

X Financial

Digital Lending Marketplace



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X Financial

High-ROE, Capital-Light
Consumer Lending Platform

FY2024 Highlights | Capital Return Cumulative



\$211M

Net Income



24%

ROE



5.2M

Active Borrowers



\$78M

Capital Returned



\$115M Share Buyback

2025–2026 Authorized Program

~5.8M shares @ ~\$20/share
(~14% of current float)



< 2.5x Forward P/E

Post-Buyback & Growth Adjusted

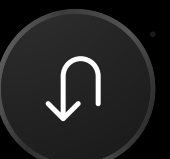
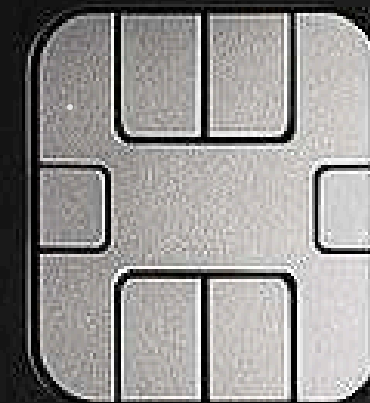
EPS up ~45% → **Forward P/E ~2.5x**



~US\$119 M Net Cash

Zero Net Debt Balance Sheet

Room for buybacks, dividends, or reinvestment



+230%

1 Year Stock Return

(Aug 2024 – Aug 2025)



