

**Noah Holdings Limited [NOAH]  
Q4 & FY2025 Results Conference Call  
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Company Representatives

Norah Wang, Co-Founder and Chairlady  
Zander Yin, Co-Founder, Director, and CEO  
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**Presentation**

Operator: Good day, and welcome to the Noah Holdings Limited Fourth Quarter and Full Year 2025 Earnings Conference Call. (Operator Instructions). I would now like to turn the conference over to Doreen Chiu. Please go ahead.

Doreen Chiu: Thank you, Rocco, and good morning and welcome to Noah Holdings' Fourth Quarter and Full Year 2025 Earnings Conference Call. Joining me on the call today are Ms. Norah Wang, Co-Founder and Chairlady; Mr. Zander Yin, the Co-Founder, Director and CEO; and Mr. Grant Pan, the CFO. Mr. Yin will begin with an overview of our recent business highlights and strategic developments, followed by Mr. Pan, who will review our financial and operational results.

Before we begin, please note that today's discussion will contain forward-looking statements that are subject to risks and uncertainties which may cause actual results to differ materially from those expressed in such statements. Potential risks and uncertainties include, but are not limited to, those described in our public filings with the U.S. Security and Exchange Commission and the Hong Kong Stock Exchange, nor undertake no obligation to update any forward-looking statement, except as required by law.

Without further ado, I will now turn call over to Mr. Yin. Please go ahead. Thank you.

Zhe Yin: Thank you. (Speaking Foreign Language).

(Translated). Good day to everyone, and thank you for joining us today. 2026 marks the 21st year since Noah was established. In a market environment defined by continuous evolution and restructuring, our strategic direction has never been clearer. We remain firmly focused on serving

global Chinese high-net-worth and ultra-high-net-worth clients, operating through licensed local entities to provide compliant, long-term wealth management services across multiple jurisdictions.

More importantly, we are completing a critical transformation, evolving from a wealth management institution primarily driven by product sales, into a comprehensive platform centered on asset allocation, global structuring, and AI systems. In 2025, this transformation began to yield tangible operating results. This is not merely a temporary business adjustment, but a fundamental reconstruction of our operating model.

For Noah, 2025 represents an important milestone. Looking at our full-year results, a clear theme emerged: the quality of our profitability is improving at a faster pace than the stabilization of our revenue structure.

For the full year, net revenues were RMB 2.6 billion, broadly flat year-over-year. However, operating profit was RMB 777 million, up 22.5% year-over-year, with operating margin improving to 29.8% and non-GAAP net income increasing 11.2% year-over-year to RMB 612 million. Excluding the impact of non-operating items, adjusted non-GAAP net income was approximately RMB 753 million.

What matters most at this stage is not the absolute scale of our profitability, but the improving underlying structure. This profit growth was not driven by one-off factors, but by optimized cost structures, enhanced operating efficiency, and the ongoing shift in revenue mix toward investment-related businesses. This reflects how our profitability is shifting from cyclical volatility toward structural stability. This is a qualitative change, not simply quantitative growth.

From a business perspective, while our domestic and overseas business segments are moving at different paces, they are pulling in the same direction. Investment capabilities are becoming the primary growth engine.

Net revenues from Ark, our overseas wealth management business, were RMB 550 million in 2025, down 18.8% year-over-year, mainly due to a decline in insurance product distribution revenue. However, overseas AUA grew to US\$9.5 billion, up 8.6% year-over-year.

Notably, transaction value of USD-denominated private secondary products tripled year-over-year to US\$960 million. The number of overseas registered clients approached 20,000, up 13.2% year-over-year, of which active clients exceeded 6,200, up 12.4% year-over-year. Net revenues from Olive, the overseas asset management business, were RMB 550 million for the full year, up 26.3% year-over-year, mainly driven by higher management fees resulting from AUM growth. Overseas AUM reached US\$6.1 billion, up nearly 4% year-over-year, accounting for 30% of total AUM.

Net revenues from Glory Family Heritage, our integrated services business, were RMB 180 million for the full year, up 28.8% year-over-year. Despite a highly competitive market environment, we achieved breakthroughs in sales through new channels.

Domestically, the phased recovery in the A-share market helped improve our performance. RMB-denominated private secondary products maintained growth momentum from the second quarter onward, which helped partially offset the impact of declining management fees from maturing RMB-denominated private equity products.

Noah Upright, our domestic public securities business, recorded net revenues of RMB 570 million in 2025, up 15.9% year-over-year with transaction value for RMB-denominated private secondary products reaching RMB 11.2 billion, up 107.2% year-over-year.

