

Chime Financial, Inc. Fourth Quarter and Full Year 2025 Earnings Call

David Pearce, Vice President of Investor Relations and Capital Markets

Good afternoon everyone and thank you for joining us for Chime's fourth quarter 2025 earnings conference call. Joining me today are Chris Britt, our co-founder and CEO, and Matt Newcomb, our CFO. Mark Troughton, our President, will participate in the Q&A.

As a reminder, we will disclose non-GAAP financial measures on this call. Definitions and reconciliations between our GAAP and non-GAAP results can be found in our earnings release and our earnings presentation posted on our IR website at investors.chime.com. We will also make forward-looking statements on this call, including statements about our business, future outlook, and goals. Such statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those described. Many of those risks and uncertainties are described in our SEC filings, including our Form 10-Q filed on November 10, 2025. Forward-looking statements represent our beliefs and assumptions only as of the date such statements are made. We disclaim any obligation to update any forward-looking statements, except as required by law. With that, I'll hand it over to Chris.

Chris Britt, Co-Founder, Chairperson, and Chief Executive Officer

Thanks, David, and thanks for joining us.

I'm proud to report another strong quarter. In Q4, we again delivered results that exceeded our guidance, closing out a momentous year. Before we get into the details, I want to reflect on 2025 and preview plans for a year of acceleration in 2026.

Despite headlines of a pressured consumer, we continue to see stability, consistent with what we reported last quarter. Member spending remained healthy in Q4, with steady growth across both discretionary and non-discretionary categories among our tenured cohorts and across all income levels. We're seeing higher average deposit balances, and consistent use of our liquidity products with lower losses, including all-time low loss rates on MyPay, and importantly, no signs of increasing job loss within our member base.

Our business is rooted in primary account relationships and everyday, largely non-discretionary spend, so we are built for resilience. In times of uncertainty, our value proposition becomes even more compelling: fee-free, access to liquidity, payroll on demand, high-yield savings, credit building – tools that help members build financial stability.

In 2025, Chime delivered 31% revenue growth with strong operating leverage, including a 12-point year-over-year improvement in adjusted EBITDA margin to 10% in the fourth quarter. In Q4, we added approximately 500,000 net new Actives Members, bringing our total to 9.5 million.

In 2025, our biggest unlock was ChimeCore, our homegrown transaction processor and ledger. We are now 100% on our own tech stack after completing a multi-year migration in Q4. ChimeCore strengthens our cost advantage, with a cost to serve that is roughly one-third of large banks and one-fifth of regional banks. ChimeCore reduces transaction processing costs by an estimated 60%, supporting our long-term gross margin target of 90%. But the bigger impact for us is velocity. Owning our own tech stack enables us to innovate faster and deliver *the* lowest cost products to our members.

That unique advantage powered our 2025 product launches, extending our lead over traditional banks and fintechs as the most rewarding place for mainstream America to bank.

One example is Chime Card, our new secured, cash-back credit card and the first product built entirely on ChimeCore. Direct depositors earn 1.5% cash back on everyday spend, a 3% savings rate – 7x the national average – fee-free overdrafts, early access to pay, free credit building that increases average scores up to 70 points, and access to a free ATM network larger than the three biggest banks combined, all at no cost. No other company offers this breadth of services for everyday consumers. And we deliver it with over 70% transaction margin.

Chime Card is already resonating at the top of the funnel and driving strong engagement. Over half of members in our new cohorts are adopting it, and those members are using it for over 70% of their Chime spend. This has resulted in credit spend as a percent of overall Purchase Volume increasing to 21% in December, up from 16% in September. As a reminder, spend on Chime Card earns us nearly two times the take rate of our debit card, serving as a multi-year tailwind to revenue growth.

MyPay, our on demand payroll product, also had a standout year. We scaled MyPay to over \$400 million in revenue run rate in Q4 while generating a transaction margin of nearly 60% – only one year after launch. We began 2025 with MyPay loss rates of 1.7% and in Q4, we reached our steady state loss rate target of 1%, significantly faster than planned. With losses stabilized and a new variable pricing model in place, we can now scale both access and profitability. We're focused on making MyPay available to more members with higher limits and on driving growth in transaction profit dollars, while maintaining MyPay as *the* low-cost product in the market.

We also launched Chime Workplace, our employer financial wellness offering, bringing Chime into the enterprise channel with MyPay at Work. We saw early traction in 2025, onboarding our first customers and channel partners, and we enter 2026 with strong momentum and a growing pipeline.

