Capital Trust
(CIN-L65923DL1985PLC195299)

January 31, 2018

National Stock Exchange of India Limited
Exchange Plaza Bandra Kurla Complex
Bandra East Mumbai-400051
Symbol-CAPTRUST

Department of Corporate Services
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Scrip Code-511505

Dear Sir,

Sub: <u>Investor Presentation</u>

We are hereby enclosing Investor Presentation of the Company for the quarter ending 31st December, 2017.

This is for your information.

Thanking you,

Yours faithfully,
For Capital Trust Limited

Vinod Raina
Head – Compliances.

Contact no.:- 9999074312
Email:- cs@capital-trust.com

Capital Trust

INVESTOR PRESENTATION Q3 FY18

Empowering Enterprises

Enriching Lives

INDIA SME 100 Awards

Celebrating SME Achievers of 2015-16

32 YEARS IN BUSINESS

CONTENTS

COMPANY OVERVIEW

ABOUT THE COMPANY

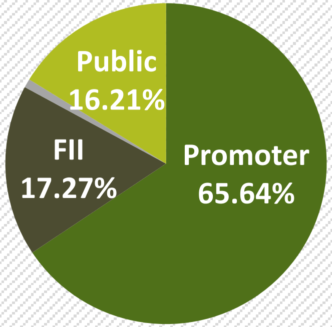
Capital Trust

BACKGROUND

- Incorporated in 1985
- Promoted by prominent bankers including former Governor RBI, Chief Justice of India
- Initial Business was advisory to foreign banks
- Listed on BSE (in 1985) and NSE (in 2016)
- Started providing Micro loans in 2008

As on 31.12.2017

AUM:	Clients:	Branches:	Employees:	Bank Borrowings:	Profit After Tax:	Net Worth:	Credit Rating:
Rs. 717 Crores	1.54 Lakhs	220	1955	Rs. 536 Crores	Rs. 9.44 Crores	Rs. 220 Crores	BBB+



QUARTER UPDATES

UPDATES OF PREVIOUS QUARTER

Capital Trust

Highlights

- Disbursed **Rs. 143 Crores**
- Added **25,910 new clients**
- Operations started in **Jharkhand and Chhattisgarh**
- Opened **38 new branches**
- Added **240 (net) new employees, including Risk Head, HR Head**
- Additional **Borrowing of Rs. 95 Crores**

BUSINESS MODEL

UNIQUE BUSINESS MODEL

Capital Trust

Capital Trust Microfinance

MFIs
(Rs. 15K – Rs. 1Lac)

Capital Trust Limited

MISSING MIDDLE
(Rs. 1Lac – Rs. 10Lacs)

Banks and large NBFCs

ASSET FINANCING
(Rs 10Lacs onwards)

Rs. 1.05Lac loan
Footwear Business (Saharanpur)

Rs. 2Lac loan
Yarn Production (Hapur)

Rs. 3Lac loan
Cloth Store (Bareilly)

Rs. 5Lac loan
Handloom Business (Hathras)

EMPOWERING MICRO ENTERPRISES

CapitalTrust

MICROFINANCE | MSME | ASSET FINANCING

MSME SECTOR

94% of India's 2.65 Crore MSME's are unregistered, hence don't have access to traditional banking

8% of all Microfinance clients graduate to the next economic level each year but do not have access to traditional forms of funding (Mfin)

* Axis Securities Microfinance Report 2016
** IFC Report on Indian MSMEs (2015)

WHO

Typically family-run organizations that employ 1 - 10 people

WHY

MFIs not allowed to provide loans in this ticket size by RBI

Lack of comprehensive formal documentation of accounts, income and business transactions

WHY US

Methods and products designed to meet the customer requirement

Timely credit; feet-on-street model with transparent policies

LOAN PRODUCTS

Capital Trust

MICROFINANCE INDUSTRY

- Loans from Rs. 20,000 – Rs. 30,000
- Tenure: 24 months
- Joint Liability
- Interest Rate: 24.6%

MSME INDUSTRY

Micro-Enterprise Loan

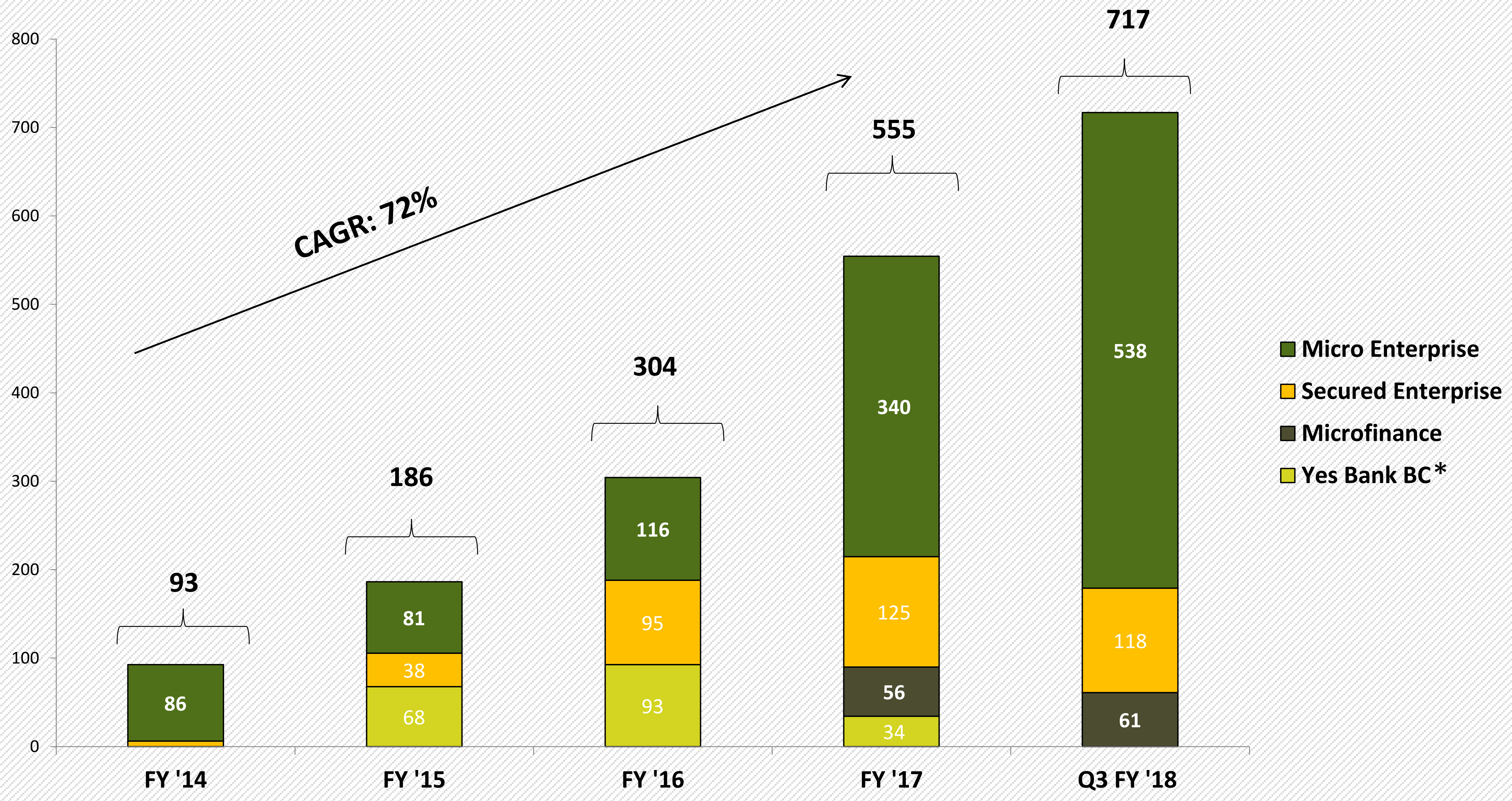
- Loans of Rs. 1,05,000
- Tenure: 36 months
- Joint Liability
- Interest Rate: 26%

