



Lufax Holding Ltd  
陆金所控股有限公司

(A company incorporated in the Cayman Islands with limited liability)

Stock Code: 6623  
NYSE Stock Ticker: LU



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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. Yong Suk CHO (趙容奭)  
*(Chairman and Chief Executive Officer)*  
*(re-elected on May 30, 2024)*  
Mr. Gregory Dean GIBB (計葵生)  
*(Co-Chief Executive Officer)*

### Non-executive Directors

Mr. Yonglin XIE (謝永林)  
*(re-elected on May 30, 2024)*  
Ms. Xin FU (付欣)  
Mr. Yuqiang HUANG (黃玉強)

### Independent Non-executive Directors

Mr. Rusheng YANG (楊如生)  
Mr. Weidong LI (李偉東)  
*(re-elected on May 30, 2024)*  
Mr. Xudong ZHANG (張旭東)  
Mr. David Xianglin LI (李祥林)

## AUDIT COMMITTEE

Mr. Rusheng YANG (楊如生) *(Chairperson)*  
Mr. Xudong ZHANG (張旭東)  
Mr. David Xianglin LI (李祥林)

## NOMINATION AND

## REMUNERATION COMMITTEE

Mr. Weidong LI (李偉東) *(Chairperson)*  
Mr. Xudong ZHANG (張旭東)  
Mr. Rusheng YANG (楊如生)

## COMPANY SECRETARY

Ms. Sharon Wing Han LEUNG (梁穎嫻)

## AUTHORIZED REPRESENTATIVES

Mr. Gregory Dean GIBB (計葵生)  
Ms. Sharon Wing Han LEUNG (梁穎嫻)

## REGISTERED OFFICE

Maples Corporate Services Limited  
PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Building No. 6, Lane 2777, Jinxiu East Road  
Pudong New District  
Shanghai  
People's Republic of China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road, Kowloon  
Hong Kong

## AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
22/F, Prince's Building  
Central  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall, Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### HONG KONG LEGAL ADVISOR

Skadden, Arps, Slate, Meagher & Flom and affiliates  
42/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

### COMPLIANCE ADVISOR

Somerley Capital Limited  
20/F, China Building  
29 Queen's Road Central  
Hong Kong

### PRINCIPAL BANKS

Ping An Bank Co., Ltd.  
5047 Shennan Road East  
Luohu District  
Shenzhen  
PRC

Bank of China Limited  
No. 1 Fuxingmen Nei Dajie  
Xicheng District  
Beijing  
PRC

China Minsheng Banking Corp., Ltd.  
No. 2 Fuxingmennei Avenue  
Xicheng District  
Beijing  
PRC

China Everbright Bank Company Limited  
China Everbright Center  
No. 25 Taipingqiao Street  
Xicheng District  
Beijing  
PRC

Bank of Shanghai Co., Ltd.  
No. 168, Middle Yincheng Road  
China (Shanghai) Pilot Free Trade Zone  
PRC

### COMPANY WEBSITE

<https://ir-hk.lufaxholding.com/>

### LISTING INFORMATION AND STOCK CODE

The Stock Exchange of Hong Kong Limited  
Stock Code: 6623

New York Stock Exchange  
Stock Ticker: LU

# Management Discussion and Analysis

## Business Review and Outlook

We are a leading financial services enabler for SBOs in China. We have established relationships with 85 financial institutions in China as our funding partners, many of which have worked with us for over three years. Since June 2020, we have also been engaged in a rapidly growing consumer finance business through our licensed consumer finance subsidiary, enabling consumers to meet personal short-term cash flow needs or make discretionary purchases of consumer goods.

As of June 30, 2024, our total outstanding balance of loans was RMB235.2 billion, representing a decrease of 44.8% from June 30, 2023, among which our outstanding balance of consumer finance loans was RMB42.0 billion, representing an increase of 27.9% from June 30, 2023. Our total volume of new loans decreased from RMB110.5 billion in the first half of 2023 to RMB93.3 billion in the first half of 2024, among which volume of new consumer finance loans increased from RMB31.8 billion in the first half of 2023 to RMB42.4 billion in the first half of 2024.

Our risk bearing by balance as of June 30, 2024 increased to 56.7%, as compared to 27.5% as of June 30, 2023. Excluding consumer finance, our risk bearing by balance as of June 30, 2024 increased to 49.9%, as compared to 22.4% as of June 30, 2023.

In the first half of 2024, our total income decreased from RMB19,348 million in the first half of 2023 to RMB12,940 million in the first half of 2024. We recorded a net loss of RMB1,560 million for the first half of 2024, which changed from our net profit position of RMB1,736 million in the first half of 2023.

We have a strong balance sheet position. As of June 30, 2024, our net assets stood at RMB82,676 million with RMB37,114 million of cash at bank. Our consumer finance subsidiary had a capital adequacy ratio of 14.7% and our financing guarantee subsidiary had a leverage ratio of 2.4x as of the same date. Our strong capital position demonstrates our business resilience and provides a solid foundation for us to navigate through the business cycle.

In the first half of 2024, the macroeconomic environment remained complex for SBOs. Despite this, we saw continued improvements in asset quality, and we continued to implement our prudent business strategies. Our prudent approach and ongoing operational refinements will be key as we pursue sustainable future growth.

Additionally, we completed the distribution of the special dividend at the end of July 2024 as scheduled. After receiving the scrip dividend, we become an indirect non-wholly-owned subsidiary of Ping An Insurance and our financial results are consolidated into the consolidated financial statements of Ping An Insurance. We will remain an independent entity and will seek to enhance our synergies with Ping An Group. Looking ahead, we will leverage Ping An Group's brand reputation, technological resources, and extensive network to strengthen our market position. These initiatives, combined with our direct sales force and ongoing emphasis on operational caution, uniquely position us to support China's small and micro enterprise economy. We are encouraged by our progress to date, and remain committed to driving persistent, high-quality growth for our customers and our Shareholders.



## Total Income

	For the Six Months Ended June 30,			YoY
	2023	2024		
	(Unaudited)	(Unaudited)		
	(RMB)	(RMB)	(US\$)	
	(in millions, except percentages)			
Technology platform-based income	9,086	4,552	626	(49.9%)
Net interest income	6,716	5,561	765	(17.2%)
Guarantee income	2,565	1,775	244	(30.8%)
Other income	538	637	88	18.4%
Investment income	445	416	57	(6.6%)
Share of net (loss) of investments accounted for using the equity method	(2)	(1)	(0)	56.5%
<b>Total income</b>	<b>19,348</b>	<b>12,940</b>	<b>1,781</b>	<b>(33.1%)</b>

Our total income decreased by 33.1% from RMB19,348 million for the six months ended June 30, 2023 to RMB12,940 million for the six months ended June 30, 2024, mainly due to the decreased outstanding loan balance.

*Technology platform-based income.* Our technology platform-based income decreased by 49.9% from RMB9,086 million for the six months ended June 30, 2023 to RMB4,552 million for the six months ended June 30, 2024 due to (i) the decrease of retail credit service fees as a result of the decreased outstanding loan balance and (ii) the decrease of referral and other technology platform-based income due to our exit from the Lujintong business that we had previously conducted.

*Net interest income.* Our net interest income decreased by 17.2% from RMB6,716 million for the six months ended June 30, 2023 to RMB5,561 million for the six months ended June 30, 2024, mainly due to the decrease in loan balance, partially offset by the increase of net interest income from our consumer finance business.

*Guarantee income.* Our guarantee income decreased by 30.8% from RMB2,565 million for the six months ended June 30, 2023 to RMB1,775 million for the six months ended June 30, 2024, mainly due to a decrease in the loan balance and a lower average fee rate.

*Other income.* Our other income increased by 18.4% from RMB538 million for the six months ended June 30, 2023 to RMB637 million for the six months ended June 30, 2024, mainly due to the increased account management fees driven by improved collection performance.

*Investment income.* Our investment income decreased by 6.6% from RMB445 million for the six months ended June 30, 2023 to RMB416 million for the six months ended June 30, 2024, mainly due to the increased losses associated with certain investment assets.

## Management Discussion and Analysis

### Total Expenses

	For the Six Months Ended June 30,			YoY
	2023	2024		
	(Unaudited)	(Unaudited)		
	(RMB)	(RMB)	(US\$)	
	<i>(in millions, except percentages)</i>			
Sales and marketing expenses	5,570	2,890	398	(48.1%)
General and administrative expenses	1,249	993	137	(20.5%)
Operation and servicing expenses	3,134	2,655	365	(15.3%)
Technology and analytics expenses	686	528	73	(23.0%)
Credit impairment losses	6,130	5,422	746	(11.5%)
Finance costs	324	71	10	(78.0%)
Other (gains)/losses – net	(173)	299	41	273.0%
<b>Total expenses</b>	<b>16,920</b>	<b>12,857</b>	<b>1,769</b>	<b>(24.0%)</b>

Our total expenses decreased by 24.0% from RMB16,920 million for the six months ended June 30, 2023 to RMB12,857 million for the six months ended June 30, 2024, mainly due to our expense control measures, responding to the decreased outstanding balance and new loan sales.

*Sales and marketing expenses.* Our sales and marketing expenses decreased by 48.1% from RMB5,570 million for the six months ended June 30, 2023 to RMB2,890 million for the six months ended June 30, 2024 due to (i) the decreased commissions as a result of the decreased new loan sales, (ii) the decreased referral expenses from platform service attributable to our exit from the Lujintong business that we had previously conducted, and (iii) the decreased general sales and marketing expenses as a result of the decrease in salary as a result of optimization of our sales team.

*General and administrative expenses.* Our general and administrative expenses decreased by 20.5% from RMB1,249 million for the six months ended June 30, 2023 to RMB993 million for the six months ended June 30, 2024, mainly due to the decrease of tax and surcharge and our expense control measures.

*Operation and servicing expenses.* Our operation and servicing expenses decreased by 15.3% from RMB3,134 million for the six months ended June 30, 2023 to RMB2,655 million for the six months ended June 30, 2024 due to our expense control measures and the decrease of loan balance, partially offset by the increased commission associated with the improved collection performance.

*Technology and analytics expenses.* Our technology and analytics expenses decreased by 23.0% from RMB686 million for the six months ended June 30, 2023 to RMB528 million for the six months ended June 30, 2024 due to our expense control measures.

*Credit impairment losses.* Our credit impairment losses decreased by 11.5% from RMB6,130 million for the six months ended June 30, 2023 to RMB5,422 million for the six months ended June 30, 2024, mainly due to the decrease in actual losses of loans as a result of the improvement of credit performance.

*Finance costs.* Our finance costs decreased by 78.0% from RMB324 million for the six months ended June 30, 2023 to RMB71 million for the six months ended June 30, 2024, mainly due to the decrease of interest expenses as a result of repayment of the Optionally Convertible Promissory Notes and other debts, partially offset by the decrease of interest income from bank deposits.

*Other (gains)/losses — net.* Our other losses were RMB299 million for the six months ended June 30, 2024, compared to RMB173 million other gains for the six months ended June 30, 2023, mainly due to the increase of foreign exchange losses and losses associated with certain risk assets.

### Income Tax Expenses

Our income tax expenses increased by 137.4% from RMB692 million for the six months ended June 30, 2023 to RMB1,643 million for the six months ended June 30, 2024, mainly due to the increased withholding tax of RMB1,050 million associated with one-off dividends that were paid by our PRC subsidiaries in order to support the distribution of the special dividend approved upon the Annual General Meeting on 30 May 2024.

### Net Loss

Our net loss was RMB1,560 million for the six months ended June 30, 2024, compared to the net profit of RMB1,736 million for the six months ended June 30, 2023, as a result of the aforementioned factors.