Gopher, our domestic asset management business, recorded net revenues of RMB 690 million for the full year, down 10.3% year-over-year, mainly due to lower management fees resulting from maturing RMB-denominated private equity products. In the primary market, Gopher completed RMB 5 billion of private equity asset exits and distributions in 2025.

Glory, our domestic insurance business, recorded net revenues of RMB 19 million for the full year, down 56.5% year-over-year. The decline in revenue was expected and aligns with our plans and ongoing strategic transformation.

Overall, our performance clearly shows a business shifting toward investment and asset allocation capabilities. It is this long-term vision that has systematically rebuilt our overall structure over the past few years.

What we have accomplished is not simply business expansion, but a fundamental reconstruction of our operating model. Today, we are building a global wealth management operational system composed of three core platforms, all operating under a unified management framework.

ARK serves as the client onboarding and execution platform. With licenses in Hong Kong, Singapore, and the United States, it operates compliantly within local regulatory frameworks. ARK is responsible for account management, trade execution, product distribution, and AI wealth advisory services, providing clients globally with a consistent, seamless, and compliant experience.

Olive serves as our investment and asset management platform across Hong Kong, the United States, Singapore, Japan, and Canada. It has the capabilities to source global assets, establish and manage funds across multiple jurisdictions, and execute long-term asset allocation strategies. It is a key foundational piece for our long-term value creation and revenue stability.

Glory serves as our asset structuring and risk management platform, covering major markets including China, Hong Kong, Singapore, and the United States. It offers insurance, trust, and identity planning services that deliver risk isolation and asset protection through structuring solutions and support the long-term transfer of family wealth.

Supporting these three core platforms is our cross-jurisdiction compliance architecture, anchored by our four major Booking Centers. Shanghai serves as the domestic client onboarding hub for RMB asset allocation, Noah Upright fund distribution, and Gopher asset management.

Hong Kong functions as the cross-border connector for securities and insurance, serving as the bridge between China and global markets. Singapore is our center for overseas asset allocation and family structuring, and our primary pilot region for AI wealth management. The United States serves as a key hub for our VC/PE and capital markets activities. In particular our investment capabilities in the technology sector are an important contributor to future revenue growth and innovation.

I want to emphasize that all Booking Centers are independently operated by locally licensed entities and conduct business within their respective regulatory frameworks. Cross-regional collaboration is primarily limited to research and information support, with no direct cross-jurisdiction business activities. This strict compliance boundary is the institutional foundation for our steady growth.

In 2025, our investments in AI began to gradually become more visible in our operating results. Headcount declined by 11% year-over-year, while revenue remained stable, reflecting improving operational efficiencies. Over the long term, AI brings much more than improved operational efficiency. It is also reconstructing how we operate. By embedding AI into key areas such as client engagement, content generation and operational processes, we have established a new human-machine collaborative operational-driven model in certain regions. This reflects our transition away from headcount expansion to systems that drive both scale and service quality.

Looking ahead to 2026, we will remain prudent, but highly focused on our clear strategic direction. While revenue may still fluctuate due to structural adjustments, the proportion of investment-related income is expected to rise with profit margins remaining stable or improving gradually.

Furthermore, our AI capabilities will evolve beyond simple efficiency gains and scale into broader operational validation. We are still in the midst of our transformation, but the logic behind our long-term operational model is stronger than ever. At its core, this transformation is not about changing product form or expanding services, it's about fundamentally reconstructing what drives our growth.

Historically, our industry has relied heavily on the individual capabilities of relationship managers. Today, we are building a human-machine collaborative operational-driven model centered on asset allocation, where AI empowers relationship managers and our global platforms amplifying their capabilities. 2025 marked the starting point of this model and where it began to gradually reflect in our operating results. The transformation is ongoing, but our strategic direction is firmly set. We will continue to execute this long-term strategy prudently and compliantly.

Thank you. I will now hand the time over to CFO Grant to review our financial performance in more detail.

Grant Pan: Thank you, Zander, and good morning, everyone, for the comprehensive strategic overview, and good day to everyone joining us today. I would like to focus on two key financial messages.

First, 2025 delivered strong operating profit growth and structural margin expansion, driven by a clear shift in our revenue mix. Investment-related income increased significantly during the year, while we deliberately reduced our reliance on insurance-related revenue. This reflects our continued transition toward a more investment-led business model, with improving earnings quality and greater margin resilience.

Second, the Board has approved our dividend proposal, including a special dividend, bringing total payout to 100% of full-year non-GAAP net income for the third consecutive year. This reinforces the consistency and visibility of our shareholder return policy.

Together, these developments underscore our transition toward a more investment-driven, globally diversified, and resilient operating model.

