# Noah Holdings Limited Announces Unaudited Financial Results for the Fourth Quarter and Full Year 2014

Mar 16, 2015

SHANGHAI, March 16, 2015 /PRNewswire/ -- Noah Holdings Limited ("Noah" or the "Company") (NYSE: NOAH), a leading wealth management service provider with a focus on global wealth investment and asset allocation services for high net worth individuals and enterprises in China, today announced its unaudited financial results for the fourth quarter of 2014 and the full year ended December 31, 2014.

During the past two years, the Company has gradually transitioned from a wealth management consulting services provider to an integrated financial group with capabilities in wealth management, asset management and internet finance. In addition, in order to better reflect such transition, the Company has adjusted its internal organizational and corporate structures in the fourth quarter of 2014. In line with current business operations and corporate strategy, starting from the fourth quarter of 2014, the Company will present breakdowns of its financial results into three business segments: wealth management, asset management and internet finance. Financial results for the corresponding periods in 2013 are also broken down according to the three business segments, in order to provide clearer comparison against the 2014 numbers.

**FOURTH QUARTER 2014 FINANCIAL HIGHLIGHTS**

- **Net revenues** in the fourth quarter of 2014 were US$63.3 million, a 39.2% increase from the corresponding period in 2013.

| (US$ million) | Q4 2013 | Q4 2013 Segment % | Q4 2014 | Q4 2014 Segment % | YoY Change |
|---|---|---|---|---|---|
| Wealth management | 37.1 | 81.7% | 50.6 | 80.0% | 36.3% |
| Asset management | 8.3 | 18.3% | 11.4 | 18.1% | 37.7% |
| Internet finance | - | - | 1.2 | 1.9% | - |
| **Total net revenues** | 45.4 | 100.0% | 63.3 | 100.0% | 39.2% |

**Income from operations** in the fourth quarter of 2014 was US$17.8 million, a 34.2% increase from the corresponding period in 2013.

| (US$ million) | Q4 2013 | Q4 2013 Segment % | Q4 2014 | Q4 2014 Segment % | YoY Change |
|---|---|---|---|---|---|
| Wealth management | 10.3 | 77.4% | 20.5 | 115.2% | 97.9% |
| Asset management | 3.0 | 22.6% | 2.0 | 11.2% | (31.1%) |
| Internet finance | - | - | (4.7) | (26.4%) | - |
| **Total income from operations** | 13.3 | 100.0% | 17.8 | 100.0% | 34.2% |

- **Net income attributable to Noah shareholders** in the fourth quarter of 2014 was US$14.8 million, a 10.2% increase from the corresponding period in 2013. **Non-GAAP[1] net income attributable to Noah shareholders** in the fourth quarter of 2014 was US$15.5 million, a 6.5% increase from the corresponding period in 2013.

**FULL YEAR 2014 FINANCIAL HIGHLIGHTS**

- **Net revenues** in the full year 2014 were US$247.9 million, a 51.3% increase from 2013.

| (US$ million) | FY 2013 | FY 2013 Segment % | FY 2014 | FY 2014 Segment % | YoY Change |
|---|---|---|---|---|---|
| Wealth management | 141.0 | 86.0% | 185.8 | 75.0% | 31.8% |
| Asset management | 22.8 | 14.0% | 59.3 | 23.9% | 160.2% |
| Internet finance | - | - | 2.7 | 1.1% | - |
| **Total net revenues** | 163.8 | 100.0% | 247.9 | 100.0% | 51.3% |

- **Income from operations** in the full year 2014 was US$89.7 million, a 48.1% increase from 2013.

| (US$ million) | FY 2013 | FY 2013 Segment % | FY 2014 | FY 2014 Segment % | YoY Change |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Wealth management | 51.7 | 85.3% | 72.2 | 80.5% | 39.6% |
| Asset management | 8.9 | 14.7% | 27.7 | 30.9% | 211.8% |
| Internet finance | - | - | (10.2) | (11.4%) | - |
| **Total income from operations** | 60.6 | 100.0% | 89.7 | 100.0% | 48.1% |

- **Net income attributable to Noah shareholders** in the full year 2014 was US$72.4 million, a 40.8% increase from 2013. **Non-GAAP net income attributable to Noah shareholders** in the full year 2014 was US$77.7 million, a 37.1% increase from 2013.

**FOURTH QUARTER 2014 AND FULL YEAR 2014 OPERATIONAL UPDATES**

**Wealth Management Business**

Through its wealth management business, the Company provides global wealth investment and asset allocation services to high net worth individuals and enterprises in China.

- **Total number of registered clients** as of December 31, 2014 increased by 31.9% year-over-year to 70,557; this figure includes 67,724 registered individual clients, 2,714 registered enterprise clients and 119 wholesale clients that have entered into cooperation agreements with the Company.
- **Total number of active clients[2]** during the fourth quarter of 2014 was 3,529, a 20.6% increase from the corresponding period in 2013. **The aggregate value of wealth management products distributed by the Company** during the fourth quarter of 2014 was US$1.9 billion (approximately RMB11.8 billion)[3], a 4.0% increase from the corresponding period in 2013. Of this aggregate value, fixed income products accounted for 63.2%, private equity fund products accounted for 19.2%, and other products, including mutual fund products, private securities investment funds, equity linked products and insurance products, accounted for 17.6%. **The average transaction value per client[4]** in the fourth quarter of 2014 was US$0.5 million (approximately RMB3.4 million), a 13.8% decrease from the corresponding period in 2013 due to a change of product mix.
- **Total number of active clients** for the full year 2014 was 9,010, a 39.8% increase from 2013. **The aggregate value of wealth management products distributed by the Company** in the full year 2014 was US$10.3 billion (approximately RMB63.4 billion), a 42.4% increase from 2013. Of this aggregate value, fixed income products accounted for 63.5%, private equity fund products accounted for 18.9%, and other products, including mutual fund products, private securities investment funds, equity linked products and insurance products, accounted for 17.6%. **The average transaction value per client** for the wealth management business for the full year 2014 was US$1.1 million (approximately RMB7.0 million), a 2.0% increase from 2013.
- **Coverage network** as of December 31, 2014 included 94 branches and sub-branches covering 63 cities, up from 91 branches and sub-branch offices covering 60 cities as of September 30, 2014. **The number of relationship managers** was 779 as of December 31, 2014, up from 569 as of December 31, 2013 and 775 as of September 30, 2014.

