

# X Financial

(NYSE: XYF)



## 2024 Q4 Earnings Results Presentation

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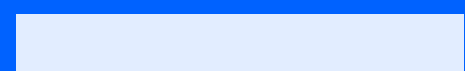
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# Company Overview



# X Financial at a Glance

A leading technology-driven personal finance company in China

In the fourth quarter of 2024

32,297 mn (RMB)

Total Loan Facilitation and Origination Amount

2.12 mn

Active Borrowers

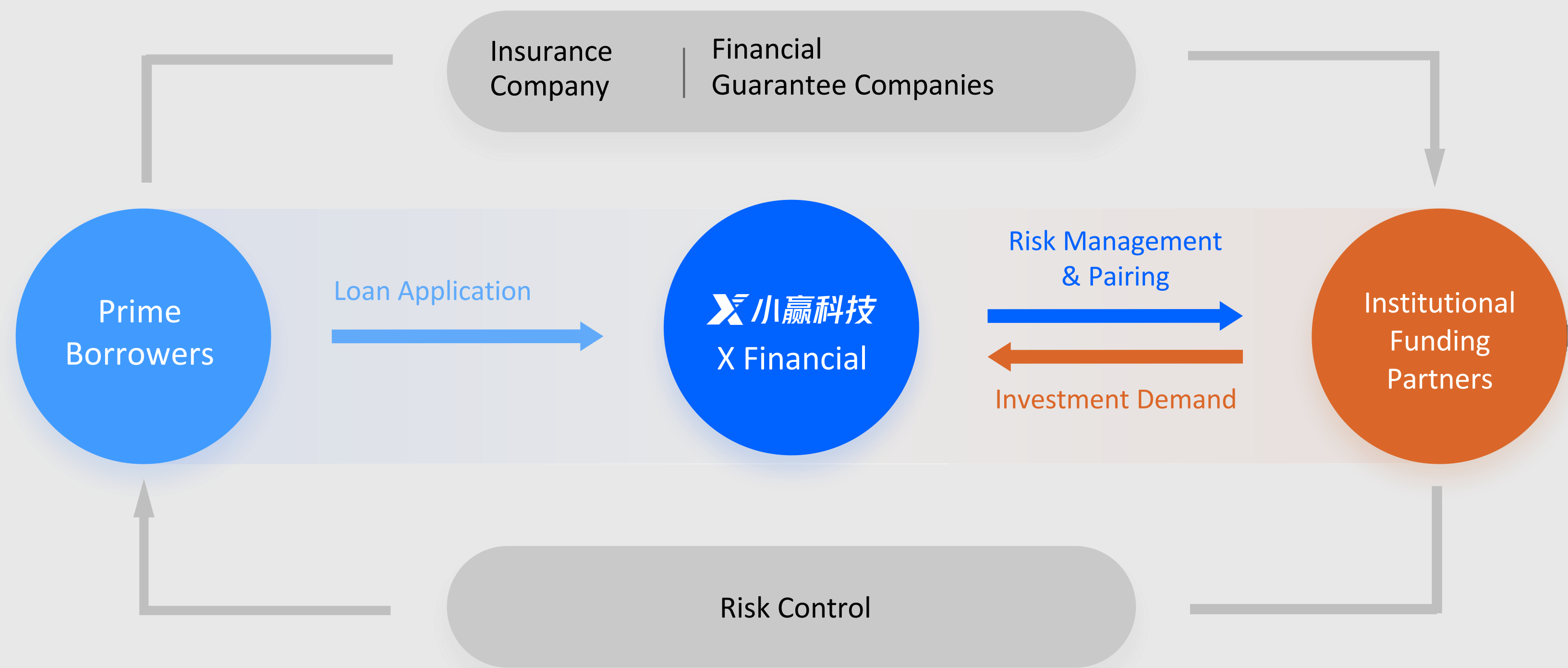
As of December 31, 2024

52,327 mn (RMB)

