

**Noah Holdings Ltd. (NOAH)**  
**Q2 and Half-Year 2025 Earnings Call**  
**August 27, 2025, 08:00 PM Eastern Time**

Company Representatives

Jingbo Wang, Co-Founder and Chairlady  
Zander Yin, Co-founder, Director and CEO  
Grant Pan, Chief Financial Officer

Analysts

Helen Li, UBS  
Peter Zhang, JPMorgan  
Xian Zhong'en, CICC

**Presentation**

Operator: Good day, and welcome to Noah Holdings Second Quarter and Half-Year 2025 Earnings Conference Call. (Operator Instructions). After today's presentation, there will be an opportunity to ask questions. (Operator Instructions). Please note this event is being recorded.

I would now like to turn the conference over to Doreen Chiu, Senior IR Director. Please go ahead.

Doreen Chiu: Thank you. Good morning and good afternoon, and welcome to Noah's second quarter and half-year 2025 earnings conference call. Joining me today, we have Ms. Wang Jingbo, the Co-Founder and Chairlady; Mr. Zander Yin, Co-Founder, Director and CEO; and also, Mr. Grant Pan, CFO. Mr. Yin will begin with an overview of our recent business highlights, followed by Mr. Pan, who will discuss our financial and operational results. They will all be available to take your questions in the Q&A session that follows.

Please note that the discussion today will contain forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ materially from those in our forward-looking statements. Potential risks and uncertainties include, but are not limited to, those outlined in our public filings with the SEC and the Hong Kong Stock Exchange.

Noah does not undertake any obligation to update any forward-looking statements, except as required under applicable law.

With that, I would now like to pass the call over to Zander. Mr. Yin, please go ahead.

Zander Yin: Okay. Good morning to everyone, and thank you for joining our second quarter 2025 earnings conference call.

(Translated). Similar to last quarter, we will share our financial results by domestic and international segments, followed by the overview of our growth strategies for both. Good morning to everyone and thank you for joining Noah's second-quarter 2025 earnings conference call.

In the second quarter of 2025, global financial markets experienced significant volatility, with the Trump administration's tariff policies and geopolitical risks moving from background noise to center stage.

Leveraging the forward-looking insights from Noah's CIO report for the first half of the year, our clients achieved strong investment returns with over 95% of our Black Card clients realizing cumulative gains by the end of the quarter.

After several years of developing and expanding our overseas business, we have established a comprehensive global product matrix, including VC and PE funds, private credit funds, infrastructure funds, hedge funds, global mutual funds, Hong Kong and U.S. equities, structured products, and wealth inheritance solutions such as insurance, trusts, and residency planning. These diverse offerings have all been fully integrated, providing clients with one-stop allocation capabilities and investment expertise needed to solidify their asset base and enhance wealth resilience amid uncertainty.

We are pleased to report that a strong operational and financial performance during the second quarter. Net revenues reached RMB 630 million with income from operations increasing by 20.2% year-over-year and non-GAAP net income surged 78.2% year-over-year and 12% sequentially to RMB 189 million. Net revenues for the first half of 2025 were RMB 1.2 billion, generating non-GAAP net income of RMB 358 million.

Our revenue mix continued to increase, driven by growing investment product revenue. Specifically, one-time commissions from investment products have reached their highest point in recent years, making up over 30% of one-time commissions revenue.

Domestically, our strategy remains focused on enhancing relationship managers' incentives, reactivating dormant clients, and acquiring new clients. Overseas, we continue to expand our relationship managers' teams and grow our local client base. In the first half, we added 627 new qualified investor and clients.

We continue to make progress in optimizing our internal organization, with each business unit building an end-to-end process that spans from product development to sales. In addition, we are driving cross-selling activities through enhanced client service and increasing overall client activity and engagement. We remain committed to investing in our platform and capabilities, leveraging AI to empower relationship managers and clients while boosting clients' satisfaction.

