

CAPITAL TRUST TO LEVERAGE CAPITAL DIGITAL LOANS TO DRIVE PROFITABLE GROWTH

- **Capital Digital Loans portfolio registered substantial growth from Rs. 2 crores on March 19 to Rs.147 crores in February 2022**
- **Portfolio performance in the Capital Digital Loans remains robust with 90+ DPD at 2.7% as of February 2022**

New Delhi, India, 09th March 2022: Capital Trust Limited (Capital Trust), a digitally enabled non-banking finance company (NBFC), specialising in providing rural digital income generating loans in Tier III to V regions through its fintech based direct access and 315 branches, spread across 94 districts in 10 states, with a ticket size of loans ranging from ~Rs. 5,000 to ~Rs. 50,000, reports robust growth in the Capital Digital Lending Portfolio (CDL) with an AUM of Rs. 147 crores as of 28th February 2022. The collection efficiency remains north of 98% for the Capital Digital Loans portfolio. 90+ DPD and 30 DPD stood at 2.7% and 3.9% respectively as on 28th February 2022.

Salient Features of Capital Digital Lending product

Complete Digital process encapsulates every step: From documentation & paperwork to onboarding and disbursement. First mode of repayment for all clients is NACH, in addition the Payment Gateway has been enabled to all the customers through the Company's App and payment link.

Automated disbursement mechanism: Decision of lending is done on the basis of a borrower's Credit Scoring, Income, Credit History and Debt servicing capacity. The engine further calibrates for regional differences in performance using pin-code level data.

Ticket Size & Tenure: The Ticket size of this product is at Rs. 30,000 – 50,000 making it accessible across a broader customer base. Short tenure of 12-18 months makes the repayment faster.

Return Accretive: Overall, NIM's for this product are higher than the Company's traditional portfolio. The Company has been focussing on increasing this product base to a more broader market across existing and new geographies.

Enabling digital integration by blending with physical approach: While the processes remain digital, to maintain stringent quality checks, physical visits are also conducted, enabling independence between credit officer's data entry and the backend automated decision making process. The credit officer's role primarily is to propose a case with the system having final decision power. AI and Business Intelligence is used to automatically calculate the applicant's household income based on standardised business size, industry margin and expected expenses.

Collection efficiency for the Company was robust despite three covid waves, whereas in contrast the industry struggled with collections. For better collection efficiency, all NACH uncleared cases are automatically mapped to the collection staff and visits are schedule on an automated route map via AI enabled geo tagged route mapping. Client Communication is institutionalised through SMS / OBD / telecalling /physical visits. The risk control department continuously analyses the payment schedule and the risk profile of customers so that the team is more focused on recovery efforts for customers with higher risk. Overall, 29-30 cumulative collection follow ups done to an unpaid client per month.

Commenting on the performance, Mr. Yogen Khosla, Managing Director, Capital Trust Limited, said, *“We started capital digital loans in FY2019 and since then, it has scaled up significantly. The Rural doorstep fintech model remains robust with lead processing time being less than 24 hours. 100% of these loans are disbursed digitally and more than 70% of the collections are made by date of NACH clearance (through automated clearance or advance collection), which helps reduce the operational costs and offers better convenience to the customers. Moreover, it also helps faster repayments thereby reducing defaults. With a significant number of traditional microfinance customers graduating to the next economic level each year, our Capital Digital Loan product is able to provide them a quick turnaround with digitally enabled loan and no requirement of centre meetings. The company has also started offering a revolutionary interest-free Quick Digital Loan of Rs. 5000 with a tenure of 3 months last quarter and has seen good traction. We remain quite positive on the growth of Capital Digital Loan portfolio.*

The Company remains committed to all its stakeholders to create sustainable value and focus remains on rural doorstep fintech model which will lead to further improvement in collections. We are constantly innovating new products to serve the bottom of the pyramid, which will help in inclusive growth and create value to Capital trust stakeholders”.

About Capital Trust Limited

Capital Trust Limited (BSE: 511505; NSE: CAPTRUST), an RBI registered non-banking finance company (NBFC), offers income generating micro loans to MSMEs. Merging best practices of fintech and traditional financing, the company focuses on financial inclusion of the underserved in deep interiors of rural India using digital processes and state of the art technology. Capital Trust caters to over 1,02,739 customers across 94 districts through 315 branches in 10 states in North and East India. The Company prides itself to be India’s first "Rural Doorstep-Fintech" company. For more information visit www.capitaltrust.in.

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