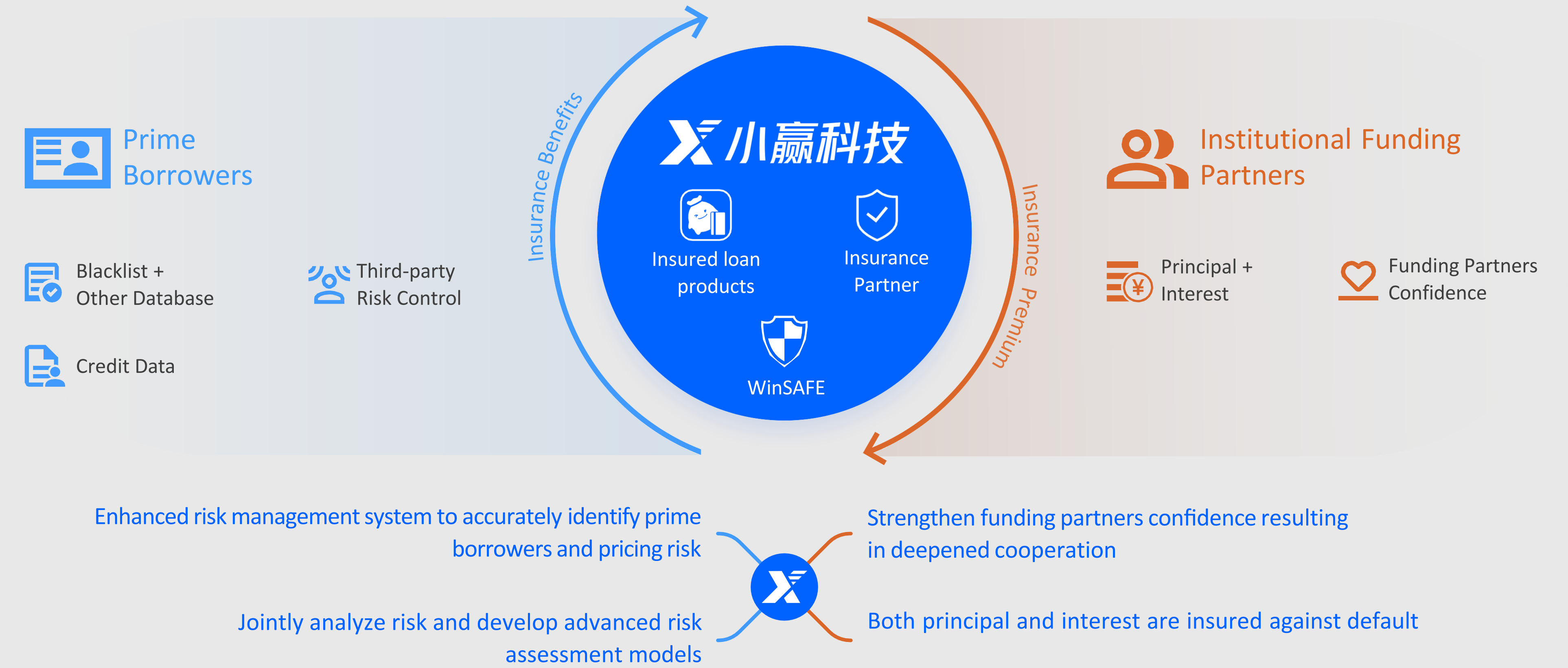
Loan Balance

# Our Business

Loan Facilitation Based on 100% Institutional Funding



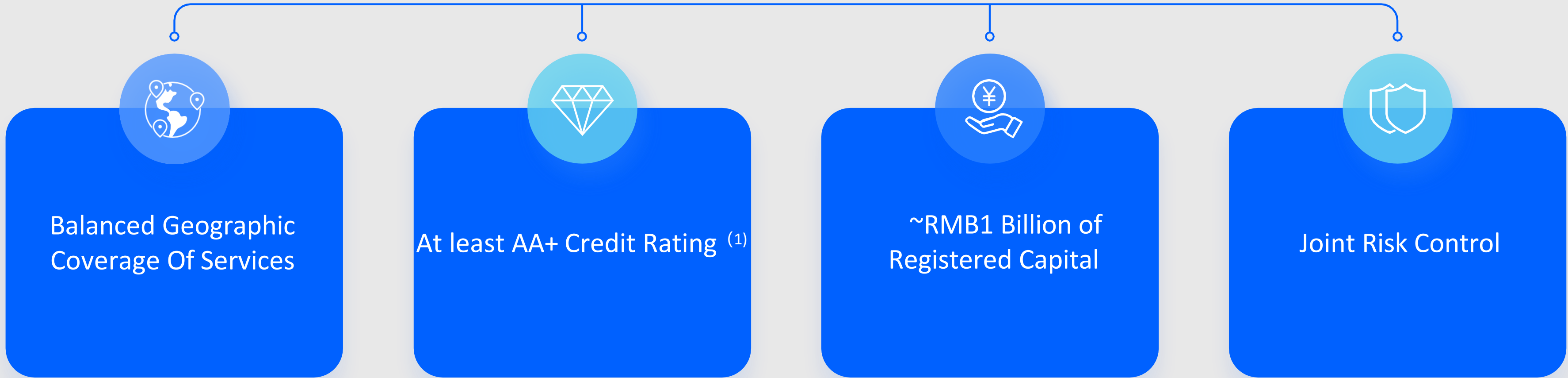
# Credit Insurance Model



# Financial Guarantee Model

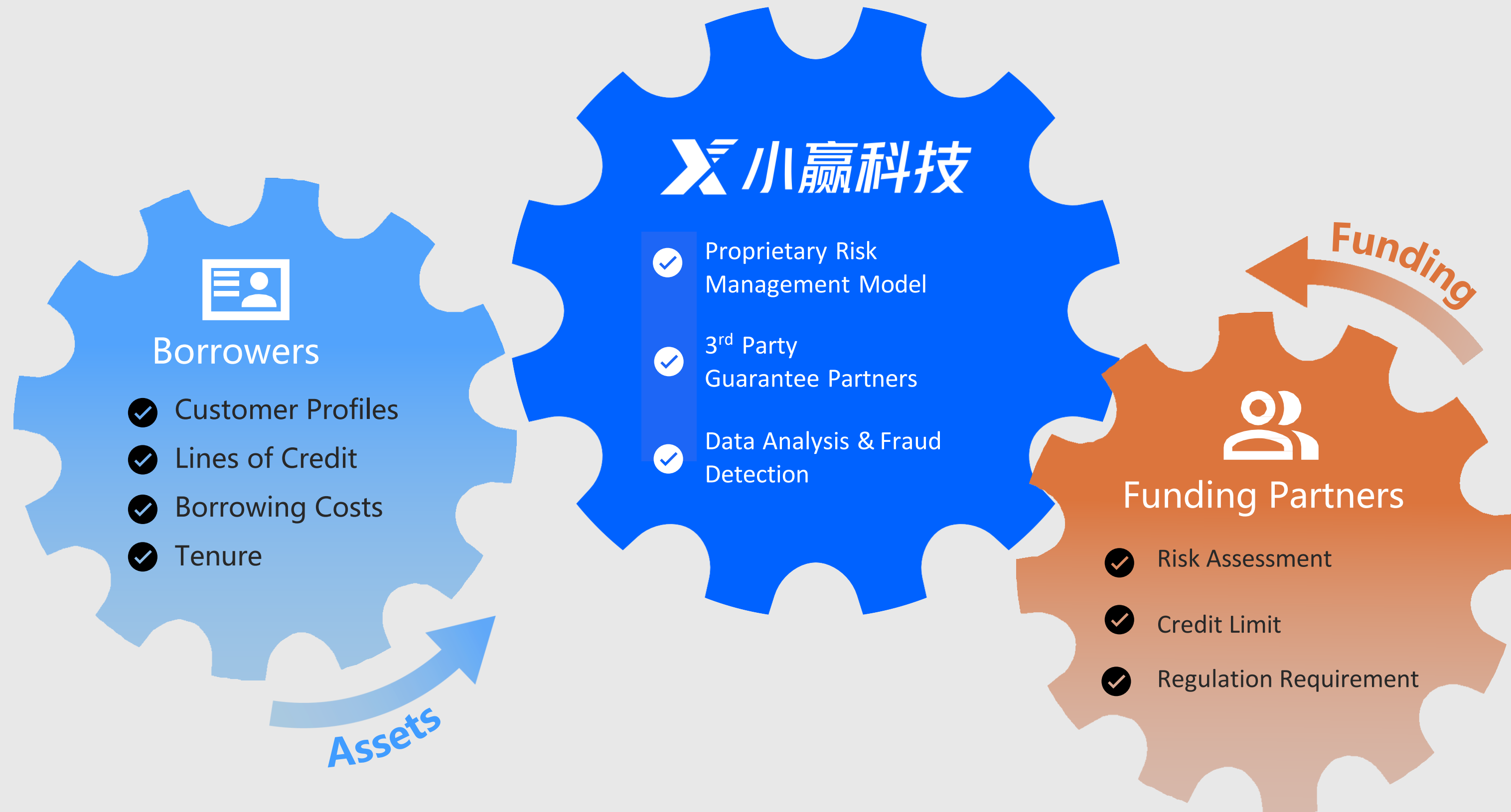
We have established cooperation with high-quality financing guarantee companies who provide guarantee services to protect institutional funding partners against default for both the principal and interest.

## Strong Capabilities of the Financial Guarantee Companies



<sup>(1)</sup> Substantially all credit ratings were evaluated at least AA+ level by renowned rating companies.

# Technology-driven Approach to Servicing Borrowers and Funding Partners





# Our Growth Strategies



# Investment Highlights

01

Leading industry position with differentiated products  
benefiting from China's booming personal finance market

02

Rigorous data-driven credit assessment  
modeling system

03

Diversified funding sources  
and 100% institutional funding

04

Founded by seasoned entrepreneurs  
with proven track record

01

## Leading Industry Position with Differentiated Products that Benefit from China's Booming Personal Finance Market



Xiaoying Card Loan

Flagship  
Product

Wide Range of Age Groups

Early career stage  
25 to 40 in average

Flexible Loan Amount  
/ Credit Line

RMB500 – 50,000

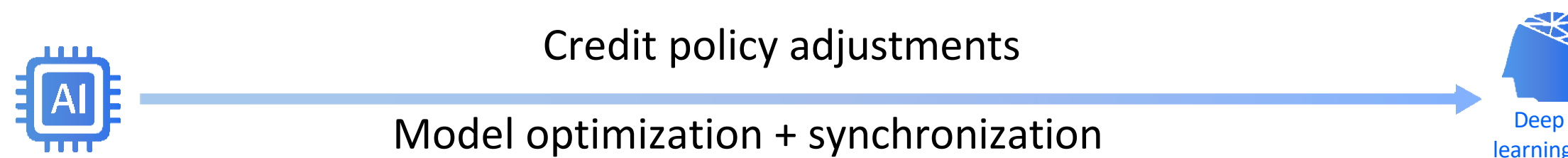
Flexible Tenor Meeting  
Borrowers' Liquidity Needs

3, 6, 9, 12 months

Various Sources of Credit Proof  
Reducing Collateral Needs

## Technology & Data-driven Credit Assessment

Continuous optimization of credit assessment systems that strengthen risk controls



## Diversified Funding Sources and 100% Institutional Funding



High-quality loans and strong reputation help us attract more institutional investors.