Concurrently, we are advancing the development of our booking centers and digital platforms to enhance cross-border synergies for client outreach, product integration, digital infrastructure, and risk controls, laying a solid foundation for sustainable growth, future growth.

I will now dive into the performance and operations of each business unit. Net revenues from overseas reached RMB 297 million in the second quarter, accounting for 47.1% of total net

revenue, with net revenues from overseas investment products continuing to generate solid growth.

Our team of overseas relationship managers expanded to 152 by the end of the quarter, a year-on-year increase of 34.5%. The ongoing enhancements to our capacities and deepening expertise drove strong investment returns for clients during the quarter, supporting solid growth in both overseas transaction value and net revenues.

Net revenues from overseas wealth management were RMB 129 million during the quarter, down 14.1% year-on-year due primarily to our ongoing strategic focus on investment products, which resulted in a decline in revenue contribution from the distribution of insurance products. Overseas AUA grew 6.6% year-over-year to USD9.1 billion and now accounts for 27.6% of total AUA, primarily driven by increases in distribution of private equity funds.

Transaction value of USD-denominated private market products in the first half of the year increased by 70.3% compared to the same period last year, reaching USD765 million. Within USD private secondary products, transaction value of hedge funds and structured products more than doubled year-on-year to USD424 million.

We continued to expand and deepen our relationships with reputable product and investment partners globally, and have now become repeatedly one of the top three distribution channels in Asia for flagship products from leading GPs such as Ares and Hamilton Lane. As of the second quarter, the number of registered overseas clients now exceeds 18,900, a year-on-year increase of 13.0% with the number of active clients now over 3,600, a year-on-year increase of 12.5%.

Net revenues from overseas asset management during the second quarter were RMB 108 million, up 11.5% year-over-year, driven primarily by growth in AUM and recurring service fees. Overseas AUM was USD5.8 billion, up 7.4% year-over-year and accounting for 28.5% of total AUM.

Net revenues from overseas insurance and comprehensive services during the quarter were RMB 59 million, an increase of 91% year-over-year. The Hong Kong insurance market remains highly competitive. However, our "large clients, large policies" strategy and cost-effective customized products for major clients is delivering strong results in this environment with average overseas insurance policy sizes continuing to increase.

Additionally, Glory's team of commission-only brokers and external channels has already generated over RMB 20 million in revenue, injecting fresh vitality into new client acquisition.

Net revenues from mainland China during the quarter were RMB 333 million, a year-on-year decrease of 1.3%, but a sequential increase of 7.2%. The recovery in the A-share market this year has driven a substantial improvement in the performance of our domestic business. RMB-denominated private secondary products continued to gain strong growth momentum in the second quarter, which partially offset a decline in recurring service fees from existing RMB private equity products.

Notably, the rebound in the A-share market increased investor confidence in the secondary market and is fueling growth in our domestic public securities businesses.

Net revenues from domestic public securities during the quarter were RMB 132 million, a year-over-year increase of 12.8%. Transaction value of RMB-denominated secondary products continued their strong momentum with transaction value for private secondary products in the first half of the year reaching RMB 6.1 billion, a significant year-over-year increase of 185.3%. The rebound in the A-share market provides a favorable environment for RMB-denominated secondary products, enabling us to achieve continued breakthroughs in this business.

Net revenues from domestic asset management during the quarter were RMB 177 million, down 10.6%. This was due to lower recurring service fees from existing RMB-denominated private equity products. In the primary market, Gopher focuses on facilitating exits and distribution of assets managed by the funds where it recorded RMB 800 million in exits related to private equity products.

Net revenues from domestic insurance during the quarter were RMB 716 million, a year-over-year decrease of 38.7%. This was a result of our strategic decision to reduce the promotion of domestic insurance products.

Looking ahead to the second half of the year, we will focus our efforts on the following three strategic priorities. First, we will concentrate on high-net-worth clients and actively expand our customer base. We are proactively entering mature financial markets such as the United States, Canada, and Japan, to serve global Chinese clients. In these established markets, we will adopt a Business Partner cooperation model to attract more talents and broaden our client base. Our positioning is clear: to be a wealth management platform dedicated to serving global Chinese high-net-worth investors.