For the full year 2025, net revenue was RMB 2.6 billion, broadly stable year-over-year. Operating profit increased to RMB 777 million, representing growth of 22.5%. Operating margin expanded to 29.8%, compared with 24.4% in the prior year. Non-GAAP net income reached RMB 612 million, up 11.2% year-over-year. This improvement was primarily driven by structural cost optimization and enhanced operating efficiency, rather than short-term factors.

In the fourth quarter, revenue was RMB 733 million, up 12.5% year-over-year. Operating profit reached RMB 258 million, representing a significant increase of 87.3%, and operating margin expanded further to 35.2%. This reflects strong operating leverage as performance-based income starting to materialize, supported by a more scalable and disciplined operating structure.

During the year, we continued to optimize our revenue structure. Investment product commissions increased by 79.7% year-over-year, and performance-based income rose by 78%. At the same time, overseas revenue contribution increased to 49% of total net revenue. This shift toward investment-driven and globally-diversified revenue streams has enhanced earnings quality and supported structural margin expansion.

To provide a clearer view of our core performance, I would like to address two non-operational items that affected our reported fourth-quarter GAAP results. First, under income from equity in affiliates, we recorded a loss of approximately RMB 120 million. This was primarily driven by mark-to-market accounting adjustments related to share price volatility of a specific listed investment. It is important to emphasize that this represents accounting reflection of market movements, and does not impact our core wealth management operations.

Second, regarding the legacy Camsing credit fund arrangements, several cases reached procedural milestones this quarter, as certain clients opted for arbitration. In line with our prudent financial policy, we recognized contingent expenses of approximately RMB 50 million.

Total provisions now stand at RMB 505 million, representing about 63% of the unsettled principal. Based on current benchmarks and the progress of these cases, we believe the existing provision level is appropriate, and covers a substantial portion of potential exposure. Based on the information currently available, we do not anticipate significant additional provisions.

If we exclude these two non-operational items, adjusted full-year non-GAAP net income would have been approximately RMB 753 million, which we believe more accurately reflects our underlying operational efficiency.

In terms of balance sheet, as of December 31, 2025, cash and short-term investments totaled RMB 5.0 billion. The asset-liability ratio stood at 15%, and the Company carries zero – no interest-bearing debt. Our current ratio was 4.5x. This debt-free structure provides strong financial flexibility and reinforces the resilience of our balance sheet.

From a financial perspective, our AI strategy is centered on productivity enhancement rather than heavy capital expenditure. We are already seeing measurable results in our cost structure.

In 2025, total headcount decreased by 11% year-over-year, while net revenue remained stable at RMB 2.6 billion. This indicates a meaningful increase in output per capita. AI-driven tools now support a substantial portion of client engagement, automated reporting, and routine workflow tasks that previously required a lot of manual intervention. In our view, AI functions as a structural efficiency multiplier. It enables us to scale global operations while maintaining disciplined cost control and consistent service quality.

As of year-end, shareholders' equity stood at approximately RMB 9.9 billion. At our current market capitalization, the Company is trading at roughly 0.57x book value, with an operating return on equity close to 8%.

While market valuation may fluctuate, our focus remains on building long-term intrinsic value through disciplined execution and continued global expansion. Our strong cash position and operating cash flow provide both confidence and flexibility to deliver attractive and sustainable shareholder returns across market cycles.

Driven by our solid performance and healthy liquidity position, the Board has approved a total dividend of RMB 612 million, equal to 100% of 2025 non-GAAP net income. This consists of a 50% regular dividend and a 50% special dividend.

Subject to shareholder approval at the 2026 AGM, this will mark our third consecutive year of full payout. At current market prices, the implied dividend yield is approximately 11%. Including the RMB 50 million in share repurchases completed in 2025, total cash return yield reaches approximately 12%. This payout is fully supported by our core operations and strong balance sheet. It represents approximately about 79% of operating profit, and is covered multiple times by our RMB 5.0 billion in cash and short-term investments. In short, we are rewarding shareholders for their trust while maintaining a fortress balance sheet that supports our continued global growth.

In summary, revenue remained resilient throughout the year as we executed a deliberate shift toward more investment-driven income streams. At the same time, operating profit delivered strong double-digit growth, supported by structural margin expansion and continued improvements in efficiency.

Our AI initiatives are now translating into tangible productivity gains, strengthening our operating leverage and scalability. Our industry-leading capital return policy, highlighted by a 100% payout and the introduction of a special dividend, also reflects both operational strength and confidence in the sustainability of our model.

So with these foundations firmly in place, Noah has emerged leaner, more efficient, and structurally stronger. We remain fully committed to disciplined execution and the creation of sustainable, long-term shareholder value.