Secured-Enterprise Loan

- Loans from Rs. 1,00,000 – Rs. 10,00,000
- Tenure: 36 – 48 months
- Secured by original property documents of client
- Interest Rate: 28% - 30%

PRODUCT UPDATE

CapitalTrust



* Microfinance Loan as a Business Correspondent

OPERATING MODEL

GEOGRAPHICAL PRESENCE

Capital Trust

Existing States
Proposed States

PUNJAB
Branches: 41
Portfolio: 159 Crores

DELHI
Branches: 4
Portfolio: 19 Crores

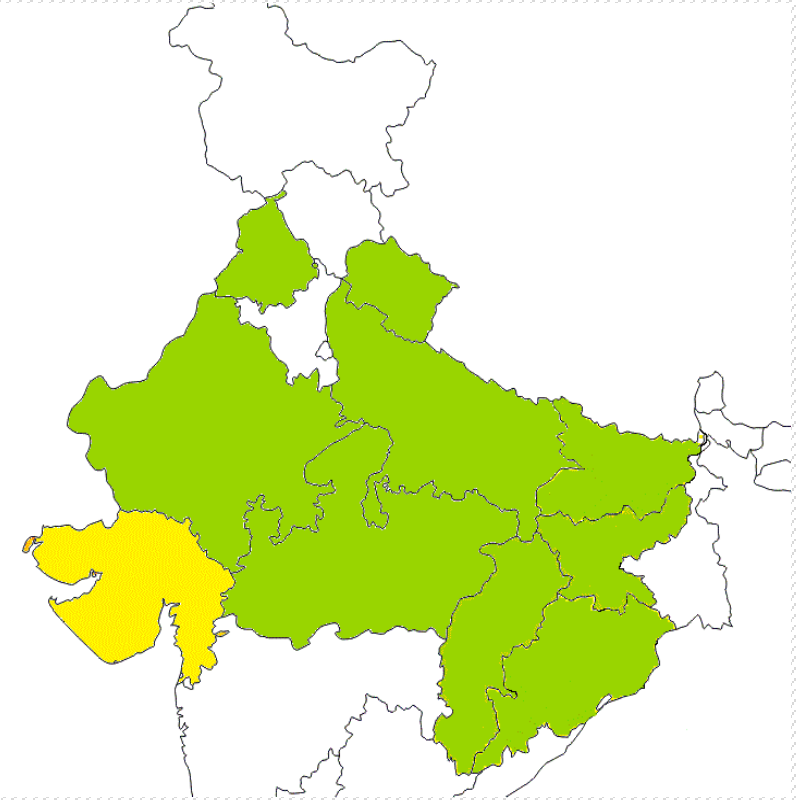
RAJASTHAN
Branches: 31
Portfolio: 89 Crores

