

X Financial

Digital Lending Marketplace



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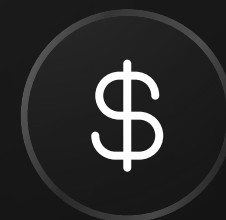
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X Financial

High-ROE, Capital-Light
Consumer Lending Platform

FY2025 Highlights



\$209M

Net Income



20%

ROE



6.7M

Active Borrowers



\$90M

Capital Returned



\$46M Buyback Remaining

\$100M Program · June 2025–Nov 2026

~\$53.85M repurchased (as of Mar 15, 2026)

(~\$46.15M remaining under program)



< 1x Adjusted P/E

Post-Buyback Adjusted

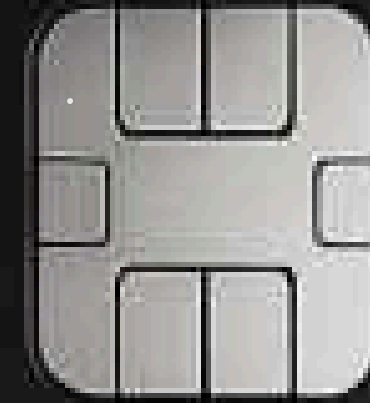
Derived From TTM Earnings + Share Cancellation



~US\$247M Net Cash

Zero Net Debt Balance Sheet

Room for buybacks, dividends, or reinvestment



~9.5% Dividend Yield

Consistent Semi-Annual Cash Distributions

\$0.53/ADS paid in FY2025 (\$0.25 + \$0.28)

