MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns First-Time Baa2 Issuer Ratings to India's RBL Bank Ltd.; Outlook stable

30 Jul 2026

Singapore, July 30, 2026 -- Moody's Ratings (Moody's) assigns a first-time Baa2/P-2 long-term (LT) and short-term (ST) local-currency (LC) and foreign-currency (FC) deposit ratings, Baa2/P-2 LT and ST LC and FC issuer ratings, Baa2/P-2 LT and ST LC and FC Counterparty Risk Ratings, Baa2(cr)/P-2(cr) LT and ST Counterparty Risk Assessments as well as ba1 Baseline Credit Assessment (BCA) and baa2 Adjusted BCA to RBL Bank Ltd.

The ratings outlook, where applicable, is stable, reflecting our expectation that the bank's credit profile will be broadly stable over the next 12 to 18 months.

RATINGS RATIONALE

RBL's Baa2 issuer and deposit ratings incorporate the bank's ba1 BCA and a two-notch uplift for affiliate support, based on our assumption of a very high probability of support from its largest shareholder, United Arab Emirates (UAE, Aa2 stable)-based Emirates NBD Bank PJSC (ENBD, A1 stable, baa2), in times of need.

RBL's ratings do not receive an uplift from government support because the bank's Baa2 LT deposit ratings are already higher than India's sovereign rating (Baa3 stable). Further, in times of need, we expect that the Indian authorities will expect ENBD to support the bank and hence we incorporate a low likelihood of support from the Government of India into the ratings.

RBL is a mid-sized private sector bank with total assets of around INR 1.9 trillion as of June 2026. The bank operates a diversified business model spanning retail, commercial and corporate banking, with retail loans accounting for around 55% of total advances.

In June 2026, ENBD acquired a controlling stake of 60% in RBL through an investment of INR 260 billion (USD 2.75 billion), representing the largest foreign direct investment in an Indian bank at the time. Over the coming months, ENBD plans to integrate its existing Indian branch operations into RBL. As the majority shareholder, ENBD will hold majority representation on RBL's board and play a key role in shaping the bank's governance, strategic direction, business growth, and operational development. ENBD will also consolidate RBL in its financials and we expect RBL represents a very important subsidiary outside of its home market.

Following the capital infusion and strategic support from ENBD, we expect RBL's business profile to undergo significant transformation over the next two to three years. Management's strategy is focused on strengthening the bank's franchise and competitive position within the banking sector through investments in its branch network, improving the quality and stability of its deposit base, and expanding lending to higher-quality corporate borrowers.

RBL's ba1 BCA reflects our expectation that its franchise strength will gradually improve over the next 2-3 years, while its capitalization will remain robust and well above that of rated Indian peers. These strengths offset risks from its modest asset quality and moderate, albeit improving, profitability. The standalone assessment also takes into account the bank's modest funding, which we expect to strengthen over time as the bank invests in expanding its branch network, enhancing its market presence, and deepening customer relationships.

RBL's capitalization is very strong. We estimate its Tangible Common Equity (TCE) to Risk Weighted Assets (RWA) ratio at about 32% as of June 2026, reflecting the capital infusion from ENBD. While capital ratios will moderate from current levels as capital consumption outpaces internal capital generation, we expect the bank's capitalization to remain stronger than that of similarly rated peers over the next two to three years.

RBL's asset quality is moderate. Nonperforming loans (NPL) ratio declined to 1.3% as of June 2026 from 2.8% a year earlier, supported by write-offs due to the challenges seen in the bank's credit card and microfinance loans. We expect credit quality of these two portfolios to gradually improve and the bank's NPL ratio, adjusted for write-offs, to improve over the 12-18 months, from the elevated levels at the end of fiscal 2026.

With the bank's transformation and the recent capital infusion, we expect loan growth to accelerate to above 20% annually over the next 2-3 years. While this expansion could give rise to seasoning risks associated with rapid portfolio growth, we view these risks as mitigated by the bank's focus on higher-quality borrowers and secured retail products, supported by lower funding costs and an improving funding profile.

The bank's profitability is moderate and remains below that rated Indian peers. While we expect profitability to gradually increase over the next 2-3 years, supported by lower funding costs and a strong business profile, these gains will be partly offset by higher operating expenses due to expansion of the branch network and investments in business transformation and franchise development.

RBL's funding profile is constrained by its relatively small franchise, resulting in higher cost of funds compared to peers. We expect RBL's funding transformation will take more than 2-3 years as it expands its branch network and seeks to increase the share of retail deposits. In the meantime, the bank will grow its wholesale and foreign currency deposits, albeit at lower costs than before reflecting the improved franchise strength.

Meanwhile, RBL maintains strong liquidity, reflected in an average quarterly liquidity coverage ratio (LCR) of around 135% over the past two years.

The rating incorporates ESG considerations under our General Principles for Assessing Environmental, Social and Governance (ESG) Risks methodology. The assigned Credit Impact Score of 2 reflects our view that ESG considerations have a limited ratings impact because a very high level of affiliate support mitigates the impact on the ratings. The bank faces moderate exposure to governance risks, primarily relate to execution risk associated with its growth strategy, which remains largely untested, and the relatively limited tenure, within the bank, of certain recently appointed senior management members, despite extensive industry experience.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

We could upgrade RBL's ratings if ENBD's BCA is upgraded by more than one notch.

We could upgrade RBL's BCA if its franchise strength improves as reflected by lower funding costs and improving profitability. The BCA upgrade will also be subject to improvement in underwriting, as well as return on tangible assets improving above 1.2% on a sustained basis and its TCE/RWA ratio staying above 20%.

We could downgrade RBL's ratings if ENBD's ability or willingness to provide support weakens; ENBD's BCA is downgraded; or there is a downgrade of RBL's BCA.

We could lower RBL's BCA if its TCE/RWA declines below 15% without an improvement in profitability and franchise. A significant weakening in the bank's funding and liquidity would also be negative for the BCA.

METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at https://ratings.moodys.com/rmc-documents/454566. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

RBL's "Assigned BCA" of ba1 is positioned two notches below the "Financial Profile" score of baa2, reflecting qualitative adjustments for asset risk related to the bank's customer profile and unseasoned portfolios, as well as funding considerations stemming from deposit concentration and its modest deposit market share.

RBL Bank Ltd. is headquartered in Mumbai and reported total assets of INR 1.9 trillion as of 30 June 2026.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

Chong Jun Wong
AVP - Ratings

Alka Anbarasu

Exec Dir - Ratings

Releasing Office:
Moody's Investors Service Singapore Pte. Ltd.
71 Robinson Road #05-01/02
Singapore, 068895
Singapore
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE

REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.ir.moodys.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V, I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Calificadora de Riesgo S.A., Moody's Local CR Calificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Calificadora de Riesgo S.R.L. and Moody's Local GT S.A.(collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.