2.5x P/E

Trailing Earnings Valuation

TTM Net Income: **\$243M**

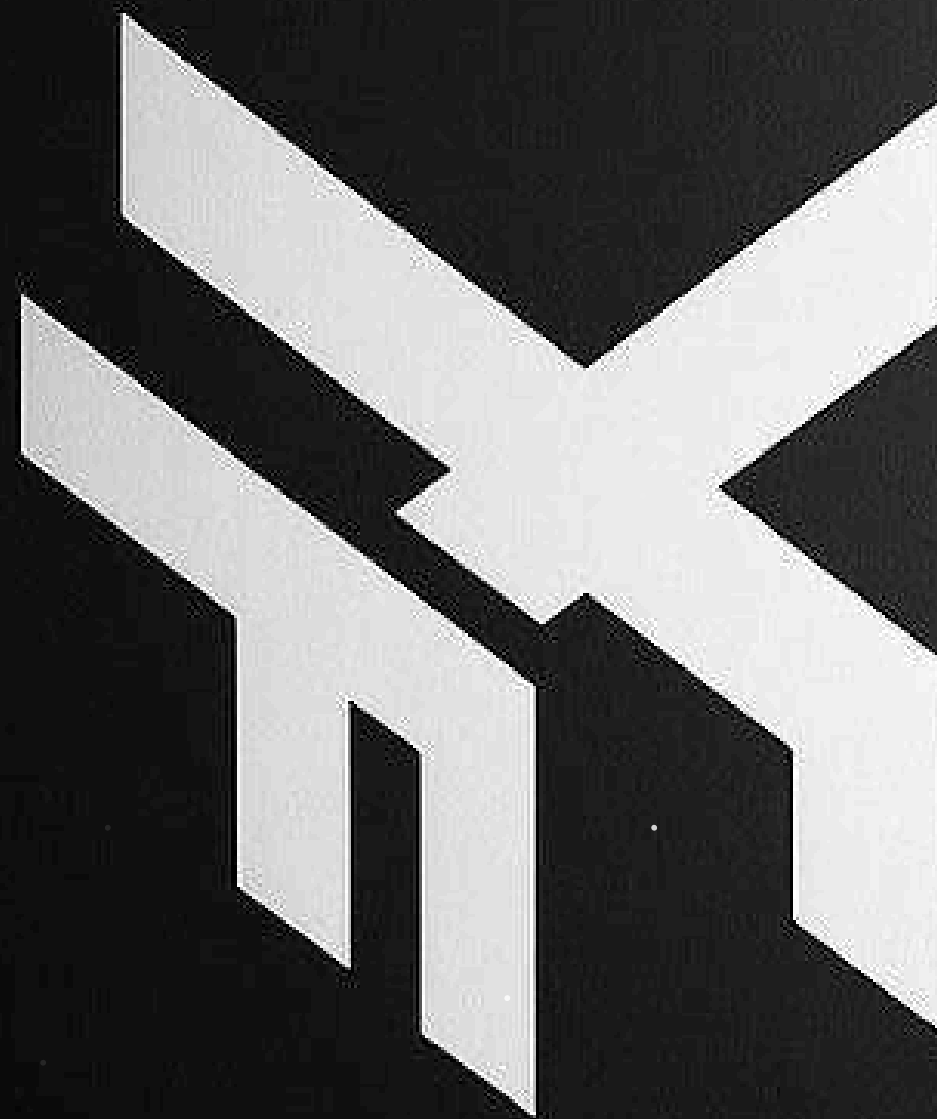
Market Cap: ~\$600M



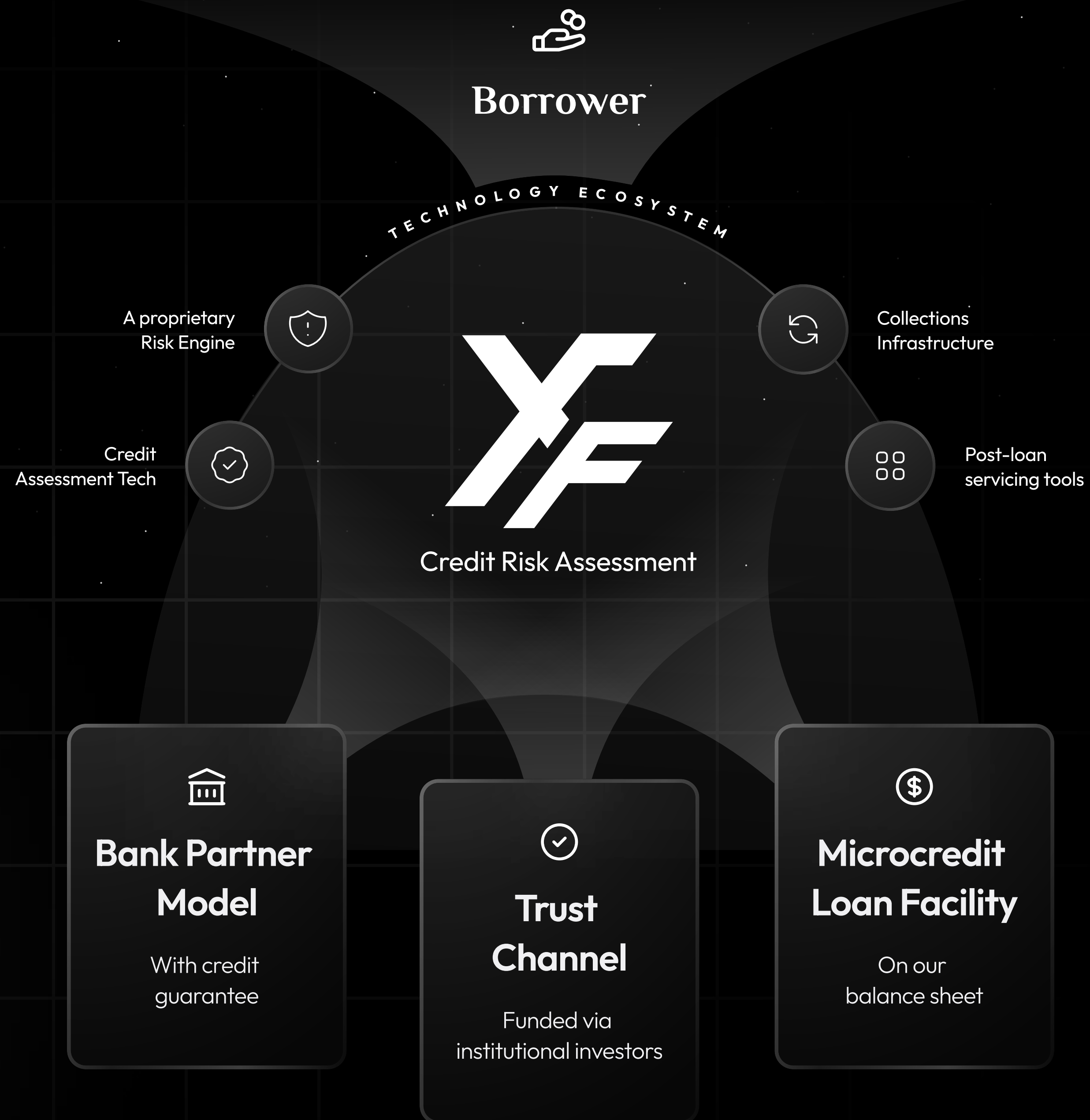
30% Growth

2025 Growth Guidance

Estimated **30% Volume Growth** Guidance in FY25



X Financial's Core Model and Tech Stack



Modular Lending with Capital Efficiency



Loan Facilitation

Primary growth engine of the platform

Matches borrowers with licensed bank partners

Capital-light¹ model enabling high leverage and scalability

Delivered >45% ROIC in Q1 2025 — the highest among all business lines

As this segment scales, it expands overall platform ROIC (>40%+ by 2024)

Structurally advantaged model: high throughput, minimal capital required, and strong compounding returns over time

Scalable, asset-light flywheel as origination volumes increase



Trust Channel

Structured lending through trust with institutional funding

X Financial acts as a servicer and credit enhancer

Supports larger-ticket loans with strong investor demand.

Capital-light with fee-based recurring revenue

Strategic value: deepens relationships with institutional investors, diversifies funding sources, and embeds an automatic funding-cost optimizer into the platform's architecture



MicroCredit

Direct lending through X Financial's own microcredit license

X assumes full credit risk but retains 100% interest income, one of the solutions for margin control