Based on \$5.60 close · Dec 31, 2025



~1.05x P/E

Trailing Earnings Valuation

TTM Net Income: \$209M

Market Cap: ~\$219M

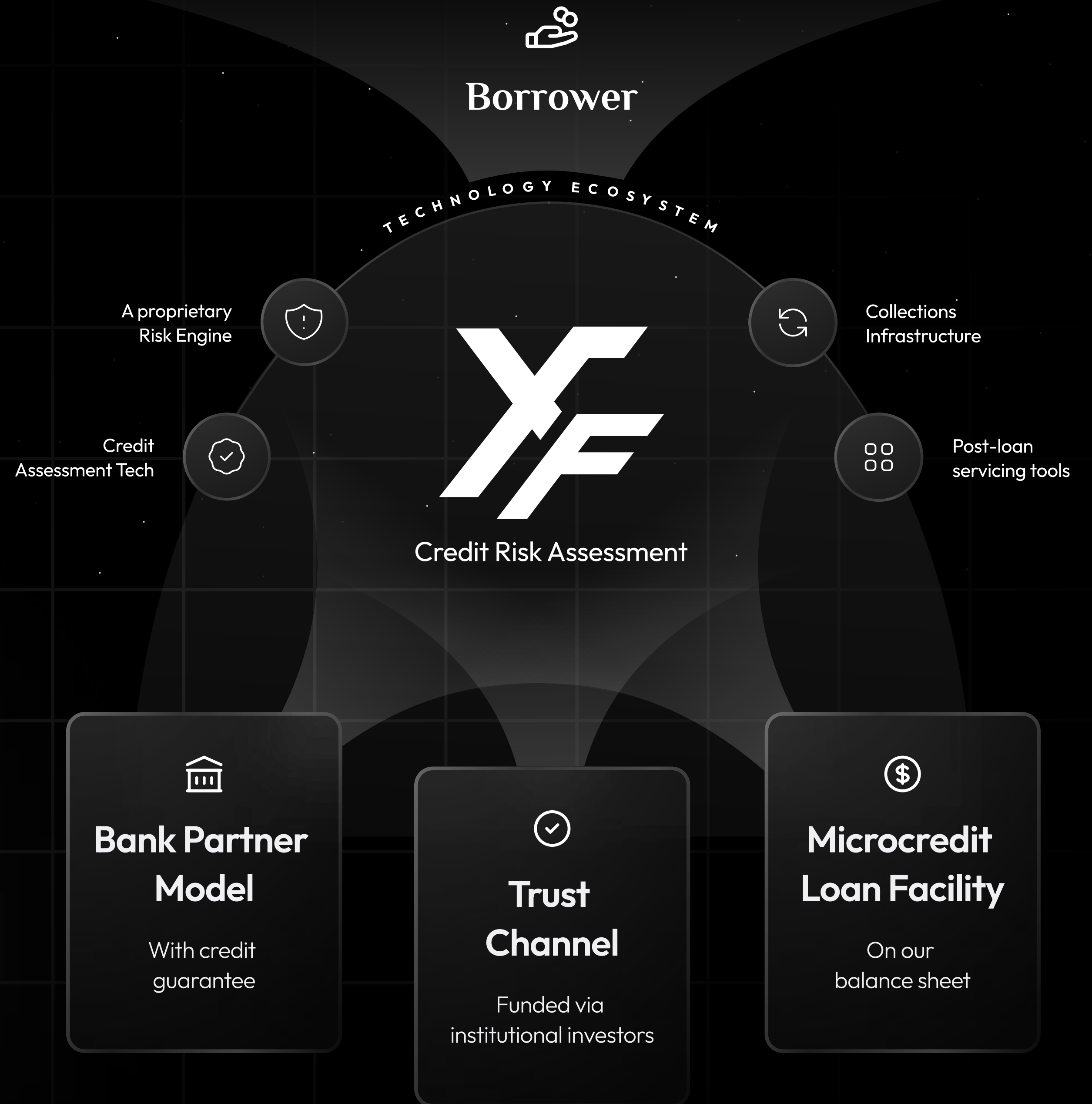


0.2x Book Value

Significant Equity Backing

Market Value Reflects 20% of Reported Equity

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

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

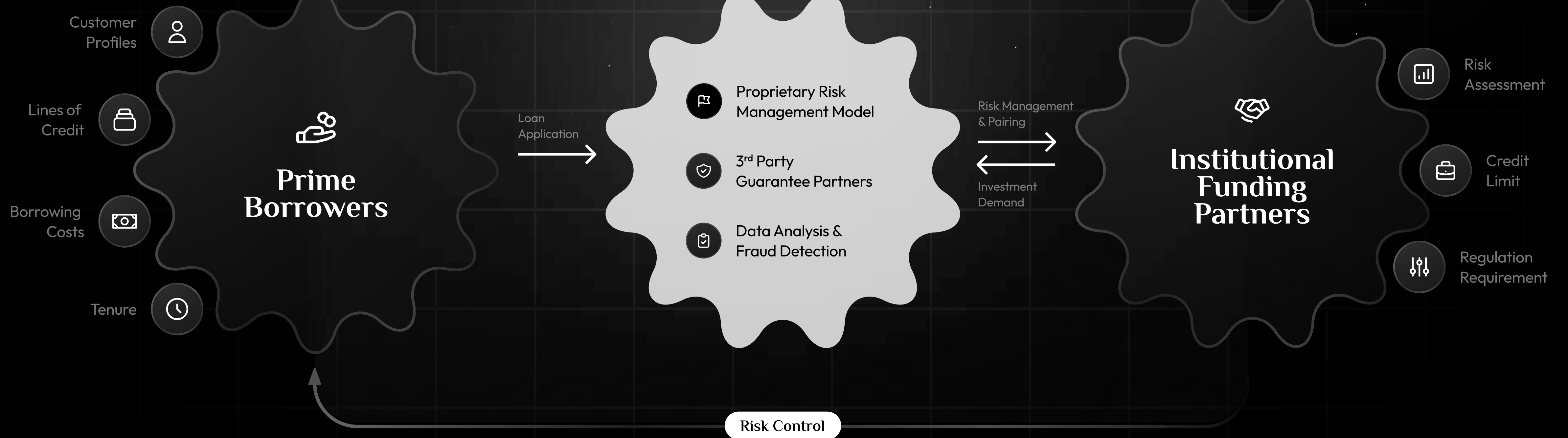
Expands brand reach by tapping into built-in cross-platform exposure

