

Date: July 28, 2025

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Symbol: FIVESTAR

BSE Limited
Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai 400 001
Scrip code: 543663

Sub: Investor Presentation on the unaudited financial results for the quarter ended June 30, 2025.

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Investor Presentation of the Company on the unaudited financial results for the quarter ended June 30, 2025.

This Investor Presentation is also available on the website of the Company at <https://fivestargroup.in/investors/>

Kindly take the above information on record.

For Five-Star Business Finance Limited

Vigneshkumar SM
Company Secretary & Compliance Officer

Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : L65991TN1984PLC010844



Reaching the Unreached

Five-Star Business Finance Limited

Investor Presentation | Q1FY2026

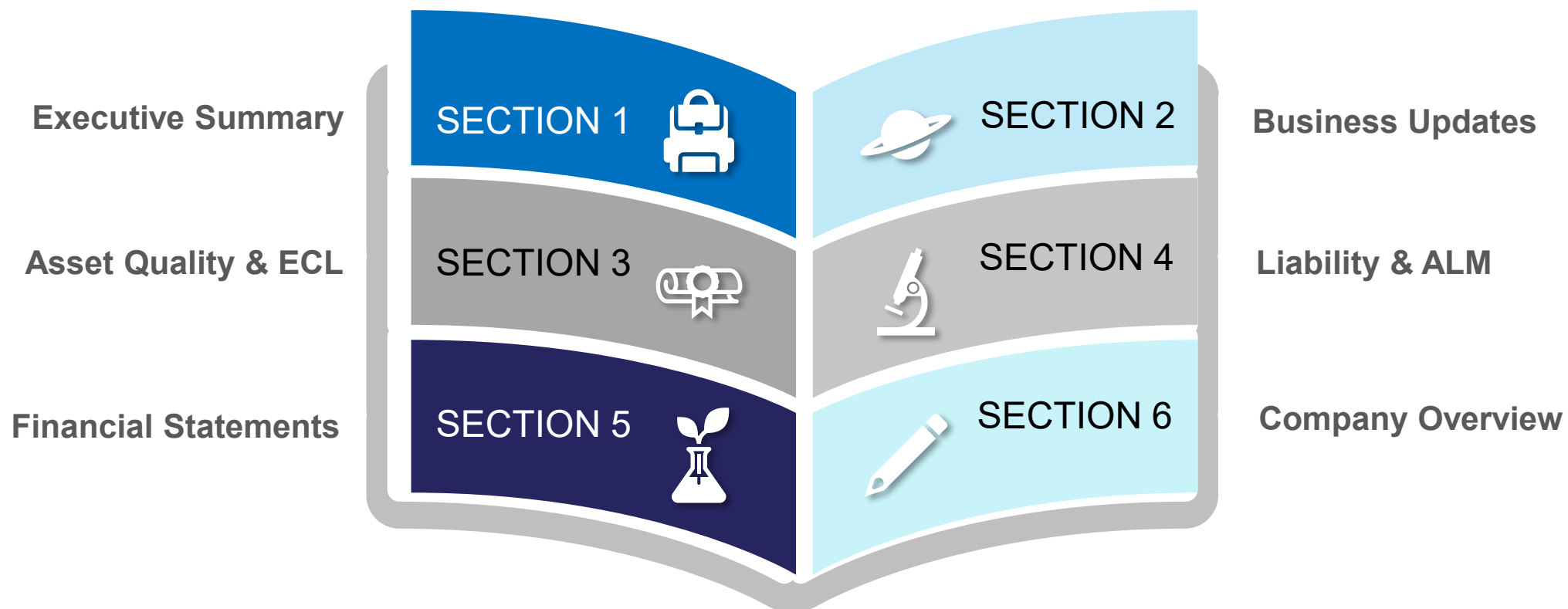


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This Presentation contains certain forward-looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, our ability to manage our international operations, government policies and action regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statement become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

- All amounts are given in ₹ Million unless specified otherwise.
- Gross NPA or Gross Stage 3 assets represents loans which are more than 90 days past due (till the quarter ended Sep 2022); for the quarters post Sep 2022, this has been computed as per guidelines stipulated by RBI vide their circulars on Prudential Norms on Income recognition and Asset classification dated Nov 12, 2021 and Feb 15, 2022 (wherein implementation of upgradation norms were deferred to October 1, 2022) i.e loans that have crossed 90 days past due any time since October 1, 2022 and not cleared their arrears fully. This is expressed as a percentage of AUM.
- Net Stage 3 Assets % or Net NPA % computed as Gross Stage 3 assets reduced by Stage 3 ECL as a percentage of AUM reduced by Stage 3 ECL
- Number of loans stated in any of the slides includes securitized loans. AUM is inclusive of securitized portfolio.
- Total assets represents the period ending Balance Sheet assets. Total assets used for computations is gross of Impairment allowance on Loan assets.
- Average total assets represents the monthly average of Balance Sheet assets. Average Total assets used for computations is gross of Impairment allowance on Loan assets.



EXECUTIVE SUMMARY

Executive Summary | Q1FY26

q-o-q

y-o-y

Branches

767

+19

+220

Loan Disbursement

₹ 12,901 Mn

-12%

-2%

Loan Portfolio

₹ 124,578 Mn

+5%

+20%

Gross NPA

2.46%

+67 bps

+1.05%

30+ DPD

11.31%

+1.66%

+3.20%

Profit After Tax

₹ 2,663 Mn

-5%

+6%

Net Interest Margin

16.43%

-41 bps

-29 bps

Return on Assets

7.24%

-80 bps

-99 bps

Return on Equity

16.57%

-1.79%

-2.38%

Q1FY26 Performance – At a glance

Scale of Operations



₹124.6bn / ₹103.4bn
AUM in Q1FY26 / Q1FY25
20% growth Y-o-Y



₹12.9bn / ₹13.2bn
Amount Disbursed in
Q1FY26 / Q1FY25



33,455 / 37,442
Number of Disbursements in
Q1FY26 / Q1FY25



₹65.7bn
Net Worth

Distribution



767
Number of Branches



6,734
Business and Collections
Officers



Presence in 11
States / UT across India
(focused on expansion)



100% In-house
Sourcing & Collections

Granular Book



100% Secured
Loan Book
(95% against SORP)



₹0.39mn
Average ticket size for loans
disbursed in Q1FY26



478,012
Live accounts



39.2%
Average Portfolio LTV
(As of Jun 30, 2025)

Asset Quality



2.46%
Q1FY26
Gross Stage 3 Assets



1.25%
Q1FY26
Net Stage 3 Assets



1.30%
Q1FY26 Credit Cost to
Average Total Assets



0.27% / 46.81%
Total Restructured Portfolio /
Provision Coverage on
restructured book

Liability Profile



45
Lender relationships



49.15%
Q1FY26
Capital Adequacy Ratio



Borrowing profile
Well-diversified profile with
variable rate borrowings of
~69%



AA-
Long term credit rating by
ICRA, CARE and India
Ratings

Profitability



₹2.7bn / ₹2.5bn
PAT for Q1FY26 / Q1FY25
6% growth Y-o-Y



16.43%
Net Interest Margin for
Q1FY26



7.24%
Return on Total Assets for
Q1FY26



16.57%
Return on Avg. Equity for
Q1FY26

Last 10-years Financial Snapshot

Particulars (₹ Mn)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	I-GAAP	I-GAAP	I-GAAP	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS
Operational Information										
Number of branches	64	103	130	173	252	262	299	373	520	748
Loan disbursals	1,319	3,830	7,072	14,822	24,087	12,450	17,562	33,914	48,814	49,697
AUM	1,981	4,936	10,084	21,128	38,922	44,454	50,671	69,148	96,406	118,770
Number of employees	293	737	1,290	1,971	3,734	3,938	5,675	7,347	9,327	11,934
Financial Information										
Total Income	473	871	2,082	4,089	7,873	10,513	12,562	15,289	21,951	28,660
Interest expenses	141	238	578	769	2,156	3,261	2,984	2,636	4,653	6,635
Net Interest Income (NII)	332	633	1,504	3,320	5,717	7,252	9,578	12,653	17,298	22,025
Operating Expenses	122	293	625	1,060	1,731	2,136	3,081	4,405	5,585	6,830
Loan losses & Provisions	7	28	93	76	493	352	455	201	554	890
Profit Before Tax (PBT)	203	312	786	2,184	3,493	4,764	6,042	8,047	11,159	14,306
Profit After Tax (PAT)	134	196	558	1,567	2,620	3,589	4,535	6,035	8,359	10,725
Total Comprehensive Income	134	196	558	1,563	2,608	3,582	4,513	6,013	8,341	10,696
Ratios										
Cost to Income	38.86%	50.79%	47.74%	34.22%	38.90%	34.31%	36.92%	36.40%	35.49%	35.05%
Return on Total Assets	6.87%	4.27%	5.82%	8.78%	7.31%	6.99%	7.16%	8.62%	8.42%	8.18%
Return on Equity	16.47%	12.40%	12.97%	15.14%	15.36%	16.85%	13.85%	15.03%	17.60%	18.68%
Gross Stage 3 assets	1.82%	2.47%	1.43%	0.89%	1.37%	1.02%	1.05%	1.36%	1.38%	1.79%
Net Stage 3 assets	1.53%	2.08%	0.95%	0.68%	1.13%	0.84%	0.68%	0.69%	0.63%	0.88%
Provision Coverage Ratio - overall AUM	0.54%	0.79%	0.97%	0.80%	1.58%	1.95%	2.03%	1.61%	1.64%	1.63%
Provision Coverage Ratio - Stage 3	16.34%	16.24%	33.89%	22.99%	17.67%	17.92%	34.91%	49.33%	54.27%	51.31%
CRAR	39.14%	43.78%	58.82%	64.09%	52.94%	58.86%	75.20%	67.17%	50.50%	50.10%
Debt / Equity ratio	1.43	2.04	0.92	0.70	1.22	1.48	0.69	0.98	1.22	1.26

Distinguished Board of Directors

Promoter Director



Lakshmipathy Deenadayalan
Chairman & Managing Director

Independent / Non-Executive Directors



Anand Raghavan

Select other Directorships Shriram Life Insurance, Muthoot Microfin,
SK Finance, Aptus Value Housing



T T Srinivasaraghavan

Sundaram Finance, Sundaram
Home Finance, R K Swamy



Bhama Krishnamurthy

CIFCO, Muthoot Microfin



Ramkumar Ramamoorthy

CIFCO, Catalinco Partners

Thirulokchand Vasan

C K Entertainments



Executive Directors



Rangarajan Krishnan*

Joint Managing Director & CEO



Srikanth Gopalakrishnan

Joint Managing Director & CFO

* Tendered his resignation on July 28, 2025

Profile of Board of Directors

Lakshmipathy Deenadayalan

Chairman & Managing Director

Engineering graduate and was the MD of RKV Finance before joining Five Star. Pivoted the Company towards secured business lending and built the Company to its current size from scratch. Associated with multiple industry associations

Anand Raghavan

Independent / Non-Executive Director

Chairperson – Audit Committee

Chartered Accountant with over 30 years of experience occupying senior position in Sundaram Finance and Ernst & Young LLP. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment. He is also a director on the Boards of Muthoot Microfinance, Shriram Life, SK Finance and Aptus Value Housing

T T Srinivasaraghavan

Independent / Non-Executive Director

Chairperson – Risk Management Committee

Graduate in Commerce and holds an MBA degree from the Gannon University, Pennsylvania. He began his career as a banker, before moving to Sundaram Finance in 1983, where he spent almost 4 decades including 18 years as its Managing Director. He is also on the Boards of Sundaram Finance, Sundaram Home and RK Swami

Bhama Krishnamurthy

Independent / Non-Executive Director

Chairperson – Nomination & Remuneration Committee
She was the Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. She was also associated with drafting of CSR Policy guidelines for the Bank. She was the Chairperson at CSB Bank and her other directorships include CIFCO, and Muthoot Microfinance

Ramkumar Ramamoorthy

Independent / Non-Executive Director

Chairperson – IT Strategy Committee

Associated with Cognizant India for over 22 years, before retiring as Chairman and MD, responsible for the company's India operations. Prior to joining Cognizant, Ramkumar worked for Tata Consultancy Services. He is now a Partner at Catalincs, a strategic advisory firm that helps small tech companies scale and grow, and is also on the Board of CIFCO

Trilokchand Vasan

Non-Executive Director

Thirulokchand is a Hotel Management Graduate with over 17 years of experience in the Hospitality business. His areas of expertise include Team Management, Customer satisfaction and Process Optimization

Rangarajan Krishnan*

Joint Managing Director / CEO

Finance professional with over 20 years of experience in institutions like HDFC bank, Stanchart, IFC and Spark Capital. He is a commerce graduate and has 2 MBA degrees (Sri Sathya Sai Institute of Higher Learning and Indian School of Business)

Srikanth Gopalakrishnan

Joint Managing Director / CFO

Finance professional with over 20 years of experience. Started his career with Citigroup and was CFO of Asirvad Microfinance before joining Five Star. He has completed his B.Com and MBA from Sri Sathya Sai Institute of Higher Learning with gold medals in both the courses

* Tendered his resignation on July 28, 2025

Experienced Management Team



Education: Bachelor of Engineering



Education: B.Com, MBA, PGPM (ISB)
Experience: HDFC Bank, Stanchart, IFC, Spark Capital



Education: B.Com, MBA
Experience: Citibank, Asirvad Microfinance



Education: B.Com, MBA
Experience: HDFC Bank, Deutsche Bank, HSBC



Education: B.Com, CA
Experience: ICICI Bank, Stanchart, DBS Bank



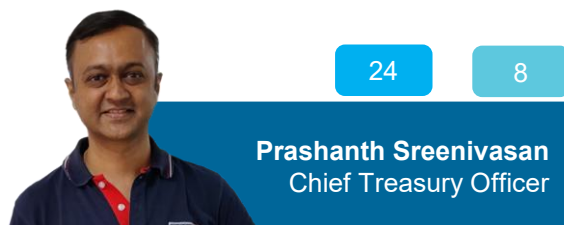
Education: B.Com, M.Com, MBA
Experience: ICICI Bank, Chola mandalam, Shriram Housing



Education: B.E, MBA
Experience: Stanchart (Dubai), Accenture, Equitas SFB, Suryoday SFB



Education: B.Com, CA
Experience: Redington India



Education: B.Com, MBA
Experience: TVS Credit, Marg Limited



Education: LLB, MBA, CAIIB
Experience: HDFC Limited, ICICI Bank, Chola mandalam, Piramal Capital



Education: B.Com, PGDPM
Experience: ITC Limited, Toyota Financial Services, ING Vysya Bank, AU SFB, Fincare SFB

BUSINESS UPDATES

Operations

1. Net Q-o-Q AUM growth of ₹5,808 Mn in Q1FY26 as against ₹7,033 Mn in Q1FY25. AUM was up 20% Y-o-Y at ₹124,578 Mn as of June 30, 2025 as against ₹103,439 Mn as of June 30, 2024.
2. Disbursements during the quarter was at ₹12,901 Mn as against ₹13,182 Mn during Q1FY25.
3. Active loans at 0.48 Mn as of June 30, 2025 as against 0.41 Mn as of June 30, 2024.
4. The Company added 19 branches during the quarter. Total branch count stood at 767 as against 547 branches as of June 30, 2024.
5. Total Headcount stood at 12,043 as against 9,358 as of June 30, 2024.

Collections & Asset Quality

1. Overall Collections efficiency for the quarter stood at 96.3% as against 97.7% for Q4FY25. Unique loan collections % (Due One Collect One or D1C1) stood at 95.1% for the quarter as against 96.2% for Q4FY25.
2. Current portfolio as a % of the overall portfolio stood at 82.44%.
3. Gross & Net Stage 3 assets stood at 2.46% and 1.25% respectively as of June 30, 2025 as against 1.41% and 0.68% as of June 30, 2024.
4. Overall Stage 2 assets stood at ₹11,021 Mn (8.85%) as of June 30, 2025 as against ₹6,938 Mn (6.71%) as of June 30, 2024.
5. The Provision coverage on Stage 3 assets stood at 50.02% and the provision coverage on the overall portfolio stood at 1.94%.

