

OI Assessment Report 202500537 – ASB Bank Limited

Ki / To: [s 9(2)(g)(ii)] Principal Customer Regulatory Specialist, Assessment

Mai / From [s 9(2)(g)(ii)] Senior Customer Regulatory Specialist, Assessment

Rā / Date: 23 September 2025

Rā Mutunga/ Deadline 3 October 2025

Pūtake/Purpose

We seek your decision on an application for consent to acquire significant business assets under the Overseas Investment Act 2005 (**Act**).

Summary

Applicant	ASB Bank Limited Australia 74.5% North America 14.8% United Kingdom 4.1% Europe 3.3% Asia 2.7% Various 0.6%
Vendor	Kiwi Property Holdings No. 4 Limited New Zealand 64.9% North America 9.9% Australia 4.5% United Kingdom 3.1% Europe 1.9% Asia 0.8% Various 14.9%
Type	Acquisition of assets
Asset	A leasehold interest in the property at 12 Jellicoe Street, North Wharf, Auckland, comprising approximately 20,005 square metres. ¹

¹ Including rights to potentially expand the leased area by approximately [s 9(2)(b)] square metres.

Consideration	\$566,000,000 ²
Relevant tests	Investor test ³ National interest criterion ⁴

ASB Bank Limited (**Applicant**) is a New Zealand commercial bank, founded in Auckland in 1847, and ultimately owned by the Commonwealth Bank of Australia.

The Applicant is acquiring a leasehold interest in commercial office space in the property at 12 Jellicoe Street, North Wharf, Auckland for an initial term of [§ 9(2)] years, with [§ 9(2)(b)(ii)] rights of renewal of [§ 9(2)(b)(ii)] years each. The lease relates to an initial area of approximately [§ 9(2)(b)(ii)] m². The land acquired is not sensitive land under the Act. The Applicant will use this leased space as commercial offices.

This lease is captured by s13(1)(c) of the Act as an overseas investment in significant business assets because the Applicant is an overseas person, it is an acquisition in property, and the total value of the lease payments over the term of the lease and rights of renewal exceeds \$100 million.

Timing

A decision is required by **3 October 2025** to comply with the expectation in the Ministerial Directive Letter⁵ that the majority of consent decisions are made within half the prescribed assessment timeframe.⁶ However the Applicant has notified us that its lease is conditional upon approval under the Act, and that (although there are rights of extension) the due date for this was 20 August 2025. Accordingly, the Applicant requests a decision as soon as possible.

² Value of the lease payments over the term of the lease and the [§ 9] rights of renewal.

³ Sections 18(a) and 18A of the Act.

⁴ Section 18(b) of the Act.

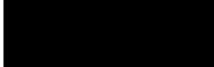
⁵ Dated 6 June 2024.

⁶ The assessment timeframe for this application is 35 working days.

Decision

1. I have determined that, for the reasons set out in this report:
 - the relevant overseas person(s) and individuals with control are as set out in the report;
 - the investor test has been met;
2. I note that the transaction is not considered to be a transaction of national interest
3. I therefore **grant consent** subject to the conditions in **Attachment 1**.

[s 9(2)(a)]



[s 9(2)(g)(ii)]

Principal Customer Regulatory Specialist, Assessment (Overseas Investment - LINZ)

Date: 26 September 2025

A. Background and proposed transaction

4. ASB Bank Limited (**Applicant**) is a New Zealand commercial bank ultimately owned by the Commonwealth Bank of Australia. The Applicant is acquiring a leasehold interest in commercial office space at 12 Jellicoe Street, North Wharf, Auckland, comprising approximately [§ 9(2)(b)(ii)] square metres⁷ (**Investment**). The lease is for an initial term of [§ 9(2)(b)(ii)] years, with [§ 9(2)(b)(ii)] rights of renewal of [§ 9(2)(b)(ii)] years each.

B. Application of the Act

5. The Asset is sensitive because the value of the consideration exceeds \$100 million. The following criteria for an investment in significant business assets apply to this application:⁸
 - The investor test must be met.⁹
 - You must also note whether the Investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the Investment is contrary to New Zealand's national interest.¹⁰
6. We assess the investor test in **Part C** and discuss national interest matters in **Part D**.

C. Applicant and investor test

7. This section describes the Applicant and assesses whether the investor test is met.

Business Activities

8. The Applicant is a New Zealand commercial bank with approximately 1.3 million customers. The Applicant provides a range of financial services across retail, business, rural and institutional banking.

Ownership and control

Ownership

9. The Applicant's ultimate parent company is the Australian registered Commonwealth Bank of Australia (**CAB**). CAB is publicly listed on the Australian stock exchange.
10. Ownership of CAB is widely held, with the largest institutional investors being:
 - State Street Corporation, a United States based management fund 7%;
 - Black Rock Group, a United States based management fund 6%;
 - Vanguard Group Black Rock Group, a United States based management fund 6%;

⁷ Including rights to potentially expand the leased area by approximately [§ 9(2)(b)(ii)] square metres.

⁸ Set out in section 18 of the Act.

⁹ Sections 18(a) and 18A of the Act.

¹⁰ Section 18(b) of the Act.

The remainder of the shareholding in CAB is widely held, with no other shareholder owning a more than 5% interest.

11. The Applicant is wholly owned by its immediate parent company, the New Zealand registered ASB Holdings Limited. ASB Holdings Limited is, in turn, wholly owned by CAB.
12. A diagram of the intended ownership structure is in **Attachment 2**.