Total number of partnerships with institutional funding partners keeps growing.



Key cooperating financial institutions include Bank of Hangzhou Consumer Finance Company, National Trust, etc.



Achieved 100% institutional funding for new loans facilitated through our platform by Q2 2020.



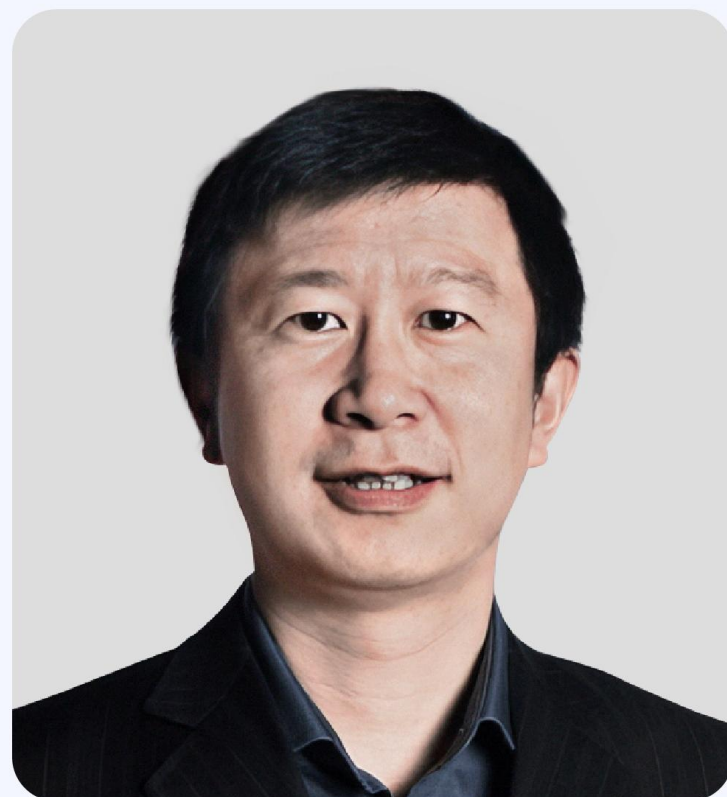


## Seasoned Management Team

Founded by a seasoned entrepreneur with proven track record and backed by a strong team of financial and technology talents

Yue Tang  
(Justin)

■ Founder, Chairman and CEO



Co-founder of eLong, one of the first online travel service companies in China



Co-founder of Blue Ridge China, an investment and consulting company

Kan Li  
(Kent)

■ President



15+ years of work experience in the financial sector

Expert in risk management system establishment

Former manager at Capital One

Fuya Zheng  
(Frank)

■ Chief Financial Officer

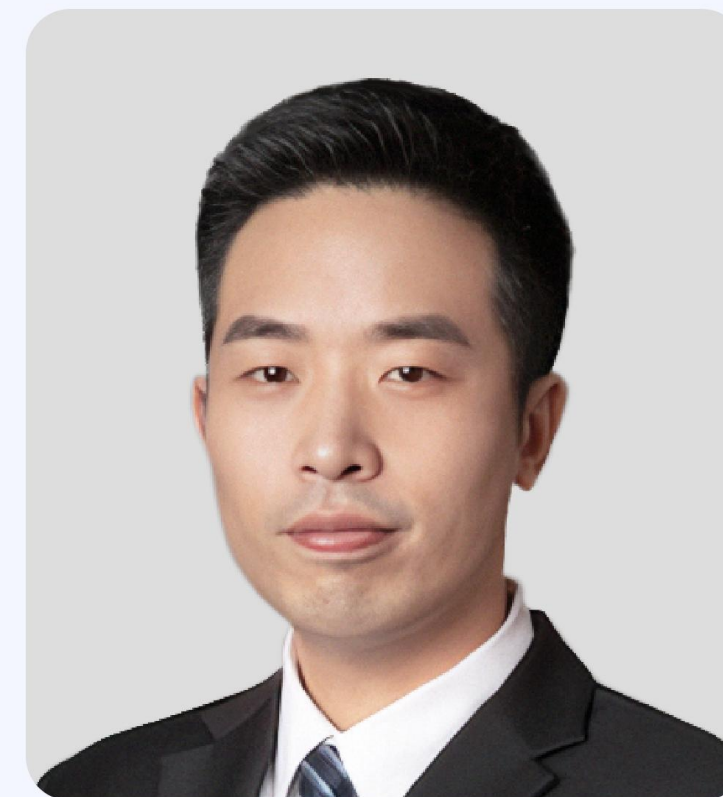


15+ years of work experience with corporate finance and investment management

Former CFO of a Nasdaq-listed company

Yufan Jiang  
(Jason)

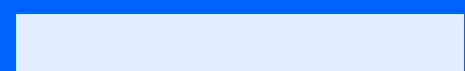
■ Chief Risk Officer



10+ years of work experience in the field of personal credit risk management

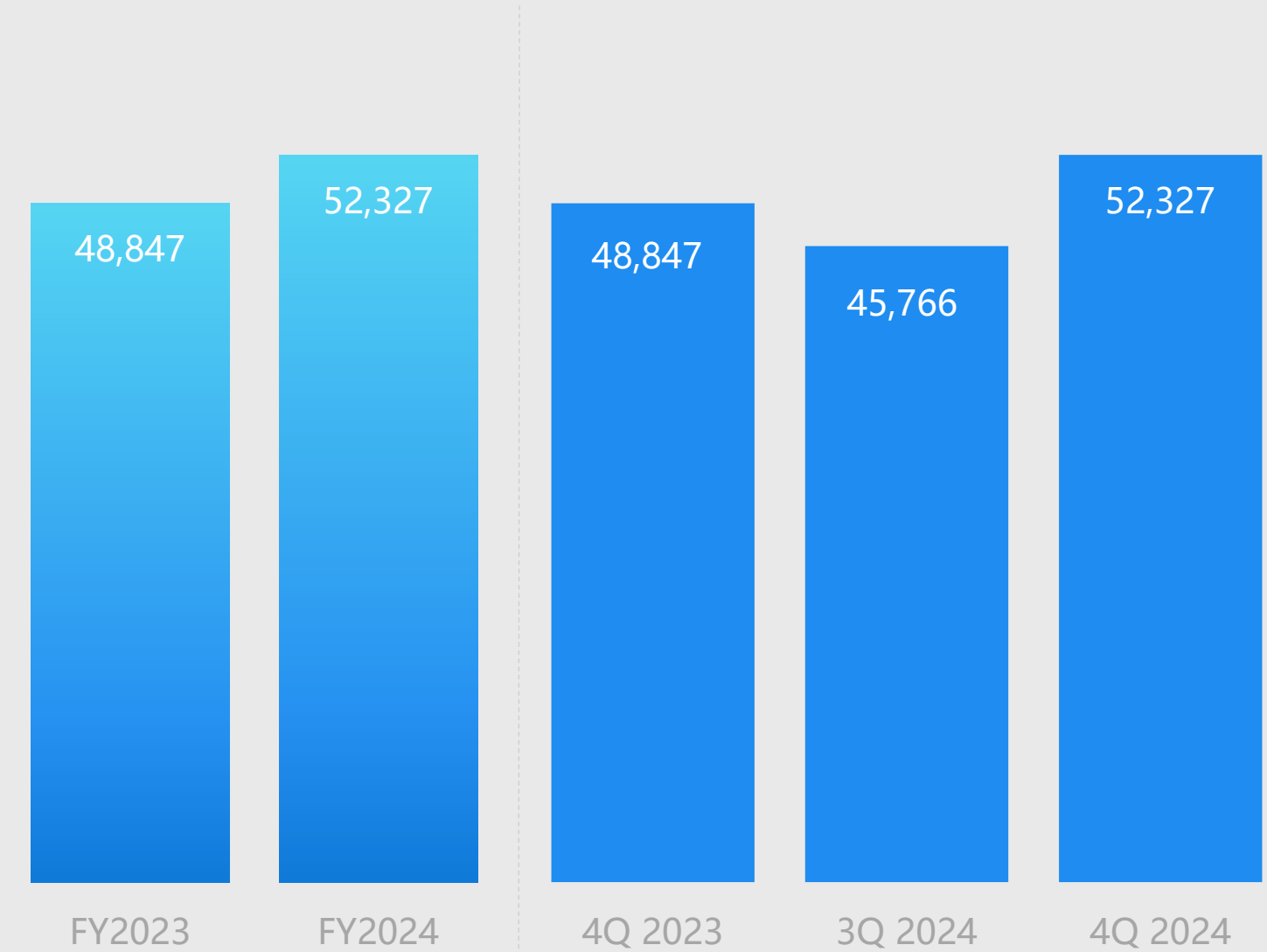
Previously worked at Bank of Communications