Second, we will continue to enrich our global product offerings across various categories to meet the diverse needs of our clients. A robust product portfolio enables us to provide more competitive investment solutions. In the primary market, we will expand our ecosystem partnerships to develop customized investment solutions and exclusive opportunities. In the secondary market, leveraging our global investment research capabilities, we will carefully select high-quality strategies from top-tier managers to enhance our ability to deliver robust asset allocation solutions. We will also actively explore new opportunities in digital assets, pushing the boundaries of wealth and asset management to provide clients with a more comprehensive and cutting-edge investment experience.

Today, we are also pleased to announce that we have selected Coinbase Asset Management as a strategic partner, to establish Olive's first stablecoin yield fund. We shall expand our digital asset-related product lines and collaborate with licensed, compliant institutions to capture opportunities in this rapidly-growing emerging asset class. This initiative aims to open new growth engines for our clients' global asset allocation strategies, with future expansion opportunities in compliant digital-asset fund management.

Third, we remain committed to enhancing operational efficiency while pursuing growth. We continue to integrate AI across our operations to empower relationship managers, clients, and middle-and back-office staff. These initiatives have significantly improved the client experience and reduced operational costs. Amid the vast opportunities presented by the global expansion of

Chinese enterprises, we aspire to have Noah's Ark present wherever there are Chinese clients around the world.

I'll now pass over to our CFO, Grant, to go over our financials in more details. Thank you all.

Grant Pan: Thank you, Zander, so warm greetings to everyone joining us today. I am very excited to announce our financial performance in the second quarter of 2025 that reflects steady progress and resilience across our operations. Supported by revenue growth, disciplined cost management, and investment income, we achieved non-GAAP net profit of RMB 189 million. This represented 78.2% year-over-year growth and a 12% sequential increase. For the first half of 2025, non-GAAP net income totaled RMB 358 million, a 33.9% year-over-year increase.

More importantly, management is very encouraged by the structure improvements in our operations this quarter. We achieved substantial growth in revenues related to investment products, with a 92% year-over-year increase and a 30.6% sequential rise in that category. Driven by clients' more uplifting investment sentiment, it also attributed to wider selection of quality investment solutions that we provided to our clients, both onshore and offshore.

In terms of transaction values, RMB-denominated products recorded a 35.0% year-over-year growth and an 8.3% sequential increase, while USD-denominated products grew 5.2% year-over-year and 3.8% sequentially. As a result, our total transaction value reached RMB 17.0 billion, reflecting a 17.7% year-over-year increase and a 5.4% sequential rise.

For the first half, commissions from investment products grew by 95.9% year-over-year with transaction values for RMB-denominated private secondary products stood out, growing by 185.3% year-over-year to RMB 6.1 billion. Similarly, USD private secondary products, excluding cash management products, grew by an impressive 282.0% year-over-year to USD424 million, despite volatility in U.S. equity markets.

So in this context, one-time commissions contributed RMB 155 million in the second quarter, marking a 14.0% year-over-year increase. Recurring service fees and performance-based income remained steady at RMB 406 million and RMB 23 million, respectively. Total net revenue reached RMB 630 million for the quarter, reflecting a 2.2% year-over-year increase and a 2.4% sequential growth.

Breaking revenue down by region, overseas net revenues continues to drive growth, recorded RMB 601 million in the first half of 2025. Not only did it account for 48.3% of total net revenues in the first half of the year, but over 85% of newly generated revenue that was originated from offshore products.

In the meantime, we continue to stay conscious of cost and expenses. Total operating costs and expenses for the first half were RMB 897 million, down 11.2% year-over-year. Key reductions were achieved in managing a more optimal headcount structure, while maintaining investments in the growth area.