UTTARAKHAND
Branches: 17
Portfolio: 64 Crores

MADHYA PRADESH
Branches: 25
Portfolio: 66 Crores

UTTAR PRADESH
Branches: 65
Portfolio: 303 Crores

GUJARAT



BIHAR
Branches: 18
Portfolio: 12 Crores

CHHATISGARH
Branches: 4
Portfolio: .5 Crores

JHARKHAND
Branches: 5
Portfolio: .5 Crores

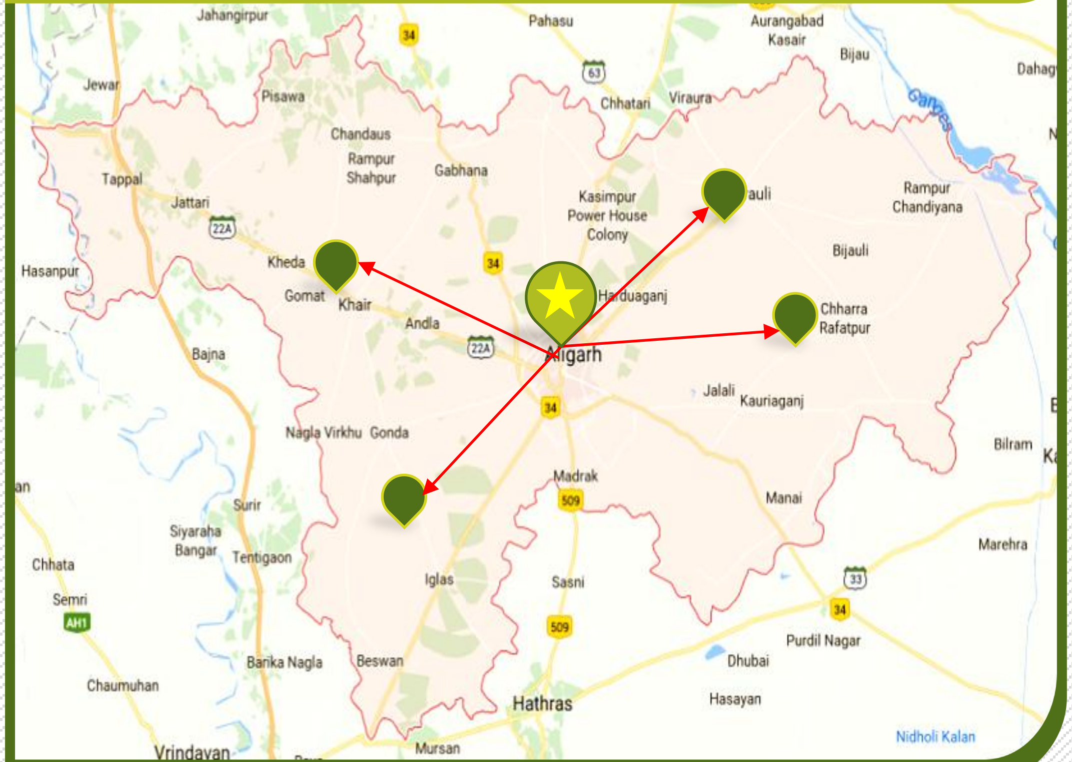
ODISHA
Branches: 10
Portfolio: 4 Crores

BRANCH NETWORK

CapitalTrust

HUB-AND-SPOKE MODEL

ALIGARH DISTRICT



DISTRICT LEVEL BRANCH

BLOCK LEVEL BRANCH

DISTRICT OFFICES

Aligarh

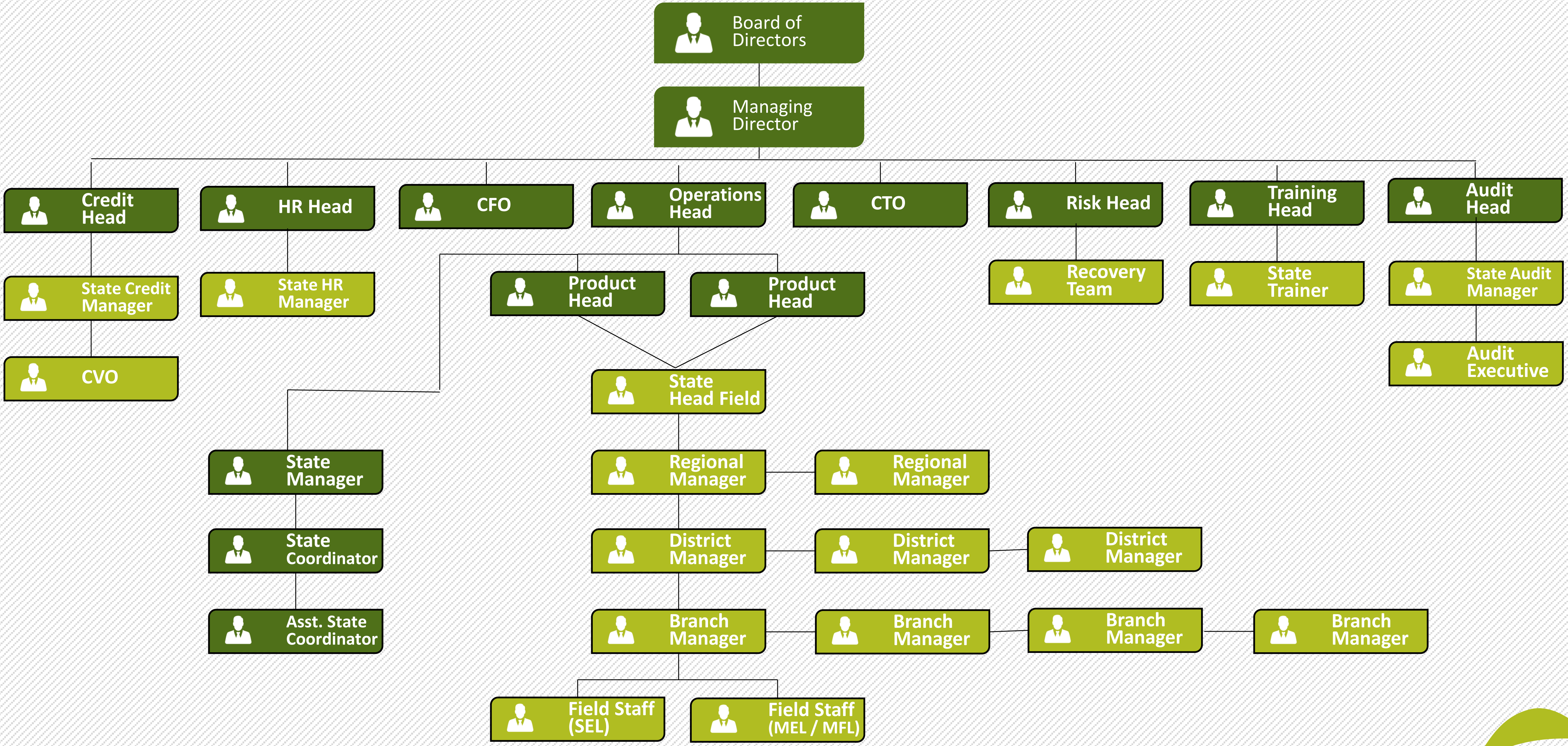
Bijnor

Khanpur

Sehore

ORGANIZATIONAL STRUCTURE

CapitalTrust



OPERATIONAL AND IT PROWESS

Cashless Disbursement for all products since April 2015

Staff empowered with smartphones with access to customized mobile application

Client on-boarding and in-principle approval from scanning of client's Aadhar card

Information available to staff for collections on real-time basis at remotest location in country

Paperless Audit and closing of EOD cashbook branch-wise at 6PM

One of the most technologically advanced NBFCs in this sector

RECOVERY UPDATE

CHAIN OF EVENTS

Received negligible repayments in UP, bordering branches of UKH

Even if client has paid 100% of installments since, reflecting as a NPA due to lagging installments of Nov, Dec, Jan, Feb

Demonitisation | UP Farm Loan Waiver Rumors | UP Election Results | Cow Slaughter Ban

8 Nov | Dec '16 | Mar '17 | Jun '17 | Sep '17 | Dec'17

8 Nov

AUM: 477Cr
UP AUM: 342Cr
% of AUM in UP: 72

Company decision to **focus on recovery** and **not restructure / give top up loans to any client**

15 January:

MP, RJ, PUN back to 100% collection efficiency

11 March:

Cash released back in system in UP.

Company decision to **make the client active** and not force on lagging installments

15 June:

UP collection efficiency at 95%.

Disbursements at pre-demonitisation levels.

Started operations in **new states of Bihar and Odisha**

Sep '17

Company collection efficiency at 100%+

Highest ever disbursement in a month (79C).