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

Business Introduction and Model Comparison

Insurance Company | Financial Guarantee Companies

X Financial



Product Design and Basic Info



36.6

Average user age



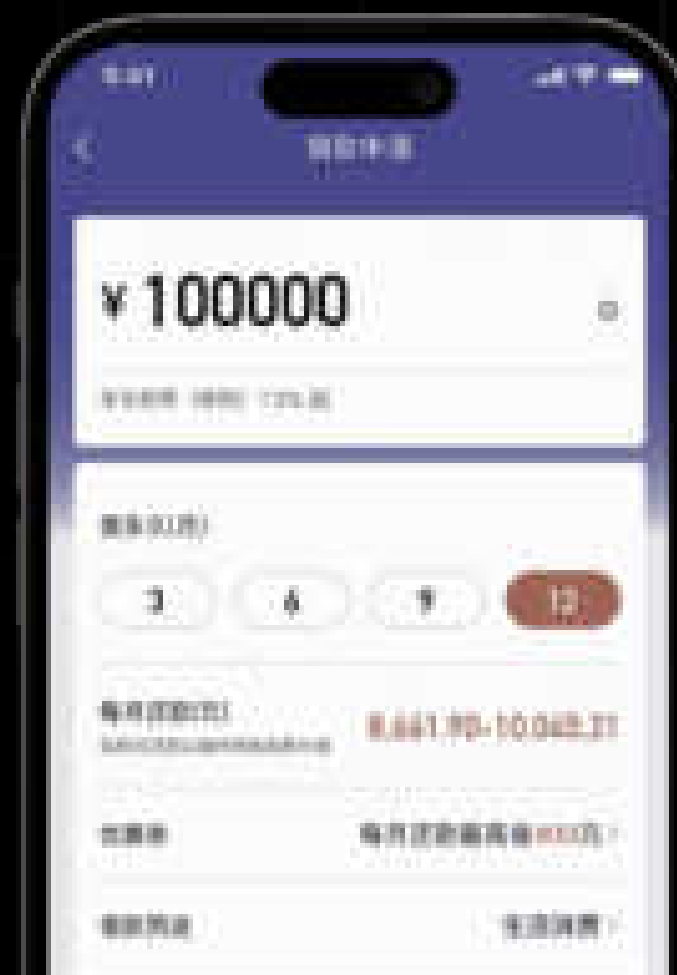
10,185 RMB

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

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

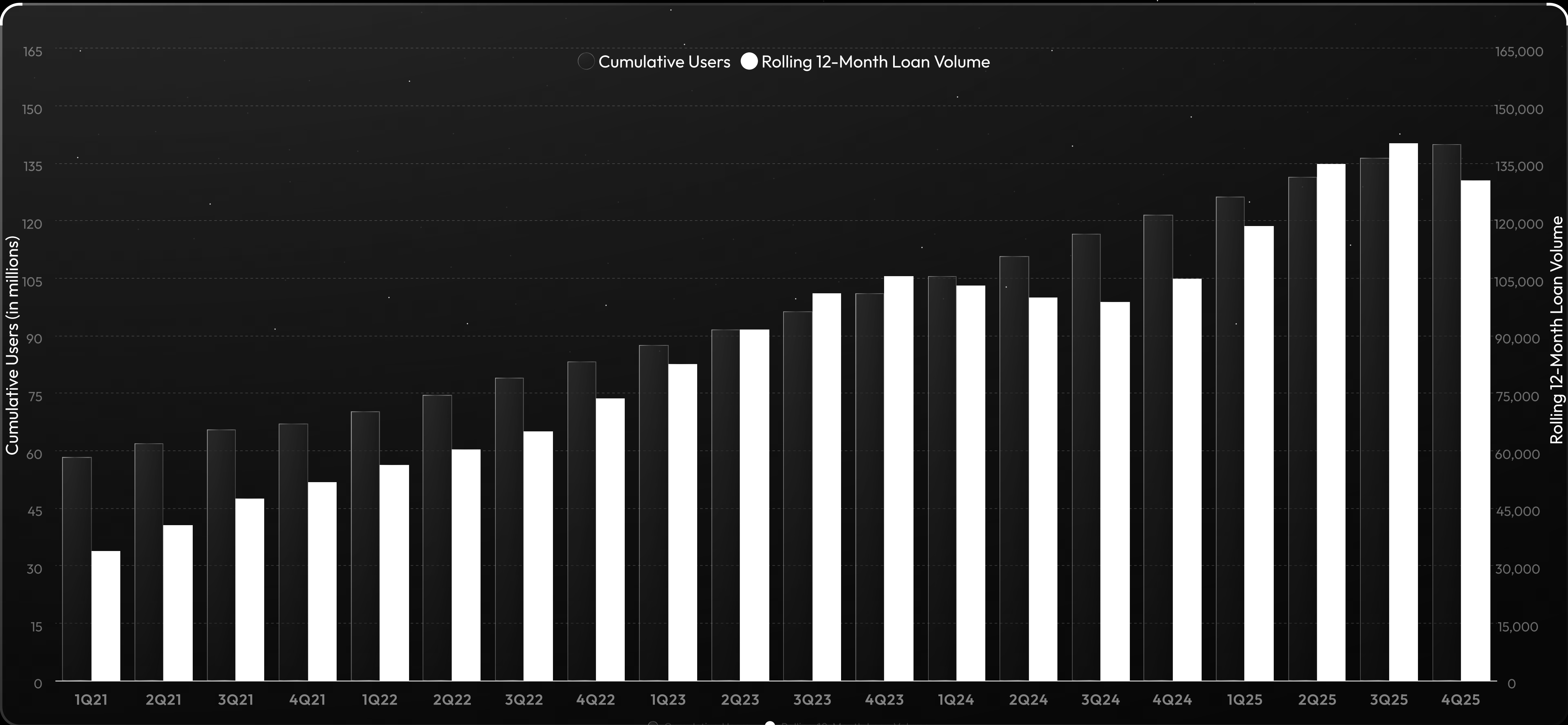
- Risk** >99% facial match; credit report parsing
- Marketing** 95%+ content auto-approved; intelligent ad targeting
- Customer Ops** Smart replies, AI summaries, quality inspection
- Legal** Auto-generation & structuring of legal docs
- Post-Loan** AI agents for repayment support & borrower inquiries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

