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**CZBANK**  **浙商银行**

**CHINA ZHESHANG BANK CO., LTD.**

**浙商银行股份有限公司**

*(A joint-stock company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 2016)

## **FIRST QUARTERLY REPORT OF 2024**

Pursuant to the regulations of the China Securities Regulatory Commission, the Company is required to publish a quarterly report for each of the first and third quarter.

The financial information set out in this quarterly report is unaudited and prepared in accordance with the International Financial Reporting Standards.

This announcement is made by the Company pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

# 1 Important Notice

- 1.1 The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management of the Company warrant that the contents in this report are true, accurate and complete and have no false representations, misleading statements or material omissions, and they will take legal responsibilities for such contents on a joint and several basis.
- 1.2 The 2024 third extraordinary meeting of the sixth session of the Board of Directors of the Company was convened in the form of written resolutions and the First Quarterly Report of 2024 of the Company was considered and approved thereat on April 29, 2024.
- 1.3 The financial statements set out in this report are prepared in accordance with the International Financial Reporting Standards and is unaudited. The unaudited quarterly report of the Company prepared in accordance with the China Accounting Standards has been published on the website of the Shanghai Stock Exchange. Unless otherwise illustrated, the financial statements herein are consolidated information of the Group and the presentation currency of such information is RMB.
- 1.4 Any of “CZBank”, the “Company” and the “Bank” in this report refers to China Zheshang Bank Co., Ltd. The “Group” refers to China Zheshang Bank Co., Ltd. and its subsidiary.
- 1.5 Lu Jianqiang (Chairman of the Company), Zhang Rongsen (President of the Bank and Principal in charge of Finance) and Peng Zhiyuan (Director of the Financial Department) warrant that the financial report in this report is true, accurate and complete.

## 2 General Information

### 2.1 Key Accounting Information and Financial Indicators

RMB million, excluding %

	March 31, 2024	December 31, 2023	Increase (Decrease) as Compared to the End of Last Year (%)
<b>Scale indicators</b>			
Total assets	3,161,691	3,143,879	0.57
Total loans and advances to customers	1,769,460	1,716,240	3.10
Total liabilities	2,965,819	2,954,302	0.39
Customer deposits	1,892,221	1,868,659	1.26
Equity attributable to shareholders of the Bank	192,425	186,245	3.32
Net assets per share at the end of the period attributable to shareholders of the Bank (RMB)	6.10	5.87	3.92

RMB million, excluding %

	January- March 2024	January- March 2023	Increase (Decrease) as Compared to the Corresponding Period of Last Year (%)
<b>Operating results</b>			
Operating income	18,414	15,792	16.60
Profit before taxation	7,638	7,131	7.11
Net profit attributable to shareholders of the Bank	5,913	5,625	5.12
Net cash used in operating activities	(90,099)	(38,022)	136.97
Basic earnings per share attributable to shareholders of the Bank (RMB) <sup>1</sup>	0.22	0.25	(12.00)
Diluted earnings per share attributable to shareholders of the Bank (RMB) <sup>1</sup>	0.22	0.25	(12.00)

	January- March 2024	January- March 2023	Increase (Decrease) as Compared to the Corresponding Period of Last Year
<b>Profitability indicators</b>			
Return on average total assets (annualized) (%)	0.76	0.85	Decrease by 0.09 percentage point
Return on average equity (annualized) (%)	14.39	16.02	Decrease by 1.63 percentage points
Net non-interest income to operating income (%)	35.82	25.62	Increase by 10.20 percentage points
Cost-to-income ratio (%)	28.23	29.10	Decrease by 0.87 percentage point

*Note 1:* Calculated in accordance with the provisions of the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (as amended in 2010) 《公開發行證券的公司信息披露編報規則第9號 – 淨資產收益率和每股收益的計算及披露》(2010年修訂) issued by China Securities Regulatory Commission. Due to the impact of rights issue, the earnings per share of previous years have been recalculated.