More broadly, our progress across our liquidity products showcases our structural repayment advantage that comes from deep primary account relationships and enables low-cost, low credit risk liquidity offerings. Across SpotMe, MyPay, and Instant Loans, we exited the year at over \$40 billion in annualized origination volume.

In 2025, we also cemented our position as the primary bank account of choice for mainstream America.

In terms of brand consideration, Chime is now #1 for online banking among Americans earning up to \$100,000 per year based on third-party survey data. In 2026, NerdWallet named Chime the Best Checking Account and Best Online Banking Experience and last year TIME's national consumer survey recognized us as the #1 brand in banking. Our marketing isn't just driving awareness, but primary account intent. Recently, J.D. Power named Chime the leader in U.S. checking account openings, ahead of all other financial institutions. They estimate that 13% of all new checking accounts opened in the U.S. were at Chime, nearly 50% more than the #2 brand on the list, Chase, and above a long tail of other U.S. banking and fintech brands.

Our momentum in 2025, combined with the launch of ChimeCore, sets the foundation for accelerating product velocity in 2026. This year, we're focused on three priorities to advance our growth agenda:

First, we're going to extend our lead as the best financial partner for everyday consumers.

In the coming weeks, we'll launch a new premium membership tier with an even more rewarding value proposition for our most engaged and higher-earning members, including those making more than \$100,000 per year. It will deliver higher savings rates, exclusive perks, and even better rewards – all fee-free, while maintaining our advantaged unit economics.

We're also expanding our product suite to meet the needs of our fastest-growing segment – members earning \$75,000 and above – by introducing new value propositions to address more complex needs, deepen engagement, and drive long-term growth and profitability. For example, we'll launch joint accounts as well as teen and custodial accounts, so members can more easily manage shared family finances.

This summer, we'll expand into investing – automated and self-directed – and support for Trump Accounts. These offerings provide members with new and accessible ways to build wealth. With tax season underway, we're increasing awareness of Trump Accounts among millions of eligible everyday Americans, broadening access and participation at scale. That translated into strong early traction, with tens of thousands of members initiating enrollment through Tax Filing with Chime in the first week alone.

Our second priority is accelerating momentum in our enterprise channel.

Chime is transforming the direct-to-employer earned wage access industry by delivering a full suite of financial tools and pay on demand for free – for employers and employees. We've seen a strong response from the market, including a growing roster of employer partners and channel partnerships like Workday and UKG. Our offering is resonating with employees. Among early cohorts, adoption is high and these members are both transacting more and retaining better than new cohorts in our direct-to-consumer channel.

In 2026, our focus is scale: expanding to more employers and building Enterprise into an evergreen customer acquisition channel. We're off to a strong start. We recently announced several new employer partners, and expect additional announcements in the very near future.

Finally, we'll continue to deeply embed AI across Chime and into the member experience.

A lot has been written about the financial literacy gap in this country, and it's real. More than half of U.S. adults lack basic financial knowledge. Even when people are educated, they often lack the tools, support, and consistency needed to take action and turn good intentions into lasting financial progress.

That's why we're excited to expand our consumer AI offering. Chime's relationship with our members is fundamentally different from most fintechs. The majority of our members rely on Chime as their primary account, and our average member engages with us five times per day. We sit at the center of our members' financial lives, and that depth of engagement allows us not just to provide insights, but to take intelligent, real-time action – with and on behalf of our members.

In Q2, we will launch the next generation of our consumer AI offering – Jade – with a vision of delivering an always-on financial co-pilot embedded in-app, providing personalized guidance that helps members take action automatically and make smarter financial decisions. We are currently testing Jade with employees, which gives us valuable feedback ahead of launch. With Jade, we will move from reactive tools to proactive financial management, helping members spend smarter, save more, pay bills on time, borrow responsibly, and build long-term wealth – transforming the way mainstream consumers manage their finances.

Beyond Jade, AI is already transforming how we operate. Over the past three years, we've reduced cost to serve by nearly 30% and increased ARPAM by 23%, all while improving customer satisfaction. AI has driven step-change efficiency across customer support, reduced fraud loss rates by 30% since 2023, and meaningfully increased internal productivity. We've boosted developer throughput, cut code review times, and more than doubled marketing creative output while reducing production costs. In Disputes, automation has reduced time to decision by 30% while maintaining over 99% accuracy – delivering faster, high-quality resolutions for members.