# Operational and Financial Data

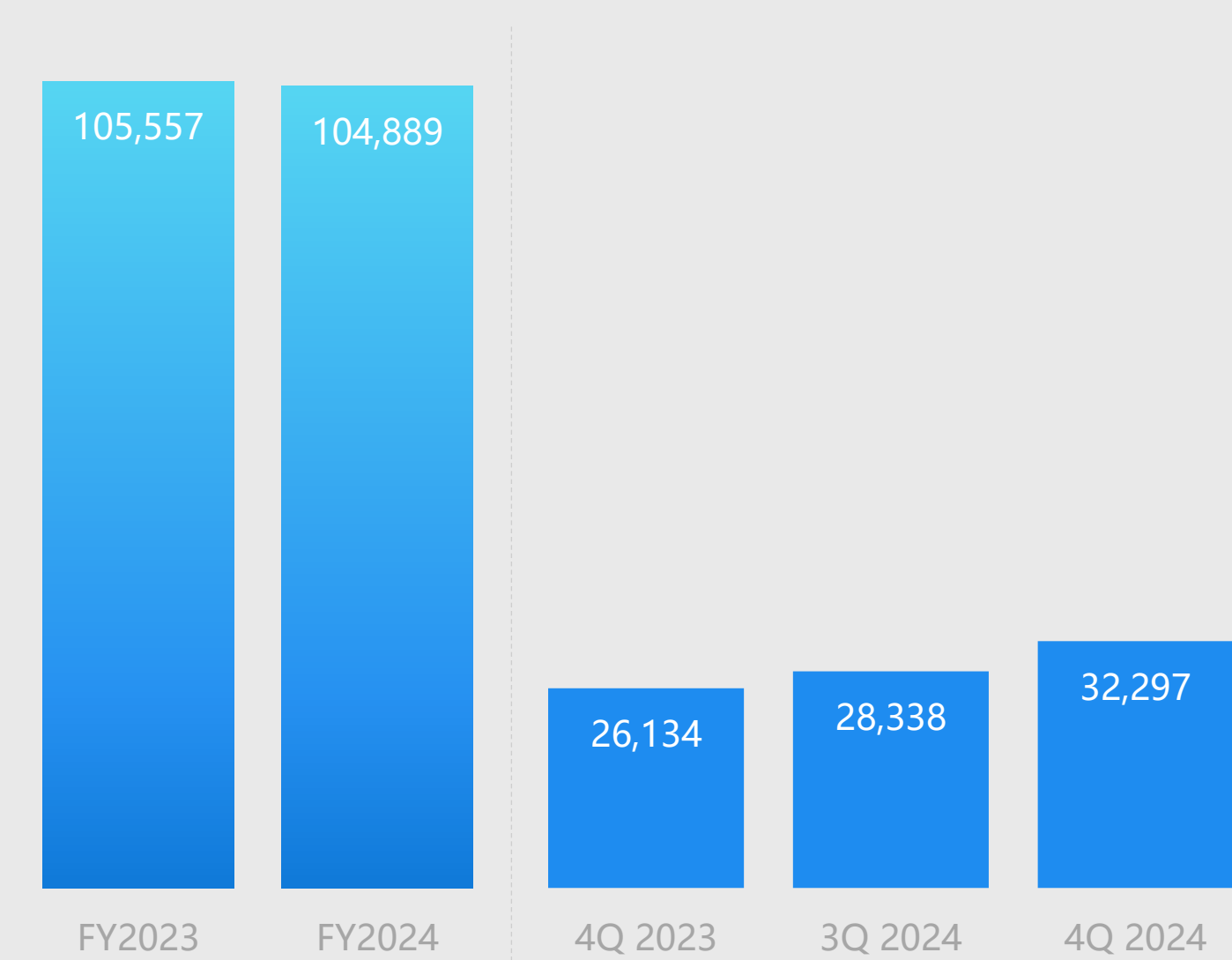


# Performance of Loan Balance and Loan Facilitation

— Total Outstanding Loan Balance <sup>(1)</sup>  
(RMBmn)



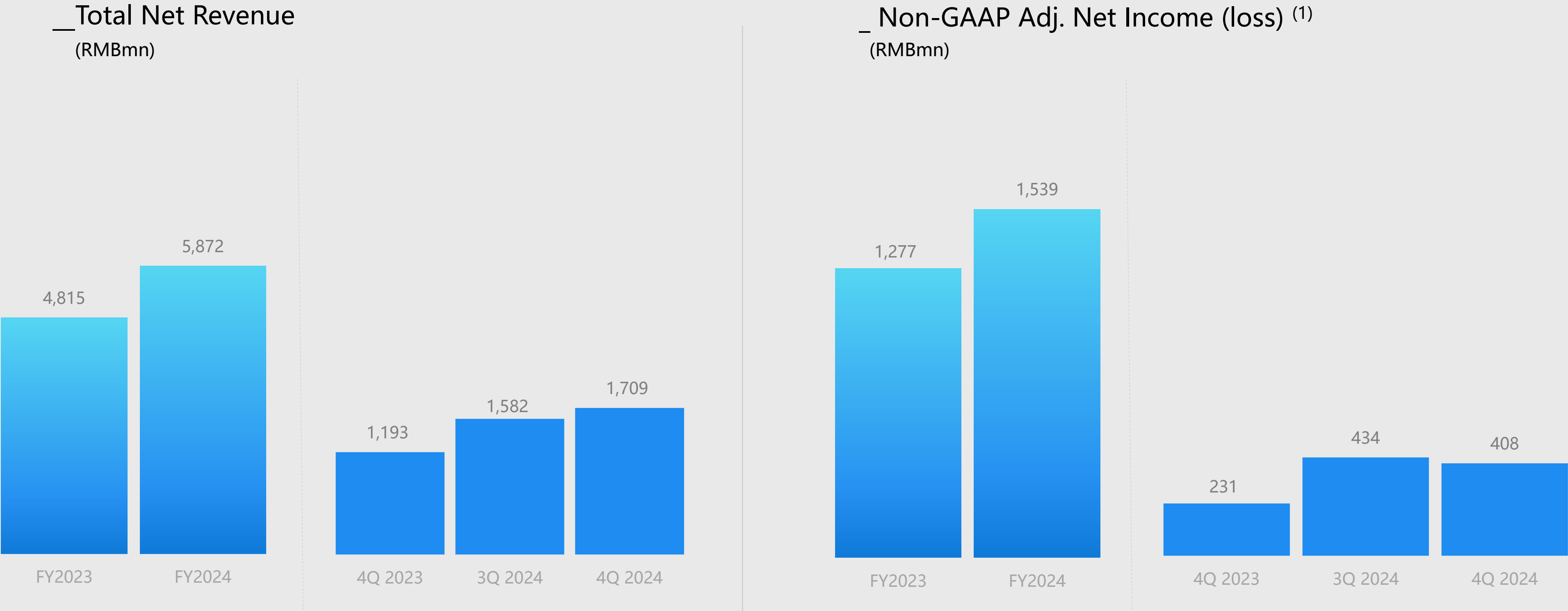
— Total Loan Facilitation and Origination Amount  
(RMBmn)