Used for tactical product innovation and margin control

Capital-intensive (limited leverage), but valuable for differentiation

Supports platform flexibility where licensed capabilities are required



Partnerships

Collaborative models with external platforms and fintech ecosystems

Access to large, high-quality borrower pools with embedded trust

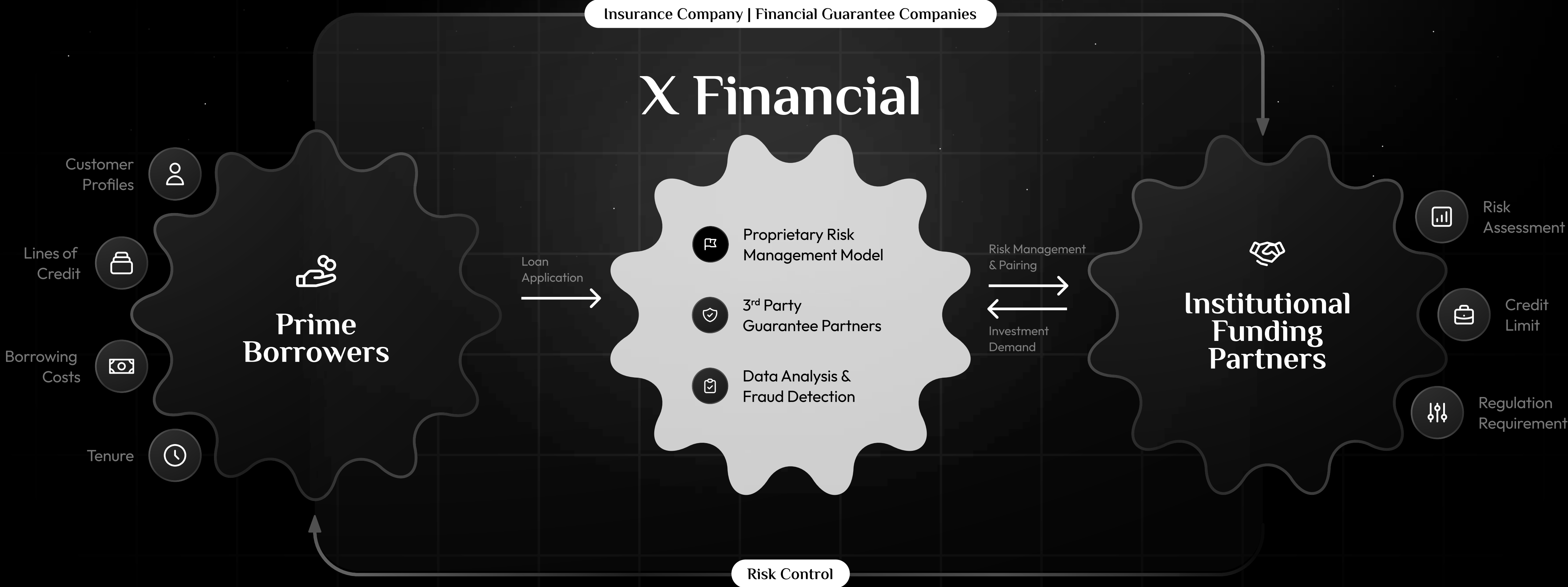
Enables high-volume growth while reducing fixed cost ratio

Enhances credit quality through partner-verified user data

Expands brand reach by tapping into built-in cross-platform exposure

1. Capital-light model refers to modest-margin loan facilitation that enables high leverage.

Business Introduction and Model Comparison



Product Design and Basic Info



36.6

Average user age



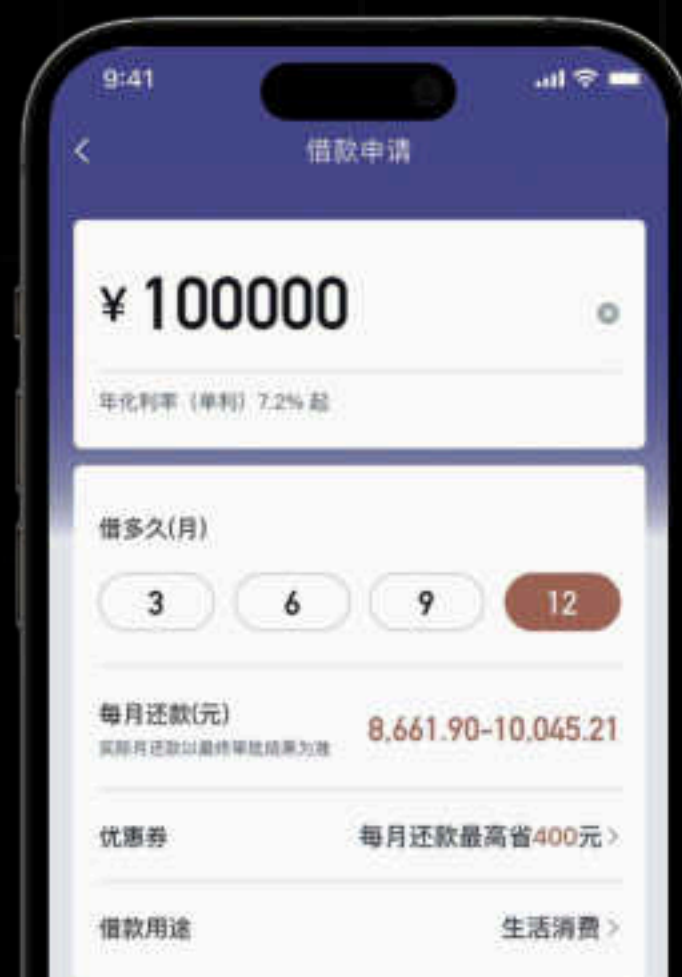
11,177 RMB

Average loan amount



10.9 mos

Average loan term



Advertising Channels

Primary Platforms

China Market



Smart Ad Acquisition

Performance-focused campaigns across China's top platforms

Risk & Intent Modeling (Privacy-Conscious)

Optimized targeting using cross-platform signals
(term "federated learning" removed pending tech/
risk confirmation)

Embedded API Partnerships

Telecom Operators Lifestyle Services
E-commerce Platforms Social & Content Ecosystems
Mobility & Logistics Apps

Automated User Funnel

AI-enhanced onboarding to approval flow

AI Capabilities

Core Infrastructure

LLM Stack

On-prem deployment of Qwen2.5 72B, Qwen3 32B and DeepSeek R1
Secure, low-latency hybrid inference with access to ChatGPT, Doubao, etc.

