



【For Immediate Release】

PAObank Announces FY2024 Annual Results

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Achieves Record-Breaking Performance Amplifies Resources to Expand Retail Banking Services

Loan Assets Reach a Record High of HK\$3.13 Billion Customer Deposits Have Significant Growth of 74% Net Interest Income Surged 70% to over HK\$130 Million

- *In 2024, PAObank achieved outstanding performance across key operational indicators, with net interest income increasing significantly by 70% year-on-year to over HK\$130 million.*
- *Dedicated to empowering SMEs, PAObank remains committed to supporting their upgrade and transformation. In 2024, total loans and advances to customers sustained an upward trend to over HK\$3.13 billion, representing a year-on-year increase of 49%.*
- *PAObank became a subsidiary of Lufax Holding Ltd., embarking on a new business strategy. PAObank is further expanding its retail banking services. The Bank offers attractive deposit interest rates by passing cost savings on to individual customers, total customer deposits for the year have increased significantly by 74% to HK\$4.35 billion. Following the launch of bancassurance products this year, PAObank will roll out more retail banking services to create greater value for individual customers.*

29 April 2025, Hong Kong – PAO Bank Limited (“PAObank”), announced its annual results for the year ended 31 December 2024. As Hong Kong navigates a period of economic transformation, SMEs are confronted with significant funding needs to facilitate their upgrades and transitions. PAObank, as the first digital bank dedicated to SMEs in Hong Kong, has remained a steadfast presence to its clients. In 2024, PAObank achieved substantial business growth, reflected in its sustained improvements in core profitability. Net interest income for the year surged by 70% year-on-year to over HK\$130 million, with a net interest margin increased to 3.17%.

Leveraging our forward-looking market strategies and solid business management, key operational indicators of PAObank in 2024 have shown significant growth. During the year, total loans and advances to customers increased by 49% year-on-year, surpassing HK\$3.13 billion. Total customer deposits for the year rose by 74% to HK\$4.35 billion, with loan-to-deposit ratio remaining at a stable level of 72%. In April 2024, PAObank officially became a subsidiary of Lufax Holding Limited (“Lufax”) (06623.HK, NYSE LU), embarking on the next phase of its business direction and strategy. PAObank is now focusing on expanding retail banking services while channelling more resources into product development and technology advancement. Meanwhile, the Bank passes cost savings on to individual customers in the form of attractive deposit interest rates. The related investments are reflected in the FY24 annual results.

Despite increased credit loss among SME customers due to economic instability last year, PAObank remains committed to its mission of supporting SMEs. The Bank has introduced more loan products to alleviate financial burdens of SMEs. Following the launch of the “Business Secured Loans” in the fourth quarter of 2024, which offers instalment loans and revolving loans for SMEs to facilitate their business growth and transformation, PAObank introduced “Cross-border



e-Commerce Revolving Loan” in early 2025. This product targets the rapidly growing e-commerce market and supports SMEs in expanding their e-commerce business presence. Besides, PAObank proactively participated in the Government’s SME support measures and The Taskforce on SME Lending, contributing to broader efforts that support SMEs. PAObank is proactively addressing SME financing needs, our robust risk management system manages to maintain assets quality at healthy level. As of 31 December 2024, about 25%¹ of SMEs borrowing from PAObank have not obtained bank loans before, and about 8.2%² of start-ups operating for less than 3 years received unsecured loan, reflecting that PAObank is assisting SMEs in unlocking their full potential.

In addition, PAObank is proactively expanding its retail banking services and investing resources in products enhancement and development. In March 2025, PAObank obtained an Insurance Agency Licence and officially ventured into the insurance sector. PAObank has established strategic partnership with China Ping An Insurance (Hong Kong) Company Limited and FWD Hong Kong to provide general and life insurance respectively. By utilising cutting-edge fintech and Application Programming Interface (API) technology, PAObank integrates with the platform of insurance companies to offer seamless online bancassurance experience. PAObank will continue to broaden its range of financial services for individual customers this year by introducing more offerings beyond time deposits and insurance, and providing attractive deposit interest rates to reward customers, thereby fully advancing its retail banking business.

Looking ahead, leveraging its leading fintech advantages, PAObank is dedicated to providing more comprehensive and personalised financial solutions to both SMEs and individual customers. Amid global market volatility, PAObank will continue to closely monitor the portfolio’s credit performance and maintain robust credit quality. Staying true to the original mission of promoting financial inclusion, PAObank remains committed in delivering innovative solutions to address the service gaps in banking sectors and thus promotes the development of financial inclusion both locally and across the Greater Bay Area.

For the full report of PAObank’s 2024 financial statements, please visit www.paob.com.hk

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About PAO Bank Limited

PAO Bank Limited (“PAObank”), a wholly-owned subsidiary of Lufax Holding Ltd (“Lufax”) (SEHK: 6623; NYSE: LU) and a member of Ping An Insurance (Group) Company of China, Ltd. (“Ping An”) (SEHK: 2318; SSE: 601318), is committed to fostering financial inclusion and establishing a digital banking ecosystem by leveraging its extensive experience in SME banking services and its leading financial technology advantages. PAObank was granted a banking licence by the Hong Kong Monetary Authority in May 2019 to offer banking services via virtual channels. PAObank is expanding diverse business segments including retail banking and SME banking.

¹ As of 31 December 2024, about 25% of SMEs borrowing from PAObank have not obtained bank loans before amongst the approved loan cases of PAObank.

² As of 31 December 2024, about 8.2% of SMEs were start-ups operating for less than 3 years amongst the approved loan cases of PAObank.