

# JFIN Earnings Call Transcript

**Date: 2025-11-25**

**Quarter: 3**

Operator: Good day, ladies and gentlemen. Thank you for standing by, and welcome to Jiayin Group Inc.'s Third Quarter 2025 Earnings Conference Call. Currently, all participants are in listen-only mode. Later, we will conduct a question and answer session and instructions will follow at that time. As a reminder, we are recording today's call. If you have any objections, you may disconnect at this time. I will now turn the call over to Mr. Sam Lee from Investor Relations of Jiayin Group Inc. Please proceed.

Sam Lee: Thank you, operator. Hello, everyone. Thank you all for joining us on today's conference call to discuss Jiayin Group Inc.'s financial results for 2025Q3. We released our earnings results earlier today. The press release is available on the company's website as well as from Newswire services. On the call with me today are Mr. Yan Dinggui, Chief Executive Officer, Mr. Chunlin Fan, Chief Financial Officer, and Ms. Yifang Xu, Chief Risk Officer. Before we continue, please note that today's discussion will contain forward-looking statements made under the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. As such, the company's actual results may be materially different from the expectations expressed today. Further information regarding these and other risks and uncertainties is included in the company's public filing with the SEC. The company does not assume any obligation to update any forward-looking statements except as required under applicable law. Also, this call includes discussion of certain non-GAAP financial measures. Please refer to our earnings release, which contains a reconciliation of the non-GAAP financial measures to GAAP financial measures. Please note that unless otherwise stated, all figures mentioned during the conference call are in Chinese renminbi. With that, let me now turn the call over to our CEO, Mr. Yan Dinggui. Mr. Yan will deliver his remarks in Chinese. I will follow up with corresponding English translations. Please go ahead, Mr. Yan.

Yan Dinggui: Good afternoon, everyone. Thank you for joining Jiayin Group Inc.'s Third Quarter 2025 Earnings Conference Call. In the third quarter, China's GDP grew by 4.8% year-on-year, slowing from 5.2% in the previous quarter but remaining stable overall. Consumption continued to play a dominant role, contributing 56.6% to growth. Meanwhile, demand for consumer finance has been rising steadily. A narrow consumer credit balance up 4.2% year-on-year as of September 30 signals from the recent regulatory policies indicate that coordinated efforts to stabilize growth, boost consumption, and advance inclusive finance are creating a favorable environment for our long-term healthy and sustainable development of the industry. In this quarter, the company facilitated RMB 32.2 billion in loan volume, a year-on-year increase of approximately 20.6%, and reported non-GAAP income from operation of RMB 190 million, up around 50.3% year-on-year, achieving our previously issued guidance. During the reporting period, the company maintained cooperation with 75 financial institutions, with another 64 under negotiation. We have been included in the white list by most of our partner financial institutions, providing a solid foundation for stable funding supply. Leveraging our technological strength, tropical management capabilities, and risk control expertise, we enhance our funding partners' capital allocation efficiency, accurately align with their risk preferences, and actively explore new models for business collaboration. Against the backdrop of industry contraction and tightening liquidity, we observed pressure on overall risk indicators and fluctuations in asset quality. In response, we rapidly iterated our risk control model, continuously tightened strategies for high-risk, high-volatility users, and introduced models combining long-term and short-term perspectives to

