

**FinVolution Group First Quarter 2026 Earnings Conference Call  
May 25, 2026**

Corporate Speakers

- Tiezheng Li; FinVolution Group; Chief Executive Officer
- Jiayuan Xu; FinVolution Group; Chief Financial Officer
- Yam Cheng; FinVolution Group; Head of Capital Markets

Participants

- Alex Ye; UBS; Analyst
- Cindy Wang; China Renaissance; Analyst
- Yujie Jing; CICC; Analyst

**PRESENTATION**

Operator^ Hello, ladies and gentlemen. Thank you for participating in the First Quarter 2026 Earnings Conference Call for FinVolution Group. At this time, all participants are in listen-only mode. After management's prepared remarks, there will be a question-and-answer session. Today's conference call is being recorded. I will now turn the call over to your host, Yam Cheng, Head of Capital Markets for the company. Yam, please go ahead.

Yam Cheng^ Thank you, Desmond. Hello, everyone. Welcome to our first quarter 2026 earnings conference call. The company's results were issued via newswire services earlier today and are posted online. You can download the earnings release and sign up for the company's e-mail alerts by visiting the IR section of our website.

Mr. Tiezheng Li, Tim, our CEO; and Mr. Jiayuan Xu, Alexis, our CFO, will start the call with the prepared remarks and conclude with a Q&A session.

During this call we will be referring to several non-GAAP financial measures to review and assess our operating performance. These non-GAAP financial measures are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. For information about these non-GAAP measures and reconciliation to GAAP measures, please refer to our earnings press release.

Before we continue, please note that today's discussion will contain forward-looking statements made under the safe harbor provision of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. As such, the company's results may be materially different from the views expressed today. Further information regarding these and other risks and uncertainties are included in the company's filings with the U.S. SEC. The company does not assume any obligation to update any forward-looking statements except as required under applicable law.

Finally, we posted a slide presentation on our IR website, providing further details of our results for this quarter.

I will now hand over to our CEO, Tim. Tim, please go ahead.

Tiezheng Li^ Thank you, Yam. Hello, everyone.

When we closed out 2025, we said, we were stepping into this year with clarity, not certainty. One quarter in, that clarity is beginning to show in the trajectory of our business and in the early results of disciplined choices we made last year. The macro backdrop has its challenges, yet we delivered a firm first quarter. Risk is recovering in China, overseas business continues to scale with its own strength. And across the platform, years of technology investment are compounding into operating efficiency.

Despite the typical seasonality softness in the first quarter, transaction volume held broadly steady at RMB 42.6 billion, roughly in line with last quarter. Our group net revenue reached RMB 3.2 billion up 6% sequentially. Operating profit was up 13% sequentially. Net profit came in at RMB 421 million, up 1% sequentially which reflects the impact of foreign exchange fluctuation. Overseas markets again delivered 30% of group revenue this quarter. This is no longer only a diversification story, it has matured into a second profitable engine. To give investors a clearer view of this business, for the first time we are disclosing our overseas business as a separate reportable segment. In the first quarter, overseas revenue reached RMB 949 million, up 35% year-over-year. Operating profit reached RMB 46 million, up 88% year-over-year. This is a reflection of both the scale we have built and the earnings power that now stands on its own.

Now let me walk you through our two segments.

Let's start with our mature market, Chinese Mainland.

The first quarter in China was in a word patient. We are seeing early signs of a recovery in progress. The Chinese New Year holiday always makes the first quarter a seasonally softer period. Yet transaction volume held up at RMB 38.5 billion, roughly flat sequentially.

On risk, we are seeing gradual improvement. The actions we took in the second half of last year are working, and credit risk is finding its way back to a healthier baseline. Vintage delinquency eased by 30 basis points. Day one delinquency ratio also improved, while 30-day collection rates ticked up. This improving environment has given us the operating headroom to re-engage with growth - cautiously not aggressively.

As the industry consolidated, some players pulled back, we selectively acquired more high-quality customers with attractive lifetime economics at compelling costs. Conversion improved. Acquisition costs came down and we added roughly 0.6 million new borrowers in China this quarter, up 7% sequentially.

In the near term, we will continue to closely observe the evolving regulatory landscape. There is still uncertainty ahead. Our approach is to stay aligned with the rules, manage risk carefully and capture opportunities as they emerge.

Now I'll walk through our overseas business.

