

Date: January 28, 2026

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 and nine months ended December 31, 2025.

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Investor Presentation of the Company on the unaudited financial results for the quarter and nine months ended December 31, 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

 Digitally signed by
Vigneshkumar S M
Date: 2026.01.28
17:14:58 +05'30'

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 | Q3FY2026

Safe Harbour

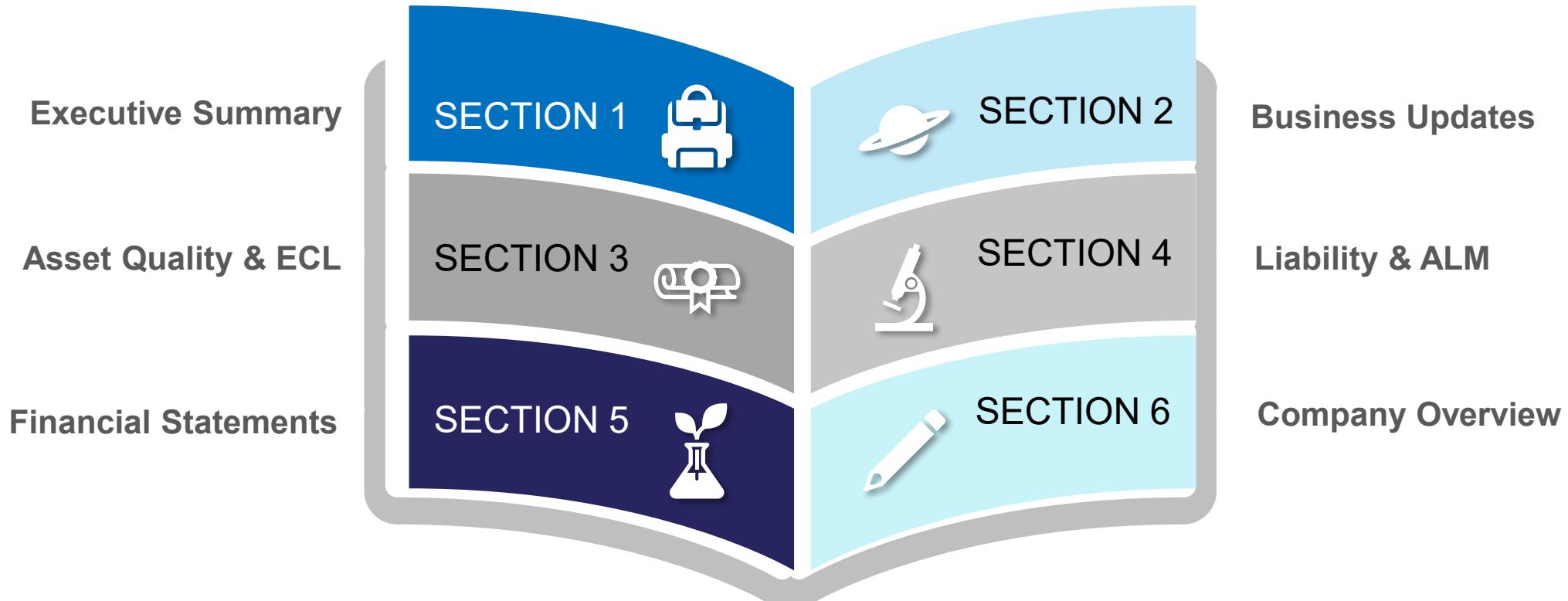
This presentation and the accompanying slides (the “Presentation”) which have been prepared by **Five-Star Business Finance Limited** (the “Company”) have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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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.

Glossary

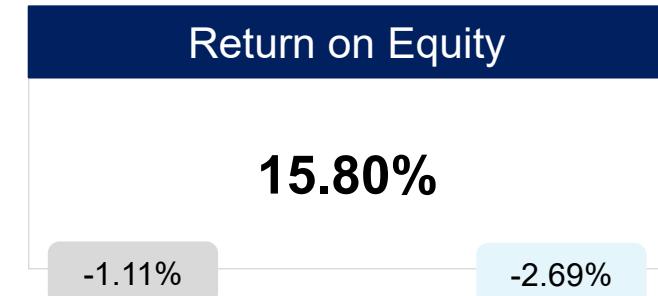
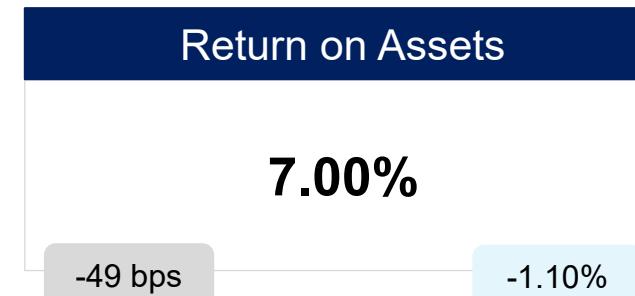
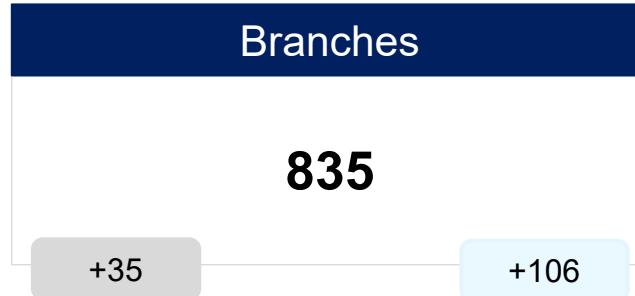
- All amounts are given in ₹ Million unless specified otherwise.
- Gross NPA or Gross Stage 3 assets represents loans which are more than 90 days past due (till the quarter ended Sep 2022); for the quarters post Sep 2022, this has been computed as per guidelines stipulated by RBI vide their circulars 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.



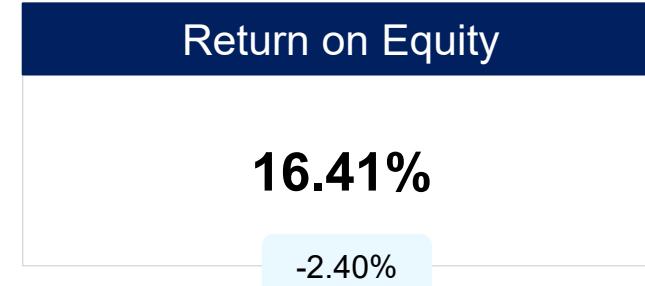
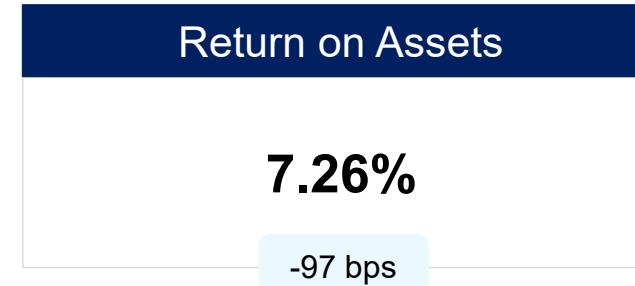
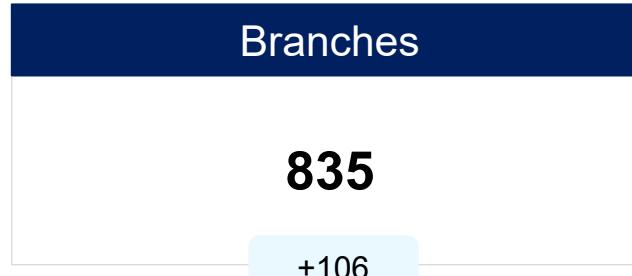
EXECUTIVE SUMMARY

q-o-q

y-o-y



y-o-y



Q3FY26 Performance – At a glance

Scale of Operations	Distribution	Granular Book	Asset Quality	Liability Profile	Profitability
 ₹129.6bn / ₹111.8bn AUM in Q3FY26 / Q3FY25 16% growth Y-o-Y	 835 Number of Branches	 100% Secured Loan Book (95% against SORP)	 3.18% Q3FY26 Gross Stage 3 Assets	 45 Lender relationships	 ₹2.8bn / ₹2.7bn PAT for Q3FY26 / Q3FY25 1% growth Y-o-Y
 ₹9.8bn / ₹9.4bn Amount Disbursed in Q3FY26 / Q3FY25	 8,181 Business and Collections Officers	 ₹0.39mn Average ticket size for loans disbursed in Q3FY26	 1.94% Q3FY26 Net Stage 3 Assets	 51.63% Q3FY26 Capital Adequacy Ratio	 16.04% Net Interest Margin for Q3FY26
 24,829 / 27,449 Number of Disbursements in Q3FY26 / Q3FY25	 Presence in 11 States / UT across India (focused on expansion)	 491,782 Live accounts	 1.44% Q3FY26 Credit Cost to Average Total Assets	 Borrowing profile Well-diversified profile with variable rate borrowings of ~67%	 7.00% Return on Total Assets for Q3FY26
 ₹70.8bn Net Worth	 100% In-house Sourcing & Collections	 39.5% Average Portfolio LTV (As of Dec 31, 2025)	 0.20% / 33.82% Total Restructured Portfolio / Provision Coverage on restructured book	 AA- Long term credit rating by ICRA, CARE and India Ratings	 15.80% Return on Avg. Equity for Q3FY26

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



Lakshmi 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, Catalincs Partners



Thirulokchand Vasan
C K Entertainments

Executive Director



Srikanth Gopalakrishnan
Joint Managing Director & CFO

Profile of Board of Directors

Lakshmi 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

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

Experienced Management Team



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Lakshmi Deenadayalan
Chairman & MD

Education: Bachelor of Engineering



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Srikanth Gopalakrishnan
JMD & CFO

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



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Vishnuram Jagannathan
Chief Operating Officer

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



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7+

Parthasarathy Srinivasan
Chief Credit Officer

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



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8+

Sathya Ganesh
Chief Business Officer

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



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Vanamali Sridharan
Chief Technology Officer

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



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Jayaraman Sankaran
Chief Risk Officer

Education: B.Com, CA
Experience: Redington India



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8

Prashanth Sreenivasan
Chief Treasury Officer

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



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Ramesh Kannah
Chief Legal Officer

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



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Sai Suryanarayana
Chief People Officer

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 ₹1,170 Mn in Q3FY26 as against ₹2,509 Mn in Q3FY25. AUM was up 16% Y-o-Y at ₹129,641 Mn as of Dec 31, 2025 as against ₹111,781 Mn as of Dec 31, 2024.
2. Disbursements during the quarter was at ₹9,764 Mn as against ₹9,408 Mn during Q3FY25.
3. Active loans at 0.49 Mn as of Dec 31, 2025 as against 0.44 Mn as of Dec 31, 2024.
4. The Company added 35 branches during the quarter. Total branch count stood at 835 as against 729 branches as of Dec 31, 2024.
5. Total Headcount stood at 13,854 as against 11,207 as of Dec 31, 2024.

Collections & Asset Quality

1. Overall Collections efficiency for the quarter stood at 96.6% as against 96.7% for Q2FY26. Unique loan collections % (Due One Collect One or D1C1) stood at 95.1% for the quarter as against 95.1% for Q2FY26.
2. Current portfolio as a % of the overall portfolio stood at 81.77%.
3. Gross & Net Stage 3 assets stood at 3.18% and 1.94% respectively as of Dec 31, 2025 as against 1.62% and 0.81% as of Dec 31, 2024.
4. Overall Stage 2 assets stood at ₹12,486 Mn (9.63%) as of Dec 31, 2025 as against ₹ 8,431 Mn (7.54%) as of Dec 31, 2024.
5. The Provision coverage on Stage 3 assets stood at 39.84% and the provision coverage on the overall portfolio stood at 1.83%.

