



UNHAPPY BANKING

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This media release is warranted given that yesterday 21 May 2018 Royal Commissioner Hayne shut down theories and motives involving Bankwest takeover by the CBA that had been tendered as a submission to the Royal Commission.

Unhappy Banking & Geoff Shannon would like to be clear that the submission Commissioner Hayne referred to was not tendered nor connected with Unhappy Banking. In fact, quite the opposite, Unhappy Banking distanced itself from any such theories years ago as motive is not required. Before any motive you have to prove the CBA'S actions were unconscionable and or prove that the CBA'S conduct was misleading and deceptive. It is for the Royal Commission I believe to investigate and find a motive if a motive is required.

Unhappy Banking can confirm it has its own submission lodged with the Royal Commission and this submission has NO conspiracy theories, just a detailed path which demonstrates why the CBA/BW was wrong to terminate so many commercial loans.

Unhappy Banking claim against CBA & Bankwest is based on the following;

Bankwest was basically insolvent pre CBA.

Reserve Bank of Australia assisted by lending circa \$3.7Billion through out 2008 until CBA Takeover due to Bankwest parent HBOS on the verge of collapse.

Many Bankwest commercial loans struggled as Bankwest was preserving cash flow to maintain operation, thus causing many of the commercial loans to default pre CBA. Keep in mind many of the commercial loans were developers/ builders and other SME's, to keep it simple Bankwest could not for fill its obligations to many commercial loan contracts.

In the end many of the loans became impaired (such as mine). This was in the period between March 2008 and late September 2008.

However, when CBA and Bankwest were negotiating in late September 2008, ca condition was placed into the Share Sale Deed limiting impaired loans to be no more than \$750 Million at time of settlement.

Given the fact that no one knew the exact timing of the sale due to ACCC being required to approve the merger between Bankwest and CBA, and the fact that the impaired loan book of Bankwest was sitting at circa \$620 Million when the purchase of Bankwest was announced on 7 October 2008, Bankwest executives were seriously nervous. This was due to the fact, that the many loans that became delinquent due to Bankwest liquidity issues, but had Bankwest executives formally impaired these loans, then no doubt Bankwest may have breached the special condition related to the \$750 Million impairment limit. The Share Sale Deed confirms had the \$750 Million limit been breached, then the CBA could terminate the Share Sale Deed.

Had CBA not proceeded with the purchase of Bankwest due to a Bankwest breach, then the Bankwest executive entitlements, long service, shares and super would have been at risk as Bankwest would have had to shut its doors.



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Back in 2010 the SMH reported that Bankwest had colluded with PPB and David Leigh of PPB to window dress its books for the sale to the CBA which was based on my evidence filed in Court.

CBA settled the purchase of Bankwest on 19 December 2008, however CBA also had further conditions in the Share Sale Agreement providing CBA with the opportunity to review the Bankwest loan book. There is no doubt CBA did this for a reason given the limit the CBA placed on the level on impairments set at \$750 Million.

In March 2009 CBA conducted a rushed "Initial Review" of the Bankwest commercial loan book. CBA found many of these loans were in fact impaired pre CBA Takeover being 19 December 2018. CBA the regraded these loans to a RG10 status (being Risk Grade 10) thus allowing CBA to commence recovery action immediately.

CBA repeated this process in 2010 and this was called the "Comprehensive Review" AKA "Project Magellan" again with the same consequences.

Why the Royal Commission got it wrong to rely on Theories and Motives is because they are not needed. The true case to answer here is Bankwest was trading whilst insolvent and the CBA took advantage of this fact by having such conditions in the Share Sale Deed which allowed them to go back in time and review such loans.

To make it simple

Bankwest and its Executives obtained a financial benefit for concealing impaired loans which many were defaulted by Bankwest own liquidity problems.

CBA failed to act as a prudent and responsible Banker when it performed both reviews of the Bankwest loan book, had they acted as a prudent and responsible Banker, then they would have investigated each loan properly to see why the loan was impaired to start with.

To sum it up, we just need to prove the wrong doings of the Bank, we don't need to produce a motive such as what was put before the Royal Commission on 21 May 2018, the above provides a clean pathway for any proper investigation into the conduct of the CBA for shutting down Bankwest Commercial Borrowers.

The above overview was obtained from many court cases, many discoveries, witnesses including myself and evidence before the courts. There is no hear say, just plain facts.

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