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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)

THIRD 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 quarters.

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 Supervisory Committee, 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 third quarterly report of 2025 of the Company was considered and approved at the sixth meeting of the seventh session of the Board of Directors of the Company on October 30, 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 subsidiaries.
- 1.5 Chen Haiqiang, the Company’s President (acting as the Chairman of the Board), Hou Bo (Principal in-charge of Finance) and Zhang Jian (Director of the Financial Department) warrant that the financial statements in this report are true, accurate and complete.

2 General Information

2.1 Key Accounting Information and Financial Indicators

RMB million, excluding %

	January - September 2025	January - September 2024	Increase (Decrease) as Compared to the Corresponding Period of Last Year (%)
Operating results indicators			
Operating income	48,958	52,518	(6.78)
Profit before taxation	15,269	15,377	(0.70)
Net profit attributable to shareholders of the Bank	11,668	12,905	(9.59)
Net cash used in operating activities	(33,355)	(84,757)	60.65
Basic earnings per share attributable to shareholders of the Bank (RMB)	0.42	0.47	(10.64)
Diluted earnings per share attributable to shareholders of the Bank (RMB)	0.42	0.47	(10.64)

	January - September 2025	January - September 2024	Increase (Decrease) as Compared to the Corresponding Period of Last Year (%)
Profitability indicators			
Return on average total assets (annualized) (%)	0.48	0.55	Decrease by 0.07 percentage point
Return on weighted average net assets (annualized) (%)	8.82	10.33	Decrease by 1.51 percentage points
Net interest margin (annualized) (%)	1.67	1.80	Decrease by 0.13 percentage point
Net interest spread (annualized) (%)	1.52	1.60	Decrease by 0.08 percentage point
Cost-to-income ratio (%)	28.37	28.70	Decrease by 0.33 percentage point

RMB million, excluding %

	September 30, 2025	December 31, 2024	Increase (Decrease) as Compared to the End of Last Year (%)
Scale indicators			
Total assets	3,389,012	3,325,539	1.91
Total loans and advances to customers	1,896,272	1,857,116	2.11
Total liabilities	3,182,278	3,122,796	1.90
Customer deposits	2,059,773	1,922,289	7.15
Equity attributable to shareholders of the Bank	202,407	198,903	1.76
Net assets per share at the end of the period attributable to shareholders of the Bank (RMB)	6.46	6.33	2.05

2.2 Capital Adequacy Ratio

RMB million, excluding %

	September 30, 2025		December 31, 2024	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	176,475	166,277	173,172	166,402
Net tier-one capital	201,871	191,272	198,536	191,397
Net capital base	255,202	242,139	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 (%)	8.40	8.23	8.38	8.35
Tier-one capital adequacy ratio (%)	9.61	9.47	9.61	9.60
Capital adequacy ratio (%)	12.15	11.99	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 Third Quarter of 2025 of China Zheshang Bank Co., Ltd. 《浙商銀行股份有限公司 2025 年第三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 %

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
The Group				
Net tier-one capital	201,871	199,261	200,911	198,536
Adjusted asset balance inside and outside the balance sheet	4,021,243	3,935,202	4,029,132	3,885,727
Leverage ratio (%)	5.02	5.06	4.99	5.11

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 Third Quarter of 2025 of China Zheshang Bank Co., Ltd. 《浙商銀行股份有限公司 2025 年第三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 (CBRC Order No.3 of 2018) 《商業銀行流動性風險管理辦法》(中國銀監會令 2018 年第 3 號)) are set out as below:

RMB million, excluding %

The Group	September 30, 2025	December 31, 2024
Liquidity coverage ratio (%)	255.02	322.75
High-quality liquid assets	370,676	382,938
Net cash outflows over the next 30 days	145,350	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 September 30, 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				212,334			
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		Nature of Shareholders
					Status of Shares	Number	
HKSCC Nominees Limited	5,919,885,720	21.55	H share without selling restrictions	–	Unknown	–	–
Zhejiang Innovation Investment Group Co., Ltd.	3,452,076,906	12.57	A share without selling restrictions	–	–	–	State-owned legal person
Hengdian Group Holdings Limited	1,373,231,727	4.99	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
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
XIZI Elevator Co., Ltd.	601,817,646	2.19	A share without selling restrictions	–	–	–	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.
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 Third Quarter

As at the end of the reporting period, total assets of the Group amounted to RMB3,389.012 billion, representing an increase of RMB63.473 billion or 1.91% as compared to that at the end of last year, of which total loans and advances to customers amounted to RMB1,896.272 billion, representing an increase of RMB39.156 billion or 2.11% as compared to that at the end of last year. Total liabilities amounted to RMB3,182.278 billion, representing an increase of RMB59.482 billion or 1.90% as compared to that at the end of last year, of which customer deposits amounted to RMB2,059.773 billion, representing an increase of RMB137.484 billion or 7.15% as compared to that at the end of last year.

