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CHINA ZHESHANG BANK CO., LTD.

浙 商 銀 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 2025

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 IFRS® Accounting 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 2025 third extraordinary meeting of the seventh session of the Board of Directors of the Company was convened in the form of written resolutions and the First Quarterly Report of 2025 of the Company was considered and approved thereat on April 29, 2025.
- 1.3 The financial statements set out in this report are prepared in accordance with the IFRS Accounting 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), Chen Haiqiang (President of the Bank (perform the duties on behalf)), Hou Bo (Principal in-charge of Finance) and Zhang Jian (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, 2025	December 31, 2024	Increase (Decrease) as Compared to the End of Last Year (%)
Scale indicators			
Total assets	3,443,117	3,325,539	3.54
Total loans and advances to customers	1,890,698	1,857,116	1.81
Total liabilities	3,237,334	3,122,796	3.67
Customer deposits	2,006,368	1,922,289	4.37
Equity attributable to shareholders of the Bank	201,780	198,903	1.45
Net assets per share at the end of the period attributable to shareholders of the Bank (RMB)	6.44	6.33	1.74

RMB million, excluding %

	January- March 2025	January- March 2024	Increase (Decrease) as Compared to the Corresponding Period of Last Year (%)
Operating results			
Operating income	17,135	18,414	(6.95)
Profit before taxation	8,040	7,638	5.26
Net profit attributable to shareholders of the Bank	5,949	5,913	0.61
Net cash used in operating activities	(2,199)	(90,099)	97.56
Basic earnings per share attributable to shareholders of the Bank (RMB)	0.22	0.22	–
Diluted earnings per share attributable to shareholders of the Bank (RMB)	0.22	0.22	–

	January- March 2025	January- March 2024	Increase (Decrease) as Compared to the Corresponding Period of Last Year
Profitability indicators			
Return on average total assets (annualized) (%)	0.72	0.76	Decrease by 0.04 percentage point
Return on average equity (annualized) (%)	13.57	14.39	Decrease by 0.82 percentage point
Net non-interest income to operating income (%)	30.08	35.82	Decrease by 5.74 percentage points
Cost-to-income ratio (%)	27.06	28.23	Decrease by 1.17 percentage points

2.2 Capital Adequacy Ratio

RMB million, excluding %

	March 31, 2025		December 31, 2024	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	175,528	166,185	173,172	166,402
Net tier-one capital	200,911	191,180	198,536	191,397
Net capital base	255,119	243,174	260,441	251,262
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 (%)	8.38	8.24	8.38	8.35
Tier-one capital adequacy ratio (%)	9.60	9.48	9.61	9.60
Capital adequacy ratio (%)	12.18	12.06	12.61	12.61

Notes:

1. 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.
2. The Pillar 3 Information Disclosure Report for the First Quarter of 2025 of China Zheshang Bank Co., Ltd. (《浙商銀行股份有限公司 2025 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 %

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
The Group				
Net tier-one capital	200,911	198,536	194,225	188,690
Adjusted asset balance inside and outside the balance sheet	4,029,132	3,885,727	3,901,844	3,840,678
Leverage ratio (%)	4.99	5.11	4.98	4.91

Notes:

1. 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.
2. The Pillar 3 Information Disclosure Report for the First Quarter of 2025 of China Zheshang Bank Co., Ltd. (《浙商銀行股份有限公司 2025 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:

<i>RMB million, excluding %</i>		
The Group	March 31, 2025	December 31, 2024
Liquidity coverage ratio (%)	234.77	322.75
High-quality liquid assets	359,127	382,938
Net cash outflows over the next 30 days	152,969	118,649

2.5 Explanation of Differences Between Financial Statements Prepared under China Accounting Standards and IFRS Accounting Standards

The net profit attributable to shareholders of the Bank for the reporting period ended March 31, 2025 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 IFRS Accounting 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 %

Total Number of Shareholders		Shareholdings of Top Ten Shareholders					
Name of Shareholders (Full Name)	Number of Shares Held at the End of the Period	Proportion (%)	Class of Shares	Number of Shares Held Subject to Selling Restrictions	Pledge, Marked or Frozen		
					Status of Shares	Number	Nature of Shareholders
HKSCC Nominees Limited	5,919,877,320	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.	1,093,531,078	3.98	A share without selling restrictions	–	–	–	State-owned legal person
Sinatay Life Insurance Co., Ltd. -self-owned capital	996,325,468	3.63	A share without selling restrictions	–	–	–	State-owned legal person
Taiping Life Insurance Co., Ltd.	921,538,465	3.36	A share without selling restrictions	–	–	–	State-owned legal person
Minsheng Life Insurance Co., Ltd. -self-owned capital	768,593,847	2.80	A share without selling restrictions	–	–	–	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	667,943,407	2.43	A share without selling restrictions	–	–	–	–
Zhejiang Hengyi High-tech Material Co., Ltd.	660,490,068	2.40	A share without selling restrictions	–	Pledged	508,069,283	Domestic non-state-owned legal person
Zhejiang Hengyi Group Co., Ltd.	643,052,319	2.34	A share without selling restrictions	–	Pledged	643,052,319	Domestic non-state-owned legal person