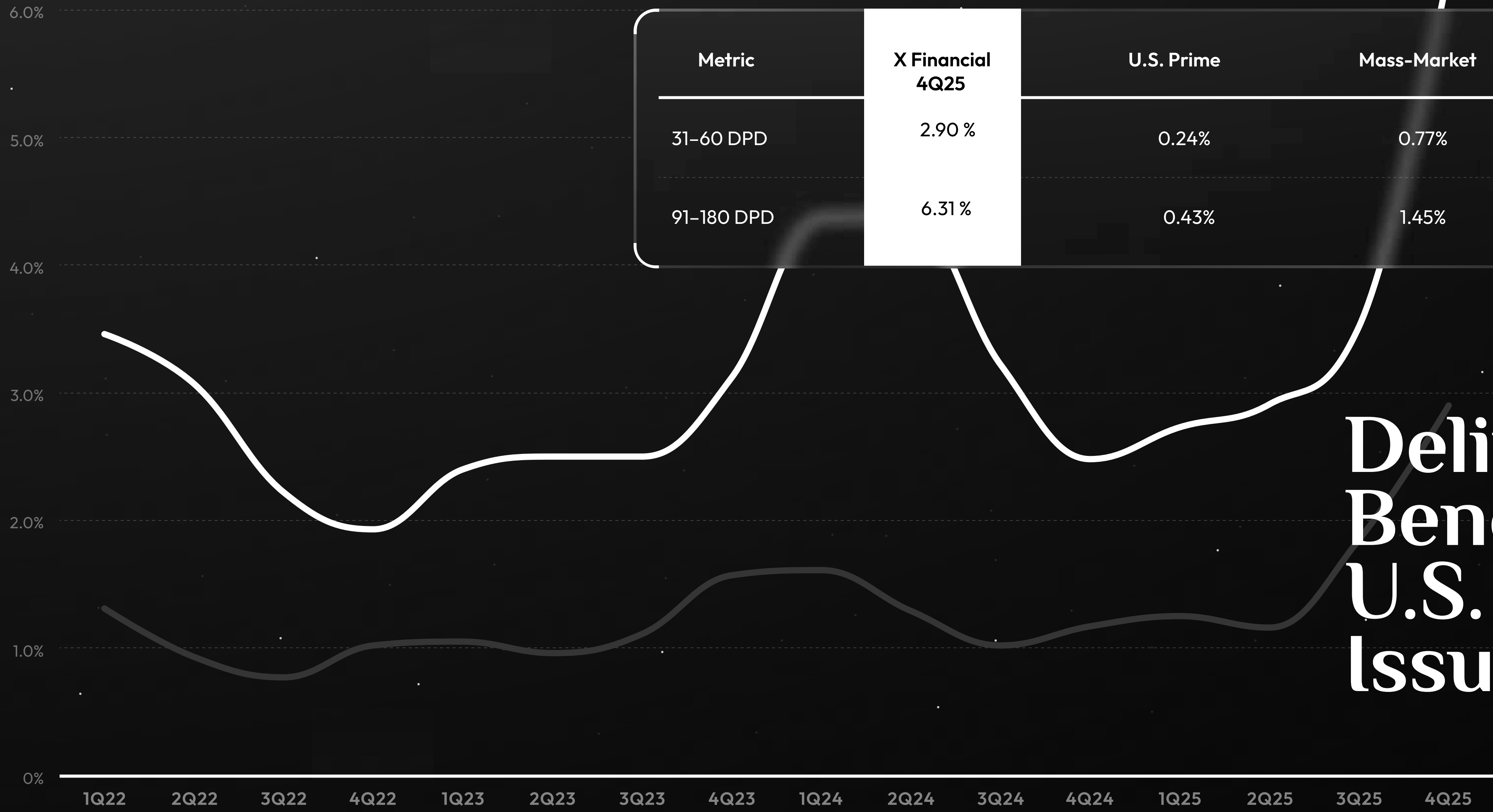
AI Capabilities

Platform Built to Compound Capital, Not Consume It

In 2025, we served over **6.7 million active** borrowers through more than **12.8 million new loans**. Since inception, nearly **140 million** users have registered on our platform, and we've facilitated more than **\$18.7 billion USD** in loans.

