

X Financial Reports Fourth Quarter and Fiscal Year 2025 Unaudited Financial Results

SHENZHEN, China, March 25, 2026 /PRNewswire/ -- X Financial (NYSE: XYF), a leading Chinese fintech platform, today announced its unaudited financial results for the fourth quarter and fiscal year ended December 31, 2025. This press release should be read in conjunction with the Company's Report on Form 6-K for the fourth quarter and fiscal year ended December 31, 2025, which has been furnished to the U.S. Securities and Exchange Commission and is available on the SEC's website at www.sec.gov and on the Company's investor relations website at <http://ir.xiaoyinggroup.com>.

Fourth Quarter and Fiscal Year 2025 Financial Highlights

- **Total net revenue** in Q4 2025 was **RMB1,467.8 million (US\$209.9 million)**, a **decrease of 14.1% year-over-year** and **25.1% quarter-over-quarter**. For fiscal year 2025, total net revenue was **RMB7,639.4 million (US\$1,092.4 million)**, an increase of **30.1%** from 2024.
- **Total loan amount facilitated and originated[1]** in Q4 2025 was **RMB22,768 million**, **down 29.5% year-over-year** and **32.3% quarter-over-quarter**. For fiscal year 2025, total loan amount facilitated and originated was RMB130,552 million, an increase of 24.5% from RMB104,889 million in fiscal year 2024.
- **Net income** in Q4 2025 was **RMB57.2 million (US\$8.2 million)**, a **decrease of 85.2% year-over-year**, driven by higher credit-related provisions and lower loan facilitation revenue. For **fiscal year 2025, net income was RMB1,464.6 million (US\$209.4 million)**, compared with RMB1,539.9 million in 2024.
- **Delinquency rates** for loans **31–60 days past due increased to 2.90%** (from 1.17% a year ago); **loans 91–180 days past due increased to 6.31%** (from 2.48% a year ago), reflecting deteriorating asset quality and the Company's adoption of more conservative provisioning.

Mr. Kent Li, President of X Financial, commented: "In the fourth quarter of 2025, we facilitated and originated RMB22.8 billion in loans, a decline of 32.3% from the prior quarter and 29.5% year-over-year. Borrower activity moderated further, with active borrowers declining to approximately 1.69 million, down 20.2% from a year ago, reflecting the Company's deliberate focus on higher-quality origination and tighter credit standards across our core channels. Asset quality came under increased pressure, with the 31–60 day delinquency rate rising to 2.90% and the 91–180 day delinquency rate increasing to 6.31%. These trends reflected continued stress in certain borrower segments and a more conservative industry-wide risk posture. In response, we have strengthened our risk management framework, enhanced collection strategies, and adjusted capital deployment to preserve balance sheet resilience. While profitability was significantly impacted by higher provisions and narrower margins, we believe these actions position the Company for more stable performance over the medium term. Looking ahead, we remain focused on asset quality, disciplined growth, and maintaining strong liquidity to navigate ongoing market uncertainty."

Mr. Frank Fuya Zheng, Chief Financial Officer of X Financial, added: "In the fourth quarter of 2025, total net revenue was RMB1.47 billion, a decrease of 14.1% from the same period last year and 25.1% sequentially. Net income was RMB57.2 million and non-GAAP adjusted net income was RMB61.3 million, both significantly lower than the prior quarter, primarily due to substantially higher provisions and lower loan facilitation revenue amid reduced origination volumes. Basic earnings per ADS were RMB1.44, and non-GAAP adjusted earnings per ADS were RMB1.56, both lower than the prior quarter, reflecting the impact of elevated credit costs during the period. Operating margin declined to 1.4%, compared with 18.5% in the prior quarter and 30.7% in the same period last year, mainly driven by higher provisioning and reduced contribution from higher-margin facilitation services. We will continue to manage capital conservatively, strengthen our balance sheet, and maintain cost discipline to support business resilience amid an evolving regulatory and operating landscape."

