

**Noah Holdings Limited [NOAH]  
Q1 2026 Results Conference Call  
May 27, 2026, 8:00 PM ET.**

Company Representatives

Norah Wang, Co-Founder and Chairlady  
Zander Yin, Co-Founder, Director, and CEO  
Grant Pan, Chief Financial Officer  
Doreen Chiu, Head of IR, Senior Director

**Presentation**

Operator: Good day, and welcome to the Noah Holdings Limited First Quarter 2026 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, Investor Relations. Please go ahead.

Doreen Chiu: Thank you and welcome, and good morning, everyone, to Noah's first quarter of 2026 Earnings Conference Call. Joining me on the call today are Ms. Wang Jingbo, the Co-Founder and Chairlady; Mr. Zander Yin, the Co-Founder, Director and CEO; and also Mr. Grant Pan, the 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, which may cause actual results that vary 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 like to pass the call over to Mr. Yin. Please go ahead.

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

(Translated). Good day to all investors and analysts, and thank you for joining Noah Holdings' first quarter 2026 earnings conference call. As we start 2026, the pace of Noah's transformation has become clearer than ever before. In the first quarter, we observed three increasingly visible trends: First, our profitability structure continues to improve, with operating margin reaching one of the highest quarterly levels in recent years.

Second, our domestic business is regaining momentum in core investment and asset allocation, with both active clients and transaction value achieving double-digit growth. Third, our overseas business continues to advance in line with our strategy of proactively adjusting our revenue mix, while a new operating model, driven by globalization and AI, gradually takes shape.

Before going into a more detailed review, I would like to share two milestones in our global footprint that we recently achieved: Our Japan office officially commenced operations on May 4, and our U.S. broker-dealer license has completed the final approval process, with key team members set to officially join in June. These two developments mean that our network is entering a new phase, moving from license deployment to operational execution.

Next, I would like to share our progress from four perspectives: financial performance, domestic business, overseas business, and AI strategy. In the first quarter, we recorded net revenues of RMB 626 million, up 1.8% year-over-year and down 14.7% quarter-over-quarter. The sequential decline was mainly due to a further decrease in contribution from the insurance business, as well as a seasonal decrease in performance fee income from overseas private equity products following concentrated year-end recognition.

However, on the profit side, benefiting from our disciplined execution in cost control, organizational streamlining, and expense management, operating profit reached RMB 236 million, up 27.1% year-over-year. Operating margin was 37.8%, marking one of the highest quarterly levels in recent years. Non-GAAP net income was RMB 134 million. It is important to note that this quarter's strong margin performance benefited from continued optimization in our business mix and further release of additional organizational efficiency. We expect full-year operating margin to remain in a healthy range above 30%, although quarter-to-quarter fluctuations are natural due to product mix and expense timing.

This quarter also marked our 62nd consecutive quarter of non-GAAP profitability since listing. This is the discipline we have maintained across multiple market cycles. In the first quarter, our active clients reached 10,742, up 21.8% year-over-year. Transaction value reached RMB 23.3 billion, compared with RMB 16.1 billion in the same period last year.

In our domestic business, transaction value of RMB-denominated mutual fund products reached RMB 9.9 billion, up 131% year-over-year, while transaction value of RMB-denominated private secondary products reached RMB 5.3 billion, up 61% year-over-year.

Noah Upright recorded net revenues of RMB 208 million, up 63% year-over-year, mainly driven by a doubling in public fund transaction volume as a result of structural opportunities in the A-share market, together with a rapid recovery in RMB-denominated private secondary fundraising.

This series of changes shows that when we refocus our resources on products and investment capabilities with genuine long-term value, the operating performance of our domestic business improves structurally. At the same time, we have become even clearer about the strategic direction of our domestic business going forward.

For our domestic business, we will continue to focus on the secondary market and building our asset allocation capabilities, with key priorities including public mutual funds, private secondary

market products, AI-driven client operations, and Noah Upright's fund distribution platform capabilities. We will continue to drive the enhancement of our operations in these areas.