## 2.2 Capital Adequacy Ratio

RMB million, excluding %

	March 31, 2024		December 31, 2023	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	166,941	160,877	159,789	153,990
Net tier-one capital	192,269	185,872	185,102	178,984
Net capital base	243,605	235,311	236,958	229,111
Minimum capital requirement (%)	8.00	8.00	8.00	8.00
Reserve capital and countercyclical capital requirement (%)	2.50	2.50	2.50	2.50
Additional capital requirement (%)	–	–	–	–
Core tier-one capital adequacy ratio (%)	8.60	8.57	8.22	8.20
Tier-one capital adequacy ratio (%)	9.90	9.90	9.52	9.53
Capital adequacy ratio (%)	12.54	12.53	12.19	12.20

Notes:

- The closing figures in the above table are measured in accordance with the relevant provisions in the Administrative Measures for the Capital of Commercial Banks (No. 4 Order [2023] of National Financial Regulatory Administration) (《商業銀行資本管理辦法》(國家金融監督管理總局令 2023 年第 4 號)), with credit risk-weighted assets being measured using the weighting approach, and market risk-weighted assets and operation risk-weighted assets being measured using the standardised approach; and the opening figures are measured in accordance with the relevant provisions in the Administrative Measures for the Capital of Commercial Banks (Trial) (CBRC Order No.1 of 2012) (《商業銀行資本管理辦法(試行)》(中國銀監會令 2012 年第 1 號)), with credit risk-weighted assets being measured using the weighting approach, market risk-weighted assets being measured using the standardised approach and operation risk-weighted assets being measured using the basic indicator approach.
- The Pillar 3 Information Disclosure Report for the First Quarter of 2024 of China Zheshang Bank Co., Ltd. (《浙商銀行股份有限公司 2024 年第一季度第三支柱信息披露報告》) is available for inspection on the website of the Bank (www.czbank.com).

## 2.3 Leverage Ratio

RMB million, excluding %

The Group	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net tier-one capital	192,269	185,102	181,215	173,821
Adjusted asset balance inside and outside the balance sheet	3,740,182	3,715,031	3,493,810	3,407,575
Leverage ratio (%)	5.14	4.98	5.19	5.10

Notes:

- Measured in accordance with the relevant provisions in the Administrative Measures for the Capital of Commercial Banks (No. 4 Order [2023] of National Financial Regulatory Administration) (《商業銀行資本管理辦法》(國家金融監督管理總局令 2023 年第 4 號)) from 2024.
- The Pillar 3 Information Disclosure Report for the First Quarter of 2024 of China Zheshang Bank Co., Ltd. (《浙商銀行股份有限公司 2024 年第一季度第三支柱信息披露報告》) is available for inspection on the website of the Bank (www.czbank.com).

## 2.4 Information on Liquidity Coverage Ratio

The indicators of liquidity coverage ratio calculated in accordance with the Administrative Measures for the Liquidity Risk of Commercial Banks (CBIRC Order No.3 of 2018) 《商業銀行流動性風險管理辦法》(銀保監會令 2018 年第 3 號)) are set out as below:

*RMB million, excluding %*

The Group	March 31, 2024	December 31, 2023
Liquidity coverage ratio (%)	147.07	166.61
High quality liquid assets	349,335	329,261
Net cash outflows over the next 30 days	237,533	197,624

## 2.5 Explanation of Differences Between Financial Statements Prepared under Domestic and International Accounting Policies

The net profit attributable to shareholders of the Bank for the reporting period ended March 31, 2024 and the equity attributable to shareholders of the Bank as at the end of the reporting period presented in the financial statements prepared by the Group under the China Accounting Standards are the same with that presented in the financial statements prepared by the Group under the International Financial Reporting Standards.

## 2.6 Shareholders

2.6.1 As at the end of the reporting period, the table of total number of shareholders, the shareholdings of the top ten shareholders and top ten shareholders of circulating shares (or shareholders without selling restrictions) were as follows:

*Unit: share, excluding %*

Name of Shareholders (Full Name)	Number of Shares Held at the End of the Period	Proportion (%)	Shareholdings of Top Ten Shareholders				
			Class of Shares	Number of Shares Held Subject to Selling Restrictions	Pledge, Marked or Frozen Status of Shares	Nature of Shareholders	
HKSCC Nominees Limited	5,919,872,320	21.55	H share without selling restrictions	-	Unknown	-	-
Zhejiang Provincial Financial Holdings Co., Ltd.	3,452,076,906	12.57	A share without selling restrictions	-	-	-	State-owned legal person
Hengdian Group Holdings Limited	1,615,542,387	5.88	A share without selling restrictions	-	-	-	Domestic non-state-owned legal person
Zhejiang Provincial Energy Group Co., Ltd.	1,090,531,078	3.97	A share without selling restrictions	-	-	-	State-owned legal person
Taiping Life Insurance Company Limited	921,538,465	3.36	A share without selling restrictions	-	-	-	State-owned legal person
Shandong International Trust Co., Ltd.	774,105,497	2.82	A share without selling restrictions	-	-	-	State-owned legal person
Sinatay Life Insurance Co., Ltd. - self-owned capital	771,044,168	2.81	A share without selling restrictions	-	-	-	State-owned legal person
Minsheng Life Insurance Company Ltd. - self-owned capital	768,593,847	2.80	A share without selling restrictions	-	-	-	Domestic non-state-owned legal person
Zhejiang Hengyi High-tech Material Co., Ltd.	660,490,068	2.40	A share without selling restrictions	-	Pledge	660,490,068	Domestic non-state-owned legal person
Zhejiang Hengyi Group Co., Ltd.	643,052,319	2.34	A share without selling restrictions	-	Pledge	643,052,319	Domestic non-state-owned legal person