### Balance Sheet

We had RMB37,114 million in cash at bank as of June 30, 2024, as compared to RMB46,928 million as of June 30, 2023. Net assets of the Company amounted to RMB82,676 million as of June 30, 2024, as compared to RMB94,818 million as of June 30, 2023.

### Liquidity and Capital Resources

For the six months ended June 30, 2024, (i) our net cash generated from operating activities was RMB3,500 million, primarily due to the decrease of the loan scale and the collected service fees from the core retail credit and enablement business, partially offset by the payment of expenses; (ii) our net cash generated from investing activities was RMB2,522 million, primarily due to the decrease of time deposits with original maturities of more than three months; and (iii) our net cash used in financing activities was RMB4,189 million, primarily due to payment for redemption of borrowings.

For the corresponding period of 2023, (i) our net cash generated from operating activities was RMB5,281 million; (ii) our net cash generated from investing activities was RMB1,835 million; and (iii) our net cash used in financing activities was RMB11,621 million.

As of June 30, 2024, our cash and cash equivalents were primarily denominated in RMB or USD.

### Borrowings and Other Indebtedness

As of June 30, 2024, we had RMB41,002 million unsecured bank borrowings and there were no secured bank borrowings. Our borrowings with fixed interest rates ranging from 2.6% to 4.2% per annum amounted to RMB36,674 million as of the same date. As of June 30, 2024, the outstanding principal amounts of the Ping An Convertible Promissory Notes amounted to RMB7,099 million.



## Management Discussion and Analysis

### Pledge of Assets

As of June 30, 2024, we did not have any encumbrances, mortgage, lien, charge or pledge on our assets.

### Gearing Ratio

As of June 30, 2024, our gearing ratio (i.e. in percentage, total debt divided by total equity, and total debt is calculated as the aggregate of borrowings, convertible promissory note payable) was 56.7%.

### Significant Investments

As of June 30, 2024, we did not hold any significant investments (including any investments in an investee company with a value of 5% or more of our total assets as of June 30, 2024).

### Material Acquisitions and Disposals

On April 2, 2024, the acquisition of the entire issued share capital of Jin Yi Tong Limited, the indirect holding company of PAO Bank Limited (formerly known as Ping An OneConnect Bank (Hong Kong) Limited) (the “**Virtual Bank**”), was completed. For further details of the acquisition of the Virtual Bank, please refer to the Company’s announcement dated November 14, 2023.

Save for the above, we did not have any material acquisitions or disposals of subsidiaries, Consolidated Affiliated Entities, associates or joint ventures during the six months ended June 30, 2024.

### Future Plans for Material Investments or Capital Assets

We did not have any future plans for material investments or capital assets as of June 30, 2024.

### Contingent Liabilities

Previously, we shared credit risk with our funding partners by utilizing a combination of our licensed financing guarantee subsidiary and collaborations with third-party credit enhancement providers. In the fourth quarter of 2023, we successfully completed the transformation of our business to a 100% guarantee business model, under which our licensed financing guarantee subsidiary provides a guarantee for each new loan transaction without the use of third-party credit enhancement. As of June 30, 2024, the balance of our remaining commitment under the financing guarantee contracts for which we do not consolidate the underlying loans amounted to RMB53,294 million.

Other than the above, we did not have any material contingent liabilities as of June 30, 2024.

### Capital Expenditures and Capital Commitment

Our capital expenditures were RMB21 million for the six months ended June 30, 2024. These capital expenditures primarily comprised expenditures for the purchase of property and equipment, intangible assets and other long-term assets. We intend to fund our future capital expenditures with our existing cash balance, and anticipated cash flows from operations. We will continue to make well-planned capital expenditures to meet the expected growth of our business. As of June 30, 2024, we had no capital commitment.

### Risk Management

#### Foreign exchange risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which we conduct business may affect our financial position and results of operations. The foreign currency risk we have assumed mainly comes from movements in the USD/RMB exchange rate.

We and our major overseas intermediate holding companies' functional currency is USD. We are mainly exposed to foreign exchange risk arising from our cash and cash equivalents and loans to subsidiaries denominated in RMB. During the Reporting Period, we have entered into forward RMB-FX trading to manage our exposure to foreign currency risk arising from loans to subsidiaries denominated in RMB.

#### Interest rate risk

Interest rate risk is the risk that the fair value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest on floating rate instruments is repriced at intervals of less than one year.

Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity. Floating rate instruments expose us to cash flow interest rate risk, whereas fixed rate instruments expose us to fair value interest risk. Our interest rate risk mainly arises from fixed rate instruments including cash at bank, accounts and other receivables and contract assets, loans to customers, and accounts and other payables and contract liabilities, etc. Our interest rate risk policy requires us to manage interest rate risk by managing the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

### Employees and Remuneration

We had a total of 33,746 full-time employees as of June 30, 2024. The following table sets forth a breakdown of our employees by function as of June 30, 2024.

Function	Number of Employees
Sales and marketing	23,490
Credit assessment	1,169
Post-origination services	5,274
General and administrative	2,855
Technology and research	535
Other	423
<b>Total</b>	<b>33,746</b>

For the six months ended June 30, 2024, our employee benefit expenses amounted to RMB4,423 million as compared to RMB6,190 million for the six months ended June 30, 2023.

## Management Discussion and Analysis

As part of our retention strategy, we offer employees competitive salaries, performance-based cash bonuses, incentive share grants and other incentives. Our management recognizes the importance of realizing personal values for our employees and promotes a transparent appraisal system for all our employees seeking career advancement across different business departments. Our appraisal system provides the basis for making human resource decisions such as base compensation, bonuses, career promotion and employee share incentive grants. In order to maintain a competitive edge, we will continue to focus on attracting and retaining qualified professionals by providing an incentive-based and market-driven compensation structure that rewards performance and results.

We primarily recruit our employees through recruitment agencies, on-campus job fairs, industry referrals, internal referrals and online channels. In addition to on-the-job training, we regularly provide management, financial, technology, regulatory and other training to our employees by internally sourced speakers or externally hired consultants. Our employees may also attend external training with the approval of their supervisor.

We have adopted the 2014 Share Incentive Plan and the 2019 Performance Share Unit Plan.

### Recent Developments after the Reporting Period

Reference is made to our circular dated June 12, 2024 in relation to the Scrip Dividend Scheme. The cheques for the special dividend and certificates for new Shares to be allotted pursuant to the Scrip Dividend Scheme were sent to the Shareholders. As a result of the election for scrip dividend by An Ke Technology and Ping An Overseas Holdings under the Scrip Dividend Scheme and after receiving the scrip dividend, we become an indirect non-wholly-owned subsidiary of Ping An Insurance and our financial results are consolidated into the consolidated financial statements of Ping An Insurance.

References are also made to (i) the joint announcement dated July 3, 2024 and jointly published by Ping An Insurance, An Ke Technology, Ping An Overseas Holdings and us in relation to the possible mandatory unconditional cash offers to be made (the “**Rule 3.5 Announcement**”) and (ii) the joint announcement dated July 24, 2024 and jointly published by Ping An Insurance, An Ke Technology, Ping An Overseas Holdings and us in relation to the delay in despatch of composite document. As a result of the election for scrip dividend by An Ke Technology and Ping An Overseas Holdings under the Scrip Dividend Scheme, An Ke Technology and Ping An Overseas Holdings will be required to make a mandatory general offer for Lufax Offer Share(s) (as defined in the Rule 3.5 Announcement) and ADSs pursuant to Rule 26 of the Takeovers Code and an appropriate offer for all outstanding options under the 2014 Share Incentive Plan and unvested PSUs (as defined below) in compliance with Rule 13 of the Takeovers Code to cancel all such outstanding options and unvested PSUs. With the consent from the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong, the composite document will be despatched on or before August 30, 2024.

Save as disclosed above, there are no important events that had occurred since the end of the Reporting Period up to the Latest Practicable Date.

# Corporate Governance and Other Information

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

## Interests and Short Positions of the Directors and Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As of June 30, 2024, so far as is known to the Directors, the interests and/or short positions (as applicable) of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the 'Model Code for Securities Transactions by Directors of Listed Issuers' as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Interest in Shares or Underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares and/or Shares underlying outstanding options and/or unvested performance share units granted	Approximate percentage of shareholding interest <sup>(1)</sup>	Long position/ Short position
Mr. Yong Suk CHO (趙容爽)	Beneficial interest	527,150 <sup>(2)</sup>	0.05%	Long position
Mr. Gregory Dean GIBB (計葵生)	Beneficial interest	604,741.5 <sup>(3)</sup>	0.05%	Long position

Notes:

- (1) The calculation is based on the total number of 1,147,095,737 Shares issued and outstanding as of June 30, 2024 (excluding the treasury shares held by the Company, which comprised the Shares underlying the ADSs re-purchased by the Company pursuant to the share repurchase programs and Shares issued to the Depositary for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of options or awards granted under the Company's Share Incentive Plans).
- (2) This represents the aggregate of (i) 27,150 Shares to be issued upon vesting of the performance share units held by Mr. Yong Suk CHO under the 2019 Performance Share Unit Plan, and (ii) 500,000 Shares to be issued upon exercise of the options held by Mr. Yong Suk CHO under the 2014 Share Incentive Plan, as of June 30, 2024.
- (3) This represents the aggregate of (i) 31,083 Shares held by Mr. Gregory Dean GIBB, (ii) 27,151 Shares to be issued upon vesting of the performance share units held by Mr. Gregory Dean GIBB under the 2019 Performance Share Unit Plan, and (iii) 546,507.5 Shares to be issued upon exercise of the options held by Mr. Gregory Dean GIBB under the 2014 Share Incentive Plan, as of June 30, 2024.

## Corporate Governance and Other Information

Save as disclosed above, as of June 30, 2024, so far as is known to the Directors, none of the Directors or the chief executives of the Company had or were deemed to have an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of the Company or any interests and/or short positions (as applicable) in the Shares, underlying Shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the 'Model Code for Securities Transactions by Directors of Listed Issuers' as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

### Interests and Short Positions of the Substantial Shareholders in Shares and Underlying Shares of the Company

As of June 30, 2024, the following persons (other than the Directors and chief executives of the Company whose interests have been disclosed in this report), had interests or short positions in the Shares and underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding interest <sup>(1)</sup>	Long position/ Short position
An Ke Technology <sup>(2)(4)</sup>	Beneficial owner	285,000,000	24.85%	Long position
Ping An Overseas Holdings <sup>(2)</sup>	Beneficial owner	189,905,000	16.56%	Long position
Ping An Financial Technology <sup>(2)</sup>	Interest in controlled corporations	285,000,000	24.85%	Long position
Ping An Insurance <sup>(2)(4)</sup>	Interest in controlled corporations	474,905,000	41.40%	Long position
Tun Kung Company Limited <sup>(3)(4)</sup>	Beneficial interest	308,198,174	26.87%	Long position
Tongjun Investment Company Limited <sup>(3)</sup>	Interest in controlled corporations	308,198,174	26.87%	Long position
Lanbang Investment Company Limited <sup>(3)(4)</sup>	Interest in controlled corporations	308,198,174	26.87%	Long position
Mr. Weiwei DOU <sup>(3)</sup>	Interest in controlled corporations	308,198,174	26.87%	Long position
Ms. Wenjun Wang <sup>(3)</sup>	Interest in controlled corporations	308,198,174	26.87%	Long position
Mr. Xuelian YANG <sup>(3)(4)</sup>	Interest in controlled corporations	308,198,174	26.87%	Long position
Mr. Jingkui SHI <sup>(3)(4)</sup>	Interest in controlled corporations	308,198,174	26.87%	Long position



## Corporate Governance and Other Information

Notes:

- (1) The calculation is based on the total number of 1,147,095,737 Shares issued and outstanding as of June 30, 2024 (excluding the treasury shares held by the Company, which comprised the Shares underlying the ADSs repurchased by the Company pursuant to the share repurchase programs and Shares issued to the Depositary for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of options or awards granted under the Company's Share Incentive Plans).
- (2) Represents 285,000,000 Shares held by An Ke Technology and 189,905,000 Shares held by Ping An Overseas Holdings. An Ke Technology is a wholly owned subsidiary of Ping An Financial Technology which is wholly owned by Ping An Insurance. Ping An Overseas Holdings is a direct wholly-owned subsidiary of Ping An Insurance. Ping An Financial Technology is deemed to be interested in the 285,000,000 Shares held by An Ke Technology. Ping An Insurance is deemed to be interested in the 285,000,000 Shares held by An Ke Technology and 189,905,000 Shares held by Ping An Overseas Holdings.