**Asset Management Business**

The Company's asset management business focuses on managing and developing financial products, mainly including fund of funds in private equity, real estate, hedge funds, credit products and family office business denominated in both Renminbi and U.S. dollars.

- **Total assets under management** as of December 31, 2014 were US$8.1 billion (approximately RMB49.7 billion), a 62% increase from the end of 2013. Of this aggregate value, real estate funds and real estate fund of funds accounted for 62% compared to 77% as of the end of 2013, private equity fund of funds accounted for 21% compared to 13% as of the end of 2013, and secondary market equity fund of funds and other fixed income fund of funds accounted for 17% compared to 10% as of the end of 2013**.**

**Internet Finance Business**

Through its internet finance business, the Company provides financial product and services to white-collar professionals in China through a self-developed internet financial platform.

- **The aggregate value of wealth management products distributed by the Company through its internet platform** for the full year 2014 was US$227.7 million (approximately RMB1.4 billion). **Total number of enterprise clients** as of December 31, 2014 was 205.

"We are pleased to deliver robust growth in the fourth quarter and exceed our guidance with non-GAAP net income of US$77.7 million for the full year," said Ms. Jingbo Wang, Co-founder, Chairwoman of the Board of Directors and Chief Executive Officer. "In 2014, we continued to diversify our offerings in three core business lines and across asset classes. We also remained committed to developing proprietary products and services to meet our clients' evolving needs as we expanded into overseas asset management and internet finance. With our leading network of relationship managers, diversified product portfolio, and loyal and rapidly growing client base, we are confident that Noah is well-positioned to benefit from the huge potential of the wealth and asset management sectors in China," Ms. Wang added.

Mr. Kenny Lam, President of Noah, said, "Looking to 2015, with the continued strength from our established wealth management and asset management businesses as well as rapid growth from our internet finance business, we are establishing a world class platform to provide our clients with integrated financial products and services. We believe our strategic focus on enhancing our operational efficiency and capabilities, developing new growth drivers and strengthening our talent pool and brand positioning will support our sustainable development over the long term."

**FOURTH QUARTER 2014 FINANCIAL RESULTS**

***Net Revenues***

**Net revenues** for the fourth quarter of 2014 were US$63.3 million, a 39.2% increase from the corresponding period in 2013, due to increases in both one-time commission revenues and recurring service fees for the fourth quarter of 2014.

- **For the wealth management business**, **net revenues from one-time commissions** for the fourth quarter of 2014 were US$26.3 million, a 45.9% increase from the corresponding period in 2013, primarily due to an increase in transaction value and average commission rate. **Net revenues from recurring service fees** for the fourth quarter of 2014 were US$22.4 million, a 28.5% increase from the corresponding period in 2013, mainly due to the cumulative effect of private equity funds previously distributed by the Company.
- **For the asset management business, net revenues from one-time commissions** for the fourth quarter of 2014 were nil compare to US$0.6 million in the corresponding period in 2013. **Net revenues from recurring service fees** for the fourth quarter of 2014 were US$11.0 million, a 38.1% increase from the corresponding period in 2013, mainly due to the increase in assets under management by the Company since the second half of 2012. **Net revenues from other service fees** for the fourth quarter of 2014 were US$0.5 million, which mainly include performance-based income. We received and recognized performance-based income for the first time in 2014.
- **Net revenues from the internet finance business** for the fourth quarter of 2014 were US$1.2 million, presented as other service fees.

***Operating cost and expenses***

**Operating cost and expenses** for the fourth quarter of 2014, including compensation and benefits, selling expenses, G&A expenses, other operating expenses and government subsidies, were US$45.4 million, a 41.3% increase from the corresponding period in 2013.

- **Operating cost and expenses of the wealth management business** for the fourth quarter of 2014 were US$30.2 million, a 12.5% increase from the corresponding period in 2013. As part of the new segmentation, compensation and benefits are reclassified from each line items of operating cost and expenses to be presented as a separate line item. Comparable data of prior periods have also been adjusted accordingly. **For the wealth management business:**
    - **Compensation and benefits**, which mainly include compensation of relationship managers and back-office employees, were US$23.7 million, a 45.5% increase from the corresponding period in 2013. In the fourth quarter of 2014, relationship manager compensation increased by 49.3% year-over-year, which is in line with the net increase in one-time commission income compared with the same period in the prior year. The increase in other compensation was mainly due to the expansion of the Company's back-office departments.
    - **Selling expenses** for the fourth quarter of 2014 were US$7.8 million, a 47.4% increase from the corresponding period in 2013, primarily due to increased expenses in general marketing activities and professional consulting fees.
    - **G&A expenses** for the fourth quarter of 2014 were US$4.5 million, an 11.5% decrease from the corresponding period in 2013, resulting from decreases in consulting fees related to the wealth management business.
    - **Other operating expenses** mainly included costs incurred directly in relation to our revenues. Other operating expenses for the fourth quarter of 2014 were US$1.4 million, representing an increase of US$1.3 million year-over-year. The increase was mainly due to the expansion of our other businesses including insurance and education, as well as the increase in bank charges in connection with the increased transaction volume through our mutual fund distribution channel.
    - **Government subsidies** represent cash subsidies received in the PRC from local governments for general corporate purposes. Government subsidies for the fourth quarter of 2014 were US$7.2 million, a significant increase from the corresponding period in 2013.
- **Operating cost and expenses of the asset management business** for the fourth quarter of 2014 were US$9.4 million, a 75.6% increase from the corresponding period in 2013. **For the asset management business:**
    - **Compensation and benefits** mainly include compensation of fund managers and back-office employees. Compensation and benefits for the fourth quarter of 2014 were US$4.9 million, a 66.7% increase from the corresponding period in 2013, in line with the increase in headcount to manage an increased volume of funds.
    - **Selling expenses** for the fourth quarter of 2014 were US$0.5 million, US$0.3 million less compared with the corresponding period in 2013.
    - **G&A expenses** for the fourth quarter of 2014 were US$4.6 million, a 177.0% increase from the corresponding period in 2013, mainly driven by increased consultant expenses incurred in relation to the corporate strategy of segmentation and costs associated with the newly rented office building for our asset management business.
- **Operating cost and expenses of the internet finance business** for the fourth quarter of 2014 were US$5.9 million, which mainly included compensation and benefits of US$3.9 million, selling expenses of US$0.3 million, G&A expenses of US$1.2 million and other operating expenses of US$0.4 million. These represent our expenses in human resources,

marketing, internet infrastructures and other expenses incurred in promoting our internet finance business.