enhance the flexibility and timeliness of risk monitoring, thereby enabling sharp insight into risk trends and enabling timely responses. At the end of the third quarter, the ninety-plus day delinquency rate stood at 1.33%. We will remain committed to prudent operations, continue to reinforce our competitive edge in risk management. To optimize resource allocation efficiency, we adopted a cautious strategy for new customer acquisition, with a stronger focus on high-quality borrower segments. All newly added channels are leading Internet platforms, and we continue to optimize our credit limit management to enhance user stickiness and facilitate repeat borrowing. Additionally, as the cornerstone of business growth, repeat borrowers saw their share of facilitation volume rise further to 78.6%. This drove the overall average borrowing amounts per borrowing up to RMB 9,115 yuan, representing a year-on-year increase of approximately 19.5%. Since the beginning of this year, the company's AI development has entered a new phase. Through increased resource investment and organizational restructuring, we have achieved multiple significant innovations, establishing a technical benchmark of high performance, low cost, and lightweight. In terms of deepening business empowerment, we focused on deploying multimodal anti-fraud systems and AI-powered agent assistance. Compared to external models, our in-house model not only directly reduces cost by over RMB 1 million but more importantly, builds our own technological moat while fundamentally enhancing our AI capability. By establishing a historical voiceprint database and a high-quality voiceprint processing pipeline, we conduct real-time fraud identification for incoming calls, identifying over 4,000 new fraudulent voiceprints to date. For image recognition, by capturing contextual features of applicants and screening clues from high-risk scenarios, we achieved an accuracy rate exceeding 90% in identifying associations with organized fraud. With the integration of these multimodal capabilities, the timeliness of fraud detection was compressed from a week to within two hours, forging a new tech-driven line of defense against fraud. In the customer service process, our AI product matrix covers the entire business process, from initial agent training and real-time conversation support to post-event analysis. With 100% agent coverage and over 90% accuracy, it significantly boosted staff efficiency and service quality. In terms of broadening business coverage, the launch of the intelligent agent R&D; platform has significantly lowered the development threshold for AI agents. So far, the number of such agents has exceeded 300, with an internal monthly active penetration rate exceeding 40%, effectively enhancing department efficiency and enthusiasm in independently developing AI agents. The model management platform is dedicated to improving model deployment efficiency, reducing the time required for models to go from R&D; to production from thirty-two days to sixteen days, and nearly tripling the number of models put into production. These two platforms have enabled various business departments to transition from stand-alone applications to an integrated collaborative ecosystem. Looking ahead, we will continue to further advance the four-plus-two strategy, focusing on four major application directions and leveraging two key infrastructure platforms to integrate existing AI models and tools, further achieving an upgrade and innovation from technological breakthrough to value creation. Overseas markets serve as both a game-changing engine for us to break through regional growth boundaries and a core pillar in building our global strategic footprint. In the third quarter, our Indonesian business maintained engagement with multiple financial institutions, driving business scale increased by nearly 200% year-on-year, and the number of borrowers rising by approximately 150% compared to the same period last year. Recognizing its growth potential, we have significantly increased our investment in the local operator, acquiring a stake of more than 20% through capital injection, demonstrating our strong commitment to local market development. In Mexico, the loan volume and user base have maintained rapid growth, with initial success in market expansion. Currently, we remain in a critical phase of product innovation and foundational capacity building, aiming to lay a solid foundation for in-depth local operation. With the implementation of the new loan facilitation regulation in October, the industry is undergoing numerous changes and challenges. The company projects its loan facilitation volume at RMB 23 billion to RMB 25 billion for Q4 2025, with full-year volume expected to be in the range of RMB 127.8 billion to RMB 129.8 billion, representing a year-on-year increase of approximately 26.8% to 28.8%. Full-year non-GAAP operating profit guidance is set at RMB 1.99 billion to RMB 2.06 billion, reflecting a growth of approximately 52.3% to 57.6%. Amid a complex, volatile, and increasingly competitive external environment, we aim to navigate cyclical headwinds with lean operational capabilities and forge long-term resilience for steady, sustainable growth. And with that, I will now turn the call over to our

CFO, Mr. Chunlin Fan. Please go ahead.

Chunlin Fan: Thank you, Mr. Yan, and hello, everyone, for joining our call today. I will now review our financial highlights for the quarter. Please note that all numbers will be in RMB. All percentage changes refer to year-over-year comparisons unless otherwise noted. As Mr. Yan noted earlier, we demonstrated robust business resilience in Q3 and successfully achieved our financial guidance. Loan facilitation volume was RMB 32.2 billion, representing an increase of 20.6% from the same period of 2024. Our net revenue was RMB 1.47 billion, representing an increase of 1.8% from the same period of 2024. Moving on to costs, facilitation and servicing expense was RMB 286.5 million, compared with RMB 419.1 million for the same period of 2024. This was primarily due to decreased expenses related to financial guarantee services. Allowance for uncollectible receivables, contract assets, loans receivable, and others was RMB 1.5 million, representing a decrease of 87.1% from the same period of 2024, primarily due to decreased allowance for overseas loans as a result of disposal of Nigerian entities during 2024 and the gross slowdown of receivables from loan facilitation business. Sales and marketing expense was RMB 544.2 million, representing a decrease of 1.1% from the same period of 2024. General and administrative expense was RMB 72.4 million, representing an increase of 29% from the same period of 2024, primarily driven by an increase in share-based compensation. R&D; expense was RMB 108.7 million, representing an increase of 13.3% from the same period of 2024, primarily driven by an increase in expenditures for employee compensation-related benefits. Non-GAAP income from operation was RMB 490.6 million, compared with RMB 326.5 million in the same period of 2024. Consequently, our net income for the third quarter was RMB 370.765 million, representing an increase of 39.7% from the same period of 2024. Our basic and diluted net income per share was RMB 1.83, compared with RMB 1.27 in 2024. Basic and diluted net income for ADS was RMB 7.32, compared with RMB 5.08 in 2024. We ended this quarter with RMB 124.2 million in cash and cash equivalents, compared with RMB 316.2 million at the end of the previous quarter. With that, we can open the call for questions. Ms. Xu, our Chief Risk Officer, and I will answer your questions. Operator, please proceed.