Our overseas market segment is a regional platform that learns compounds and transfers. Under our LEGO+ framework, the capabilities we build in one market are deliberately designed to flow into the next. That means risk infrastructure, product architecture, customer strategy, funding relationships. All of these can be leveraged and replicated.

This quarter is a demonstration of that idea in practice. The first quarter is traditionally a low season for our overseas markets as well. Across the region, transaction volume was RMB 4.1 billion, broadly flat sequentially. Indonesia moved through Ramadan. In the Philippines, we deliberately moderated origination ahead of new interest rate regime, taking effect in the second quarter, a measured decision. Consistent with our playbook year-over-year, the direction is clear. Loan volume up 35%, loan balance at 38% and unique borrowers more than doubled to 4.5 million.

Australia is unfolding on the roadmap we set. We are firmly executing the initiatives we laid out from day one, expanding new customer acquisition channels, migrating the platform onto our proprietary risk infrastructure deploying credit models and the decisioning rules tailored for the Australian consumers. Early results are there, sharper risk detection, better borrower segmentation stronger portfolio economics, what will make Australia work is the same combination that has served us before. Cross-market experience layered onto deep local knowledge.

Technology, AI is no longer a supporting capability for us. It's how we run the business from AI agents to workflow automation. We are proactively deploying nearly 120 active initiatives across the business. And more than 50% are embedded directly in frontline operations. For example, our engineering teams are building proprietary AI-native infrastructure to support new product launches across our current and future markets. In some of our overseas businesses, the results are already tangible, AI collection agents are not only the default touch point for pre-due reminders. They are also handling 50% of early-stage collections at a recovery efficiency level, in line with our historical benchmarks. We believe this is a durable compounding competitive moat, and we are just getting started.

Community, our long-standing community engagement programs continued to make an impact this quarter. Our micro business support program further expanded its reach this quarter, opening eligibility to retired athletes who run their own businesses in China. Since the launch, over 140 small business owners have benefited from this initiative and upgraded their business with our help on operational and funding support. In the Philippines, our local platform partnered with multiple local institutions to combat fintech-related cybercrimes, reinforcing our commitment to building a safer digital financial ecosystem. Together, these initiatives reflect the depth of our local roots and the consistency of our commitment to responsible growth.

To close, the first quarter gave us the early shape of the year, a recovery in China amid regulatory fog. Our overseas business standing on its own with growth and profit. a technology advantage that is compounding against an uncertain macro, we move with the same posture we spoke of last quarter, clarity, not certainty, patience, not haste. We remain focused on growth that lasts and on creating durable value for consumers and our stakeholders.

I will now turn the call over to Alexis.

Jiayuan Xu^ Thank you, Tim.

This quarter marks a meaningful evolution in how we report. For the first time we are presenting our overseas operations as a separate segment. The reason is simple, our overseas operation has grown into a business with its own scale, profitability and trajectory. Reported

alongside our China operations, the two tell a cleaner story. China is the foundation of cash flow and stability. Overseas is the engine of growth. Two engines, distinct but aligned.

The overseas segment consists of the Indonesia, the Philippines and Australia. Together, these three markets have reached scale, growth and profitability where segment reporting gives investors a much clearer view of how they will drive upside going forward. We are also introducing adjusted EBITDA for each segment. This metric aligns with how global peers report their financial services business and help investors see the underlying profitability of each engine.

Transparency builds trust. By separating the two engines, we make it easier for investors to value each segment on its own merits and unlock the true value of the platform we have built.

Now let me discuss each of the segments.

China, the macro backdrop was broadly stable, GDP growth of 5%. Consumption sentiment holding its ground. Our China business continues to work through the reset that began in the second half of 2025.

Loan origination volume was largely flat quarter-on-quarter. Given Q1 seasonality, this is a resilient outcome. Net revenue came in at RMB 2.2 billion, up 7% sequentially. Take rate rose from 3.0% to 3.2%, supported by better risk performance.

On risk. The picture is consistent across indicators. In the first quarter, vintage delinquency eased from 3.0% to 2.7%. And Day one delinquency improved from 5.5% to 5.2%. The 30-day collection rate ticked up from 85.9% to 86.8%, as a result, M2 flow rate declined from 0.77% to 0.68%. On the funding side, we continued to maintain stable partnerships with a broad base of financial institutions which kept funding cost stable during the quarter.

This healthier risk environment allows us to selectively broaden our credit appetite. Targeting has sharpened. Conversion has improved. New borrowers rose 7% sequentially even when we actually reduced sales and marketing spend in China.

