MFI) segment has moderated, slippages in the credit card and personal loan segments continue to be high. Thus, the asset quality will remain monitorable in the coming quarters. Despite the underlying stress, the bank’s headline asset quality metrics, including gross and net non-performing advances (NPAs), have exhibited relatively lower deterioration, supported by sizeable write-offs in line with its internal policy. Consequently, credit costs remained elevated at 1.4% of average total assets (ATA) in FY2026 (2.1% in FY2025), weighing on the profitability and return metrics. However, supported by the healthy provision coverage ratio (PCR), net NPAs remained modest at 0.39% as on March 31, 2026 (0.29% as on March 31, 2025). While RBL continues to guide towards lower slippages, going forward, its ability to do

so amid persistent stress in unsecured retail segments and potential external risks, such as geopolitical uncertainties and supply-side disruptions, will remain monitorable.

Modest profitability; expected to improve, going forward – RBL's changing business mix, involving an increase in the share of retail secured assets and granular liabilities coupled with the scaling up of its in-house credit cards collections team, has resulted in significant operational expenses. Its operating costs/ATA stood at 4.4% in FY2026, remaining above the PVB average (2.3% in FY2026). Moreover, NIMs faced pressure in FY2026, given the faster repricing of assets compared to liabilities in the declining rate environment. This led to a suboptimal operating profit with the core operating profit at 1.8% of ATA in FY2026 (2.3% in FY2025), lower than the PVB average despite the higher share of high-yielding loans in the overall loan book. Further, credit costs remained elevated on account of continued stress in the unsecured segments, leading to RoA of 0.5% in FY2026 (0.5% in FY2025, 0.9% in FY2024 and 0.8% in FY2023). With the onboarding of the new promoter, RBL's ability to shift to better asset quality segments and structurally bring down credit losses will be monitorable. The reduction in the leverage, following the equity infusion, along with the expected improvement in the cost of funds and scaling up of the operations could support an improvement in the bank's RoA; this will remain monitorable. However, a meaningful improvement in the return on equity will take some time.

Environmental and social risks

While banks like RBL do not face material physical climate risks, they are exposed to environmental risks indirectly through their asset portfolio. If the entities or businesses, to which banks and financial institutions have exposure, face business disruptions because of physical climate adversities or if they face climate transition risks because of technological, regulatory or customer behaviour changes, the same could translate into credit risks for banks. However, such risks are not material for RBL as it benefits from adequate portfolio diversification. Further, the lending is typically short-to-medium term, allowing it to adapt and take incremental exposure to businesses that face relatively fewer downside environmental risks.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for banks as material lapses could be detrimental to their reputation and invite regulatory censure as seen in the case of other banks in the recent past. Banks, including RBL, also remain exposed to fraud risks, given the operational intensity of the business and the significantly high level of manpower involved in providing services to the customers.

Customer preference is increasingly shifting towards digital banking, which provides an opportunity to reduce operating costs. RBL has been at the forefront of making the requisite investments to enhance its digital interface with its customers. While it contributes to promoting financial inclusion by lending to the underserved segments, its lending practices remain prudent, as reflected in the healthy asset quality numbers in this segment compared with its peers.

Liquidity position: Strong

With the increasing granularity of deposits, the bank's LCR has improved despite the lower excess statutory liquidity ratio (SLR). The daily average LCR was 130% in Q4 FY2026, supported by the excess SLR of ~3% of net demand and time liabilities (NDTL) on the fortnightly reporting date of May 31, 2026 (over the regulatory minimum of 18%). The excess SLR can be utilised to avail liquidity support from the RBI (through repo) apart from the marginal standing facility in case of urgent liquidity needs. The latest infusion of equity has boosted RBL's surplus funds, supporting its liquidity.

Rating sensitivities

Positive factors – Not applicable as the ratings for all the instruments are at the highest possible level

Negative factors – Any deterioration in the credit profile of ENBD or lack of adequate funding support to maintain RBL's capital and liquidity cushions, if required, will be a negative factor. Further, a sustained RoA of less than 1% and/or a decline in the capital cushions to less than 4% in relation to the Tier I regulatory levels on a sustained basis will be negative triggers. Besides, a material deterioration in the asset quality or capital position, leading to the weakening of the solvency profile with NNPA/core equity of more than 15% on a sustained basis. Moreover, a material weakening in the bank's liability franchise, impacting its resource profile, will be a negative factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Rating Methodology for Banks and Financial Institutions
Parent/Group support	ENBD, the promoter, has a 60% stake in RBL, which will operate as a foreign bank subsidiary and is hence expected to remain strategically important to the parent. Thus, the ratings factor in the high likelihood of operational, financial and management support from ENBD, given RBL's strategic importance to the Group.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of RBL. However, in line with ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and the extraordinary support that it is expected to extend to its subsidiary.

