

## News Release

For Release: 28 October 2024

### **Suncorp Bank one-off acquisition related accounting adjustments impacting second half 2024 results**

ANZ today provided an update on accounting related adjustments impacting the 2024 second half results arising from ANZ's acquisition of Suncorp Bank on 31 July 2024.

The ANZ Banking Group 2024 second half Statutory and Cash Profit will be impacted by an estimated net after tax charge of \$196m in respect of one-off acquisition accounting related adjustments, with a net ~2 bps reduction to ANZ's Level 2 Common Equity Tier 1 (CET1) Capital.

The acquisition accounting related adjustments outlined below had no impact on the assessed value of the acquired Suncorp Bank business nor the purchase price paid.<sup>1</sup>

The charge is comprised of:

- **An accelerated software amortisation charge of \$36m (\$25m after tax)**  
This accelerated amortisation charge aligns Suncorp Bank's software capitalisation policy to ANZ's.
- **A Collectively Assessed Credit Impairment Charge (CIC) of \$244m (\$171m after tax)**

As required by the applicable accounting standards (AASB9 and AASB3):

Upon completion, the lending portfolio of Suncorp Bank was consolidated into the ANZ Banking Group. Following this, ANZ was required to recognise the performing loans from the Suncorp portfolio without acknowledging Suncorp's pre-existing provisions for expected credit losses ('ECL').

ANZ then had to establish an ECL allowance for the acquired portfolio using its own methodology, a related credit impairment charge is recorded in the Income Statement.

Since ANZ could not recognise the existing Suncorp Bank ECL under accounting rules, the initial carrying value for that portfolio increased, leading to a proportional reduction in acquisition-related goodwill.

This CIC does not reflect a change in the credit quality of the portfolio and therefore, it is considered a one-time charge.

### **CONFERENCE CALL FOR ANALYSTS**

Given the technical nature of this information, ANZ will host a conference call for analysts and investors at 2pm today AEDT with its Group General Manager of Finance. Details will be distributed separately.

<sup>1</sup> The agreed purchase price was based on a fixed premium above Suncorp Bank net tangible assets which included a reduction for Suncorp's existing ECL provision.

## HOW ANZ WILL REPORT SUNCORP BANK IN THE FULL YEAR 2024 RESULT

ANZ Group Holdings Limited second half 2024 results will be announced on Friday 8 November 2024.

In the FY24 reporting, Suncorp Bank will be presented as a separate division. Given the second half result includes only two months of Suncorp Bank's earnings, the discussion materials for some Group disclosures will be adjusted to reflect underlying trends excluding the Suncorp Bank Division.

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