Fourth Quarter 2025 GAAP and Non-GAAP Financial Summary

(In thousands, except for share and per share data)	Three Months Ended	Three Months Ended	Three Months Ended	QoQ	YoY
	December 31, 2024	September 30, 2025	December 31, 2025		
	RMB	RMB	RMB		
Total net revenue	1,708,722	1,960,954	1,467,843	(25.1 %)	(14.1 %)
Total operating costs and expenses	(1,183,510)	(1,599,021)	(1,447,660)	(9.5 %)	22.3 %
Income from operations	525,212	361,933	20,183	(94.4 %)	(96.2 %)
Net income	385,626	421,241	57,167	(86.4 %)	(85.2 %)
Non-GAAP adjusted net income	408,022	438,178	61,320	(86.0 %)	(85.0 %)
Net income per ADS—basic	8.22	10.56	1.44	(86.4 %)	(82.5 %)
Net income per ADS—diluted	8.04	10.08	1.44	(85.7 %)	(82.1 %)
Non-GAAP adjusted net income per ADS—basic	8.70	11.04	1.56	(85.9 %)	(82.1 %)
Non-GAAP adjusted net income per ADS—diluted	8.46	10.44	1.56	(85.1 %)	(81.6 %)

Business Outlook & Capital Return

- **Business Outlook:** Given the limited visibility at the start of the year and evolving market conditions, X Financial expects the total loan amount facilitated and originated in the first quarter of 2026 to be in the range of **RMB 14.5 billion to RMB 15.5 billion**. This outlook reflects management's cautious approach amid ongoing macroeconomic and regulatory uncertainty, with continued emphasis on asset quality, disciplined risk management, and sustainable profitability. The forecast represents the Company's current preliminary view and remains subject to change as the year progresses.
- **Capital Return to Shareholders:** As of **March 15, 2026**, under the Company's US\$100 million share repurchase program, the Company had **repurchased an aggregate of approximately 3.79 million ADSs**, including approximately 3.37 million ADSs and 2.53 million Class A ordinary shares, for a total consideration of approximately **US\$53.85 million**. The Company now has approximately **US\$46.15 million** remaining under the share repurchase program, which is effective through **November 30, 2026**. This program underscores the Company's confidence in its long-term growth outlook and its commitment to enhancing shareholder value. Repurchases under the program remain subject to market conditions and other factors and may be modified or suspended at management's discretion.

- **Declaration of Semi-Annual Dividend:** Pursuant to the semi-annual dividend policy, the Board today approved the declaration and payment of a semi-annual dividend of **US\$0.28 per ADS** (approximately **US\$0.0467 per ordinary share**). The holders of the Company's ordinary shares shown on the Company's record at the close of trading on **April 30, 2026** (U.S. Eastern Daylight Time) will be entitled to the semi-annual dividend. These shareholders, including the Bank of New York Mellon, the depository of our ADS program (the "Depository"), will receive the payments of dividends on or about **May 20, 2026**. Dividends to the Company's ADS holders will be paid by the Depository after **May 20, 2026**, and the precise timing of receipt will vary based on the processing efficiency of the respective holding brokerage.

Regulatory Update

The regulatory environment governing internet-based lending in the People's Republic of China continued to evolve during fiscal year 2025, with authorities increasingly refining and strengthening oversight across the entire consumer credit business chain.

The most significant development during the period was Notice 9, issued by the National Financial Regulatory Administration on April 1, 2025, which requires commercial banks to strictly control total borrowing costs. Although Notice 9 does not explicitly stipulate a cap of not exceeding 24% per annum, in practice, a 24% per annum cap on total borrowing cost for a single loan is generally implemented and enforced.

Importantly, 24% per annum may not represent the outer boundary of pricing pressure. During the period, regulatory authorities continued to tighten total borrowing cost caps applicable to microcredit companies and consumer finance companies, and such entities may face de facto requirements set at levels below 24%. The extent to which such requirements may fall below 24%, and the pace and manner of their implementation across different institution types and jurisdictions, remain highly uncertain. The Company currently has no reliable basis upon which to predict the ultimate scope, stringency, or trajectory of applicable borrowing cost limitations. The Company expects that, if current and emerging regulatory requirements are implemented as currently understood, its operating results will be adversely and materially affected relative to those achieved in prior fiscal years. The magnitude of such impact is subject to significant uncertainty; however, investors should not assume that the Company's historical levels of profitability are indicative of future performance, and the possibility of operating losses in future periods cannot be excluded.

Notice 9 also requires commercial bank head offices to implement whitelist management systems for loan facilitation platform operators, prohibiting cooperation with institutions not included on such lists. The implementation of whitelist requirements has introduced additional uncertainty with respect to the Company's funding relationships. By way of illustration only, current practices regarding whitelist administration vary across banking groups and their respective subsidiaries, and it is possible that future regulatory guidance could alter the level at which such determinations are made in ways that may affect the Company's authorized funding relationships. This example is indicative of the broader unpredictability of the regulatory environment, and numerous other aspects of implementation remain similarly subject to change without notice or predictability.

