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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)

## **THIRD 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 second meeting of the seventh session of the Board of Directors of the Company considered and approved the Third Quarterly Report of 2024 of the Company on October 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), Hou Bo (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 %*

	September 30, 2024	December 31, 2023	Increase (Decrease) as Compared to the End of Last Year (%)
<b>Scale indicators</b>			
Total assets	3,276,188	3,143,879	4.21
Total loans and advances to customers	1,826,183	1,716,240	6.41
Total liabilities	3,077,052	2,954,302	4.15
Customer deposits	1,913,992	1,868,659	2.43
Equity attributable to shareholders of the Bank	195,386	186,245	4.91
Net assets per share at the end of the period attributable to shareholders of the Bank (RMB)	6.20	5.87	5.62

*RMB million, excluding %*

	January- September 2024	January- September 2023	Increase (Decrease) as Compared to the Corresponding Period of Last Year (%)
<b>Operating result indicators</b>			
Operating income	52,518	49,719	5.63
Profit before taxation	15,377	15,454	(0.50)
Net profit attributable to shareholders of the Bank	12,905	12,753	1.19
Net cash used in operating activities	(84,757)	(15,063)	462.68
Basic earnings per share attributable to shareholders of the Bank (RMB)	0.47	0.53	(11.32)
Diluted earnings per share attributable to shareholders of the Bank (RMB)	0.47	0.53	(11.32)

	January- September 2024	January- September 2023	Increase (Decrease) as Compared to the Corresponding Period of Last Year
<b>Profitability indicators</b>			
Return on average total assets (annualized) (%)	0.55	0.63	Decrease by 0.08 percentage point
Return on average equity (annualized) (%)	10.38	11.47	Decrease by 1.09 percentage points
Net non-interest income to operating income (%)	32.24	27.70	Increase by 4.54 percentage points
Cost-to-income ratio (%)	28.70	27.69	Increase by 1.01 percentage points

## 2.2 Capital Adequacy Ratio

RMB million, excluding %

	September 30, 2024		December 31, 2023	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	168,873	162,292	159,789	153,990
Net tier-one capital	194,225	187,286	185,102	178,984
Net capital base	255,634	246,664	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 (%)	8.39	8.36	8.22	8.20
Tier-one capital adequacy ratio (%)	9.66	9.65	9.52	9.53
Capital adequacy ratio (%)	12.71	12.71	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 Third Quarter of 2024 of China Zheshang Bank Co., Ltd. (《浙商銀行股份有限公司 2024 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](http://www.czbank.com)).

## 2.3 Leverage Ratio

RMB million, excluding %

The Group	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Net tier-one capital	194,225	188,690	192,269	185,102
Adjusted asset balance inside and outside the balance sheet	3,901,844	3,840,678	3,740,182	3,715,031
Leverage ratio (%)	4.98	4.91	5.14	4.98

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 Third Quarter of 2024 of China Zheshang Bank Co., Ltd. (《浙商銀行股份有限公司 2024 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](http://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, 2024	December 31, 2023
Liquidity coverage ratio (%)	144.75	166.61
High quality liquid assets	317,362	329,261
Net cash outflows over the next 30 days	219,248	197,624

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

The net profit attributable to shareholders of the Bank for the reporting period ended September 30, 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 %*

Total Number of Shareholders				229,790			
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	5,919,875,320	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
Shandong International Trust Co., Ltd.	769,105,497	2.80	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

*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.
- As at the end of the reporting period, 2,000,000 shares lent by Zhejiang Provincial Energy Group Co., Ltd., a shareholder, by participating in securities refinancing and lending business through a brokerage firm have been returned, and 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 Third Quarter

**The scale of businesses grew in a stable and healthy manner.** As at the end of the reporting period, total assets of the Group amounted to RMB3,276.188 billion, representing an increase of RMB132.309 billion or 4.21% as compared to that at the end of last year, of which total loans and advances to customers amounted to RMB1,826.183 billion, representing an increase of RMB109.943 billion or 6.41% as compared to that at the end of last year. Total liabilities amounted to RMB3,077.052 billion, representing an increase of RMB122.750 billion or 4.15% as compared to that at the end of last year, of which customer deposits amounted to RMB1,913.992 billion, representing an increase of RMB45.333 billion or 2.43% as compared to that at the end of last year.

