

SHENZHEN, China, May 27, 2026 /PRNewswire/ -- X Financial (NYSE: XYF), a leading Chinese fintech platform, today announced its unaudited financial results for the first quarter ended March 31, 2026. This press release should be read in conjunction with the Company's Report on Form 6-K for the first quarter ended March 31, 2026, which has been furnished to the U.S. Securities and Exchange Commission and is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on the Company's investor relations website at <http://ir.xiaoyingroup.com>.

### First Quarter 2026 Financial and Operational Highlights

- **Total net revenue** in Q1 2026 was **RMB1.18 billion (US\$170.5 million)**, a **decrease of 39.3% year-over-year** and **19.9% quarter-over-quarter**. The year-over-year decline was primarily driven by significantly lower loan facilitation volumes amid the Company's continued tightening of credit standards and focus on higher-quality origination.
- **Total loan amount facilitated and originated<sup>[1]</sup>** in Q1 2026 was **RMB14.63 billion**, **down 35.8% quarter-over-quarter** and **down 58.4% year-over-year**.
- **Net income** in Q1 2026 was **RMB37.9 million (US\$5.5 million)**, a **decrease of 91.7% year-over-year**, primarily reflecting substantially higher credit-related provisions and significantly lower loan facilitation revenue amid reduced origination volumes.
- **Delinquency rates** for loans **31–60 days past due improved to 2.61%** (from 2.90% at Q4 2025 year-end and 1.25% a year ago); **loans 91–180 days past due increased to 9.95%** (from 6.31% at Q4 2025 year-end and 2.73% a year ago). The increase in the 91–180 day delinquency rate primarily reflects the migration of previously delinquent balances further into that bucket and the effect of a significantly reduced total outstanding loan balance, both of which contribute to a higher reported rate, rather than a deterioration in the quality of more recent originations.

**Mr. Kent Li, President of X Financial, commented:** *"In the first quarter of 2026, we facilitated and originated RMB14.6 billion in loans, reflecting a substantial decline of 35.8% from the prior quarter and 58.4% year-over-year. Borrower activity continued to moderate, with active borrowers declining to approximately 956,520, down 60.6% from a year ago, reflecting the Company's deliberate focus on higher-quality origination and tighter credit standards. The 31–60 day delinquency rate eased to 2.61% from 2.90% in the prior quarter, reflecting improvement in more recent origination quality. The 91–180 day rate rose to 9.95%, driven by the migration of existing delinquent balances further into that bucket rather than fresh deterioration in new originations. In response, we have further 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 appropriately position the Company for the challenging environment ahead."*

**Mr. Frank Fuya Zheng, Chief Financial Officer of X Financial, added:** *"In the first quarter of 2026, total net revenue was RMB1.18 billion, a decrease of 39.3% from the same period last year and 19.9% sequentially. Net income was RMB37.9 million and non-GAAP adjusted net income was RMB81.2 million, both significantly lower than the prior year period, primarily due to substantially higher credit-related provisions and significantly lower loan facilitation revenue amid reduced origination volumes. Basic earnings per ADS were RMB0.96, and non-GAAP adjusted earnings per ADS were RMB2.10. Operating margin improved to 12.0% from 1.4% in the prior quarter, though remained significantly below the 29.6% recorded in the same period of 2025, reflecting the ongoing impact of elevated credit costs 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."*

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

### First Quarter 2026 GAAP and Non-GAAP Financial Summary

(In thousands, except for share and per share data)	Three Months Ended		Three Months Ended		Three Months Ended	
	March 31, 2025	December 31, 2025	March 31, 2026	QoQ	YoY	
	RMB	RMB	RMB			
Total net revenue	1,937,505	1,467,843	1,176,139	(19.9 %)	(39.3 %)	
Total operating costs and expenses	(1,364,600)	(1,447,660)	(1,035,481)	(28.5 %)	(24.1 %)	
Income from operations	572,905	20,183	140,658	596.9 %	(75.4 %)	
Net income	458,127	57,167	37,947	(33.6 %)	(91.7 %)	
Non-GAAP adjusted net income	466,766	61,320	81,180	32.4 %	(82.6 %)	
Net income per ADS—basic	10.92	1.44	0.96	(33.3 %)	(91.2 %)	
Net income per ADS—diluted	10.56	1.44	0.96	(33.3 %)	(90.9 %)	
Non-GAAP adjusted net income per ADS—basic	11.10	1.56	2.10	34.6 %	(81.1 %)	
Non-GAAP adjusted net income per ADS—diluted	10.74	1.56	2.04	30.8 %	(81.0 %)	