Operator: Thank you so much, dear participants. As a reminder, please standby while we compile the Q&A; rules. This will take a few moments. And now we are going to take our first question. It comes from the line of Ivan Shu from Coergin Securities. Your line is open. Please ask your question.

Ivan Shu: Good evening, management. Thank you for taking my questions. I am Yiwen from Synolink Securities. I have two questions. The first one is that after the new regulation took effect in October, what impact have you seen on the business? And could management provide more color on any strategic adjustments and the outlook going forward? This is my first question. Thank you.

Yifang Xu: Hi, Yiwen. I will do the translation for Ms. Xu. So following the implementation of the new regulation, the impact on the industry has been pretty significant. Most of the changes have been primarily on the downward pressure of pricing and the continued emphasis on consumer protection. So as of October, the asset pricing of our loan facilitation business is fully compliant with the regulatory requirements of our funding partners. As liquidity tightened, we have responded to the pricing pressure and liquidity pressure in the broader industry and the volatility industry. We have really intensified adjustment traffic acquisition and placed a greater focus on cross-industry platforms and optimizing our traffic mix, adopting a more cautious customer acquisition strategy under the current environment. For our existing power base, we have enhanced borrower segmentation. On one hand, we want to improve our risk identification for higher-risk groups. We are utilizing measures such as managing outstanding balances and accelerating runoff based on indicators like recycle elasticity, pricing, and recent frequency to address the segments that are more challenging to operate under lower pricing. On the other hand, through product and pricing adjustments, we have strengthened the efforts to retain and reengage high-quality borrowers who may potentially churn. Taken together, these initiatives are helping us optimize the overall portfolio structure. Regarding asset pricing, it is foreseeable that the downward trend will continue. Our focus is not only navigating through the current period of volatility but also continuously strengthening our ability to operate through risk cycles over the long term. That is my answer for the first question.

Ivan Shu: Thank you. And given the current environment, how should we think about the revenue take rate and the margin expectations going forward? Thank you.

Chunlin Fan: Thank you, Yiwen. I will answer this question. In 2025, the company facilitated RMB 32.2 billion in volume and delivered RMB 491 million in non-GAAP income from operations, in line with the guidance we previously provided. The net profit for the quarter was RMB 376 million, representing a net margin of 25.6%. In terms of the net margin, it is a slight decrease from the 27.5% net margin in Q2. For the first three quarters, we achieved RMB 1.435 billion in net profit, up 84% year-over-year and already well above the full-year 2024 figure of RMB 1.056 billion. For the full year of 2025, we expect profitability to be significantly higher than 2024. As Ms. Xu mentioned, the new regulation brought short-term pressure to the industry while liquidity and asset quality. As a highly agile technology-driven company, and drawing on our past experience navigating regulatory credit cycles, we made timely and prudent adjustments to our business scale, risk posture, and pricing strategy in response to market conditions. Over the long term, enforcement of the new regulation will raise industry entry barriers and help drive the sector towards a healthier, more orderly, more compliant, and more sustainable development. As the industry shifts towards higher-quality borrower segments, pricing, therefore, revenue take rate is expected to moderate, and margins will return to a healthier and more sustainable level. The company is entering a new phase of high-quality development. I want to reiterate Mr. Yan's guidance that he provided earlier. We expect Q4 volume to reach RMB 23 to 25 billion, bringing full-year facilitation volume to RMB 127.8 to 129.8 billion, approximately 26.8% to 28.8% year-over-year growth. Full-year non-GAAP income from operation guidance is RMB 1.99 to 2.06 billion, approximately 52.3% to 57% growth year-over-year.

Ivan Shu: Thank you, management. That is very helpful. No more questions. Thank you.

Operator: Dear participants, if you would like to ask a question, please press 11 on your telephone keypad. Dear speakers, there are no further questions for today. I would now like to hand the conference over to Sam Lee for closing remarks.

Sam Lee: Thank you, operator, and thank you all for participating on today's call. We appreciate your interest and look forward to reporting to you again next quarter on our progress.

Operator: Thank you all again. This concludes the call. You may now disconnect.