FIVE STAR
Business Finance Limited

Date: July 25, 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: 543663,974905,975246,975598

Sub: Investor Press Release on the Financial and Operational Performance of the Company for the quarter ended June 30, 2026

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Press Release on the financial and operational performance of the Company for the quarter ended June 30, 2026

This Investor Press Release is also available on the website of the Company at https://fivestargroup.in/investor-presentation/

Kindly take the above information on record.

For Five-Star Business Finance Limited

Vigneshkumar S M
Digitally signed by Vigneshkumar S M
Date: 2026.07.25 18:42:32 +05'30'

Vigneshkumar SM
Company Secretary & Compliance Officer

FIVE-STAR BUSINESS FINANCE LIMITED
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600010
CIN: L65991TN1984PLC010844

Chennai, July 25, 2026: The Board of Directors of Five-Star Business Finance Limited, has declared its unaudited financial results for the quarter ended June 30, 2026.

Results for the quarter ended June 30, 2026

Particulars	Q1FY27	Q1FY26	Y-o-Y	Q4FY26	Q-o-Q
AUM (Rs Cr)	13,722	12,458	10%	13,225	4%
Disbursements (Rs Cr)	1,496	1,290	16%	1,213	23%
Gross Stage 3 Assets	3.46%	2.46%	1.00%	3.37%	0.09%
Net Stage 3 Assets	2.10%	1.25%	0.85%	2.00%	0.10%
PAT (Rs Cr)	271	266	2%	269	1%
Net Interest Margin*	19.97%	19.99%	-0.02%	20.07%	-0.10%
Return on Average AUM	8.11%	8.80%	-0.69%	8.37%	-0.26%
Return on Equity	14.46%	16.57%	-2.11%	15.09%	-0.63%

**Net Interest Margin computed as a % of Average AUM.*

Commenting on the results, **Mr Lakshmipathy Deenadayalan, Chairman & Managing Director,** said,

Q1 FY27 represents a positive beginning to the new fiscal year for Five Star, underpinned by the strong traction in disbursement and stabilization momentum established in Q4 FY26. We clocked our historical best in disbursements with quarterly disbursements coming in at INR 1,496 Cr, a growth of 23% over the previous quarter and 16% on year-on-year basis. On the collections front, several of our underlying collection metrics have shown clear improvement, which gives us continued confidence that we are moving in the direction of "Onwards and Upwards".

Collections during the quarter remained robust despite this being the seasonally weakest quarter. Few underlying metrics have shown encouraging signs of stabilisation. I want to share a few metrics that bring out this trend:

1. For the quarter ended June 30, 2026, our unique customer collection efficiency (excluding NPAs) stayed strong at 97.9% (98.1% in Q4FY26), underscoring robustness in EMI collections.
2. X-bucket collections remained strong at 99.2% (99.3% in Q4FY26), reflecting sustained repayment discipline which has helped contain forward flows from x-bucket. This has led to our Current bucket AUM proportion move up from 82.69% in Q4FY26 to 83.30% in Q1FY27.
3. Our slippage ratio (defined as increase in NPAs + write offs as a % of the opening standard AUM) remained steady at 0.70% in Q1FY27, similar to Q4FY26. Our Gross Stage 3 assets marginally inched up to 3.46% from 3.37% in Q4FY26. However, with fresh slippages tapering off, we expect the headline NPA numbers to begin normalising over the next couple of quarters.
4. Credit cost improved to 1.85% of average AUM for Q1FY27 compared to 1.88% for Q4FY26.

With our collection strategies in place, we shifted greater focus towards disbursements and portfolio growth during the quarter. Disbursements grew sharply to ₹1,496 Cr, up 23% sequentially and 16% year-on-year, our highest quarterly disbursement ever. This has translated into AUM growth accelerating to 4% sequentially, taking our AUM to ₹13,722 Cr, up 10% year-on-year. The data underscores Five Star's return to a robust growth path. As quarterly momentum builds in the periods ahead, we remain confident of delivering our full-year growth guidance very comfortably.