Liabilities

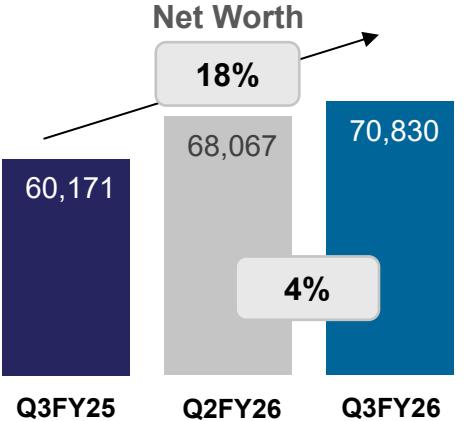
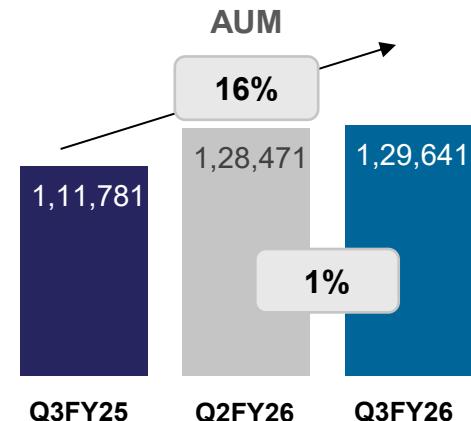
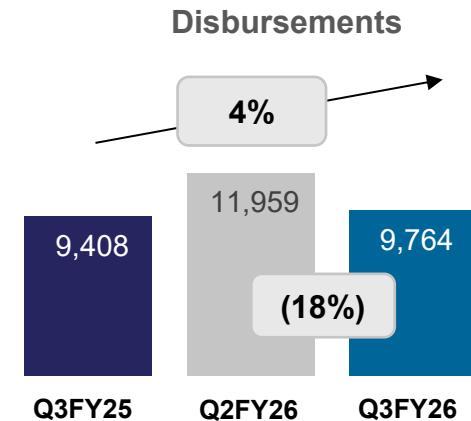
1. In Q3FY2026, the company received sanctions for incremental debt of ₹12,250 Mn, availing ₹4,600 Mn, at a weighted average rate of 8.09%, and all-inclusive cost of 8.19%.
2. As at the end of December 2025, the proportion of funding received from banks stood at 69% as compared to 68% in Q2FY26.
3. During Q3FY26, the Company has signed a loan agreement for a \$100 Mn. facility with Asian Development Bank (ADB), one of the largest and most eminent DFIs globally.
4. Liquidity buffer and Unavailed Sanction lines as of Dec 31, 2025 stood at about ₹22,764 Mn and 14,400 Mn respectively.

Financials

1. In Q3FY2026, Net total income (Total income less Cost of funds) grew by 13% to ₹6,337 Mn as against ₹5,597 Mn in Q3FY2025
2. PPOP for Q3FY2026 stood at ₹4,259 Mn, an increase of 10% as compared to Q3FY2025
3. As compared to Q3FY2025, PBT and PAT increased by 1% and 1% respectively and stood at ₹3,688 Mn and ₹2,770 Mn respectively for Q3FY2026
4. Cost to income (inclusive of credit cost) stood at 41.93% as compared to 34.87% for Q3FY2025. Excluding credit cost, Cost to income for Q3FY2026 was at 32.93% as compared to 30.72% for Q3FY2025.
5. Return on Average Total Assets was at 7.00% as compared to 8.10% for Q3FY2025
6. Return on Equity was at 15.80% for Q3FY2026 as compared to 18.49% for Q3FY2025
7. Capital adequacy remained robust at 51.63%

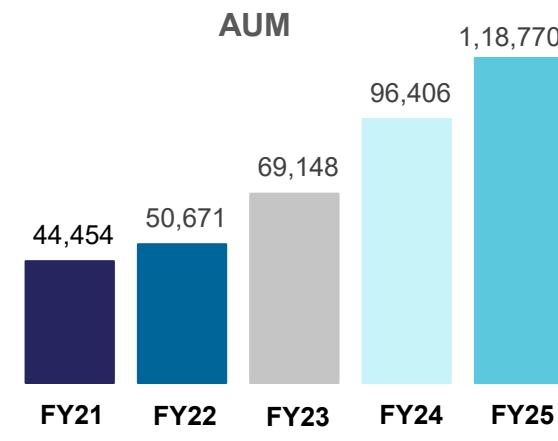
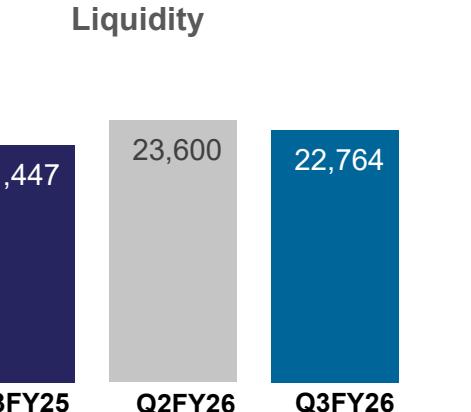
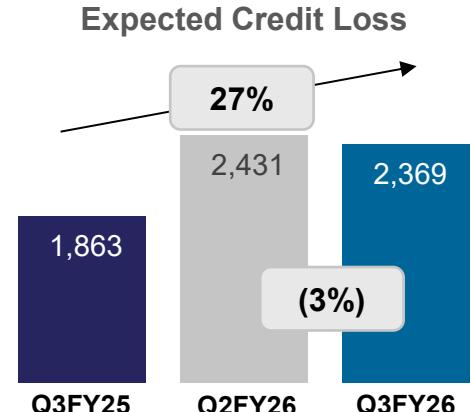
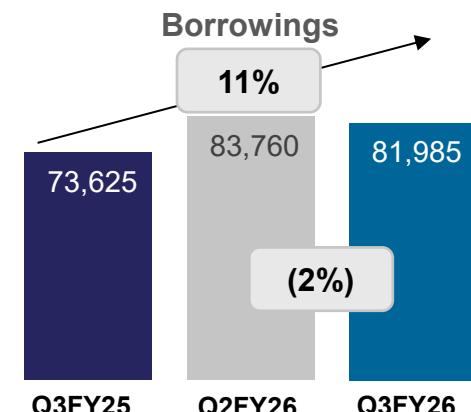
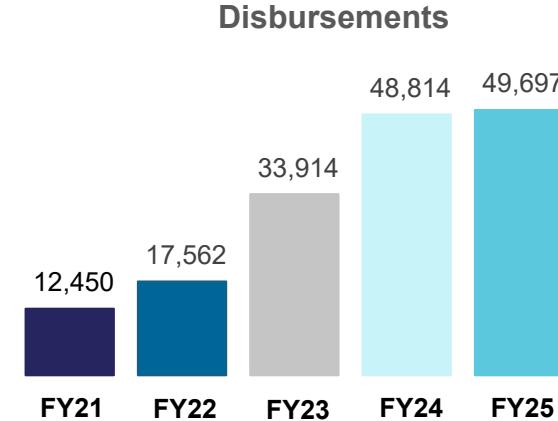
Balance Sheet Indicators

Quarterly Data



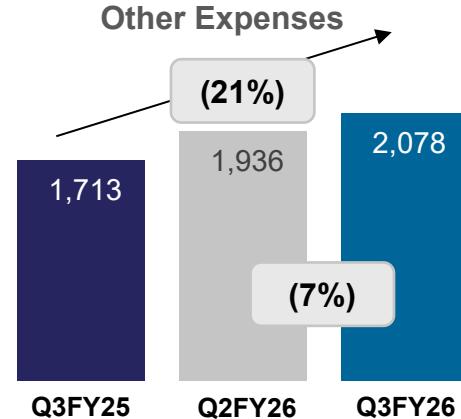
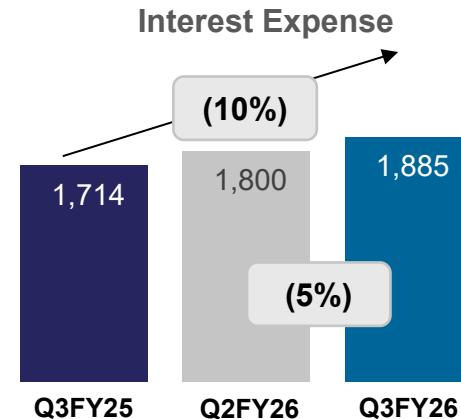
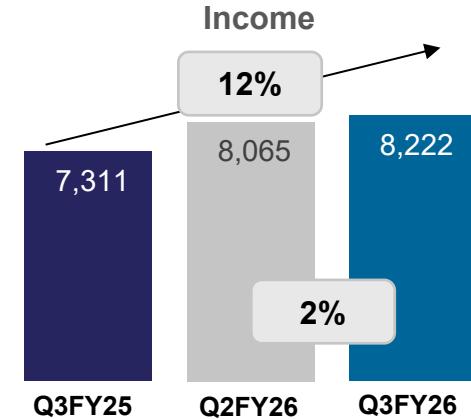
Last 5 years data

All amounts in ₹ Mn

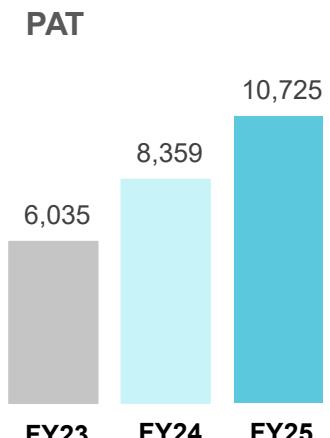
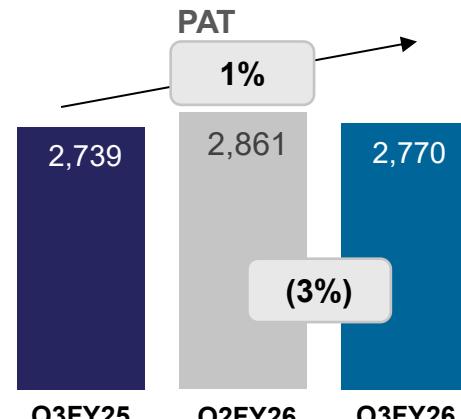
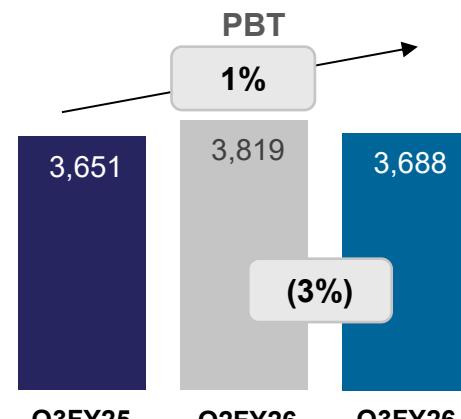
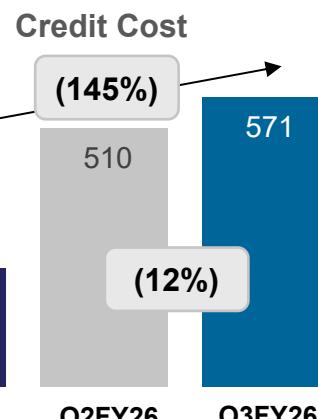
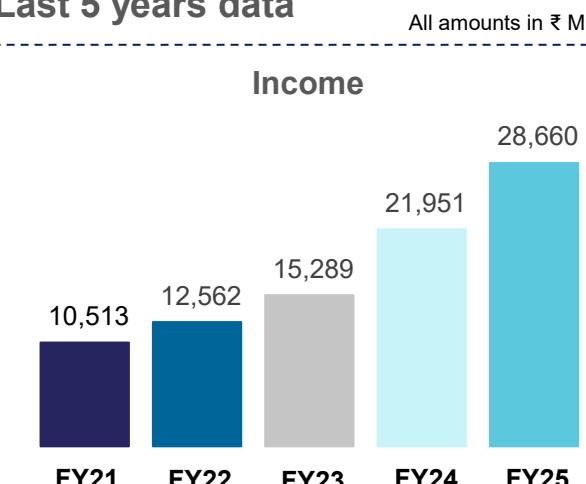