AI Assistant

Centralized access to internal policies, HR, finance, and IT
90%+ employee adoption for daily knowledge tasks

WinAgent Platform (MCP-based)

No-code agent builder for business teams (20+ live agents)
Cross-system orchestration; 400M+ tokens consumed daily
Co-developed with Beijing AI team

Customer Service AI

Agent Co-Pilot

60%+ agent usage
Real-time script suggestion

AI Ops Layer

98% dialogue summarizat. accuracy
Live QC and risk detection

Chatbot Engine

Deployed across all channels (24/7)

97%
intent accuracy

96%
recall

87%
task automation

Performance Gains







Model Distillation (w/ Alibaba Cloud)

89%
accuracy

20%
lower GPU cost

400ms
latency (was 800ms)

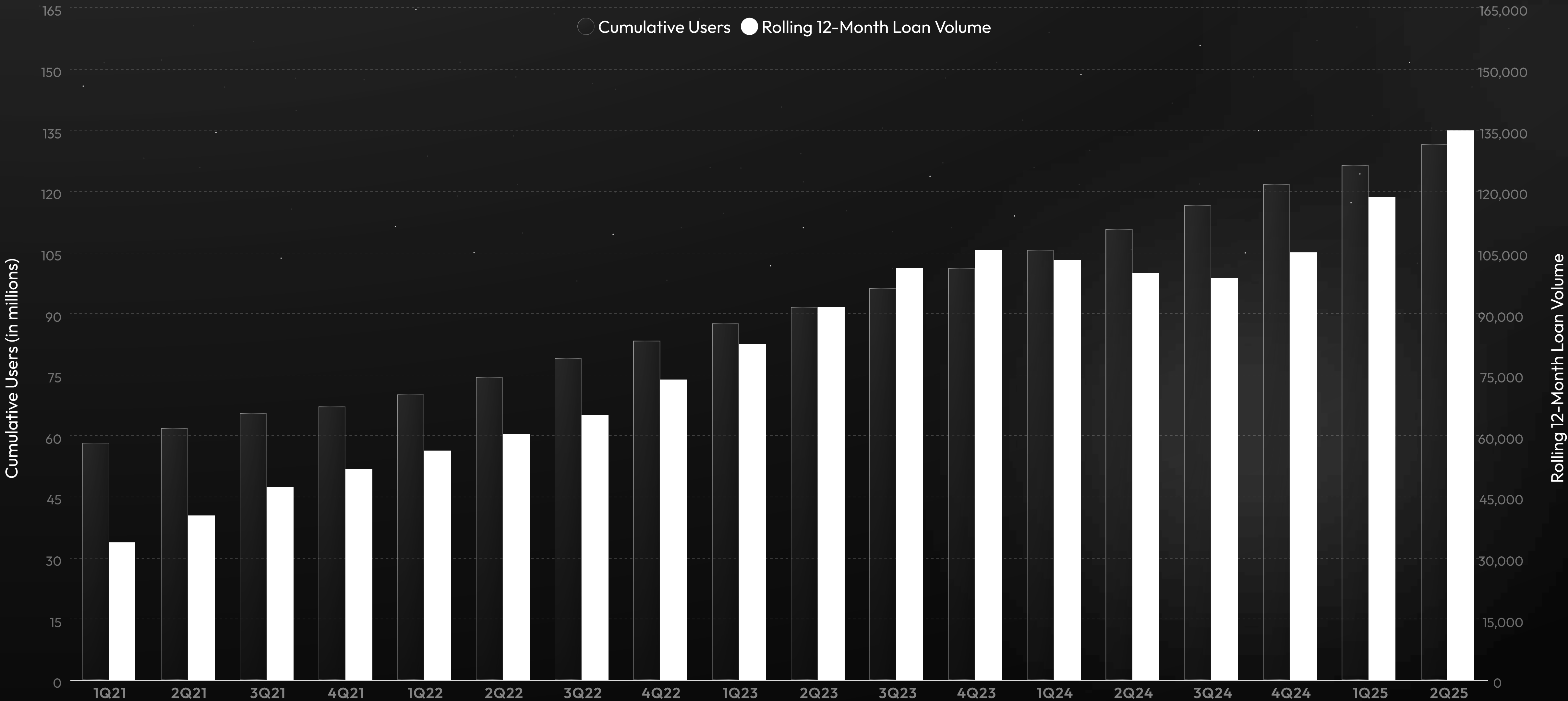
Capability

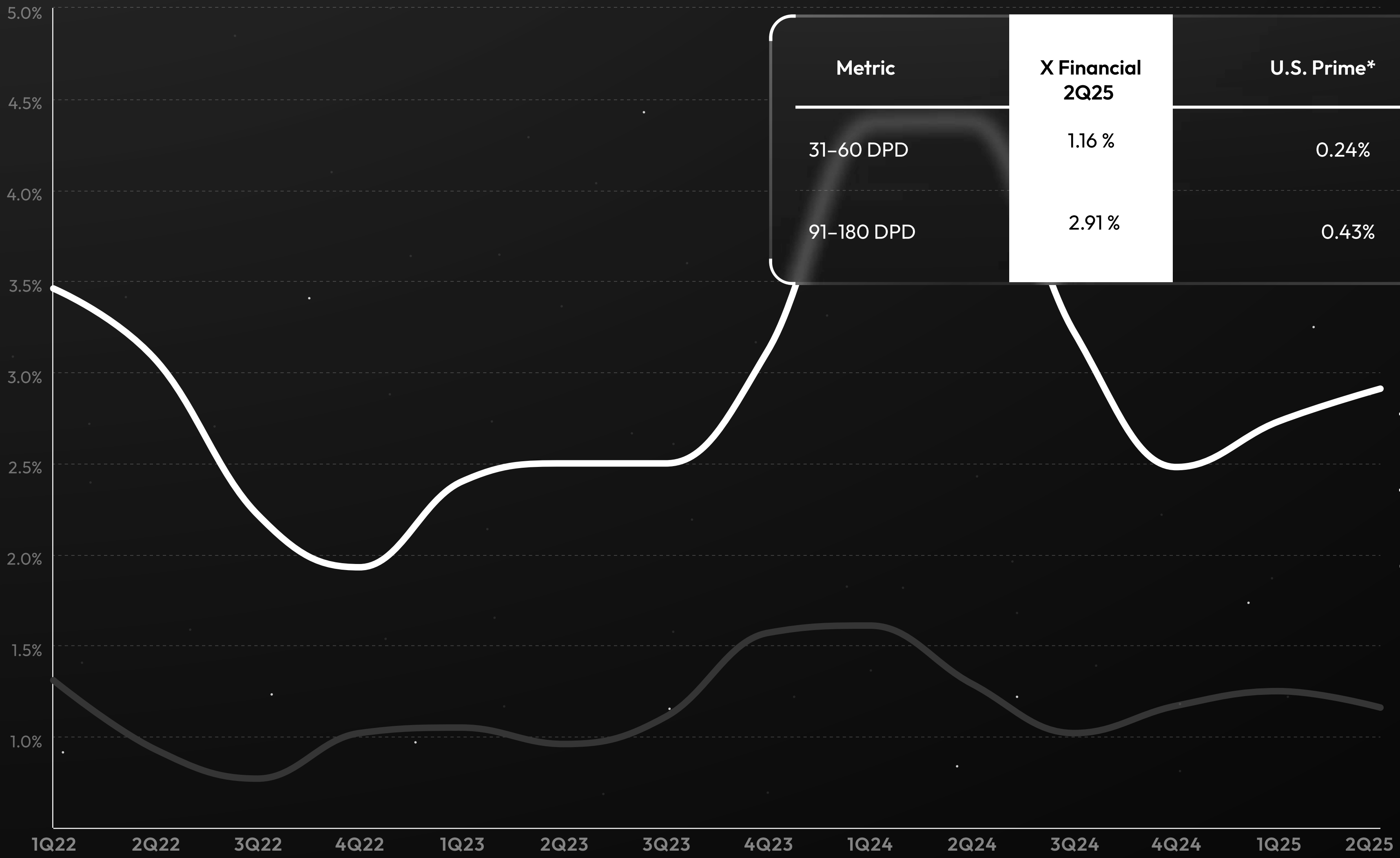
-  Risk >99% facial match; credit report parsing
-  Marketing 95%+ content auto-approved; intelligent ad targeting
-  Customer Ops Smart replies, AI summaries, quality inspection