I am thankful to all our lenders who continued to support us even during uncertain liquidity conditions. During the quarter ended June 30, 2026, we availed incremental debt of ₹450 Cr at an all-inclusive cost of 8.33%. Our cost of funds on the book continued its downward trajectory, easing further to 8.80% in Q1FY27 from 8.95% in Q4FY26, a reduction of 15 bps sequentially despite uncertain liquidity conditions. This not only ensured that our spreads remained intact (despite drop in yields) but it also shows the strength of the franchise from the perspective of external stakeholders.

For the quarter, we achieved a PAT of ₹271 Cr, up 1% sequentially and 2% year-on-year, and our RoAUM and RoE for the quarter stood at 8.11% and 14.46% respectively. With one quarter of FY27 behind us, we remain on track towards achieving our AUM growth guidance of 20% for the full year. As is our philosophy, we will aim at achieving strong yet sustainable growth, quality and profitability through robust credit underwriting, strong collections, and proactive risk management, backed by the use of appropriate technology and AI and supported by a diversified and cost-effective funding profile.

The momentum we have built as we start FY27 gives me immense satisfaction and great confidence that we are well placed to scale new highs in the coming quarters.

Key Highlights for Q1FY27:

Financial Performance for the quarter:

1. Total income of Rs. 839 Cr; y-o-y growth of 6%
2. PBT of Rs.362 Cr; y-o-y increase of 2%
3. PAT of Rs.271 Cr; y-o-y increase of 2%
4. RoAUM at 8.11%; q-o-q decrease of 26 bps and y-o-y decrease of 69 bps.
5. RoE at 14.46%; q-o-q decrease of 63 bps and y-o-y decrease of 211 bps.

Distribution:

1. The Company has increased its branch presence to 856 branches across 11 states / UT.
2. During the quarter, the company opened 12 new branches.
3. Disbursals – The Company disbursed an amount of Rs 1,496 Cr in Q1FY27 as against Rs 1,290 Cr in Q1FY26.

Assets under Management:

1. AUM as of June 30, 2026 ended at Rs 13,722 Cr, growth of 10% on y-o-y basis and 4% on q-o-q basis.
2. AUM is well distributed across 0.50 mn active loans

Collections & Asset Quality:

1. Unique customer collection efficiency for the quarter stood at 97.9%.
2. 30+ DPD ended at 12.38% as of June 30, 2026.

Provisions:

1. ECL provision carried on books was 244 Cr (excluding ECL maintained on inter-corporate deposits), which translates to 1.78% of the overall AUM.
2. Stage 3 provision was at 191 Cr leading to a provision coverage ratio on stage 3 assets of 40.14%

Borrowings:

1. Total borrowings including debt securities are at Rs 7,866 Cr as on June'26.
2. The Company carries a liquidity of Rs 1,847 Cr as on June'26.
3. Cost of incremental debt during the quarter was 8.33%.
4. Cost of funds on overall borrowing book for the quarter was at 8.80% as against 8.95% for the quarter ended March 31, 2026.

About Five-Star Business Finance Limited: (www.fivestargroup.in; BSE: 543663; NSE: FIVESTAR)

Five-Star Business Finance Limited is a Non-Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India with a network of 856 branches catering to around 500,000 active live accounts in Tamil Nadu (including the Union Territory of Puducherry), Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh, Chhattisgarh, Rajasthan and Gujarat. The Company primarily offers small loans for business purposes, asset creation and other economic purposes to small business customers and self-employed individuals after due underwriting of their cashflows and backed by the collateral of their house property.

For more information contact:

Mr Prashanth Sreenivasan	Mr Srikanth Gopalakrishnan
Chief - Treasury & Investor Relations	Joint Managing Director & CFO
E-mail: prashanth@fivestargroup.in	E-mail: srikanth@fivestargroup.in