We believe the domestic wealth management industry is gradually moving away from the past stage, which was driven by real estate and non-standardized products, and returning to a true long-term era centered on investment, research, and asset allocation.

As of March 31, overseas registered clients reached 20,373, up 11.9% year-over-year. Overseas AUA was US\$9.6 billion, up approximately 5.9% year-over-year. Transaction value of U.S. dollar-denominated products was US\$1.15 billion for the quarter, broadly flat year-over-year.

Our overseas client base and AUA continue to grow steadily, and the pace of our revenue mix adjustment is consistent with the view we shared during our third-quarter earnings call last year. Over the past few years, we have continued to build our presence across key regions serving global Chinese clients, including Hong Kong, Singapore, Japan, Canada, Europe, Australia, and the United States.

What we are seeing more clearly is that global Chinese clients are entering a new stage. Their assets, families, identities, education and next-generation planning are becoming increasingly globalized. In the past, serving global Chinese families across multiple jurisdictions, languages, and generations was a business that relied heavily on individual experience and was extremely difficult to scale or replicate.

For the first time, AI makes it possible for this kind of service to be globally coordinated in a systematized, platformized, and scalable framework. This is why we believe one of our most important long-term positions is not only to be a wealth management institution, but also becoming a global wealth management platform serving Chinese high-net-worth families around the world.

Over the past two decades, the logic to drive growth in the wealth management industry was clear, but linear: One more relationship manager meant more revenue; one more client relationship meant more assets. This logic worked well in the past, but it also meant that the industry's expansion was structurally constrained by labor costs and overall management of the organization. Our view is that AI is fundamentally changing this equation. It is not simply "adding another efficiency tool;" it is redefining the front-office structure of the wealth management industry.

In the past, wealth management was primarily driven by a single RM model. Today, we are gradually forming a new model driven by the collaboration of three front office engines. First: AI-Enhanced Relationship Managers, RMs remain the most important long-term driver of strong client relationships, but AI is significantly enhancing their ability to cover clients. In the future, RMs will focus more on deep client engagement, rather than repetitive process work.

Second, AI Wealth Management Department. This is a new type of front-office team that we are actively building. The AI Wealth Management Department does not rely on traditional headcount expansion. Instead, it uses AI to drive client operations, content services, allocation support, and global collaboration, enabling a lighter organizational structure to serve broader client needs.

Singapore is the first fully-developed testing ground for this model. Over the past quarter, AUA in Singapore grew by approximately 192% year-over-year, and revenue generation per capita reached 8.5x. This is the first validation that, without materially expanding the number of relationship managers, AI can elevate individual service capacity, breadth of coverage, and professionalism of asset allocation by an order of magnitude.

Third, AI plus Ecosystem Expansion. We believe the future of wealth management will not belong only to the internal RM systems of large institutions. More and more independent financial advisors, family offices, and external professional firms need a platform that can provide: a global asset supply chain, an AI workbench, a compliance foundation, global execution capabilities, and brand credibility. We are gradually building this ecosystem.

We believe these three engines will together form our growth drivers going forward. And the future competitive landscape of the wealth management industry will no longer be defined simply by who has more relationship managers, but by: who has stronger AI capabilities, who has a more complete global compliance network, who has deeper customer context data, and who has more replicable platform-based service capabilities. This is our most important strategic vision for 2025 to 2026. Based on this strategic vision, we have made substantive progress at three levels.

**First Level: Enhancing Organizational Efficiency.** Last year, while maintaining stable net revenues, our total headcount declined by approximately 11% compared with 2024. In the first quarter of this year, headcount further declined by approximately 3% quarter-over-quarter. Behind this is the gradual embedding of AI into key areas, such as client interaction, content generation, and operational processes, enabling the same revenue scale to be supported by a more streamlined organization. This is the first direct evidence of returns on our AI investments.