During the reporting period, operating income of the Group amounted to RMB48.958 billion, representing a period-on-period decrease of RMB3.560 billion or 6.78%, of which net interest income amounted to RMB34.438 billion, representing a period-on-period decrease of RMB1.149 billion or 3.23%, net interest margin was 1.67%, representing a period-on-period decrease of 0.13 percentage point, and net non-interest income amounted to RMB14.520 billion, representing a period-on-period decrease of RMB2.411 billion or 14.24%. Cost-to-income ratio was 28.37%, representing a period-on-period decrease of 0.33 percentage point. The Group's net profit attributable to shareholders of the Bank amounted to RMB11.668 billion, representing a period-on-period decrease of RMB1.237 billion or 9.59%.

As at the end of the reporting period, the non-performing loan balance of the Group was RMB25.661 billion, representing an increase of RMB167 million as compared to that at the end of last year; the non-performing loan ratio was 1.36%, representing a decrease of 0.02 percentage point as compared to that at the end of last year; the allowance to non-performing loan ratio was 159.56%, representing a decrease of 19.11 percentage points as compared to that at the end of last year; the allowance to total loans ratio was 2.17%, representing a decrease of 0.29 percentage point as compared to that at the end of last year.

As at the end of the reporting period, the capital adequacy ratio of the Group amounted to 12.15%, representing a decrease of 0.46 percentage point as compared with that at the end of last year. The tier-one capital adequacy ratio amounted to 9.61%, remaining the same as compared with that at the end of last year, and the core tier-one capital adequacy ratio amounted to 8.40%, representing an increase of 0.02 percentage point as compared with 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 - September 2025	January - September 2024	Period-on- Period Increase (Decrease) (%)	Main reasons for the changes during the reporting period
Net cash used in operating activities	(33,355)	(84,757)	60.65	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.
Chen Haiqiang
Executive Director, President of the Bank

Hangzhou, the PRC
October 30, 2025

As at the date of this announcement, the executive Directors of the Bank are 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 NINE MONTHS ENDED 30 SEPTEMBER 2025

(In RMB millions, unless otherwise stated)

	For nine months ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)
Interest income	77,927	85,090
Interest expense	(43,489)	(49,503)
NET INTEREST INCOME	34,438	35,587
Fee and commission income	4,396	4,782
Fee and commission expense	(1,311)	(805)
NET FEE AND COMMISSION INCOME	3,085	3,977
Net trading gains	4,493	6,833
Net gains on financial investments	5,277	5,149
Other operating income	1,665	972
OPERATING INCOME	48,958	52,518
Operating expenses	(14,445)	(15,680)
Expected credit losses	(19,244)	(21,461)
PROFIT BEFORE TAXATION	15,269	15,377
Income tax expense	(3,112)	(2,053)
PROFIT FOR THE PERIOD	12,157	13,324
Attributable to:		
Shareholders of the Bank	11,668	12,905
Non-controlling interests	489	419

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

(In RMB millions, unless otherwise stated)

	For nine months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial investments designated to be measured at fair value through other comprehensive income	13	23
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	(3,200)	1,129
Allowance for ECLs of financial assets measured at fair value through other comprehensive income	(376)	(319)
Exchange difference from the translation of foreign operations	(319)	(94)
Other comprehensive income, net of tax	(3,882)	739
Total comprehensive income	8,275	14,063
Total comprehensive income attributable to:		
Shareholders of the Bank	7,788	13,644
Non-controlling interests	487	419
Earnings per share attributable to ordinary shareholders of the Bank		
Basic (RMB yuan)	0.42	0.47
Diluted (RMB yuan)	0.42	0.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AT 30 SEPTEMBER 2025***(In RMB millions, unless otherwise stated)*