**The operation quality and efficiency improved steadily.** During the reporting period, operating income of the Group amounted to RMB52.518 billion, representing an increase of RMB2.799 billion or 5.63% as compared to the corresponding period of last year, of which net interest income amounted to RMB35.587 billion, representing a decrease of RMB362 million or 1.01% as compared to the corresponding period of last year, net interest margin was 1.80%, representing a decrease of 0.30 percentage point as compared to the corresponding period of last year, and net non-interest income amounted to RMB16.931 billion, representing an increase of RMB3.161 billion or 22.96% as compared to the corresponding period of last year. Net non-interest income to operating income was 32.24%, representing an increase of 4.54 percentage points as compared to the corresponding period of last year. Cost-to-income ratio was 28.70%, representing an increase of 1.01 percentage points as compared to the corresponding period of last year. Net profit attributable to shareholders of the Bank amounted to RMB12.905 billion, representing an increase of RMB152 million or 1.19% 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 RMB25.963 billion, representing an increase of RMB1.367 billion as compared to that at the end of last year; the non-performing loan ratio was 1.43%, representing a decrease of 0.01 percentage point as compared to that at the end of last year; allowance to non-performing loans ratio was 175.33%, representing a decrease of 7.27 percentage points as compared to that at the end of last year; the allowance to total loans ratio was 2.50%, representing a decrease of 0.13 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 12.71%, representing an increase of 0.52 percentage point as compared to that at the end of last year. The tier-one capital adequacy ratio was 9.66%, representing an increase of 0.14 percentage point as compared to that at the end of last year, and the core tier-one capital adequacy ratio was 8.39%, representing an increase of 0.17 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-September 2024	January-September 2023	Period-on-Period Increase (Decrease) (%)	Main reasons for the changes during the reporting period
Net cash used in operating activities	(84,757)	(15,063)	462.68	Slower growth in 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 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  
October 29, 2024

*As at the date of this announcement, the executive Directors of the Bank are Mr. Lu Jianqiang, 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. Wang Guocai, Mr. Wang Wei, Mr. Xu Yongbin and Mr. Fu Tingmei.*

## Appendix 1

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

(In RMB millions, unless otherwise stated)

	For nine months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
Interest income	85,090	82,123
Interest expense	(49,503)	(46,174)
<b>NET INTEREST INCOME</b>	<b>35,587</b>	<b>35,949</b>
Fee and commission income	4,782	4,896
Fee and commission expense	(805)	(803)
<b>NET FEE AND COMMISSION INCOME</b>	<b>3,977</b>	<b>4,093</b>
Net trading gains	6,833	6,812
Net gains on financial investments	5,149	2,027
Other operating income	972	838
<b>OPERATING INCOME</b>	<b>52,518</b>	<b>49,719</b>
Operating expenses	(15,680)	(14,292)
Expected credit losses	(21,461)	(19,973)
<b>PROFIT BEFORE TAXATION</b>	<b>15,377</b>	<b>15,454</b>
Income tax expense	(2,053)	(2,343)
<b>PROFIT FOR THE PERIOD</b>	<b>13,324</b>	<b>13,111</b>
Attributable to:		
Shareholders of the Bank	12,905	12,753
Non-controlling interests	419	358

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

(In RMB millions, unless otherwise stated)

	For nine months ended	
	30 September 2024 (Unaudited)	2023 (Unaudited)
<b>Other comprehensive income, net of tax</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Changes in the fair value of financial investments designated to be measured at fair value through other comprehensive income	23	8
<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	1,129	(847)
Allowance for ECLs of financial assets measured at fair value through other comprehensive income	(319)	292
Exchange difference from the translation of foreign operations	(94)	367
<b>Other comprehensive income, net of tax</b>	<b>739</b>	<b>(180)</b>
<b>Total comprehensive income</b>	<b>14,063</b>	<b>12,931</b>
Total comprehensive income attributable to:		
Shareholders of the Bank	13,644	12,572
Non-controlling interests	419	359
Earnings per share attributable to ordinary shareholders of the Bank		
Basic (RMB yuan)	0.47	0.53
Diluted (RMB yuan)	0.47	0.53

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AT 30 SEPTEMBER 2024***(In RMB millions, unless otherwise stated)*