Liquidity does not include lien-marked FDs

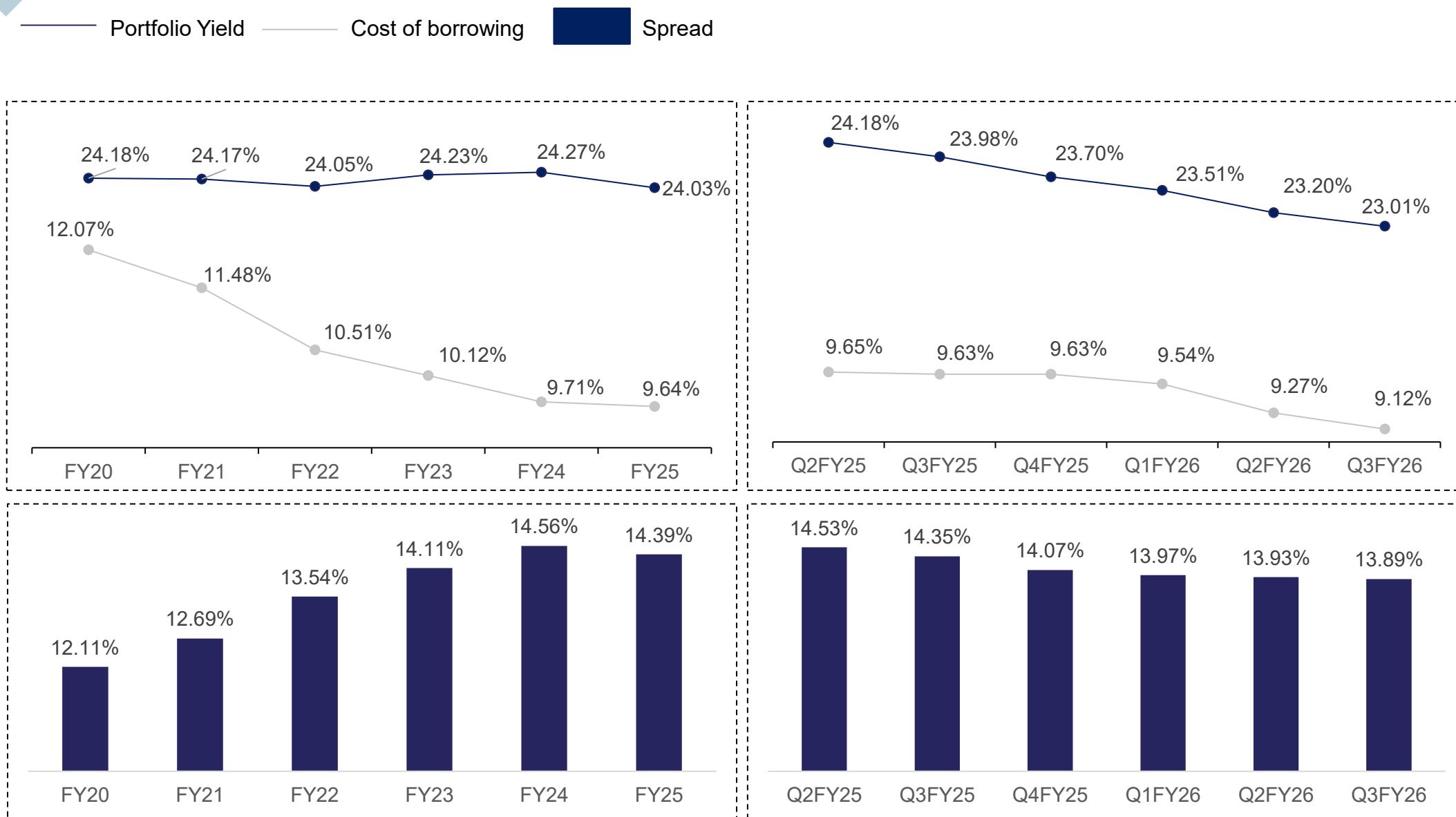
Quarterly Data



Last 5 years data

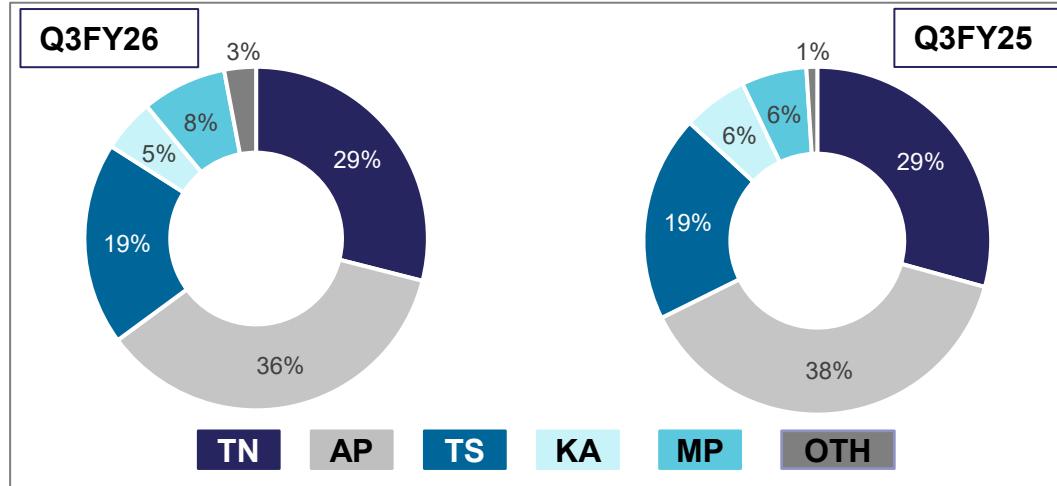


Consistent & Best-in-class Spreads

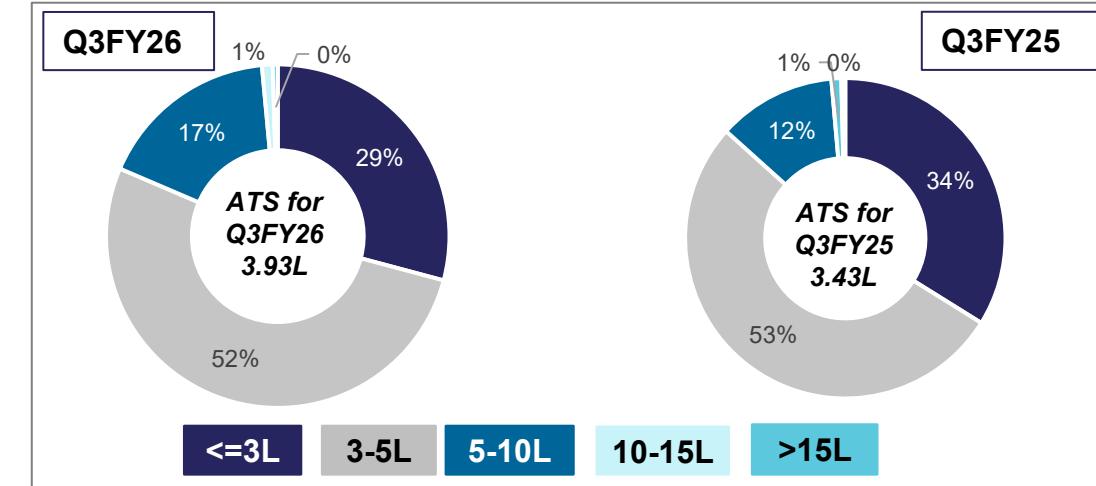


Well-diversified portfolio cuts

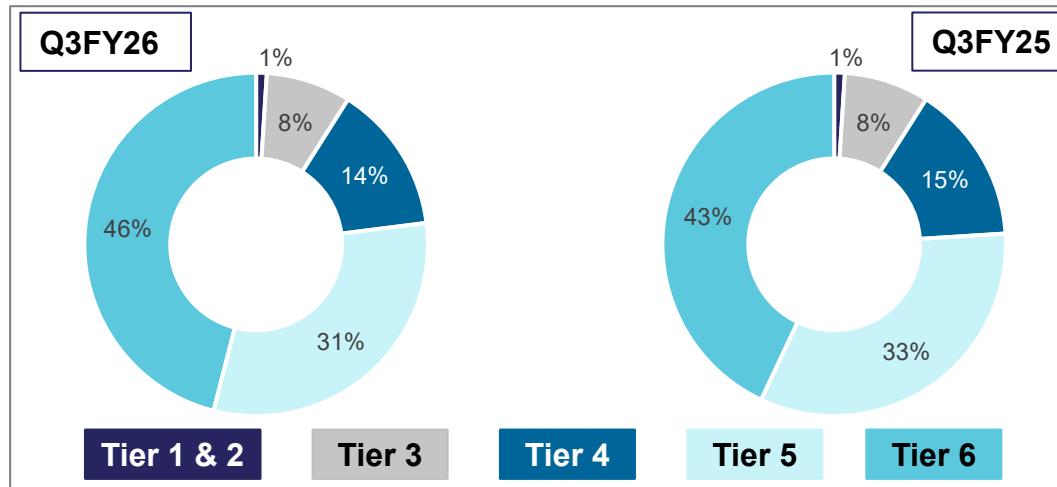
AUM by Geography



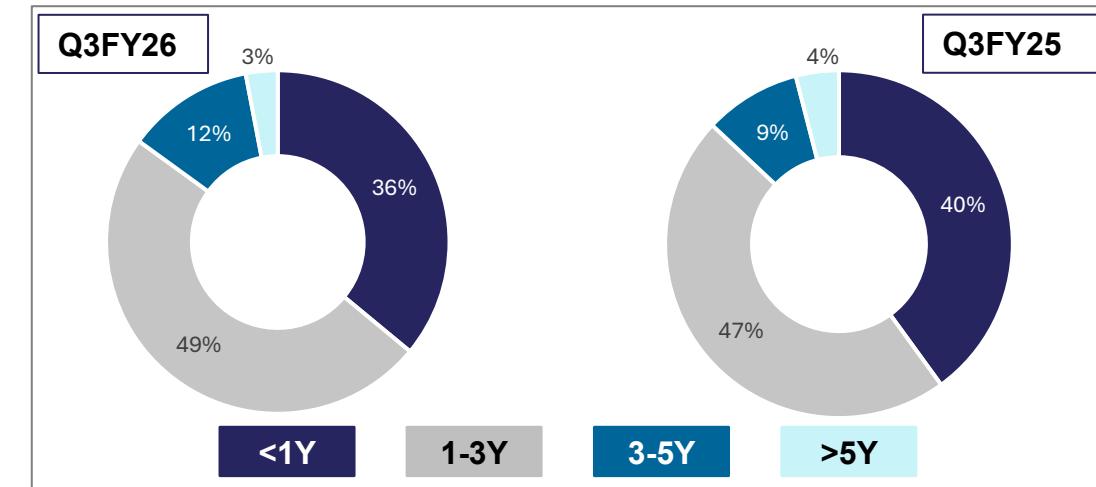
AUM by Ticket Size



AUM by Branch Tier



AUM by Vintage of loans



ASSET QUALITY & ECL

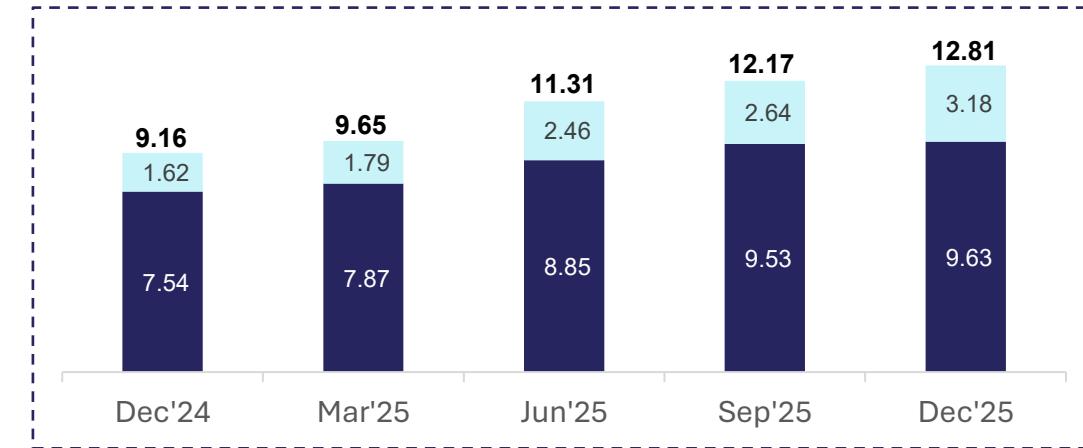
Asset Quality Indicators (1/2)