-  Legal Auto-generation & structuring of legal docs
-  Post-Loan AI agents for repayment support & borrower inquiries
-  R&D Test case generation (>90% accuracy)

Platform Built to Compound Capital, Not Consume It

In 2024, we served over **5 million active** borrowers through more than **9 million new loans**. Since inception, over **120 million** users have registered on our platform, and we've facilitated more than **\$14 billion USD** in loans.

The system was built for profitable flow, not vanity volume. That design delivered a **32% operating margin** and a **26% net margin** in **2024**. We don't chase headlines or short-term narratives. We build systems that **improve with scale**, not degrade from it.





Metric	X Financial 2Q25	U.S. Prime*	Mass-Market*	Subprime*
31-60 DPD	1.16 %	0.24%	0.77%	1.55%
91-180 DPD	2.91 %	0.43%	1.45%	2.50%

Delinquency Benchmarks vs. U.S. Card Issuers

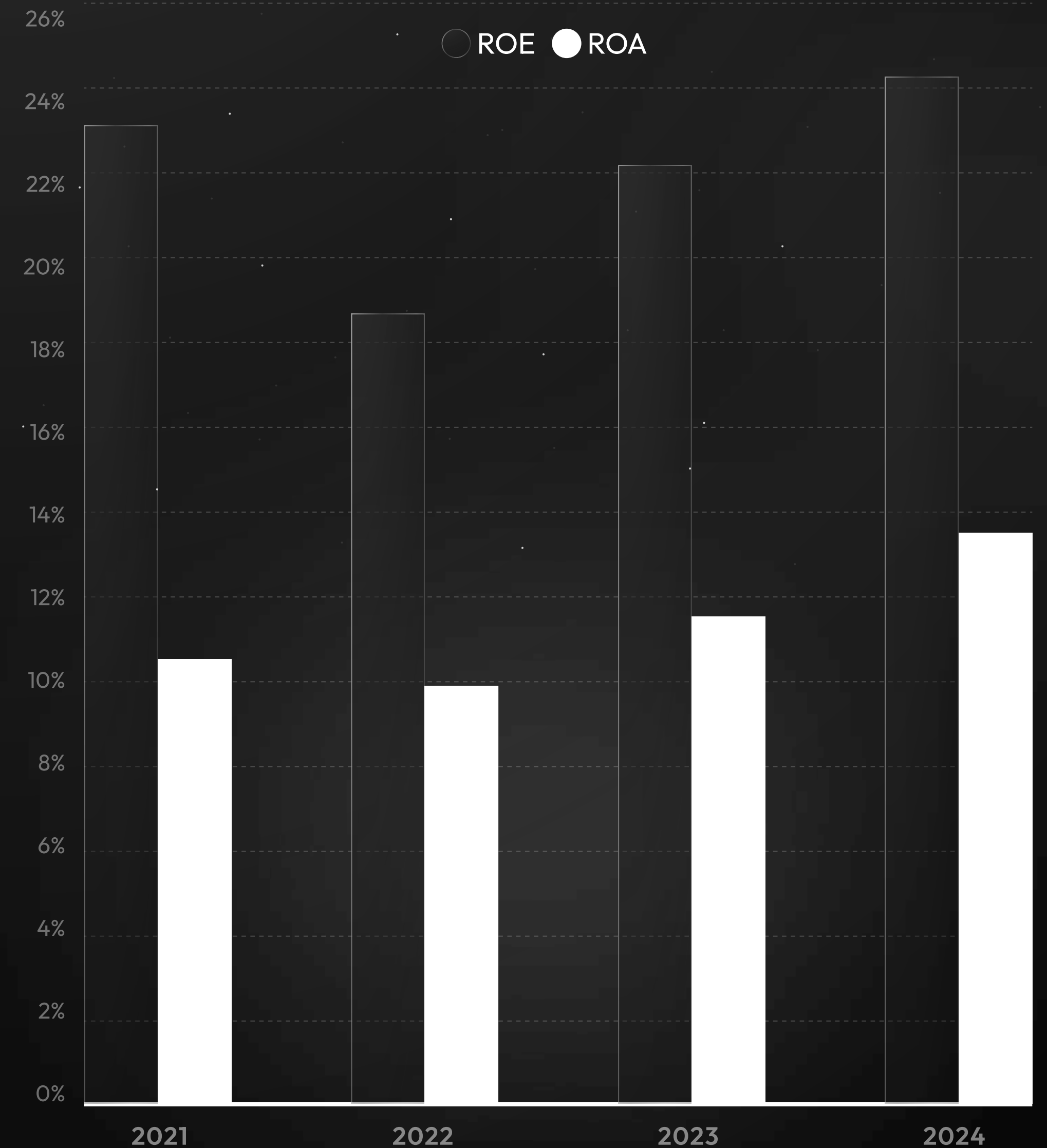
Delinquency Rate (31-60 Days) * Delinquency Rate (91-180 Days) *