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>		
Cash and balances with the central bank	136,857	164,723
Precious metals	21,189	9,756
Deposits with banks and other financial institutions	73,073	70,856
Placements with banks and other financial institutions	15,242	8,574
Derivative financial assets	30,577	21,953
Financial assets purchased under resale agreements	63,347	74,595
Loans and advances to customers	1,781,982	1,673,272
Financial investments		
– Financial assets measured at fair value through profit or loss	228,432	233,141
– Financial assets measured at amortized cost	478,346	463,311
– Financial assets measured at fair value through other comprehensive income	318,495	304,185
Fixed assets	30,505	24,741
Right-of-use assets	4,705	4,904
Intangible assets	763	670
Deferred tax assets	20,548	21,184
Other assets	72,127	68,014
<b>TOTAL ASSETS</b>	<b>3,276,188</b>	<b>3,143,879</b>
<b>LIABILITIES</b>		
Due to the central bank	64,660	119,915
Deposits from banks and other financial institutions	381,620	358,654
Placements from banks and other financial institutions	107,101	87,681
Financial liabilities at fair value through profit or loss	19,555	13,432
Derivative financial liabilities	23,986	21,034
Financial assets sold under repurchase agreements	61,785	62,106
Customer deposits	1,913,992	1,868,659
Employee benefits payable	4,847	5,985
Taxes payable	1,107	2,909
Provisions	2,156	1,523
Debt securities issued	479,901	395,938
Lease liabilities	3,109	3,257
Other liabilities	13,233	13,209
<b>TOTAL LIABILITIES</b>	<b>3,077,052</b>	<b>2,954,302</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 30 SEPTEMBER 2024

(In RMB millions, unless otherwise stated)

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b>EQUITY</b>		
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	4,148	3,408
Surplus reserve	12,546	12,546
Statutory general reserve	35,083	29,804
Retained earnings	52,580	49,458
Total equity attributable to shareholders of the Bank	195,386	186,245
Non-controlling interests	3,750	3,332
<b>TOTAL EQUITY</b>	<b>199,136</b>	<b>189,577</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,276,188</b>	<b>3,143,879</b>

The consolidated financial statements were approved by the Board of Directors on October 29, 2024.

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

\_\_\_\_\_  
Hou Bo  
Principal in-charge of  
Finance

\_\_\_\_\_  
Peng Zhiyuan  
Director of the  
Financial Department

**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

*(In RMB millions, unless otherwise stated)*

	For nine months ended	
	30 September 2024	2023
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before taxation	15,377	15,454
Adjustments for:		
Expected credit losses	21,461	19,973
Depreciation and amortization	1,801	1,418
Interest income from financial investments	(17,243)	(15,404)
Net investment income	(8,326)	(4,811)
Net gains from changes in fair value	(1,437)	(1,409)
Net foreign exchange losses	54	50
Net gains on disposal of fixed assets	(30)	(6)
Interest expense on debt securities issued	8,479	6,915
Interest expense on lease liabilities	104	112
Deferred tax expense	358	(979)
Net changes in operating assets and operating liabilities:		
Net decrease/(increase) in balances with the central bank	13,130	(825)
Net decrease/(increase) in deposits with banks and other financial institutions	2,299	(6,171)
Net (increase)/decrease in placements with banks and other financial institutions	(5,701)	1,180
Net increase in financial assets purchased under resale agreements	(1,607)	(410)
Net increase in loans and advances to customers	(129,647)	(180,235)
Net decrease/(increase) in financial assets held for trading	7,466	(95,290)
Net decrease in other operating assets	2,279	8,777
Net decrease in due to the central bank	(55,558)	(10,774)
Net increase in deposits from banks and other financial institutions	23,409	38,818
Net increase in placements from banks and other financial institutions	14,208	25,022
Net (decrease)/increase in financial assets sold under repurchase agreements	(362)	79,991
Net increase in customer deposits	38,856	107,586
Net (decrease)/increase in other operating liabilities	(10,845)	371
Net cash flows used in operating activities before taxation	(81,475)	(10,647)
Income tax paid	(3,282)	(4,416)
<b>Net cash used in operating activities</b>	<b>(84,757)</b>	<b>(15,063)</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

(In RMB millions, unless otherwise stated)

	For nine months ended	
	30 September 2024 (Unaudited)	2023 (Unaudited)
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	510	19
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(8,313)	(6,116)
Investment returns received	25,408	21,350
Proceeds from disposal of investments	3,652,728	1,310,820
Payment for acquisition of investments	(3,677,655)	(1,373,570)
<b>Net cash used in investing activities</b>	<b>(7,322)</b>	<b>(47,497)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of shares	–	12,476
Proceeds from issuance of debt securities	441,999	381,685
Repayment of matured debt	(358,957)	(344,864)
Repayment of interest on debt securities issued	(7,502)	(7,037)
Payment for dividend distribution	(4,507)	(4,594)
Repayment for principal and interest elements of lease liabilities	(642)	(575)
<b>Net cash generated from financing activities</b>	<b>70,391</b>	<b>37,091</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(217)</b>	<b>596</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,905)</b>	<b>(24,873)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>170,462</b>	<b>107,748</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>148,557</b>	<b>82,875</b>
<b>Net cash flows from operating activities include:</b>		
Interest received	66,842	64,657
Interest paid	(34,287)	(32,702)