We issued the Ping An Convertible Promissory Notes in an aggregate principal amount of US\$1,953.8 million to Ping An Overseas Holdings and An Ke Technology. As of June 30, 2024, 50% of the outstanding principal amount of the Ping An Convertible Promissory Notes had been redeemed and the remaining 50% outstanding Ping An Convertible Promissory Notes which had not been redeemed can be converted, in whole or in part, into the Shares (or the ADSs) at any time from April 30, 2026 until the date which is five business days before (and excluding) October 8, 2026, at an initial conversion price of US\$14.8869 per ordinary share subject to certain adjustments as set forth in the terms and conditions of each of the Ping An Convertible Promissory Notes. As of June 30, 2024, the Ping An Convertible Promissory Notes can be converted into an aggregate of 76,559,561 Shares, representing approximately 6.67% of the total issued and outstanding Shares as of June 30, 2024. For further details of Ping An Convertible Promissory Notes, see "History and Corporate Structure — Major Shareholding Changes of the Company and Our Principal Subsidiaries — Shareholding changes of the Company — Convertible Promissory Notes Issued to Ping An Overseas Holdings and An Ke Technology" in the Listing Document.

- (3) Represents 275,203,430 Shares held by Tun Kung Company Limited, a BVI company, plus, as of June 30, 2024, the interest in 32,994,744 Shares which derives from ADSs. As of June 30, 2024, each of Tongjun Investment Company Limited and Lanbang Investment Company Limited owned 47.2% and 52.8% of the issued and outstanding share capital of Tun Kung Company Limited, respectively. Tongjun Investment Company Limited and Lanbang Investment Company Limited are both British Virgin Islands companies. Each of the two individuals, Mr. Wenwei DOU and Ms. Wenjun WANG, as nominee shareholder, owns 50% of Tongjun Investment Company Limited's shares. Each of the two individuals, Mr. Xuelian YANG and Mr. Jingkui SHI, owns 50% of Lanbang Investment Company Limited's shares. Therefore, Tongjun Investment Company Limited, Lanbang Investment Company Limited, Mr. Wenwei DOU, Ms. Wenjun WANG, Mr. Xuelian YANG and Mr. Jingkui SHI are deemed to be interested in the Shares held by Tun Kung Company Limited.
- (4) Each shareholder of Lanbang Investment Company Limited, Mr. Jingkui SHI and Mr. Xuelian YANG, has granted an option to An Ke Technology to purchase up to 100% of his shares in Lanbang Investment Company Limited ("**Lanbang Offshore Call Options**"). Lanbang Investment Company Limited held 52.8% of the shares of Tun Kung Company Limited, which in turn beneficially owned 26.87% of the Shares. Lanbang Investment Company Limited has also granted an option to An Ke Technology to purchase up to 100% of its shares in Tun Kung Company Limited ("**Tun Kung Offshore Call Options**", together with Lanbang Offshore Call Options, the "**Offshore Call Options**"). Lanbang Investment Company Limited is entitled to its voting and other rights in Tun Kung Company Limited prior to An Ke Technology's exercise of the Tun Kung Offshore Call Options. For details of the Offshore Call Options, see note (2) to the subsection headed "History and Corporate Structure — Our Corporate Structure" in the Listing Document.

Save as disclosed above, as of June 30, 2024, no person, other than the Directors whose interests are set out in the section headed "Interests and Short Positions of the Directors and Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" had or was deemed to have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## Corporate Governance and Other Information

### Share Incentive Plans

We adopted the 2014 Share Incentive Plan in December 2014 and amended and restated it most recently on April 12, 2023 to comply with Chapter 17 of the Listing Rules. In addition, we adopted the 2019 Performance Share Unit Plan in September 2019 and amended and restated it most recently on April 12, 2023 to comply with Chapter 17 of the Listing Rules. They have been subject to Chapter 17 of the Listing Rules since the Listing Date. For the avoidance of doubt, options and awards granted pursuant to the Share Incentive Plans prior to the Listing Date are not subject to the provisions of the Listing Rules.

For details of our Share Incentive Plans, please see “Statutory and General Information — D. Share Incentive Plans” in Appendix IV to the Listing Document and “Directors’ Report — Share Incentive Plans” in the Annual Report 2023.

#### Options and PSUs available for grant under the Share Incentive Plans

The scheme mandate limit under the Share Incentive Plans is 45,644,803 Shares and the service provider sublimit under the Share Incentive Plans is 15,000,000 Shares.

As of December 31, 2023, 24,410,829 Shares (equivalent to 12,205,414 ADSs) are available for future grant under the scheme mandate limit under the Share Incentive Plans and 11,779,146 Shares (equivalent to 5,889,573 ADSs) are available for future grant under the service provider sublimit under the Share Incentive Plans.

As of June 30, 2024, 26,058,160 Shares (equivalent to 13,029,080 ADSs) are available for future grant under the scheme mandate limit under the Share Incentive Plans and 12,367,672 Shares (equivalent to 6,183,836 ADSs) are available for future grant under the service provider sublimit under the Share Incentive Plans.

#### Maximum Number of Shares

The maximum aggregate number of Shares that may be issued in respect of the Share Incentive Plans is 13,041,909 Shares, representing approximately 1.14% of the weighted average number of Shares issued and outstanding for the six months ended June 30, 2024.

## 2014 Share Incentive Plan

The Company did not grant further options under the 2014 Share Incentive Plan during the six months ended June 30, 2024. Details of the movements of the options granted under the 2014 Share Incentive Plan during the six months ended June 30, 2024 are as follows:

Name or category of the Grantee	Position	Date of grant	Vesting period	Date of expiration	Exercise price for options (per Share in RMB)	Number of options outstanding as of January 1, 2024	Exercise price for options exercised during the six months ended June 30, 2024 (per Share in RMB)		Number of options cancelled during the six months ended June 30, 2024	Exercise price for options cancelled during the six months ended June 30, 2024 (per Share in RMB)		Number of options lapsing during the six months ended June 30, 2024	Number of options outstanding as of June 30, 2024
							Number of options exercised during the six months ended June 30, 2024	Weighted average closing price of Shares immediately before the date of exercise		Number of options cancelled during the six months ended June 30, 2024	Weighted average closing price of Shares immediately before the date of exercise		
Yong Suk CHO (趙容葵)	Chairman of the Board and Chief Executive Officer	April 8, 2016 and December 29, 2017	4 years	April 8, 2026 and December 29, 2027	98.06-118.0	500,000	-	-	-	-	-	-	500,000
Gregory Dean GIBB (吉樂生)	Executive Director and Co-Chief Executive Officer	December 22, 2014 to April 1, 2017	4 years	December 22, 2024 to April 1, 2027	8.0-98.06	557,209.5	10,702	8.0	HK\$19.04	-	-	-	546,507.5
Other Employees (in aggregate)	-	August 16, 2014 to November 27, 2018	1 year to 4 years	August 16, 2024 to November 27, 2028	8.00-118.0	10,322,220.5	157,760	8.0	HK\$18.30	-	-	1,130,944	9,033,516.5
Service Provider Participants (in aggregate)	-	December 22, 2014 to March 19, 2018	4 years	December 22, 2024 to March 19, 2028	8.0-118.0	2,014,595	43,568	8.0	HK\$18.30	-	-	443,969	1,527,058
Related Entities (in aggregate)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>						<b>13,394,025</b>	<b>212,030</b>					<b>1,574,913</b>	<b>11,607,082</b>

Note:

(1) No consideration is required to be paid for the grant of options.

## 2019 Performance Share Unit Plan

The Company did not grant further performance share units (“PSUs”, or each “PSU”) under the 2019 Performance Share Unit Plan during the six months ended June 30, 2024. Details of the movements of the PSUs granted under the 2019 Performance Share Unit Plan during the six months ended June 30, 2024 are as follows:

Name or category of the Grantee	Position	Date of grant	Unlocking Date of period	Purchase price	Number of unvested PSUs as of January 1, 2024	Number of PSUs vested during the six months ended June 30, 2024	Weighted average closing price of Shares immediately before the date of vesting	Number of PSUs cancelled during the six months ended June 30, 2024	Number of PSUs lapsed during the six months ended June 30, 2024	Number of PSUs unvested as of June 30, 2024
Yong Suk CHO (趙紹興)	Chairman of the Board and Chief Executive Officer	November 1, 2020	4 years	Nil	27,150	-	-	-	-	27,150
Gregory Dean GIBB (吉樂生)	Executive Director and Co-Chief Executive Officer	November 1, 2020	4 years	Nil	54,017	26,866	HK\$19.04	-	-	27,151
Other Employees (in aggregate)	-	May 1, 2020 and November 1, 2021	4 years	Nil	1,680,873 <sup>(2)</sup>	515,494	HK\$16.27	-	63,243	1,102,136
Service Provider Participants (in aggregate)	-	May 1, 2020 and September 1, 2021	4 years	Nil	309,741	22,176	HK\$16.67	-	9,175	278,390
Related Entities (in aggregate)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>2,071,781</b>	<b>564,536</b>		<b>-</b>	<b>72,418</b>	<b>1,434,827</b>

Notes:

- (1) No consideration is required to be paid for the grant of PSUs.
- (2) This includes 428,975 awards granted to a former director of the Company.

### Change in Directors' Information

There has been no change in the Directors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### Share Repurchase Program

For the six months ended June 30, 2024, we did not have any share repurchase program.

### Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's securities listed on the Stock Exchange or the NYSE (including sale of treasury shares) during the six months ended June 30, 2024.

### Compliance with the Code on Corporate Governance

During the six months ended June 30, 2024, we have complied with all the applicable code provisions of the Corporate Governance Code set forth in Part 2 of Appendix C1 (formerly Appendix 14) to the Listing Rules (the "**CG Code**"), save for the following.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with but may choose to deviate from the requirement that the responsibilities between the chairperson and the Chief Executive Officer should be segregated and should not be performed by the same individual. Mr. Yong Suk CHO has assumed the roles of chairman of the Board and Chief Executive Officer of the Company, which constitutes a deviation from code provision C.2.1 of the CG Code. The Board believes that vesting the roles of both chairperson and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Taking into account that Mr. Gregory Dean GIBB currently acts as the Co-Chief Executive Officer of the Company, the Board considers that the balance of power and authority for the present arrangement is not impaired, and this structure enables the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the Chief Executive Officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

### Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Code for Dealings in Securities by Management (the "**Code**"), with terms no less exacting than the 'Model Code for Securities Transactions by Directors of Listed Issuers' as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules, as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Code.

Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he/she had complied with the Code during the six months ended June 30, 2024.