About the company

Established in 1943, Maharashtra-based RBL Bank Limited received the status of a scheduled commercial bank in 1959. Following a management change in FY2011, RBL's corporate office was shifted to Mumbai. Besides, its shareholding pattern changed in FY2011 with equity infusions from various private equity funds. From its erstwhile name of Ratnakar Bank Limited, it was renamed RBL Bank Limited in mid-2014. RBL was listed on Bombay Stock Exchange and National Stock Exchange after its initial public offering (IPO) in August 2016. On June 18, 2026, ENBD acquired a 60% stake in the bank. Hence, RBL has been redesignated as a subsidiary of ENBD and will operate under the foreign bank subsidiary model in India.

RBL FinServe Limited, its subsidiary, acts as a business correspondent for the bank, sourcing microfinance loans through its branches along with distributing various financial services and products. As on March 31, 2026, RBL had 603 branches, 415 ATMs and 1,339 business correspondent branches (through RBL FinServe Limited).

About ENBD

Dubai-based ENBD, established in October 2007, is the second largest bank in the UAE (in terms of assets) with total assets of \$331 billion as of March 2026. Its net profit stood at \$1.7 billion in Q1 CY2026 (\$6.5 billion in CY2025). ENBD also has a presence in India and operates as a foreign bank under the branch model. It conducts operations through three branches (Mumbai, Gurugram and Chennai), with a total asset base of Rs. 12,457 crore, a net worth of Rs. 2,416 crore and a profit after tax (PAT) of Rs. 84 crore in FY2025.

Key financial indicators (standalone)

RBL Bank Limited	FY2025	FY2026
Total income	9,893	10,095
Profit after tax	695	822
Total assets (Rs. lakh crore)	1.47	1.81
CET	14.06%	12.77%
CRAR	15.54%	14.25%
Net profit/ATA	0.49%	0.50%
Gross NPAs	2.60%	1.45%
Net NPAs	0.29%	0.39%

Source: RBL Bank Limited, ICRA Research; Amount in Rs. crore unless specified otherwise; Total income = Net interest income + Non-interest income (excluding trading gains); All calculations as per ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)				Chronology of rating history for the past 3 years							
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jul-07-2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	-	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-
Certificates of deposit	Short term	10,000.00	[ICRA]A1+	Jun-25-2026	[ICRA]A1+	Aug-25-2025	[ICRA]A1+	Aug-21-2024	[ICRA]A1+	Aug-16-2023	[ICRA]A1+
						Oct-29-2025	[ICRA]A1+	-	-	-	-
						Dec-17-2025	[ICRA]A1+				
Short-term fixed deposit	Short term	-	[ICRA]A1+	Jun-25-2026	[ICRA]A1+	Aug-25-2025	[ICRA]A1+	Aug-21-2024	[ICRA]A1+	Aug-16-2023	[ICRA]A1+
						Oct-29-2025	[ICRA]A1+	-	-	-	-
						Dec-17-2025	[ICRA]A1+				
Basel III Tier II bonds	Long term	70.00	[ICRA]AAA (Stable)	Jun-25-2026	[ICRA]AAA (Stable)	Aug-25-2025	[ICRA]AA- (Stable)	Aug-21-2024	[ICRA]AA- (Stable)	Aug-16-2023	[ICRA]AA- (Stable)
						Oct-29-2025	[ICRA]AA-; Rating Watch with Positive Implications	-	-	-	-
						Dec-17-2025	[ICRA]AA-; Rating Watch with Positive Implications				
Fixed deposit	Long term	-	[ICRA]AAA (Stable)	Jun-25-2026	[ICRA]AAA (Stable)	Aug-25-2025	[ICRA]AA- (Stable)	Aug-21-2024	[ICRA]AA- (Stable)	Aug-16-2023	[ICRA]AA- (Stable)
						Oct-29-2025	[ICRA]AA-; Rating Watch with Positive Implications	-	-	-	-
						Dec-17-2025	[ICRA]AA-; Rating Watch with Positive Implications				