*See footnotes in Appendix

24% ROE

Sustained High Returns on Equity with Expanding Asset Efficiency

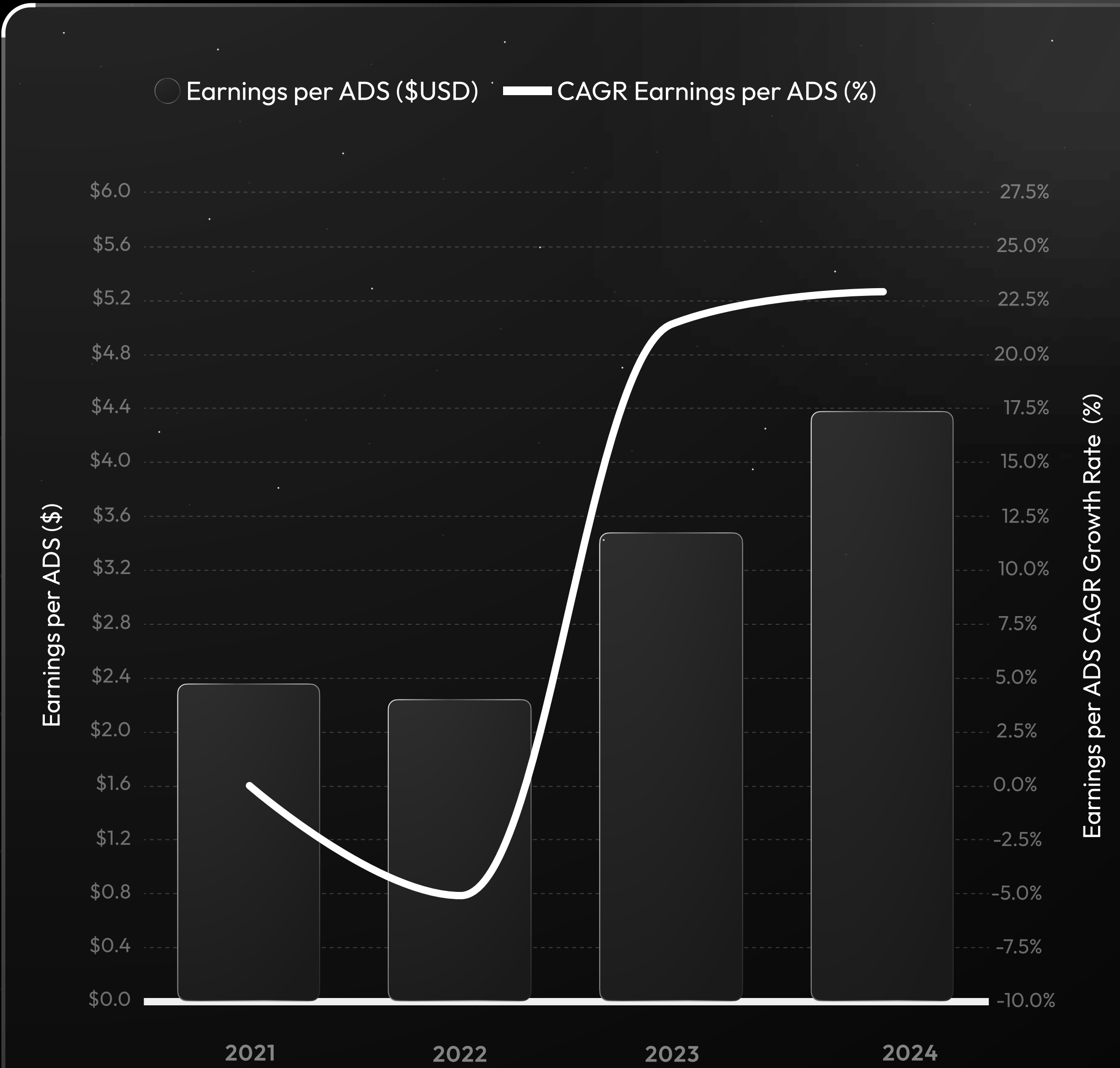
X Financial delivered a strong 24% return on equity in FY2024, supported by consistent capital discipline and a scalable operating model. Over the past four years, ROE has remained above 18%, with ROA improving from 10% to 13%, demonstrating enhanced profitability and efficient asset deployment. These metrics highlight the strength of our capital-light strategy and earnings durability.