## Corporate Governance and Other Information

### Audit Committee

We have established an audit committee comprising three independent non-executive Directors, namely Mr. Rusheng YANG, Mr. Xudong ZHANG and Mr. David Xianglin LI. Mr. YANG, being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Company's audit committee are to monitor the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters, to review the adequacy of our internal control over financial reporting, to review all related party transactions for potential conflict of interest situations and to approve, as appropriate, such transactions. Our audit committee has reviewed this report and our unaudited condensed consolidated interim financial information for the six months ended June 30, 2024.

In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed our unaudited condensed consolidated interim financial information for the six months ended June 30, 2024 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

### Semi-Annual Dividend

The Board did not recommend the distribution of an semi-annual dividend for the six months ended June 30, 2024.

### Exchange Rate Conversion

Our reporting currency is Renminbi. This interim report contains translations of financial data in Renminbi amounts into U.S. dollars at specific rate solely for the convenience of the reader. Unless otherwise stated, all translations of financial data in Renminbi into U.S. dollars and from U.S. dollars into Renminbi in this interim report were made at a rate of RMB7.2672 to US\$1.00, the exchange rate on June 28, 2024 set forth in the H.10 statistical release of the Federal Reserve Board as extracted from the website of the Federal Reserve Board.

### Approval of Interim Report

This interim report of the Group for the six months ended June 30, 2024 was approved and authorized for issue by the Board on August 21, 2024.

### Safe Harbor Statement

This report contains forward-looking statements. These statements are made under the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends, which involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control. These forward-looking statements include, but are not limited to, statements about the Company's goals and strategies; the Company's future business development, financial condition and results of operations; expected changes in the Company's income, expenses or expenditures; expected growth of the retail credit facility and wealth management markets; the Company's expectations regarding demand for, and market acceptance of, its services; the Company's expectations regarding its relationship with borrowers, platform investors, funding sources, product providers and other business partners; general economic and business conditions; and government policies and regulations relating to the industry the Company operates in. Forward-looking statements involve inherent risks and uncertainties. Further information regarding these and other risks is included in the Company's filings with the SEC and the Stock Exchange. All information provided in this report is as of the Latest Practicable Date, and the Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

# Report on Review of Condensed Consolidated Interim Financial Information

**To the Board of Directors of Lufax Holding Ltd**

*(incorporated in the Cayman Islands with limited liability)*

## Introduction

We have reviewed the condensed consolidated interim financial information set out on pages 20 to 56, which comprises the interim consolidated statement of financial position of Lufax Holding Ltd (the “Company”) and its subsidiaries (together, the “Group”) as of June 30, 2024 and the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong

August 22, 2024

# Interim Consolidated Statement of Comprehensive Income

	Note	Six Months Ended June 30,	
		2023 RMB'000	2024 RMB'000
Technology platform-based income	6	9,086,070	4,551,892
Net interest income	7	6,715,547	5,560,940
Guarantee income		2,565,405	1,775,400
Other income		537,632	636,783
Investment income		445,007	415,657
Share of net loss of investments accounted for using the equity method		(1,587)	(691)
<b>Total income</b>		19,348,074	12,939,981
Sales and marketing expenses	8	(5,570,120)	(2,889,635)
General and administrative expenses	8	(1,249,416)	(993,199)
Operation and servicing expenses	8	(3,134,026)	(2,654,672)
Technology and analytics expenses	8	(685,616)	(527,733)
Credit impairment losses	9	(6,129,506)	(5,421,572)
Finance costs		(324,288)	(71,405)
Other gains/(losses) - net		172,856	(298,990)
<b>Total expenses</b>		(16,920,116)	(12,857,206)
Profit before income tax		2,427,958	82,775
Less: Income tax expenses	10	(691,970)	(1,642,727)
<b>Net profit/(loss) for the period</b>		1,735,988	(1,559,952)
<b>Net profit/(loss) attributable to:</b>			
Owners of the Company		1,637,325	(1,662,535)
Non-controlling interests		98,663	102,583
		1,735,988	(1,559,952)

The accompanying notes are an integral part of the condensed consolidated interim financial information.

## Interim Consolidated Statement of Comprehensive Income (Continued)

	Note	Six Months Ended June 30,	
		2023	2024
		RMB'000	RMB'000
<b>Other comprehensive loss, net of tax:</b>			
<b><i>Items that may be reclassified to profit or loss</i></b>			
- Exchange differences on translation of foreign operations		(126,043)	(426)
- Changes in the financial assets at fair value over comprehensive income		-	(2,511)
<b><i>Items that will not be reclassified to profit or loss</i></b>			
- Exchange differences on translation of foreign operations to the presentation currency		(550,592)	(71,732)
<b>Total comprehensive income for the period</b>		1,059,353	(1,634,621)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		959,564	(1,736,911)
Non-controlling interests		99,789	102,290
		1,059,353	(1,634,621)
<b>Earnings per share (expressed in RMB per share)</b>			
- Basic earnings per share	11	1.43	(1.45)
- Diluted earnings per share	11	1.43	(1.45)
- Basic earnings per ADS	11	2.86	(2.90)
- Diluted earnings per ADS	11	2.86	(2.90)

The accompanying notes are an integral part of the condensed consolidated interim financial information.

# Interim Consolidated Statement of Financial Position

		As of	
		December 31, 2023	June 30, 2024
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
Cash at bank	12	39,598,785	37,113,898
Restricted cash	12	11,145,838	10,683,924
Financial assets at fair value through profit or loss	13	28,892,604	29,249,592
Financial assets at fair value through other comprehensive income	14	–	1,739,416
Financial assets at amortized cost	15	3,011,570	2,918,120
Accounts and other receivables and contract assets	16	7,293,671	5,410,456
Loans to customers	17	129,693,954	112,708,888
Deferred tax assets		5,572,042	5,476,280
Property and equipment		180,310	162,426
Investments accounted for using the equity method		2,609	–
Intangible assets		874,919	1,016,210
Right-of-use assets		400,900	349,884
Goodwill		8,911,445	9,171,729
Other assets		1,444,362	929,279
<b>Total assets</b>		<b>237,023,009</b>	<b>216,930,102</b>
<b>LIABILITIES</b>			
Payable to platform investors		985,761	781,083
Borrowings	18	38,823,284	41,002,213
Customer deposits	19	–	3,126,937
Current income tax liabilities		782,096	447,523
Accounts and other payables and contract liabilities	20	6,977,118	15,188,201
Payable to investors of consolidated structured entities		83,264,738	61,693,369
Financing guarantee liabilities	21	4,185,532	3,507,405
Deferred tax liabilities		524,064	427,332
Lease liabilities		386,694	342,671
Convertible promissory notes payable		5,650,268	5,898,783
Other liabilities		1,759,672	1,838,182
<b>Total liabilities</b>		<b>143,339,227</b>	<b>134,253,699</b>
<b>EQUITY</b>			
Share capital		75	75
Share premium		32,142,233	22,306,417
Treasury shares		(5,642,768)	(5,642,768)
Other reserves		155,849	544,621
Retained earnings		65,487,099	63,824,564
<b>Total equity attributable to owners' of the Company</b>		<b>92,142,488</b>	<b>81,032,909</b>
Non-controlling interests		1,541,294	1,643,494
<b>Total equity</b>		<b>93,683,782</b>	<b>82,676,403</b>
<b>Total liabilities and equity</b>		<b>237,023,009</b>	<b>216,930,102</b>

The accompanying notes are an integral part of the condensed consolidated interim financial information.



# Interim Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2023	75	32,073,874	(5,642,769)	2,158,432	64,600,234	93,189,846	1,596,829	94,786,675
Net profit for the period	-	-	-	-	1,637,325	1,637,325	98,663	1,735,988
Other comprehensive income/(loss)	-	-	-	(677,761)	-	(677,761)	1,126	(676,635)
Total comprehensive income for the period	-	-	-	(677,761)	1,637,325	959,564	99,789	1,059,353
Transactions with owners								
Exercise of share-based payment	-	11,468	-	(10,014)	-	1,454	-	1,454
Acquisition of non-controlling interests of a subsidiary	-	-	-	4,511	-	4,511	(203,711)	(199,200)
Dividend declared	-	(795,112)	-	-	-	(795,112)	-	(795,112)
Share-based payment	-	-	-	(35,405)	-	(35,405)	(92)	(35,497)
As of June 30, 2023	75	31,290,230	(5,642,769)	1,439,763	66,237,559	93,324,858	1,492,815	94,817,673

The accompanying notes are an integral part of the condensed consolidated interim financial information.

## Interim Consolidated Statement of Changes in Equity (Continued)

	Attributable to owners of the Company							
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As of January 1, 2024</b>	75	32,142,233	(5,642,768)	155,849	65,487,099	92,142,488	1,541,294	93,683,782
Net profit/(loss) for the period	-	-	-	-	(1,662,535)	(1,662,535)	102,583	(1,559,952)
Other comprehensive income/(loss)	-	-	-	(74,376)	-	(74,376)	(293)	(74,669)
<b>Total comprehensive income for the period</b>	-	-	-	(74,376)	(1,662,535)	(1,736,911)	102,290	(1,634,621)
<b>Transactions with owners</b>								
Exercise of share-based payment	-	34,227	-	(32,269)	-	1,958	-	1,958
Dividend declared (Note 23)	-	(9,870,043)	-	501,433	-	(9,368,610)	-	(9,368,610)
Share-based payment	-	-	-	(6,016)	-	(6,016)	(90)	(6,106)
<b>As of June 30, 2024</b>	75	22,306,417	(5,642,768)	544,621	63,824,564	81,032,909	1,643,494	82,676,403

The accompanying notes are an integral part of the condensed consolidated interim financial information.

# Interim Consolidated Statement of Cash Flows

	Six Months Ended June 30,	
	2023 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operating activities	7,661,811	5,143,201
Income tax paid	(2,381,032)	(1,643,055)
<b>Net cash generated from operating activities</b>	<b>5,280,779</b>	<b>3,500,146</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investment assets	38,315,777	31,665,923
Proceeds from sale of property and equipment	1,347	3,553
Net cash used in acquisition of subsidiaries	-	(715,665)
Net cash flows from disposal of subsidiaries	25,590	(641)
Interest received on investment assets	665,669	946,293
Payment for acquisition of investment assets	(37,149,343)	(29,356,007)
Payment for property and equipment and other long-term assets	(23,549)	(21,409)
<b>Net cash generated from investing activities</b>	<b>1,835,491</b>	<b>2,522,047</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of share-based payment	252	1,979
Proceeds from borrowings	7,390,619	5,896,718
Refund of cash reserved for repurchase of ordinary shares	854,624	-
Repayment of borrowings	(13,276,441)	(9,554,249)
Repayment of bond payable	(1,062,315)	-
Payment for lease liabilities	(279,241)	(157,111)
Payment for interest expenses	(620,384)	(376,398)
Payment for dividend declared	(786,299)	-
Repayment of convertible promissory notes payable	(3,642,931)	-
Payment for acquisition of non-controlling interests of subsidiary	(199,200)	-
<b>Net cash used in financing activities</b>	<b>(11,621,316)</b>	<b>(4,189,061)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>427,092</b>	<b>85,317</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,077,954)</b>	<b>1,918,449</b>
Add: Cash and cash equivalents at the beginning of the period	29,537,511	18,480,096
<b>Cash and cash equivalents at the end of the period</b>	<b>25,459,557</b>	<b>20,398,545</b>

The accompanying notes are an integral part of the condensed consolidated interim financial information.

# Notes to Unaudited Condensed Consolidated Interim Financial Information

For the six-months ended June 30, 2024

## 1 General information

Lufax Holding Ltd (the “Company”) was incorporated in the Cayman Islands on December 2, 2014 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and with its consolidated subsidiaries and consolidated structured entities that are controlled through contractual arrangements (collectively referred to as the “Group”) are principally engaged in core retail credit and enablement business to both borrowers and institutions in the People’s Republic of China (the “PRC”).