Total OpEx, excluding total compensation and benefits, declined by 9.3% year-over-year. This efficiency enabled us to achieve an operating profit of RMB 347 million for the first half, up

35.8% year-over-year, with an operating profit margin of 27.9% compared to 20.2% in the same period last year.

For the second quarter, operating profit was RMB 161 million, with an operating margin of 25.6%. Net income for the first half was RMB 328 million, representing a 39.4% year-over-year increase, despite the booking of about RMB 40 million in withholding taxes related to dividends during this period.

As of June 30th 2025, total AUM stood at RMB 145.1 billion reflecting some pressure from redemptions of RMB-denominated products. However, USD-denominated AUM grew by 7.4% year-over-year to USD5.8 billion, while USD-denominated AUA increased by 6.6% year-over-year to USD9.1 billion, demonstrating our ability to capture a growing share of clients' USD investment allocations.

At the end of the second quarter, our overseas new clients base continued to grow with the number of overseas registered clients increasing by 13.0% year-over-year and 4.2% sequentially. The total number of overseas Diamond and Black card clients now exceeds 1,640.

Overseas active clients reached 3,650, up 12.5% year-over-year and 7.9% sequentially. Notably, we saw meaningful growth in our new "Golden" clients that is qualified investors -- who are qualified professional investors by definition, increased by 627 persons within the first 6 months of this year. Although it takes time for brand-new clients to mature into the core client group, namely black and diamond client, we are confident that with the continuous global expanding mindset, the Company is steadily gaining new market share worldwide.

Our balance sheet remained sound. As of June 30, 2025, combined cash and short-term investments totaled RMB 5.4 billion, and we continue to carry zero interest-bearing liabilities. Additionally, net investment gains for the quarter exceeded RMB 60 million, reflecting the realization of potential from our past strategic investments.

In closing, the second quarter of 2025 represents a meaningful step forward for our business in the right direction, marking important milestone of the restructuring efforts and confirming their positive impact. Enhancing shareholder returns remains our priority, and I am pleased to share that we have returned over RMB 1.8 billion cumulatively to shareholders through dividend payments and share buybacks for the past 3 years. And the Board and management is committed to disciplined capital distribution to our shareholders in the long run.

Moreover, with a book value per ADR of USD18.35 per share, we believe that the current share price still remain undervalued, offering shareholders an attractive opportunity. Looking ahead, we remain focused on enhancing shareholder value, driving sustainable growth, and achieving long-term success.

Thank you, shareholders, for your trust and support. We will now open the floor to questions.

## **Questions and Answers**

Operator: Thank you. We will now begin the question-and-answer session. (Operator Instructions). Helen Li of UBS.

Helen Li: (Speaking Foreign Language). Let me translate my question. This is Helen from UBS, I've got two questions. The first is could you please provide more details on the private credit digital yield fund, including the strategic considerations behind this move, the management fee structure and client interest in such products? Additionally, are there any other plans in the crypto currency field besides the stablecoin yield fund?

My second question is, what was the CIO house view regarding client asset allocation? How would you describe the current client investment appetite, particularly the demand for offshore products compared to onshore products? Do you anticipate a strong growth momentum in investment product distribution to continue into the third and fourth quarters?

Zander Yin: (Speaking Foreign Language).

(Translated). So it's our first cooperation in the market to launch this stablecoin yield fund. And as we mentioned in our CIO report -- indeed from last year to this year, in our CIO report, we have been emphasizing the importance for our clients to distribute their assets in stablecoin, this new asset class, for 2 years now. And that's why we have been proud to announce that we've been partnered with Coinbase to launch our first fund. And having said that, we still emphasize that the prudence that we needed to maintain being a wealth management company, and that's why the partner we choose at this time is Coinbase.

And then in terms of the fee structure, we would just say it's the same as any other investment products we have been distributing to our clients. That's not much special between the different types of products.