Strong Earnings per ADS Growth

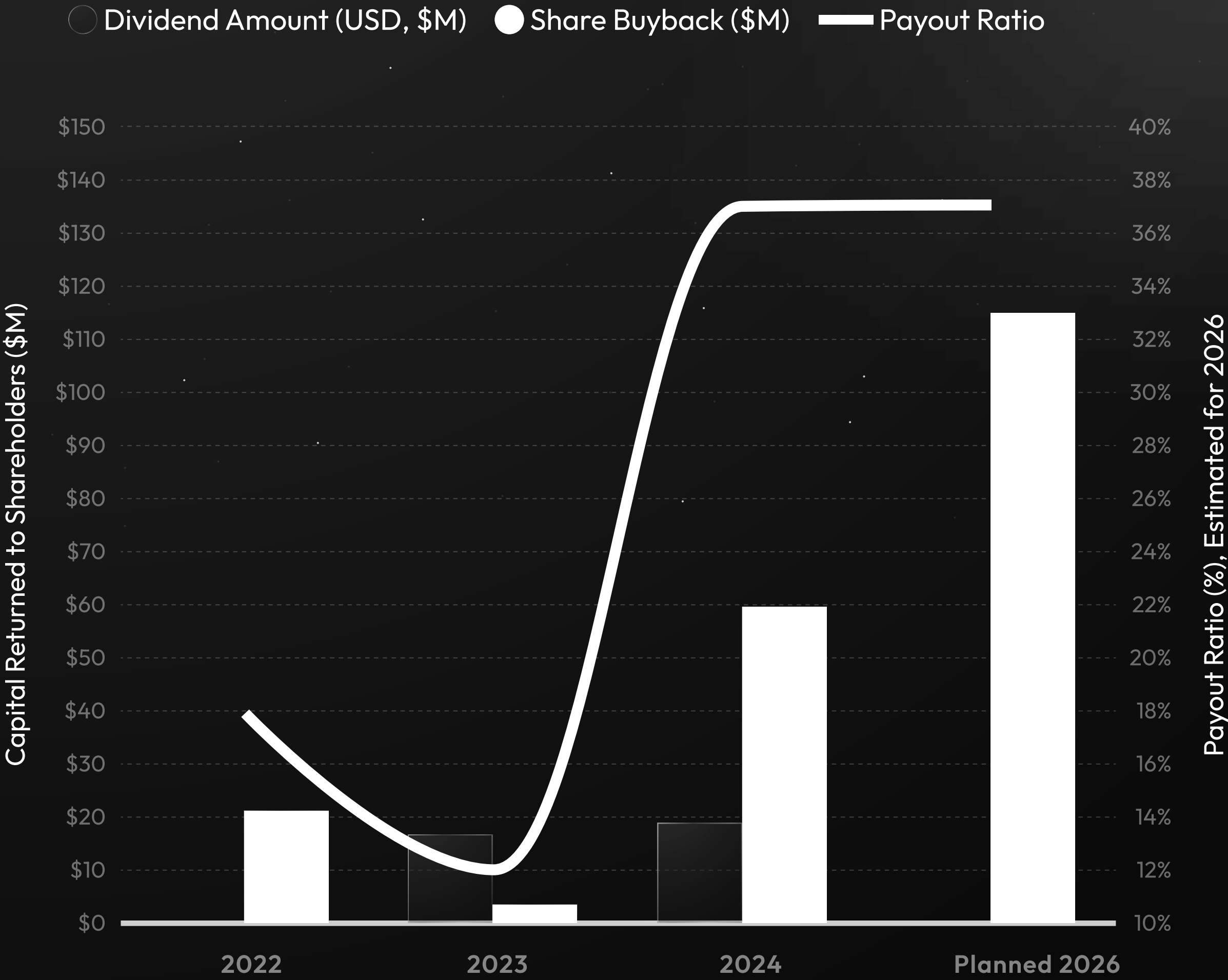
Our capital-light platform has delivered compound earnings per ADS growth of 28.5% in RMB (22.9% in USD) since 2021, driven by margin expansion, disciplined cost of capital, and aggressive share repurchases.

Momentum continues in 2025, with earnings per ADS growth accelerating further on the back of a larger earnings base and buyback leverage.



Capital Efficiency

We don't chase headlines. We focus on allocating every dollar with discipline—toward organic growth, dividends, and repurchases. Over the past three years, we've quietly returned more than \$78 million to shareholders, with a 37% payout ratio last year alone. And we're just getting started—over \$115 million in additional returns are planned through 2026. This makes our capital return strategy one of the most shareholder-efficient in the market—achieved without financial engineering, and without compromising on returns.



Justin Yue Tang:

Founder, Operator, Capital Allocator

Co-founded eLong.com

- One of China's first online travel platforms
- Scaled rapidly and listed on NASDAQ (2004)
 - Sold controlling stake to Expedia

1999

2006

Launched Blue Ridge China

- Raised/Deployed >\$1.4B in private capital
 - Built positions in 30+ Chinese firms
- Operated under Tiger Cub John Griffin

Founded X Financial

- Built asset-light, fintech lending platform
- Pioneered capital-efficient credit in China
- Integrated with top-tier bank partners

2014

2018

Took X Financial Public

- Listed on NYSE (Ticker: XYF)
- Has remained the largest insider since IPO

Leadership Team with Global Financial Track Record

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



Justin Tang
唐越
CEO



Co-founded eLong, Inc. (NASDAQ:LONG) in 1999; served as Chairman & CEO through its 2006 IPO, making it one of China's first major online travel platforms.