(1) Represents the total amount of loans outstanding for loans X Financial facilitated and originated at the end of the relevant period. Loans that are delinquent for more than 60 days are excluded in the outstanding loan balance, except for Xiaoying Housing Loan. As Xiaoying Housing Loan is a secured loan product and the Company is entitled to payment by exercising its rights to the collateral, the Company does not exclude Xiaoying Housing loan delinquent for more than 60 days in the outstanding loan balance



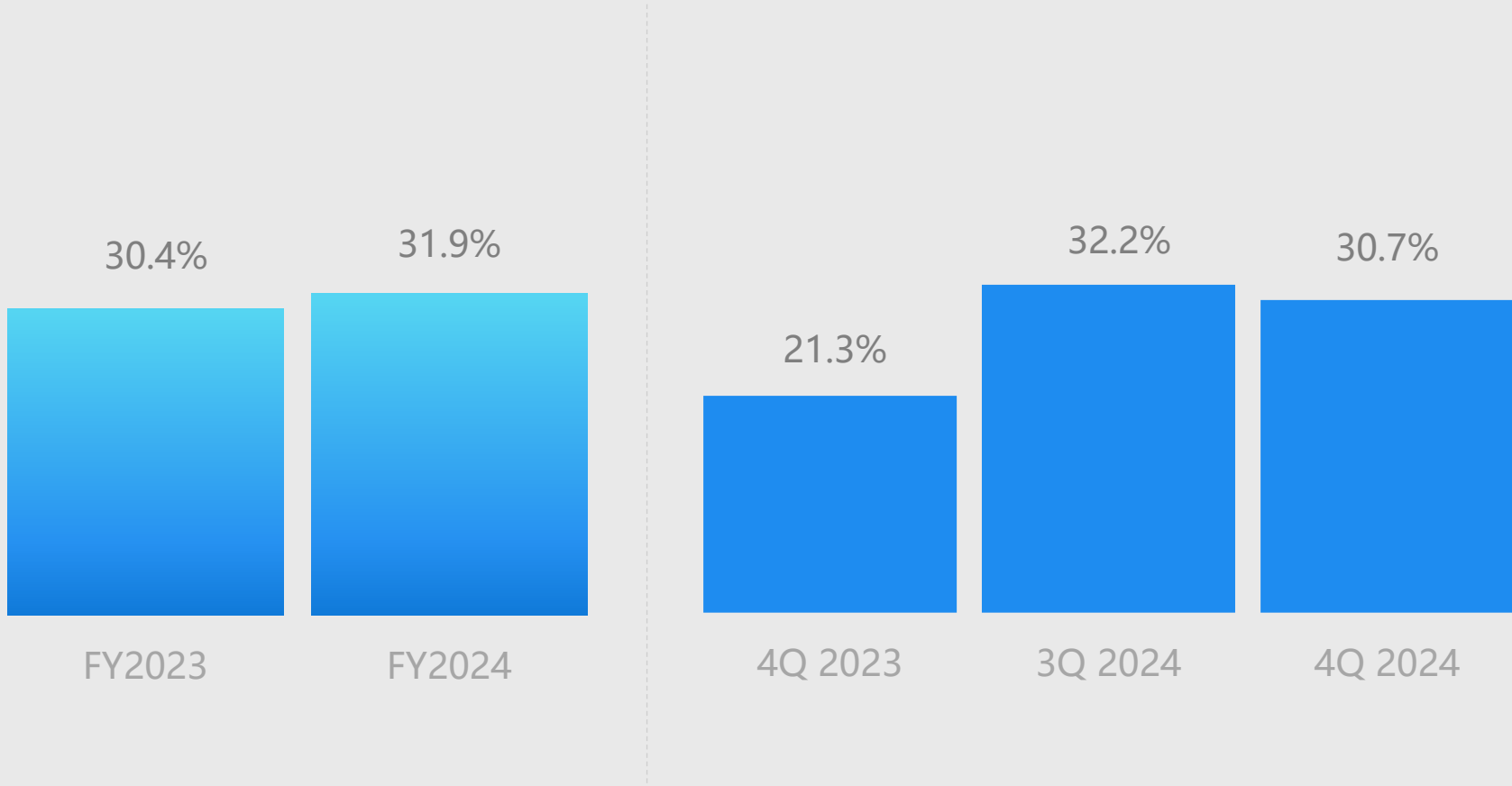
# Revenue and Non-GAAP Adj. Net Income Growth



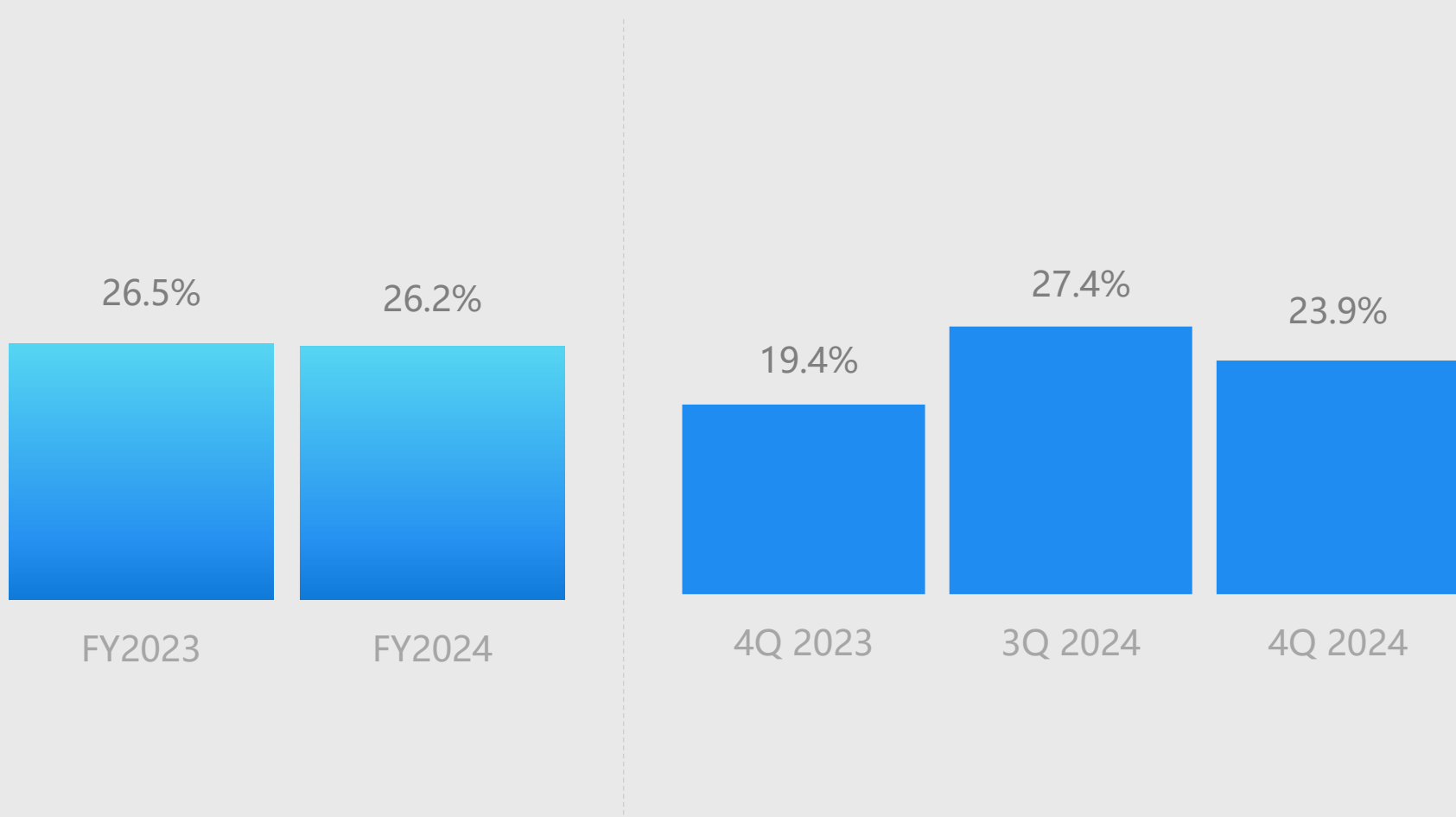
(1) Represents net (loss) / income before share-based compensation expenses, impairment losses on financial investments, impairment losses on long-term investments and income (loss) from financial investments