Regarding your questions about the investment product that clients may have high interest, so what we've seen in the first 2 quarters this year, we saw that clients are having more interest in deploying the asset and wealth into investment products. The reason behind this, we believe that in the previous years during the 2020 to 2022, because of the geopolitical situation and other noises in the market, investors become more cautious, but that they are also learning as well. So after a few years of learning and adapting to the current environment, we believe that clients are now more confident and clear about what they should buy.

And they still need to deploy the asset because after all, wealth management should be a long-term planning instead of just a very defensive investment or very short-term investment. So when client incentive is going upward, domestically, mainly it's driven also by the Asian market. But being a very prudent organization, we have been also observing the risks of the secondary markets in China in the moment because of interest and by money flows obviously.

And then, however, overseas, we've seen more options. And particularly, we have seen the opportunity among the overseas Chinese because they got wealth in the overseas market, but they may not get as good service as they could have in the domestic market and particularly, the lack of information in different investment products. So what Noah has been doing, we partner

with all these prominent GPs and globally, and that we've been trying to provide more information to our clients when they are trying to deploy their asset.

And as we've emphasized in our CIO report, it's always about the balance between growth, return and risk, and we will always follow our principle as listed out in CIO report. Notice that the investment triangle that we try to use the different assets to balance risk and return. And particularly the new theme that we have introduced this round in CIO report is a deflation caused by technology. And that we believe that that's the major reason why we have been advising our clients to invest in AI or Coinbase-related investment products.

Jingbo Wang: (Speaking Foreign Language).

(Translated). So from our Chairlady, she emphasized that Coinbase in this world, we must emphasize that the risk could still be very high. And that's why being a responsible wealth management company, we've been emphasizing in compliance while we are looking at innovation. So this round, we've chosen the partner which have been widely agreed on their compliance standard and as mentioned in CIO report, we have been suggesting our clients to invest around 1% to 5% of their asset, total asset, to be in the crypto-related products. And most importantly, we believe that Noah could be the bridge, to be the bridge to provide compliance products in this area.

And last but not least, not only this one product that we launched that I just mentioned, going forward, we will continue to study, and going to launch more related products, depends on our clients' needs. We believe that by time, they will learn more about this asset class and they should have more demand in this area.

Grant Pan: Next question, please.

Operator: Peter Zhang of JPMorgan.

Peter Zhang: (Speaking Foreign Language). This is Peter from JPMorgan. I have two questions. First is we wish to understand what's the third quarter operating trend for Noah. We have seen there's a strong pickup in domestic investment sentiment lately. We wish to understand what Noah has observed about the investment sentiment on your platform, and the wealth management product transaction volume trend in third quarter quarter-to-date. And how does it compare to the second quarter?

My second question is about the overseas expansion. We noticed that management has mentioned the plan to expand into the U.S., Canada and Japan. We wish to understand how is the progress so far and what to expect in second half of this year and next year? And when do you expect this new market can meaningfully contribute to your client growth and revenues? And we also wish to understand how this overseas expansion plan will have impact on our operating expense trend going forward.

Zander Yin: (Speaking Foreign Language).

(Translated). So Peter, regarding your question about the investment sentiment looking forward to the third quarter, and yes, we have to say that during different events that we've been

organizing when we met with clients, we have seen strong interest from them. And unlike in the previous period, they would be more prudent and prefer lower risk return or lower risk products. We have seen that because of the Asian market and also because of the U.S. interest rate environment, they are now showing more interest in investing in different types of investment products.

And also, when we talk to clients, one of the reflection that we've been collecting is that we've been able to provide more and more diversified products with different GPs. And that's because we have set up the product center in the U.S.A. and that we've been able to contact and have connection with more reputable GPs from broadly, and that's why we've been able to provide a better product matrix to our clients.

However, we must emphasize that being a wealth management company or what the core of wealth management should be long-term return. So it's not about any short-term environment changes, or client feelings about the market or any sentiment-driven investment. So internally, we emphasize on long-term returns instead of just selling products according to market sentiment.

Jingbo Wang: (Speaking Foreign Language).