Overseas segment. Overseas revenue was up 35% year-over-year at expanding margin, adjusted EBITDA was RMB 47.5 million, up 87% year-over-year. More encouragingly all three markets contributed to this profitability.

The deeper picture sits in how we deepen our integration into local ecosystems. We are embedding our financial services into the daily life and the commerce of each market. This plays out across three consistent themes.

First, customer upgrading through targeted product development. Across all markets, we are systematically shifting our portfolio towards better quality borrowers. This is not a collection of one-off products. It's a consistent push towards higher-quality portfolio composition.

In Indonesia, off-line buy now pay later remains the primary growth engine despite Ramadan, a seasonally slower period. Both transaction volume and the loan balance grew 5% sequentially. Customer quality improved and the take rate held steady. Even as headline PMI eased modestly to 50.1. Unique borrowers reached 3.2 million, nearly 5x the level of the same period last year.

Second, regulatory preparedness as a core capability. Our regulatory playbook is being applied again in the Philippines. We tightened the loan origination ahead of the new pricing regulation and the early read on risk indicators suggests the caution is paying off. We have navigated pricing transitions in Indonesia and China before and we are approaching this one with the same posture and the same quiet confidence.

Third, our proprietary risk infrastructure, refined over years in China and Southeast Asia is being gradually deployed in Australia. Credit trends there have moved lower from our last quarter's seasonal peak, a validation of the portability of our infrastructure. With a renewed credit model, we still achieved sequential growth in transaction volume despite the seasonal softness in the first quarter.

Finally, our funding ecosystem continues to expand. We have recently added a prominent international bank to our funding partnership in the Philippines. We are deeply encouraged by the shared mission of our partners to support the exciting growth of the digital credit industry in the country.

On a group basis, net revenue for the quarter reached RMB 3.2 billion, marking a 6% increase sequentially driven by improved take rate. Operating profit improved by 13% quarter-on-quarter to RMB 547 million. Net income reached RMB 421 million, up 1% sequentially, reflecting some FX impact.

On shareholder return, since 2018, we have continuously returned value to our shareholders through share repurchase and dividends. Recently, our Board of Directors approved our eighth annual dividend in the amount of US\$0.306 per ADS, reflecting a DPS increase of 10.5% year-over-year. This dividend was distributed on May 7, 2026, bringing our total dividend distributions to shareholders for fiscal year 2025 to US\$74.5 million.

As of the end of April, we have deployed US\$54 million toward share repurchase, reflecting our conviction in our business and the commitment to our shareholders.

Outlook. For full year 2026, we reiterate our revenue guidance in the range of RMB 11.5 billion to RMB 12.9 billion. We are on track towards our 2030 ambition 50% of group revenue from overseas markets.

To conclude, China continues to provide a resilient foundation and is steadily finding its footing. Overseas is scaling profitably alongside it. The combination gives us the stability we need today and growth we are building for tomorrow. We step a quarter deeper into the year with the confidence that is quieter but firmer in the resilience of our model in the discipline of our execution and in the partnerships that carry us forward.

Thank you. Now back to the operator for questions.

## QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) The first question comes from the line of Alex Ye from UBS. Please go ahead.

Alex Ye^ (Spoken in Foreign Language) I'll translate for my question. First one is on buybacks. So we are glad to see company is maintained its pace of buyback in Q1, similar to previous quarters. So can you give us some color in terms of the outlook including the pace for your buyback in the coming quarters?

Second question on the regulatory outlook. We have seen several new documents, regulatory document coming up in past several months including the latest document which is so-called the management rules on the online marketing for financial products. Could you share with what impact could this regulation document brings to your day-to-day operations? And how would the company react to mitigate the impact?

Jiayuan Xu^ Okay. Thanks, Alex. Yes. I will take your first question, and Tim will take your second question. And your first question is about the buyback. On the buyback execution side, as you have seen, we have been running at a pretty active pace since the fourth quarter last year. We did around US\$41 million in the fourth quarter, and the momentum has carried into 2026. In the first quarter, we executed another \$39 million. And through the end of April in Q2, we have added another \$15 million, bringing the YTD total to US\$54 million and the remaining capacity under our current fourth buyback program stands at US\$20 million.

With that as the backdrop, our Board recently approved a new US\$150 million buyback program authorized for two years. Similar to the two buyback programs we did in 2023 and 2025. And on the capital allocation, our goal is always to maximize the shareholder return. The return accretion could come from business expansion, which our overseas businesses are undergoing. And it could also come from the share repurchase at the dislocated price. So we will make sure we have enough firepower to support the business expansion and then deploy the buybacks in a more flexible way based on market liquidity and where our share price is trading. It would be dynamically balanced.