Collections Efficiency (%)*



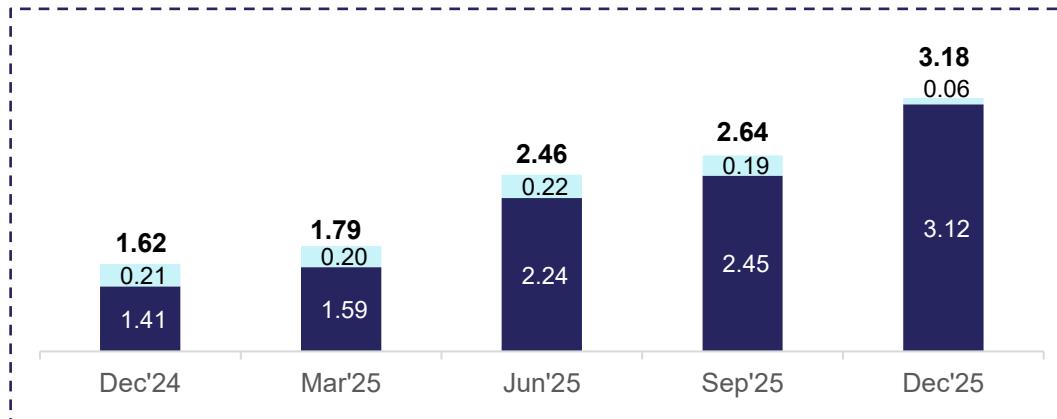
 Amount of EMI received during the month (including arrears of previous months divided by EMI demand for the current month)
 Amount of EMI received during the month, restricted to a max of 1 EMI per loan divided by EMI demand for the current month

30+ (%)



 Stage 2 POS
 Stage 3 POS

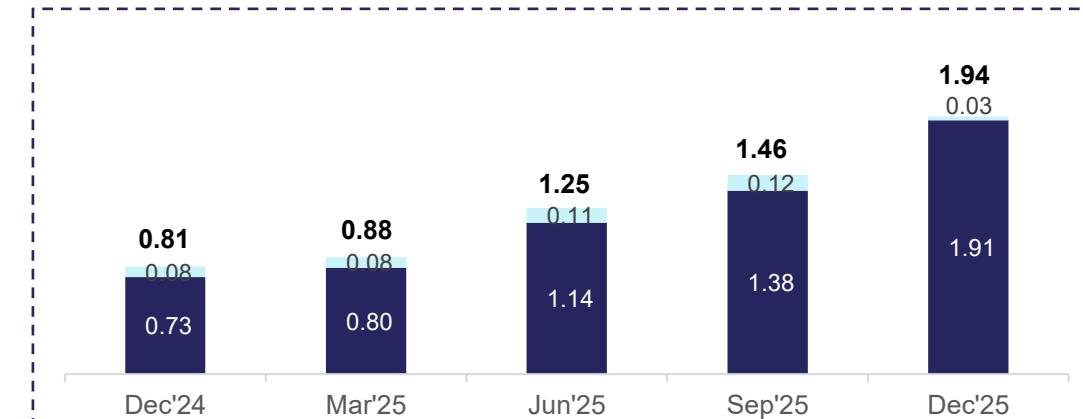
Gross Stage 3 Assets (%)



Loans which are > 90 DPD as at the end of reporting period

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 Dec 2025		As at Sep 2025		As at Dec 2024	
	Bucket	AUM	% AUM	AUM	% AUM	AUM
Current (Stage-1)	106,008	81.77%	104,920	81.67%	94,922	84.92%
1-30 (Stage-1)	7,028	5.42%	7,919	6.16%	6,620	5.92%
31-60 (Stage-2)	5,884	4.54%	5,887	4.58%	4,518	4.04%
61-90 (Stage-2)	6,602	5.09%	6,359	4.95%	3,913	3.50%
90+ (Stage-3)	4,119	3.18%	3,388	2.64%	1,808	1.62%
Total	129,641		128,471		111,781	
Stage 1 Assets	113,037	87.19%	112,838	87.83%	101,542	90.84%
Stage 2 Assets	12,486	9.63%	12,245	9.53%	8,431	7.54%
Stage 3 Assets	4,119	3.18%	3,388	2.64%	1,808	1.62%

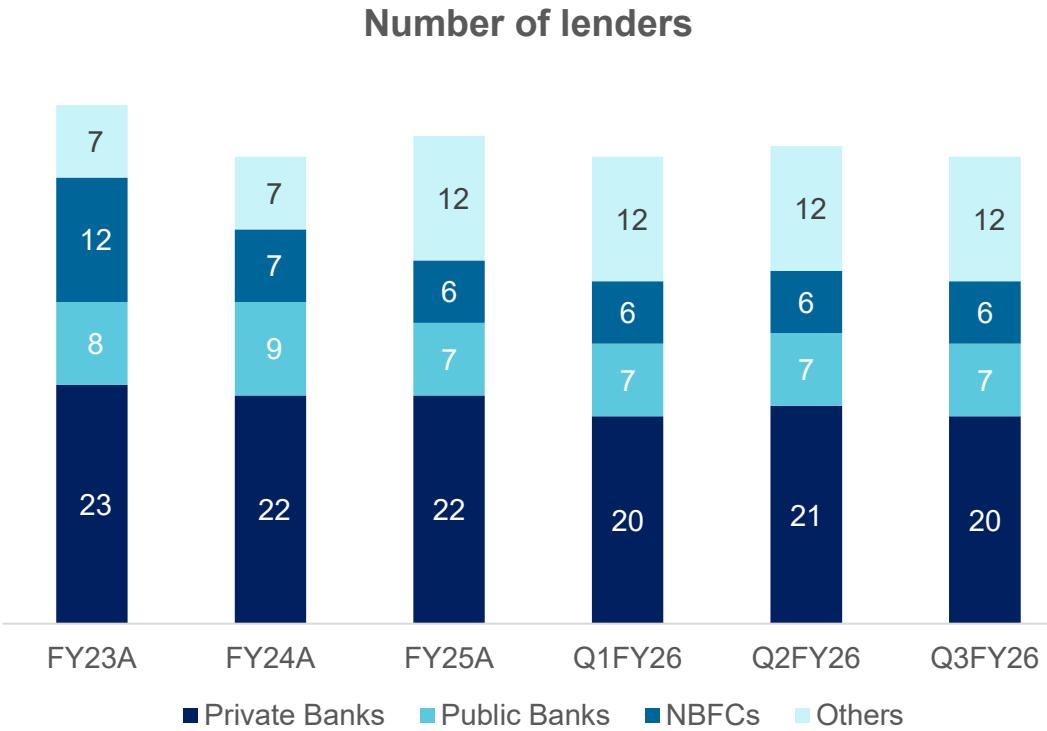
Amount in ₹ Mn		Stage 1	Stage 2	Stage 3	Total
As of Dec 31, 2025					
Loans Outstanding (Gross)	113,037	12,486	4,119	129,641	
ECL Provision	235	494	1,641	2,369	
Loans Outstanding (Net)	112,802	11,992	2,478	127,272	
ECL Provision %	0.21%	3.95%	39.84%	1.83%	
As of Sep 30, 2025		Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	112,838	12,245	3,388	128,471	
ECL Provision	295	605	1,531	2,431	
Loans Outstanding (Net)	112,543	11,640	1,857	126,040	
ECL Provision %	0.26%	4.94%	45.19%	1.89%	
As of Dec 31, 2024		Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	101,542	8,431	1,808	111,781	
ECL Provision	384	562	907	1,853	
Loans Outstanding (Net)	101,158	7,870	900	109,928	
ECL Provision %	0.38%	6.66%	50.20%	1.66%	

Amount in ₹ Mn	Q3FY2026	Q3FY2025	Q3FY2024	Q3FY2023
Loan Portfolio	129,641	111,781	89,308	62,424
Gross Stage 3 assets	4,119	1,808	1,251	907
Gross Stage 3 assets %	3.18%	1.62%	1.40%	1.45%
Gross Stage 3 assets % - 1 year Lag	3.68%	2.02%	2.00%	1.90%
Gross Stage 3 assets % - 2 years Lag	4.61%	2.90%	2.62%	2.25%

LIABILITY & ALM

Well-diversified Liability Franchise (1/2)

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



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 JP Morgan Chase
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

Diversified borrowing relationship with **45 lending partners**

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

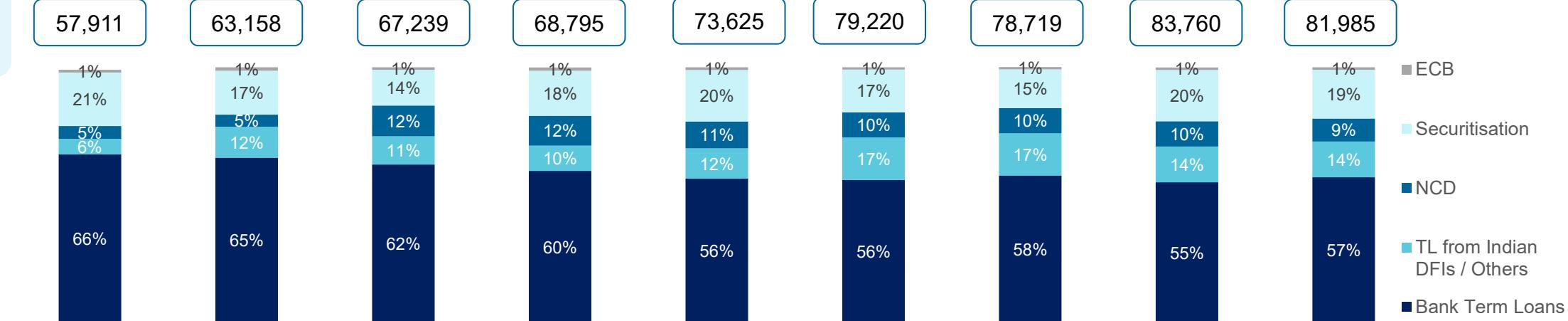
CARE A1+

Well-diversified Liability Franchise (2/2)

Diversified borrowing mix across lender category and product category

Borrowing exposure and Cost of borrowing

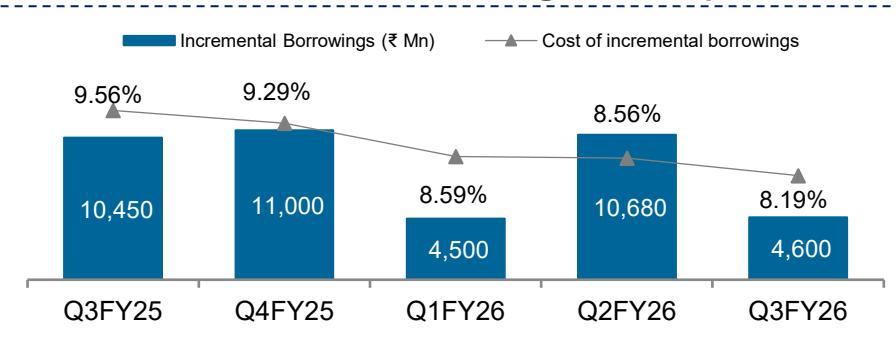
Borrowings outstanding



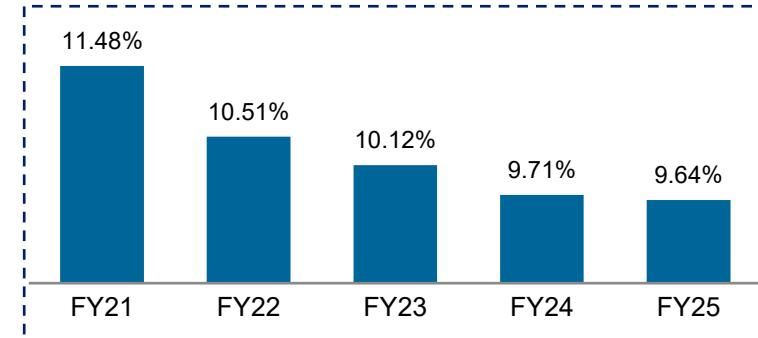
Proportion of borrowings from banks*



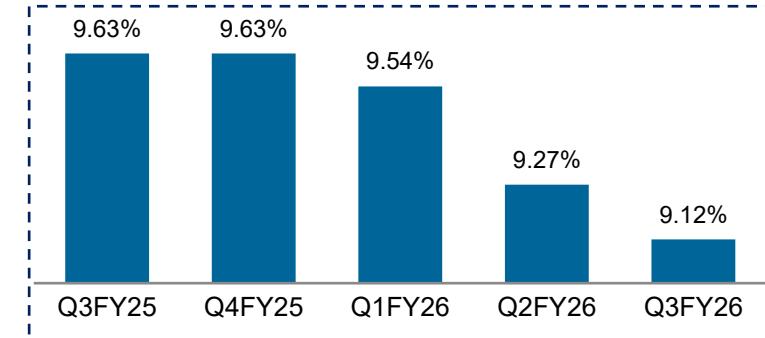
Cost of incremental borrowing – Last 5 quarters