***Operating Margin***

**Operating margin** for the fourth quarter of 2014 was 28.2%, as compared to 29.2% for the corresponding period in 2013.

- **Operating margin of the wealth management business** for the fourth quarter of 2014 was 40.4%, compared to 27.8% for the corresponding period in 2013. The increase was mainly due to higher level of government subsidies the Company received in the fourth quarter of 2014 compared with the corresponding period in 2013.
- **Operating margin of the asset management business** for the fourth quarter of 2014 was 17.8%, compared to 35.5% for the corresponding period in 2013. The decrease in operating margin year-over-year for the fourth quarter of 2014 was mainly attributable to increased consultant expenses incurred in relation to the corporate strategy of segmentation and the costs associated with the newly rented office building for our asset management business.
- **Operating loss of the internet finance business** for the fourth quarter of 2014 was US$4.5 million. The Company began to operate its internet finance business in the second quarter of 2014.

***Income Tax Expenses***

**Income tax expenses** for the fourth quarter of 2014 were US$5.4 million, a 169.8% increase from the corresponding period in 2013. The year-over-year increase for the fourth quarter of 2014 was primarily attributable to the lower income tax expenses in the fourth quarter of 2013 due to the utilization of net operating loss carried over from prior years.

***Net Income***

**Net income attributable to Noah shareholders** for the fourth quarter of 2014 was US$14.8 million, a 10.2% increase from the corresponding period in 2013. **Net margin** for the fourth quarter of 2014 was 23.6%, as compared to 30.7% for the corresponding period in 2013. **Net income per basic and diluted ADS** for the fourth quarter of 2014 were both US$0.26, as compared to US$0.24 for the corresponding period in 2013.

**Non-GAAP net income attributable to Noah shareholders** for the fourth quarter of 2014 was US$15.5 million, a 6.5% increase from the corresponding period in 2013. **Non-GAAP net margin** for the fourth quarter of 2014 was 24.5%, as compared to 32.0% for the corresponding period in 2013. **Non-GAAP net income per diluted ADS** for the fourth quarter of 2014 was US$0.27, as compared to US$0.26 for the corresponding period in 2013.

**FULL YEAR 2014 FINANCIAL RESULTS**

***Net Revenues***

**Net revenues** for the full year 2014 were US$247.9 million, a 51.3% increase from 2013, due to increases in both one-time commission revenues and recurring service fees for the full year 2014.

- **For the wealth management business**, **net revenues from one-time commissions** for the full year 2014 were US$92.8 million, a 25.4% increase from 2013, primarily due to an increase in transaction value and average commission rate. **Net revenues from recurring service fees** for the full year 2014 were US$89.7 million, a 44.0% increase from 2013**,** mainly due to the cumulative effect of private equity funds previously distributed by the Company.
- **For the asset management business, net revenues from one-time commissions** for the full year 2014 were nil compare to US$0.6 million in 2013. **Net revenues from recurring service fees** for the full year 2014 were US$45.3 million, a 112.7% increase from 2013. The year-over-year increase for the full year 2014 was mainly due to the increase in assets under management by the Company since the second half of 2012. **Net revenues from other service fees** for the full year 2014 were US$14.0 million, which mainly include performance-based income. We received and recognized performance-based income for the first time in 2014.
- **Net revenues from the internet finance business** for the full year 2014 were US$2.7 million compared with nil in 2013, as the Company launched its internet finance business in the second quarter of 2014.

**Operating cost and expenses** for the full year 2014 were US$158.2 million, a 53.3% increase from 2013.

- **Operating cost and expenses of the wealth management business** for the full year 2014 were US$113.7 million, a 27.3% increase from 2013. **For the wealth management business:**
    - **Compensation and benefits** in the full year 2014 were US$86.7 million, including compensation of relationship managers of US$51.8 million and compensation of back-office employees of US$34.9 million. Total compensation and benefits increased by 34.5% year-over-year, which is in line with the increase in revenues from the wealth management business.
    - **Selling expenses** for the full year 2014 were US$22.0 million, a 45.2% increase from 2013, primarily due to increased expenses in general marketing activities, rental expenses and client related service fees.
    - **G&A expenses** for the full year 2014 were US$12.1million, a 13.7% decrease from the corresponding period in 2013, resulting from decreases in consulting fees related to the wealth management business.
    - **Other operating expenses** for the full year 2014 were US$3.8 million, representing an increase of US$3.1 million year-over-year. The significant increase was mainly due to the expansion of our other businesses, including insurance and education, as well as the increase in bank charges in connection with the increased transaction

volume through our mutual fund distribution channel.
    - **Government subsidies** for the full year 2014 were US$10.9 million, a 119.0% increase from 2013, due to the subsidies received from certain local governments in the PRC in relation to the increased amount of investments the Company made and taxable income it generated in certain local districts.
- **Operating cost and expenses of the asset management business** for the full year 2014 were US$31.6 million, a 127.4% increase from 2013. **For the asset management business:**
    - **Compensation and benefits** for the full year 2014 were US$23.9 million, a 177.3% increase from the corresponding period in 2013, driven by the increased volume of funds under management.
    - **Selling expenses** for the full year 2014 were US$1.6 million, a 2.7% increase from 2013.
    - **G&A expenses** for the full year 2014 were US$9.8 million, a 140.9% increase from 2013, mainly driven by increased expenses incurred to build back-office departments, consultant expenses incurred related the corporate strategy of segmentation and costs of the newly rented office building for our asset management business.
- **Operating cost and expenses of the internet finance business** for the full year 2014 were US$12.9 million, which mainly include compensation and benefits of US$9.1 million, selling expenses of US$0.4 million, G&A expenses of US$2.7 million and other operating expenses of US$0.8 million.

***Operating Margin***

**Operating margin** for the full year 2014 was 36.2%, as compared to 37.0% for 2013. The year-over-year decreases for the fourth quarter of 2014 and the full year 2014 were mainly attributable to our continuing investment in our internet finance business.