**Second Level: Productization of Operating Capabilities.** Our AI RM platform officially went live in the third quarter of last year. It covers client research, generation of allocation recommendations, service recordkeeping, and content output, and is being integrated in parallel across our four Booking Centers. AI is no longer just a back-office tool; it is becoming a collaborative partner for our RMs.

**Third Level: Reconstruction of the Operating Model Itself.** AI is not a PowerPoint concept for our organization. It has already become a new operating system that can generate real business results, and has the potential to be replicated globally. Supporting these AI capabilities is the global platform foundation we have already built: Our three global platforms, ARK, Olive, and Glory, support client and account execution, asset management, and insurance, trust, and inheritance services, and our four Booking Centers in Shanghai, Hong Kong, Singapore, and the United States, together form our compliance and execution infrastructure. Going forward, our long-term AI buildout will continue to advance across four dimensions: clients, relationship managers, products, and governance.

Looking ahead to the remainder of 2026, our work will continue to focus on the three priority areas clearly set out by our Chairlady in her 2025 letter to shareholders: First, expanding our overseas client base; second, further growing our global asset allocation capabilities; third, continue to optimize the revenue structure of Olive, our asset management business; and lastly,

deepen AI applications in our core operating processes, and gradually expand global collaboration capabilities within a compliant framework.

As of March 31, we held RMB 5.13 billion in cash, cash equivalents and short-term investment, maintained a healthy balance sheet with zero interest-bearing debt. The Board announced a dividend proposal for approval at our shareholders meeting, including a special dividend that brings the total payout to 100% of full-year 2025 non-GAAP net income. Subject to approval at the June 11 meeting, the plan will be implemented. This would extend our shareholder return framework for a third consecutive year based on 100% of non-GAAP net income. We will continue to invest in globalization and building AI capabilities while maintaining financial discipline.

We are still in the midst of our transformation. The short-term pressure points are visible, but the logic of our long-term operating model is becoming clearer than ever before. The first quarter is not the destination; it is more like a starting point where our new operating model is beginning to be validated. We are evolving from a traditional wealth management institution into an AI-driven, global platform serving Chinese families around the world. This process will not happen overnight, but our direction is becoming increasingly clear. Thank you.

I will now hand the time over to CFO, Grant, to review our financial performance in greater detail.

Grant Pan: Thank you, Zander, and good day to everyone joining us. The first quarter of 2026 marked a solid start to the year and continued progress in our transition toward a more investment-led and quality-driven global wealth management platform.

I would like to highlight three key messages. First, while total revenue remained stable, the quality of our revenue mix improved meaningfully, driven by strong growth in investment-related fundraising fees and performance-based income. Second, disciplined cost management and structural efficiency initiatives delivered substantial operating leverage. Operating profit increased significantly and operating margin expanded further.

Third, reported net income was affected by non-operational volatility. This mainly reflected mark-to-market accounting adjustments on a specific listed investment recorded under income from equity in affiliates.

Excluding that specific mark-to-market impact, non-GAAP net income would have reached RMB 216 million, up 28% year-over-year. For the first quarter, total net revenue was RMB 626 million, up 1.8% year-over-year. This stability was achieved despite a deliberate 49.9% reduction in insurance-related revenue, as we continued to optimize our business mix.

One-time commissions were RMB 113 million, up 5.9% quarter-over-quarter. Within this, commissions from newly-raised investment products increased to RMB 53 million, up 46.1% year-over-year and 41.6% quarter-over-quarter. Recurring management fees were RMB 379 million, down 3.4% year-over-year and 2.5% quarter-over-quarter.

Performance-based income reached RMB 100 million, up 253% year-over-year, primarily driven by strong realization from RMB-denominated private secondary products. Overall, the quarter

further demonstrates our continued shift toward a higher-quality, investment-led revenue structure.

Our lean operating model continues to deliver measurable financial results, with AI increasingly serving as a structural driver of efficiency. Total operating costs and expenses declined to RMB 389 million, down 9.2% year-over-year and 18.1% quarter-over-quarter. As of the end of the quarter, group headcount was 1,726, down 10.4%, leading personnel costs to decline 12.2% year-over-year to RMB 267 million. This reflects productivity gains, rather than business contraction.