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 Dec'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	24,197	23,748	24,155	22,930	20,332	18,586	24,629	52,955
Add: Inflows from advances	1,594	1,749	1,503	5,138	11,532	45,494	43,728	17,263
Less: Outflows on borrowings	1,275	1,318	2,761	7,663	13,193	39,015	15,212	1,496
Add: Other inflows	97	173	55	45	96	107	48	5,301
Less: Other outflows	863	196	22	119	182	543	238	74,024
Cumulative mismatch	23,748	24,155	22,930	20,332	18,586	24,629	52,955	-

Strong Liquidity Position as of Dec'25

Amount in ₹ Mn	
Liquidity buffer as of Dec 2025	
Unencumbered cash & cash equivalents	22,764
Unavailed sanction from banks / FIs	14,400
Total Liquidity	37,164

Projected Cashflow Schedule	Q4FY26	Q1FY27	Q2FY27	Q3FY27
Opening Liquidity	37,164	39,470	39,458	41,163
Add: Principal collections & internal accruals	7,661	7,651	7,383	6,918
Less: Debt repayments	5,354	7,663	5,678	7,515
Closing Liquidity	39,470	39,458	41,163	40,566

FINANCIAL STATEMENTS

Balance Sheet

Particulars (₹ Mn)	Q3FY2026	Q2FY2026	Q3FY2025
Assets			
Cash & Cash equivalents	17,138	15,230	14,271
Bank balances other than cash & cash equivalents	4,163	7,017	3,347
Loans	127,305	126,072	112,330
- <i>Loan portfolio</i>	129,641	128,471	111,781
- <i>Inter-Corporate Deposits</i>	32	32	2,411
- <i>Expected Credit Loss</i>	(2,369)	(2,431)	(1,863)
Investments	2,235	2,197	2,087
Other financial assets	962	997	869
Non-Financial Assets	3,113	2,835	2,651
Total Assets	154,915	154,348	135,554
Liabilities & Equity			
Trade Payables	281	291	329
Debt Securities	7,699	7,945	7,722
Borrowings other than Debt Securities	74,285	75,815	65,902
Other Financial Liabilities	939	991	871
Non-Financial Liabilities	881	1,239	559
Total Equity	70,830	68,067	60,171
Total Liabilities & Equity	154,915	154,348	135,554

Profit & Loss Account

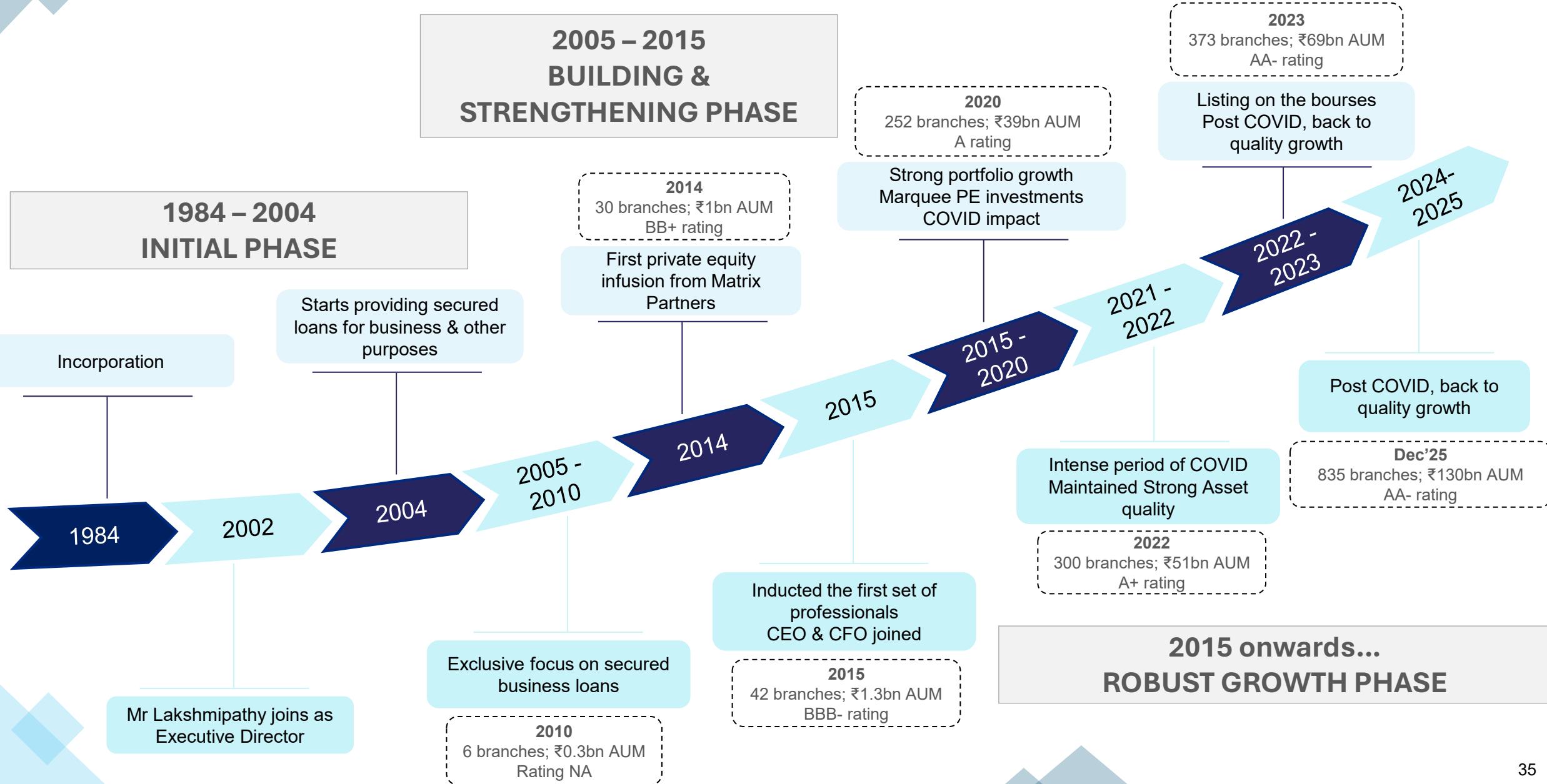
Particulars (₹ Mn)	Q3FY2026	Q3FY2025	Q2FY2026	Y-o-Y	Q-o-Q	9MFY2026	9MFY2025	Y-o-Y
Loan Portfolio	129,641	111,781	128,471	16%	1%	129,641	111,781	16%
Interest Income (1)	7,974	7,116	7,743	12%	3%	23,372	20,321	15%
- <i>Interest on loan portfolio</i>	7,408	6,621	7,331	12%	1%	21,875	19,080	15%
- <i>Penal Interest</i>	48	38	60	26%	(20%)	155	116	34%
- <i>Interest on Inter-Corporate Deposits</i>	1	46	6	(98%)	(83%)	7	123	(94%)
- <i>Interest on Investments</i>	291	219	133	33%	119%	687	455	51%
- <i>Processing fee & other fees</i>	228	193	214	18%	7%	648	547	18%
Net Gain on Fair value changes (2)	76	81	151	(6%)	(50%)	351	428	(18%)
Fee & Other income (3)	171	113	172	53%	(1%)	477	315	51%
- <i>Fee income</i>	100	76	101	32%	(1%)	289	207	40%
- <i>Recovery of Bad debts</i>	41	23	37	86%	11%	104	70	49%
- <i>Other non-operating income</i>	30	14	34	114%	(12%)	84	38	121%
Total Income (1+2+3)	8,222	7,311	8,065	12%	2%	24,199	21,063	15%
Interest Expenses	1,885	1,714	1,800	10%	5%	5,558	4,927	13%
Net Interest Income	6,337	5,597	6,265	13%	1%	18,641	16,136	16%
Operating Expenses	2,078	1,713	1,936	21%	7%	6,025	4,905	23%
Loan losses & Provisions	571	233	510	145%	12%	1,559	636	145%
Profit before Tax (PBT)	3,688	3,651	3,819	1%	(3%)	11,057	10,595	4%
Profit after Tax (PAT)	2,770	2,739	2,861	1%	(3%)	8,295	7,934	5%
Other Comprehensive Income	(54)	(13)	69	315%	(178%)	(2)	(14)	(86%)
Total Comprehensive Income	2,716	2,726	2,930	0%	(7%)	8,293	7,920	5%
Earnings Per Share (Basic)	9.41	9.36	9.72			28.17	27.12	
Earnings Per Share (Diluted)	9.38	9.35	9.69			28.09	26.95	
Book value per Share	236.95	201.29	228.85			236.95	201.29	

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.

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

Particulars	Q3FY2026	Q3FY2025	Q2FY2026	9MFY2026	9MFY2025
Interest Income (as a % of average portfolio)	23.01%	23.98%	23.20%	23.27%	24.17%
Interest Expenses (as a % of average borrowings)	9.12%	9.63%	9.27%	9.30%	9.64%
Net Interest Income %	13.89%	14.35%	13.93%	13.97%	14.53%
Total Income (as a % of average total assets)	20.77%	21.63%	21.12%	21.17%	21.84%
Interest Expense (as a % of average total assets)	4.73%	5.07%	4.71%	4.86%	5.11%
Net Interest Margin %	16.04%	16.56%	16.41%	16.31%	16.73%
Operating Expenses (as a % of average total assets)	5.28%	5.07%	5.07%	5.27%	5.09%
Loan losses & Provisions (as a % of average total assets)	1.44%	0.69%	1.34%	1.36%	0.66%
Profit before Tax (PBT) %	9.32%	10.80%	10.00%	9.67%	10.99%
Tax %	2.32%	2.70%	2.51%	2.42%	2.76%
Profit after Tax (PAT) or Return on average total assets	7.00%	8.10%	7.49%	7.26%	8.23%
Debt / Equity	1.16	1.22	1.23	1.16	1.22
Leverage (Total assets / Net worth)	2.19	2.25	2.27	2.19	2.25
Return on Equity	15.80%	18.49%	16.91%	16.41%	18.81%
Operating cost to income ratio	32.93%	30.72%	31.05%	32.47%	30.54%
Credit cost to income ratio	8.99%	4.16%	8.12%	8.35%	3.93%
Total Cost to income ratio	41.93%	34.87%	39.17%	40.81%	34.47%

COMPANY OVERVIEW



- ★ 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'