# Operational Efficiency

\_\_Operating Margin <sup>(1)</sup>



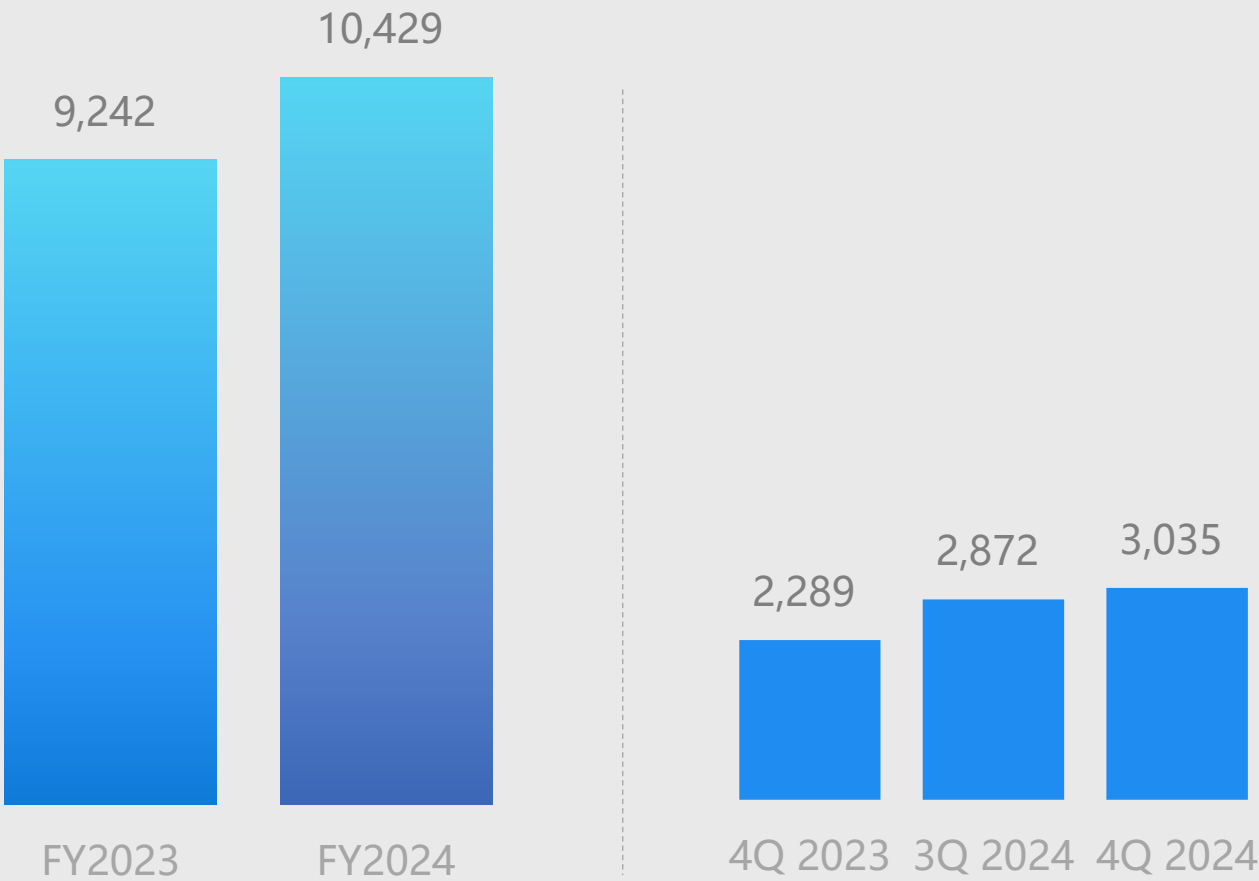
\_\_Non-GAAP Adj. Net Income Margin<sup>(2)</sup>



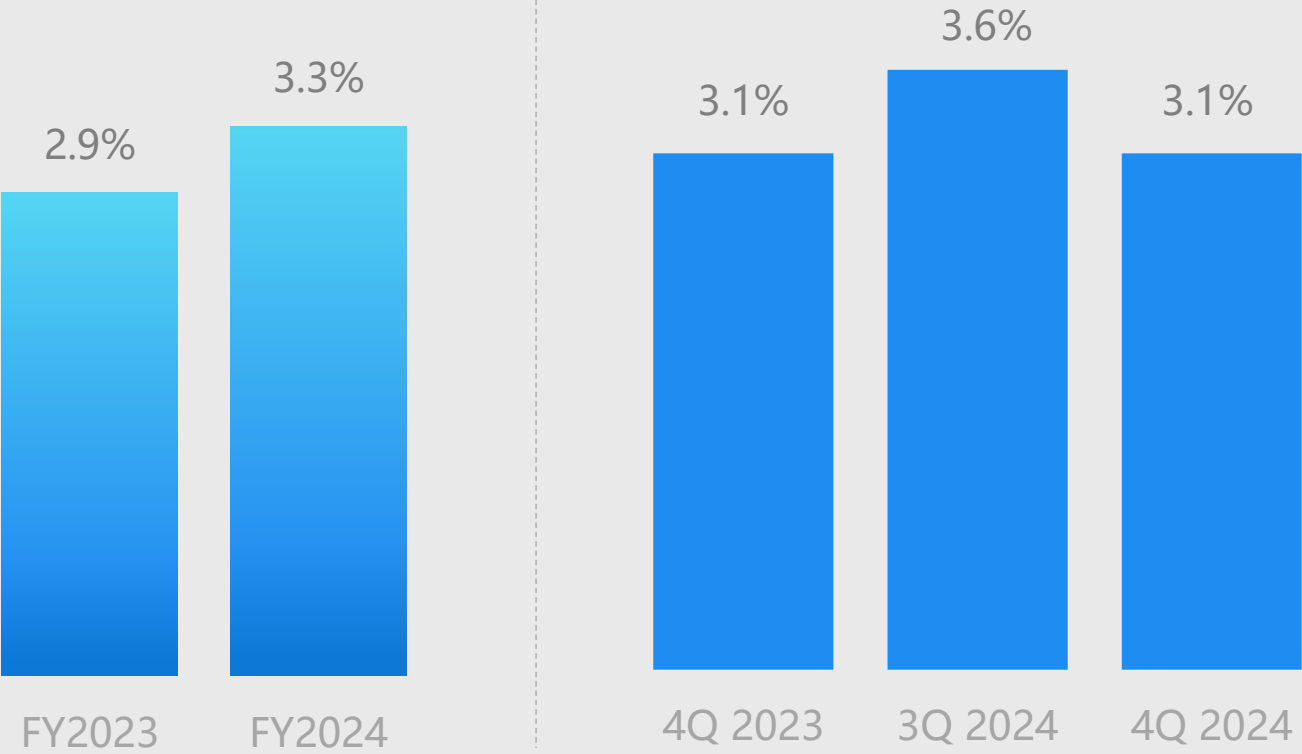
(1) Represents Income from operations divided by total net revenue  
(2) Represents Non-GAAP adjusted net income divided by total net revenue