- **Operating margin of the wealth management business** for the full year 2014 was 38.8%, as compared to 36.7% for 2013.
- **Operating margin of the asset management business** for the full year 2014 was 46.7%, as compared to 38.9% for 2013.
- **Operating loss of the internet finance business** for the full year 2014 was US$10.2 million.

***Income Tax Expenses***

**Income tax expenses** for the full year 2014 were US$24.5 million, a 50.8% increase from US$16.3 million in 2013, primarily due to an increase in taxable income.

***Net Income***

**Net income attributable to Noah shareholders** for the year 2014 was US$72.4 million, a 40.8% increase from 2013. **Net margin** for the year 2014 was 30.3%, as compared to 32.4% for 2013. **Net income per basic and diluted ADS** for the year 2014 were US$1.30 and US$1.28, respectively, as compared to US$0.94 and US$0.92 for 2013.

**Non-GAAP net income attributable to Noah shareholders** for the year 2014 was US$77.7 million, a 37.1% increase from 2013. **Non-GAAP net margin** for the year 2014 was 31.3%, as compared to 34.6% for 2013. **Non-GAAP net income per diluted ADS** for the year 2014 was US$1.38, as compared to US$1.01 for 2013.

***Balance Sheet and Cash Flow***

As of December 31, 2014, the Company had US$282.1 million in cash and cash equivalents, an increase of US$23.6 million from US$258.5 million as of September 30, 2014, and an increase of US$86.0 million from US$196.1 million as of December 31, 2013. In the fourth quarter of 2014, the Company generated US$39.8 million from its operating activities and used a net US$14.6 million in investing activities, mostly related to investment in affiliates. The Company generated US$95.1 million from its operating activities, used a net US$14.8 million in its investing activities, and generated a net US$9.7 million from its financing activities for the full year 2014.

**2015 FORECAST**

The Company estimates that non-GAAP net income attributable to Noah shareholders for the full year 2015 is expected to be in the range of US$90.0 million to US$95.0 million, representing a year-over-year increase in the range of 15.9% to 22.3%. This estimate reflects management's current business outlook and is subject to change.

**CONFERENCE CALL**

Senior management will host a conference call on Monday, March 16, 2015 at 8:00 pm (Eastern) / 5:00 pm (Pacific) / 8:00 am (Hong Kong, Tuesday, March 17, 2015) to discuss its fourth quarter and full year 2014 unaudited financial results and recent business activities. The conference call may be accessed by calling the following numbers:

| | Toll Free |
|---|---|
| United States | +1-888-346-8982 |
| China | 4001-201203 |
| Hong Kong | 800-90-5945 |
| | Toll |
| International | +1-412-902-4272 |

Conference ID #Noah Holdings Limited Call

A telephone replay will be available one hour after the call until March 23, 2015 at +1-877-344-7529 (US Local Toll) or +1-412-317-0088 (International). Conference ID # 10061711.

A live webcast of the conference call and replay will be available in the investor relations section of the Company's website at http://ir.noahwm.com.

**DISCUSSION OF NON-GAAP FINANCIAL MEASURES:**

In addition to disclosing financial results prepared in accordance with U.S. GAAP, the Company's earnings release contains non-GAAP financial measures that exclude the effects of all forms of share-based compensation. The reconciliation of these non-GAAP financial measures to the nearest GAAP measures is set forth in the table captioned "Reconciliation of GAAP to Non-GAAP Results" below.

The non-GAAP financial measures disclosed by the Company should not be considered a substitute for financial measures prepared in accordance with U.S. GAAP. The financial results reported in accordance with U.S. GAAP and reconciliation of GAAP to non-GAAP results should be carefully evaluated. The non-GAAP financial measure used by the Company may be prepared differently from and, therefore, may not be comparable to similarly titled measures used by other companies.

When evaluating the Company's operating performance in the periods presented, management reviewed non-GAAP net income results reflecting adjustments to exclude the impacts of share-based compensation to supplement U.S. GAAP financial data. As such, the Company believes that the presentation of the non-GAAP net income, non-GAAP income per diluted ADS and non-GAAP net margin provides important supplemental information to investors regarding financial and business trends relating to the Company's financial condition and results of operations in a manner consistent with that used by management. Pursuant to U.S. GAAP, the Company recognized significant amounts of expenses for the restricted shares and share options in the periods presented. To make financial results comparable period by period, the Company utilized the non-GAAP financial results to better understand its historical business operations.

**ABOUT NOAH HOLDINGS LIMITED**

Founded in 2005, Noah Holdings Limited (NYSE: NOAH) is a leading wealth management service provider with a focus on global wealth investment and asset allocation services for high net worth individuals and enterprises in China. Noah distributed US$10.3 billion of wealth management products in 2014 and had a total of US$8.1 billion of assets under management as of December 31, 2014.

Noah distributes a wide array of wealth management products including fixed income products, private equity funds, mutual funds and insurance products. Noah also manages private equity funds, real estate funds, hedge funds, and other assets through Gopher Asset Management. In addition, in the second quarter of 2014, the Company launched a self-developed internet finance platform to provide financial products and services to white-collar professionals in China. Noah delivers customized financial solutions to clients through a network of 779 relationship managers across 94 branches and sub-branches in 63 cities in China, and serves the international investment needs of its clients through a wholly-owned subsidiary in Hong Kong. The Company's wealth management business had 70,557 registered clients as of December 31, 2014 and 9,010 active clients in 2014.

Noah has won numerous awards including Hurun Report's Popular Independent Wealth Management Institution award in 2013 and 2014, Forbes' Best Potential Business in China award in 2015, Deloitte's Technology Fast 500 Asia Pacific award in 2013, and STCN's Best Third Party Wealth Management Company award in 2014.

For more information please visit Noah at http://www.noahwm.com.

**SAFE HARBOR STATEMENT**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Among other things, the outlook for 2015 and quotations from management in this announcement, as well as Noah's strategic and operational plans, contain forward-looking statements. Noah may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Noah's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: its goals and strategies; its future business development, financial condition and results of operations; the expected growth of the wealth management market in China and internationally; its expectations regarding demand for and market acceptance of the products it distributes; its expectations regarding keeping and strengthening its relationships with key clients; relevant government policies and regulations relating to its industry; its ability to attract and retain quality employees; its ability to stay abreast of market trends and technological advances; its plans to invest in research and development to enhance its product choices and service offerings; competition in its industry in China and internationally; general economic and business conditions in China; and its ability to effectively protect its intellectual property

rights and not infringe on the intellectual property rights of others. Further information regarding these and other risks is included in Noah's filings with the Securities and Exchange Commission, including its annual reports on Form 20-F. All information provided in this press release and in the attachments is as of the date of this press release, and Noah does not undertake any obligation to update any such information, including forward-looking statement, as a result of new information, future events or otherwise, except as required under applicable law.