Liabilities

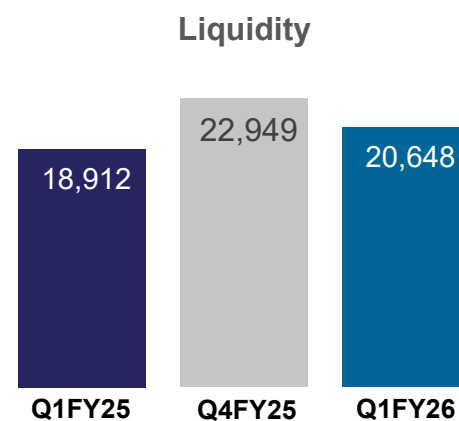
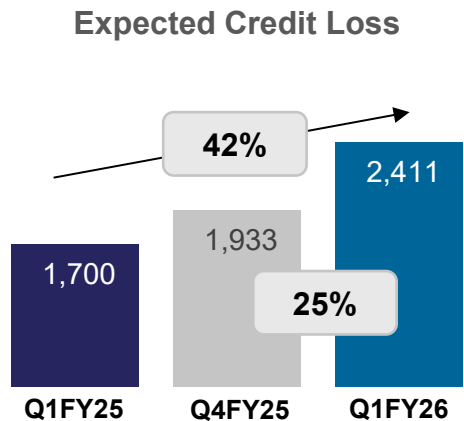
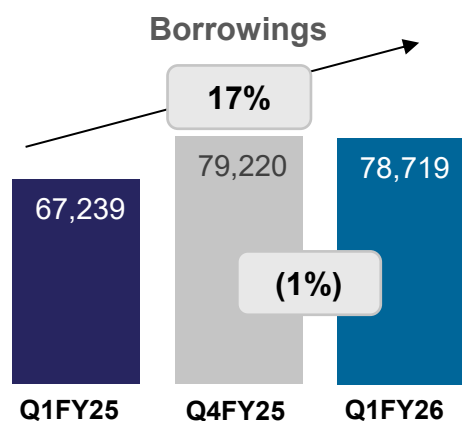
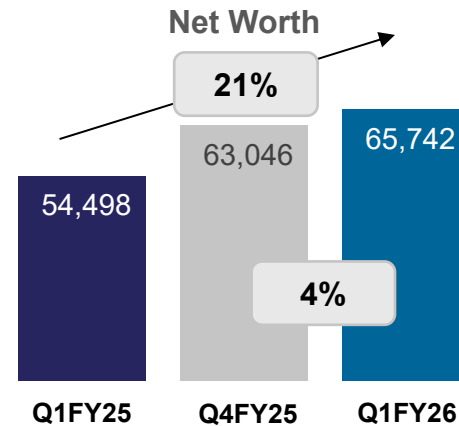
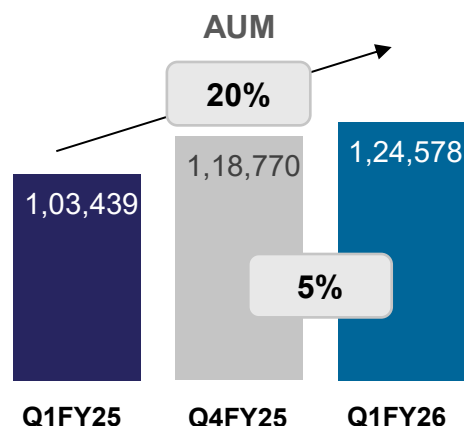
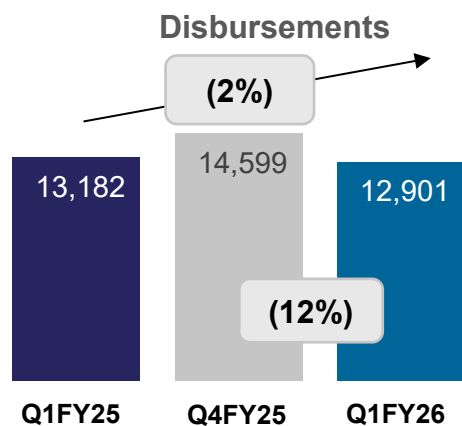
1. In Q1FY2026, the company received sanctions for incremental debt of ₹3,500 Mn, availing ₹4,500 Mn (inclusive of some unavailed sanctions from previous quarters), at a weighted average rate of 8.54%, and all-inclusive cost of 8.59%.
2. As at the end of June 2025, the proportion of funding received from banks stood at 64% as compared to 63% in Q4FY25.
3. Liquidity buffer and Unavailed Sanction lines as of June 30, 2025 stood at about ₹20,648 Mn and NIL respectively

Financials

1. In Q1FY2026, Net total income (Total income less Cost of funds) grew by 18% to ₹6,039 Mn as against ₹5,112 Mn in Q1FY2025
2. PPOP for Q1FY2026 stood at ₹4,028 Mn, an increase of 14% as compared to Q1FY2025
3. As compared to Q1FY2025, PBT and PAT increased by 6% and 6% respectively and stood at ₹3,550 Mn and ₹2,663 Mn respectively for Q1FY2026
4. Cost to income (inclusive of credit cost) stood at 41.34% as compared to 34.34% for Q1FY2025. Excluding credit cost, Cost to income for Q1FY2026 was at 33.45% as compared to 30.73% for Q1FY2025.
5. Return on Average Total Assets was at 7.24% as compared to 8.23% for Q1FY2025
6. Return on Equity was at 16.57% for Q1FY2026 as compared to 18.95% for Q1FY2025
7. Capital adequacy remained robust at 49.15%

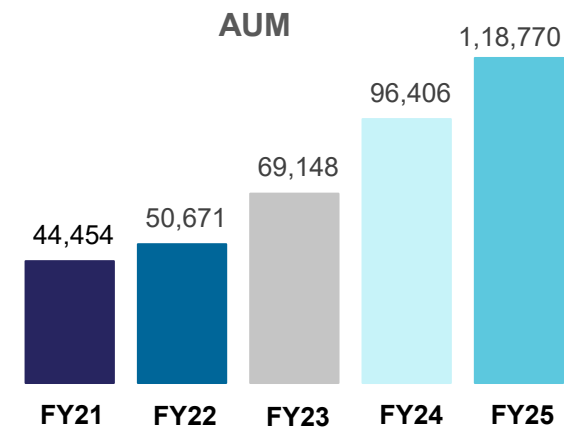
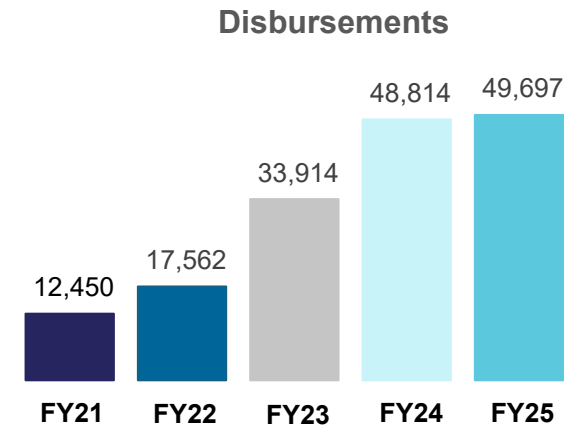
Balance Sheet Indicators

Quarterly Data



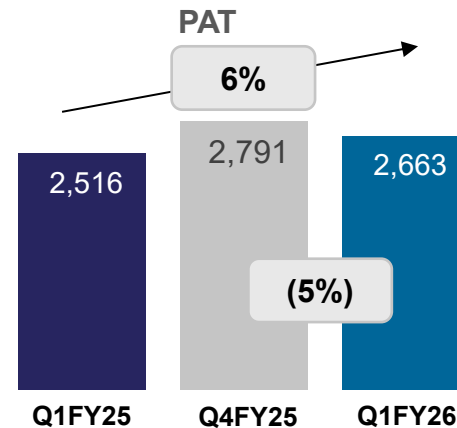
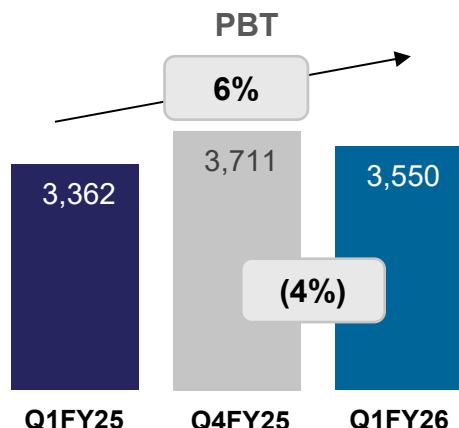
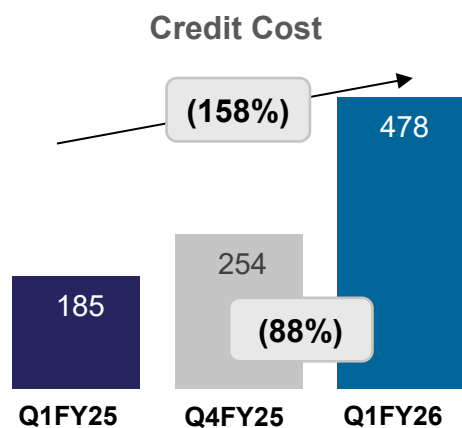
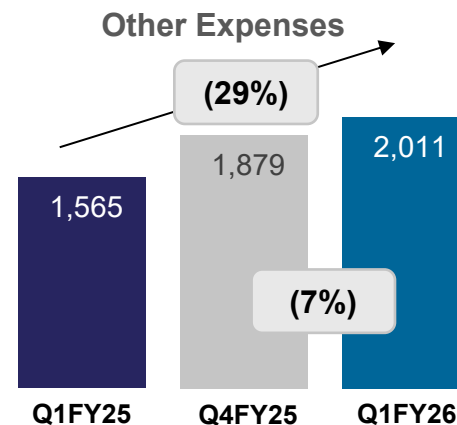
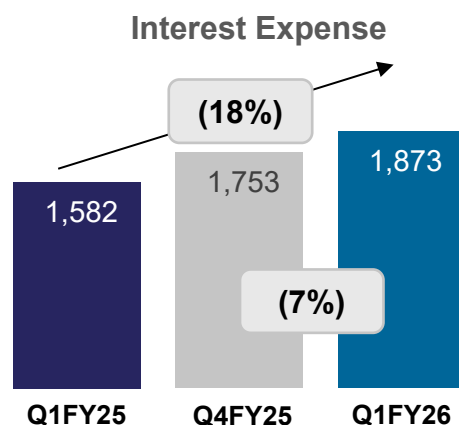
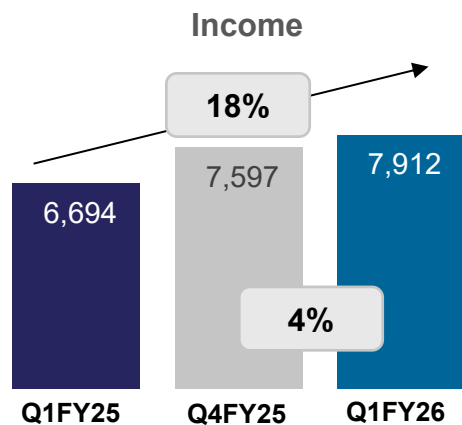
Last 5 years data

All amounts in ₹ Mn



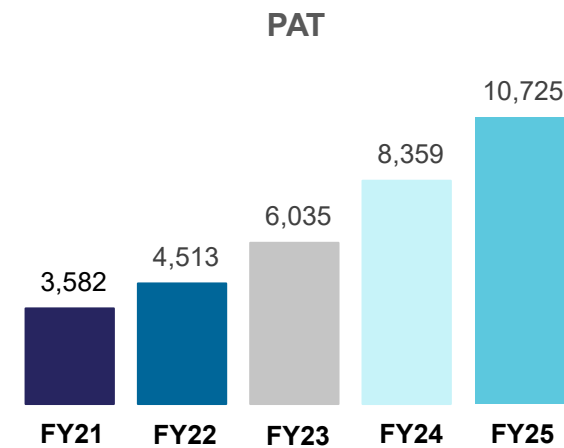
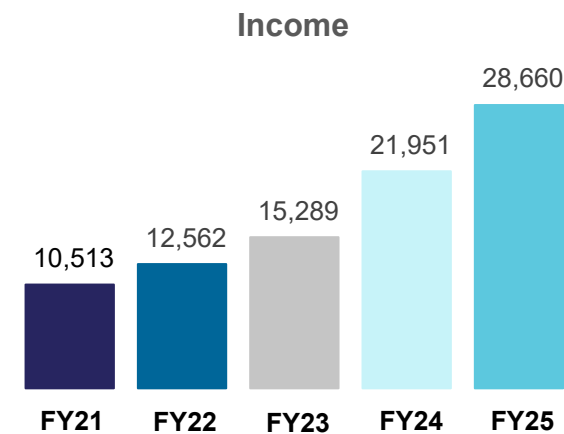
Liquidity does not include lien-marked FDs