This is the leverage of a technology-first financial services company embracing AI at scale, grounded in relentless member obsession. We innovate faster, deliver better experiences, and operate at a fraction of the cost of legacy players. This allows us to deliver more value to our members and these advantages compound as we grow.

Last year, we generated nearly \$2.2 billion in revenue with approximately 1,500 employees. As we shared on our last call, we expect to continue scaling without needing to add headcount.

I'll now turn it to Matt to cover Q4 and our 2026 outlook.

Matt Newcomb, Chief Financial Officer

Thanks Chris. Q4 capped off a landmark year for Chime, our shareholders and our financial position: we went public, strengthened our balance sheet, and continued to drive strong financial results. In 2025, we delivered 31% revenue growth and significant operating leverage, growing our adjusted EBITDA margin by 12 percentage points year-over-year in Q4, each ahead of our

guidance. We expect to maintain this momentum in 2026, with a clear line of sight to strong growth and further operating leverage, including GAAP profitability for the balance of the year, an important milestone that we expect to achieve ahead of previous internal expectations.

First, let's discuss Q4, our third consecutive quarter of strong results as a public company, where we again exceeded our prior guidance on both top and bottom-lines. We grew revenue by 25% year-over-year and transaction profit by 31% year-over-year in Q4, compounding growth even as we fully lapped 2024's launch of MyPay. We've done this by continuing to execute across multiple dimensions of growth: Active Members, Average Revenue Per Active Member or ARPAM, and transaction margin.

In Q4, we added approximately 500,000 net new Active Members quarter-over-quarter and 1.5 million year-over-year. Of course, our Actives aren't just any Actives, they're deeply engaged – a result of our relentless focus on serving our members in a primary account capacity. Our average Active Member transacts with us 55 times per month. That is very different from other fintechs with single point solutions, whose comparable metric is often in single digits.

We have a fundamentally different customer relationship. Primary accounts drive consistent and resilient top-of-wallet spend, provide us an underwriting advantage through our privileged repayment position, and give us a unique opportunity to cross-sell and deepen engagement even further over time. This results in consistent, durable, and long-lasting member cohorts. Our oldest cohorts are now nearly a decade old, and are generating more transaction profit now than they did pre-COVID, and that's net of churn!

And our cohort performance is getting even better. Building on our success in H1 with our early engagement initiatives, which made it easier to get started with Chime, in Q4 we improved the quality of our new cohorts in several other areas. First, in Q4 we saw a record high number of new members convert to direct deposit. Second, we continue to grow engagement. Our new cohorts are attaching to more products, faster, including with many of the products we launched and scaled in 2025 like our new Chime Card, MyPay, Outbound Instant Transfer, and Instant Loans. Members using 6 or more products each month now make up 15% of our Actives, up from 5% two years ago. Finally, fueled by these increasing levels of product attach, we've also grown monetization. This is particularly true in our newest cohorts where we are seeing members do more of their spend on Chime Card, compared to prior cohorts that transacted more on debit. Chime Card earns us approximately 175 basis points on Purchase Volume, compared to under 100 basis points on debit. Taken together, we've strengthened the quality of our new member cohorts while continuing to acquire at attractive CACs, yielding 5-6 quarter transaction profit payback periods and LTV:CACs of over 8x.

In Q4 overall ARPAM increased 5% year-over-year, and 21% over two years, to \$257, driven by strength in both Payments and Platform-related Revenue. Our tenured cohorts have reached ARPAMs of nearly \$400. In terms of transaction volumes, we continue to see very steady spend trends, consistent with a resilient consumer. Combined Purchase and OIT volumes grew 16% in Q4, fueling Payments and OIT revenue growth of 21% year-over-year, an acceleration from Q3

driven by higher take rates on Chime Card and OIT. Platform-related revenue increased 47% year-over-year, or 37% year-over-year excluding OIT. One additional contributor to ARPAM growth is Instant Loans, our up to \$1,000 installment loan product with terms of 3 to 12 months. Instant Loans complement our short-term liquidity product offerings to meet our members' larger, more episodic liquidity needs. We originated approximately \$400 million of Instant Loans in 2025, and as of Q4, 10% of Active Members had an open loan. We expect Instant Loans to scale further in 2026, and – like we've demonstrated with SpotMe and MyPay – unit economics improve significantly as the portfolio matures. We've seen as much as 50% lower loss rates for repeat borrowers compared to first-time borrowers.

