U.S. Investor Website Update

(1) ANZ Trading Update – 3 months to 31 December 2013

On 11 February 2014, ANZ announced an unaudited cash profit[1] of $1.73 billion for the three months to end December 2013, up 13% on the same period last year (PCP). Unaudited statutory net profit was $1.64 billion.

ANZ Chief Executive Officer Mike Smith said: "ANZ's distinctive strategy based on growth in our domestic franchises, growth in Asia, and strong operational and productivity disciplines is continuing to deliver a consistent improvement in business growth and financial performance.

"The Australia Division again grew market share in both Retail and Corporate and Commercial during the quarter while making further investments through the Banking on Australia program to improve our customers' experience. In New Zealand we consolidated our market-leading position while producing further benefits from our simplification program. The Global Wealth Division continued to improve business performance through productivity gains and increased sales of wealth solutions to bank customers.

"In the International and Institutional Banking (IIB) Division, Global Markets, Trade and Cash Management have performed strongly particularly in Asia where a number of our country operations delivered double-digit growth in revenue including Singapore, China and Hong Kong.

"The bottom line is that we have made a good start to 2014. There remain a number of challenging issues in the global economic environment however these are now largely more predictable."

Group Overview

- Trading conditions have been largely consistent with the second half of FY13 with modest system credit growth but some volatility in financial markets driving increased customer volumes in the Global Markets business particularly in Foreign Exchange (FX).
- Actual revenue growth was above the guidance range but on a FX adjusted basis was in line with guidance. Expenses also increased above guidance but primarily due to changes in FX rates and, on a FX adjusted basis, were in line. The provisions charge reflected improving credit quality.
- Customer deposits increased 4%, with net loans and advances up 3% from the end of FY13[2]. Deposit growth has been strong across all geographies however lending demand has varied across the Group.
- In the Australia Division home lending has grown above system for the past 16 quarters. In the Corporate and Commercial business while lending demand in the Small Business Banking and Corporate sectors has been reasonable, Business Banking and Regional Business Banking demand has been softer.
- In the New Zealand Division we have continued to grow our home loan book strongly through both Business Banking and Retail channels with strong performance in the under 80% loan to value segment.

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1 The main difference between statutory and cash earnings relates to fair value changes arising from economic hedging activities.
2 On an FX adjusted basis deposits grew 3% and net loans and advances grew 2%.

- Within IIB Transaction Banking performed well with Cash Management volumes growing and Trade volumes remaining robust. Global Markets had a strong quarter led by customer sales which delivered 53% of the first quarter's Global Markets income. FX revenues were strong particularly, in Asia Pacific and Balance Sheet trading benefited from tightening credit spreads. The first quarter Global Markets revenue of just over $600 million was up 5.7% PCP (FX adjusted).

- Group Net Interest Margin was slightly lower. While ANZ has seen some easing in deposit pricing, this was offset by the ongoing impacts of the lower interest rate environment and some asset pricing pressure which was broadly based.

- The APS330 released on 11 February 2014 shows ongoing portfolio quality improvement with a continued decline in total impaired assets. The collective provision coverage ratio at 31 December was 96 bps reflecting a 6.5% increase in credit risk weighted assets largely driven by portfolio growth and exchange rate movements.

- The provision charge for the first quarter was $191 million, reflecting lower new provision requirements, lower top-up provisions and slightly elevated levels of write-backs and recoveries.

- ANZ's APRA Basel III CET1 ratio at 31 December is 7.9% equating to 9.9% on an internationally harmonised basis with the movement during the quarter principally related to the payment of the Final Dividend in December (70 bps). On 11 February 2014, ANZ announced it intends to issue a Capital Notes offer to raise around A$1 billion in part to refinance CPS1[3].

(2) Recent Development - Exception Fees Class Action

Further to ANZ's previous disclosures in relation to two class actions in respect of exception fees commenced against ANZ in 2010 and 2013, respectively, there has been a recent development regarding this litigation as described below.

On 5 February 2014, the Federal Court delivered the reasons for its judgment in the second class action brought against ANZ by around 4,000 customers funded by Bentham IMF Limited (referred to in Note 43 to the audited annual consolidated financial statements for the year ended 30 September 2013 as the second of two class actions). (The first class action referred to in Note 43 (brought by around 35,000 customers) is in abeyance.) The applicants contended that the relevant exception fees were unenforceable penalties (at law and in equity) and that various of the fees were also unenforceable under statutory provisions governing unconscionable conduct, unfair contract terms and unjust transactions. The Court found in ANZ's favour in relation to four of the five fee types that were subject to the class action (being honour, dishonour, overlimit and non-payment fees). The Court found against ANZ in respect of the fifth fee type (late payment fees) on the basis that they were unenforceable penalties. The implications of this are being considered. On 6 March 2014, ANZ filed an appeal in respect of the decision on late payment fees and the applicants announced that they had lodged an appeal in respect of the decision on honour fees, dishonour fees and over limit fees.

Given the complexity of the issues involved, and the uncertainty regarding the appeals referred to above, the implications of the Court's decision are uncertain and may not be known for some time. There is a risk that contingent liabilities in Note 43 may be larger than anticipated or that additional litigation or other contingent liabilities may arise.

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3 Prospectus lodged on 11 February 2014 for ANZ Capital Notes 2 seeking to raise $1 billion with the ability to raise more or less. This includes an offer to holders of ANZ CPS1 to reinvest in ANZ Capital Notes 2. CPS1 was issued in 2008 and is scheduled to convert in June 2014.