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS		
Cash and balances with the central bank	123,476	129,691
Precious metals	43,839	16,956
Deposits with banks and other financial institutions	55,242	51,919
Placements with banks and other financial institutions	6,646	17,366
Derivative financial assets	32,353	41,692
Financial assets purchased under resale agreements	79,491	68,407
Loans and advances to customers	1,856,263	1,812,684
Financial investments		
– Financial assets measured at fair value through profit or loss	256,049	228,873
– Financial assets measured at amortized cost	435,222	469,159
– Financial assets measured at fair value through other comprehensive income	361,802	357,419
Fixed assets	35,404	31,268
Right-of-use assets	4,249	4,685
Intangible assets	889	811
Deferred tax assets	20,323	20,482
Other assets	77,764	74,127
TOTAL ASSETS	3,389,012	3,325,539
LIABILITIES		
Due to the central bank	65,608	77,821
Deposits from banks and other financial institutions	304,171	366,940
Placements from banks and other financial institutions	109,857	95,841
Financial liabilities at fair value through profit or loss	21,805	21,196
Derivative financial liabilities	20,177	36,085
Financial assets sold under repurchase agreements	31,861	35,287
Customer deposits	2,059,773	1,922,289
Employee benefits payable	4,642	6,323
Taxes payable	1,252	1,091
Provisions	928	1,094
Debt securities issued	545,832	541,533
Lease liabilities	2,751	3,131
Other liabilities	13,621	14,165
TOTAL LIABILITIES	3,182,278	3,122,796

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 30 SEPTEMBER 2025

(In RMB millions, unless otherwise stated)

	30 September 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	2,467	6,347
Surplus reserve	14,012	14,012
Statutory general reserve	37,858	35,119
Retained earnings	57,041	52,396
Total equity attributable to shareholders of the Bank	202,407	198,903
Non-controlling interests	4,327	3,840
TOTAL EQUITY	206,734	202,743
TOTAL LIABILITIES AND EQUITY	3,389,012	3,325,539

The consolidated financial statements were approved by the Board of Directors on October 30, 2025.

Chen Haiqiang
(Perform the duties of chairman
and legal representative
on behalf) President

Hou Bo
Principal in-charge of Finance

Zhang Jian
Director of the Financial
Department

CONSOLIDATED CASH FLOW STATEMENT**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025***(In RMB millions, unless otherwise stated)*

	For nine months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before taxation	15,269	15,377
Adjustments for:		
Expected credit losses	19,244	21,461
Depreciation and amortization	2,050	1,801
Interest income from financial investments	(16,341)	(17,243)
Net investment income	(7,500)	(8,326)
Net gains from changes in fair value	(234)	(1,437)
Net foreign exchange (gains)/losses	(64)	54
Net losses/(gains) on disposal of fixed assets	27	(30)
Interest expense on debt securities issued	8,786	8,479
Interest expense on lease liabilities	80	104
Deferred tax expense	1,347	358
Net changes in operating assets and operating liabilities:		
Net decrease in balances with the central bank	991	13,130
Net decrease in deposits with banks and other financial institutions	4,450	2,299
Net decrease/(increase) in placements with banks and other financial institutions	213	(5,701)
Net increase in financial assets purchased under resale agreements	(3,784)	(1,607)
Net increase in loans and advances to customers	(60,066)	(129,647)
Net (increase)/decrease in financial assets held for trading	(32,358)	7,466
Net decrease in other operating assets	5,696	2,279
Net decrease in due to the central bank	(12,269)	(55,558)
Net (decrease)/increase in deposits from banks and other financial institutions	(62,223)	23,409
Net increase in placements from banks and other financial institutions	6,351	14,208
Net decrease in financial assets sold under repurchase agreements	(3,407)	(362)
Net increase in customer deposits	134,416	38,856
Net decrease in other operating liabilities	(31,883)	(10,845)
Net cash flows used in operating activities before taxation	(31,209)	(81,475)
Income tax paid	(2,146)	(3,282)
Net cash used in operating activities	(33,355)	(84,757)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

(In RMB millions, unless otherwise stated)

	For nine months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	456	510
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(8,478)	(8,313)
Investment returns received	23,712	25,408
Proceeds from disposal of investments	1,887,389	3,652,728
Payment for acquisition of investments	(1,860,611)	(3,677,655)
Net cash generated from/(used in) investing activities	42,468	(7,322)
Cash flows from financing activities:		
Proceeds from issuance of debt securities	388,184	441,999
Repayment of matured debt	(384,178)	(358,957)
Repayment of interest on debt securities issued	(8,494)	(7,502)
Payment for dividend distribution	(4,316)	(4,507)
Repayment for principal and interest elements of lease liabilities	(630)	(642)
Net cash (used in)/generated from financing activities	(9,434)	70,391
Effect of exchange rate changes on cash and cash equivalents	(289)	(217)
Net decrease in cash and cash equivalents	(610)	(21,905)
Cash and cash equivalents at the beginning of the period	133,635	170,462
Cash and cash equivalents at the end of the period	133,025	148,557
Net cash flows from operating activities include:		
Interest received	59,857	66,842
Interest paid	(32,237)	(34,287)