# Net Revenue Per Employee and Operating Costs and Expenses

\_\_Net Revenue Per Employee  
(RMB1,000)



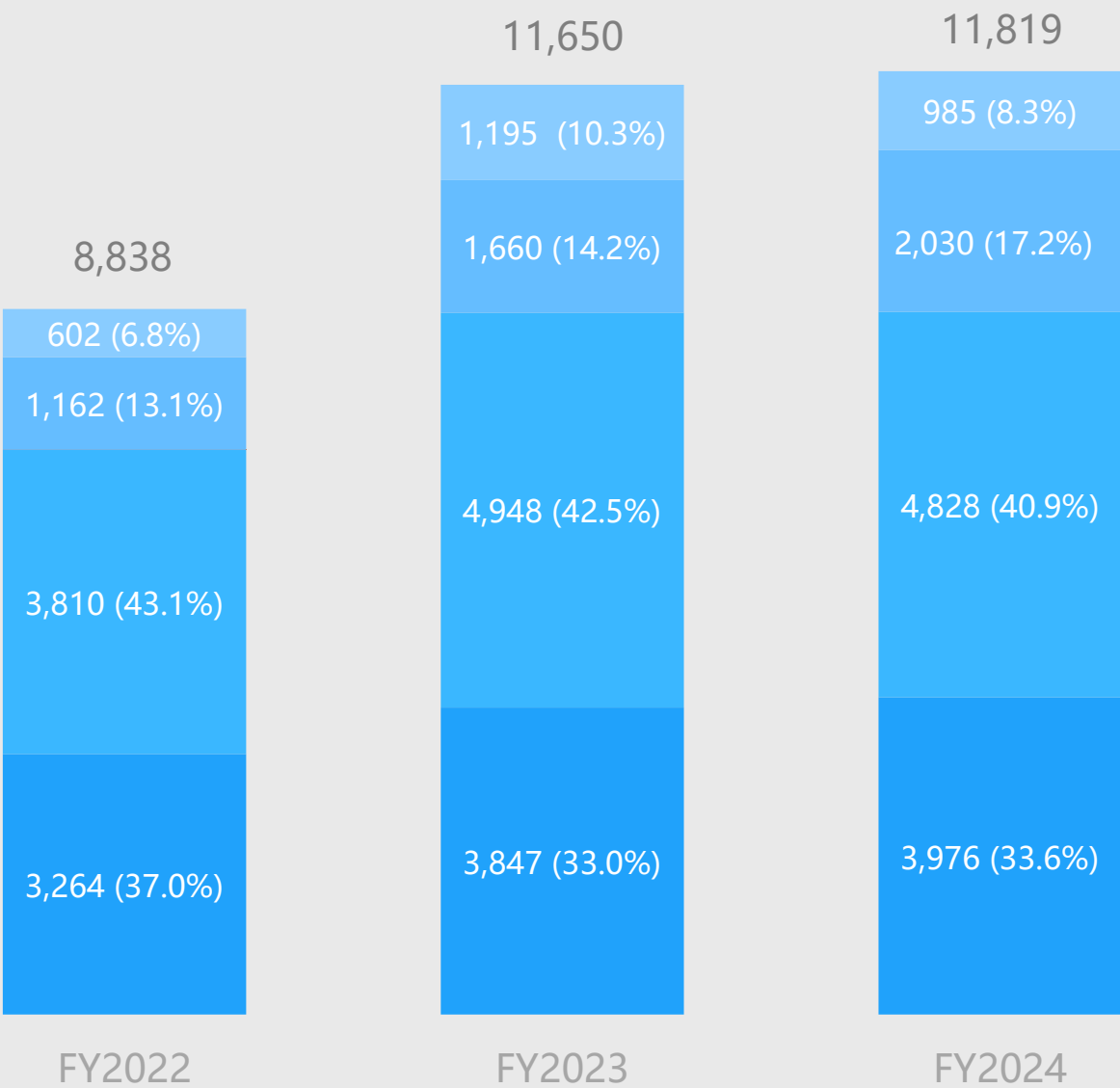
\_\_Operating Costs and Expenses <sup>(1)</sup>



(1) Represents operating costs and expenses divided by total amount of loans that the Company facilitated and originated during the relevant period. Operating costs and expenses include origination and servicing expense, borrower acquisitions and marketing expense, as well as general and administrative expense.

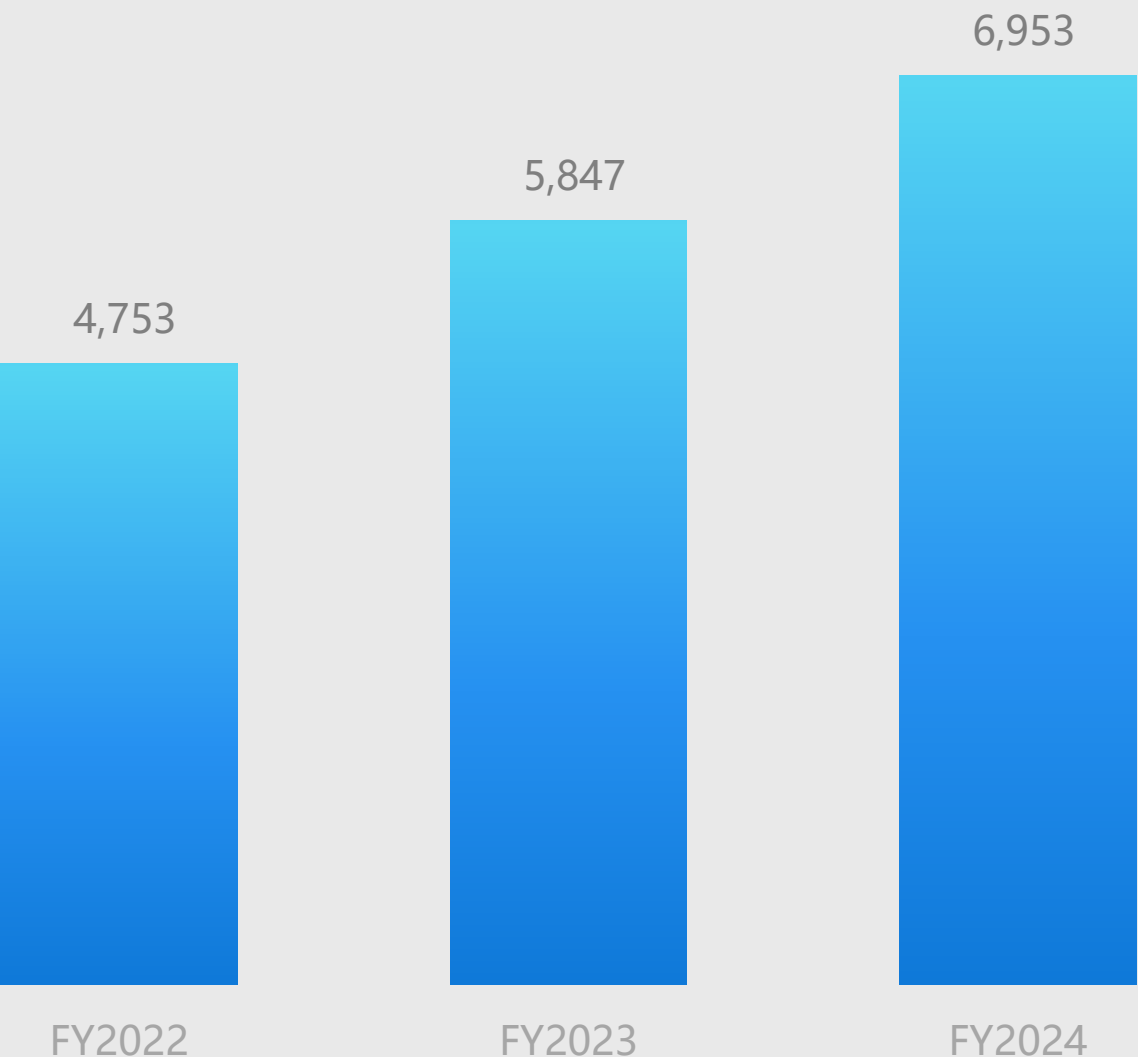
# Outstanding Return on Equity Performance