**Notes:**

- The number of shares held by HKSCC Nominees Limited was the sum of shares of the Company's holders of H shares which were trading in its transaction system.
- As at the end of the reporting period, among the top ten shareholders mentioned above, Zhejiang Hengyi High-tech Material Co., Ltd. and Zhejiang Hengyi Group Co., Ltd. have a related relationship. Apart from that, the Company is not aware of other related relationship between the above shareholders or whether they are parties acting in concert.
- To the best knowledge of the Company, as at the end of the reporting period, by participating in securities refinancing and lending business through a brokerage firm, Zhejiang Provincial Energy Group Co., Ltd., a shareholder of the Company, lent 3,000,000 A shares of the Company; such shares were not registered in the name of Zhejiang Provincial Energy Group Co., Ltd. during the period of lending, but the ownership has not been transferred. None of the other shareholders in the table are involved in securities refinancing and lending business.

### 2.6.2 The total number of preference shareholders and their shareholdings as at the end of the reporting period

As at the end of the reporting period, the Company had no existing preference shares.

### 3 Operation Performance of the First Quarter

**The scale of businesses grew in a stable and health manner.** As at the end of the reporting period, total assets of the Group amounted to RMB3,161.691 billion, representing an increase of RMB17.812 billion or 0.57% as compared to that at the end of last year, of which total loans and advances to customers amounted to RMB1,769.460 billion, representing an increase of RMB53.220 billion or 3.10% as compared to that at the end of last year. Total liabilities amounted to RMB2,965.819 billion, representing an increase of RMB11.517 billion or 0.39% as compared to that at the end of last year, of which customer deposits amounted to RMB1,892.221 billion, representing an increase of RMB23.562 billion or 1.26% as compared to that at the end of last year.

**The operation efficiency improved continuously.** During the reporting period, operating income of the Group amounted to RMB18.414 billion, representing an increase of RMB2.622 billion or 16.60% as compared to the corresponding period of last year, of which net interest income amounted to RMB11.818 billion, representing an increase of RMB72 million or 0.61% as compared to the corresponding period of last year, net interest margin was 1.84%, representing a decrease of 0.26 percentage point as compared to the corresponding period of last year, and net non-interest income amounted to RMB6.596 billion, representing an increase of RMB2.550 billion or 63.03% as compared to the corresponding period of last year. Net non-interest income to operating income was 35.82%, representing an increase of 10.20 percentage points as compared to the corresponding period of last year. Cost-to-income ratio was 28.23%, representing a decrease of 0.87 percentage point as compared to the corresponding period of last year. Net profit attributable to shareholders of the Bank amounted to RMB5.913 billion, representing an increase of RMB0.288 billion or 5.12% as compared to the corresponding period of last year.

**The quality of assets maintained stable.** As at the end of the reporting period, the non-performing loan balance of the Group was RMB25.324 billion, representing an increase of RMB0.728 billion or 2.96% as compared to that at the end of last year; the non-performing loan ratio was 1.44%, flat as compared to that at the end of last year; allowance to non-performing loans ratio was 177.50%, representing a decrease of 5.10 percentage points as compared to that at the end of last year; the allowance to total loans ratio was 2.55%, representing a decrease of 0.08 percentage point as compared to that at the end of last year.

**Capital adequacy ratio rose slightly.** As at the end of the reporting period, the capital adequacy ratio of the Group was 12.54%, representing an increase of 0.35 percentage point as compared to that at the end of last year. The tier-one capital adequacy ratio was 9.90%, representing an increase of 0.38 percentage point as compared to that at the end of last year, and the core tier-one capital adequacy ratio was 8.60%, representing an increase of 0.38 percentage point as compared to that at the end of last year.