Our AI strategy focuses on improving output per capita and operational efficiency. AI-driven tools now support client engagement, automated reporting, suitability processes, and routine workflows that previously required manual intervention. This enables us to scale global operations when maintaining disciplined cost control and service quality.

SG&A was RMB 103 million, down 10.8% year-over-year and 35.1% quarter-over-quarter. Total operating cost expenses were 389 million, down 18.1% compared to last quarter. As a result, operating profit increased to RMB 236 million, up 27.1% year-over-year. Operating margin therefore expanded to 37.8%, compared with 30.3% in the first quarter of last year. Excluding government subsidies, operating profit was RMB 236 million, up 33.7%. These results highlight the scalability of our platform and the financial benefits of our structure optimization.

Below the operating line, investment, interest, and other income totaled RMB 19 million. Interest income remained RMB 32 million. Investment income was negative RMB 2 million. Foreign exchange loss was RMB 6 million, and contingent expense was RMB 3 million. Share of losses from equity in affiliates was RMB 65 million. As a result, non-GAAP net income attributable to Noah was RMB 134 million, with a margin of 21.4%.

Total transaction values reached RMB 23.3 billion, up 44.8% year-over-year and 37.5% quarter-over-quarter. U.S. Dollar-denominated private secondary products reached US\$293 million, up 161% year-over-year, when RMB-denominated private secondary products reached RMB 5.3 billion, up 61% year-over-year. This fundraising momentum directly supported the growth in investment-related commissions and reinforced our strategy.

As of the end of the quarter, group AUM was RMB 140.2 billion and group AUA was RMB 233.5 billion. Total AUM and AUA at the group level declined, yet our U.S. Dollar-denominated base continued to grow. Overseas AUM reached US\$6.2 billion, up 5% and overseas AUA reached US\$9.6 billion, up almost 6% year-over-year.

Total diamond and black card clients reached 9,029. Overseas diamond and black card clients reached 1,781, up 3.8% quarter-over-quarter, reflecting continued traction in overseas markets.

Our balance sheet remains strong and highly liquid. As of the end of the quarter, cash and cash equivalents were RMB 4.3 billion and short-term investments were RMB 834 million. Total assets were RMB 11.6 billion and total liabilities were RMB 1.7 billion.

Our asset-liability ratio remained low at 14.5%, and our current ratio was 4.8x, providing ample flexibility for growth and shareholder returns.

We believe our current market valuation does not fully reflect the strength of our balance sheet, the resilience of core earnings, and the scalability of our operating model.

With shareholders' equity of about RMB 9.9 billion, the Company is trading at roughly 0.5x book value, when delivering an annualized return on equity of approximately 5.4%. In our view, this does not adequately reflect our intrinsic value or long-term earnings potential.

And since the beginning of 2026, we have repurchased 2 million ADS for approximately USD20 million, representing about 2.7% of outstanding shares. And since launching the program, the shareholder return in 2024, we have cumulatively repurchased 3 million ADS for USD35 million. Plus, we have declared to distribute 100% of our non-GAAP income, as dividends for the third consecutive year. These actions reflect management's confidence in the Company's intrinsic value, and our commitment to enhancing long-term shareholder returns.

So in summary, the first quarter reflects disciplined execution of our strategic transition. Revenue quality improved, operating leverage strengthened, and AI-driven productivity gains continued to enhance structure efficiency. When reported earnings were influenced by non-operational volatility, the underlying trajectory of our core business continues to improve. With a fortress balance sheet, a leaner and more scalable operating platform, and continued capital return through share repurchases, we believe the Company remains fundamentally undervalued relative to its intrinsic strength and long-term earnings potential. So we remain fully committed to disciplined execution, prudent capital allocation, and sustainable long-term value creation.

Thank you, everyone, for joining us today, and please feel free to reach out to the IR team for any further questions. Thank you very much.

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