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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)

PRELIMINARY RESULTS FOR THE HALF-YEAR OF 2024

This announcement is made by China Zheshang Bank Co., Ltd. (the “**Bank**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to provide financial information of the Bank to shareholders of the Bank and the public. This announcement is also simultaneously published on the Shanghai Stock Exchange and accordingly, this announcement is also made pursuant to Rule 13.10B of the Listing Rules.

The key financial data for the half-year of 2024 as set out in this announcement are preliminary accounting data in accordance with China Accounting Standards and have not been audited by an accounting firm. The specific data shall be subject to the financial data disclosed in the Bank’s 2024 interim report. Shareholders and potential investors of the Bank shall exercise caution when dealing in the securities of the Bank.

I. KEY FINANCIAL DATA AND INDICATORS FOR THE HALF-YEAR OF 2024

(In RMB million, unless otherwise stated)

Items	January to June 2024 (Unaudited)	January to June 2023 (Unaudited)	Increase/ (decrease) (%)
Operating income	35,279	33,227	6.18
Operating profit	9,768	9,374	4.20
Total profit	9,741	9,378	3.87
Net profit attributable to shareholders of the Bank	7,999	7,743	3.31
Net profit attributable to shareholders of the Bank excluding non-recurring profit or loss	8,019	7,451	7.62
Basic earnings per share (RMB) ¹	0.29	0.34	(14.71)
			Decrease by 1.31 percentage points
Weighted average return on net assets * ¹ (%)	9.65	10.96	points

Items	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase/ (decrease) (%)
Total assets	3,246,610	3,143,879	3.27
Among which: total loans and advances to customers	1,812,163	1,716,240	5.59
Total liabilities	3,052,236	2,954,302	3.31
Among which: customer deposits	1,938,479	1,868,659	3.74
Equity attributable to shareholders of the Bank	190,798	186,245	2.44
Share capital	27,464	27,464	–
Net assets per share at the end of the period (RMB) ²	6.04	5.87	2.90

Items	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase/ decrease
Non-performing loan ratio ³ (%)	1.43	1.44	Decrease by 0.01 percentage point
Allowance to non-performing loans ⁴ (%)	178.12	182.60	Decrease by 4.48 percentage points
Allowance to total loans ⁵ (%)	2.54	2.63	Decrease by 0.09 percentage point

Notes:

* Annualized return rate.

1. It is calculated in accordance with the requirements of “Compilation Rules for Information Disclosure by Companies which Offer Securities to the Public No. 9 – Calculation and Disclosure of the Return on Net Assets and Earnings per Share” (Revised 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)) of the China Securities Regulatory Commission.
2. Net assets per share at the end of the period = (equity attributable to shareholders of the Bank minus other equity instruments) divided by total number of ordinary shares at the end of the period.
3. Non-performing loan ratio and allowance to total loans are calculated in accordance with the Guidelines for the Calculation of Major Financial Indicators in China’s Banking Industry (Yin Xie Fa [2023] No. 34) (《中國銀行業主要財務指標計算指引》(銀協發[2023]34號)) issued by the China Banking Association, where: Non-performing loan ratio = Balance of non-performing loans divided by total loans and advances to customers (excluding interest accrued).
4. Allowance to non-performing loans = Balance of the allowance for expected credit loss (ECLs) of loans divided by balance of non-performing loans.
5. Allowance to total loans = Balance of the allowance for expected credit loss (ECLs) of loans divided by total loans and advances to customers (excluding interest accrued).

II. DETAILS OF THE OPERATING RESULTS AND FINANCIAL POSITION

In the first half of 2024, the Bank and its subsidiaries (the “Group”) earnestly implemented the decisions and deployments of the Central Committee of the Communist Party of China, the State Council and the Zhejiang Provincial Party Committee and Government. Under the guidance of the vision of being “a first-class commercial bank”, the Group adhered to the twelve-word operation approach, practiced the concept of financial services for good, deeply promoted the four major strategic priorities, persistently built up a good ballast with assets with low sensitivity to economic cycle, and comprehensively deepened the 321 intelligent operation strategy, thereby advancing its high-quality development to a new stage.

In the first half of 2024, the Group exhibited steady improvement of operating quality and efficiency. It realized operating income of RMB35.279 billion, representing an increase of RMB2.052 billion, or 6.18% year-on-year, and net profit attributable to shareholders of the Bank of RMB7.999 billion, representing an increase of RMB256 million, or 3.31% year-on-year. As of June 30, 2024, the Group’s business scale grew steadily, with total assets amounting to RMB3,246.610 billion, representing an increase of RMB102.731 billion, or 3.27%, compared with that at the end of last year, and total liabilities amounting to RMB3,052.236 billion, representing an increase of RMB97.934 billion, or 3.31%, compared with that at the end of last year. Asset quality remained stable, with the non-performing loan ratio at 1.43%, representing a decrease of 0.01 percentage point compared with that at the end of last year, and the allowance to non-performing loans at 178.12%, representing a decrease of 4.48 percentage points compared with that at the end of last year.

III. RISK WARNING

The key financial data for the half-year of 2024 as set out in this announcement are preliminary consolidated statement data, and key indicators such as net profit attributable to shareholders of the listed company may differ from those disclosed in the Bank’s 2024 interim report as finally announced, but the aforesaid differences are not expected to exceed 10%. Investors are advised to pay attention to the investment risks.

IV. DOCUMENTS FOR INSPECTION

Comparative balance sheet and income statement signed and sealed by Lu Jianqiang, the Legal Representative and Chairman of the Board, Zhang Rongsen, President of the Bank and Principal in charge of Finance, and Peng Zhiyuan, Director of the Financial Department of the Bank.

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

Hangzhou, the PRC
August 14, 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, Mr. Hu Tiangao and Mr. Ying Yuxiang; the independent non-executive Directors are Mr. Zhou Zhifang, Mr. Wang Guocai, Mr. Wang Wei, Mr. Xu Yongbin and Mr. Fu Tingmei.