

SUPPLEMENT DATED 20 FEBRUARY 2024

ASB Bank Limited

Incorporated in New Zealand with limited liability

U.S.\$70,000,000,000*

Euro Medium Term Note Programme

**Combined programme limit for the Euro Medium Term Note Programme of ASB Bank Limited and Commonwealth Bank of Australia. This Supplement relates to Notes to be issued under such programme by ASB Bank Limited only.*

This supplement (the “**Supplement**”) comprises a supplement for ASB Bank Limited (“**ASB Bank**” or the “**Issuer**”) to the Programme Circular dated 30 June 2023 as supplemented on 9 August 2023 (the “**Programme Circular**”). The Programme Circular is a base prospectus for the purposes of the UK Prospectus Regulation prepared in connection with the Issuer’s Euro Medium Term Note Programme (the “**Programme**”). This Supplement constitutes a supplement to the Programme Circular for the purposes of Article 23 of the UK Prospectus Regulation. When used in this Supplement, “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

Terms defined in the Programme Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Programme Circular and any other supplements to the Programme Circular issued by the Issuer. A copy of this Supplement will be published on the website of the Issuer at <https://www.asb.co.nz/legal/emtn-programme.html>.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect the import of such information.

The purpose of this Supplement is to (i) incorporate by reference the ASB Financial Statements (as defined below) into the Programme Circular; (ii) confirm that there has been no significant change in the financial performance or financial position of ASB Bank and its subsidiaries (the “**ASB Group**”) taken as a whole since the date of its unaudited consolidated financial statements prepared to 31 December 2023; and (iii) update the Programme Circular to reflect certain recent developments in relation to certain High Court proceedings (as defined below).

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the UK Prospectus Regulation except where such information or other documents are specifically incorporated by reference.

To the extent that there is any inconsistency between (a) any statement in this Supplement or in any statement incorporated by reference into the Programme Circular by this Supplement and (b) any other statement in or incorporated by reference in the Programme Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement and in any supplement to the Programme Circular previously issued, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Programme Circular since the publication of the Programme Circular.

Update to the Programme Circular

Half Year Disclosure Statement

On 14 February 2024, ASB published its disclosure statement for the six months ended 31 December 2023 (the “**Half Year Disclosure Statement**”) (available at <https://www.asb.co.nz/content/asb/legal/en/legal/disclosure-statements.html>) containing its unaudited consolidated financial statements for the six months ended 31 December 2023 (including the notes thereto) on pages 4 to 39 (inclusive), the independent auditor’s review report on pages 41 to 42 (inclusive) and the independent auditor’s assurance report on pages 43 to 44 (inclusive) (together, the “**ASB Financial Statements**”).

Accordingly, the ASB Financial Statements set out in the Half Year Disclosure Statement shall be incorporated in, and form part of, the Programme Circular. The non-incorporated parts of the Half Year Disclosure Statement are either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) covered elsewhere in the Programme Circular.

Save as disclosed in the Programme Circular in the risk factor entitled “*ASB Bank may incur losses associated with its counterparty exposures and counterparty lending*” in the section entitled “*Risk Factors – Factors that may affect ASB Bank’s ability to fulfil its obligations under Notes issued under the Programme*” on pages 21 – 22 of the Programme Circular and the section entitled “*ASB Bank Limited – Recent Developments*” on pages 149 – 150 of the Programme Circular, there has been no significant change in the financial performance or financial position of the ASB Group, taken as a whole, since 31 December 2023, the last day of the financial period in respect of which the most recent independently reviewed financial statements have been published.

Recent Developments

The section entitled “*ASB Bank Limited – Recent Developments – High Court Proceedings*” starting on page 149 of the Programme Circular (including as amended by the previous supplement to the Programme Circular dated 9 August 2023) shall be deleted and replaced with the following:

“High Court Proceedings

Save as disclosed below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months immediately preceding the date of this Programme Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of the ASB Group.

Proceedings were served on ASB Bank on 29 September 2021 by plaintiffs seeking to bring a representative (class action) proceeding against ASB Bank in the High Court of New Zealand (the “High Court proceedings”). The proceedings relate to ASB Bank’s compliance with parts of the CCCFA which requires variation disclosure to be issued when customers and ASB Bank make agreed changes to loan agreements captured under the CCCFA.

On 11 and 12 July 2023, the New Zealand Court of Appeal heard ASB Bank’s appeal from an earlier High Court decision permitting the plaintiffs to pursue their claims as an opt-out representative proceeding. The Court has since indicated that the appeal will need to be re-heard on 23 and 24 April 2024.

The plaintiffs’ proposed class definition covers customers who had a home or personal loan with ASB Bank between 6 June 2015 and 18 June 2019 covered by the CCCFA 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 Bank 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.

The plaintiffs’ statement of claim in the High Court proceedings seeks three declarations: (1) that ASB Bank breached section 22 of the CCCFA by failing to provide the plaintiffs with variation disclosure; (2) that ASB

Bank breached section 48 of the CCCFA by failing to fully refund or credit to the plaintiffs their costs of borrowing in relation to the period of ASB Bank's alleged breach; and (3) that a breach of section 22 of the CCCFA triggers sections 99(1A) and/or 99(1) and 48 of the CCCFA, and that where a defendant has not complied in full with section 48, a plaintiff is entitled to orders under section 94(1)(a) requiring the defendant to refund or credit all costs of borrowing received by it during the period of the alleged breach (except to the extent that such costs of borrowing have already been refunded or credited) without any adjustment or discretion being applied. In their claim, the plaintiffs argue that ASB Bank is not entitled to retain any interest or fees paid by any class member for the period during which it is alleged that ASB Bank did not provide, and has not provided, compliant variation disclosure under the CCCFA. ASB Bank 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 ASB Group. See "*Risk Factors – Factors that may affect ASB Bank's ability to fulfil its obligations under Notes issued under the Programme – ASB Bank is subject to extensive regulation, which could have an adverse impact on ASB Bank's results of operations, financial condition and reputation*".