



9 May 2023

Lynn Camilleri
General Manager, Competition Exemptions
Australian Competition and Consumer Commission
By email: Armaguard-Prosegur-Merger@acc.gov.au

Dear Ms Camilleri

Proposed merger between Armaguard and Prosegur = Consultation on proposed undertaking

I refer to your letter dated 1 May 2023 in relation to the above matter.

Enclosed is National Australia Bank Limited's Response to your letter.

Further inquiries

If you have any questions or would like to discuss NAB's responses, please contact Virginia Porter, General Counsel – Regulatory Advisory at [REDACTED]

Yours sincerely,



Patrick Wright

Group Executive, Tech and Enterprise Ops

RESPONSE TO CONSULTATION LETTER

Thank you for the opportunity to provide a submission to the ACCC in response to the letter dated 1 May 2023, regarding the Revised Proposed Undertaking.

We refer to NAB's previous letter of 28 October 2022 regarding the description of NAB's business, and interest in the Proposed Merger.

We also refer to our previous submission of 6 April 2023 in response to the Initial Proposed Undertaking.

Revised Proposed Undertaking

NAB welcomes the clarifications in the Revised Proposed Undertaking regarding the continuation of pricing and CIT Services for Existing Customers in accordance with the terms of their Existing Arrangements.

Cap on pricing increases

The proposed cap on pricing increases is significant, and has increased for certain Existing Customers under the terms of the Revised Proposed Undertaking.

NAB's view is that the proposed cap on pricing increases is too high. The proposed merger will likely significantly reduce customer bargaining power, and there will be little incentive for the merged entity to agree to price increases below the capped amount.

NAB reiterates its previous submission in respect of an appropriate cap on pricing increases.

Term of Undertaking

NAB's view is that a 3 year term for the Revised Proposed Undertaking is not sufficient.

The effect on the market for CIT Services post merger is likely to be significant. High barriers to entry already exist in the market, and post-merger there will be extremely limited alternative supply options available.

NAB suggests that a commensurate period during which the merged entity is required to meet the commitments set out in the Revised Proposed Undertaking, in this case a 5 year term, would be appropriate.