Quarterly Data



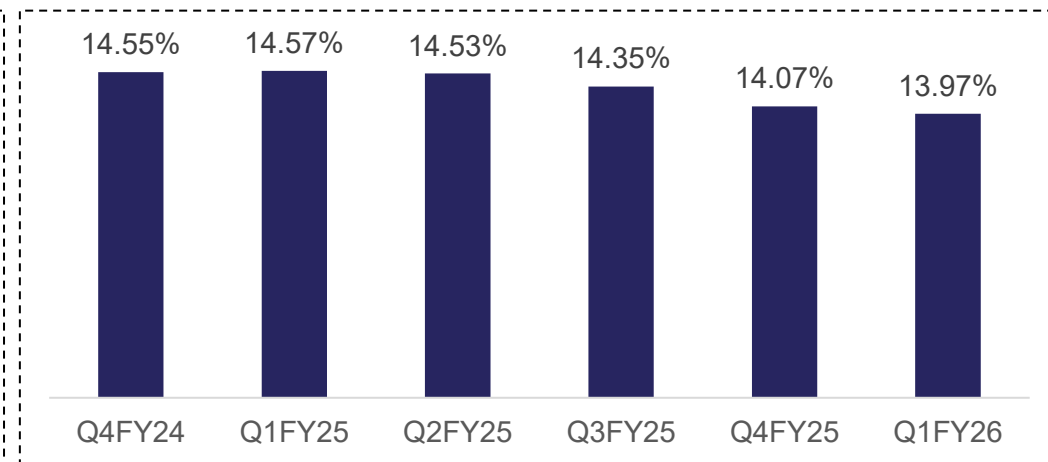
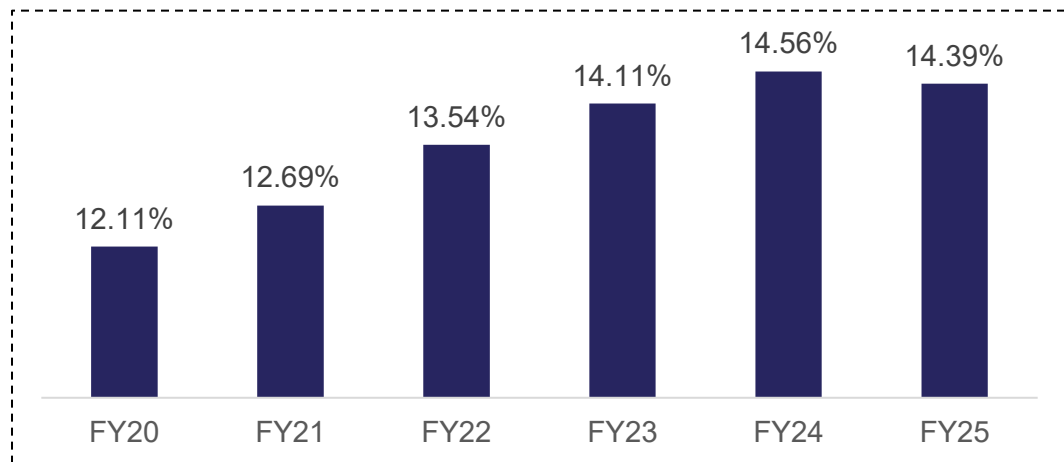
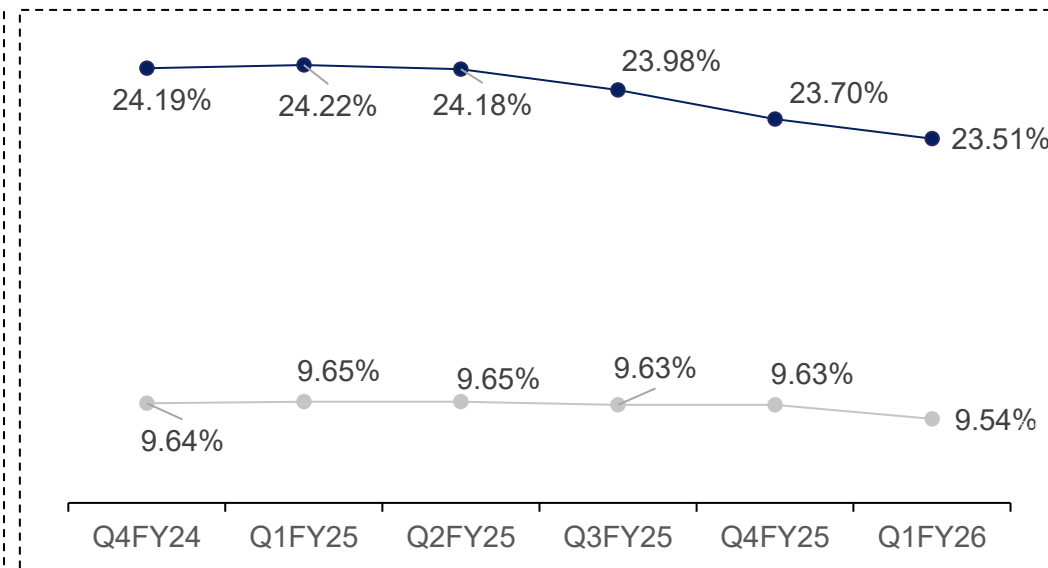
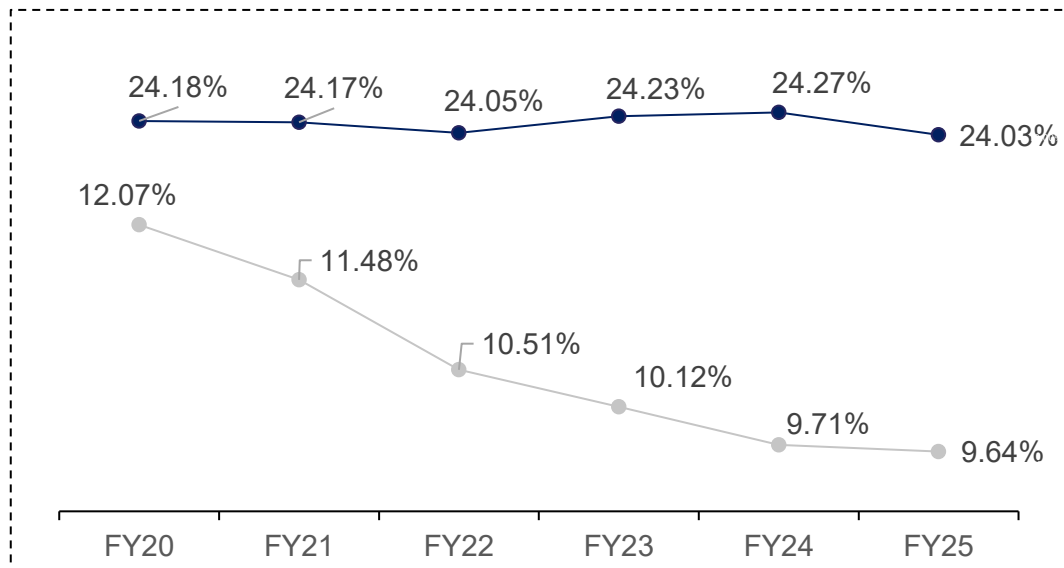
Last 5 years data

All amounts in ₹ Mn



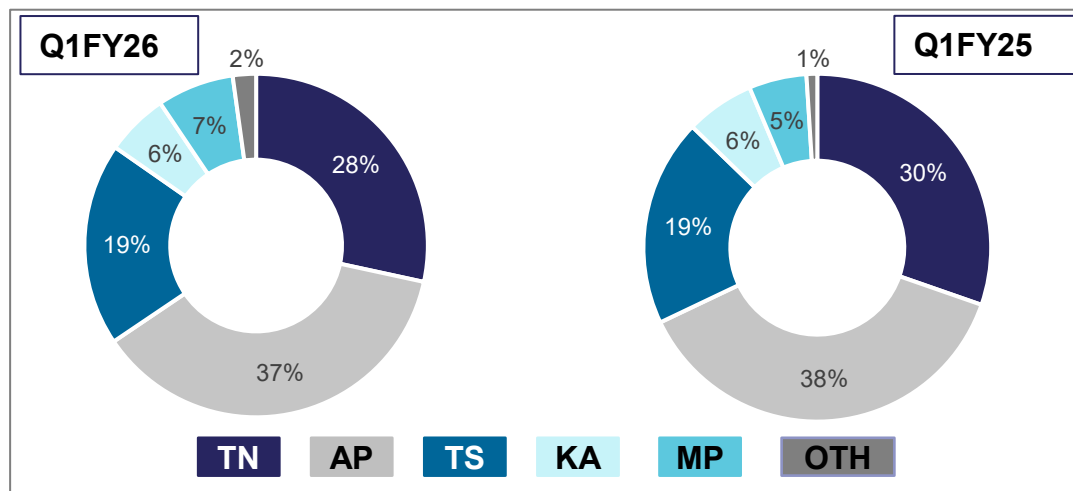
Consistent & Best-in-class Spreads

Portfolio Yield Cost of borrowing
Spread

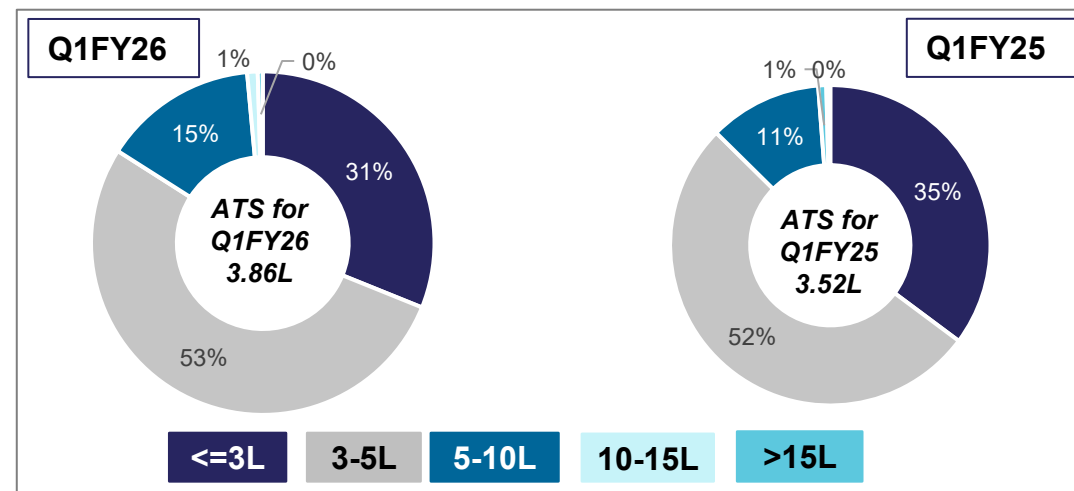


Well-diversified portfolio cuts

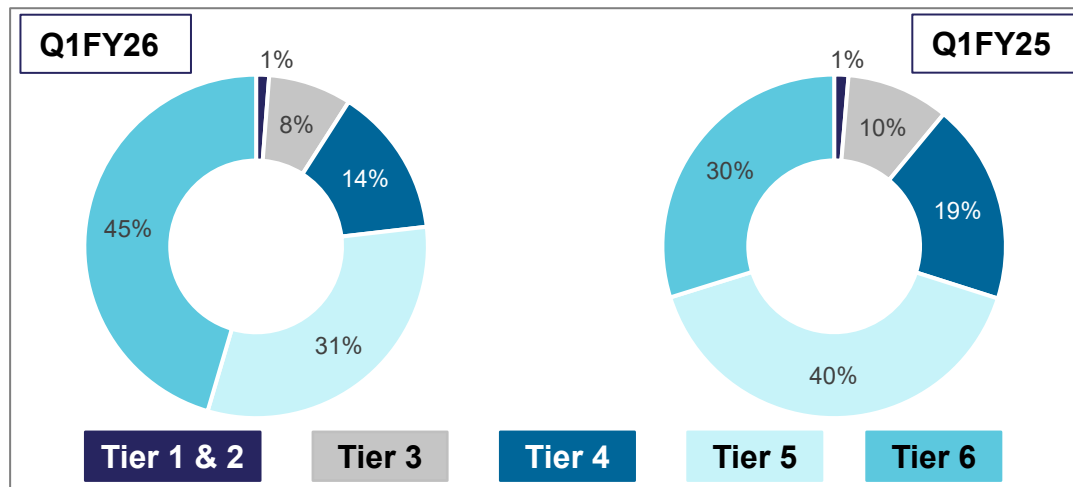
AUM by Geography



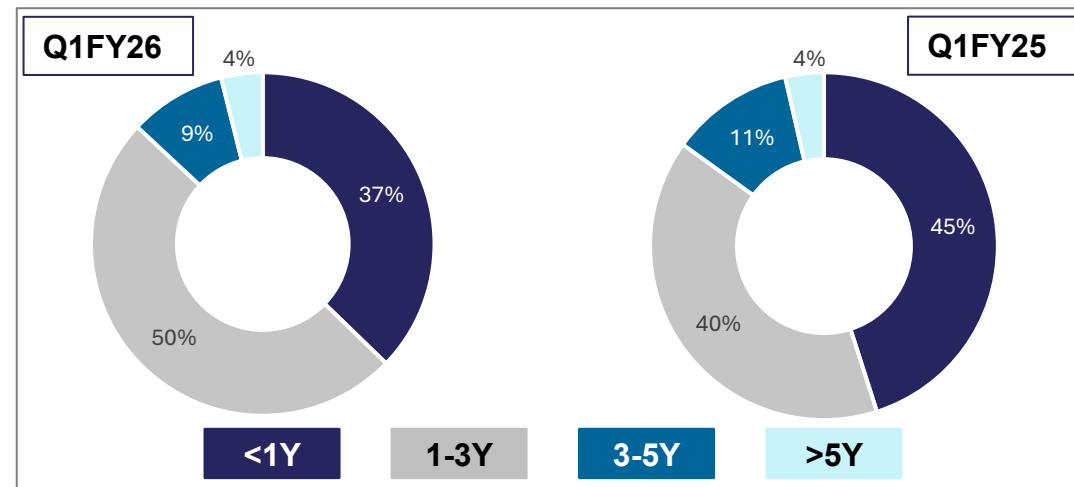
AUM by Ticket Size



AUM by Branch Tier



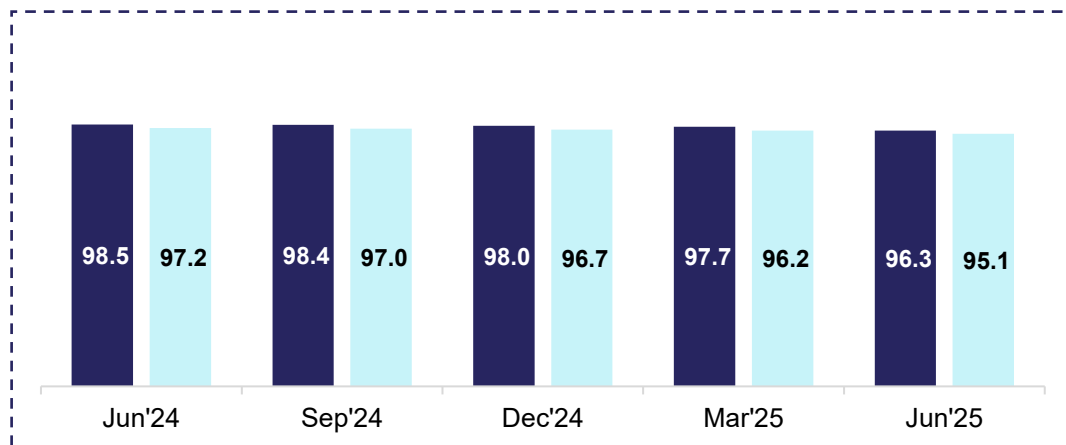
AUM by Vintage of loans



ASSET QUALITY & ECL

Asset Quality Indicators (1/2)

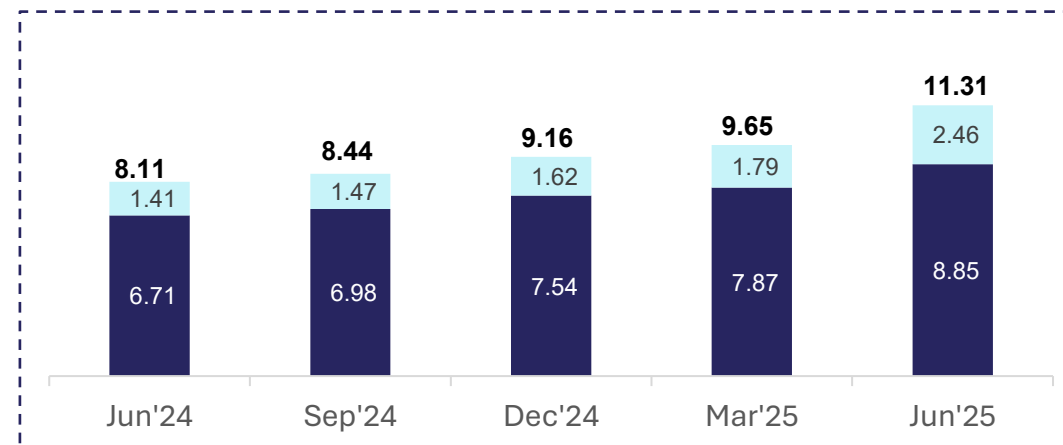
Collections Efficiency (%)



Dark Blue Bar: Amount of EMI received during the month (including arrears of previous months) divided by EMI demand for the current month

Light Blue Bar: Amount of EMI received during the month, restricted to a max of 1 EMI per loan divided by EMI demand for the current month

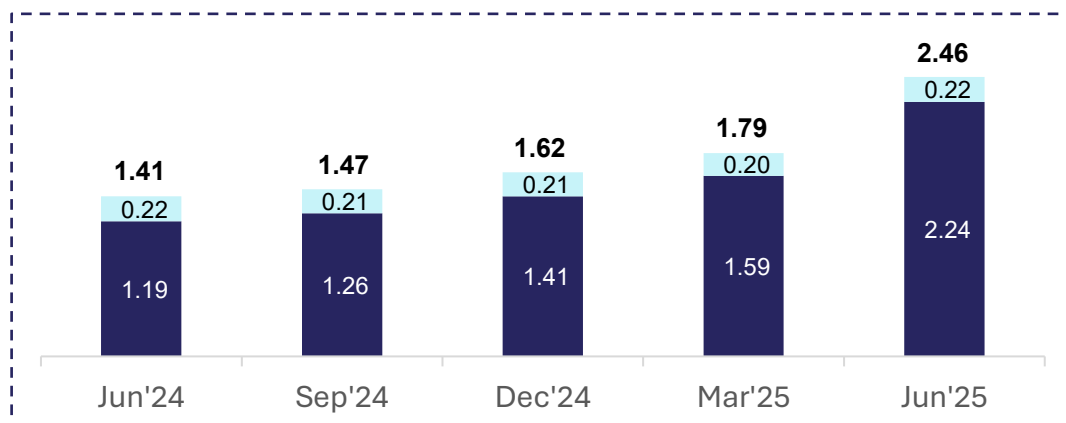
30+ (%)