In Q4 we increased transaction margin to 72%, up from 69% in Q3, a result of delivering on two critical strategic priorities that we committed to as part of our IPO last summer: completing our ChimeCore migration and reducing MyPay loss rates to 1%. In addition to the velocity and innovation benefits that ChimeCore unlocks, the final stage of our migration also drove a 200 basis point increase in our gross margin, helping us close in on our long term target of 90%. This improvement, alongside our faster-than-expected progress to our 1% steady state loss rate target for MyPay, helped us grow annualized transaction profit to \$1.7 billion in Q4, up 31% year-over-year.

Finally, alongside our strong growth we've continued to drive operating leverage, with \$57M of Adjusted EBITDA in Q4. In Q4, non-GAAP OpEx as a percent of revenue fell 9 percentage points year-over-year. Our Adj EBITDA margin growth accelerated further, with 12 percentage points improvement year-over-year in Q4, the largest margin improvement of any quarter in 2025. In our first call as a public company, we committed to delivering an uptick in profitability in the back half of 2025, and that's exactly what we did. The 57% incremental adjusted EBITDA margin we delivered in Q4 exceeded our initial guide as well as the higher bar we set for ourselves on our last call.

So, meaningful progress last year, but we're even more excited about the opportunity ahead.

We believe we're extremely well-positioned entering 2026, with a number of tailwinds that will support both continued strong top line growth, even faster transaction profit growth and further bottom line margin expansion this year. First, we're the market leader in account openings and #1 brand in banking. In 2026, we expect to continue delivering steady and predictable growth in our core business powered by a growing member base and their resilient, everyday non-discretionary spend. Second, we have several strong topline tailwinds exiting 2025, including Chime Card driving higher take rates, a new variable MyPay pricing model unlocking further scale and higher monetization, and our Instant Loans product ramping across our member base with strengthening unit economics. Third, our new product and go-to-market priorities that Chris outlined – including new premium membership tiers, investment products, joint accounts, and Chime Enterprise – will set the stage for continued growth in 2026 and in years to come. And finally, we'll do all of this without needing to grow our headcount, thanks to efficiencies from ChimeCore and our ongoing AI initiatives.

Now turning to our guide. In Q1, we expect revenue between \$627 and \$637 million, resulting in year-over-year revenue growth between 21 and 23%. We expect adjusted EBITDA between \$90 and \$95 million, and an adjusted EBITDA margin of 14 to 15%. For Full Year 26, we expect revenue between \$2.63 and \$2.67 billion, resulting in year-over-year revenue growth between 20 and 22%, and adjusted EBITDA between \$380 and \$400 million, an adjusted EBITDA margin between 14 and 15%. This represents 8 to 9 points of margin expansion year-over-year and an incremental adjusted EBITDA margin of over 55%. And, as mentioned previously, we expect to be GAAP profitable for the balance of the year.

There are a few things to keep in mind about our Q1 and full year outlook. First, we have a seasonal business. Specifically, Q1 is tax refund season, what we like to call “the most wonderful time of the year.” Each Q1, with the increased activity resulting from members receiving their tax refunds, we see seasonally higher Purchase Volume, ARPAM, transaction margin, and net new Active member additions. And in each Q2, we see a normalization of these seasonal trends, with significantly fewer net new Active Member additions than in other quarters, and lower sequential Purchase Volume, Payments revenue, and transaction margin. This Q1, we also expect to benefit from larger-than-usual tax refunds resulting from the One Big Beautiful Bill Act, or OBBBA, which would magnify this seasonality. It's still early – we haven't yet hit the peak of tax season, and the timing of this year's refunds are a bit later than in years prior. That said, so far refunds are tracking higher, in line with our expectations.

More broadly, for the full year, we will continue making progress across our growth framework: Active Members, ARPAM, and transaction margin. As the market share leader in new account openings, we expect to maintain strong momentum in net new Active Member additions this year. For the full year, our goal is to add approximately 1.4M net new Actives at attractive ROI, building on the increasingly strong cohort quality we saw in Q4. We will also continue to drive ARPAM growth as we scale Chime Card, MyPay, and Instant Loans, helping us grow LTVs and reinforce our strong cohort quality. And finally, we expect transaction margin to remain consistent with Q4'25's level, as we realize the ongoing benefits of lower transaction processing costs from our ChimeCore migration. From an OpEx perspective, as Chris noted, we're excited about our roadmap this year and plan to invest in sales and marketing behind our new product launches, particularly in Q2 when we plan to launch our new premium membership tier.

With that, I will open it up to Q&A.