

30th January 2023

Mr Robert Jacobucci
[REDACTED]
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Public Submission

RE: ANZ bank takeover of Suncorp

Dear Mr McCracken-Hewson,

I take this rare opportunity to express my grave concern about lack of competition in the Australian Banking system and the great number of mergers and acquisitions in the sector since in the early 1980's.

The number of Banks and other Financial institutions has shrunk by more than half since the 1980's. While each acquisition is unique some less harmful to competition than others, the clear trend has been in one direction ... fewer and fewer Banks and Building Societies.

On top of this has been the closure throughout Australia of over a thousand branches across the banking sector over the last few decades. In addition there has been off shoring of certain banking functions to third world countries which entail the potential data beaches of customer's personal information overseas.

The ANZ has closed 272 Branches since January 2017, 60 percent of which in major cities and is the only one of the big 4 banks that does not have an agreement to allow customer's to utilise Australia Post offices.

The last big takeover of Financial institutions occurred just over a decade over when Westpac was permitted to take over (Opps, I mean merge with St George) and the Commonwealth Bank was permitted to take over BankWest. These decisions very clearly taken in haste and not thought out are detrimental to competition and to the national interest. St George Bank in particular has a large market footprint in New South Wales and had a growth strategy in Queensland.

Let's not repeat history.

The ANZ proposal to takeover Suncorp bank devalues ANZ shareholder's dividend by diluting the number shares in the bank by creating 1 new share for every 15 existing ANZ shares. In addition there are the unknown costs of integrating Suncorp's internal systems into the ANZ banking systems over the medium term.

Furthermore, the takeover would result in one of Australia's Top 10 leaders, Suncorp no longer being a competitor. Swallowed up in an attempt for the ANZ to become bigger than the NAB.

Due to ordinary management, in October 2021, data from the Reserve Bank and the Australian Prudential Regulation Authority indicated that ANZ fell down to a share of 13.09% of home loans in Australia. In part, the problem due to loans via brokers the median time was 51 days for approval while the NAB and Commonwealth bank 10 - 11 days. Furthermore, the ANZ has an over reliance on loan brokers to create new Business.

Rather than the ANZ embark on a strategy to grow the business, they have shrunk the business in a number of ways. The Suncorp takeover would simply be an easy way to claw back market share lost from an unforced ANZ errors.

Importantly, I point out that Suncorp is one of the few significant banks left that doesn't have its headquarters based in either Sydney or Melbourne.
A proud Brisbane based Bank!

Historically, over many years, the ANZ's method of acquisition is to eventually rebrand the branches to their own name ... that's what's happen with all their other domestic acquisitions in Australia.

I urge the ACCC to consider this takeover most thoroughly and reject this proposed takeover as being against competition and against the National Interest.

Yours Sincerely,

Robert Jacobucci