In 2006, co-founded and led Blue Ridge China, the China arm of Blue Ridge Capital—a Tiger Cub hedge fund founded by John Griffin—as Managing Partner until 2014.



Kent Li
李侃
President

15+ years of experience in consumer lending, credit policy, and risk management across North America and China.



Former manager at Capital One, responsible for credit policy design and post-loan portfolio management.

Joined X Financial in 2015; previously served as Chief Risk Officer and currently serves as President and Board Director.



Frank Zheng
郑富亚
CFO

15+ years of experience in corporate finance, public company reporting, and investment management across technology and financial sectors.



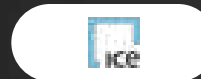
Former CFO of NASDAQ-listed Cogo Group; held senior finance roles at ChinaCache, Yingde Gases, and eLong.

Joined X Financial in 2020 as Chief Financial Officer, overseeing financial strategy, capital planning, and investor reporting.



Noah Kauffman
Chief Financial
Strategy Officer

20 years of leadership in global finance, strategic planning, and operational execution across exchanges, asset managers, and technology-driven companies.



Former Head of Strategic FP&A at Intercontinental Exchange (NYSE: ICE), partnering with C-suite on capital allocation and global business strategy.

Previously held roles at Invesco, Prudential, and a VC-backed SaaS startup acquired by Dentsu.



Jason Jiang
江宇帆
CRO

10+ years of experience in personal credit risk, specializing in fraud detection, database systems, and risk strategy development.



Served as senior risk manager in the Credit Card Center at Bank of Communications, leading fraud risk controls prior to 2015.

Joined X Financial in 2015; appointed Chief Risk Officer in November 2023, overseeing proprietary credit scoring models and risk policy frameworks.

Consolidated Income Statement

	2Q 2024 (RMB'000)	2Q 2025 (RMB '000)	2Q 2025 (USD '000)	Period Change
Loan facilitation & servicing	886,918	1,640,850	229,054	+85.0%
Financing income	351,012	319,938	44,662	-8.9%
Other revenue (incl. guarantee)	134,658	312,335	43,600	+131.9%
Total net revenue	1,372,588	2,273,123	317,316	+65.6%
Operating & marketing expenses	738,707	1,270,238	177,318	+72.0%
Credit provisions *	122,739	254,504	35,527	+107.4%
Total operating costs	909,535	1,598,067	223,081	+75.7%
Income from operations	463,053	675,056	94,235	+45.8%
Net income	415,303	528,016	73,709	+27.1%

*See Footnotes In Appendix

Consolidated Balance Sheet

	12/31/2024 (RMB'000)	2Q 2025 (RMB '000)	2Q 2025 (USD '000)	Period Change
Cash & Equivalents	984,611	1,152,990	160,951	+17.1%
Net Accounts Receivable	2,029,550	3,161,642	441,348	+55.8%
Net Loans Receivable	4,828,317	5,017,643	700,436	+3.9%
Total Assets	11,819,288	13,687,855	1,910,751	+15.8%
Investor & Partner Payables	2,184,086	2,454,750	342,670	+12.4%
Short-Term Debt	328,500	401,500	56,047	+22.2%
Taxes Payable	871,484	976,630	136,333	+12.1%
Total Liabilities	4,866,134	5,966,953	832,954	+22.6%
Total Equity	6,953,154	7,720,902	1,077,797	+11.0%

Footnotes

31–60 Days Delinquency Rate

Represents the balance of the outstanding principal for Xiaoying Credit Loans — our primary category of online personal credit loan products facilitated and originated through our platform, including Xiaoying Card Loan as well as other unsecured loan products that we introduce from time to time. The percentage is calculated as the balance of Xiaoying Credit Loans that were 31 to 60 days past due divided by the total outstanding principal balance of Xiaoying Credit Loans facilitated and originated by the Company as of the specific date. Loans that are delinquent for more than 60 days are excluded from the denominator. Starting from the first quarter of 2021, substantially all loans facilitated and originated by the Company have been Xiaoying Credit Loans.

91–180 Days Delinquency Rate

To make the delinquency rate by balance comparable to the peers, the Company also defines the delinquency rate as the balance of the outstanding principal for Xiaoying Credit Loans that were 91 to 180 days past due as a percentage of the total balance of outstanding principal for the Xiaoying Credit Loans that the Company facilitated and originated as of a specific date. Xiaoying Credit Loans that are delinquent for more than 180 days are excluded when calculating the denominator.

U.S. Card Delinquency Benchmarks (2Q25)

Balances-based % of receivables; performing loans only (charged-offs excluded). Values are cohort medians (N = issuers shown). Bucket alignment: 30–59 → 31–60; 90+ used as a lower-bound proxy for 91–180 (standard charge-off ≈180 DPD). Periods: June-2025 ABS trustee reports preferred; otherwise Q2-2025 10-Q/8-K/IR. Cohorts: Prime—AmEx, Chase, Citi; Mass-Market—Capital One (Domestic), Discover; Subprime/Near-prime—Synchrony, Bread/Comenity. Where exact splits weren't disclosed, mapped/proxy values were used.

Credit Provisions

Credit provisions include provisions for loans receivable, contingent guarantee liabilities, and credit losses for deposits and other financial assets; excludes provisions for accounts receivable and contract assets, and changes in fair value of financial guarantee derivatives.