Dec'17

AUM: 717Cr
UP AUM: 303Cr
% of AUM in UP: 42

Company collection efficiency at 111%

Started operations in **new states of Jharkhand and Chhattisgarh**

567 Crores of new loans disbursed with cumulative collection efficiency of 99.85% (January onwards)

STATEWISE COLLECTION EFFICIENCY

Rajasthan

Portfolio: 89 Crores

Dec '17
100%

Madhya Pradesh

Portfolio: 66 Crores

Dec '17
100%

Punjab

Portfolio: 159 Crores

Dec '17
98%

Bihar

Portfolio: 12 Crores

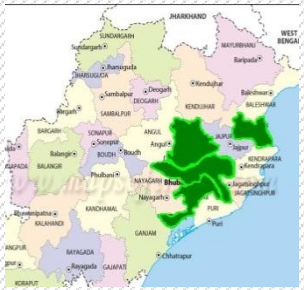
Dec '17
100%

Company-wide

Portfolio: 717 Crores

Dec '17
111%

Odisha



Portfolio: 4 Crores

Dec '17
100%

Uttar Pradesh

Portfolio: 303 Crores

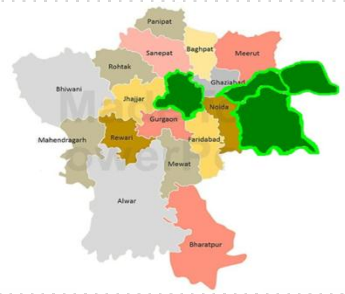
Dec '17
123%

Uttarakhand

Portfolio: 64 Crores

Dec '17
128%

Delhi

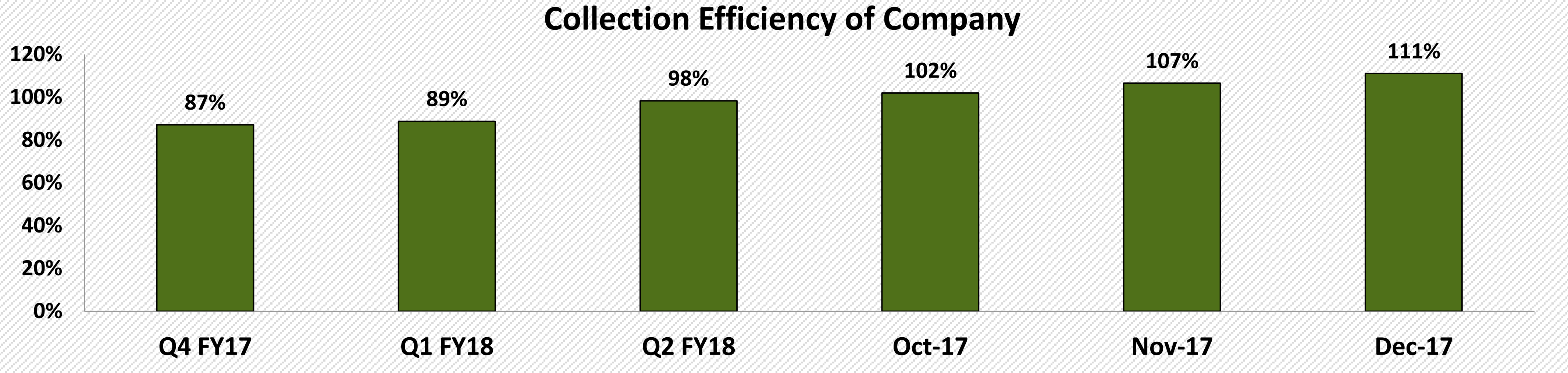


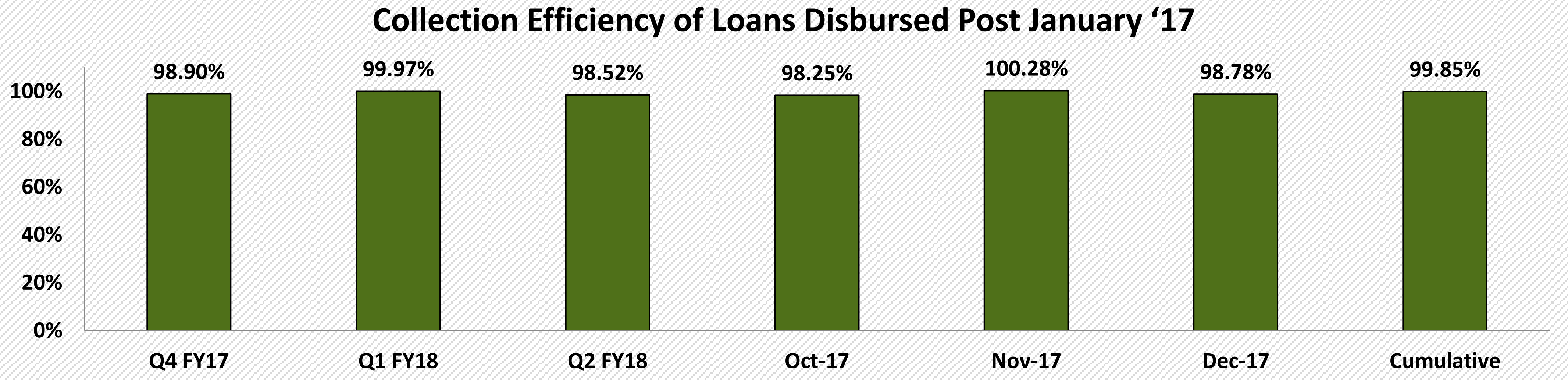
Portfolio: 19 Crores

Dec '17
101%

CUMULATIVE COLLECTION EFFICIENCY

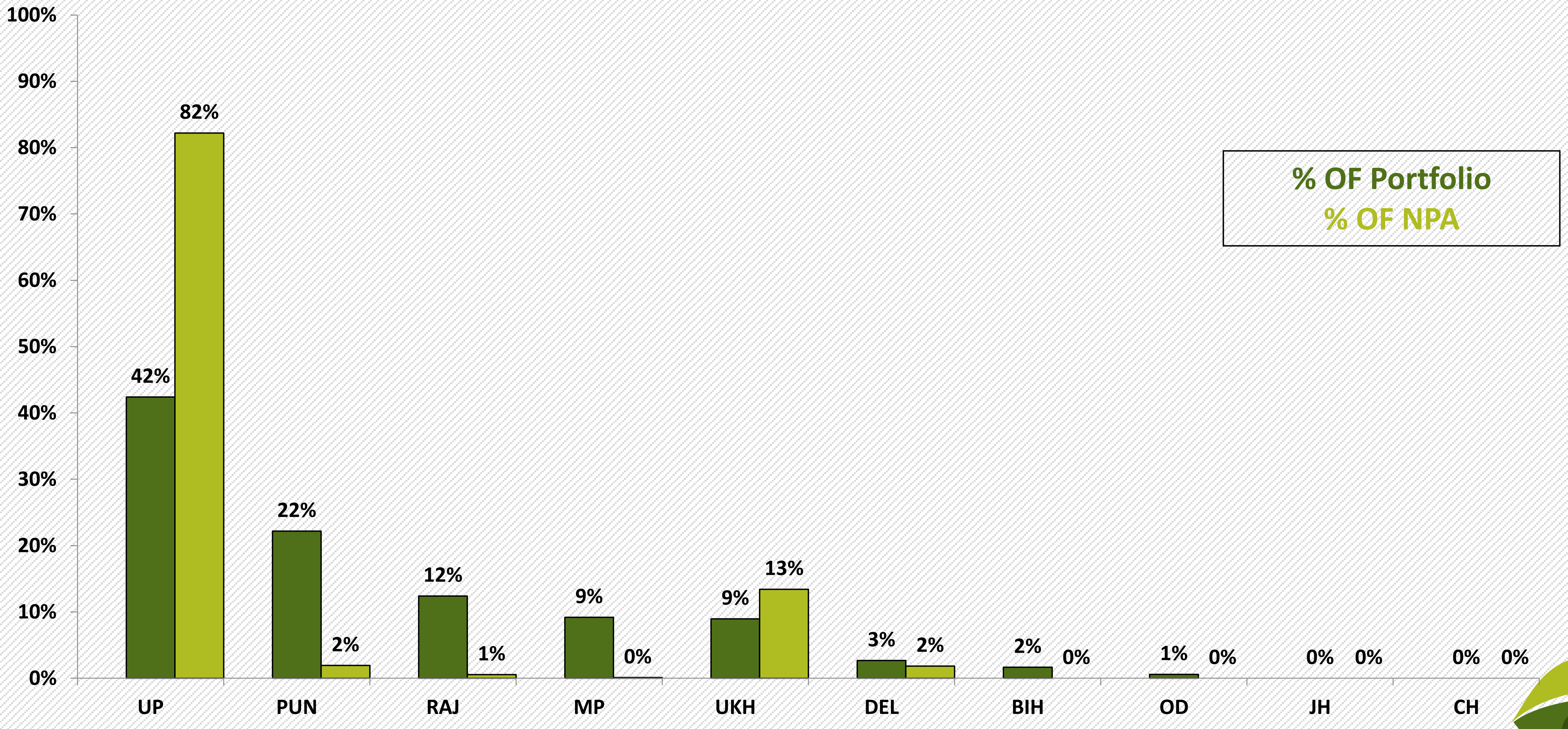
Not only has the **company collection efficiency reached 100%+ levels**, the **loans disbursed post January 2017** have been performing extremely well, with a **collection efficiency of 99.85%**





