

U.S. Investor Website Update

For Release: 3 September 2024

The purpose of this update is to disclose information pertaining to:

- an additional operational risk capital overlay announced on 23 August 2024; and
- regulatory and internal reviews of Australia and New Zealand Banking Group Limited's (ABN 11 005 357 522) ("**ANZBGL**") subsidiary Norfina Limited (ABN 66 010 831 722) (previously called Suncorp-Metway Limited) ("**Suncorp Bank**") that were noted in the consolidated financial statements for Suncorp Bank and its subsidiaries ("**Suncorp Bank Group**") (while under the ownership of the Suncorp Group) for the year ended 30 June 2024 published on 19 August 2024 ("**2024 Suncorp Bank Financial Statements**"). ANZBGL completed the acquisition of Suncorp Bank on 31 July 2024. The 2024 Suncorp Bank Financial Statements are not incorporated into, and do not form part of, this update.

APRA to apply additional capital overlay

On 23 August 2024, ANZBGL announced that the Australian Prudential Regulation Authority ("**APRA**") has advised it will require ANZBGL to hold an additional operational risk capital overlay of A\$250 million. APRA outlined its reasons for the additional overlay in its media release of 23 August 2024.¹

ANZBGL notes APRA's comments confirming ANZBGL is financially sound with strong capital and liquidity levels. The impact of the additional operational risk overlay of A\$250 million is 6 basis points of Common Equity Tier 1 (CET1) capital.²

ANZBGL acknowledges APRA's concerns and is expediting work already underway to address the issues raised. This includes working with APRA on the scope of an independent culture and control review within ANZBGL's Markets business which has already been initiated and will report to the Board.

Regulatory and internal reviews of the Suncorp Bank Group

Reviews and enquiries from regulators may result in investigation and administrative costs, system changes, litigation, and regulatory enforcement action (and associated legal costs), compensation and/or remediation payments (including interest) or fines. The Suncorp Bank Group conducts its own internal reviews of its regulatory compliance, which it may disclose to the regulators, which may result in similar costs.

In recent periods, a number of regulators including Australian Securities and Investments Commission ("**ASIC**"), APRA, Australian Competition and Consumer Commission, Australian Transaction Reports and Analysis Centre ("**AUSTRAC**") and the Australian Taxation Office

¹ <https://www.apra.gov.au/news-and-publications/apra-increases-anz%E2%80%99s-capital-add-on-to-750-million-over-non-financial-risk>

² On a Level 2 June 2024 proforma basis (as disclosed in the 2024 Third Quarter Chart Pack). The equivalent Level 1 impact is 7 basis points.

conducted reviews and made enquiries with the Suncorp Bank Group, which included identification of potential non-compliance. There were a number of non-compliance instances identified and disclosed by the Suncorp Bank Group to various regulatory authorities including ASIC, APRA and AUSTRAC.

Suncorp Bank remains focused on uplifting the maturity of its Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) systems and controls. To ensure a strategic and holistic approach, Suncorp Bank's management have established a Financial Crime Compliance Program of Action ("**FCCPoA**"). The FCCPoA incorporates the actions arising from AUSTRAC's 2022 AML/CTF Compliance Assessment Report findings in relation to the Suncorp Bank's AML Program as well as findings and recommendations from its internal assurance and audit work. Suncorp Bank's management regularly reports to AUSTRAC on the progress of the FCCPoA.

Forward-Looking Statements

This U.S. Investor Website Update may contain forward-looking statements or opinions, including statements and opinions regarding ANZBGL's intent, belief or current expectations with respect to ANZBGL's business operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and management practices and transactions that ANZBGL is undertaking or may undertake. Those matters are subject to risks and uncertainties that could cause the actual results and financial position of ANZBGL to differ materially from the information presented herein. When used in this U.S. Investor Website Update, the words 'forecast', 'estimate', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to ANZBGL and its management, are intended to identify forward-looking statements or opinions. Those statements and opinions: are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties; or may differ materially from results ultimately achieved. As such, these statements and opinions should not be relied upon when making investment decisions. There can be no assurance that actual outcomes will not differ materially from any forward-looking statements or opinions contained herein.

These statements and opinions only speak as at the date of this U.S. Investor Website Update and no representation is made as to their correctness on or after this date. ANZBGL does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this U.S. Investor Website Update or to reflect the occurrence of unanticipated events.

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