On November 13, 2023, the Group entered into a share purchase agreement with OneConnect Financial Technology Co., Ltd. (as the seller) (“OCFT”) and PAO Bank Limited (previously known as Ping An OneConnect Bank (Hong Kong) Limited) (the “Virtual Bank”), pursuant to which OCFT conditionally agreed to sell, and the Group conditionally agreed to acquire the Virtual Bank through the sale and purchase of the entire issued share capital of the indirect holding company of the Virtual Bank, Jin Yi Tong Limited, at a consideration of HK\$933 million in cash. On April 2, 2024, all the conditions precedent to the acquisition of Virtual Bank had been fulfilled. Upon that, the acquisition was completed and the Virtual Bank became a wholly-owned subsidiary of the Group.

On November 20, 2023, the Company announced to change the ratio of its American Depositary Share (“ADS”) to its ordinary shares (the “ADS Ratio”) from two ADSs to one ordinary share to one ADS to two ordinary shares. The change in the ADS ratio became effective on December 15, 2023. For all the periods presented, basic and diluted earnings per ADS have been revised assuming the change of ADS ratio from a ratio of two ADSs to one ordinary share to a new ratio of one ADS to two ordinary shares occurred at the beginning of the earliest period presented.

This interim financial information is presented in RMB and all values are rounded to the nearest thousand (RMB’000) except when otherwise stated.

This condensed consolidated interim financial information has not been audited.

## 2 Basis of preparation

This condensed consolidated interim financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). The condensed consolidated interim financial information does not include all the information and disclosure required in an annual financial statements. Accordingly, this interim financial information should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 3 Material accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended December 31, 2023, except for the adoption of new and amended standards as set out below and the new added material accounting policy for financial assets at fair value through other comprehensive income (refer to Note 14).

### New and amended standards and interpretations adopted by the Group

		Effective for the annual periods beginning on or after
Amendment to IFRS 16	Leases on sale and leaseback	January 1, 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, Non-current liabilities with covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024

The Group adopted these amendments on January 1, 2024 and noted no material impact on the Group's operations or financial statements.

### New and amended standards and interpretations that have relevance to the Group not yet adopted by the Group

		Effective for the annual periods beginning on or after
Amendment to IAS 21	Lack of Exchangeability	January 1, 2025
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group does not expect the adoption of these standards will have a material impact on the Group's operations or financial statements.



## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 4 Critical accounting estimates and judgements

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the nature of significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were consistent with those described in the audited consolidated financial statements of the Company as of and for the year ended December 31, 2023.

### 5 Financial instruments and risks

The Group's activities expose it to a variety of market risks (comprising foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

The condensed consolidated interim financial information does not include all information of financial risk management and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

There are no changes in any material risk management policies during the six months ended June 30, 2024.

#### 5.1 Measurement of Expected credit loss ("ECL")

There have been no material changes in the risk management policies since December 31, 2023.

The Group has developed macro-economic forward-looking adjustment model by establishing a pool of macro-economic indicators, preparing data, filtering model factors and adjusting forward-looking elements, and the indicators include gross domestic product (GDP), customer price index (CPI), broad measure of money supply (M1) and other macro-economic variables. Through regression analysis, the relationship among these economic indicators in history with probability of default ("PD") is determined, and PD then determined through forecasting economic indicators. The forecasting methods and critical assumptions applied had no material changes during the six months ended June 30, 2024.

The Group regularly evaluates and forecasts these macro-economic indicators to provide best estimates for the future, and regularly evaluates the results. The Group combined statistical analysis results to determine the weights of different scenarios, and also considered the range of possible outcomes represented by each scenario to determine the final macro-economic assumptions and weights for measuring the relevant expected credit loss. Similar to other economic forecasts, the estimates of economic indicators have high inherent uncertainties, actual results may have significant differences with estimates. The Group considered the estimates above represented the optimal estimation of possible outcomes. The weighted credit loss above is calculated by multiplying the expected credit loss under each scenario by relative weightings.

# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 5 Financial instruments and risks (Continued)

### 5.1 Measurement of Expected credit loss (“ECL”) (Continued)

The impact of these economic indicators on PD varies to different businesses. The Group comprehensively considers internal and external data, future forecasts and statistical analysis to determine the relationship between these economic indicators with PD. The Group evaluates and forecasts these economic indicators at least annually at balance sheet date, and regularly evaluates the results based on changes in macro-economics.

#### *Sensitivity analysis*

The Group has the highest weight of the base scenario. The loans to customers and financing guarantee contracts assumed that if the weight of the upside scenario increased by 10% and the weight of the base scenario reduced by 10%, the Group’s ECL impairment provision as of December 31, 2023 and June 30, 2024 would be reduced by RMB56 million and RMB32 million, respectively; if the weight of the downside scenario increased by 10% and the weight of the base scenarios reduced by 10%, the Group’s ECL impairment provision as of December 31, 2023 and June 30, 2024 would be increased by RMB39 million and RMB56 million, respectively.

The following table shows the changes of ECL impairment provision on loans to customers and financing guarantee liabilities related to ECL assuming the financial assets in stage 2 reclassified to stage 1 due to significant improvement in credit risk.

	As of	
	December 31, 2023 RMB'000	June 30, 2024 RMB'000
Total ECL and financing guarantee liabilities under assumption of reclassification of financial instruments from stage 2 to stage 1	9,651,158	<b>9,374,361</b>
Total ECL and financing guarantee liabilities related to ECL recognized in the consolidated balance sheet	11,459,365	<b>10,729,651</b>
Difference-amount	(1,808,207)	<b>(1,355,290)</b>
Difference-ratio	(16%)	<b>(13%)</b>

# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 5 Financial instruments and risks (Continued)

### 5.2 Fair value estimation

The Group's policies are consistent with those described in the consolidated financial statements for the year ended December 31, 2023 for determining and disclosing the fair value of financial instruments by valuation techniques. No significant changes were made to the fair value valuation techniques since December 31, 2023.

The following table sets forth the financial instruments recorded at fair value by level of the fair value hierarchy:

As of December 31, 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets at fair value through profit or loss</b>				
Asset management plans	-	2,474,417	727,294	3,201,711
Trust plans	-	829,973	12,040,082	12,870,055
Private fund and other equity investments	-	-	659,406	659,406
Mutual funds	4,979,600	-	-	4,979,600
Corporate bonds	-	-	43,083	43,083
Bank wealth management products	-	4,990,342	-	4,990,342
Structured deposits	-	804,897	-	804,897
Others debt investments	-	-	1,343,510	1,343,510
<b>Total</b>	<b>4,979,600</b>	<b>9,099,629</b>	<b>14,813,375</b>	<b>28,892,604</b>

As of June 30, 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets at fair value through other comprehensive income</b>				
Certificate of deposits	<b>1,299,272</b>	-	-	<b>1,299,272</b>
Exchange fund bills	<b>440,144</b>	-	-	<b>440,144</b>
	<b>1,739,416</b>	-	-	<b>1,739,416</b>
<b>Financial assets at fair value through profit or loss</b>				
Asset management plans	-	<b>2,222,444</b>	<b>624,402</b>	<b>2,846,846</b>
Trust plans	-	<b>1,264,071</b>	<b>15,173,337</b>	<b>16,437,408</b>
Private fund and other equity investments	-	-	<b>653,245</b>	<b>653,245</b>
Mutual funds	<b>3,683,949</b>	-	-	<b>3,683,949</b>
Corporate bonds	-	-	<b>41,426</b>	<b>41,426</b>
Bank wealth management products	-	<b>2,845,323</b>	-	<b>2,845,323</b>
Structured deposits	-	<b>1,137,682</b>	-	<b>1,137,682</b>
Others debt investments	-	-	<b>1,603,713</b>	<b>1,603,713</b>
	<b>3,683,949</b>	<b>7,469,520</b>	<b>18,096,123</b>	<b>29,249,592</b>
<b>Total</b>	<b>5,423,365</b>	<b>7,469,520</b>	<b>18,096,123</b>	<b>30,989,008</b>

# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 5 Financial instruments and risks (Continued)

### 5.2 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024 RMB'000
<b>As of January 1, 2024</b>	<b>14,813,375</b>
Additions	<b>7,357,952</b>
Disposal	<b>(4,168,401)</b>
Gains or losses recognized in profit or loss	<b>93,197</b>
<b>As of June 30, 2024</b>	<b>18,096,123</b>

#### *Fair value measurements using significant unobservable input:*

The level of fair value measurement is determined by the lowest level input with material significance in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the estimation of fair value.

As of December 31, 2023 and June 30, 2024, the level 3 instruments were mainly trust plans and other debt investment at fair value through profit or loss. As the trust plans and other debt investment are not traded in an active market, their fair values have been determined using the discounted cash flow method whereby the discount rate adjustment technique is applied and the net asset value method whereby the net asset value provided by third-party. The discount rate used to determine the present value was a rate that reflects current market assessments of the time value of money and the risks specific to the assets as at each reporting date with critical estimates and judgements by the management. The net asset value provided by third party at the period end was an indicative value that the Group willing to transact at that price without any adjustment, therefore the discount rate is the only significant unobservable input in the measurement of the level 3 instruments. As of June 30, 2024, the discount rates used to determine fair value of level 3 instruments ranged from 5.4% to 9.5%.

The table below illustrates carrying amount of the level 3 instruments with the fair value determined using the discounted cash flow method as well as the impact to profit/(loss) before income tax for the year ended December 31, 2023 and six months ended June 30, 2024, if the risk-adjusted discount rate had increased/decreased by 100 basis points with all other variables held constant.

	As of December 31, 2023 RMB'000	June 30, 2024 RMB'000
Discounted cash flow method	3,074,421	<b>2,952,083</b>
Expected changes in profit/(loss) before income tax		
+100 basis points	(61,750)	<b>(57,738)</b>
- 100 basis points	67,634	<b>51,570</b>

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 6 Technology platform-based income

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
<b>Technology platform-based income</b>		
Retail credit and enablement service fees (i)	8,978,365	4,506,407
Other technology platform-based income	107,705	45,485
	9,086,070	4,551,892

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
<b>(i) Retail credit and enablement service fees</b>		
Loan enablement service fees	501,050	599,096
Post-origination services fees	8,126,237	3,897,225
Referral income from platform service	351,078	10,086
	8,978,365	4,506,407

(a) The table below sets forth the remaining performance obligations of long-term contracts:

	As of June 30, 2024
	RMB'000
<b>Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied at the end of each period</b>	
Expected to be recognized within one year	3,276,842
Expected to be recognized in one to two years	1,267,262
Expected to be recognized over two years	720,067
	5,264,171



## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 7 Net interest income

	Six Months Ended June 30,	
	2023 RMB'000	2024 RMB'000
<b>Loans originated by consolidated trust plans</b>		
Interest income	8,648,257	5,199,069
Interest expense	(3,949,616)	(2,114,046)
<b>Net interest income from loans originated by consolidated trust plans</b>	4,698,641	3,085,023
<b>Loans originated by financial institutions (a)</b>		
Interest income	2,339,483	2,956,414
Interest expense	(322,577)	(480,497)
<b>Net interest income from financial institutions (a)</b>	2,016,906	2,475,917
<b>Total net interest income</b>	6,715,547	5,560,940

(a) Financial institutions include the consumer finance company, microloan lending companies and the virtual bank.