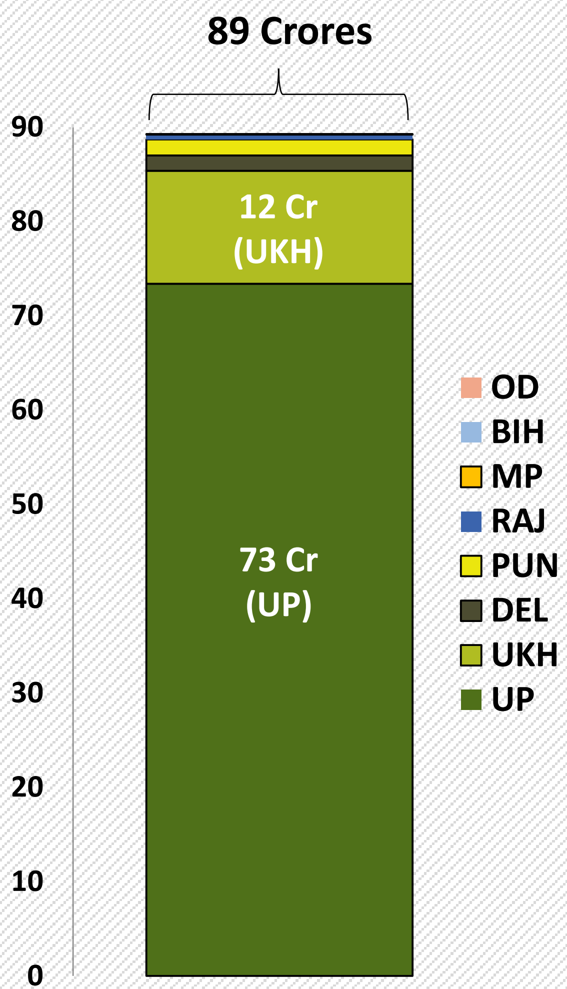
STATE-WISE PORTFOLIO AND NPA

The company has been **reducing its exposure in Uttar Pradesh** as it was worst affected by the advent of demonitisation. From **74% of the portfolio as on 8 Nov, 2016**, UP contributes to **42% of the portfolio as on Q3 FY18**. The portfolio in UP is responsible for 82% of the company NPA