Notes:

1. 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. The number of shares held by Hong Kong Securities Clearing Company Limited represents A shares designated by and on behalf of Hong Kong and overseas investors in their capacity as nominal holders (Shanghai Stock Connect shares).
2. 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.
3. To the best knowledge of the Company, as at the end of the reporting period, none of the 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 RMB3,443.117 billion, representing an increase of RMB117.578 billion or 3.54% as compared to that at the end of last year, of which total loans and advances to customers amounted to RMB1,890.698 billion, representing an increase of RMB33.582 billion or 1.81% as compared to that at the end of last year. Total liabilities amounted to RMB3,237.334 billion, representing an increase of RMB114.538 billion or 3.67% as compared to that at the end of last year, of which customer deposits amounted to RMB2,006.368 billion, representing an increase of RMB84.079 billion or 4.37% as compared to that at the end of last year.

The operating efficiency maintained resilient. During the reporting period, operating income of the Group amounted to RMB17.135 billion, representing a decrease of RMB1.279 billion or 6.95% period-on-period, of which, net interest income was RMB11.981 billion, representing an increase of RMB163 million or 1.38% period-on-period, net interest margin was 1.76%, representing a decrease of 0.08 percentage point period-on-period, and net non-interest income was RMB5.154 billion, representing a decrease of RMB1.442 billion or 21.86% period-on-period. Net non-interest income to operating income was 30.08%, representing a decrease of 5.74 percentage points period-on-period. Cost-to-income ratio was 27.06%, representing a decrease of 1.17 percentage points period-on-period. Net profit attributable to shareholders of the Bank amounted to RMB5.949 billion, representing an increase of RMB36 million or 0.61% period-on-period.

The quality of assets maintained stable. As at the end of the reporting period, the non-performing loan balance of the Group was RMB25.955 billion, representing an increase of RMB461 million or 1.81% as compared to that at the end of last year; the non-performing loan ratio was 1.38%, flat as compared to that at the end of last year; allowance to non-performing loans ratio was 171.21%, representing a decrease of 7.46 percentage points as compared to that at the end of last year; the allowance to total loans ratio was 2.36%, representing a decrease of 0.10 percentage point as compared to that at the end of last year.

The capital adequacy ratio remained at a reasonable level. As at the end of the reporting period, the capital adequacy ratio of the Group was 12.18%, representing a decrease of 0.43 percentage point as compared to that at the end of last year. The tier-one capital adequacy ratio was 9.60%, representing a decrease of 0.01 percentage point as compared to that at the end of last year, and the core tier-one capital adequacy ratio was 8.38%, flat 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 2025	January – March 2024	Period-on- Increase (Decrease) (%)	Main reasons for the changes during the reporting period
Net cash used in operating activities	(2,199)	(90,099)	97.56	Increase in cash inflow from customer deposits

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 IFRS Accounting Standards are 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, 2025

As at the date of this announcement, the executive Directors of the Bank are Mr. Lu Jianqiang, Mr. Chen Haiqiang and Ms. Ma Hong; 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. Wang Wei, Mr. Xu Yongbin, Mr. Fu Tingmei, Mr. Shi Hao and Mr. Lou Weizhong.

Appendix 1

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2025

(In RMB millions, unless otherwise stated)

	For three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Interest income	26,950	28,859
Interest expense	(14,969)	(17,041)
NET INTEREST INCOME	11,981	11,818
Fee and commission income	1,665	1,726
Fee and commission expense	(371)	(236)
NET FEE AND COMMISSION INCOME	1,294	1,490
Net trading gains	1,259	2,800
Net gains on financial investments	2,137	2,061
Other operating income	464	245
OPERATING INCOME	17,135	18,414
Operating expenses	(4,811)	(5,397)
Expected credit losses	(4,284)	(5,379)
PROFIT BEFORE TAXATION	8,040	7,638
Income tax expense	(1,928)	(1,611)
PROFIT FOR THE PERIOD	6,112	6,027
Attributable to:		
Shareholders of the Bank	5,949	5,913
Non-controlling interests	163	114

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

FOR THE THREE MONTHS ENDED 31 MARCH 2025

(In RMB millions, unless otherwise stated)

	For three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Other comprehensive income, net of tax		
Items that may be reclassified to profit or loss:		
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(3,065)	76
Allowance for ECLs of financial assets measured at fair value through other comprehensive income	89	36
Exchange difference from the translation of foreign operations	(96)	156
Other comprehensive income, net of tax	(3,072)	268
Total comprehensive income	3,040	6,295
Total comprehensive income attributable to:		
Shareholders of the Bank	2,877	6,181
Non-controlling interests	163	114
Earnings per share attributable to ordinary shareholders of the Bank		
Basic (RMB yuan)	0.22	0.22
Diluted (RMB yuan)	0.22	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AT 31 MARCH 2025***(In RMB millions, unless otherwise stated)*