### 8 Expense by nature

	Six Months Ended June 30,	
	2023 RMB'000	2024 RMB'000
Employee benefit expenses (Note 8.1)	6,189,598	4,423,168
Loan origination and servicing expenses	1,631,897	933,206
Outsourcing service expenses	587,837	424,149
Trust management fee	494,618	350,346
Payment processing expenses	444,490	245,942
Depreciation of right-of-use assets	231,363	150,992
Taxes and surcharges	180,332	94,394
Business entertainment expenses	77,464	64,595
Promotion and advertising expenses	353,758	52,279
Others	447,821	326,168
<b>Total sales and marketing expenses, general and administrative expenses, operation and servicing expenses, technology and analytics expenses</b>	10,639,178	7,065,239

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 8 Expense by nature (Continued)

#### 8.1 Employee benefit expenses

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	4,400,145	<b>3,267,204</b>
Other social security costs, housing benefits and other employee benefits	1,182,843	<b>788,368</b>
Pension costs – defined contribution plans	642,107	<b>373,702</b>
Share-based payment	(35,497)	<b>(6,106)</b>
	6,189,598	<b>4,423,168</b>

### 9 Credit impairment losses

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
Loans to customers	3,025,358	<b>3,186,060</b>
Financing guarantee contracts	2,723,890	<b>2,106,239</b>
Financial assets at amortized cost	29,542	<b>79,698</b>
Accounts and other receivables and contract assets	348,532	<b>49,725</b>
Others	2,184	<b>(150)</b>
	6,129,506	<b>5,421,572</b>

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 10 Income tax expenses

The following table sets forth the income tax expense of the Group for the six months ended June 30, 2023 and 2024:

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
Current income tax	754,099	1,704,885
Deferred income tax	(62,129)	(62,158)
	691,970	1,642,727

#### (a) Cayman Islands and BVI Income Tax

The Company is incorporated under the laws of the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax. The Group entities established under the BVI Business Companies Acts are exempted from BVI income taxes.

#### (b) Hong Kong Income Tax

Under the current Hong Kong Inland Revenue Ordinance, the Company's subsidiaries incorporated in Hong Kong are subject to 16.5% income tax on their taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

#### (c) Indonesia Income Tax

The Indonesia income tax rate is 22%. No Indonesia profits tax was provided for as there was no estimated assessable profit that was subject to Indonesia profits tax for the six months ended June 30, 2023 and 2024.

#### (d) PRC Corporate Income Tax ("CIT")

The income tax provision of the Group in respect of its operations in the PRC was generally calculated at the tax rate of 25% on the assessable profits for the six months ended June 30, 2023 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

According to certain preferential regulations and policies issued by relevant tax authorities, certain subsidiaries and branches of the Group were qualified for a preferential tax rate of 15%.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 10 Income tax expenses (Continued)

#### (e) PRC Withholding Tax

According to the New Corporate Income Tax Law, distribution of profits earned by the PRC companies since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

On March 21, 2024, the Company's board of directors resolved to recommend the declaration and distribution of a special dividend out of the share premium account under the reserves of the Company in the amount of US\$1.21 per ordinary share or US\$2.42 per ADS. To fulfill the potential cash distribution, certain PRC subsidiaries of the Group declared a one-off dividend to the Hong Kong's subsidiary of the Group for an aggregate amount of RMB10.5 billion in March 2024, and accrued a withholding tax of RMB1.05 billion in current income tax for the three months ended March 31, 2024. As of June 30, 2024, the withholding tax of RMB1.05 billion has been settled. Except this one-off dividend, the Group does not have any plan to require its PRC subsidiaries to distribute their existing retained earnings and intends to retain them to operate and expand business in the PRC.

- (f) Due to the change in business strategy, deferred tax assets in relation to certain subsidiaries of the Group have not been recognized as it is not probable that future taxable profits of these subsidiaries will be available in order to utilize the tax benefits from the deductible temporary differences.
- (g) Expenses and losses not deductible for tax purposes mainly related to business entertainment expenses and advertising expenses exceeding certain threshold, as well as share-based compensation expenses, which are not tax deductible according to the relevant tax regulations.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 11 Earnings per share

- (a) Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares in issue during the periods excluding ordinary shares purchased by the Group. One ADS represents two ordinary shares of the Company.

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
Profit attributable to owners of the Company	1,637,325	(1,662,535)
Weighted average number of ordinary shares in issue (in '000)	1,146,076	1,146,657
Basic earnings per share (in RMB)	1.43	(1.45)
Basic earnings per ADS (in RMB)	2.86	(2.90)

- (b) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2023 and 2024 the Group has four categories of potential dilutive ordinary shares: convertible promissory note, scrip dividend option, share options and PSUs.

For the six months ended June 30, 2023, two categories of potential dilutive ordinary shares are included in the calculation of diluted earnings per share: share options and PSUs.

For the six months ended June 30, 2024, potential ordinary shares issuable upon conversion of convertible promissory note, scrip dividend option, share options and PSUs were not included in the calculation of diluted earnings per share, as the effect would have been anti-dilutive.

	Six Months Ended June 30,	
	2023	2024
	RMB'000	RMB'000
<b>Earnings</b>		
Profit attributable to owners of the Company	1,637,325	(1,662,535)
Net profit used to determine diluted earnings per share	1,637,325	(1,662,535)
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares in issue (in '000)	1,146,076	1,146,657
Adjustments for:		
Assumed exercise of share options and vesting of PSUs (in '000)	1,205	-
Weighted average number of ordinary shares for diluted earnings per share (in '000)	1,147,281	1,146,657
Diluted earnings per share (in RMB)	1.43	(1.45)
Diluted earnings per ADS (in RMB)	2.86	(2.90)



# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 12 Cash at bank and restricted cash

### Cash at bank

	As of	
	December 31, 2023 RMB'000	June 30, 2024 RMB'000
Bank deposits	39,598,785	36,930,914
Balances with central banks	-	182,984
	39,598,785	37,113,898

	As of	
	December 31, 2023 RMB'000	June 30, 2024 RMB'000
<b>Demand deposits</b>		
RMB	16,439,164	11,887,580
HKD	23,809	331,418
USD	347,388	165,495
IDR	11,115	33,434
	16,821,476	12,417,927
<b>Time deposits</b>		
RMB	22,672,430	20,940,444
USD	-	3,381,162
HKD	-	304,875
IDR	108,672	73,025
	22,781,102	24,699,506
Less: Provision for impairment losses	(3,793)	(3,535)
	39,598,785	37,113,898

Restricted cash	As of	
	December 31, 2023 RMB'000	June 30, 2024 RMB'000
Cash from consolidated trust plans (a)	8,802,106	8,690,534
Deposits held on behalf of platform investors (b)	616,000	669,244
Deposits for borrowings	507,613	-
Others	1,220,119	1,324,146
	11,145,838	10,683,924

(a) Cash from consolidated trust plans is the cash held by the Group's consolidated trust plans in core retail credit and enablement service.

(b) Deposits held on behalf of platform investors represents funds received from platform investors whose withdrawal is in processing due to settlement time.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 13 Financial assets at fair value through profit or loss

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
<b>Unlisted securities</b>		
Trust plans	12,870,055	<b>16,437,408</b>
Mutual funds	4,979,600	<b>3,683,949</b>
Asset management plans	3,201,711	<b>2,846,846</b>
Bank wealth management products	4,990,342	<b>2,845,323</b>
Structured deposits	804,897	<b>1,137,682</b>
Private fund and other equity investments	659,406	<b>653,245</b>
Corporate bonds	43,083	<b>41,426</b>
Other debt investments	1,343,510	<b>1,603,713</b>
	<b>28,892,604</b>	<b>29,249,592</b>

### 14 Financial assets at fair value through other comprehensive income

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
Certificate of deposits	-	<b>1,299,272</b>
Exchange fund bills	-	<b>440,144</b>
	-	<b>1,739,416</b>

The Group shall recognize a financial asset at fair value through other comprehensive income ("FVOCI") in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at fair value through profit or loss are measured at FVOCI. Such assets held by the Group include debt financial assets at FVOCI.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss on the instrument's amortized cost previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in interest income using the effective interest rate method.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 14 Financial assets at fair value through other comprehensive income

(Continued)

Financial assets at FVOCI are derecognized if one of the following criteria are met:

- the contractual rights to receive the cash flows from the financial assets have expired;
- they have been transferred and the Group transfers substantially all the risks and rewards of ownership;
- they have been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Expected credit loss refers to the weighted average amount of credit loss of financial instruments based on the probability of default. Credit loss refers to the difference between all contractual cash flows receivable and all cash flows that the entity expects to receive, discounted at the original effective interest rate. The Group recognizes or reverses the loss allowance through profit or loss. For debt instruments measured at FVOCI, impairment gains or losses are included in the net impairment losses on financial assets and corresponding by reducing the accumulated changes in fair value included in the other comprehensive income reserve of equity.

### 15 Financial assets at amortized cost

	As of	
	December 31, 2023 RMB'000	June 30, 2024 RMB'000
<b>Unlisted securities</b>		
Debt Investments	4,662,382	<b>4,669,954</b>
Interest receivable	196,819	<b>179,811</b>
	4,859,201	<b>4,849,765</b>
Less: Provision for impairment losses	(1,847,631)	<b>(1,931,645)</b>
	3,011,570	<b>2,918,120</b>
Expected credit loss rate	38.02%	<b>39.83%</b>

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 15 Financial assets at amortized cost (Continued)

- (a) The following table sets forth the movement of gross carrying amount of financial assets at amortized cost for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024				
	RMB'000 Stage 1	RMB'000 Stage 2	RMB'000 Stage 3	RMB'000 POCI	RMB'000 Total
As of January 1, 2024	2,625,578	-	2,053,044	180,579	4,859,201
Financial assets de-recognized and other adjustments in the current period (including repayments of financial assets)	13,520	-	7,455	(30,411)	(9,436)
As of June 30, 2024	2,639,098	-	2,060,499	150,168	4,849,765

- (b) The following table sets forth the movement of ECL allowance for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024				
	RMB'000 Stage 1	RMB'000 Stage 2	RMB'000 Stage 3	RMB'000 POCI	RMB'000 Total
As of January 1, 2024	21,984	-	1,788,978	36,669	1,847,631
Financial assets de-recognized and other adjustments in the current period (including repayments of financial assets)	-	-	-	(8,239)	(8,239)
Change in parameters of expected credit loss model	274	-	82,836	9,143	92,253
As of June 30, 2024	22,258	-	1,871,814	37,573	1,931,645

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 16 Accounts and other receivables and contract assets

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
Contract acquisition cost	2,812,305	<b>1,831,141</b>
Receivables from core retail credit and enablement service	1,564,189	<b>1,191,775</b>
Receivables from external payment services providers (a)	1,059,093	<b>928,231</b>
Trust statutory deposits (b)	627,674	<b>537,380</b>
Other deposits	390,173	<b>383,801</b>
Receivables from guarantee arrangements	273,838	<b>208,469</b>
Receivables from other technology platform-based service	181,602	<b>72,297</b>
Receivables from referral arrangements	51,724	<b>27,944</b>
Others	607,085	<b>383,634</b>
Less: Provision for impairment losses (c)	(274,012)	<b>(154,216)</b>
	<b>7,293,671</b>	<b>5,410,456</b>

The following table sets forth the aging analysis of receivables generated from activities in relation to core retail credit and enablement service, other technology platform-based service, referral and guarantee arrangements as of December 31, 2023 and six months ended June 30, 2024. The aging is presented from the date the corresponding revenue is recognized.