[1] Noah's Non-GAAP financial measures are its corresponding GAAP financial measures as adjusted by excluding the effects of all forms of share-based compensation.

[2] "Active clients" refers to those registered clients who purchased wealth management products distributed by Noah during any given period.

[3] The amount in RMB was translated into U.S. dollars using the average rate for the fourth quarter of 2014 as set forth in the H.10 statistical release of the Federal Reserve Board.

[4] "Average transaction value per client" refers to the average value of wealth management products distributed by Noah that are purchased by active clients during a given period.

**Contacts:**

**Noah Holdings Limited**
Ke-Li Cheng, Officer of IR
Tel: +86 21 2510 0889
ir@noahwm.com

-- FINANCIAL AND OPERATIONAL TABLES FOLLOW --

**Noah Holdings Limited**
**Condensed Consolidated Balance Sheets**
**(In U.S. dollars)**
**(unaudited)**

| | As of September 30, 2014 $ | December 31, 2014 $ |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | 258,459,924 | 282,081,829 |
| Restricted cash | 162,920 | 161,171 |
| Short-term investments | 26,037,694 | 22,182,012 |
| Accounts receivable, net of allowance for doubtful accounts of nil at September 30, 2014 and December 31, 2014 | 22,840,267 | 10,970,775 |
| Loans receivable | 8,577,462 | 6,932,469 |
| Deferred tax assets | 789,145 | 3,522,054 |
| Amounts due from related parties | 24,446,914 | 31,085,548 |
| Other current assets | 7,119,402 | 9,430,135 |
| Total current assets | 348,433,728 | 366,365,993 |
| | | |
| Long-term investments | 11,789,800 | 9,870,939 |
| Investment in affiliates | 19,867,059 | 35,817,261 |
| Property and equipment, net | 12,970,238 | 14,852,566 |
| Non-current deferred tax assets | 1,571,197 | 2,262,489 |
| Other non-current assets | 1,985,605 | 1,930,814 |
| **Total Assets** | 396,617,627 | 431,100,062 |
| | | |
| **Liabilities and Equity** | | |
| Current liabilities: | | |
| Accrued payroll and welfare expenses | 41,517,860 | 51,649,188 |
| Income tax payable | 4,902,151 | 8,936,390 |
| Amounts due to related parties | 36,334 | 125,459 |
| Deferred revenues | 19,784,572 | 15,747,984 |
| Short-term bank loans | 8,145,976 | 8,058,537 |
| Other current liabilities | 17,761,287 | 27,134,180 |
| Total current liabilities | 92,148,180 | 111,651,738 |
| | | |
| Non-current uncertain tax position liabilities | 1,762,402 | 1,793,459 |
| Other non-current liabilities | 3,401,455 | 5,004,281 |

| | | |
|---|---|---|
| **Total Liabilities** | 97,312,037 | 118,449,478 |
| **Equity** | 299,305,590 | 312,650,584 |
| **Total Liabilities and Equity** | 396,617,627 | 431,100,062 |

View News Release Full Screen

**Noah Holdings Limited**
**Condensed Consolidated Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**
**(unaudited)**

| | Three months ended December 31, 2013 | December 31, 2014 | Change |
|---|---|---|---|
| **Revenues:** | $ | $ | |
| Third-party revenues | | | |
| One-time commissions | 15,504,040 | 22,303,654 | 43.9% |
| Recurring service fees | 9,361,186 | 14,146,916 | 51.1% |
| Other service fees | 1,883,178 | 3,759,172 | 99.6% |
| Total third-party revenues | 26,748,404 | 40,209,742 | 50.3% |
| Related party revenues | | | |
| One-time commissions | 4,153,964 | 5,616,654 | 35.2% |
| Recurring service fees | 17,486,442 | 21,226,647 | 21.4% |
| Other service fees | (319,574) | 30,213 | (109.5%) |
| Total Related party revenues | 21,320,832 | 26,873,514 | 26.0% |
| Total revenues | 48,069,236 | 67,083,256 | 39.6% |
| Less: business taxes and related surcharges | (2,624,299) | (3,810,240) | 45.2% |
| **Net revenues** | 45,444,937 | 63,273,016 | 39.2% |
| Operating cost and expenses: | | | |
| Compensation and benefits | | | |
| Relationship Manager Compensation | (9,851,614) | (15,054,081) | 52.8% |
| Other Compensations | (9,388,745) | (17,503,361) | 86.4% |
| Total compensation and benefits | (19,240,359) | (32,557,442) | 69.2% |
| Selling expenses | (6,040,860) | (8,510,245) | 40.9% |
| General and administrative expenses | (6,710,277) | (10,276,744) | 53.1% |
| Other operating expenses | (181,678) | (2,020,560) | 1012.2% |
| Government subsidies | 16,686 | 7,925,517 | 47398.0% |
| Total operating cost and expenses | (32,156,488) | (45,439,474) | 41.3% |
| **Income from operations** | 13,288,449 | 17,833,542 | 34.2% |
| Other income: | | | |
| Interest income | 1,134,154 | 1,513,146 | 33.4% |
| Investment income | 890,285 | 814,270 | (8.5%) |
| Other income | 202,683 | 133,775 | (34.0%) |
| Total other income | 2,227,122 | 2,461,191 | 10.5% |
| Income before taxes and loss from equity in Affiliates | 15,515,571 | 20,294,733 | 30.8% |
| Income tax expense | (1,995,926) | (5,385,677) | 169.8% |
| Income from equity in affiliates | 444,244 | 16,203 | (96.4%) |
| **Net income** | 13,963,889 | 14,925,259 | 6.9% |
| Less: net income attributable to non-controlling Interests | 571,011 | 170,783 | (70.1%) |
| **Net income attributable to Noah Shareholders** | 13,392,878 | 14,754,476 | 10.2% |
| | | | |
| Income per ADS, basic | 0.24 | 0.26 | 8.3% |
| Income per ADS, diluted | 0.24 | 0.26 | 8.3% |
| Margin analysis: | | | |
| Operating margin | 29.2% | 28.2% | |
| Net margin | 30.7% | 23.6% | |
| Weighted average ADS equivalent: [1] | | | |
| Basic | 55,187,820 | 56,018,144 | |
| Diluted | 56,456,470 | 56,573,597 | |
| ADS equivalent outstanding at end of period | 55,296,131 | 56,110,604 | |