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS		
Cash and balances with the central bank	142,576	129,691
Precious metals	16,474	16,956
Deposits with banks and other financial institutions	66,417	51,919
Placements with banks and other financial institutions	6,382	17,366
Derivative financial assets	39,754	41,692
Financial assets purchased under resale agreements	81,503	68,407
Loans and advances to customers	1,847,384	1,812,684
Financial investments		
– Financial assets measured at fair value through profit or loss	257,918	228,873
– Financial assets measured at amortized cost	450,664	469,159
– Financial assets measured at fair value through other comprehensive income	397,738	357,419
Fixed assets	33,233	31,268
Right-of-use assets	4,521	4,685
Intangible assets	823	811
Deferred tax assets	19,969	20,482
Other assets	77,761	74,127
TOTAL ASSETS	3,443,117	3,325,539
LIABILITIES		
Due to the central bank	42,163	77,821
Deposits from banks and other financial institutions	327,368	366,940
Placements from banks and other financial institutions	97,803	95,841
Financial liabilities at fair value through profit or loss	19,627	21,196
Derivative financial liabilities	32,048	36,085
Financial assets sold under repurchase agreements	93,689	35,287
Customer deposits	2,006,368	1,922,289
Employee benefits payable	3,875	6,323
Taxes payable	1,511	1,091
Provisions	1,052	1,094
Debt securities issued	592,704	541,533
Lease liabilities	2,928	3,131
Other liabilities	16,198	14,165
TOTAL LIABILITIES	3,237,334	3,122,796

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 MARCH 2025

(In RMB millions, unless otherwise stated)

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
EQUITY		
Share capital	27,464	27,464
Other equity instruments	24,995	24,995
– Perpetual bond	24,995	24,995
Capital reserve	38,570	38,570
Other comprehensive income	3,275	6,347
Surplus reserve	14,012	14,012
Statutory general reserve	35,119	35,119
Retained earnings	58,345	52,396
Total equity attributable to shareholders of the Bank	201,780	198,903
Non-controlling interests	4,003	3,840
TOTAL EQUITY	205,783	202,743
TOTAL LIABILITIES AND EQUITY	3,443,117	3,325,539

The consolidated financial statements were approved by the Board of Directors on April 29, 2025.

Lu Jianqiang
Chairman

Chen Haiqiang
President (Perform the duties on behalf)

Hou Bo
Principal in-charge of Finance

Zhang Jian
Director of the Financial Department

CONSOLIDATED CASH FLOW STATEMENT**FOR THE THREE MONTHS ENDED 31 MARCH 2025***(In RMB millions, unless otherwise stated)*

	For three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before taxation	8,040	7,638
Adjustments for:		
Expected credit losses	4,284	5,379
Depreciation and amortization	618	580
Interest income from financial investments	(5,767)	(5,646)
Net investment income	(3,058)	(3,448)
Net losses/(gains) from changes in fair value	370	(562)
Net foreign exchange (gains)/losses	(678)	30
Interest expense on debt securities issued	3,042	2,758
Interest expense on lease liabilities	28	33
Deferred tax expense	1,505	336
Net changes in operating assets and operating liabilities:		
Net (increase)/decrease in balances with the central bank	(4,734)	9,892
Net decrease in deposits with banks and other financial institutions	10,561	3,572
Net increase in placements with banks and other financial institutions	(2,077)	(3,058)
Net increase in financial assets purchased under resale agreements	(6,744)	(8,323)
Net increase in loans and advances to customers	(38,934)	(57,637)
Net increase in financial assets held for trading	(31,618)	(811)
Net decrease/(increase) in other operating assets	8,812	(2,628)
Net decrease in due to the central bank	(35,793)	(53,165)
Net (decrease)/increase in deposits from banks and other financial institutions	(39,832)	5,540
Net (decrease)/increase in placements from banks and other financial institutions	(4,892)	10,089
Net increase/(decrease) in financial assets sold under repurchase agreements	58,428	(20,573)
Net increase in customer deposits	82,439	19,772
Net (decrease)/increase in other operating liabilities	(5,721)	386
Net cash flows used in operating activities before taxation	(1,721)	(89,846)
Income tax paid	(478)	(253)
Net cash used in operating activities	(2,199)	(90,099)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2025

(In RMB millions, unless otherwise stated)

	For three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	11	4
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(3,186)	(1,788)
Investment returns received	8,151	5,414
Proceeds from disposal of investments	516,701	750,257
Payment for acquisition of investments	(540,735)	(699,508)
Net cash (used in)/generated from investing activities	(19,058)	54,379
Cash flows from financing activities:		
Proceeds from issuance of debt securities	153,851	140,859
Repayment of principal on debt securities issued	(103,304)	(99,435)
Repayment of interest on debt securities issued	(2,418)	(1,988)
Repayment for principal and interest elements of lease liabilities	(257)	(226)
Net cash generated from financing activities	47,872	39,210
Effect of exchange rate changes on cash and cash equivalents	(83)	197
Net increase in cash and cash equivalents	26,532	3,687
Cash and cash equivalents at the beginning of the period	133,635	170,461
Cash and cash equivalents at the end of the period	160,167	174,148
Net cash flows from operating activities include:		
Interest received	20,543	22,488
Interest paid	(10,076)	(9,459)