Target Geography

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

Ticket Size & Income Profile

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



Property Backed Collateral

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



835

Branches

11

States / UT

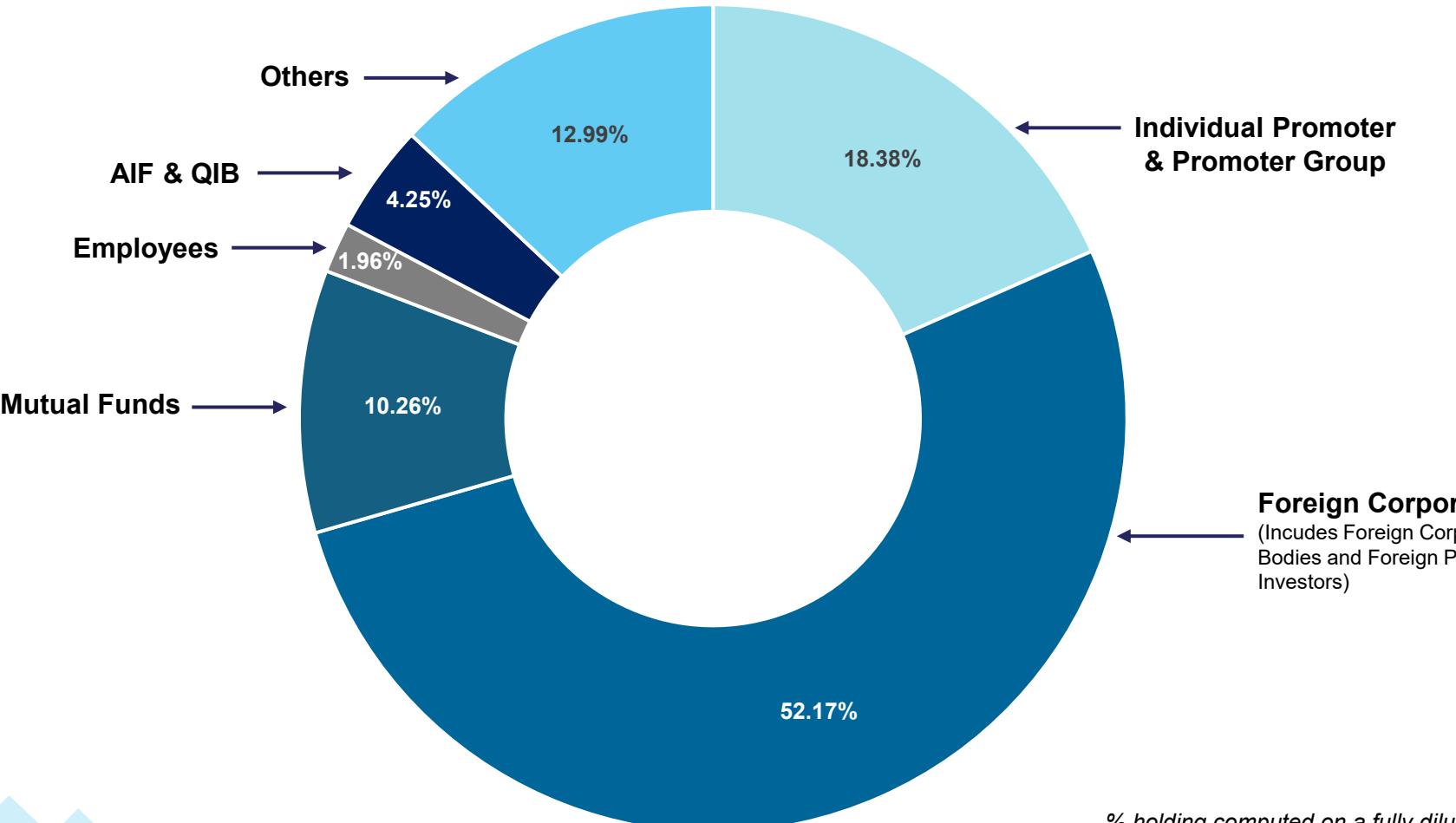
491,782

Loans

13,854

Employees

Current Shareholding



Top Institutional Investors* (ex-PE and Promoter)	
Investor name	% stake**
Fidelity Investments	7.78%
HDFC MF	5.72%
Nomura Asset Management	3.89%
Wasatch	3.56%
East Spring	3.16%
Vanguard	2.61%
Goldman Sachs	2.24%
Kotak MF	1.86%
Motilal Oswal	1.56%
360 One	1.37%

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

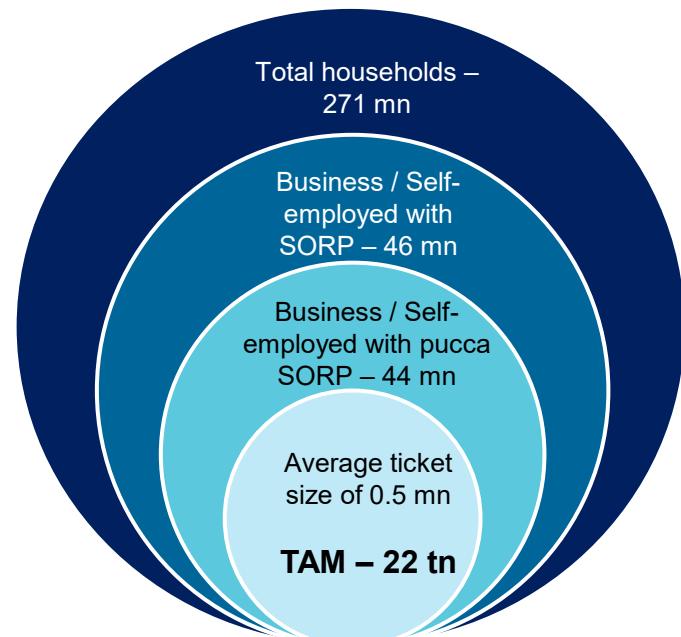
** Holding through various schemes & funds including advisory mandates

% 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

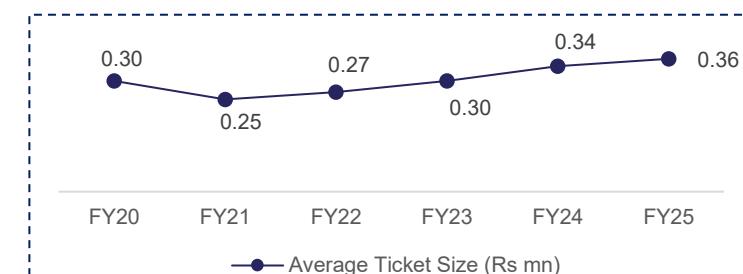
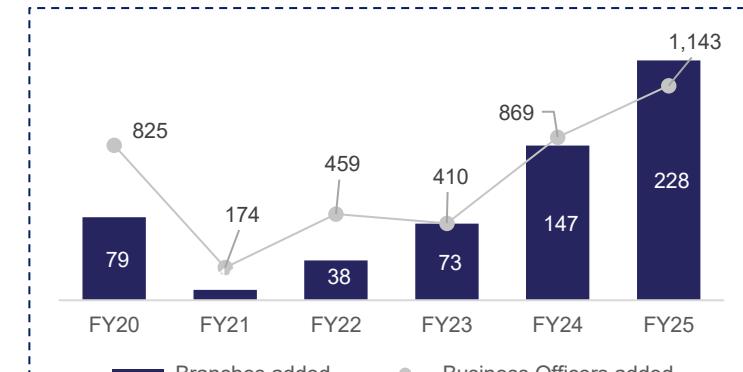
Average branches opened per year (excluding 2 years of COVID) – 132 branches

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

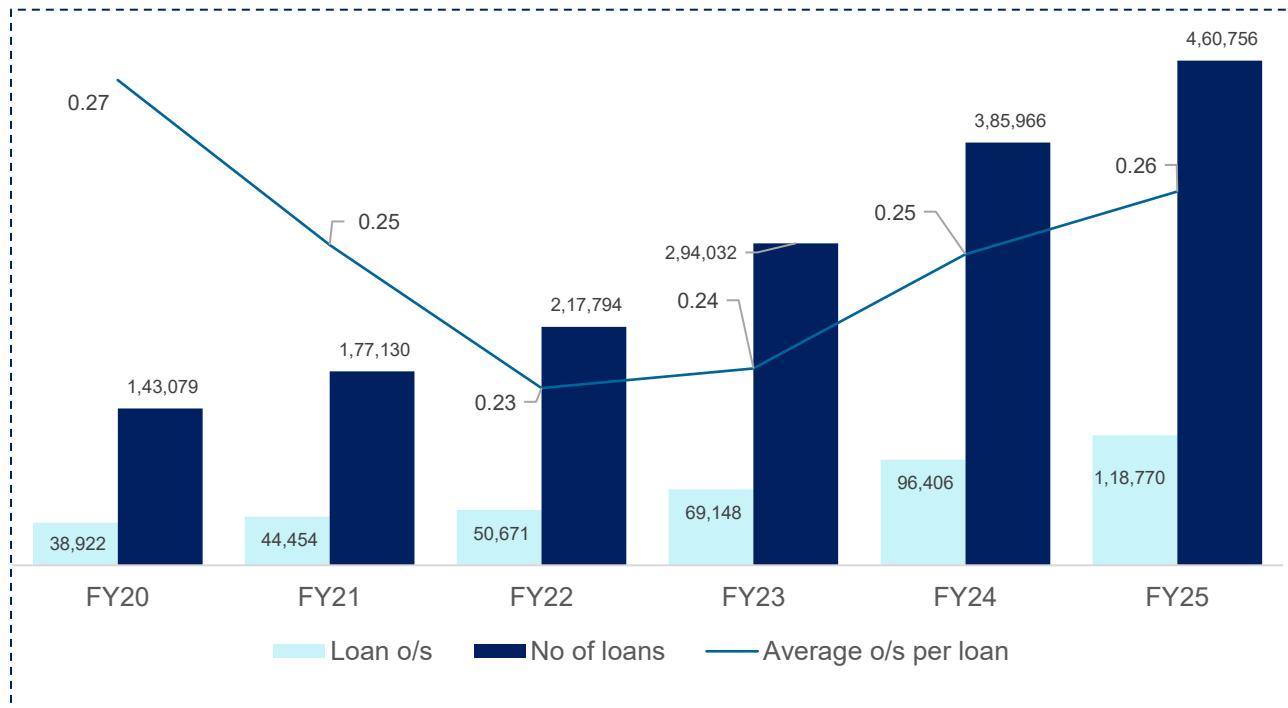


Average ticket size = Disbursals / No of loans disbursed

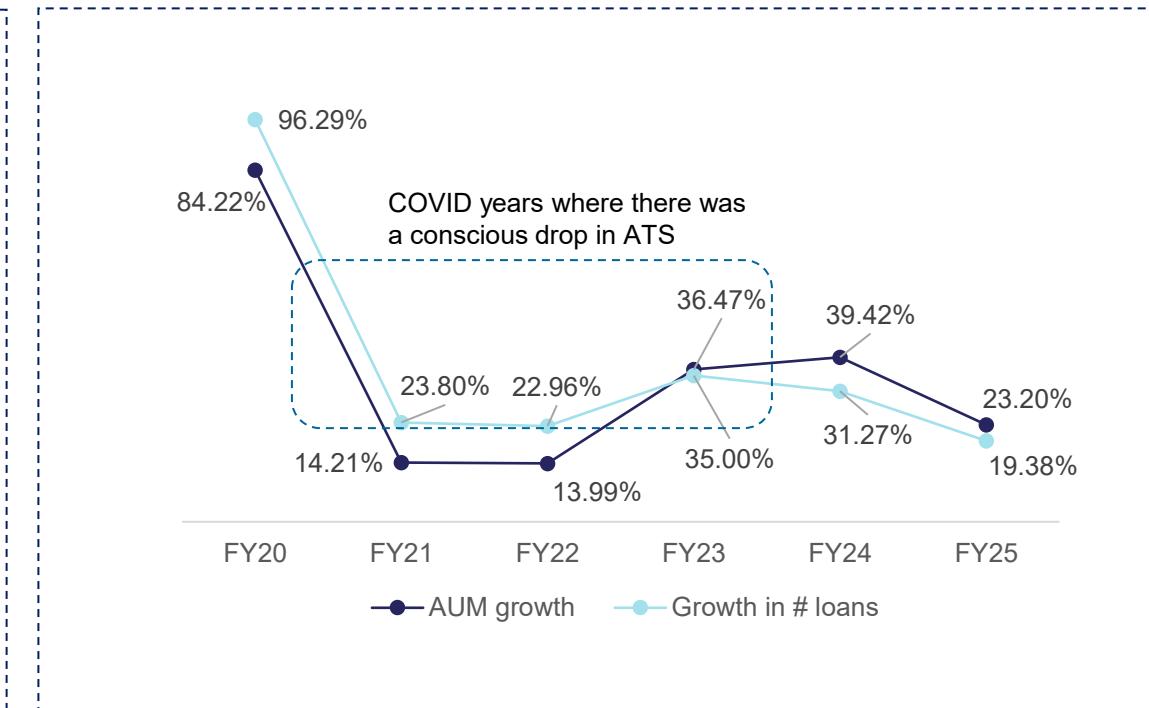
These 2 Strategies will lead to robust Portfolio Growth in the years to come