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. no.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. no.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Basel III Tier II bond programme	Highly Complex
Fixed deposit programme	Simple
Short-term fixed deposit programme	Simple
Certificates of deposit programme	Simple
Issuer Rating	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Basel III Tier II bonds	Yet to be placed	-	-	70.00	[ICRA]AAA (Stable)
NA	Fixed deposits	NA	NA	NA	-	[ICRA]AAA (Stable)
NA	Issuer Rating	NA	NA	NA	-	[ICRA]AAA (Stable)
NA	Short-term fixed deposits	NA	NA	NA	-	[ICRA]A1+
NA	Certificates of deposit	Yet to be placed	-	7-365 days	10,000.00	[ICRA]A1+

Source: RBL Bank Limited; Certificates of deposit outstanding as on June 29, 2026

Key features of rated debt instruments

The servicing of the fixed deposits and certificates of deposit is not subject to any capital ratios and profitability. However, the Basel III Tier II bonds are expected to absorb losses once the point of non-viability (PONV) trigger is invoked by the RBI. These bonds have equity-like loss-absorption features. Such features may translate into higher loss severity vis-à-vis conventional debt instruments.

Annexure III: List of entities considered for consolidated analysis

Company name	RBL Bank ownership	Consolidation approach
RBL FinServe Limited	100%	Full consolidation

Source: RBL Bank Limited

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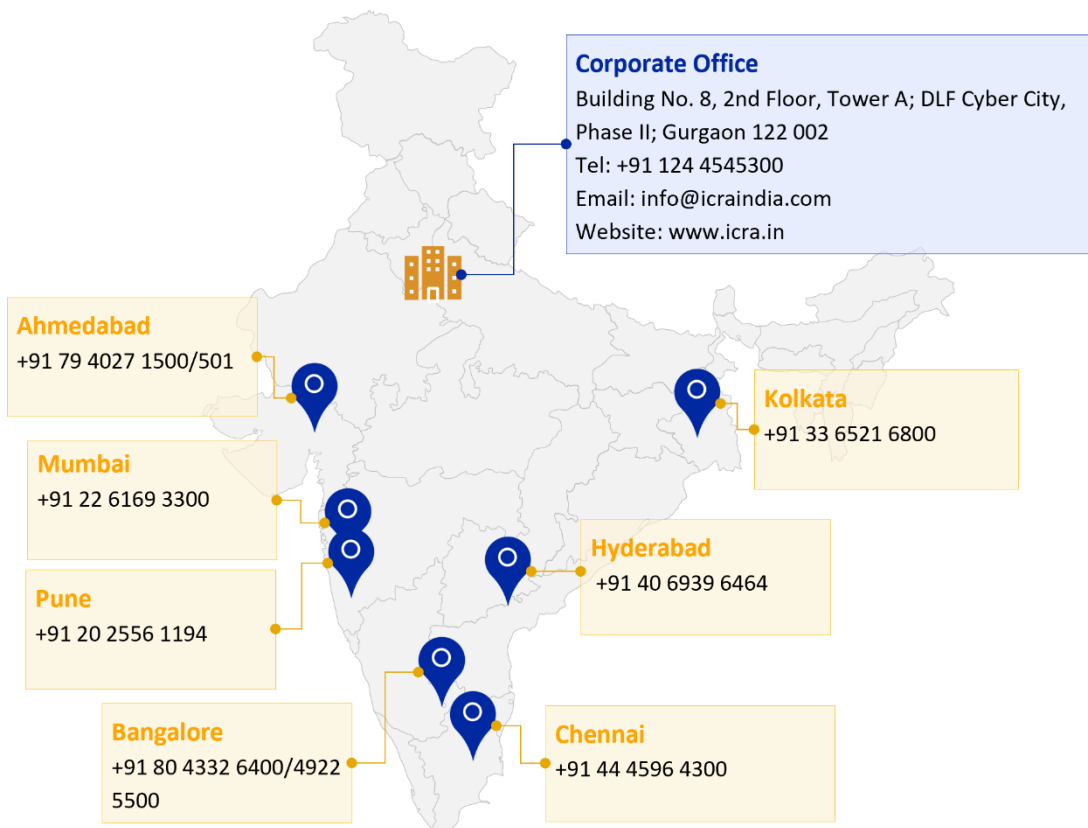
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