Tiezheng Li^ Hi Alex. As we mentioned, the online marketing of financial products, we think this regulation is a natural continuation of a long-running trend. The core ideas, I think are protecting consumers ensuring only licensed players offer financial products and keeping a clean line between tech and the finance. And all of these, we already agree with.

Right now I think it's still too early to determine the full impact, as the industry is working through the details on execution. And generally, we see three broad areas where the industry will adapt.

First, marketing rules are getting tighter, things like “low barrier to entry” and “instant disbursements” or “zero costs” are out. The days of flashy, borderline misleading advertisements are fading. For the industry, that means higher compliance costs and some players, we think may need to make some adjustment to their processes. Our approach has always focused on responsible lending and long-term brand building. So we see this as an opportunity to raise our own standards even further.

And second, on user traffic flow from a platform to lenders, the rules add some friction. It requires third-party platform to refer users directly to the financial institutions' own platform. A lot of details still need to be hammered out on implementation. So it's too early to say for sure, but we are working with financial institutions and the Internet platforms to restructure some of the workflow under this renewed framework. There will certainly be some adjustment to the process, but we are in close communication.

And the third, on business boundaries, the regulation reinforced that core financial decisions, such as credit approval and the risk assessments must rest with licensed financial institutions. This has always been our model. We provide the technology and data tools, our partners make the final calls.

And overall, this regulation raised the bar for the entire industry, there would be adjustments near term. But as a company with strong compliance and technology infrastructure. We see it as a net positive over the medium to long term. Thanks, Alex.

Operator^ (Operator Instructions). Our next question comes from the line of Cindy Wang of China Renaissance. Please go ahead.

Cindy Wang^ (Spoken in Foreign Language) Thanks for taking my call. I have two questions. First, could you let us know whether domestic risk performance in April and May continue to improve from first quarter and then if credit risk improves, will transaction volume in China in the second quarter would increase.

And second, we noticed that the company has made segment disclosure this time. Could you please share the consideration behind the segment disclosure? And also, could you please introduce some operating indicators for overseas markets including like APR, funding cost and default rate. And now what percentage of the group's EBITDA is expected to contribute from overseas market by 2030. Thank you.

Jiayuan Xu^ Okay. Thank you, Cindy. I will take your questions. Your first question is about the domestic business. Yes. When we look at the risk performance in the second quarter, the improving trend has continued. The asset quality has continued to get better. And by the end of April, our day one delinquency has already fallen below 5% back to where we were in July and August of last year.

The sustained improvement in the asset quality is really the reflection of the more granular risk management we have been building across the full credit life cycle. On the front end, customer acquisition and the pre-approval, we have been actively moving up the credit quality curve, offering higher limits and better pricing to those higher-quality customers. And on the technology side, we have been leveraging the large language model capabilities deeply into multi-borrower debt exposure analysis, fraud detection and intelligent post loan collections which has meaningfully lifted both the business efficiencies and asset quality.

As the asset quality stabilized, we have selectively raised our risk appetite in the second quarter. We are now running a diversified approach backed by more precise AI-driven models. For those high-quality existing borrowers, we are now offering more credit limit at a controlled pace. And we're also selectively offering a wider group of customers of reasonable credit quality to expand our potential customer pool.

So we are making progress on sustaining the first quarter growth momentum into the second quarter and we will keep a close eye on the macro environment and our early risk indicators, stay focused on the high-quality growth and continue to strike the right dynamic balance between volume, risk and profitability.

And then your next question is about the overseas business. I think it's the multi-part question. So I will break it into three pieces.

First is about the overseas operating metrics. We don't break our APR, funding cost or risk by market, because each is very different - from the interest rate to borrow profiles. But I will give you some high-level guidance for reference.

For APR, compliance is always our first priority. We strictly follow the local pricing rules. At the same time moving towards high-quality customers will give us the flexibility to offer differentiated pricing. Take the buy now pay later product as an example, it helps us reach more prime customers.

And for the funding costs, more institutions recognize our asset quality. And our funding partners grew from 13 in 2024 to 18 today which is continuously optimizing our funding cost. And for the delinquency rates, as we upgrade customer quality and advance our risk capabilities, the risk metrics are improving across all markets. We continue to aim to progressively bring this down going forward.

And the second part is about the EBITDA contribution.