### Business Outlook & Capital Return

- **Business Outlook:** Based on current trends, X Financial expects the total loan amount facilitated and originated in the **second quarter of 2026** to be in the range of **RMB 11.5 billion to RMB 12.5 billion**. This guidance reflects a measured pace of origination following a sequential decline in the first quarter and management's continued focus on asset quality, credit discipline, and profitability optimization rather than aggressive volume expansion. The Company remains attentive to recent regulatory developments and evolving credit conditions, and acknowledges that potential regulatory changes, once implemented, could adversely affect margins and profitability. The Company will continue to exercise prudent risk control and disciplined execution to navigate the evolving environment and support long-term business resilience.
- **Capital Return to Shareholders:** From **January 1, 2026** through **May 15, 2026**, X Financial repurchased an aggregate of approximately **1.8 million ADSs**, for a total consideration of approximately **US\$8.2 million** under its share repurchase programs. The Company now has approximately **US\$39.8 million** remaining under its existing **US\$100 million** share repurchase program, which is effective through **November 30,**

2026. This program reflects the Company's commitment to returning capital to shareholders and enhancing long-term shareholder value, subject to ongoing assessment of market and regulatory conditions. Repurchases under the program remain subject to market conditions and other factors and may be modified or suspended at management's discretion.

## Regulatory Update

The regulatory environment governing internet-based lending in the People's Republic of China continued to evolve during the first quarter of 2026, with authorities further strengthening oversight across the consumer credit business chain. The Company continues to monitor these developments closely; however, management has limited visibility into the ultimate scope and direction of implementation. If current and emerging regulatory requirements are implemented as currently understood, the Company's operating results may be materially and adversely affected, and historical levels of profitability should not be assumed to be indicative of future performance.

## Conference Call

X Financial's management team will host an earnings conference call at 7:30 AM U.S. Eastern Time on May 28, 2026 (7:30 PM Beijing / Hong Kong Time on May 28, 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 June 04, 2026:

United  
States: 1-855-669-9658  
International: 1-412-317-0088  
Passcode: 1485675

## Additional Information

This press release contains highlights only. For the Company's complete financial results and management's discussion and analysis for the first quarter ended March 31, 2026, please refer to the Form 6-K filed with the U.S. Securities and Exchange Commission on May 27, 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 **RMB6.8980 to US\$1.00**, the exchange rate in effect as of March 31, 2026, 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.

### For more information, please contact:

#### X Financial

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#### X Financial

##### Unaudited Condensed Consolidated Balance Sheets

(In thousands, except for share and per share data)	As of December 31,	As of March 31,	As of March 31, 2026
	2025	2026	2026
	RMB	RMB	USD
<b>ASSETS</b>			
Cash and cash equivalents	987,631	1,021,230	148,047
Restricted cash, net	1,145,962	1,348,104	195,434
Accounts receivable and contract assets, net	3,145,976	2,498,233	362,168
Loans receivable from Credit Loans and other loans, net	5,298,631	4,318,579	626,062
Deposits to institutional cooperators, net	1,713,593	1,409,915	204,395
Prepaid expenses and other current assets	43,547	37,906	5,495
Deferred tax assets, net	455,358	506,794	73,470
Long term investments	515,524	522,389	75,731
Property and equipment, net	23,900	26,426	3,831
Intangible assets, net	39,183	38,839	5,630
Financial investments	1,243,076	1,825,817	264,688
Other non-current assets	53,364	52,244	7,574
<b>TOTAL ASSETS</b>	<b>14,665,745</b>	<b>13,606,476</b>	<b>1,972,525</b>
<b>LIABILITIES</b>			
Payable to investors and institutional funding partners at amortized cost	3,054,982	2,407,547	349,021
Contingent guarantee liabilities	748,307	590,611	85,621
Deferred guarantee income	467,629	388,880	56,376
Financial guarantee derivative	15,426	14,505	2,103
Short-term borrowings	409,530	353,871	51,301
Accrued payroll and welfare	76,058	30,703	4,451
Other tax payable	221,940	207,591	30,094
Income tax payable	677,521	749,170	108,607
Accrued expenses and other current liabilities	1,053,071	895,929	129,882
Dividend payable	-	73,919	10,716
Other non-current liabilities	34,807	32,854	4,763

Deferred tax liabilities	69,673	92,339	13,386
<b>TOTAL LIABILITIES</b>	<b>6,828,944</b>	<b>5,837,919</b>	<b>846,321</b>
<b>Commitments and Contingencies</b>			
<b>Equity:</b>			
Common shares (234,517,901 and 231,097,037 shares outstanding as of December 31, 2025 and March 31, 2026, respectively)	207	207	30
Treasury stock	(967,773)	(988,210)	(143,260)
Additional paid-in capital	3,256,349	3,257,252	472,202
Retained earnings	5,484,294	5,448,322	789,841
Other comprehensive income	63,724	50,986	7,391
<b>TOTAL EQUITY</b>	<b>7,836,801</b>	<b>7,768,557</b>	<b>1,126,204</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>14,665,745</b>	<b>13,606,476</b>	<b>1,972,525</b>