## 4 Significant Events

### 4.1 Significant Changes in Key Financial Data and Financial Indicators and Reasons

Applicable    Not applicable

The following major items in the consolidated financial statements recorded an increase/decrease of over 30% due to the following reasons:

*RMB million, excluding %*

Item	January- March 2024	January- March 2023	Period-on- Period Increase (Decrease) (%)	Main reasons for the changes during the reporting period
Net cash used in operating activities	(90,099)	(38,022)	136.97	Decrease in cash inflow from placements with banks and other financial institutions

### 4.2 Other Key Information regarding the Company's Operation Performance during the Reporting Period which should be brought to the Attention of the Investors

Applicable    Not applicable



## 5 Appendix

The financial statements prepared in accordance with the International Financial Reporting Standards set out in Appendix I to this report.

By order of the Board  
**China Zheshang Bank Co., Ltd.**  
**Lu Jianqiang**  
*Chairman*

Hangzhou, the PRC  
April 29, 2024

*As at the date of this announcement, the executive directors of the Bank are Mr. Lu Jianqiang, Mr. Zhang Rongsen, Ms. Ma Hong and Mr. Chen Haiqiang; the non-executive directors are Mr. Hou Xingchuan, Mr. Ren Zhixiang, Ms. Gao Qinhong, Mr. Hu Tiangao, and Mr. Zhu Weiming; the independent non-executive directors are Mr. Zhou Zhifang, Mr. Wang Guocai, Mr. Wang Wei, Mr. Xu Yongbin and Mr. Fu Tingmei.*

## Appendix 1

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2024

(In RMB millions, unless otherwise stated)

	For three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
Interest income	28,859	26,614
Interest expense	(17,041)	(14,868)
<b>NET INTEREST INCOME</b>	<b>11,818</b>	<b>11,746</b>
Fee and commission income	1,726	1,750
Fee and commission expense	(236)	(207)
<b>NET FEE AND COMMISSION INCOME</b>	<b>1,490</b>	<b>1,543</b>
Net trading gains	2,800	1,677
Net gains on financial investments	2,061	329
Other operating income	245	497
<b>OPERATING INCOME</b>	<b>18,414</b>	<b>15,792</b>
Operating expenses	(5,397)	(4,767)
Expected credit losses	(5,379)	(3,894)
<b>PROFIT BEFORE TAXATION</b>	<b>7,638</b>	<b>7,131</b>
Income tax expense	(1,611)	(1,393)
<b>PROFIT FOR THE PERIOD</b>	<b>6,027</b>	<b>5,738</b>
Attributable to:		
Shareholders of the Bank	5,913	5,625
Non-controlling interests	114	113

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2024

(In RMB millions, unless otherwise stated)

	For three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
<b>Other comprehensive income, net of tax</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Changes in the fair value of financial assets measured at fair value through other comprehensive income	76	(336)
Allowance for ECLs of financial assets measured at fair value through other comprehensive income	36	(151)
Exchange difference from the translation of foreign operations	156	(128)
<b>Other comprehensive income, net of tax</b>	<b>268</b>	<b>(615)</b>
<b>Total comprehensive income</b>	<b>6,295</b>	<b>5,123</b>
Total comprehensive income attributable to:		
Shareholders of the Bank	6,181	5,010
Non-controlling interests	114	113
Earnings per share attributable to the shareholders of the Bank		
Basic (RMB)	0.22	0.25
Diluted (RMB)	0.22	0.25

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AT 31 MARCH 2024***(In RMB millions, unless otherwise stated)*

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>		
Cash and balances with the central bank	145,735	164,723
Precious metals	12,171	9,756
Deposits with banks and other financial institutions	63,450	70,856
Placements with banks and other financial institutions	13,541	8,574
Derivative financial assets	26,282	21,953
Financial assets purchased under resale agreements	97,545	74,595
Loans and advances to customers	1,726,368	1,673,272
Financial investments		
– Financial assets measured at fair value through profit or loss	213,973	233,141
– Financial assets measured at amortized cost	451,588	463,311
– Financial assets measured at fair value through other comprehensive income	287,028	304,185
Fixed assets	26,048	24,741
Right-of-use assets	4,759	4,904
Intangible assets	689	670
Deferred tax assets	20,811	21,184
Other assets	71,703	68,014
<b>TOTAL ASSETS</b>	<b>3,161,691</b>	<b>3,143,879</b>
<b>LIABILITIES</b>		
Due to the central bank	66,717	119,915
Deposits from banks and other financial institutions	365,037	358,654
Placements from banks and other financial institutions	101,033	87,681
Financial liabilities at fair value through profit or loss	12,032	13,432
Derivative financial liabilities	22,596	21,034
Financial assets sold under repurchase agreements	41,543	62,106
Customer deposits	1,892,221	1,868,659
Employee benefits payable	3,915	5,985
Tax payable	4,473	2,909
Provisions	1,589	1,523
Debt securities issued	438,192	395,938
Lease liabilities	3,108	3,257
Other liabilities	13,363	13,209
<b>TOTAL LIABILITIES</b>	<b>2,965,819</b>	<b>2,954,302</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 MARCH 2024