Dark Blue Bar: Stage 2 POS

Light Blue Bar: Stage 3 POS

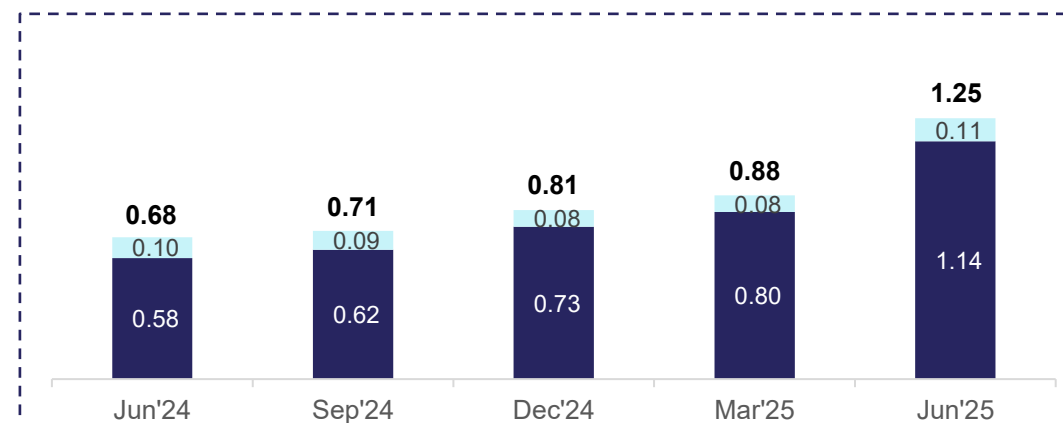
Gross Stage 3 Assets (%)



Dark Blue Bar: Loans which are > 90 DPD as at the end of reporting period

Light Blue Bar: Loans which are <= 90 DPD as at the end of reporting period

Net Stage 3 Assets (%)



Asset Quality Indicators (2/2)

Amount in ₹ Mn	As at Jun 2025		As at Mar 2025		As at Jun 2024	
Bucket	AUM	% AUM	AUM	% AUM	AUM	% AUM
Current (Stage-1)	102,704	82.44%	100,097	84.28%	89,696	86.71%
1-30 (Stage-1)	7,783	6.25%	7,209	6.07%	5,351	5.17%
31-60 (Stage-2)	5,532	4.44%	4,874	4.10%	3,815	3.69%
61-90 (Stage-2)	5,489	4.41%	4,468	3.76%	3,122	3.02%
90+ (Stage-3)	3,070	2.46%	2,123	1.79%	1,454	1.41%
Total	124,578		118,770		103,439	
Stage 1 Assets	110,487	88.69%	107,306	90.35%	95,047	91.89%
Stage 2 Assets	11,021	8.85%	9,342	7.87%	6,938	6.71%
Stage 3 Assets	3,070	2.46%	2,123	1.79%	1,454	1.41%

ECL Provisioning

Amount in ₹ Mn				
As of June 30, 2025	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	110,487	11,021	3,070	124,578
ECL Provision	319	557	1,536	2,411
Loans Outstanding (Net)	110,168	10,464	1,535	122,167
ECL Provision %	0.29%	5.05%	50.02%	1.94%
As of March 31, 2025	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	107,306	9,342	2,123	118,770
ECL Provision	367	477	1,089	1,933
Loans Outstanding (Net)	106,939	8,865	1,034	116,837
ECL Provision %	0.34%	5.11%	51.31%	1.63%
As of June 30, 2024	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	95,047	6,938	1,454	103,439
ECL Provision	380	552	757	1,689
Loans Outstanding (Net)	94,667	6,386	697	101,750
ECL Provision %	0.40%	7.96%	52.08%	1.63%

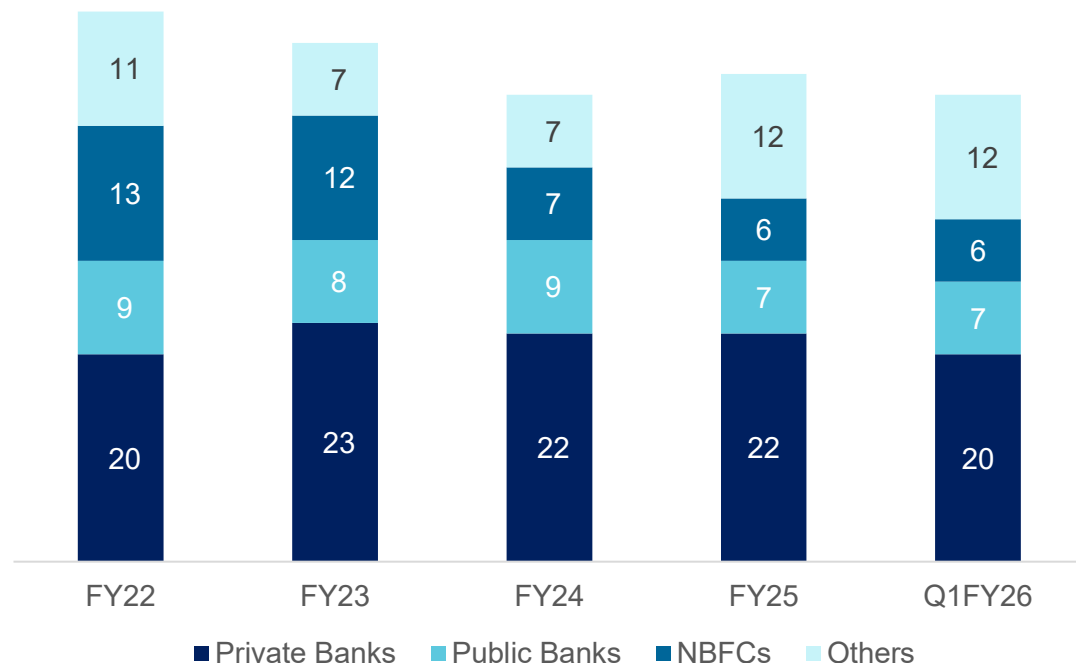
Amount in ₹ Mn	Q1FY2026	Q1FY2025	Q1FY2024	Q1FY2023
Loan Portfolio	124,578	103,439	75,833	52,965
Gross Stage 3 assets	3,070	1,454	1,072	591
Gross Stage 3 assets %	2.46%	1.41%	1.41%	1.12%
Gross Stage 3 assets % - 1 year Lag	2.97%	1.92%	2.02%	1.29%
Gross Stage 3 assets % - 2 years Lag	4.05%	2.75%	2.34%	1.53%

LIABILITY & ALM

Well-diversified Liability Franchise (1/2)

Liability franchise consists of a strong set of lenders who can support the company's plans

Number of lenders



Diversified borrowing relationship with **45 lending** partners

Lenders to the Company

Select Public Sector Banks	State Bank of India Bank of Baroda Union Bank of India Indian Bank Canara Bank Bank of India Bank of Maharashtra
Select Private Sector Banks	Kotak Mahindra Bank IndusInd Bank DBS Bank Axis Bank HDFC Bank Deutsche Bank ICICI Bank HSBC Yes Bank Bandhan Bank Federal Bank CSB Bank
Select Other Institutions	NABARD International Finance Corporation Swedfund SIDBI Kotak MF Nippon MF HDFC MF HSBC MF Royal Sundaram GI Bajaj Finance Sundaram Finance L&T Finance

Long Term Credit Rating

ICRA AA - Stable
CARE AA - Positive
India Ratings AA - Positive

The Company does not use short-term borrowing to fund its long-term assets

NIL Commercial Paper exposure

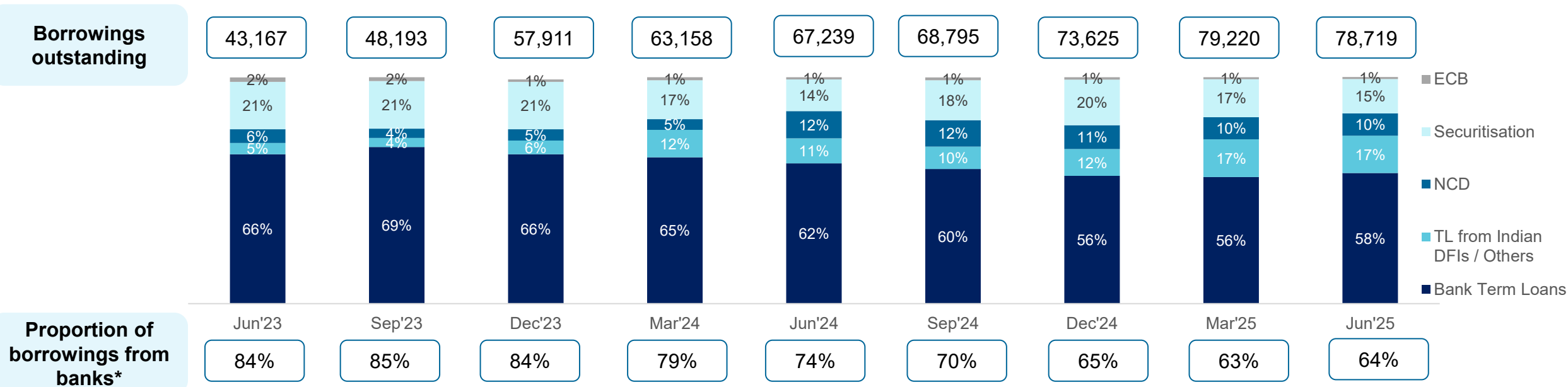
Short Term Credit Rating

CARE A1+

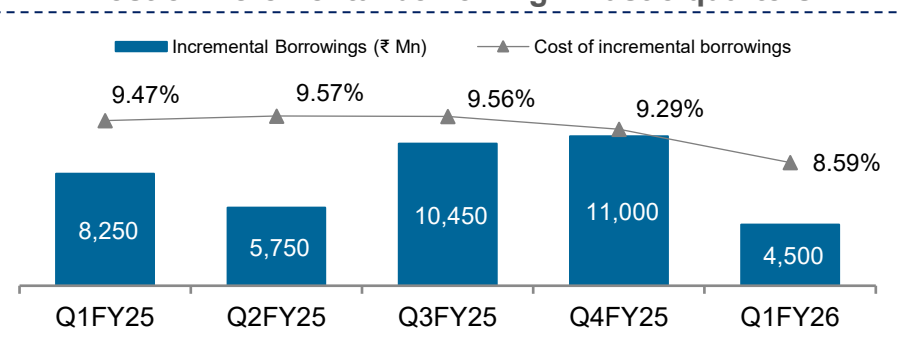
Both CARE and India Ratings have revised the outlook **from Stable to Positive** during the quarter

Diversified borrowing mix across lender category and product category

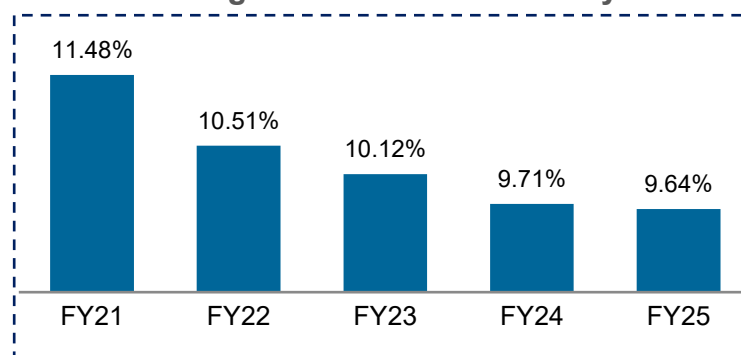
Borrowing exposure and Cost of borrowing



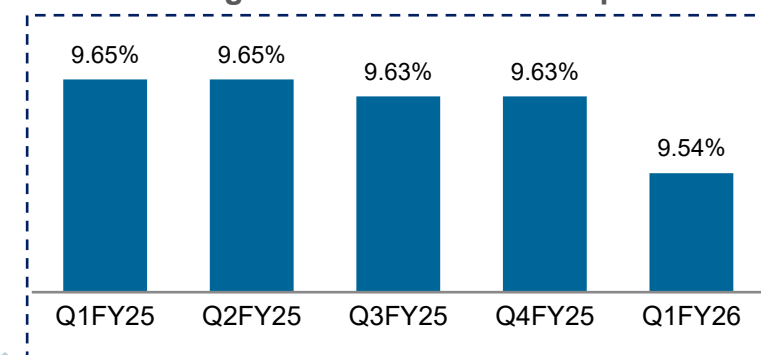
Cost of incremental borrowing – Last 5 quarters



Borrowing cost on book – Last 5 years



Borrowing cost on book – Last 5 quarters



* Proportion of borrowings from banks based on holdings as of the respective quarter-end

Cashflow Position as of Jun'25 – Cumulative

No Cumulative mismatches in any of the time buckets

Particulars	Up to 1M	1-2 M	2-3 M	3-6 M	6M – 1Y	1-3 Y	3-5 Y	>5 Y
Opening Liquidity	21,991	21,041	21,277	20,027	19,617	17,732	20,975	48,648
Add: Inflows from advances	1,533	1,485	1,496	4,883	10,718	43,472	41,962	17,494
Less: Outflows on borrowings	1,372	1,242	2,594	5,137	12,436	39,480	13,995	2,214
Add: Other inflows	115	107	52	77	43	96	25	5,022
Less: Other outflows	1,226	114	204	233	211	845	317	68,951
Cumulative mismatch	21,041	21,277	20,027	19,617	17,732	20,975	48,648	-

Strong Liquidity Position as of Jun'25

Amount in ₹ Mn	
Liquidity buffer as of Jun 2025	
Unencumbered cash & cash equivalents	20,648
Unavailed sanction from banks / FIs	-
Total Liquidity	20,648

Projected Cashflow Schedule	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Opening Liquidity	20,648	22,293	23,775	25,851
Add: Principal collections & internal accruals	6,852	6,620	7,325	7,298
Less: Debt repayments	5,207	5,137	5,250	7,187
Closing Liquidity	22,293	23,775	25,851	25,962

FINANCIAL STATEMENTS

Balance Sheet

Particulars (₹ Mn)	Q1FY2026	Q1FY2025	Q4FY2025	FY2025	FY2024
Assets					
Cash & Cash equivalents	14,726	15,405	14,972	14,972	15,344
Bank balances other than cash & cash equivalents	4,439	1,359	6,580	6,580	1,373
Loans	122,198	104,289	116,868	116,868	96,852
- Loan portfolio	124,578	103,439	118,770	118,770	96,406
- Inter-Corporate Deposits	31	2,550	31	31	2,031
- Expected Credit Loss	(2,411)	(1,700)	(1,933)	(1,933)	(1,586)
Investments	2,159	660	2,122	2,122	1,077
Other financial assets	872	583	879	879	612
Non-Financial Assets	2,902	1,656	2,785	2,785	1,632
Total Assets	147,296	123,952	144,206	144,206	116,889
Liabilities & Equity					
Trade Payables	273	248	268	268	254
Debt Securities	7,763	7,787	7,818	7,818	2,954
Borrowings other than Debt Securities	70,955	59,452	71,402	71,402	60,205
Other Financial Liabilities	1,484	1,094	1,042	1,042	1,003
Non-Financial Liabilities	1,079	873	630	630	511
Total Equity	65,742	54,498	63,046	63,046	51,962
Total Liabilities & Equity	147,296	123,952	144,206	144,206	116,889

Profit & Loss Account

Particulars (₹ Mn)	Q1FY2026	Q1FY2025	Q4FY2025	Y-o-Y	Q-o-Q	FY2025	FY2024	Y-o-Y
Loan Portfolio	124,578	103,439	118,770	20%	5%	118,770	96,406	23%
Interest Income (1)	7,647	6,411	7,347	19%	4%	27,663	21,166	31%
- Interest on loan portfolio	7,137	6,040	6,791	18%	5%	25,871	19,938	30%
- Penal Interest	39	36	45	8%	(13%)	156	161	(3%)
- Interest on Inter-Corporate Deposits	1	40	31	(98%)	(97%)	154	28	450%
- Interest on Investments	263	124	279	112%	(6%)	734	480	53%
- Processing fee & other fees	207	171	201	21%	3%	749	559	34%
Net Gain on Fair value changes (2)	124	185	66	(33%)	88%	494	443	12%
Fee & Other income (3)	141	98	184	44%	(23%)	504	341	48%
- Fee income	96	65	109	48%	(12%)	322	219	47%
- Recovery of Bad debts	26	19	43	37%	(40%)	112	95	18%
- Other non-operating income	19	14	32	36%	(41%)	70	27	159%
Total Income (1+2+3)	7,912	6,694	7,597	18%	4%	28,660	21,951	31%
Interest Expenses	1,873	1,582	1,753	18%	7%	6,680	4,685	43%
Net Interest Income	6,039	5,112	5,844	18%	3%	21,980	17,266	27%
Operating Expenses	2,011	1,565	1,879	28%	7%	6,784	5,553	22%
Loan losses & Provisions	478	185	254	158%	88%	890	554	61%
Profit before Tax (PBT)	3,550	3,362	3,711	6%	(4%)	14,306	11,159	28%
Profit after Tax (PAT)	2,663	2,516	2,791	6%	(5%)	10,725	8,359	28%
Other Comprehensive Income	(15)	(5)	(15)	200%	0%	(29)	(18)	61%
Total Comprehensive Income	2,648	2,511	2,776	5%	(5%)	10,696	8,341	28%
Earnings Per Share (Basic)	9.04	8.60	9.49			36.61	28.64	
Earnings Per Share (Diluted)	9.02	8.53	9.55			36.50	28.39	
Book value per Share	219.93	182.56	210.91			210.91	174.06	

Book value per share computed by dividing the net worth as at the end of the reporting period by the number of shares (including ungranted, unvested and vested but unexercised options and share warrants) as at the end of the reporting period.