Separately, payment institution rating measures issued by the People's Bank of China in December 2025 extend regulatory oversight further across the lending chain, increasing overall compliance burdens and operational costs for industry participants.

The Company is closely monitoring these developments as they continue to evolve into 2026. Management currently has limited visibility into the ultimate scope, pace, and direction of implementation, and the potential impact of these regulatory changes on the Company's business, financial condition, and results of operations cannot be determined with any degree of certainty at this time.

Conference Call

X Financial's management team will host an earnings conference call at 8:30 AM U.S. Eastern Time on March 26, 2026 (8:30 PM Beijing / Hong Kong Time on March 26, 2026).

Dial-in details for the earnings conference call are as follows:

United States: 1-888-346-8982
Hong Kong: 800-905945
Mainland
China: 4001-201203
International: 1-412-902-4272
Passcode: X Financial

Please dial in ten minutes before the call is scheduled to begin and provide the passcode to join the call. A replay of the conference call may be accessed by phone at the following numbers until April 2, 2026:

United States: 1-855-669-9658
International: 1-412-317-0088
Passcode: 7562117

Additional Information

This press release contains highlights only. For the Company's complete financial results and management's discussion and analysis for the fourth quarter and fiscal year ended December 31, 2025, please refer to the Form 6-K filed with the U.S. Securities and Exchange Commission on March 25, 2026.

About X Financial

X Financial (NYSE: XYF) (the "Company") is a leading Chinese fintech platform. The Company is committed to connecting borrowers on its platform with its institutional funding partners. With its proprietary big data-driven technology, the Company has established strategic partnerships with financial institutions across multiple areas of its business operations, enabling it to facilitate and originate loans to prime borrowers under a risk assessment and control system.

For more information, please visit <http://ir.xiaoyinggroup.com>.

Use of Non-GAAP Financial Measures

In evaluating our business, we consider and use non-GAAP measures as supplemental measures to review and assess our operating performance. We present the non-GAAP financial measures because they are used by our management to evaluate our operating performance and formulate business plans. We believe that the use of the non-GAAP financial measures facilitates investors' assessment of our operating performance and help investors to identify underlying trends in our business that could otherwise be distorted by the effect of certain income or expenses that we include in income (loss)

from operations and net income (loss). We also believe that the non-GAAP measures provide useful information about our core operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

We use in this press release the following non-GAAP financial measures: (i) adjusted net income (loss), (ii) adjusted net income (loss) per basic ADS, (iii) adjusted net income (loss) per diluted ADS, (iv) adjusted net income (loss) per basic share, and (v) adjusted net income (loss) per diluted share, each of which excludes share-based compensation expense, impairment losses on financial investments, income (loss) from financial investments, gain (loss) from financial investments at equity method and impairment losses on long-term investments. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, investors should not consider them in isolation, or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP.

We mitigate these limitations by reconciling the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures, which should be considered when evaluating our performance. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

For more information on these non-GAAP financial measures, please see the table captioned "Unaudited Reconciliations of GAAP and Non-GAAP results" set forth at the end of this press release.

Exchange Rate Information

This press release contains translations of certain RMB amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to U.S. dollars are made at a rate of **RMB6.9931 to US\$1.00**, the exchange rate in effect as of December 31, 2025, as published in the Federal Reserve Board's H.10 statistical release. **Percentages stated in this release are calculated based on the RMB amounts.**

Disclaimer

Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "potential," "continue," "ongoing," "targets," "guidance" and similar statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), 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. Any statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements that involve factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors and risks include, but not limited to the following: the Company's goals and strategies; its future business development, financial condition and results of operations; the expected growth of the credit industry, and marketplace lending in particular, in China; the demand for and market acceptance of its marketplace's products and services; its ability to attract and retain borrowers and investors on its marketplace; its relationships with its strategic cooperation partners; competition in its industry; and relevant government policies and regulations relating to the corporate structure, business and industry. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the SEC. All information provided in this announcement is current as of the date of this announcement, and the Company does not undertake any obligation to update such information, except as required under applicable law.

Use of Projections

This announcement also contains certain financial forecasts (or guidance) with respect to the Company's projected financial results. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections or guidance for the purpose of their inclusion in this announcement, and accordingly, they did not express an opinion or provide any other form assurance with respect thereto for the purpose of this announcement. This guidance should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company, or that actual results will not differ materially from those set forth in the prospective financial information. Inclusion of the prospective financial information in this announcement should not be regarded as a representation by any person that the results contained in the prospective financial information will actually be achieved. You should review this information together with the Company's historical information.