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
Up to 1 year	1,931,422	<b>1,435,368</b>
1 to 2 years	62,799	<b>29,879</b>
2 to 3 years	69,075	<b>10,971</b>
Above 3 years	8,057	<b>24,267</b>
	<b>2,071,353</b>	<b>1,500,485</b>

(a) The Group maintains accounts with external online payment service providers to transfer deposits of platform investors, collect principal and interest from borrowers and dispatch loan proceeds to borrowers. The Group recorded the related amounts as receivables from external payment service providers.

(b) The balances represent cash deposited in China Trust Protection Fund Co., Ltd. as required by trust regulations.



## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 16 Accounts and other receivables and contract assets (Continued)

(c) The following table sets forth the movements in the provision for impairment losses:

	Six Months Ended June 30, 2024 RMB'000
As of January 1, 2024	274,012
Impairment loss recognized in the interim consolidated statement of comprehensive income	49,725
Written off during the period	(226,213)
Recovery of receivables written off previously	56,692
As of June 30, 2024	154,216

(d) The loss allowance was determined against receivables from core retail credit and enablement service, other technology platform-based service and referral and guarantee arrangements, as follows:

	As of December 31, 2023			
	Current RMB'000	1-90 days past due RMB'000	91-180 days past due RMB'000	Total RMB'000
Expected loss rate	1.20%	78.28%	98.13%	13.23%
Receivables from core retail credit and enablement service	1,363,507	83,450	117,232	1,564,189
Receivables from guarantee arrangements	192,888	36,807	44,143	273,838
Receivables from other technology platform-based service	181,602	-	-	181,602
Receivables from referral arrangements	51,724	-	-	51,724
Loss allowance	(21,505)	(94,142)	(158,365)	(274,012)

	As of June 30, 2024			
	Current RMB'000	1-90 days past due RMB'000	91-180 days past due RMB'000	Total RMB'000
Expected loss rate	1.63%	84.34%	98.00%	10.23%
Receivables from core retail credit and enablement service	1,092,028	38,889	60,858	1,191,775
Receivables from guarantee arrangements	166,055	19,288	23,126	208,469
Receivables from other technology platform-based service	72,297	-	-	72,297
Receivables from referral arrangements	27,944	-	-	27,944
Loss allowance	(22,188)	(49,068)	(82,305)	(153,561)

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 17 Loans to customers

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
Loans originated by consolidated trust plans	98,194,028	<b>73,864,162</b>
Loans originated by financial institutions	37,616,889	<b>44,998,000</b>
Interest receivable	1,156,870	<b>1,077,310</b>
Less: Provision for impairment losses		
Stage 1	(4,433,965)	<b>(4,789,484)</b>
Stage 2	(1,152,069)	<b>(924,349)</b>
Stage 3	(1,687,799)	<b>(1,516,751)</b>
POCI	-	-
	(7,273,833)	<b>(7,230,584)</b>
	129,693,954	<b>112,708,888</b>
Expected credit loss rate	5.31%	<b>6.03%</b>

- (a) As of December 31, 2023 and June 30, 2024, respectively, loans amounted to RMB62,417 million and RMB37,773 million were covered by credit enhancement provided by credit enhancement partners. Out of which, the majority of the balance were covered by credit insurance provided by Ping An Property and Casualty Insurance Company ("Ping An P&C"), a subsidiary of Ping An Insurance (Group) Company of China, Ltd. Credit enhancement partners independently underwrite the borrowers and entered into the credit enhancement directly with the borrowers. The beneficiaries of such credit enhancement are the institutional funding partners who provide funding to the borrowers.
- (b) For the six months ended June 30, 2024, the amounts of concession provided to customers were not material.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 17 Loans to customers (Continued)

(c) The following table sets forth the movement of gross carrying amount of loans to customers for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024				
	RMB'000 Stage 1	RMB'000 Stage 2	RMB'000 Stage 3	RMB'000 POCI	RMB'000 Total
As of January 1, 2024	132,367,125	2,813,797	1,786,865	-	136,967,787
New loans originated	67,623,799	-	-	-	67,623,799
Acquisition of subsidiaries	2,038,843	-	-	81,437	2,120,280
Transfers	(7,279,426)	3,396,053	3,883,373	-	-
- From stage 1 to stage 2	(7,544,677)	7,544,677	-	-	-
- From stage 1 to stage 3	(5,460)	-	5,460	-	-
- From stage 2 to stage 1	270,711	(270,711)	-	-	-
- From stage 2 to stage 3	-	(3,905,347)	3,905,347	-	-
- From stage 3 to stage 2	-	27,434	(27,434)	-	-
Loans de-recognized and other adjustments in the current period (including repayments of loans)	(78,268,815)	(4,514,507)	(614,822)	(1,996)	(83,400,140)
Write-offs	-	-	(3,372,254)	-	(3,372,254)
As of June 30, 2024	116,481,526	1,695,343	1,683,162	79,441	119,939,472

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 17 Loans to customers (Continued)

(d) The following table sets forth the movement of ECL allowance for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024				
	RMB'000 Stage 1	RMB'000 Stage 2	RMB'000 Stage 3	RMB'000 POCI	RMB'000 Total
As of January 1, 2024	4,433,965	1,152,069	1,687,799	-	7,273,833
New loans originated	1,572,840	-	-	-	1,572,840
Transfers	(3,203,046)	(49,055)	3,680,457	-	428,356
- From stage 1 to stage 2	(3,232,121)	3,232,121	-	-	-
- From stage 1 to stage 3	(21)	-	21	-	-
- From stage 2 to stage 1	84,731	(84,731)	-	-	-
- From stage 2 to stage 3	-	(3,516,738)	3,516,738	-	-
- From stage 3 to stage 2	-	25,645	(25,645)	-	-
Net impact on expected credit loss by stage transfers	(55,635)	294,648	189,343	-	428,356
Loans de-recognized and other adjustments in the current period (including repayments of loans)	(838,739)	(177,709)	(687,072)	-	(1,703,520)
Change in parameters of expected credit loss model	2,824,464	(956)	66,070	-	2,889,578
Write-offs	-	-	(3,372,254)	-	(3,372,254)
Recovery of loans written off previously	-	-	141,751	-	141,751
As of June 30, 2024	4,789,484	924,349	1,516,751	-	7,230,584

Loans to customers amounting to RMB3,379 million were written off in the first half year of 2024 and were still subject to enforcement activity. The enforcement activity includes the amounts written off in previous years.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 18 Borrowings

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
<b>Secured</b>		
- Bank borrowings	485,400	-
<b>Unsecured</b>		
- Bank borrowings (a)	38,072,454	<b>40,762,258</b>
	38,557,854	<b>40,762,258</b>
Interest payable	265,430	<b>239,955</b>
<b>Total borrowings</b>	<b>38,823,284</b>	<b>41,002,213</b>

(a) The following table sets forth the range of interest rates of borrowings as of December 31, 2023 and June 30, 2024:

	As of	
	December 31, 2023	June 30, 2024
Bank borrowings - fixed rate	2.78%-4.50%	<b>2.60%-4.20%</b>
Bank borrowings - floating rate	6.28%-7.24%	<b>6.33%-7.27%</b>

### 19 Customer deposits

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
Fixed deposits	-	<b>2,763,817</b>
Current and savings accounts	-	<b>363,120</b>
	-	<b>3,126,937</b>



## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 20 Accounts and other payables and contract liabilities

	As of	
	December 31, 2023	June 30, 2024
	RMB'000	RMB'000
Dividends payable (Note 23)	–	<b>9,390,401</b>
Employee benefit payable	2,677,135	<b>2,564,009</b>
Contract liabilities from retail credit and enablement service	2,187,080	<b>1,397,423</b>
Payable to cooperation banks (a)	693,887	<b>764,616</b>
Tax payable	701,237	<b>513,412</b>
Other deposits payable	293,031	<b>212,682</b>
Trust management fee payable (b)	25,999	<b>55,704</b>
Payable to external suppliers (b)	139,213	<b>55,544</b>
Others	259,536	<b>234,410</b>
	<b>6,977,118</b>	<b>15,188,201</b>

- (a) Payable to cooperation banks is related to the restricted cash that is generated from a risk sharing business with banks. Under such business, the Group provides loan enablement services for loans originated by banks and is paid a variable fee determined based on the performance of underlying loans facilitated by the Group. On a monthly basis, the Group receives fixed service fees from the cooperation banks based on a fixed percentage of loans originated in restricted cash accounts. The service fees will be adjusted based on actual performance of the loans originated under this business upon maturity.
- (b) As of December 31, 2023 and June 30, 2024, the aging of the payable to external suppliers and trust management fee payable are all within 1 year.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 21 Financing guarantee liabilities

- (a) The following table sets forth the movement of gross carrying amount of financing guarantee contracts for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024			
	RMB'000 Stage 1	RMB'000 Stage 2	RMB'000 Stage 3	RMB'000 Total
As of January 1, 2024	53,889,614	1,013,873	-	54,903,487
New guarantee contracts originated	25,996,034	-	-	25,996,034
Transfers	(2,373,685)	2,373,685	-	-
- From stage 1 to stage 2	(2,479,473)	2,479,473	-	-
- From stage 2 to stage 1	105,788	(105,788)	-	-
Guarantee liabilities de-recognized and other adjustments in the current period (including repayments of loans and guarantee payments)	(24,830,967)	(2,774,057)	-	(27,605,024)
As of June 30, 2024	52,680,996	613,501	-	53,294,497

- (b) The following table sets forth the movement of ECL allowance of financing guarantee contracts for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024			
	RMB'000 Stage 1	RMB'000 Stage 2	RMB'000 Stage 3	RMB'000 Total
As of January 1, 2024	3,230,750	954,782	-	4,185,532
New guarantee contracts originated	447,400	-	-	447,400
Transfers	(2,016,089)	2,202,211	-	186,122
- From stage 1 to stage 2	(2,070,922)	2,070,922	-	-
- From stage 2 to stage 1	98,042	(98,042)	-	-
Net impact on expected credit loss by stage transfers	(43,209)	229,331	-	186,122
Guarantee liabilities de-recognized and other adjustments in the current period (including repayments of loans and guarantee payments)	(1,235,562)	(2,609,868)	-	(3,845,430)
Change in parameters of expected credit loss model	2,511,514	22,267	-	2,533,781
As of June 30, 2024	2,938,013	569,392	-	3,507,405

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 22 Business Combination

On April 2, 2024, The Group acquired 100% of the issued shares in Virtual Bank, a licensed bank authorised under the Hong Kong Banking Ordinance, for a cash consideration of HK\$933 million (equivalent to approximately RMB846 million). The Group believes that the business and target customers of the Virtual Bank would synchronize well with the Group's existing operations, enabling the Group to leverage its operational experience and technological expertise in its business development.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
<b>Purchase consideration</b>	
Cash paid	845,998

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value RMB'000
Cash at bank	366,527
Financial assets at fair value through other comprehensive income	432,773
Accounts and other receivables and contract assets	5,796
Loans to customers (b)	2,120,280
Property and equipment	2,535
Intangible assets (c)	143,729
Right-of-use assets	5,494
Other assets	1,414
Customer deposits	(2,410,836)
Accounts and other payables and contract liabilities	(53,309)
Other liabilities	(11,980)
Lease liabilities	(8,781)
Net deferred tax liability (c)	(6,236)
<b>Net identifiable assets acquired</b>	<b>587,406</b>
Add: goodwill (a)	258,592
	<b>845,998</b>

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 22 Business Combination (Continued)

- (a) Goodwill amounted to HK\$285 million (equivalent to approximately RMB259 million) on April 2, 2024, is attributable to Virtual Bank's value of human resources costs, future growth potential and cost synergies expected to arise as the result of the acquisition. Goodwill is not tax deductible.
- (b) As of April 2, 2024, the gross contractual amounts receivable of loans to customers is RMB2,141 million and the best estimate of the contractual cash flows not expected to be collected is RMB21 million.
- (c) The fair value of the acquired trademark and core deposits in intangible assets is RMB38 million. The Group recognized a related deferred tax liability amounting to RMB6 million.
- (d) The acquired business contributed total income of RMB22 million and net loss of RMB62 million to the Group for the period from April 2, 2024 to June 30, 2024. If the acquisition had occurred on January 1, 2024, consolidated total income and consolidated loss after tax for the interim period would have been RMB42 million and RMB117 million respectively.