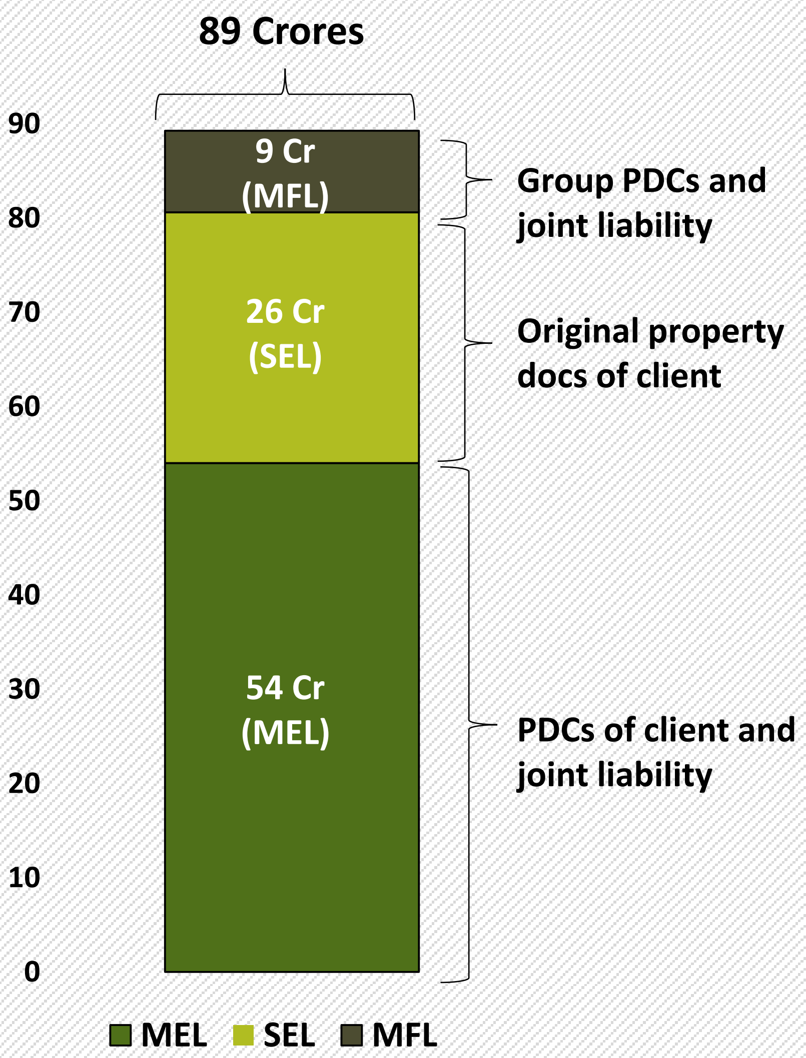


NPA SEGREGATION

State-wise NPA distribution

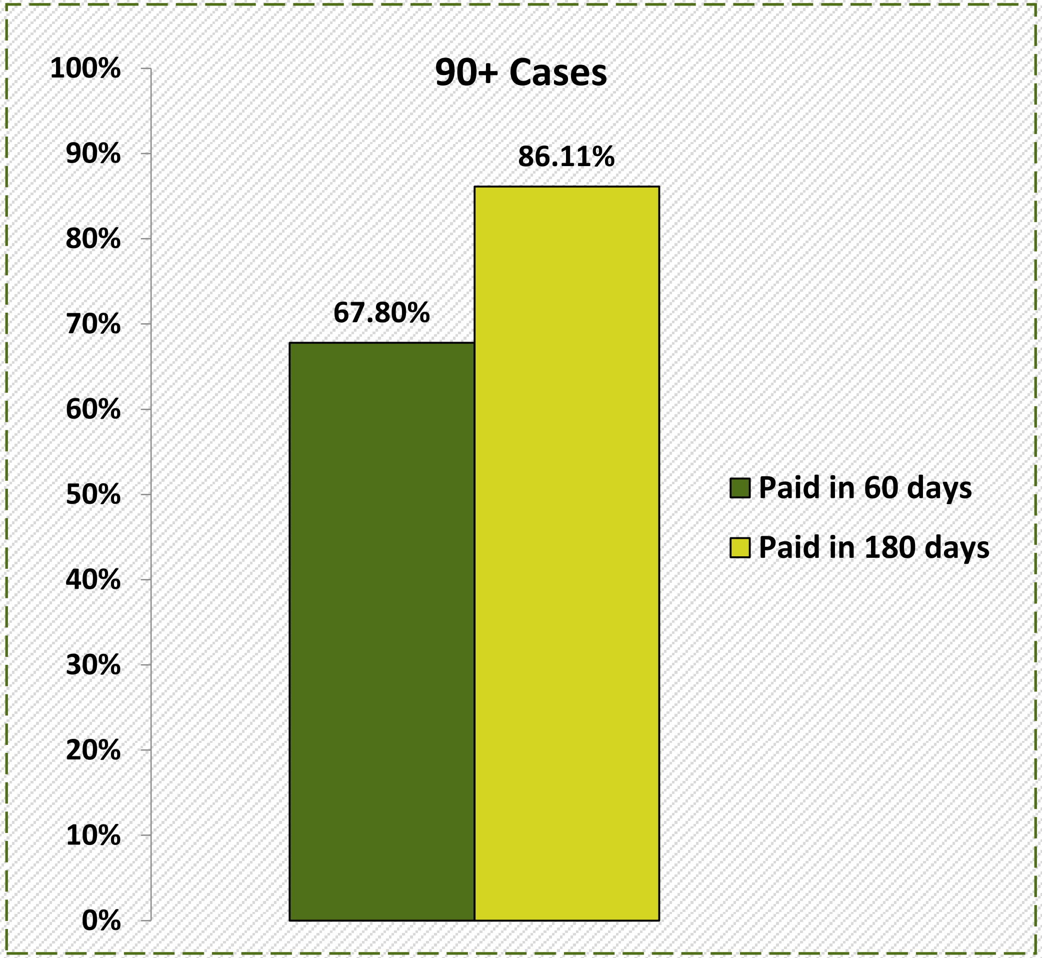


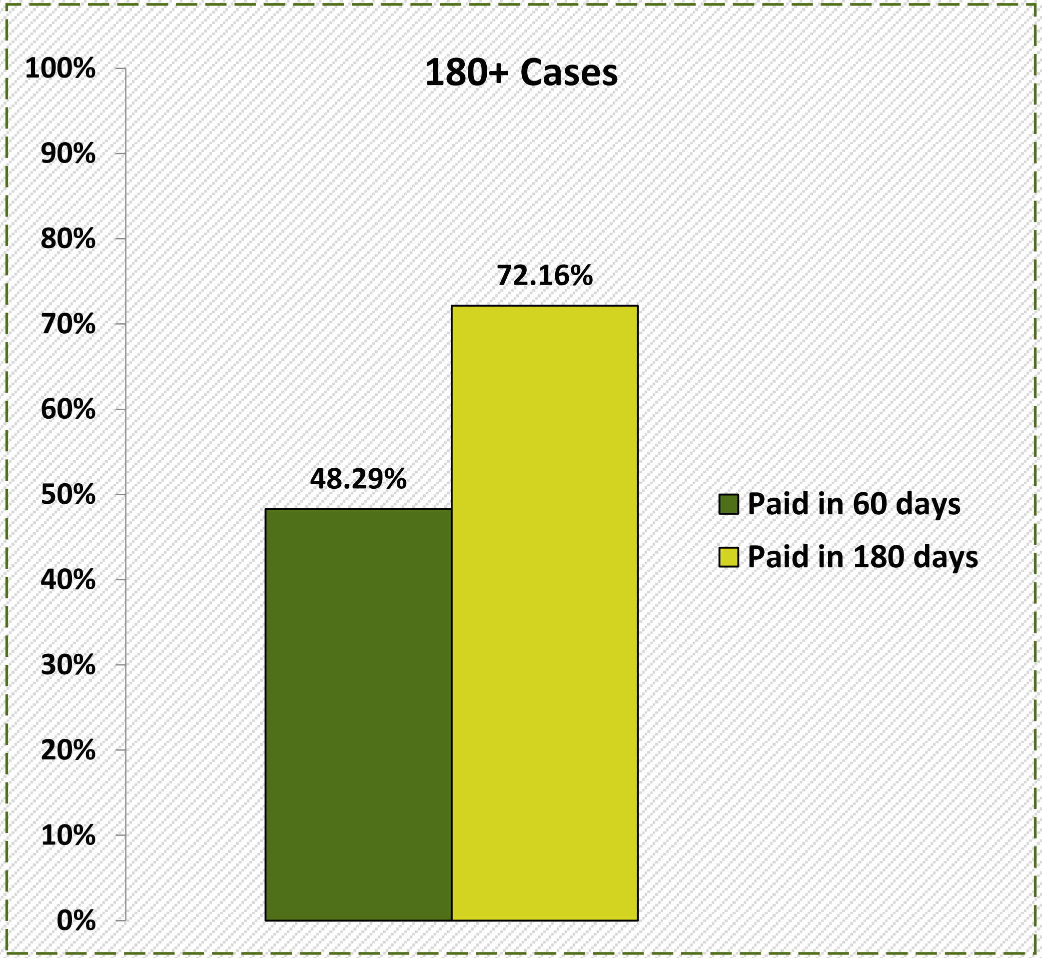
NPA mitigation



ACTIVE 90+ and ACTIVE 180+

Owing to the lag of installments that has been represented earlier, the company is dealing with **"Active 90+ and Active 180+ cases."** These are cases that are giving us **timely installments but are still potentially reflecting as NPAs** on our books because of the company's decision to **not provide any top up loan / do any form of restructuring**