**X Financial**  
**Unaudited Condensed Consolidated Statements of Comprehensive Income**

(In thousands, except for share and per share data)	Three Months Ended March 31,		
	2025	2026	2026
	RMB	RMB	USD
<b>Net revenues</b>			
Loan facilitation service	1,078,379	270,714	39,245
Post-origination service	266,041	196,206	28,444
Financing income	310,140	337,774	48,967
Guarantee income	82,929	258,294	37,445
Other revenue	200,016	113,151	16,403
<b>Total net revenue</b>	<b>1,937,505</b>	<b>1,176,139</b>	<b>170,504</b>
<b>Operating costs and expenses:</b>			
Origination and servicing	473,725	485,364	70,363
Borrower acquisitions and marketing	709,007	219,760	31,859
General and administrative	51,744	47,121	6,831
Provision for accounts receivable and contract assets	9,048	30,778	4,462
Provision for loans receivable	62,196	52,326	7,586
Provision for contingent guarantee liabilities	63,748	200,009	28,995
Change in fair value of financial guarantee derivative	(5,417)	340	49
Provision for (reversal of) credit losses for deposits and other financial assets	549	(217)	(31)
<b>Total operating costs and expenses</b>	<b>1,364,600</b>	<b>1,035,481</b>	<b>150,114</b>
<b>Income from operations</b>	<b>572,905</b>	<b>140,658</b>	<b>20,390</b>
Interest income	2,922	7,314	1,060
Interest expenses	(5,641)	(2,067)	(300)
Foreign exchange (loss) gain	(12,482)	3,023	438
Loss from financial investments	(3,678)	(1,878)	(272)
Impairment losses on financial investments	-	(6,715)	(973)
Other income, net	1,935	(3,491)	(506)
<b>Income before income taxes</b>	<b>555,961</b>	<b>136,844</b>	<b>19,837</b>
Income tax expense	(116,528)	(72,204)	(10,467)
(Loss) gain from equity in affiliates, net of tax	(2,182)	5,107	740
Gain (loss) from financial investments at equity method, net of tax	20,876	(31,800)	(4,610)
<b>Net income</b>	<b>458,127</b>	<b>37,947</b>	<b>5,500</b>
Less: net income attributable to non-controlling interests	-	-	-
<b>Net income attributable to X Financial shareholders</b>	<b>458,127</b>	<b>37,947</b>	<b>5,500</b>
<b>Net income</b>	<b>458,127</b>	<b>37,947</b>	<b>5,500</b>
<b>Other comprehensive income, net of tax of nil:</b>			
Gain from equity in affiliates	-	42	6
Loss from financial investments	(768)	-	-
Foreign currency translation adjustments	(198)	(12,780)	(1,853)
<b>Comprehensive income</b>	<b>457,161</b>	<b>25,209</b>	<b>3,653</b>
Less: comprehensive income attributable to non-controlling interests	-	-	-
<b>Comprehensive income attributable to X Financial shareholders</b>	<b>457,161</b>	<b>25,209</b>	<b>3,653</b>
Net income per share—basic	1.82	0.16	0.02
Net income per share—diluted	1.76	0.16	0.02

Net income per ADS—basic	10.92	0.96	0.14
Net income per ADS—diluted	10.56	0.96	0.14
Weighted average number of ordinary shares outstanding—basic	252,292,800	234,143,092	234,143,092
Weighted average number of ordinary shares outstanding—diluted	260,864,033	236,519,179	236,519,179

## X Financial

### Unaudited Reconciliations of GAAP and Non-GAAP Results

(In thousands, except for share and per share data)	Three Months Ended March 31,		
	2025	2026	2026
	RMB	RMB	USD
<b>GAAP net income</b>	<b>458,127</b>	<b>37,947</b>	<b>5,500</b>
Less: Income (loss) from financial investments (net of tax of nil)	(3,678)	(1,878)	(272)
Less: Impairment losses on financial investments (net of tax of nil)	-	(6,715)	(973)
Less: Impairment losses on long-term investments (net of tax)	-	-	-
Less: Gain (loss) from financial investments at equity method (net of tax of nil)	20,876	(31,800)	(4,610)
Add: Share-based compensation expenses (net of tax of nil)	25,837	2,840	412
<b>Non-GAAP adjusted net income</b>	<b>466,766</b>	<b>81,180</b>	<b>11,767</b>
Non-GAAP adjusted net income per share—basic	1.85	0.35	0.05
Non-GAAP adjusted net income per share—diluted	1.79	0.34	0.05
Non-GAAP adjusted net income per ADS—basic	11.10	2.10	0.30
Non-GAAP adjusted net income per ADS—diluted	10.74	2.04	0.30
Weighted average number of ordinary shares outstanding—basic	252,292,800	234,143,092	234,143,092
Weighted average number of ordinary shares outstanding—diluted	260,864,033	236,519,179	236,519,179

SOURCE X Financial

<https://ir.xiaoyingroup.com/2026-05-27-X-Financial-Reports-First-Quarter-2026-Unaudited-Financial-Results>