Quarterly EPS is not annualised. EPS has been computed in accordance with IND AS 33

Particulars	Q1FY2026	Q1FY2025	Q4FY2025	FY2025	FY2024
Interest Income (as a % of average portfolio)	23.51%	24.22%	23.70%	24.03%	24.27%
Interest Expenses (as a % of average borrowings)	9.54%	9.65%	9.63%	9.64%	9.71%
Net Interest Income %	13.97%	14.57%	14.07%	14.39%	14.56%
Total Income (as a % of average total assets)	21.52%	21.90%	21.90%	21.85%	22.11%
Interest Expense (as a % of average total assets)	5.10%	5.18%	5.05%	5.09%	4.72%
Net Interest Margin %	16.43%	16.72%	16.84%	16.75%	17.39%
Operating Expenses (as a % of average total assets)	5.47%	5.12%	5.42%	5.17%	5.59%
Loan losses & Provisions (as a % of average total assets)	1.30%	0.61%	0.73%	0.68%	0.56%
Profit before Tax (PBT) %	9.66%	11.00%	10.70%	10.90%	11.24%
Tax %	2.41%	2.77%	2.65%	2.73%	2.82%
Profit after Tax (PAT) or Return on average total assets	7.24%	8.23%	8.04%	8.18%	8.42%
Debt / Equity	1.20	1.23	1.26	1.26	1.22
Leverage (Total assets / Net worth)	2.24	2.27	2.29	2.29	2.25
Return on Equity	16.57%	18.95%	18.36%	18.68%	17.60%
Operating cost to income ratio	33.45%	30.73%	32.29%	31.01%	32.29%
Credit cost to income ratio	7.92%	3.61%	4.35%	4.05%	3.21%
Total Cost to income ratio	41.34%	34.34%	36.63%	35.05%	35.49%

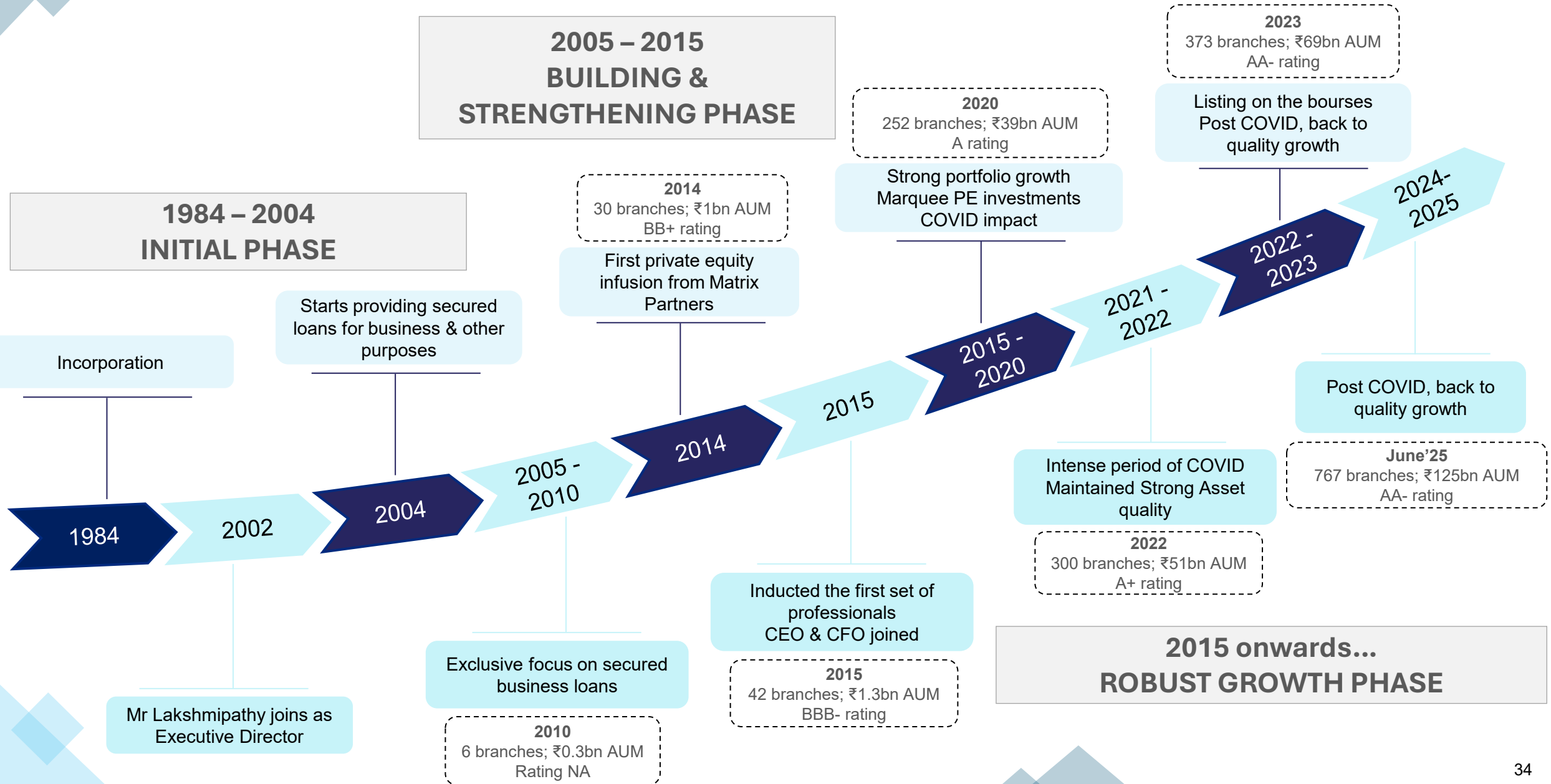
COMPANY OVERVIEW

Our Journey

1984 – 2004 INITIAL PHASE

2005 – 2015 BUILDING & STRENGTHENING PHASE

2015 onwards... ROBUST GROWTH PHASE



Who we are

- ★ NBFC providing secured financial solutions to Small Business customers and Self-employed Individuals who are largely cut-off from formal lending ecosystem
- ★ Deep understanding of customer behavior and strong knowledge of market and regional dynamics, having been operating in this segment for over the last 2 decades
- ★ Proprietary Underwriting & Collections model fine-tuned over 2 decades of experience



Target Customer Segment

Customers with informal income derived from everyday 'services'

Ticket Size & Income Profile

Average Ticket size of ₹3 – 5 lakhs
Household gross income of ₹25,000 – 40,000



Target Geography

Currently Southern India (TN, AP, Telangana & Karnataka), and MP, Maharashtra, UP, Chhattisgarh, Rajasthan, Gujarat

Property Backed Collateral

All loans are secured against borrower property – usually self occupied residential property



767

Branches

11

States / UT

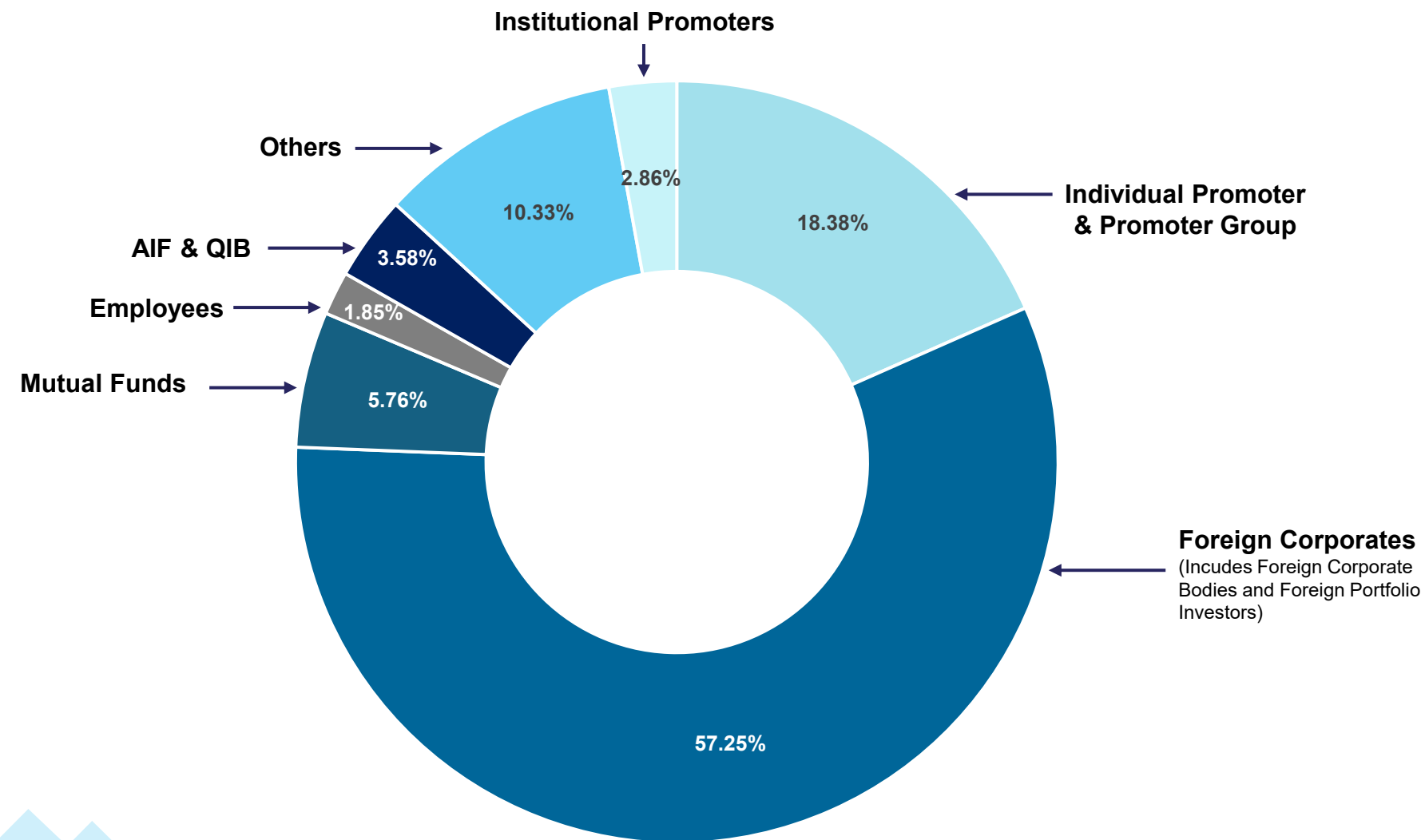
478,012

Loans

12,043

Employees

Current Shareholding



Top Institutional Investors* (ex-PE and Promoter)

Investor name	% stake**
Fidelity Investments	6.80%
Wasatch	4.99%
East Spring	4.30%
HDFC MF	4.05%
Nomura Asset Management	3.72%
Goldman Sachs	2.77%
Vanguard	2.58%
Wellington	2.37%
Norges Bank	1.66%
ADIA	1.25%
Axis Max Life Insurance	1.09%

* Culled from the names appearing in the Benpos received from RTA – may / may not include holdings managed in other names

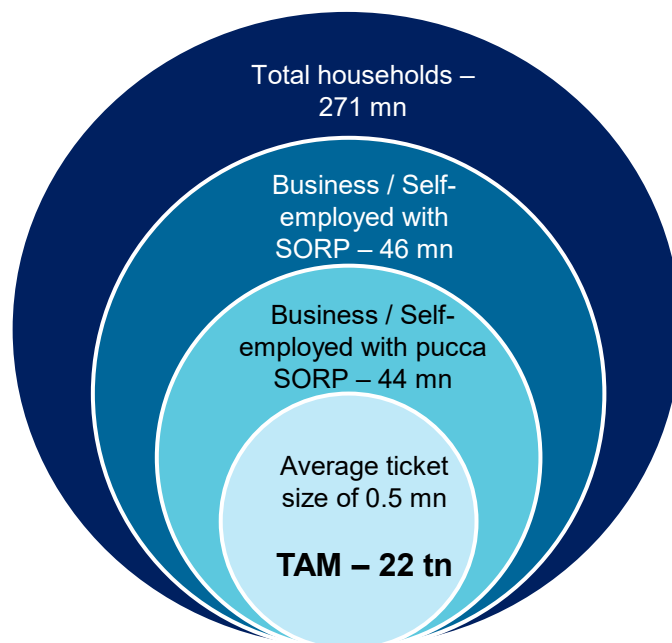
** Holding through various schemes & funds including advisory mandates

% holding computed on a fully diluted basis, including ungranted, unvested and vested but unexercised options and share warrants

Large Market Opportunity to be served through multiple growth levers

Large Market Opportunity

**Fiscal 2024E MSME Credit Gap
104 trillion**



Total Addressable Target Market	22 tn
MSME loans o/s	372 bn
Total “Addressed” market	2%

Market Opportunity estimates by CRISIL
MSME loans o/s as of Sep'23 – Motilal Oswal Financial Services Research report on Five-Star

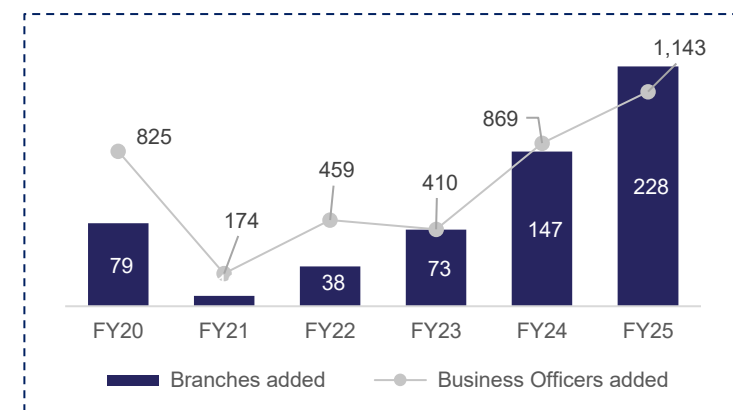
Five Star Growth Strategy

To address the large untapped market opportunity

Strategy 1 – Increase branch network, add more FOS supported by robust risk management framework