— Total Assets  
(RMBmn)



- Cash & Cash Equivalents
- Accounts Receivable & Contract Assets
- Loans receivable from Xiaoying Credit Loans and other loans
- Others

— Total Equity <sup>(1)</sup>  
(RMBmn)



(1) Represents total X Financial shareholders' equity, excluding non-controlling interest in subsidiaries

# Summary Consolidated Balance Sheet

	As of 12/31/2023	As of 12/31/2024	
	(in RMB1,000)	(in RMB1,000)	(in USD1,000)
Cash and cash equivalents	1,195,352	984,611	134,891
Accounts receivable and contract assets, net	1,659,588	2,029,550	278,047
Loans receivable from Xiaoying Credit Loans and other loans, net	4,947,833	4,828,317	661,477
Total assets	11,650,023	11,819,288	1,619,234
Payable to investors and institutional funding partners at amortized cost	3,584,041	2,184,086	299,218
Short-term borrowings	565,000	328,500	45,004
Income tax payable	446,500	591,491	81,034
Total liabilities	5,802,899	4,866,134	666,656
Total equity	5,847,124	6,953,154	952,578

Source: Company financial statements

# Consolidated Income Statement

	4Q 2023	4Q 2024	
	(in RMB1,000)	(in RMB1,000)	(in USD1,000)
Net revenues			
Loan facilitation service	615,482	877,664	120,239
Post-origination service	166,807	266,018	36,444
Financing income	307,692	350,599	48,032
Guarantee income	16,576	69,649	9,542
Other revenue	86,107	144,792	19,836
Total net revenue	1,192,664	1,708,722	234,093
Operating costs and expenses			
Origination and servicing	420,987	438,975	60,139
Borrower acquisitions and marketing	346,994	503,704	69,007
General and administrative	39,110	48,886	6,697
Provision for accounts receivable and contract assets	6,250	13,262	1,817
Provision for loans receivable	99,365	64,289	8,808
Provision for contingent guarantee liabilities	25,926	116,103	15,906
Change in fair value of financial guarantee derivative	-	(1,038)	(142)
(Reversal of) provision for credit losses for deposits and other financial assets	(160)	(671)	(92)
Total operating costs and expenses	938,472	1,183,510	162,140
Income from operations	254,192	525,212	71,953
Interest income (expenses), net	(2,587)	4,338	594
Foreign exchange (gain) loss	3,232	(6,183)	(847)
Income from financial investments	5,480	13,396	1,835
Other income	1,346	4,084	560
Income before income taxes	261,663	540,847	74,095
Income tax expense	(47,351)	(150,778)	(20,657)
Gain (loss) from equity in affiliates, net of tax	(21,550)	4,587	628
Loss from financial investments at equity method, net of tax	(3,794)	(9,030)	(1,237)
Net income	188,968	385,626	52,829
Net income attributable to X Financial shareholders	188,968	385,626	52,829

# Consolidated Income Statement

	FY2023	FY2024	
	(in RMB1,000)	(in RMB1,000)	(in USD1,000)
Net revenues			
Loan facilitation service	2,740,974	3,102,345	425,020
Post-origination service	596,582	759,539	104,056
Financing income	1,137,336	1,372,004	187,964
Guarantee income	24,498	201,716	27,635
Other revenue	315,494	436,178	59,756
Total net revenue	4,814,884	5,871,782	804,431
Operating costs and expenses			
Origination and servicing	1,544,014	1,738,139	238,124
Borrower acquisitions and marketing	1,370,942	1,582,472	216,798
General and administrative	153,943	175,934	24,103
Provision for accounts receivable and contract assets	12,234	35,732	4,895
Provision for loans receivable	229,137	221,658	30,367
Provision for contingent guarantee liabilities	67,520	241,738	33,118
Change in fair value of financial guarantee derivative	(24,966)	(1,038)	(142)
Fair value adjustments related to Consolidated Trusts	531	-	-
(Reversal of) provision for credit losses for deposits and other financial assets	(588)	3,378	463
Total operating costs and expenses	3,352,767	3,998,013	547,726
Income from operations	1,462,117	1,873,769	256,705
Interest expenses, net	(20,365)	(560)	(77)
Foreign exchange loss	(4,023)	(9,533)	(1,306)
Income from financial investments	6,498	17,134	2,347
Other income, net	24,351	13,521	1,852
Income before income taxes	1,468,578	1,894,331	259,521
Income tax expense	(261,130)	(405,702)	(55,581)
Gain (loss) from equity in affiliates, net of tax	(1,931)	10,159	1,392
Gain (loss) from financial investments at equity method, net of tax	(18,723)	41,118	5,633
Net income	1,186,794	1,539,906	210,965
Net income attributable to X Financial shareholders	1,186,794	1,539,906	210,965

# Reconciliations of GAAP and Non-GAAP Results

	4Q 2023	4Q 2024	
	(in RMB1,000)	(in RMB1,000)	(in USD1,000)
Reconciliation of Adjusted Net Income from Net Income			
GAAP net income	188,968	385,626	52,829
Less: Income (loss) from financial investments (net of tax of nil)	5,480	13,396	1,835
Less: Impairment losses on financial investments (net of tax of nil)	-	-	-
Less: Impairment losses on long-term investments (net of tax)	(35,079)	(16,680)	(2,285)
Less: Gain (loss) from financial investments at equity method (net of tax of nil)	(3,794)	(9,030)	(1,237)
Add: Share-based compensation expenses (net of tax of nil)	8,421	10,082	1,381
Non-GAAP adjusted net income	230,782	408,022	55,897

	FY2023	FY2024	
	(in RMB1,000)	(in RMB1,000)	(in USD1,000)
Reconciliation of Adjusted Net Income from Net Income			
GAAP net income	1,186,794	1,539,906	210,965
Less: Income (loss) from financial investments (net of tax of nil)	6,498	17,134	2,347
Less: Impairment losses on financial investments (net of tax of nil)	-	-	-
Less: Impairment losses on long-term investments (net of tax)	(35,079)	(16,680)	(2,285)
Less: Gain (loss) from financial investments at equity method (net of tax of nil)	(18,723)	41,118	5,633
Add: Share-based compensation expenses (net of tax of nil)	42,598	40,178	5,504
Non-GAAP adjusted net income	1,276,696	1,538,512	210,774



THANK YOU