(In RMB millions, unless otherwise stated)

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<b>EQUITY</b>		
Share capital	27,464	27,464
Other equity instruments	24,995	24,995
Capital reserve	38,570	38,570
Other comprehensive income	3,675	3,408
Surplus reserve	12,546	12,546
Statutory general reserve	29,804	29,804
Retained earnings	55,371	49,458
Total equity attributable to shareholders of the Bank	192,425	186,245
Non-controlling interests	3,447	3,332
<b>TOTAL EQUITY</b>	<b>195,872</b>	<b>189,577</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,161,691</b>	<b>3,143,879</b>

The consolidated financial statements was approved by the Board of Directors on April 29,2024.

\_\_\_\_\_  
Lu Jianqiang  
Chairman

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Zhang Rongsen  
President, Principal  
in-charge of Finance

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Peng Zhiyuan  
Director of the Financial  
Department

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

FOR THE THREE MONTHS ENDED 31 MARCH 2024

*(In RMB millions, unless otherwise stated)*

	For three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before taxation	7,638	7,131
Adjustments for:		
Expected credit losses	5,379	3,894
Depreciation and amortisation	580	470
Interest income from financial investments	(5,646)	(4,944)
Net investment income	(3,448)	(1,148)
Net gains from changes in fair value	(562)	(151)
Net foreign exchange losses	30	744
Net gains on disposal of fixed assets	–	(3)
Interest expense on debt securities issued	2,758	2,304
Interest expense on lease liabilities	33	39
Deferred tax expense	336	270
Net changes in operating assets and operating liabilities:		
Net decrease in balances with the central bank	9,892	2,609
Net decrease/(increase) in deposits with banks and other financial institutions	3,572	(10,272)
Net (increase)/decrease in placements with banks and other financial institutions	(3,058)	1,030
Net increase in financial assets purchased under resale agreements	(8,323)	(30,609)
Net increase in loans and advances to customers	(57,637)	(72,998)
Net (increase)/decrease in financial assets held for trading	(811)	2,842
Net (increase)/decrease in other operating assets	(2,628)	6,237
Net decrease in due to the central bank	(53,165)	(34,231)
Net increase in deposits from banks and other financial institutions	5,540	52,618
Net increase in placements from banks and other financial institutions	10,089	3,867
Net (decrease)/increase in financial assets sold under repurchase agreements	(20,573)	8,875
Net increase in customer deposits	19,772	28,337
Net increase/(decrease) in other operating liabilities	386	(4,705)
Net cash flows used in operating activities before tax	(89,846)	(37,794)
Income tax paid	(253)	(228)
<b>Net cash used in operating activities</b>	<b>(90,099)</b>	<b>(38,022)</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2024

(In RMB millions, unless otherwise stated)

	For three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	4	59
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(1,788)	(307)
Investment returns received	5,414	7,299
Proceeds from disposal of investments	750,257	653,018
Payment for acquisition of investments	(699,508)	(704,609)
<b>Net cash generated from/(used in) investing activities</b>	<b>54,379</b>	<b>(44,540)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of debt securities	140,859	272,337
Repayments of principal on debt securities issued	(99,435)	(219,846)
Repayments of interest on debt securities issued	(1,988)	(2,146)
Payment for dividend distribution	–	(3)
Repayments for principal and interest element of lease liabilities	(226)	(243)
<b>Net cash generated from financing activities</b>	<b>39,210</b>	<b>50,099</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>197</b>	<b>(934)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,687</b>	<b>(33,397)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>170,461</b>	<b>107,748</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>174,148</b>	<b>74,351</b>
<b>Net cash flows from operating activities include:</b>		
Interest received	22,488	21,120
Interest paid	(9,459)	(11,764)