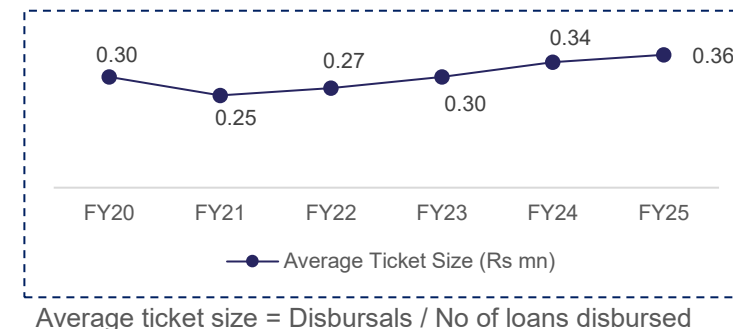
Average branches opened per year (excluding 2 years of COVID) – 132 branches
Split branches act as a robust risk management strategy

Average Business Officers added per year (excluding 2 years of COVID) – 812 officers



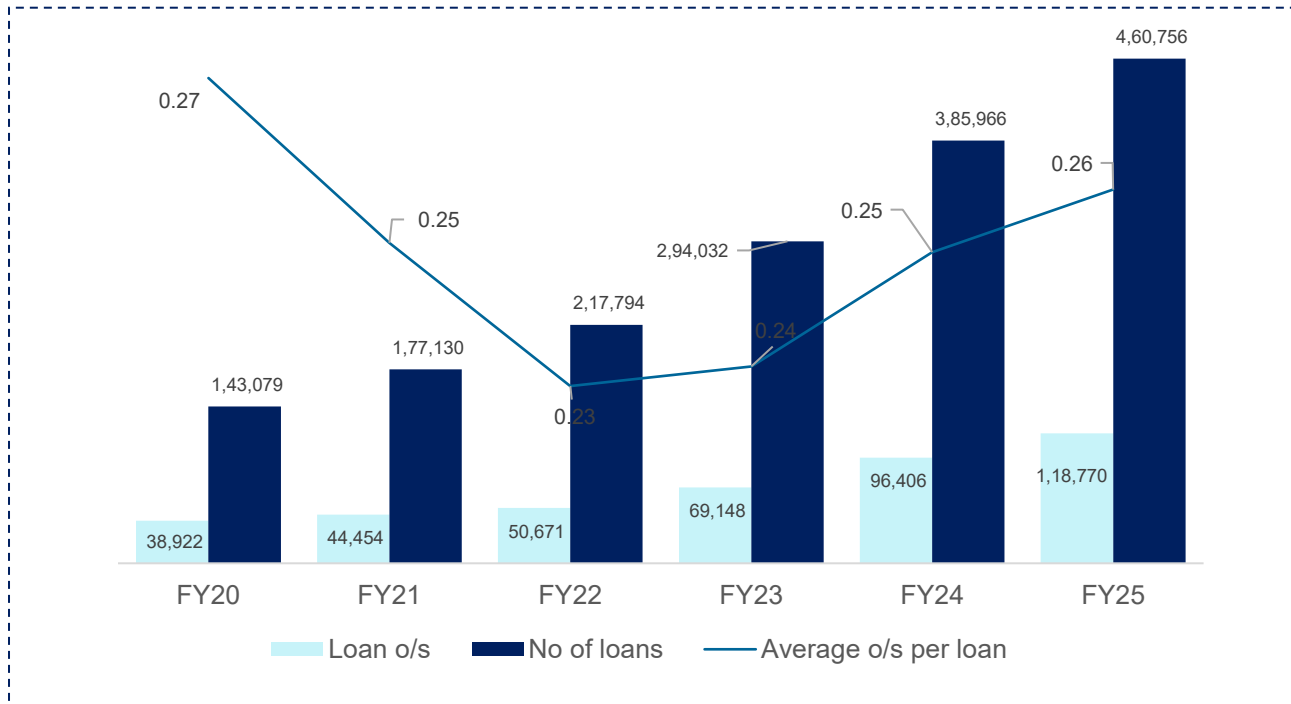
Strategy 2 – Increase Ticket size

Average ticket size has remained almost constant over the last 4 years (excluding 2 years of COVID). Will be pushed up to factor in inflation and stronger customer selection in the coming years

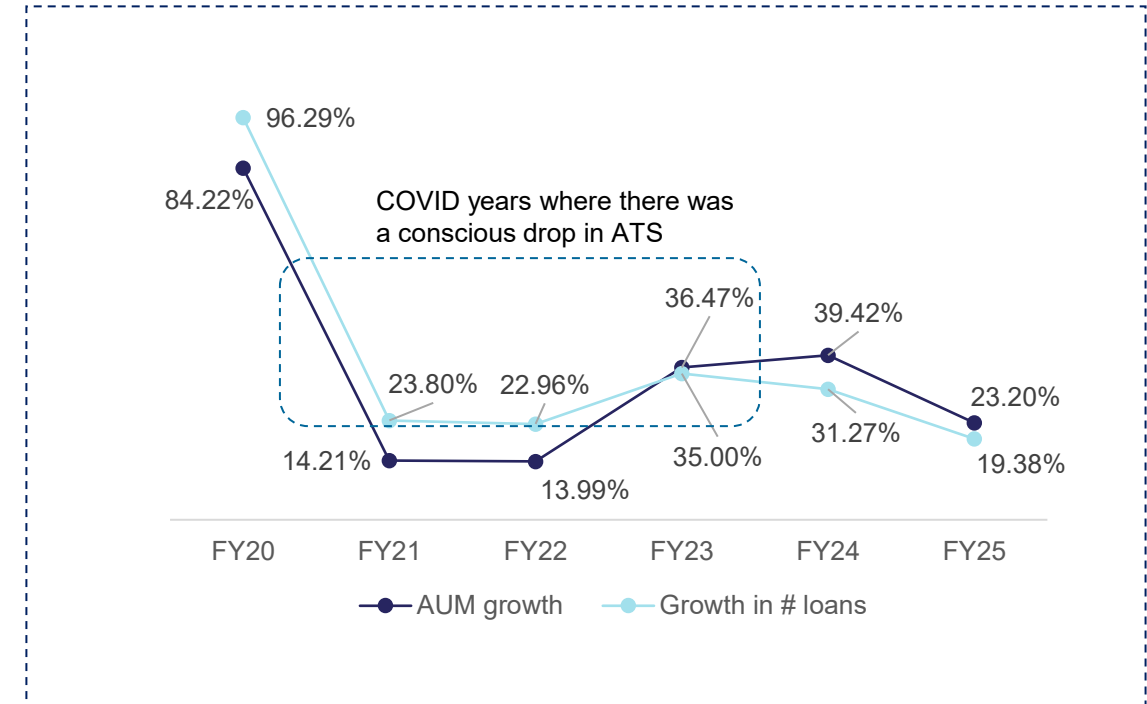


These 2 Strategies will lead to robust Portfolio Growth in the years to come

Growth Strategy shall be borrower led coupled with appropriate increase in ticket size



Average o/s per loan has remained almost flattish



Growth has been led predominantly by increase in loans rather than increase in average ticket size of disbursals, as evidenced by the narrow gap between AUM growth and growth in number of loans

Average ticket size will be pushed up to factor in inflation and stronger customer selection

Well thought out customer & product strategies – helps us remain insulated even during periods of stress

Customer Strategy

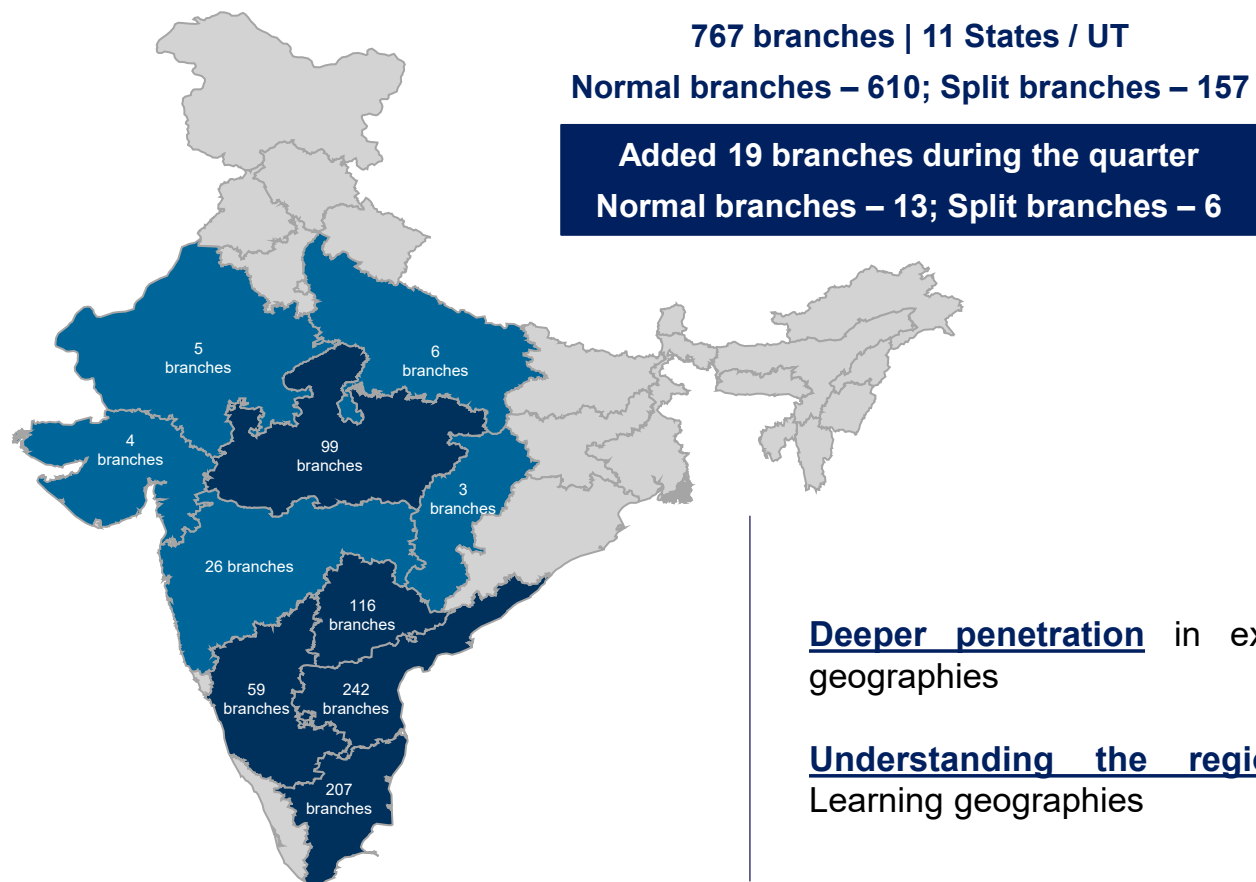
- ★ **Who are our customers** – Small Business Owners and Self-employed individuals involved in everyday cash and carry businesses with a service bias
Minimal impact of macro downcycles
- ★ **How & wherefrom do we source our customers** – 100% in-house sourcing with a strong focus on Tier 3 to Tier 6 cities
Under-penetrated market; high level of customer stickiness
- ★ **How are the loans given** – Loans given to the family / household, leading to a collective decision-making
Potential issues prevented due to collective decision-making



Product Strategy

- ★ **Loan purpose** – Loans provided for business expansion, home renovation / improvement and other mortgage purposes (marriage, education, emergency etc)
Meet all requirements of the borrower household
- ★ **Nature of our lending** – 100% backed by collateral, 95% being SORP
Helps prioritize our loan during difficult times
- ★ **Product characteristics** – Typical ticket sizes between 0.2 and 1 mn for a tenure of up to 7 years with LTV and Debt burden ratios of ~50% at the time of sanction
Thin EMIs help borrowers repay the loan without undue burden

Gradual growth in newer regions; significant ramp-up upon reaching the comfort state

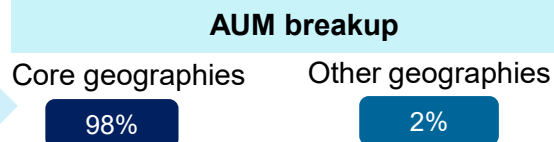


State-wise portfolio break-up							
State	No of branches	Q1FY26	FY25	FY24	FY23	FY22	FY21
Tamil Nadu	207	28%	29%	31%	35%	39%	41%
Andhra Pradesh	242	37%	38%	37%	33%	29%	28%
Telangana	116	19%	19%	19%	20%	19%	18%
Karnataka	59	6%	6%	6%	7%	7%	7%
Madhya Pradesh	99	7%	7%	5%	5%	5%	4%
Others	44	2%	2%	1%	1%	1%	1%
Total	767						

Average AUM per branch based on branch vintage

Vintage	No of branches	Average AUM
<= 1 year	222	105
1 – 3 years	236	148
3 – 5 years	53	190
5 – 7 years	120	210
> 7 years	136	228
Total	767	162

Approach would be to keep the Average AUM range-bound through the Split branch strategy



Cluster Strategy – Ideal Branch Structure

Evolution of Branch Structure at Five-Star

Till FY2016

Normal Branch Strategy

5-6 Relationship Officers

Manage both Business & Collections

Ability to onboard good quantum of business over a period

Pros & Cons

Optimal # accounts per RO – helped manage risk

Ability to scale with the number of officers is limited

2017 – 2023

Super Branch Strategy

Add more ROs - 10-12 ROs per branch

Beef up the Supervisory structure - 2 Asst BM and 1 Sr BM

Helps maintain optimal # accounts per RO

Pros & Cons

Offered tremendous potential for scalability

Can lead to concentration risk from AUM & people perspectives

2023 till date...