For 2026, we have a clear target: overseas EBITDA of around US\$30 million. For 2030 overseas EBITDA, I think it's still too early to guide on that because it depends on too many variables.

So why segment report now?

If you look back over the past few years, you will see a very clear roadmap. We clarify our strategy and then execute it, deliver results and report them. So segment disclosure is a natural milestone in that ongoing narrative.

When we look back at our international journey, it goes like this:

Step one, prove and replicate the operating model. We first proved the viability and the profitability of our business model in Indonesia. This was our first zero to one breakthrough in an overseas market and then we replicated the success to the Philippines.

And step two, we set our long-term goal and deliver steadily. As our overseas business took shape. We formulated a group strategy to guide operations and growth - our "Local Excellence, Global Outlook" or LEGO strategy. We also clearly laid out the goal of reaching 50% overseas revenue by 2030. We are now already at 30% today, steadily on track.

And step three, the full strategic upgrade to LEGO+. As we expanded into developed markets like Australia, we have made a fundamental upgrade to what we call LEGO+. We moved from being a collection of local wins to an integrated platform with compounding platform-level advantages. So under this framework, revenues experience, product structures, risk capabilities and funding networks - all validated in one market, can be systematically reused and migrated to new markets. That has greatly accelerated and de-risked the new market entry.

And the next step, the formal segment disclosure. Now we truly run a business that is both high growth and the profitable on its own. It's the right time to provide separate disclosure for a better understanding of the value in that business.

This segment disclosure is a natural link in our overseas story – it ties together what we have done and where we are headed. It validates the success of our LEGO strategy to date, and it provides a transparent window into the high-quality global growth we are building for the future. In coming years, you will see that our overseas engine is not only fast, but also increasingly profitable with unit economics that are keeping improving. Okay. Thank you.

Operator<sup>^</sup> (Operator Instructions) Our next question comes from the line of Yujie Jing from CICC. Please go ahead.

Yujie Jing<sup>^</sup> (Spoken in Foreign Language) Thanks for taking my question. I'm Yujie from CICC. I have a question regarding overseas market expansion. Now that our overseas business has achieved profitability. What will be the key drivers for its growth? Could you also share your outlook for this business? Thank you.

Tiezheng Li<sup>^</sup> Thanks, Yujie. I will answer this question. As previously mentioned, our overseas business continues to deliver strong and resilient growth and over the past five years from 2020 to 2025. Overseas transaction volume grew at a 69% CAGR. In the first quarter of this year, despite a seasonally slow period, we still delivered solid results. And our revenue grew 35% year-over-year with EBITDA up 87%, and the overseas business is now the group's second largest growth engine.

The core driver behind this growth is a dual flywheel loop we built as a data-driven tech platform. With over 56 million registered users, our growing data pool sharpens our risk models and the high-quality assets consistently attract more institutional fundings. More capital at better cost allows us to serve broader and higher-quality customer segments. Across Indonesia, the Philippines and Australia, we have graduated from the early investment phase and now profitable.

And for Indonesia market, after fee adjustments in the past years, growth has resumed. The first quarter transaction volume grew over 30% year-over-year and our approach is to proactively pursue higher-quality customers and the continued traction of our off-line buy now pay later product is a direct result of that strategy. In the first quarter, offline buy now pay later volume doubled from last year.

And the Philippines, we proactively adjusted our lending piece in the first quarter ahead of the new interest rate rules, it is taking effect in the second quarter this year. Even so, transaction volume still grew on double digit year-over-year. We also broadened our funding sources with a new international bank, a clear recognition of our asset quality.

And for the Australian market, we are systematically deploying our fintech expertise and risk management capabilities, automated system and funding capacity from the group. And the first quarter transaction volume grew 25% year-over-year. With more local data and ongoing model improvements, we are confident Australia will continue to grow in both top line and profitability.

And looking ahead, as our business scales, the flywheel loop would accelerate. Our long-term vision is to become a global example of technology-driven inclusive finance platform, operating on multiple fronts globally comes with challenge. But with our mature tech moat and operational agility, we are very confident about the journey ahead. Thanks Yujie.

Operator^ Thank you for the questions. As there are no further questions now I would like to turn the call back over to the company for closing remarks.

Yam Cheng^ Thank you, Desmond. Thank you once again for joining us today. If you have any further questions, please feel free to contact our groups and our team. Thank you so much.

Operator^ That does conclude today's conference call. You may now disconnect your lines. Thank you.