[1] Represents the total amount of loans that the Company facilitated and originated during the relevant period.

X Financial Unaudited Condensed Consolidated Balance Sheets

(In thousands, except for share and per share data)	As of December 31, 2024	As of December 31, 2025	As of December 31, 2025
	RMB	RMB	USD
ASSETS			
Cash and cash equivalents	984,611	987,631	141,229
Restricted cash, net	676,793	1,145,962	163,870
Accounts receivable and contract assets, net	2,029,550	3,145,976	449,869
Loans receivable from Credit Loans and other loans, net	4,828,317	5,298,631	757,694
Deposits to institutional cooperators, net	1,958,297	1,713,593	245,041
Prepaid expenses and other current assets	34,079	43,547	6,227
Financial guarantee derivative	1,038	-	-
Deferred tax assets, net	197,713	455,358	65,115
Long term investments	498,038	515,524	73,719
Property and equipment, net	15,833	23,900	3,418
Intangible assets, net	36,592	39,183	5,603
Financial investments	513,476	1,243,076	177,758

Other non-current assets	44,951	53,364	7,631
TOTAL ASSETS	11,819,288	14,665,745	2,097,174
LIABILITIES			
Payable to investors and institutional funding partners at amortized cost	2,184,086	3,054,982	436,856
Contingent guarantee liabilities	187,641	748,307	107,006
Deferred guarantee income	164,725	467,629	66,870
Financial guarantee derivative	-	15,426	2,206
Short-term borrowings	328,500	409,530	58,562
Accrued payroll and welfare	94,717	76,058	10,876
Other tax payable	279,993	221,940	31,739
Income tax payable	591,491	677,521	96,884
Accrued expenses and other current liabilities	941,506	1,053,071	150,587
Other non-current liabilities	27,516	34,807	4,977
Deferred tax liabilities	65,959	69,673	9,963
TOTAL LIABILITIES	4,866,134	6,828,944	976,526
Commitments and Contingencies			
Equity:			
Common shares (250,678,439 and 234,517,901 shares outstanding as of December 31, 2024 and 2025, respectively)	207	207	30
Treasury stock	(509,644)	(967,773)	(138,390)
Additional paid-in capital	3,207,028	3,256,349	465,652
Retained earnings	4,174,511	5,484,294	784,244
Other comprehensive income	81,052	63,724	9,112
TOTAL EQUITY	6,953,154	7,836,801	1,120,648
TOTAL LIABILITIES AND EQUITY	11,819,288	14,665,745	2,097,174

X Financial
Unaudited Condensed Consolidated Statements of Comprehensive Income

(In thousands, except for share and per share data)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2024	2025	2025	2024	2025	2025
	RMB	RMB	USD	RMB	RMB	USD
Net revenues						
Loan facilitation service	877,664	440,669	63,015	3,102,345	3,843,005	549,542
Post-origination service	266,018	249,251	35,642	759,539	1,074,454	153,645
Financing income	350,599	393,987	56,339	1,372,004	1,396,976	199,765
Guarantee income	69,649	263,245	37,644	201,716	636,572	91,030
Other revenue	144,792	120,691	17,259	436,178	688,418	98,442
Total net revenue	1,708,722	1,467,843	209,899	5,871,782	7,639,425	1,092,424
Operating costs and expenses:						
Origination and servicing	438,975	505,378	72,268	1,738,139	2,020,546	288,934
Borrower acquisitions and marketing	503,704	212,165	30,339	1,582,472	2,202,375	314,935
General and administrative	48,886	46,158	6,601	175,934	199,559	28,537
Provision for accounts receivable and contract assets	13,262	139,609	19,964	35,732	242,719	34,708
Provision for loans receivable	64,289	132,624	18,965	221,658	340,209	48,649
Provision for contingent guarantee liabilities	116,103	398,052	56,921	241,738	1,001,273	143,180
Change in fair value of financial guarantee derivative	(1,038)	14,704	2,103	(1,038)	3,367	481
(Reversal of) provision for credit losses for deposits and other financial assets	(671)	(1,030)	(147)	3,378	(702)	(100)
Total operating costs and expenses	1,183,510	1,447,660	207,014	3,998,013	6,009,346	859,324
Income from operations	525,212	20,183	2,885	1,873,769	1,630,079	233,100
Interest income (expenses), net	4,338	4,446	636	(560)	10,659	1,524
Foreign exchange (loss) gain	(6,183)	2,102	301	(9,533)	(8,539)	(1,221)
Income (loss) from financial investments	13,396	(513)	(73)	17,134	(14,456)	(2,067)
Other income, net	4,084	5,029	719	13,521	132,250	18,911
Income before income taxes	540,847	31,247	4,468	1,894,331	1,749,993	250,247
Income tax (expense) benefit	(150,778)	15,849	2,266	(405,702)	(291,650)	(41,705)
Gain from equity in affiliates, net of tax	4,587	4,740	678	10,159	25,716	3,677
(Loss) gain from financial investments at equity method, net of tax	(9,030)	5,331	762	41,118	(19,506)	(2,789)
Net income	385,626	57,167	8,174	1,539,906	1,464,553	209,430
Less: net income attributable to non-controlling interests	-	-	-	-	-	-
Net income attributable to X Financial shareholders	385,626	57,167	8,174	1,539,906	1,464,553	209,430
Net income	385,626	57,167	8,174	1,539,906	1,464,553	209,430
Other comprehensive income, net of tax of nil:						