[1] Assumes all outstanding ordinary shares are represented by ADSs. Each ordinary share represents two ADSs

**Noah Holdings Limited**
**Condensed Consolidated Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**

| | Twelve months ended | | |
|---|---|---|---|
| | December 31, 2013 **(audited)** $ | December 31, 2014 **(unaudited)** $ | Change |
| Revenues: | | | |
| Third-party revenues | | | |
| One-time commissions | 57,972,609 | 68,698,354 | 18.5% |
| Recurring service fees | 32,951,345 | 51,892,138 | 57.5% |
| Other service fees | 5,065,113 | 8,864,477 | 75.0% |
| Total third-party revenues | 95,989,067 | 129,454,969 | 34.9% |
| Related party revenues | | | |
| One-time commissions | 20,841,594 | 29,322,581 | 40.7% |
| Recurring service fees | 55,508,435 | 90,885,669 | 63.7% |
| Other service fees | 979,839 | 12,585,342 | 1184.4% |
| Total Related party revenues | 77,329,868 | 132,793,592 | 71.7% |
| **Total revenues** | 173,318,935 | 262,248,561 | 51.3% |
| Less: business taxes and related surcharges | (9,547,102) | (14,380,469) | 50.6% |
| Net revenues | 163,771,833 | 247,868,092 | 51.3% |
| Operating cost and expenses: | | | |
| Compensation and benefits | | | |
| Relationship Manager Compensation | (33,436,866) | (52,246,943) | 56.3% |
| Performance Fee Compensation | - | (3,536,240) | - |
| Other Compensations | (39,606,754) | (63,826,889) | 61.2% |
| Total compensation and benefits | (73,043,620) | (119,610,072) | 63.8% |
| Selling expenses | (16,660,044) | (23,896,620) | 43.4% |
| General and administrative expenses | (18,087,184) | (24,611,880) | 36.1% |
| Other operating expenses | (734,300) | (4,861,700) | 562.1% |
| Government subsidies | 5,323,670 | 14,792,142 | 177.9% |
| Total operating cost and expenses | (103,201,478) | (158,188,130) | 53.3% |
| | | | |
| Income from operations | 60,570,355 | 89,679,962 | 48.1% |
| | | | |
| Other income(expenses): | | | |
| Interest income | 3,302,545 | 6,312,498 | 91.1% |
| Investment income | 3,924,457 | 3,821,469 | (2.6%) |
| Other income (expense) income | 312,140 | (2,270,347) | (827.3%) |
| Total other income | 7,539,142 | 7,863,620 | 4.3% |
| Income before taxes and loss from equity in affiliates | 68,109,497 | 97,543,582 | 43.2% |
| Income tax expenses | (16,263,292) | (24,531,504) | 50.8% |
| Income from equity in affiliates | 1,191,833 | 2,200,504 | 84.6% |
| Net income | 53,038,038 | 75,212,582 | 41.8% |
| Less: net income attributable to non-controlling interests | 1,602,867 | 2,806,078 | 75.1% |
| Net income attributable to Noah Shareholders | 51,435,171 | 72,406,504 | 40.8% |
| | | | |
| Income per ADS, basic | 0.94 | 1.30 | 38.3% |
| Income per ADS, diluted | 0.92 | 1.28 | 39.1% |
| Margin analysis: | | | |
| Operating margin | 37.0% | 36.2% | |
| Net margin | 32.4% | 30.3% | |
| Weighted average ADS equivalent: [2] | | | |
| Basic | 54,960,300 | 55,747,002 | |
| Diluted | 56,016,772 | 56,455,646 | |

[2] Assumes all outstanding ordinary shares are represented by ADSs. Each ordinary share represents two ADSs

**Noah Holdings Limited**
**Condensed Comprehensive Income Statements**
**(In U.S. dollars)**
**(unaudited)**

| | Three months ended | | |
|---|---|---|---|
| | December 31, 2013 $ | December 31, 2014 $ | Change |

| | | | |
|---|---|---|---|
| **Net income** | 13,963,889 | 14,925,259 | 6.9% |
| Other comprehensive income, net of tax: | | | |
| Foreign currency translation adjustments | 1,972,903 | (3,356,467) | (270.1%) |
| Fair value fluctuation of available for sale Investment (after tax) | - | 17,074 | - |
| **Comprehensive income** | 15,936,792 | 11,585,876 | (27.3%) |
| Less: Comprehensive income (loss) attributable to non-controlling interests | 680,006 | (231,576) | (134.1%) |
| **Comprehensive income attributable to Noah Shareholders** | 15,256,786 | 11,817,452 | (22.5%) |

**Noah Holdings Limited**
**Condensed Comprehensive Income Statements**
**(In U.S. dollars)**

| | Twelve months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| **Net income** | 53,038,038 | 75,212,582 | 41.8% |
| Other comprehensive income, net of tax: | | | |
| Foreign currency translation adjustments | 4,508,372 | (5,163,862) | (214.5%) |
| Fair value fluctuation of available for sale Investment (after tax) | - | 422,324 | - |
| **Comprehensive income** | 57,546,410 | 70,471,044 | 22.5% |
| Less: Comprehensive income attributable to non-controlling interests | 1,880,168 | 2,227,448 | 18.5% |
| **Comprehensive income attributable to Noah Shareholders** | 55,666,242 | 68,243,596 | 22.6% |