Control

13. The Applicant operates independently of CBA. The Applicant will seek approval of a capital raise from CBA on an annual basis, but in relation to this transaction, there is no input, approval, or decision making authority above that of the Applicant's Board.
14. The Applicant is the entity that holds all leases within New Zealand and is the operational entity for the Applicant's business in New Zealand.
15. The Applicant's board has delegated the decision making for this transaction to its CEO and CFO by way of a board resolution dated 6 May 2025.

Relevant overseas person and individuals with control

16. We recommend that the '**relevant overseas person**' is solely the Applicant, ASB Bank Limited.
17. We recommend that the '**individuals with control of the relevant overseas person**'¹¹ are:

Individuals with control ^{*12}	Reason
Vittoria Short	Applicant's CEO
Carl Ferguson	Applicant's CFO

Summary of investor test

18. The relevant overseas persons and individuals with control established one of the factors contained in section 18A(4) of the Act (section 18A(4)(viii)), however (as explained below) we consider this does not make the Applicant unsuitable to invest in New Zealand because the Applicant has accepted responsibility for its wrongdoing, has co-operated with the regulator and has taken appropriate remedial measures.
19. The Applicant was issued a warning letter¹³ by the Commerce Commission on 1 June 2021 over likely responsible lending failures between April 2005 and December 2016 which resulted in borrowers being overcharged early repayment adjustment fees when repaying loans. The Applicant agreed to repay approximately \$8.9 million to borrowers who were overcharged and

¹¹ Section 15 of the Act.

¹² Individuals marked with an asterisk are not overseas persons, either because they are New Zealand citizens or are ordinarily resident in New Zealand, therefore they do not need to meet the investor test.

¹³ The warning letter noted that "*even though the Commission is of the view that ASB has likely breached section 13(i) of the FT Act [Fair Trading Act 1986], only the court can decide if a breach of the FT Act has occurred.*"

on 8 June 2021 provided the Commission with court enforceable undertakings¹⁴ which explained how the Applicant would locate affected customers and make the refunds due to them.

20. Court action in relation to these alleged breaches is ongoing¹⁵, however for the avoidance of doubt, even if a penalty were to be imposed, this would not alter our assessment that this does not make the Applicant unsuitable to invest in New Zealand.
21. For the reasons set out above, our conclusion is that **the investor test has been met**.

D. Not a transaction of national interest

22. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.¹⁶ This is because the Investment does not involve a non-NZ government investor, or an investment in a strategically important business (as defined in the Act).
23. The Minister of Finance has not called the Investment in for a national interest assessment.¹⁷

E. Conclusion

24. For the reasons set out in this report, we consider that the criteria for consent have been met and our recommendation is to grant consent.
25. We refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page 3 of this Assessment Report to record your decision.

F. Attachments

1. Proposed Decision
2. Intended ownership structure

¹⁴ Thus engaging s18A(4)(viii) of the Act.

¹⁵ There is ongoing litigation concerning potential class actions (most recently ASB Bank Limited v Anthony Paul Simons & Ors - SC 93/2024) in relation to the issues described in paragraph 19 below, however this has not (yet) engaged s18A(4)(iv) because the litigation has not concluded, and no penalty (noting that interim costs awards are not considered a penalty) has been imposed.

¹⁶ Under s 20A of the Act.

¹⁷ Section 20B of the Act

ATTACHMENT 1 PROPOSED DECISION

Consent for Overseas Person to Acquire Significant New Zealand Business Assets

Read this consent carefully - you must comply with all the conditions. If you do not, you may be subject to fines or other penalties.

Consent

Decision date: 26 September 2025

The following people have been given the following **consent**:

Case	202500537
Consent holder	ASB Bank Limited (New Zealand Company Number 398445) We will also refer to each Consent holder and the Consent holders together as you .
Consent	The Consent holder may acquire the Assets subject to the Conditions set out below.
Assets	A leasehold interest in the property at 12 Jellicoe Street, North Wharf, Auckland
Timeframe	You have until 30 September 2026 to acquire the Assets.

Conditions

Your **Consent** is subject to the conditions set out below. These apply to all overseas people who are given consent to acquire significant business assets, including you.

You **must** comply with them all. Be aware that if you do not comply with the **Conditions** below you may be subject to fines or other penalties.

In the Consent and the Conditions, we refer to Land Information New Zealand as **LINZ, us or we**.

Definitions

Act means Overseas Investment Act 2005

Regulations means Overseas Investment Regulations 2005

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this Consent has the same meaning as in the Act or Regulations.

Standard Conditions

You must comply with the **standard conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive New Zealand assets, including you:

Details:	Required date:
Standard condition 1: Acquire the Assets	
You must acquire the Assets:	As stated in the Consent
Standard condition 2: Tell us when you acquire the Assets	
You must tell us in writing when you have acquired the Assets. You must include details of:	As soon as you can and no later than 2 months after Settlement
Standard condition 3: Remain not unsuitable to invest in New Zealand	
You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable	At all times

<p>to own or control the Assets in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none">i. are members of your governing bodyii. directly or indirectly own or control more than 25% of you or of a person who itself owns or control more than 25% of you andiii. are members of the governing body of the people referred to in paragraph (ii) above.	
<p>Standard condition 4: Tell us about changes that affect you, the people who control you, or people you control</p>	
<p>You must tell us in writing if any of the following events happens to any of the Consent Holders:</p> <ul style="list-style-type: none">i. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Actii. You cease to be an overseas person or dispose of all or any part of the Assetsiii. Your New Zealand service address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you.	Within 20 working days after the change

ATTACHMENT 2 INTENDED OWNERSHIP STRUCTURE