The system was built for profitable flow, not vanity volume. That design delivered a **21% operating margin** and a **19% net margin** in **2025**. We don't chase headlines or short-term narratives. We build systems that **improve with scale**, not degrade from it.





Metric	X Financial 4Q25	U.S. Prime	Mass-Market	Subprime
31-60 DPD	2.90 %	0.24%	0.77%	1.55%
91-180 DPD	6.31 %	0.43%	1.45%	2.50%

Delinquency Benchmark vs. U.S. Card Issuers

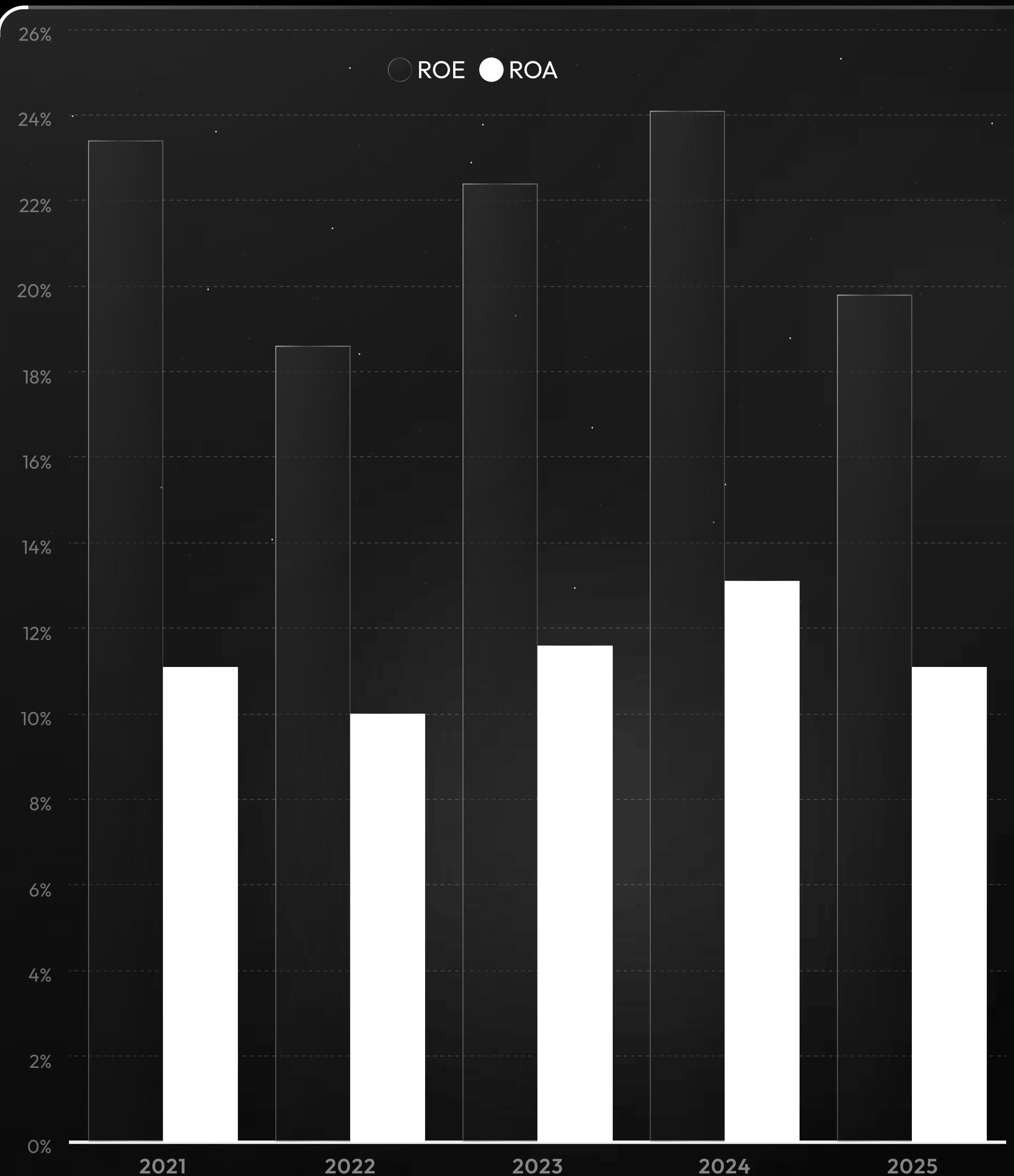
— Delinquency Rate (31-60 Days) * — Delinquency Rate (91-180 Days) *