**Noah Holdings Limited**
**Supplemental Information**
**(unaudited)**

| | As of December 31, 2013 | December 31, 2014 | Change |
|---|---|---|---|
| Number of registered clients | 53,501 | 70,557 | 31.9% |
| Number of relationship managers | 569 | 779 | 36.9% |
| Number of branch offices | 57 | 63 | 10.5% |

| | Three months ended December 31, 2013 | December 31, 2014 | Change |
|---|---|---|---|
| | (in millions of RMB, except number of active clients and percentages) | | |
| Number of active clients | 2,927 | 3,529 | 20.6% |
| Transaction value: | | | |
| Fixed income products | 9,502 | 7,479 | (21.3%) |
| Private equity fund products | 1,315 | 2,276 | 73.1% |
| Other products, including mutual fund products, private securities investment funds and insurance products | 560 | 2,076 | 270.7% |
| Total transaction value | 11,377 | 11,831 | 4.0% |
| Average transaction value per client | 3.89 | 3.35 | (13.9%) |

| | Twelve months ended December 31, 2013 | December 31, 2014 | Change |
|---|---|---|---|
| | (in millions of RMB, except number of active clients and percentages) | | |
| Number of active clients | 6,445 | 9,010 | 39.6% |
| Transaction value: | | | |
| Fixed income products | 35,709 | 40,212 | 12.6% |
| Private equity fund products | 6,426 | 11,971 | 86.3% |
| Other products, including mutual fund products, private securities investment funds and insurance products | 2,352 | 11,187 | 375.6% |
| Total transaction value | 44,487 | 63,371 | 42.4% |
| Average transaction value per client | 6.90 | 7.03 | 1.9% |

**Noah Holdings Limited**
**Segment Condensed Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**
**(unaudited)**

| | Three months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| **Wealth Management Business** | | | |
| **Revenues:** | | | |
| Third-party revenues | | | |
| One-time commissions | 15,291,714 | 22,303,654 | 45.9% |
| Recurring service fees | 7,094,015 | 11,396,107 | 60.6% |
| Other service fees | 1,798,306 | 2,053,333 | 14.2% |
| Total third-party revenues | 24,184,035 | 35,753,094 | 47.8% |
| Related party revenues | | | |
| One-time commissions | 3,761,205 | 5,616,654 | 49.3% |
| Recurring service fees | 11,380,798 | 12,460,492 | 9.5% |
| Total Related party revenues | 15,142,003 | 18,077,146 | 19.4% |
| Total revenues | 39,326,038 | 53,830,240 | 36.9% |
| Less: business taxes and related surcharges | (2,176,246) | (3,208,737) | 47.4% |
| **Net revenues** | 37,149,792 | 50,621,503 | 36.3% |
| Operating cost and expenses: | | | |
| Compensation and benefits | | | |
| Relationship Manager Compensation | (9,836,241) | (14,688,971) | 49.3% |
| Other Compensations | (6,479,638) | (9,043,014) | 39.6% |
| Total compensation and benefits | (16,315,879) | (23,731,985) | 45.5% |
| Selling expenses | (5,275,677) | (7,777,688) | 47.4% |
| General and administrative expenses | (5,066,970) | (4,482,375) | (11.5%) |
| Other operating expenses | (166,416) | (1,417,939) | 752.0% |
| Government subsidies | 16,686 | 7,249,500 | 43346.6% |
| Total operating cost and expenses | (26,808,256) | (30,160,487) | 12.5% |
| **Income from operations** | 10,341,536 | 20,461,016 | 97.9% |

**Noah Holdings Limited**
**Segment Condensed Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**
**(unaudited)**

| | Twelve months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| **Wealth Management Business** | | | |
| **Revenues:** | | | |
| Third-party revenues | | | |
| One-time commissions | 57,813,505 | 68,973,857 | 19.3% |
| Recurring service fees | 28,434,140 | 39,462,923 | 38.8% |
| Other service fees | 4,891,288 | 3,216,364 | (34.2%) |
| Total third-party revenues | 91,138,933 | 111,653,144 | 22.5% |
| Related party revenues | | | |
| One-time commissions | 20,551,396 | 29,396,691 | 43.0% |
| Recurring service fees | 37,492,722 | 55,589,582 | 48.3% |
| Other service fees | 44,199 | 333,455 | 654.4% |
| Total Related party revenues | 58,088,317 | 85,319,728 | 46.9% |
| Total revenues | 149,227,250 | 196,972,872 | 32.1% |
| Less: business taxes and related surcharges | (8,237,942) | (11,129,939) | 35.1% |
| **Net revenues** | 140,989,308 | 185,842,933 | 31.8% |
| Operating cost and expenses: | | | |
| Compensation and benefits | | | |
| Relationship Manager Compensation | (33,362,053) | (51,843,586) | 55.4% |
| Other Compensations | (31,077,968) | (34,851,930) | 12.1% |
| Total compensation and benefits | (64,440,021) | (86,695,516) | 34.5% |
| Selling expenses | (15,117,644) | (21,951,311) | 45.2% |
| General and administrative expenses | (14,037,239) | (12,117,434) | (13.7%) |
| Other operating expenses | (694,460) | (3,836,816) | 452.5% |
| Government subsidies | 4,997,145 | 10,943,240 | 119.0% |
| Total operating cost and expenses | (89,292,219) | (113,657,837) | 27.3% |
| **Income from operations** | 51,697,089 | 72,185,096 | 39.6% |

**Noah Holdings Limited**
**Segment Condensed Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**
**(unaudited)**

| | Three months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| **Asset Management Business** | | | |
| **Revenues:** | | | |
| Third-party revenues | | | |
| One-time commissions | 212,326 | - | (100.0%) |
| Recurring service fees | 2,267,171 | 2,750,809 | 21.3% |
| Other service fees | 84,872 | 473,935 | 458.4% |
| Total third-party revenues | 2,564,369 | 3,224,744 | 25.8% |
| Related party revenues | | | |
| One-time commissions | 436,911 | - | (100.0%) |
| Recurring service fees | 6,105,644 | 8,766,155 | 43.6% |
| Other service fees | (363,726) | - | (100.0%) |
| Total Related party revenues | 6,178,829 | 8,766,155 | 41.9% |
| Total revenues | 8,743,198 | 11,990,899 | 37.1% |
| Less: business taxes and related surcharges | (448,053) | (567,021) | 26.6% |
| **Net revenues** | 8,295,145 | 11,423,878 | 37.7% |
| Operating cost and expenses: | | | |
| Compensation and benefits | | | |
| Relationship Manager Compensation | (15,373) | - | (100.0%) |
| Other Compensations | (2,909,107) | (4,875,580) | 67.6% |
| Total compensation and benefits | (2,924,480) | (4,875,580) | 66.7% |
| Selling expenses | (765,183) | (454,331) | (40.6%) |
| General and administrative expenses | (1,643,307) | (4,551,221) | 177.0% |
| Other operating expenses | (15,262) | (188,548) | 1135.4% |
| Government subsidies | - | 676,017 | - |
| Total operating cost and expenses | (5,348,232) | (9,393,663) | 75.6% |
| **Income from operations** | 2,946,913 | 2,030,215 | (31.1%) |