Cluster / Ideal Branch Strategy

Add new branches near bigger branches when # accounts cross a certain threshold

5-6 ROs + appropriate collections support – Other ROs moved to the new branch

Move some accounts to the new branch – helps maintain optimal # accounts per RO

Advantages

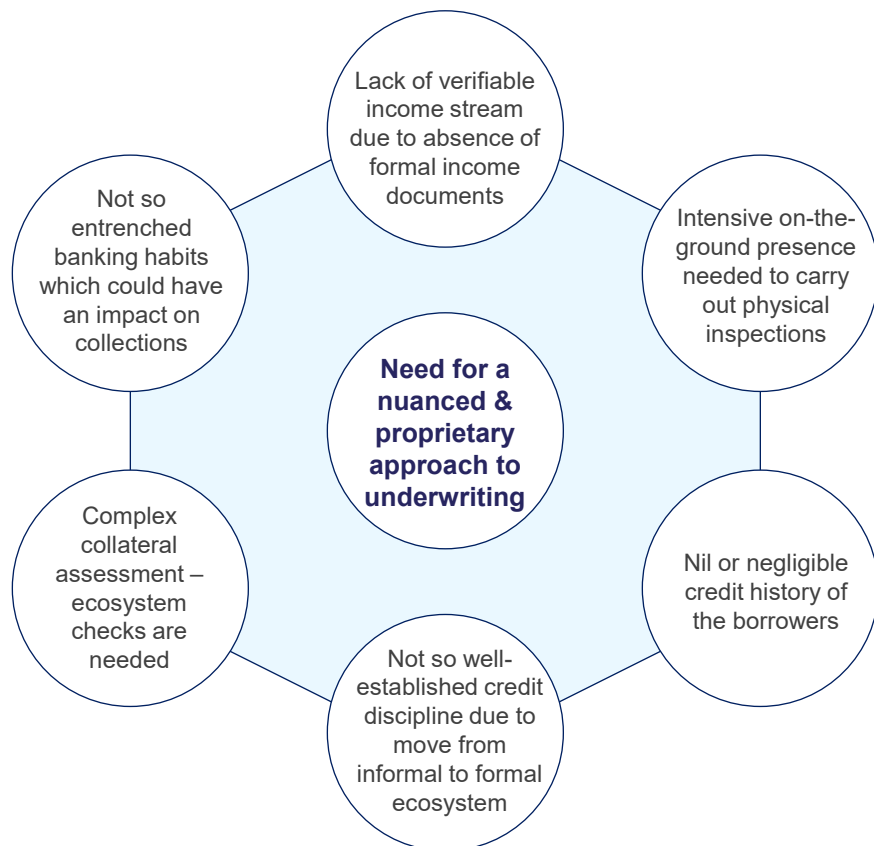
Helps de-risk without any material cost / headcount increase

Facilitates career progression, workload management, control attrition

Constant evolution of branch structure to suit the prevalent conditions has resulted in strong business & collections momentum

Underwriting strategy fine-tuned over years of experience – to serve a “not so easy to underwrite TAM”

Difficulties in evaluating the Addressable Market Segment



Five Star's capabilities

- ★ Credit appraisal of informal income with minimum documentation; Surrogates (lifestyle, ownership of assets, trade checks, etc) used to evaluate borrower cashflows, in the absence of verifiable income documents
- ★ 'On the ground' presence - ability to conduct physical verifications – mechanism has been created to ensure maker-checker controls in inspection process and operate at scale
- ★ Ability to utilize ecosystem checks as proxies for formal records in databases

Five Star operates profitably with strong portfolio quality (in the company's customer segment) by carefully selecting customers that 'fit' its assessment capabilities

Multiple levels of appraisal – Final sanction can be provided only by the Independent Credit team

Branch Appraisal

- ★ **Pre-login assessment by the branch** – Basic verification of business, residence and background check on borrower
- ★ **Relationship Officer Inspection** – Visit to applicant's business / residence to assess business traction / income level through proxies
- ★ **Final assessment by Branch Manager** – Complete inspection undertaken across the 3 Cs – Character, Cashflow and Collateral and report submitted to the approval team

Credit Appraisal

- ★ **Field Credit Inspection** – Independent visit to applicants' residence and business for detailed inspection; independent report submitted to the approval team
- ★ **Approval Credit** – Loan sanctioned / rejected basis branch appraisal and field credit appraisal reports. Only team with approval powers
- ★ **Legal Appraisal** – Validation of the property documents done by Internal and External legal counsels

Inherent Controls

Focus on Service oriented businesses

- Last impacted by macro down-cycles and first to emerge from them

Loans to the family / household

- Ensures collective decision-making and avoids potential problems

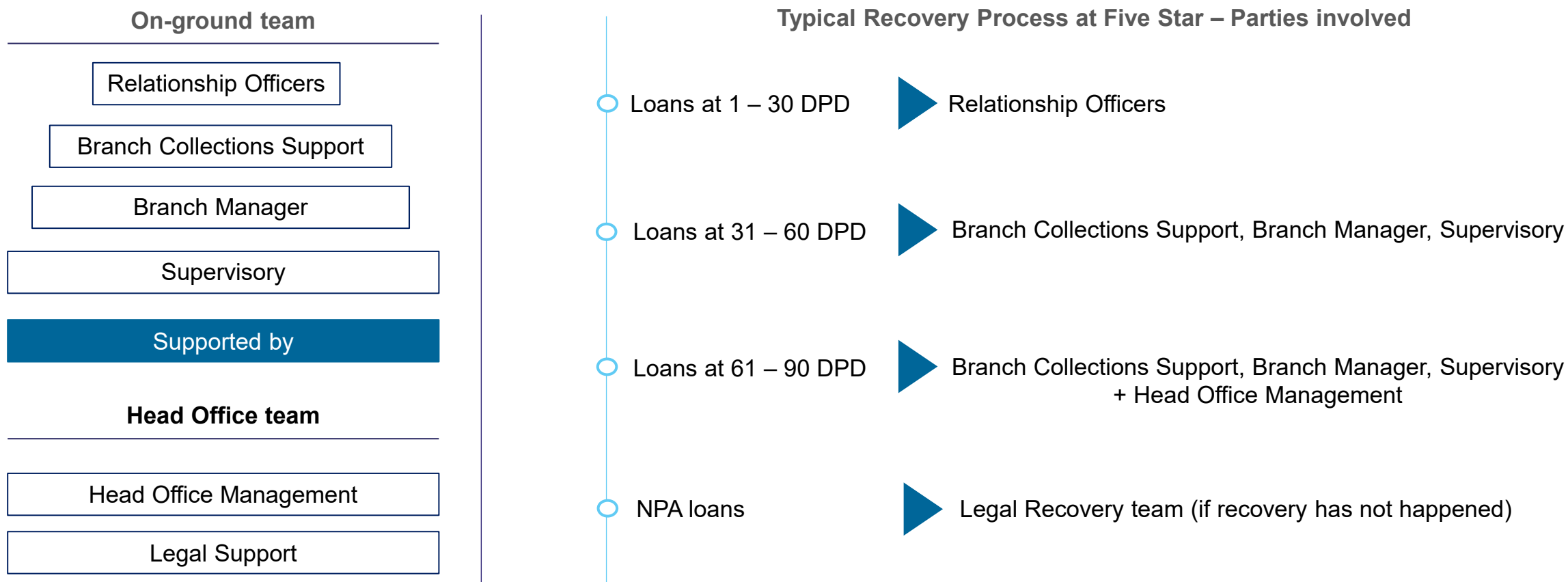
Independent verification & approval

- Approval powers only with the Credit team; no approval powers even with the Chief Business Officer

Registered Mortgage

- Mortgage on the collateral registered with the Sub-registrar office; helps avoid multiple loans against the same property

First-time business loan borrowers migrating from informal to formal ecosystem necessitates multiple touchpoints

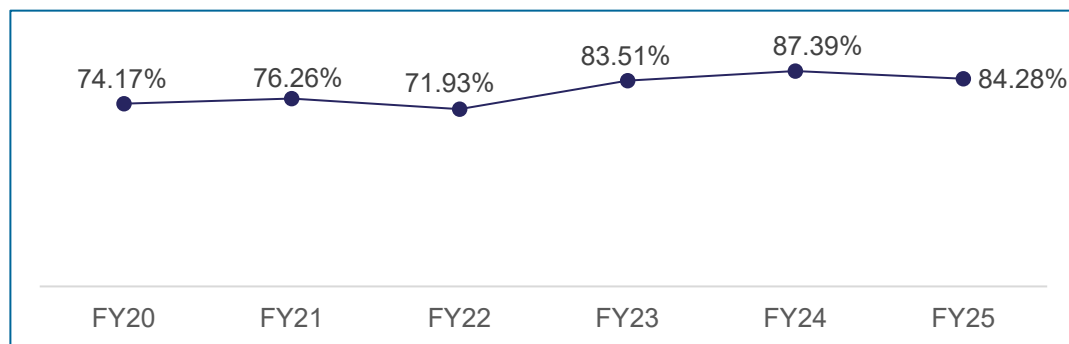


Concerted efforts, along with necessary legal measures, ensure strong recovery and robust asset quality

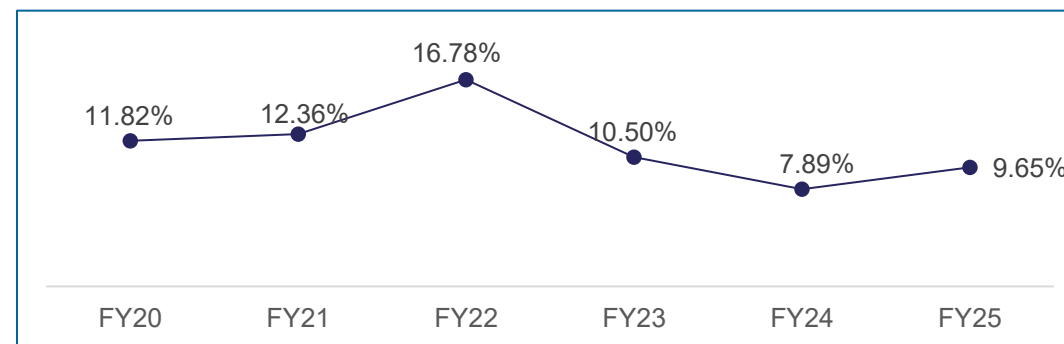
Strong on-ground Collections infrastructure (2/2)

Focus on Unique Customer Collections Efficiency has contributed to significant improvement in portfolio profile

Current Portfolio



30+ Portfolio



Overall Portfolio Profile

	FY20	FY21	FY22	FY23	FY24	FY25
Stage 1	88.18%	87.64%	83.22%	89.50%	92.11%	90.35%
Stage 2	10.45%	11.34%	15.73%	9.15%	6.51%	7.87%
Stage 3	1.37%	1.02%	1.05%	1.35%	1.38%	1.79%

Continuous evolution in Collections Strategy has contributed to continuous strengthening of the portfolio profile

Robust investments in technology to efficiently manage the lending process, increase productivity and decrease costs



- Moved to Finn One Neo (ERP solution) with automated workflow and rule engine configuration



- Moved to a completely paperless underwriting model with all data available on cloud



- Significant investments in technology during this period

FY2017 – FY2022

Till FY2017

- Manual underwriting process with minimal technology involvement

From FY2023



- Strengthened senior management team for IT and significantly augmented the team



- Significant IT spends during the last few years

- Complete data on cloud along with SaaS models for applications

- Focus on strategic projects and leveraging benefits from their implementation - Loan Origination System (Salesforce), General Ledger (Oracle), HRMS, Treasury system, Collections Module and Customer Scoring Model



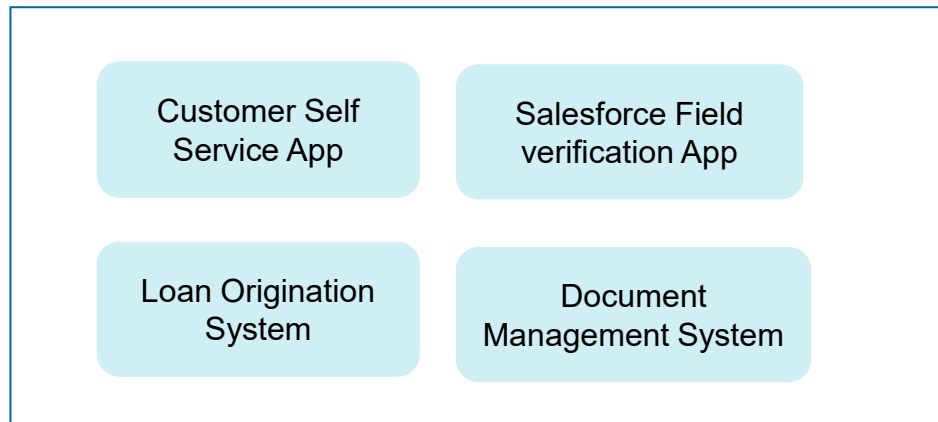
Looking Ahead

- API infrastructure to leverage strengths of third-party service providers / fintechs
- Data analytics and machine learning
- Robust Customer Credit Scoring model
- Continue to improve the tech stack by bringing in stronger applications to support the growth strategy

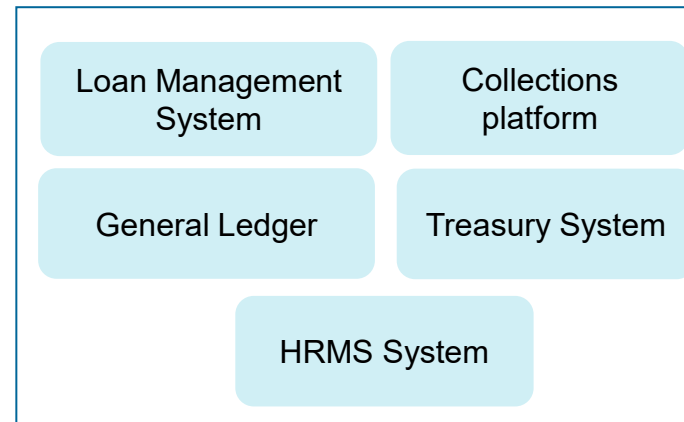


Comprehensive Tech stack to derive productivity and efficiency benefits

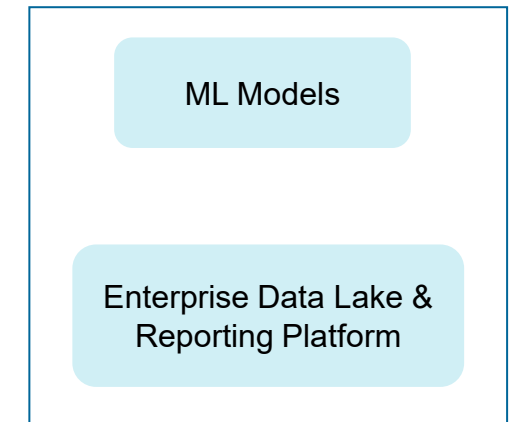
Loan Origination & Underwriting



Loan Servicing & Support Systems



Reporting / MIS



Enterprise API Integration Layer

Credit Bureau

KYC Validations

CERSAI / CKYC

Aadhar E-KYC

APIs for Loan
Management

Personalized QR
based payments

Bharat Bill Pay
System (BBPS)

UPI Auto-pay

Focused tech strategy / stack have helped achieved key benefits across functional verticals

Loan Origination

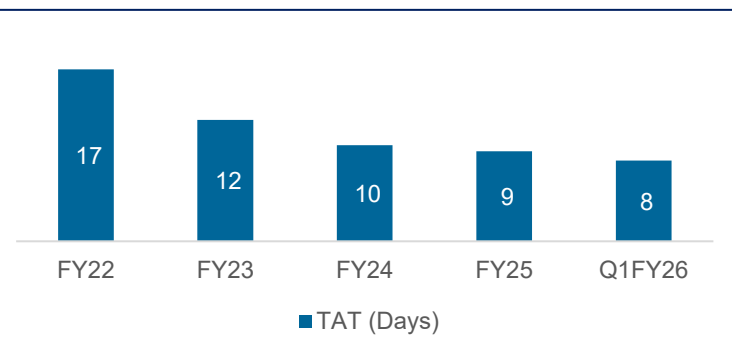
- Consistently improving TAT
- Increase in quantum and improved reliability of data collected
- Ability to collect data available with third-party service providers, through APIs

Credit Underwriting

- Fully rounded view of the borrower income, collateral value, title, income proxies available to process & approval credit at one place
- System led automated exception reporting - All deviation approvals captured in the system helping minimize risk of manual override

Collections

- Move from cash to digital means of collections
- All modes of collections made available to the borrowers – NACH, BBPS, UPI Auto-pay, etc
- Efficient cash handling with complete traceability

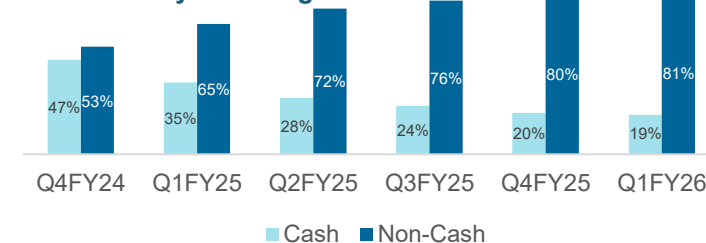


Expect to operate around 8-9 days of TAT in a steady state scenario

TAT represents days between login & sanction

Aim to gradually keep reducing the proportion of cash in the coming quarters

Proportion of cash collections showing a consistently declining trend



Risk Management & Audit

- Effective monitoring and portfolio management of large volume underwriting process
- System driven risk metrics without manual override
- Complete maker-checker process and audit trails to fix accountability

Robust Risk Management and Risk-based Internal Audit Framework ensure strong oversight

Board of Directors

Risk Management Committee

Audit Committee

ALCO
(Liquidity & ALM risks)

Credit Committee
(Large ticket sanctions)

Business Resource
Committee
(Fund-raise)

Statutory Audit
(Deloitte Haskins &
Sells)

External Internal Audit
(Sundaram & Srinivasan)

Internal Internal Audit
(In-house Audit team)

Functional
Departments

Risk Management
Department

Functional
Departments

Financial Reporting &
Accounting

Chief Compliance Officer
+
Compliance Department

Robust Risk Management and Risk-based Internal Audit Framework ensure strong oversight

