

ASB Bank Class Action Update

New Zealand Court of Appeal Hearing

Monday, 10 July 2023 SYDNEY: This release follows an update given by ASB to the New Zealand's Exchange (NZX) earlier this morning. ASB is a wholly owned subsidiary of the Commonwealth Bank.

As previously reported in the summary of main litigation in CBA's accounts, proceedings were served on ASB on 29 September 2021 by plaintiffs seeking to bring a representative (class action) proceeding against ASB in the High Court of New Zealand. The proceedings relate to ASB's compliance with parts of the New Zealand Credit Contracts and Consumer Finance Act 2003 (Act) which requires variation disclosures to be issued when customers and ASB make agreed changes to loan agreements captured under that Act.

On 11 and 12 July 2023, the New Zealand Court of Appeal will hear ASB's appeal from an earlier High Court decision permitting the plaintiffs to pursue their claims as an opt-out representative proceeding.

The plaintiffs' proposed class definition covers all customers who had a home or personal loan with ASB between 6 June 2015 and 18 June 2019 covered by the Act and who were not provided with compliant variation disclosure. Given this definition and the fact that issues raised in the claim have not been determined by the courts before, the size of the proposed class is unknown. However, the proposed class and the allegations made in the proceedings would potentially cover hundreds of thousands of loans. ASB is appealing the lower court's decision and does not consider that this is an appropriate case to proceed as an opt-out representative proceeding.

In their claim, the plaintiffs argue that ASB is not entitled to retain any interest or fees paid by any class member for the period during which it is alleged that ASB did not provide, and has not provided, compliant variation disclosure under the Act. ASB denies that the relief sought by the plaintiffs is available to them and is vigorously defending the proceedings. It is not possible to determine the ultimate impact of the claim, if any, on the Group.

The release of this announcement was authorised by the Continuous Disclosure Committee of CBA.

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