**Noah Holdings Limited**
**Segment Condensed Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**
**(unaudited)**

| | Twelve months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| **Asset Management Business** | | | |
| **Revenues:** | | | |
| Third-party revenues | | | |
| One-time commissions | 212,326 | - | (100.0%) |
| Recurring service fees | 4,517,205 | 12,429,215 | 175.2% |
| Other service fees | 120,603 | 2,655,721 | 2102.0% |
| Total third-party revenues | 4,850,134 | 15,084,936 | 211.0% |
| Related party revenues | | | |
| One-time commissions | 436,911 | - | (100.0%) |
| Recurring service fees | 18,015,713 | 35,291,220 | 95.9% |
| Other service fees | 788,927 | 12,038,725 | 1426.0% |
| Total Related party revenues | 19,241,551 | 47,329,945 | 146.0% |
| Total revenues | 24,091,685 | 62,414,881 | 159.1% |
| Less: business taxes and related surcharges | (1,309,160) | (3,127,877) | 138.9% |
| **Net revenues** | 22,782,525 | 59,287,004 | 160.2% |
| Operating cost and expenses: | | | |
| Compensation and benefits | | | |
| Relationship Manager Compensation | (74,813) | (38,246) | (48.9%) |
| Performance Fee Compensation | - | (3,536,240) | - |
| Other Compensations | (8,528,786) | (20,282,224) | 137.8% |
| Total compensation and benefits | (8,603,599) | (23,856,710) | 177.3% |
| Selling expenses | (1,542,400) | (1,583,422) | 2.7% |
| General and administrative expenses | (4,049,945) | (9,755,093) | 140.9% |

| | | | |
|---|---|---|---|
| Other operating expenses | (39,840) | (272,047) | 582.8% |
| Government subsidies | 326,525 | 3,844,512 | 1077.4% |
| Total operating cost and expenses | (13,909,259) | (31,622,760) | 127.4% |
| **Income from operations** | 8,873,266 | 27,664,244 | 211.8% |

**Noah Holdings Limited**
**Segment Condensed Income Statements**
**(In U.S. dollars, except for ADS data, per ADS data and percentages)**
**(unaudited)**

| | Three months ended December 31, 2014 $ | Twelve months ended December 31, 2014 $ |
|---|---|---|
| **Internet Finance Business** | | |
| **Revenues:** | | |
| Third-party revenues | | |
| Other service fees | 1,231,904 | 2,716,889 |
| Total third-party revenues | 1,231,904 | 2,716,889 |
| Related party revenues | | |
| Recurring service fees | | 4,867 |
| Other service fees | 30,213 | 139,052 |
| Total Related party revenues | 30,213 | 143,919 |
| Total revenues | 1,262,117 | 2,860,808 |
| Less: business taxes and related surcharges | (34,482) | (122,653) |
| **Net revenues** | 1,227,635 | 2,738,155 |
| Operating cost and expenses: | | |
| Compensation and benefits | | |
| Relationship Manager Compensation | (365,110) | (365,110) |
| Other Compensations | (3,584,767) | (8,692,736) |
| Total compensation and benefits | (3,949,877) | (9,057,846) |
| Selling expenses | (278,226) | (361,887) |
| General and administrative expenses | (1,243,148) | (2,739,353) |
| Other operating expenses | (414,073) | (752,837) |
| Government subsidies | - | 4,390 |
| Total operating cost and expenses | (5,885,324) | (12,907,533) |
| **Income from operations** | (4,657,689) | (10,169,378) |

**Noah Holdings Limited**
**Reconciliation of GAAP to Non-GAAP Results**
**(In U.S. dollars, except for ADS data and percentages)**
**(unaudited)**

| | Three months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| Net margin | 30.7% | 23.6% | |
| Adjusted net margin (non-GAAP)* | 33.3% | 24.8% | |
| Net income attributable to Noah Shareholders | 13,392,878 | 14,754,476 | 10.2% |
| Adjustment for share-based compensation related to: | | | |
| Share options | 37,989 | 327,336 | 761.7% |
| Restricted shares | 1,127,234 | 424,136 | (62.4%) |
| Adjusted net income attributable to Noah Shareholders (non-GAAP)* | 14,558,101 | 15,505,948 | 6.5% |
| Net income attributable to Noah Shareholders per ADS, diluted | 0.24 | 0.26 | 8.3% |
| Adjusted net income attributable to Noah Shareholders per ADS, diluted (non-GAAP)* | 0.26 | 0.27 | 3.8% |

*The non-GAAP adjustments do not take into consideration the impact of taxes on such adjustments.

**Noah Holdings Limited**
**Reconciliation of GAAP to Non-GAAP Results**
**(In U.S. dollars, except for ADS data and percentages)**
**(unaudited)**

| | Twelve months ended December 31, 2013 $ | December 31, 2014 $ | Change |
|---|---|---|---|
| Net margin | 32.4% | 30.3% | |
| Adjusted net margin (non-GAAP)* | 35.6% | 32.5% | |
| Net income attributable to Noah Shareholders | 51,435,171 | 72,406,504 | 40.8% |
| Adjustment for share-based compensation related to: | | | |
| Share options | 205,699 | 1,464,233 | 611.8% |
| Restricted shares | 5,040,248 | 3,834,496 | (23.9%) |
| Adjusted net income attributable to Noah Shareholders (non-GAAP)* | 56,681,118 | 77,705,233 | 37.1% |
| Net income attributable to Noah Shareholders per ADS, diluted | 0.92 | 1.28 | 39.1% |
| Adjusted net income attributable to Noah Shareholders per ADS, diluted (non-GAAP)* | 1.01 | 1.38 | 36.6% |

*The non-GAAP adjustments do not take into consideration the impact of taxes on such adjustments.

To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/noah-holdings-limited-announces-unaudited-financial-results-for-the-fourth-quarter-and-full-year-2014-300051061.html

SOURCE Noah Holdings Limited