*See footnotes in Appendix

20% ROE

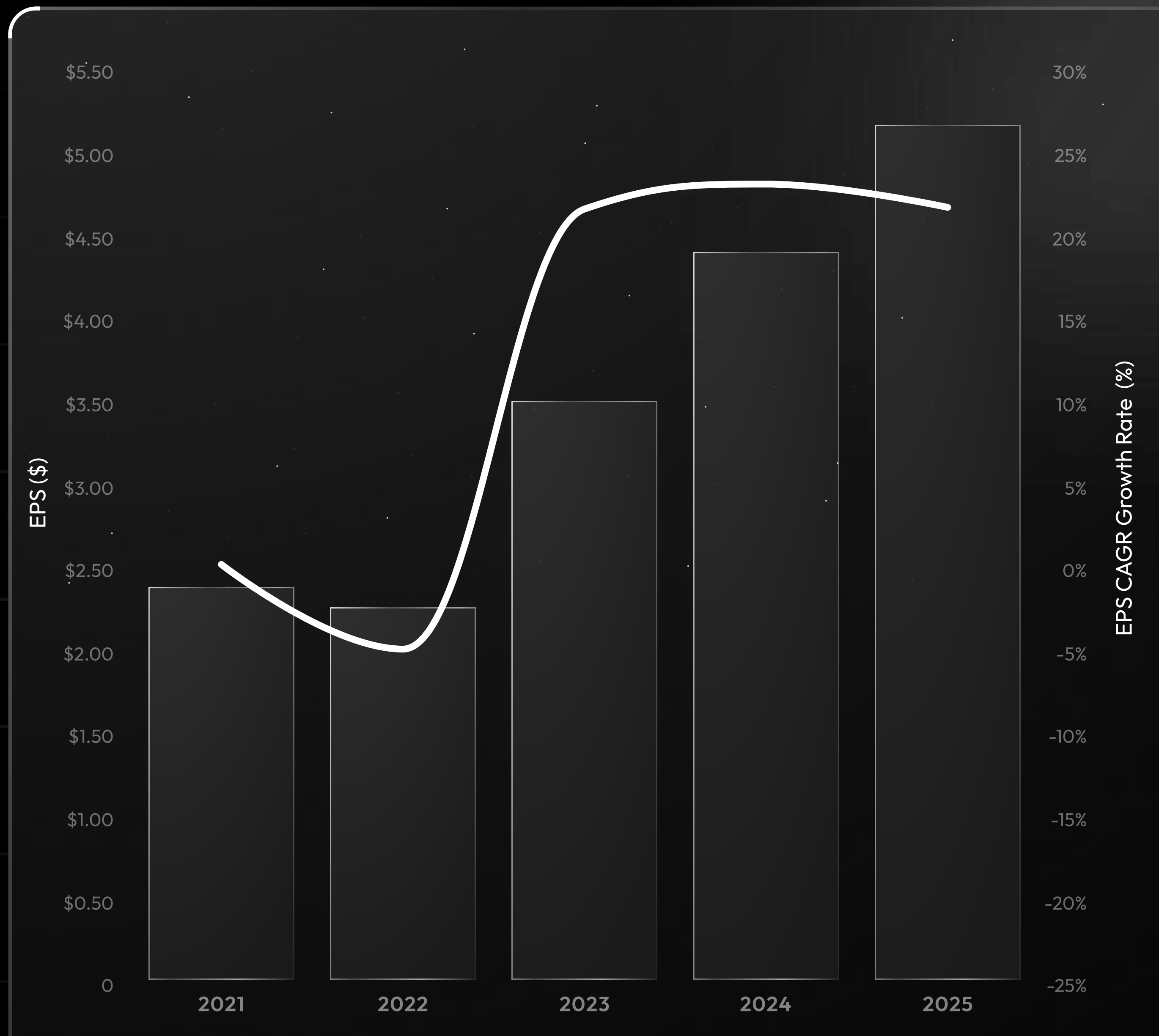
Sustained High Returns on Equity with Expanding Asset Efficiency

X Financial delivered a 19.8% ROE and 11.1% ROA in FY2025 — the fourth straight year ROE has held above 18% (FY2022: 18.6% → FY2023: 22.4% → FY2024: 24.1% → FY2025: 19.8%). Margin compression in H2 2025 reflects elevated credit provisions; the 53.4% equity-to-assets ratio signals a conservatively capitalised balance sheet.