Growth Opportunity & Levers (2/2)

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

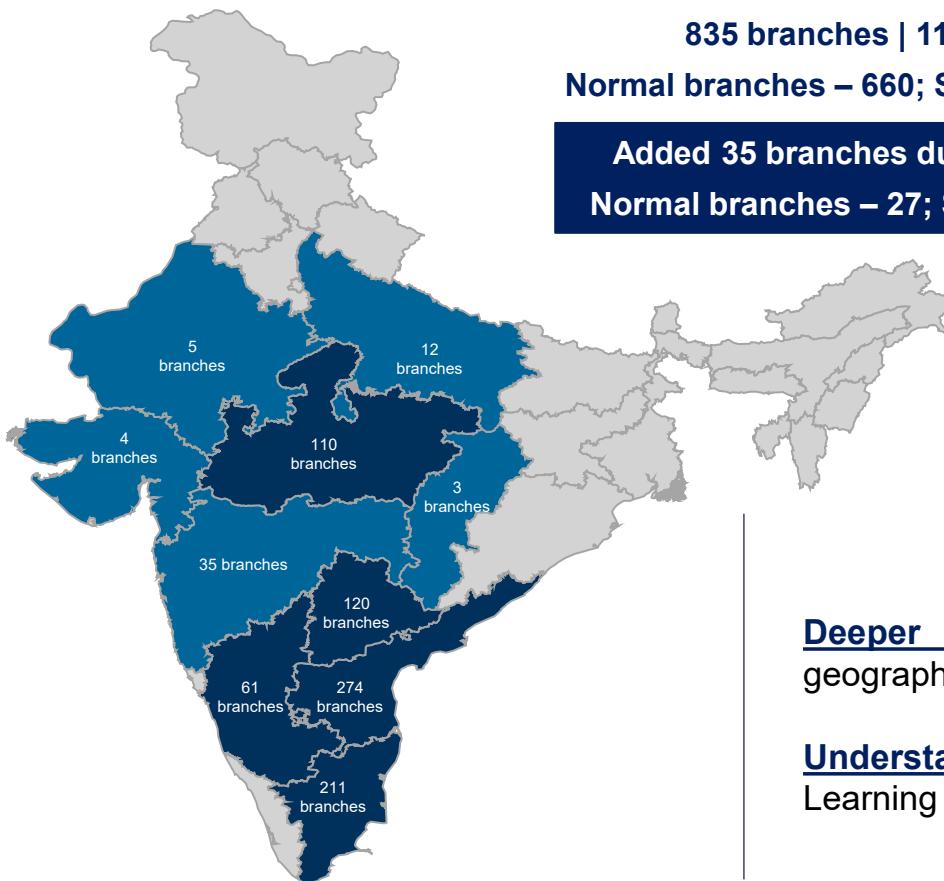
Helps prioritize our loan during difficult times

★ **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



AUM breakup	
Core geographies	Other geographies
97%	3%

Map not to scale; Tamil Nadu numbers include Pondicherry as well

Deeper penetration in existing Core geographies

Understanding the region in the Learning geographies

State	No of branches	State-wise portfolio break-up					
		Q3FY26	FY25	FY24	FY23	FY22	FY21
Tamil Nadu	211	29%	29%	31%	35%	39%	41%
Andhra Pradesh	274	36%	38%	37%	33%	29%	28%
Telangana	120	19%	19%	19%	20%	19%	18%
Karnataka	61	5%	6%	6%	7%	7%	7%
Madhya Pradesh	110	8%	7%	5%	5%	5%	4%
Others	59	3%	2%	1%	1%	1%	1%
Total	835						

Average AUM per branch based on branch vintage

Vintage	No of branches	Average AUM
<= 1 year	109	67
1 – 3 years	360	130
3 – 5 years	107	197
5 – 7 years	101	196
> 7 years	158	220
Total	835	155

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

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

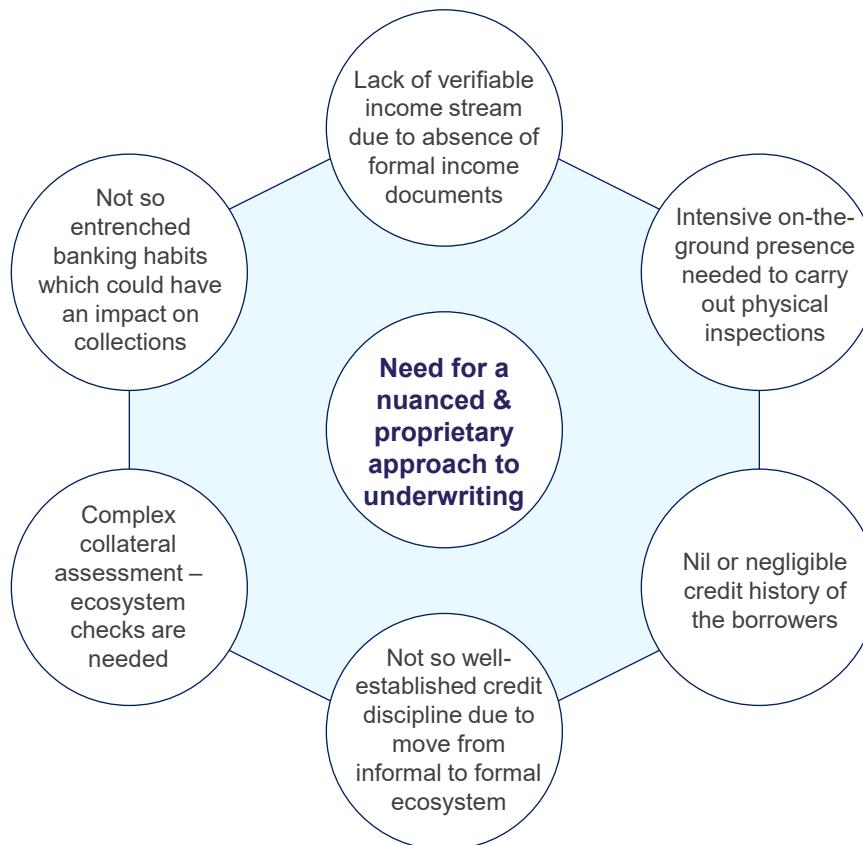
Helps de-risk without any material cost / headcount increase

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

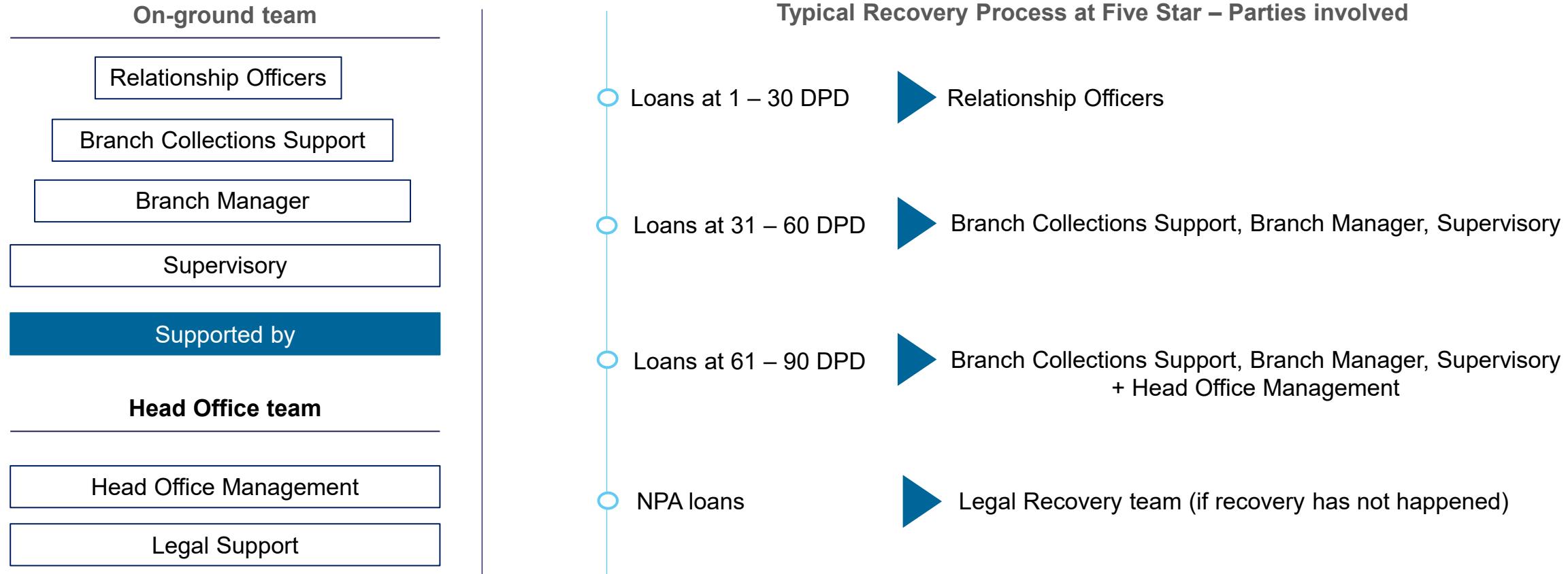
Independent verification & approval

- 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

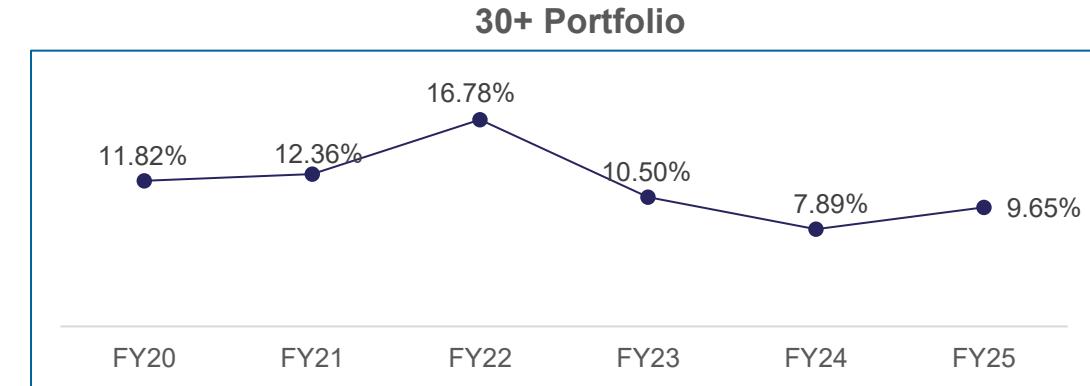
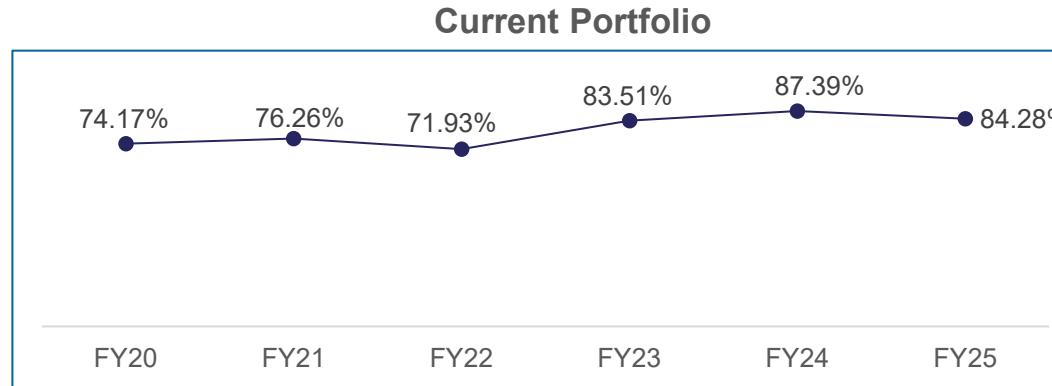
First-time business loan borrowers migrating from informal to formal ecosystem necessitates multiple touchpoints