Gain (loss) from equity in affiliates	105	(30)	(4)	(314)	148	21
(Loss) income from financial investments	(5,807)	3,966	567	293	3,198	457
Foreign currency translation adjustments	19,186	(9,336)	(1,335)	11,596	(20,674)	(2,956)
Comprehensive income	399,110	51,767	7,402	1,551,481	1,447,225	206,952
Less: comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Comprehensive income attributable to X Financial shareholders	399,110	51,767	7,402	1,551,481	1,447,225	206,952
Net income per share—basic	1.37	0.24	0.03	5.33	6.00	0.86
Net income per share—diluted	1.34	0.24	0.03	5.25	5.87	0.84
Net income per ADS—basic	8.22	1.44	0.21	31.98	36.00	5.15
Net income per ADS—diluted	8.04	1.44	0.21	31.50	35.22	5.04
Weighted average number of ordinary shares outstanding—basic	281,823,659	233,525,027	233,525,027	288,828,371	243,975,946	243,975,946
Weighted average number of ordinary shares outstanding—diluted	288,542,180	238,285,537	238,285,537	293,354,671	249,489,203	249,489,203

X Financial
Unaudited Reconciliations of GAAP and Non-GAAP Results

(In thousands, except for share and per share data)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2024	2025	2025	2024	2025	2025
	RMB	RMB	USD	RMB	RMB	USD
GAAP net income	385,626	57,167	8,174	1,539,906	1,464,553	209,430
Less: Income (loss) from financial investments (net of tax of nil)	13,396	(513)	(73)	17,134	(14,456)	(2,067)
Less: Impairment losses on financial investments (net of tax of nil)	-	-	-	-	-	-
Less: Impairment losses on long-term investments (net of tax)	(16,680)	-	-	(16,680)	-	-
Less: (Loss) gain from financial investments at equity method (net of tax of nil)	(9,030)	5,331	762	41,118	(19,506)	(2,789)
Add: Share-based compensation expenses (net of tax of nil)	10,082	8,971	1,283	40,178	60,967	8,718
Non-GAAP adjusted net income	408,022	61,320	8,768	1,538,512	1,559,482	223,004
Non-GAAP adjusted net income per share—basic	1.45	0.26	0.04	5.33	6.39	0.91
Non-GAAP adjusted net income per share—diluted	1.41	0.26	0.04	5.24	6.25	0.89
Non-GAAP adjusted net income per ADS—basic	8.70	1.56	0.22	31.98	38.34	5.48
Non-GAAP adjusted net income per ADS—diluted	8.46	1.56	0.22	31.44	37.50	5.36
Weighted average number of ordinary shares outstanding—basic	281,823,659	233,525,027	233,525,027	288,828,371	243,975,946	243,975,946
Weighted average number of ordinary shares outstanding—diluted	288,542,180	238,285,537	238,285,537	293,354,671	249,489,203	249,489,203

SOURCE X Financial

For further information: For more information, please contact: X Financial, Mr. Noah Kauffman (Chief Financial Strategy Officer), E-mail: ir@xiaoying.com

<https://ir.xiaoyingroup.com/2026-03-25-X-Financial-Reports-Fourth-Quarter-and-Fiscal-Year-2025-Unaudited-Financial-Results>