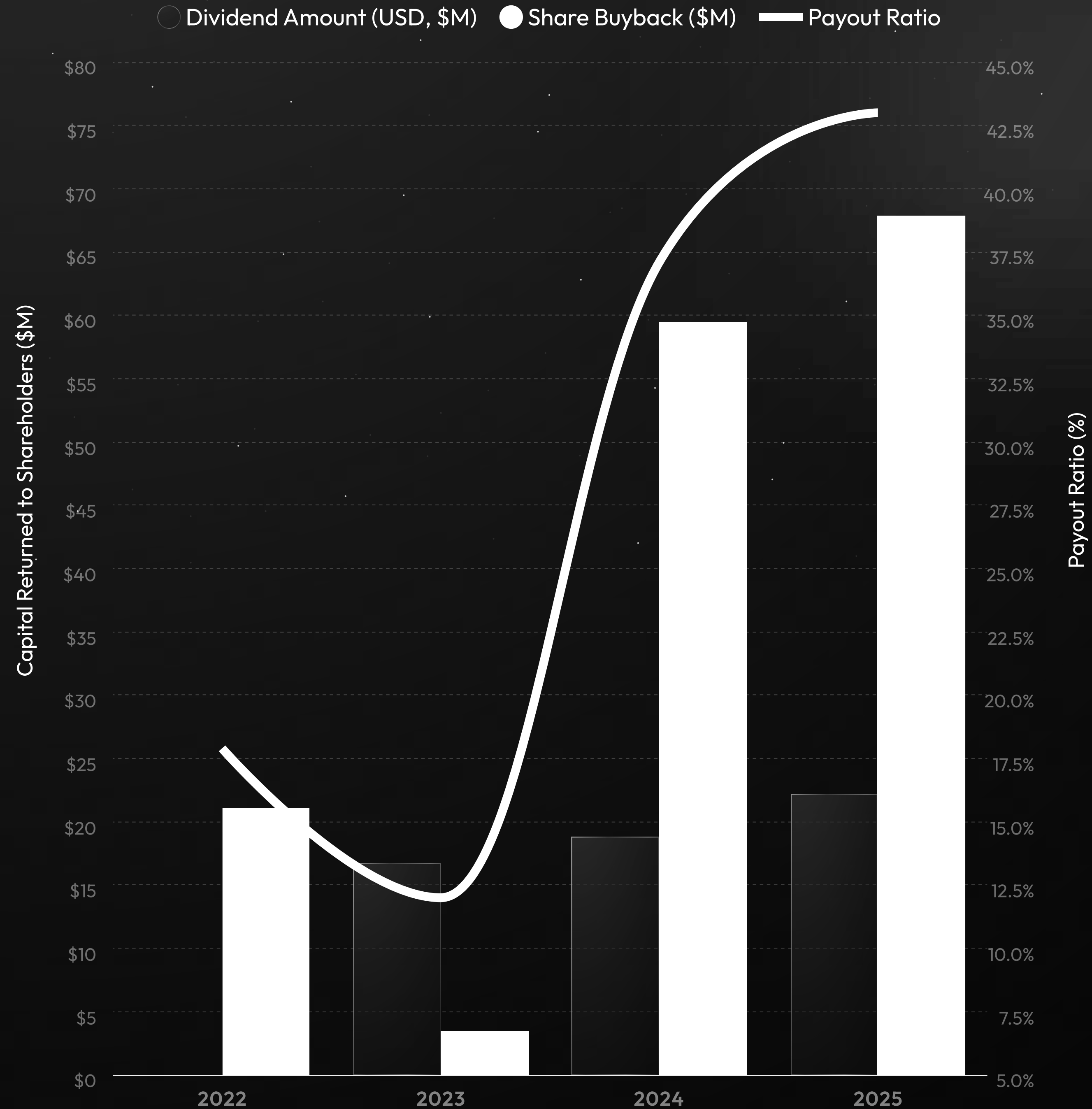
Strong EPS Growth

Our capital-light platform has delivered compound EPS growth of 21.5% in USD since 2021 — rising from \$2.36 in FY2021 to \$5.15 in FY2025 — driven by disciplined cost of capital and share repurchases. FY2025 EPS grew 17.6% year-over-year, extending three consecutive years of double-digit growth from a progressively larger earnings base.



