

Lufax Holding Ltd Provides Updates Regarding Recent Regulatory Development

SHANGHAI--(BUSINESS WIRE)-- Lufax Holding Ltd (NYSE: LU) ("Lufax" or the "Company"), a leading technology-empowered personal financial services platform in China, today released a statement regarding the Interim Measures on Internet Micro Lending Loans (Consultation Paper) jointly issued by the China Banking and Insurance Regulatory Commission and the People's Bank of China on November 2, 2020 (the "Consultation Paper").

The Company noted that according to the Consultation Paper, microloan companies that engage in joint lending or loan facilitation partnership with funding partners will be subject to restrictions with respect to risk management, qualification of joint lending or loan facilitation partners and use of credit enhancement services, among others.

As previously disclosed, the Company ceased funding loans directly through its microloan subsidiaries on a large scale in December 2017. In addition, the Company is not engaged in any joint lending or loan facilitation partnerships with funding partners through its microloan subsidiaries. During the nine months ended September 30, 2020, loans funded by microloan subsidiaries accounted for less than 1% of Lufax's total loans facilitated. All microloans funded during the nine months ended September 30, 2020 had been funded without any joint lending or loan facilitation funding partners.

In light of the above, the Company does not expect the Consultation Paper to have any material impact on the Company's business operations. However, new rules, interpretations and/or clarifications and other developments by legal and regulatory authorities may be adopted or announced in the future, requiring the Company to re-evaluate its position then.

About Lufax Holding Ltd

Lufax Holding Ltd is a leading technology-empowered personal financial services platform in China. Lufax Holding Ltd primarily utilizes its customer-centric product offerings and offline-to-online channels to provide retail credit facilitation services to small business owners and salaried workers in China as well as tailor-made wealth management solutions to China's rapidly growing middle class. The Company has implemented a unique, capital-light, hub-and-spoke business model combining purpose-built technology applications, extensive data, and financial services expertise to effectively facilitate the right products to the right customers.

Safe Harbor Statement

This announcement 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 Lufax's beliefs and expectations, are forward-looking statements. Lufax 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 Lufax's goals and strategies; Lufax's future business development, financial condition and results of operations; expected changes in Lufax's income, expenses or expenditures; expected growth of the retail credit facility and wealth management markets; Lufax' expectations regarding demand for, and market acceptance of, its services; Lufax'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 Lufax operates in. Forward-looking statements involve inherent risks and uncertainties. Further information regarding these and other risks is included in Lufax's filings with the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date of this press release, and Lufax does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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