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



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

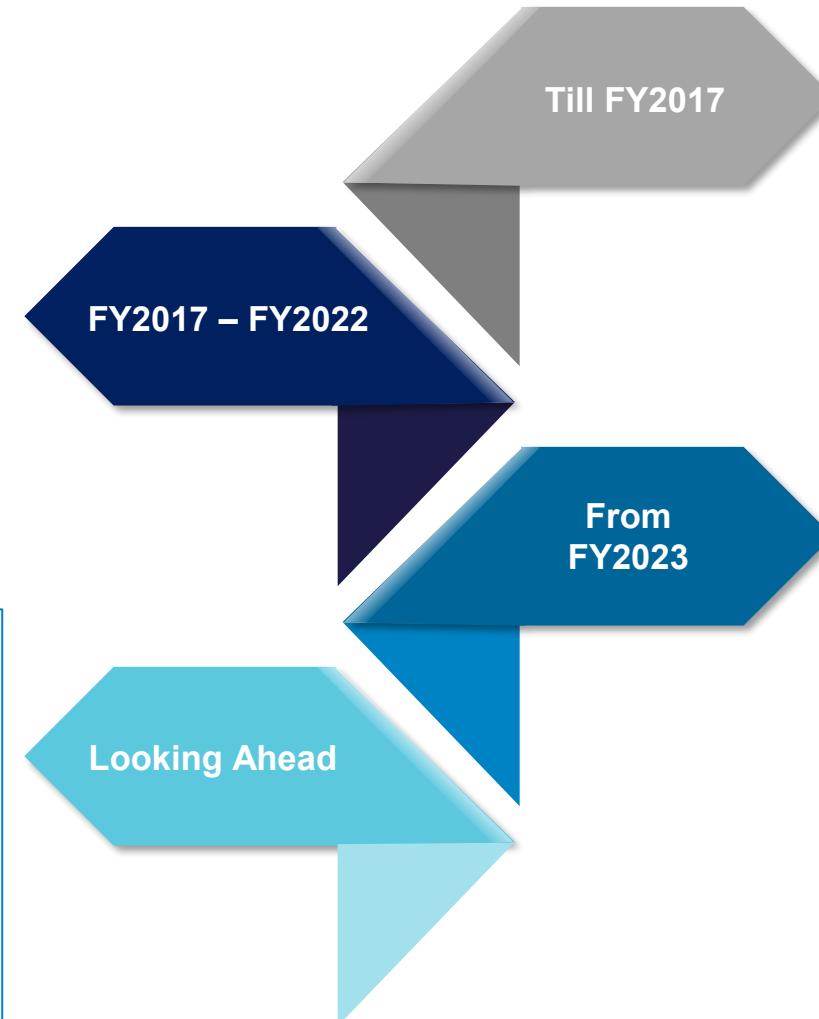
Robust investments in technology to efficiently manage the lending process, increase productivity and decrease costs



- 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



- 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



- 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

Comprehensive Tech stack to derive productivity and efficiency benefits

Loan Origination & Underwriting

Customer Self Service App

Salesforce Field verification App

Loan Origination System

Document Management System

Loan Servicing & Support Systems

Loan Management System

Collections platform

General Ledger

Treasury System

HRMS System

Reporting / MIS

ML Models

Enterprise Data Lake & Reporting Platform

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

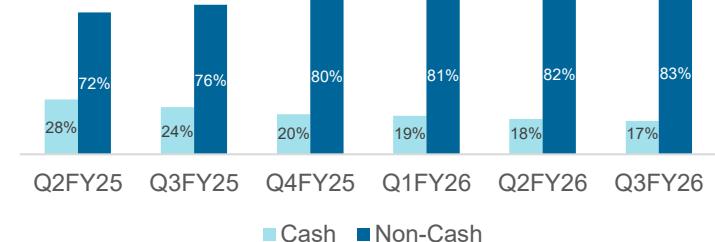
- Move from cash to digital means of collections
- All modes of collections made available to the borrowers – NACH, BBPS, UPI Auto-pay, etc
- Efficient cash handling with complete traceability



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

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

Proportion of cash collections showing a consistently declining trend



TAT represents days between login & sanction

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

ALCO
(Liquidity & ALM risks)

Credit Committee
(Large ticket sanctions)

Business Resource
Committee
(Fund-raise)

Audit Committee

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:

Magnitude of Risk

Determined based on possible financial impact, reputational or compliance issues

Frequency of Risk

Determined based on internal controls, past occurrences, nature of process

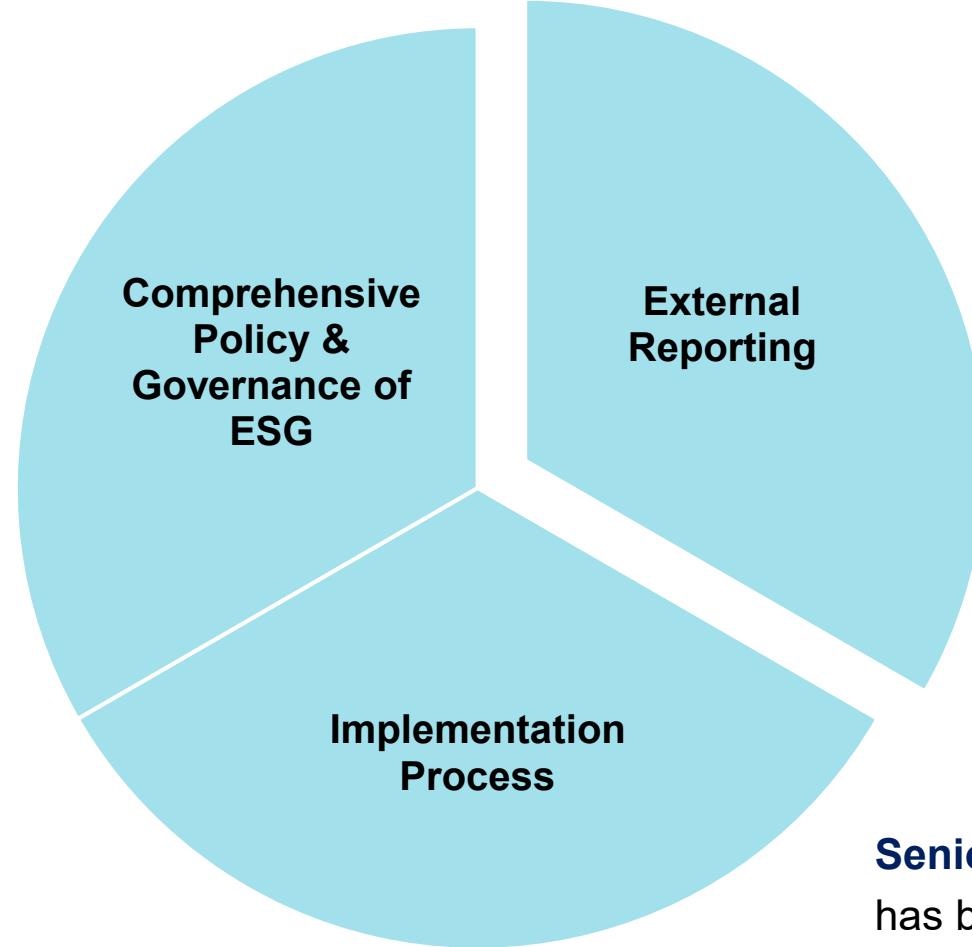
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	High Frequency	Medium Frequency	Low Frequency
High Magnitude of risk	Quarterly testing	Quarterly testing	Half-yearly testing
Medium Magnitude of risk	Quarterly testing	Half-yearly testing	Annual testing
Low Magnitude of risk	Half-yearly testing	Annual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

Corporate Social Responsibility

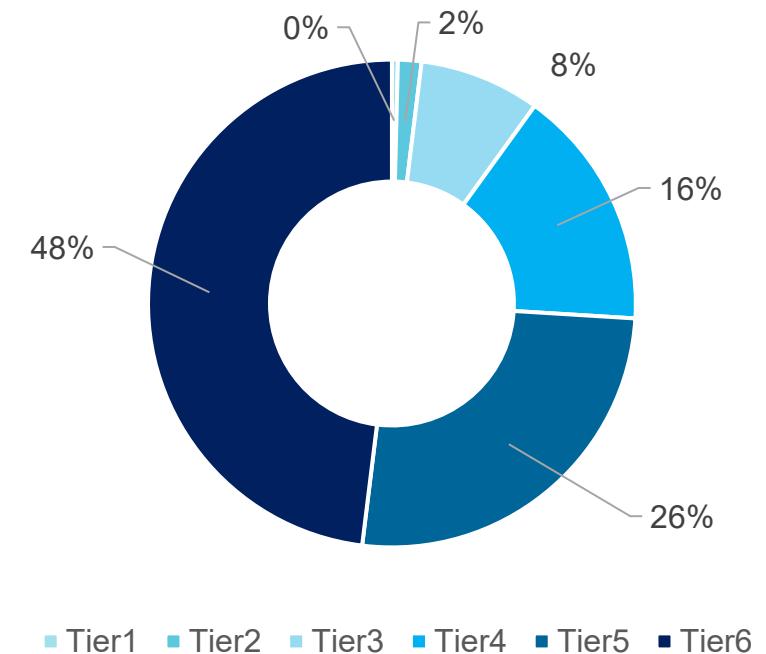
- Significant spends are made towards CSR
- CSR objectives are tailored towards improving education, healthcare and livelihood
- Right implementation partners are onboarded, and a strong monitoring mechanism is in place to ensure proper utilisation of funds

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

Social Impact Indicators – Branch Presence

- Branch Presence**
 - Significant branch presence in Tier 3 to Tier 6 towns
- Customers ignored by banks / larger FIs**
 - Low-income borrowers
 - Customers with strong incomes from everyday services but lacking the documentary evidence of such incomes
 - Fully Collateralised loan
- Lending for business purposes**
 - Predominant portion of lending towards business purposes (income generation)
 - Displace unorganised institutions (money lenders) – First time borrowers to formal lending

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



Strong Governance Framework

Board of Directors

1
Promoter Director

4
Independent Directors
(including 1 Woman
Director)

1
Executive Director

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.

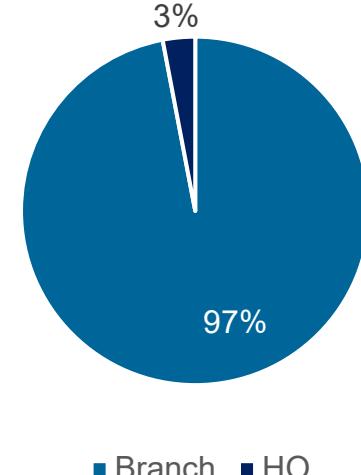
The Company has also implemented the following Policies (approved by the Board, at least annually) to promote ethical, transparent and responsible behaviour and to fix accountability:

- ★ 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	10,151
- Relationship Officers	8,181
- Branch Managers	1,904
Supervisors	210
Credit	1,159
- Field Credit	798
- Approval Credit	318
- Credit Support	43
Operations	1,247
- Operations Officers	1,079
- Head Office team	168
Accounts	680
- Cashiers	621
- Head Office team	59
Legal & MOD	252
IA & Customer Care	66
Technology	54
Human Resources	46
Administration	20
Others	14
Heads of Departments	11
Senior Management	10
Total Headcount	13,854

Proportion of Headcount – Branch vs HO



■ Branch ■ 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