Risk Management Framework

Credit / Collateral / Portfolio Risk

Monitored by Risk Management Committee

Financial Risk

Monitored by Audit Committee

Liquidity Risk

Monitored by ALCO; Stress tests conducted under ICAAP methodology and reviewed by the Board annually

Operational Risk

Monitored by Audit Committee as part of Audit / ICFR process

Technology Risk

Monitored by IT Strategy Committee / IT Steering Committee / Information Security Committee

HR / Attrition Risk

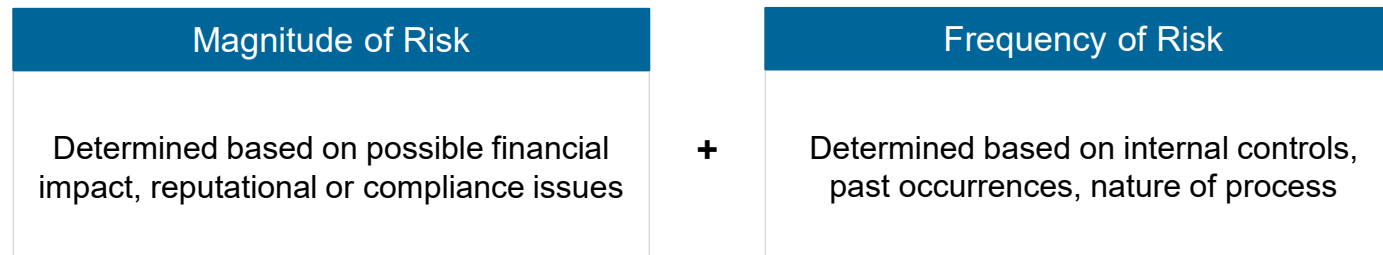
Monitored by Risk Management Committee

Fraud Risk

Monitored by Audit Committee as part of Audit / ICFR process

Risk based Internal Audit Framework

Strong framework laid down based on the twin principles of:

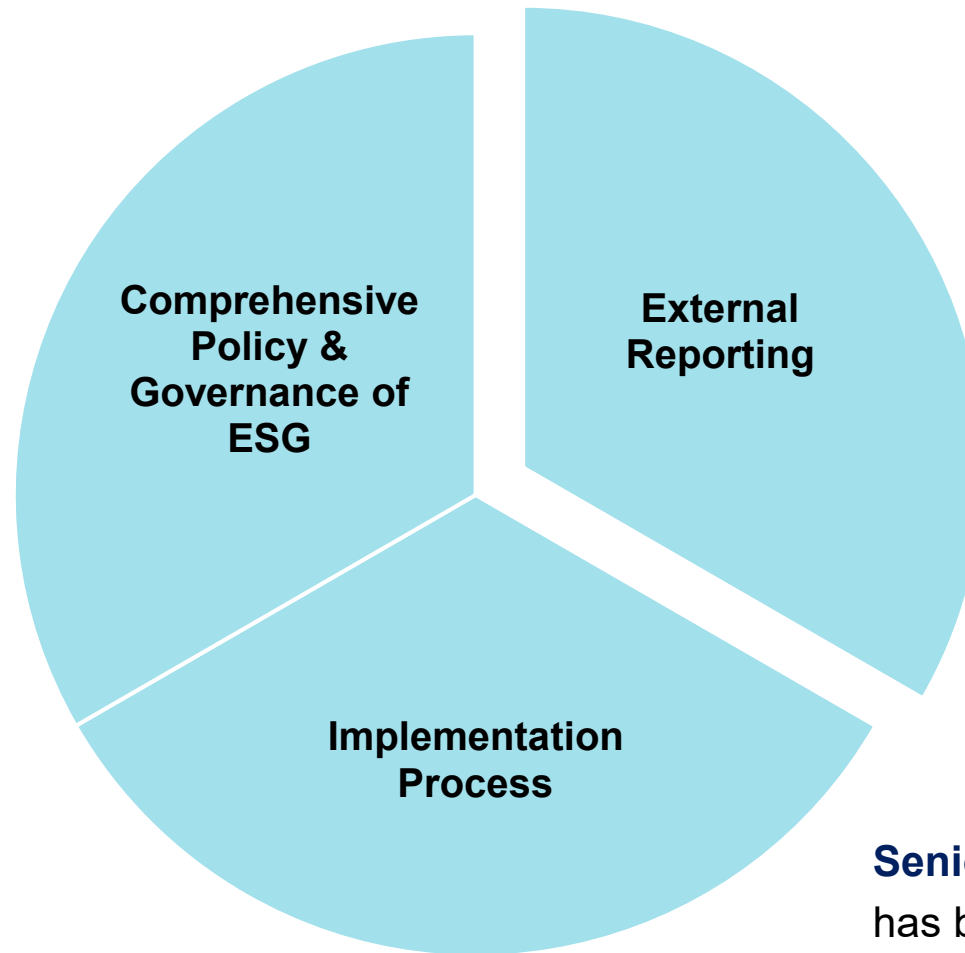


	High Frequency	Medium Frequency	Low Frequency
High Magnitude of risk	Quarterly testing	Quarterly testing	Half-yearly testing
Medium Magnitude of risk	Quarterly testing	Half-yearly testing	Annual testing
Low Magnitude of risk	Half-yearly testing	Annual testing	Annual testing

Clean Track Record | No Auditor Qualifications | Multiple RBI Inspections with NIL divergences | Fully automated Compliance tracking

ESG @ Five Star primarily revolves around the aspects of “S” (Social impact) and “G” (Governance)

Comprehensive ESG and BRSR policies approved by the Board
at least on an annual basis



Business Responsibility and Sustainability Report (BRSR)
is published as part of the Annual Report

Senior Management team
has been tasked to oversee the implementation

Social Impact Indicators – Financial Inclusion (“Reaching the Unreached”)

Company Vision

Reaching the Unreached through suitable credit solutions

Mission Statement

Provide appropriate credit solutions to the hitherto unreached segment of the market by developing a niche underwriting model, built towards evaluating the twin strengths of the borrowers’ intention to repay and ability to repay, with the ultimate objectives of increasing customer satisfaction and maximizing stakeholder returns

Financial Inclusion

- Caters to the underserved market of small business loans
- Meets demand which is majorly catered by informal sources
- Employment opportunities in semi-urban and rural areas
- Focus on hiring local talent

Catering to LIG customers

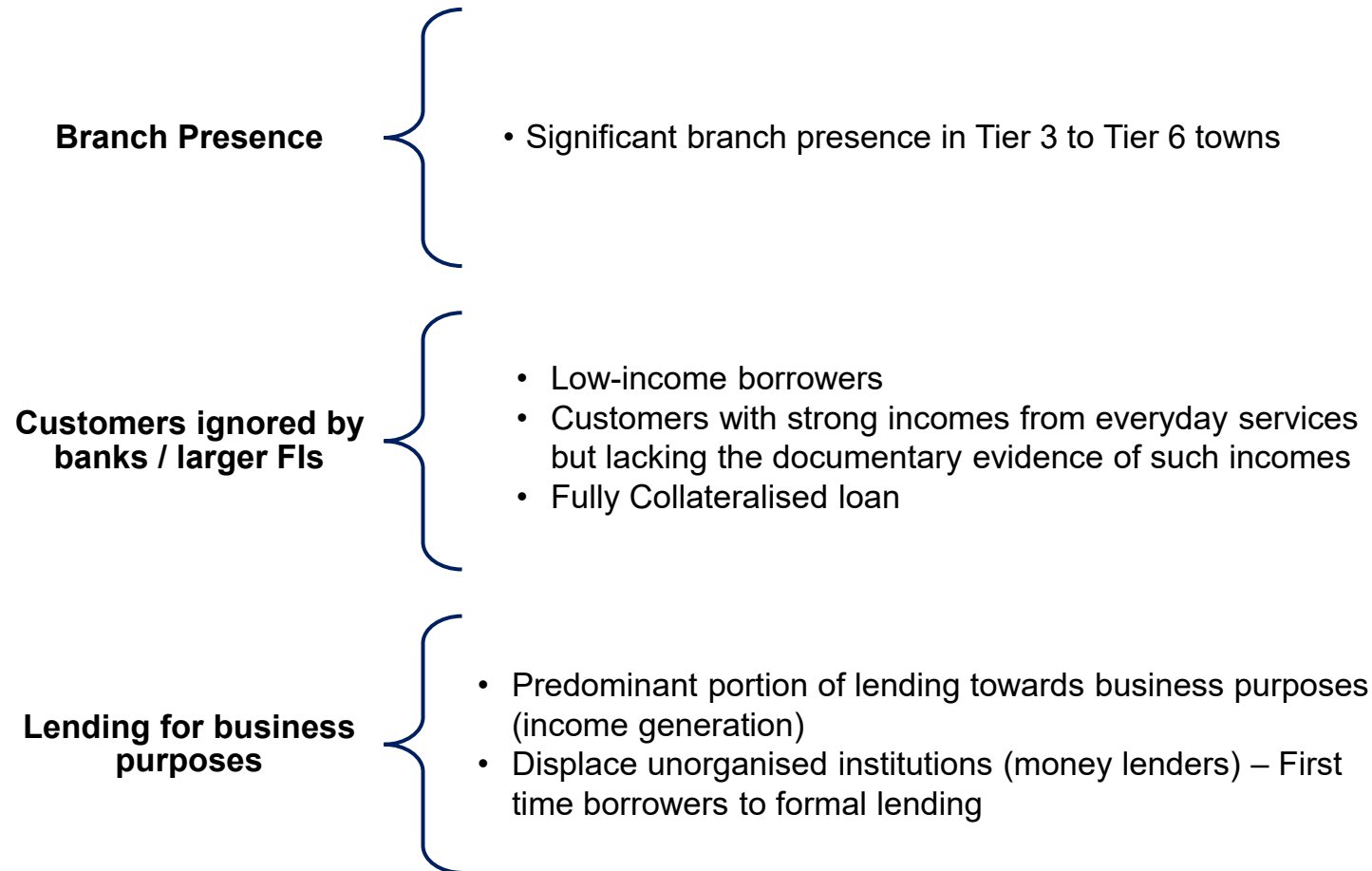
- Majority of AUM is provided to Low-income group customers, thereby fostering financial inclusion
- Loans for business and other purposes are provided at lower interest rates

Low-income group means households with earnings of ₹ 25,000 or lesser

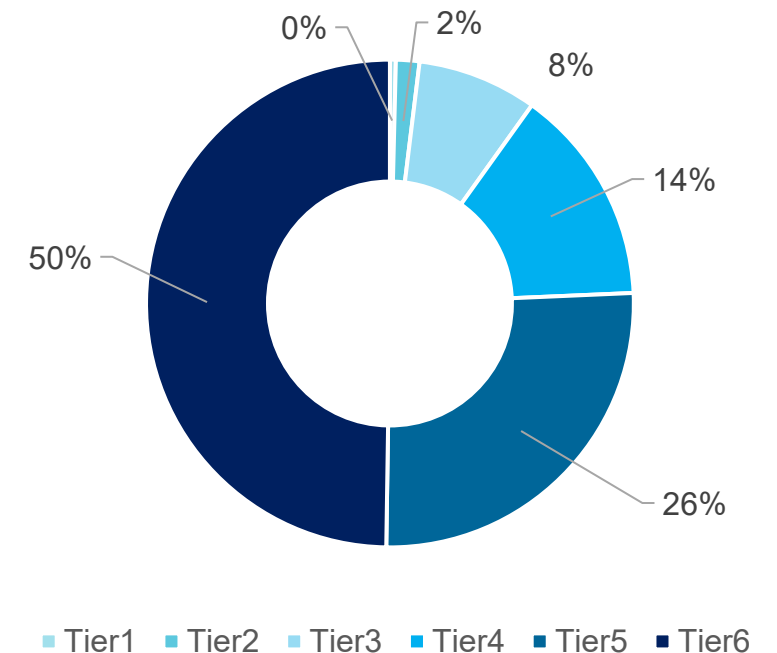
Corporate Social Responsibility

- Significant spends are made towards CSR
- CSR objectives are tailored towards improving education, healthcare and livelihood
- Right implementation partners are onboarded, and a strong monitoring mechanism is in place to ensure proper utilisation of funds

Social Impact Indicators – Branch Presence



Significant Branch presence in Tier 3 to Tier 6 towns - semi-urban and fast-growing rural geographies



Tier 6 – Population < 50K; Tier 5 – Population 50K – 1L; Tier4 – Population 1L – 2L; Tier 3 – Population 2L – 10L; Tier 2 – Population 10L – 50L; Tier 1 – Population > 50L

Strong Governance Framework

Board of Directors

1
Promoter Director

4
Independent Directors
(including 1 Woman
Director)

2
Executive Directors

1
Non-Executive Director

Board Committees

Audit
Committee

Risk Management
Committee

Nomination &
Remuneration
Committee

IT Strategy
Committee

Stakeholder
Relationship
Committee

Customer
Service
Committee

Corporate Social
Responsibility
Committee

Business &
Resource
Committee

Chaired by Independent Directors

Chaired by Other Directors

Management Committees

Asset – Liability Committee

Credit Committee

Grievance Redressal
Committee

IT Steering
Committee

Information Security
Committee

High Independent Director representation | Varied level of Independent Director experience | High level of Independent Director participation in Committees | Most Board Committees chaired by Independent Directors

Robust Corporate Governance supported by Board approved Policies

The Board of Directors helps improve Corporate visibility, image and governance and provides strong comfort to external stakeholders.

The Board also helps in ensuring robust risk management strategies and provides independent oversight in the Organisation.

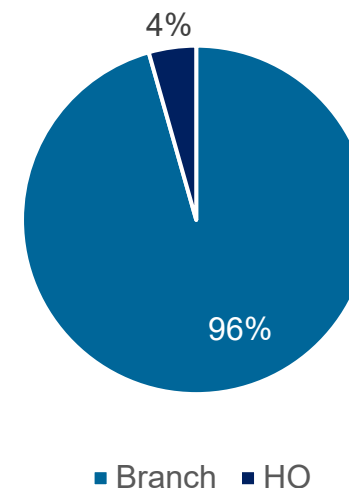
The Company has also implemented the following Policies (approved by the Board, at least annually) to promote ethical, transparent and responsible behaviour and to fix accountability:

- ★ Code of conduct for the Board of directors and Senior Management personnel [\(Link\)](#)
- ★ Guidelines on Corporate Governance [\(Link\)](#)
- ★ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information [\(Link\)](#)
- ★ Grievance Redressal Policy [\(Link\)](#)
- ★ Know Your Customer (KYC) and Anti Money Laundering Policy [\(Link\)](#)
- ★ Fair Practice Code [\(Link\)](#)
- ★ Policy on Prevention of Sexual Harassment [\(Link\)](#)
- ★ Whistle Blower policy & Vigil mechanism [\(Link\)](#)
- ★ Business Responsibility and Sustainability Reporting policy [\(Link\)](#)

Strong & adequate Human Capital for the size and scale of operations

Function	No of employees
Business & Collections	8,338
- Relationship Officers	6,734
- Branch Managers	1,604
Supervisors	141
Credit	1,151
- Field Credit	819
- Approval Credit	323
- Credit Support	9
Operations	1,104
- Operations Officers	921
- Head Office team	183
Accounts	882
- Cashiers	821
- Head Office team	61
Legal & MOD	207
IA & Customer Care	67
Technology	53
Human Resources	44
Administration	21
Others	13
Heads of Departments	11
Senior Management	11
Total Headcount	12,043

Proportion of Headcount – Branch vs HO



Predominantly branch-led headcount, which helps in improved productivity, quality & profitability

Strong Supervisory layer (across branch and other support functions) to maintain strong control processes and ensure maker-checker mechanism

Support functions also staffed adequately to ensure robust controls in each of the processes

Management team consists of professionals with relevant experience and expertise to carry out their functional responsibilities

Thank You

For further information, you may please email to:

 ir@fivestargroup.in