### 23 Dividends

On March 21, 2024, the Company's board of directors resolved to recommend the declaration and distribution of a special dividend out of the share premium account under the reserves of the Company in the amount of US\$1.21 per ordinary share or US\$2.42 per ADS. The special dividend would be payable in cash, with eligible holders of ordinary shares given an option to elect to receive the special dividend wholly in the form of new ordinary shares and eligible holders of ADSs given an option to elect to receive the special dividend wholly in the form of new ADSs. To fulfill the potential cash distribution, certain Group's PRC subsidiaries declared a one-off dividend to the Group's Hong Kong subsidiary and consequently accrued a withholding tax (refer to Note 10). The special dividend was approved by shareholders at the annual general meeting on May 30, 2024. Based on the irrevocable election of the special dividend as of June 30, 2024, the company recognized RMB501 million in other reserve. And the subsequent election settled on July 2, 2024 triggered a mandatory general offer under Rule 26 of the Takeovers Code (refer to Note 25).

# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 24 Related parties and related party transactions

The following significant transactions were carried out between the Group and its related parties during the six months ended June 30, 2023 and 2024.

### (a) Names and relationships with related parties

The following table sets forth the major related parties which have major transactions with the Group during the six months ended June 30, 2023 and 2024:

Name of related parties	Relationship with the Company
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries ("Ping An Group")	Significant influence on the Group and its subsidiaries

As of June 30, 2024, Ping An Group indirectly held 41.40% of the Company. Upon the completion of the subsequent election (refer to Note 25), Ping An Group's equity stake in the Company increased to 56.82% and became the controlling shareholder of the Company.

### 24.1 Significant transactions with related parties

The following are the significant related party transactions and balances during the period and as of period end:

	Six Months Ended June 30,	
	2023 RMB'000	2024 RMB'000
<b>Technology platform-based income</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	406,851	46,726
<b>Other income</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	509,778	681,127
<b>Investment income</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	121,429	34,625
<b>Finance costs-Interest income</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	158,002	122,788
<b>Finance costs-Interest expense</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	13,138	7,338
<b>Sales and marketing expenses, general and administrative expenses, operation and servicing expenses, and technology and analytics expenses</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	1,019,675	667,285
<b>Other gains/(losses) - net</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	75,391	1,923



## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 24 Related parties and related party transactions (Continued)

#### 24.1 Significant transactions with related parties (Continued)

##### ***Technology platform based income***

Ping An Group is a product provider of the Group's technology platform. The investment products provided by Ping An Group primarily include insurance products, bank products, trust plans and others. Fees are collected from Ping An Group for facilitation of investment products offered on the Group's technology platform. The Group generally receives service fees based on a certain percentage of the volume of investment products facilitated and loans made by Ping An Group. Such fee is recognized upon successful facilitation. The Group also provides technical support for the operation of the business system to Ping An Group, which generally recognized monthly based on the cost plus method.

##### ***Other income***

Other income mainly comprises income for the account management services provided by the Group to Ping An Group. For the first half year of 2023 and 2024, the Group mainly receives the service fees monthly based on the performance of the underlying loans managed by the Group.

##### ***Net interest income - Interest expense***

The interest expense mainly consists of interest paid for borrowings from Ping An Group. These borrowings were used to providing funding for on-balance sheet loans under the Company's retail credit and enablement business. The interest expenses are calculated based on the effective interest rates and the carrying amount of such borrowings.

##### ***Investment income***

Investment income mainly consists of investment return received by the Group on investment products issued or managed by Ping An Group.

##### ***Finance costs***

Ping An Group provides deposit services and financing services to the Group.

Finance costs include interest paid to Ping An Group for borrowings used for businesses other than the retail credit and enablement business, interest paid to Ping An Group for its subscription in the consolidated wealth management products managed by the Group and interest income received from Ping An Group for cash deposited by the Group in Ping An Group. The finance cost is calculated based on the effective interest rates on the outstanding balances.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 24 Related parties and related party transactions (Continued)

#### 24.1 Significant transactions with related parties (Continued)

##### ***Sales and marketing expenses, general and administrative expenses, operation and servicing expenses, and technology and analytics expenses***

Ping An Group provides a wide spectrum of services to the Group, including but not limited to: (1) accounting processing and data communication services; (2) transaction settlement and custodian service; (3) office premise rental services; (4) technology support; and (5) HR support. The Group, in return, pays service fees to Ping An Group. The precise scope of service, service fees calculation, method of payment and other details of the service arrangement are agreed between the relevant parties separately.

The services fees paid by the Group to Ping An Group are determine through a bidding procedure according to the internal policies and procedures of the Group. If no tendering and bidding process is required under the Group's internal policies, they are determined through mutual negotiations between the two parties based on historical fees of such services and comparable market rates.

##### ***Other gains/(losses) - net***

Other gains/(losses) – net mainly consist of foreign exchange losses due to the foreign exchange swaps provided by Ping An Group.

##### ***Cash***

A portion of cash on demand and term deposits is held with Ping An group, including some of those deposits being in foreign currencies.

##### ***Leases***

Part of the right-of-use assets and lease liabilities are rented from Ping An Group, and are used as workplace.

##### ***Convertible promissory notes payable***

Ping An Group also held a convertible promissory note issued by the Company.

##### ***Purchase of financial assets***

The Group purchased certain assets management plans, trust plans, mutual funds, private fund and other equity investments, bank wealth management products and corporate bonds managed and/or issued by Ping An Group.

# Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

## 24 Related parties and related party transactions (Continued)

### 24.2 Balances with related parties

	As of	
	December 31, 2023 RMB'000	June 30, 2024 RMB'000
<b>Cash</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	10,879,797	16,153,912
<b>Account and other receivables and contract assets</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	1,507,969	1,088,666
<b>Accounts and other payables and contract liabilities and other liabilities</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	180,762	4,236,437
<b>Payable to platform investors, accounts and other payables and contract liabilities and other liabilities</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	3,910	3,910
<b>Financial assets at amortized cost</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	1,501,013	1,498,608
<b>Borrowings</b>		
Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries	-	806,352

(i) The balances with related parties were unsecured, interest-free and repayable on demand.

(ii) These balances with related parties were mainly for treasury management purpose which are collectable or repayable on demand or within one year.

## Notes to Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six-months ended June 30, 2024

### 25 Subsequent events

Subsequent to June 30, 2024, based on the election for scrip dividend under the Company's scrip dividend scheme, 305,989,352 new shares and 203,890,905 new shares were allotted and issued to An Ke Technology Company Limited and China Ping An Insurance Overseas (Holdings) Limited, both of them being subsidiaries of Ping An Group. The total of 586,176,887 new shares (including shares underlying ADSs) were distributed as the special dividend on July 30, 2024. Following the distribution, the Ping An Group's stake in the Company increased from 41.40% to 56.82%, making the Company an indirect non-wholly-owned subsidiary of Ping An Group, with its financial results to be consolidated into Ping An Group's financial statements. Total cash distributed for the special dividend was US\$727 million (equivalent to approximately RMB5.2 billion) as of July 31, 2024.

# Definitions

“2014 Share Incentive Plan”	the Phase I share incentive plan of the Company, adopted in December 2014 and as most recently amended and restated on April 12, 2023
“2019 Performance Share Unit Plan”	the 2019 performance share unit plan of Company, adopted in September 2019 and as most recently amended and restated on April 12, 2023
“ADS(s)”	American Depositary Shares, every one representing two Shares
“An Ke Technology”	An Ke Technology Company Limited (安科技术有限公司), a company with limited liability incorporated in Hong Kong on June 9, 2014, and is one of our controlling shareholders
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	British Virgin Islands
“China” or “the PRC”	the People’s Republic of China, and for the purposes of this interim report only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “we”, “us”, or “our”	Lufax Holding Ltd (陆金所控股有限公司), a company with limited liability incorporated in the Cayman Islands on December 2, 2014 and listed on the NYSE on October 30, 2020 (Stock Ticker: LU) and on the Stock Exchange on April 14, 2023 (Stock Code: 6623)
“Consolidated Affiliated Entity(ies)”	the variable interest entities and their subsidiaries, the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of the contractual arrangements entered into by the Group

## Definitions

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended from time to time
“Depository”	Citibank, N.A., depository bank of the ADSs
“Director(s)”	the director(s) of the Company
“Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Latest Practicable Date”	August 13, 2024, being the latest practicable date for ascertaining certain information in this interim report before its publication
“Listing Date”	April 14, 2023, on which the Shares are to be listed and on which dealings in the Shares are to be first permitted to take place on the Stock Exchange
“Listing Document”	the listing document issued by the Company on April 11, 2023 in connection with the listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“NYSE”	the New York Stock Exchange



“Optionally Convertible Promissory Notes”	the optionally convertible promissory notes issued to certain holders of our Class C ordinary shares on September 30, 2020, details of which are set out in “History and Corporate Structure — Major Shareholding Changes of the Company and Our Principal Subsidiaries — Shareholding changes of the Company — C-Round Restructuring Convertible Notes” in the Listing Document
“Ping An Convertible Promissory Notes”	the convertible promissory notes in an aggregate principal amount of US\$1,953.8 million due in October 2023 with an interest rate of 0.7375% per annum that the Company issued to Ping An Overseas Holdings on October 8, 2015, part of which was subsequently transferred to An Ke Technology, which the Company has redeemed 50% of the outstanding principal amount and the maturity date of the remaining 50% outstanding principal amount has been extended to October 2026 pursuant to the most recent amendment in December 2022
“Ping An Financial Technology”	Shenzhen Ping An Financial Technology Consulting Co. Ltd. (深圳平安金融科技諮詢有限公司), a company incorporated under the laws of the PRC on April 16, 2008, and one of our controlling shareholders
“Ping An Group”	Ping An Insurance and its subsidiaries
“Ping An Insurance”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company established as a joint stock company under the laws of the PRC on January 16, 1997 whose shares are dually listed on the Shanghai Stock Exchange (Stock Code: 601318) and the Stock Exchange (Stock Code: 2318 (HKD counter) and 82318 (RMB counter)), and is one of our controlling shareholders
“Ping An Overseas Holdings”	China Ping An Insurance Overseas (Holdings) Limited (中國平安保險海外(控股)有限公司), a company with limited liability incorporated in Hong Kong on October 24, 1996, and one of our controlling shareholders
“Reporting Period”	the six months ended June 30, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“SBOs”	small business owners, including owners of legal entities, individuals who conduct their businesses as sole proprietors, management-level individuals of SMBs, and self-employed individuals with proof of business operations
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the board of directors of the Company which offers the Shareholders and holders of ADSs a scrip dividend alternative, further details of which were set out in the scrip dividend circular dated June 12, 2024
“SEC”	the Securities and Exchange Commission of the United States
“SFO” or “Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

## Definitions

“Share Incentive Plans”	the 2014 Share Incentive Plan and the 2019 Performance Share Unit Plan
“Share(s)”	the ordinary shares of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SMBs”	small and micro businesses, typically with fewer than 50 employees and less than RMB30 million of annual income
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	Code on Takeovers and Mergers
“United States”	United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“%”	per cent

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