FINANCIALS

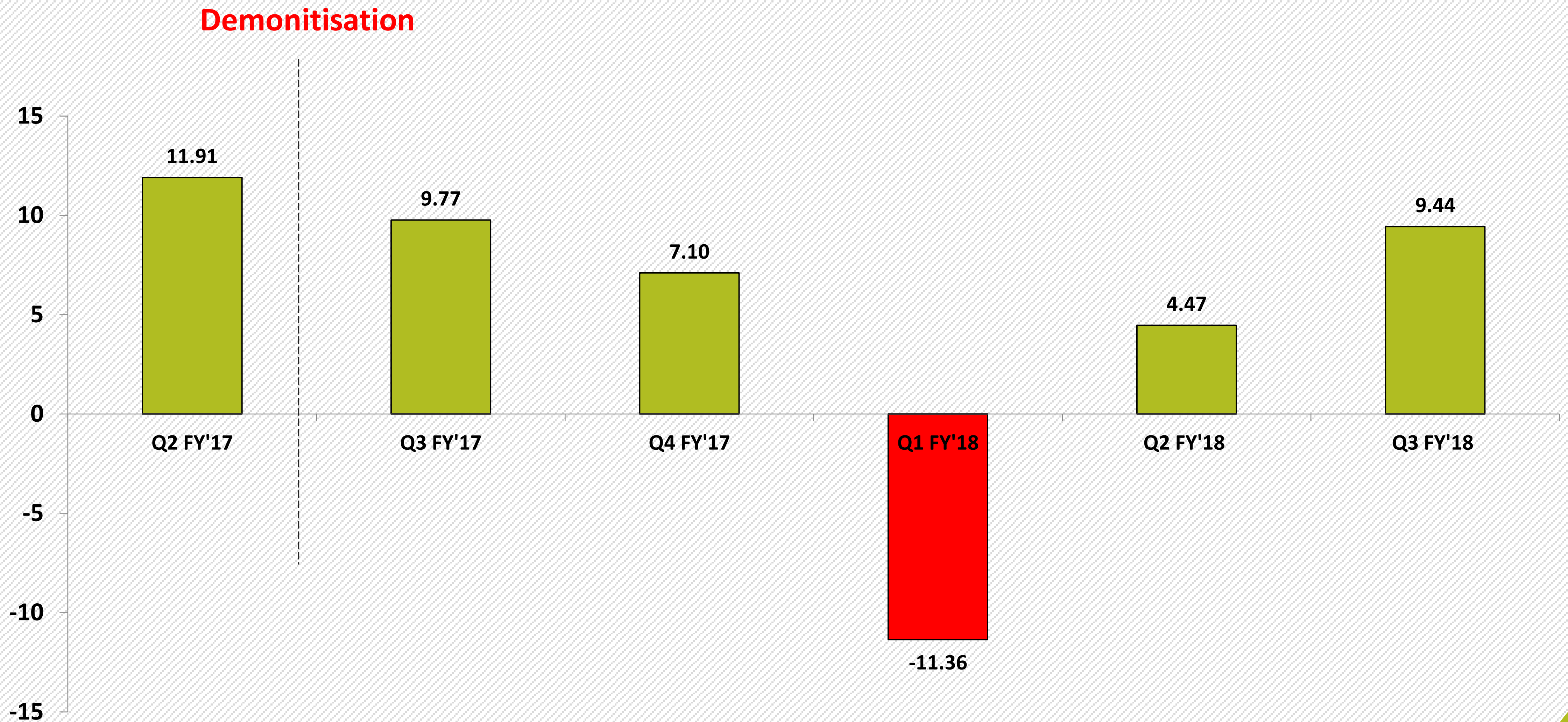
YEAR-OVER-YEAR GROWTH (Q3 FY18 vs Q3 FY17)

Capital Trust

Assets Under Management (in Cr):	717	489	▲ (47%)
Net Worth (in Cr):	220	213	▲ (3%)
Book Value (in Rs):	135	130	▲ (3%)
Financing Income(in Cr):	50	34	▲ (47%)
Total Borrowings (in Cr):	536	275	▲ (95%)
Cost of Borrowing (in%):	14.2	13.4	▼ (6%)
Number of Branches (in #):	220	157	▲ (40%)
Staff Strength (in #):	1955	1452	▲ (35%)
Disbursement in quarter:	143	78	▲ (83%)