(Translated). So about our global strategy, and as mentioned by Chairlady, we have been developing our overseas market over the last 3 years. And what we've been achieving now be the product mix and being a wealth management company, this is one of the very important criteria that we have already achieved. So next step, we would say it's more about branding. When we talk about branding, what we're seeing is that we serve Chinese globally. But then currently, we don't see much of other organizations being able to serve Chinese across different legal jurisdictions and that, we believe, is going to be our very committed target going forward.

And in terms of the strategic planning, so we have three booking centers in the U.S., Hong Kong and Singapore. And also for the non-booking centers, such as Japan, Canada, that we have already mentioned previously, it's going to be the asset management for the clients using the Olive brand. So we believe that Noah's strength is we have trust of course with our clients, and with this trust, we have seen that some of our clients from domestic markets are already moving to overseas market, and that should be our strong client base when we're developing our overseas market.

Grant Pan: Okay. So I'll take the third question on OpEx, Peter. So we basically have reached a stage of rather comfortable structure in terms of frontline and mid-back office. I think we're pretty much, after a couple of years transition period, we're actually pretty comfortable with the mix of frontline and mid-back office.

Secondly, also the balance between fixed salary and also variable costs, both onshore and offshore. We probably are looking to maintain that structure. But obviously, not excluding some short-term spikes when, as Chairlady and CEO Zander mentioned, with international expansion, we'll probably get new talents and new markets or new business segments. But I think overall, the big picture, comp and benefits-wise, we're pretty comfortable.

In terms of selling and marketing expenses, obviously, we have seasonality. We typically are a little bit slower after Spring Festival than summer vacation. But we have traditionally busier schedules coming up in the third quarter, obviously, towards the end of the year as well. But I think on the annual basis, I'm also pretty comfortable in terms of maintaining a similar range of operating margin.

Peter, does that answer your question?

Peter Zhao: That's very clear. Thank you.

Operator: (Operator Instructions). Xian Zhong'en of CICC.

Xian Zhong'en: (Speaking Foreign Language). I have two questions. The first one is other operating expenses decreased over 80% year-over-year and income from equity in affiliates increases to over RMB 47 million. These changes affect the net income. Could you please explain the reasons behind and future change?

The second question is the cash balance remains high at RMB 3.8 billion. So do you have any dividend plan?

Grant Pan: Sure, Ms. Xian, I'll take the question for the two fluctuations. So basically, the overall impact, especially the RMB 47 million, actually comes from some of the strategic investment portions that we have as the co-GP investment in the past. So some of the companies actually became successful listed, so the total market value in the fund actually has a markup. So that quarter, actually, we have a pretty positive impact. Hopefully, it doesn't reflect in the future, but it seems that from the company's current performance, we're optimistic that we'll maintain a rather strong performance and obviously, feedback to our balance sheet and P&L.

In terms of dividend scheme, I think the only thing I can say on behalf of management and Board, as we have mentioned in the earnings release, that we're very committed to returning some of the obviously operational results to our shareholders. And we have cumulatively distributed a rather large amount, I think probably ranking very, very high in Chinese ADR companies, that cumulatively RMB 1.8 billion to our shareholders and obviously, another full payout of 2024's net profit.

So I believe that in 2025, obviously, I can't say this prematurely, but we're pretty confident that we probably will be returning or distributing our profit operational results to our shareholders on a very similar scale this year, at least in the foreseeable future.

Xian Zhong'en: Thank you, very clear.

Operator: At this time, we will conclude our question-and-answer session. And I'd like to turn the conference back over to management for any closing remarks.

Grant Pan: Thank you very much, everybody, and hope to hear from you in a subsequent call. Thanks.

Doreen Chiu: Thanks, everyone, and please feel free to contact IR team if you have any further questions. And we will be conducting NDR these few weeks, so feel free to reach out if you want to talk to any of us. Thank you very much for today.

Operator: The conference has now concluded. Thank you for attending today's presentation. And you may now disconnect your lines.