Capital Efficiency

We don't chase headlines. We focus on allocating every dollar with discipline—toward organic growth, dividends, and repurchases. Over the past four years, we've returned more than \$209 million to shareholders — accelerating from \$21M in 2022 to \$90M in FY2025, with a payout ratio reaching 43% last year. 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

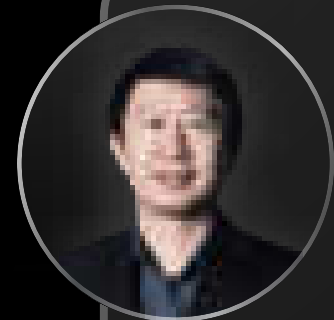
2018

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



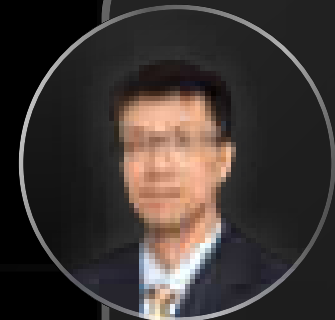
Justin Tang
唐越
CEO



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.



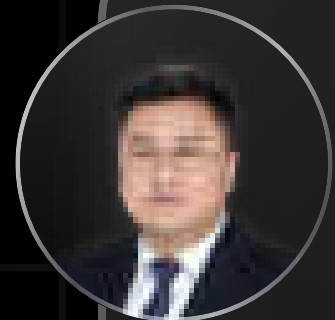
Kent Li
李侃
President

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



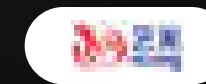
Former manager at Capital One, responsible for credit policy design and post-loan portfolio management.

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



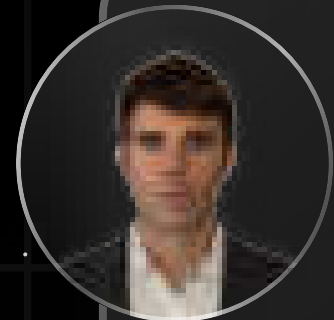
Frank Zheng
郑富亚
CFO

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



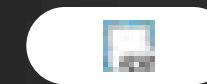
Former CFO of NASDAQ-listed Cogo Group; held senior finance roles at ChinaCache, Yingde Gases, and eLong.

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



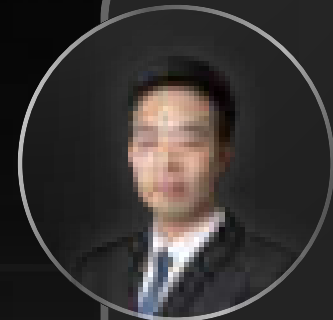
Noah Kauffman
Chief Financial Strategy Officer

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

	4Q 2024 (RMB'000)	4Q 2025 (RMB '000)	4Q 2025 (USD '000)	Period Change
Loan facilitation & servicing	1,143,682	689,920	98,657	-39.7%
Financing income	350,599	393,987	56,339	+12.4%
Other revenue (incl. guarantee)	214,441	383,936	54,903	+79.0%
Total net revenue	1,708,722	1,467,843	209,899	-14.1%
Operating & marketing expenses	942,679	717,543	102,607	-23.9%
Credit provisions *	179,721	529,646	75,739	+194.7%
Total operating costs	1,183,510	1,447,660	207,014	+22.3%
Income from operations	525,212	20,183	2,885	-96.2%
Net income	385,626	57,167	8,174	-85.2%

*See Footnotes In Appendix

Consolidated Balance Sheet

	12/31/2024 (RMB'000)	4Q 2025 (RMB '000)	4Q 2025 (USD '000)	Period Change
Cash & Equivalents	984,611	987,631	141,229	+0.3%
Net Accounts Receivable	2,029,550	3,145,976	449,869	+55.0%
Net Loans Receivable	4,828,317	5,298,631	757,694	+9.7%
Total Assets	11,819,288	14,665,745	2,097,174	+24.1%
Investor & Partner Payables	2,184,086	3,054,982	436,856	+39.9%
Short-Term Debt	328,500	409,530	58,562	+24.7%
Taxes Payable	871,484	899,461	128,623	+3.2%
Total Liabilities	4,866,134	6,828,944	976,526	+40.3%
Total Equity	6,953,154	7,836,801	1,120,648	+12.7%

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

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.