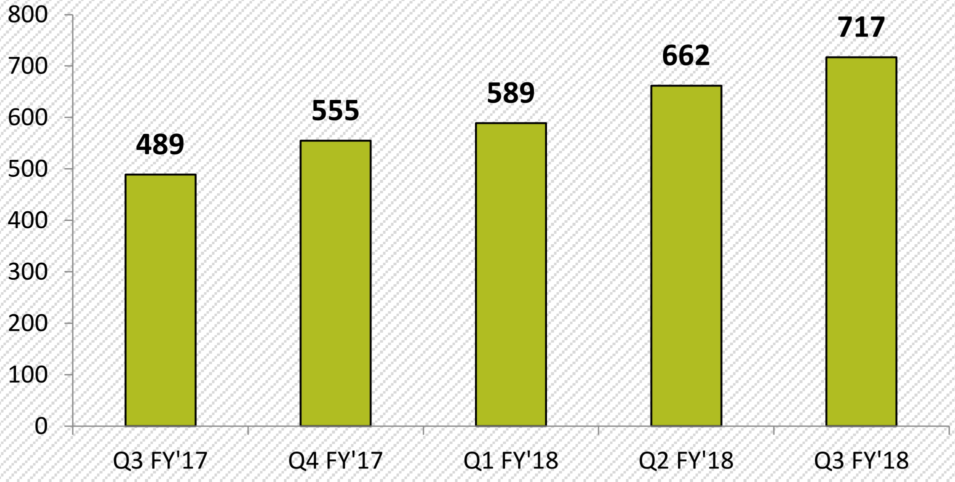
PROFIT AFTER TAX PERFORMANCE

RETURN TO PROFABILITY

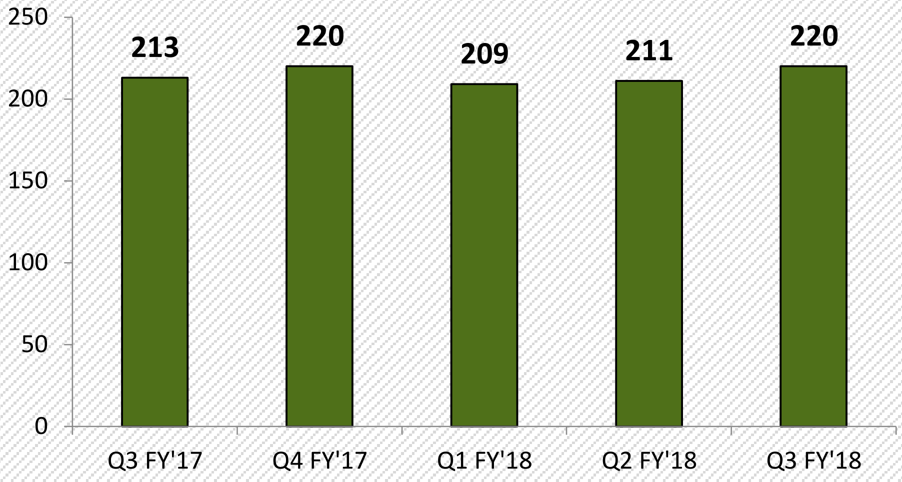


GROWTH ANALYTICS

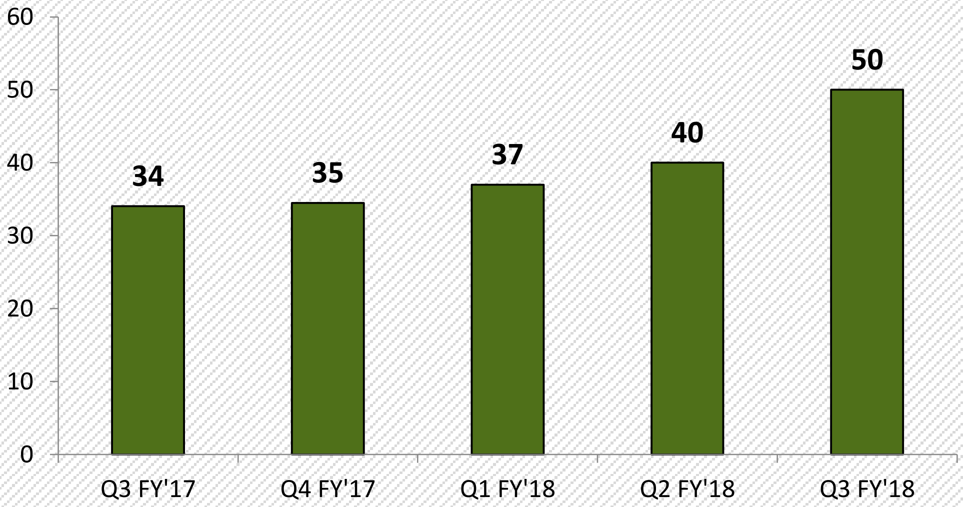
ASSETS UNDER MANAGEMENT (CR.)



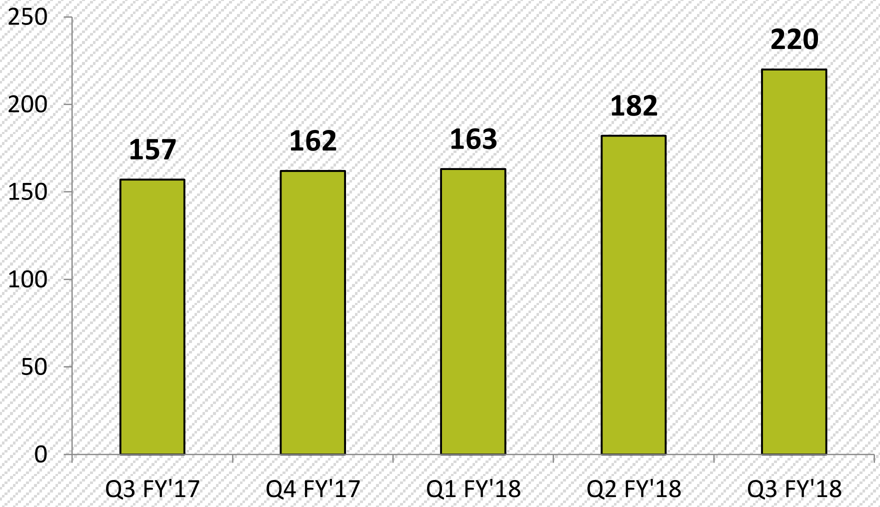
NET WORTH (CR.)



FINANCING INCOME (CR.)



BRANCHES



KEY FINANCIALS AND RATIOS

Capital Trust

Line Item / Ratio	Q3 FY17	Q3 FY18	(YoY)	Q2 FY18	Q3 FY18	(QoQ)
Total Income	34.0	49.7	46%	39.5	49.7	26%
Total Expense (excluding tax)	19.0	33.7	77%	32.6	33.7	3%
Profit / (loss) after tax	9.8	9.4	-3%	4.5	9.4	110%
Net Worth	213.4	220.0	3%	210.6	220.0	4%
Micro-Enterprise Loan	272.7	538.2	97%	475.7	538.2	13%
Secured Enterprise Loan	112.7	117.9	5%	116	117.9	2%
Microfinance Loan	103.8	60.9	-41%	70.3	60.9	-13%
Total Assets Under Management (AUM)	489.3	717.0	47%	661.9	717.0	8%
Net Interest Margin	18.9%	13.5%	-28%	11.5%	13.5%	17%
Operating Cost to AUM Ratio	10.2%	8.0%	-21%	8.4%	8.0%	-5%
Earnings Per Share (Diluted) (Rs.)	20.7	23.1	11%	10.9	23.1	111%
Book Value Per Share (Rs.)	130.4	134.5	3%	128.7	134.5	4%
Return on Assets	7.9%	5.7%	-28%	3.1%	5.7%	84%
Return on Equity	19.3%	17.5%	-9%	8.3%	17.5%	111%
Gross NPA (%)	1.7%	13.2%	664%	13.2%	13.2%	0%
Provision Coverage	13.7%	19.9%	45%	17.4%	19.9%	14%
Cost of Borrowing	14.2%	13.4%	-6%	13.5%	13.4%	-1%
Capital Adequacy Ratio	58.5%	35.8%	-39%	36.3%	35.8%	-1%

PARTNERS

PARTNERS

Capital Trust

- LIGHTHOUSE
- State Bank of India
- Andhra Bank
- SIDBI – Small Industries Development Bank of India
- बैंक ऑफ महाराष्ट्र Bank of Maharashtra – ONE FAMILY ONE BANK – A Govt. of India Enterprise
- Bank of India
- IDBI BANK
- UCO BANK
- Union Bank of India
- DCB BANK
- KVB Karur Vysya Bank – Smart way to bank
- YES BANK
- SHRIRAM City – MONEY WHEN YOU NEED IT MOST
- Nabsamruddhi Finance Limited – A Subsidiary of NABARD – Formerly Agri Business Finance Limited
- NABKISAN FINANCE LIMITED – A Subsidiary of NABARD – (Formerly Agri Development Finance (Tamilnadu) Limited)
- nabfins
- HINDUJA LEYLAND FINANCE
- RELIANCE Capital
- Pappachan muthoot
- MAS Financial Services Ltd. – Excellence through endeavours – The Power of Distribution
- OIKO CREDIT – investing in people
- Au FINANCIERs
- smc – Moneywise. Be wise.

THANK YOU

DISCLAIMER

This presentation has been prepared by and is the sole responsibility of Capital Trust Limited. By accessing this presentation, you are agreeing to be bound by the trailing restrictions.

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer or recommendation to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contractor commitment therefore. In particular, this presentation is not intended to be a prospectus or offer document under the applicable laws of any jurisdiction, including India. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. There is no obligation to update, modify or amend this communication or to otherwise notify the recipient if information, opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Certain statements contained in this presentation that are not statements of historical fact constitute “forward-looking statements.” You can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “goal”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, among others: (a) material changes in the regulations governing our businesses; (b) the Company's inability to comply with the capital adequacy norms prescribed by the RBI; (c) decrease in the value of the Company's collateral or delays in enforcing the Company's collateral upon default by borrowers on their obligations to the Company; (d) the Company's inability to control the level of NPAs in the Company's portfolio effectively; (e) certain failures, including internal or external fraud, operational errors, systems malfunctions, or cyber security incidents; (f) volatility in interest rates and other market conditions; and(g) any adverse changes to the Indian economy.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes.