

STATEMENT IN SUPPORT OF APPLICATION FOR MERGER AUTHORISATION

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Applicant

Statement of: **Mark Stephen Bennett**

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Date: 1 December 2022

This document contains confidential information which is indicated as follows:

[Confidential to ANZ]: [REDACTED]

Restriction of publication claimed

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A. INTRODUCTION

1. I am the Head of Agribusiness within the Commercial division (**ANZ Commercial**) of Australia and New Zealand Banking Group Limited (**ANZ**). My internal title is Head of Specialised Agribusiness and Commercial. I am authorised to make this statement on ANZ's behalf.
2. I make this statement in support of the application by ANZ for authorisation of its proposed acquisition of 100% of the issued share capital in SBGH Limited (**SGBH**) from Suncorp Group Limited, either directly or via a related body corporate of ANZ, in accordance with a share sale and purchase agreement between ANZ and Suncorp Bank executed on 18 July 2022 (the **Application**).
3. I address the matters in this statement based on my experience in agribusiness banking, described in part C below, and on my review the business records of ANZ which are available to me in my current role.
4. In preparing this statement, I also consulted with [Confidential to ANZ]: ██████████ State Director, Specialised Agribusiness and Commercial, Queensland. Some of the information in this statement was extracted from ANZ's business records by those individuals or their delegates. Where I make statements based on the information provided to me, I believe that information to be true.
5. Exhibited to me at the time of signing this statement are the documents marked MSB-1, MSB-2, MSB-3, MSB-4, MSB-5, MSB-6 and MSB-7.
6. This statement (including its exhibits) contains information that is confidential to ANZ and its related entities. Disclosure of that confidential information would cause prejudice to ANZ and its related entities.

B. MEANING OF "AGRIBUSINESS"

7. In this statement I use the term "agribusiness" in the way that it is used within ANZ to refer to commercial banking for farming businesses, as well as for adjacent agricultural businesses and first stage processing businesses that have a specialised risk profile linked to underlying agricultural production, commodity, and industry characteristics.
8. "Farming businesses" refers to businesses classified under subdivision 01 "Agriculture", in division A "Agriculture, Forestry and Fishing" in the Australian and New Zealand Standard Industrial Classification (**ANZSIC**) published by the Australian Bureau of Statistics. There are various agricultural subsector ANZSIC codes that apply to different categories of farming (such as beef, sheep, dairy, grains, cotton and horticulture) and of services provided to agriculture businesses (mostly agribusiness contractors such as harvesters, trucking companies, and crop establishment).
9. ANZ also treats businesses that are adjacent to agricultural businesses as agribusinesses. "Adjacent" businesses are businesses that do not fall under an ANZSIC "Agriculture" code, but are part of the farming supply chain and face risks that are linked to seasonal and commodity cycles, as farming businesses do. Examples are manufacturing or distribution businesses which are integrated with farming businesses, such as specialised transporters, wine grape growers and manufacturers, and beef and poultry processors, as well as businesses that are "before the farmgate", such as fertilizer suppliers.

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C. EXPERIENCE AND CURRENT ROLE

Experience and qualifications prior to joining ANZ

10. I have worked in agribusiness banking for 30 years.
11. Like many of ANZ's agribusiness bankers, I grew up on my family's farm, which is a dry land cropping property.
12. I hold a Bachelor of Business (Economics). After university, I commenced my career working at the Primary Industry Bank of Australia (PIBA) in 1992 as a Rural Officer – effectively a graduate. In 1994, Rabobank acquired PIBA, and I became a Relationship Manager with Rabobank. In 1998, I became Regional Manager, North and Western Victoria with Rabobank. In 2002, I became Rabobank's State Manager for Victoria and Tasmania, and remained in this position until October 2011.
13. In my roles with Rabobank, my strongest familiarity as a banker was with the grains industry, but I also had extensive experience as a banker to farmers in the dairy, cattle, sheep, wool, horticulture and viticulture industries.

My previous roles at ANZ

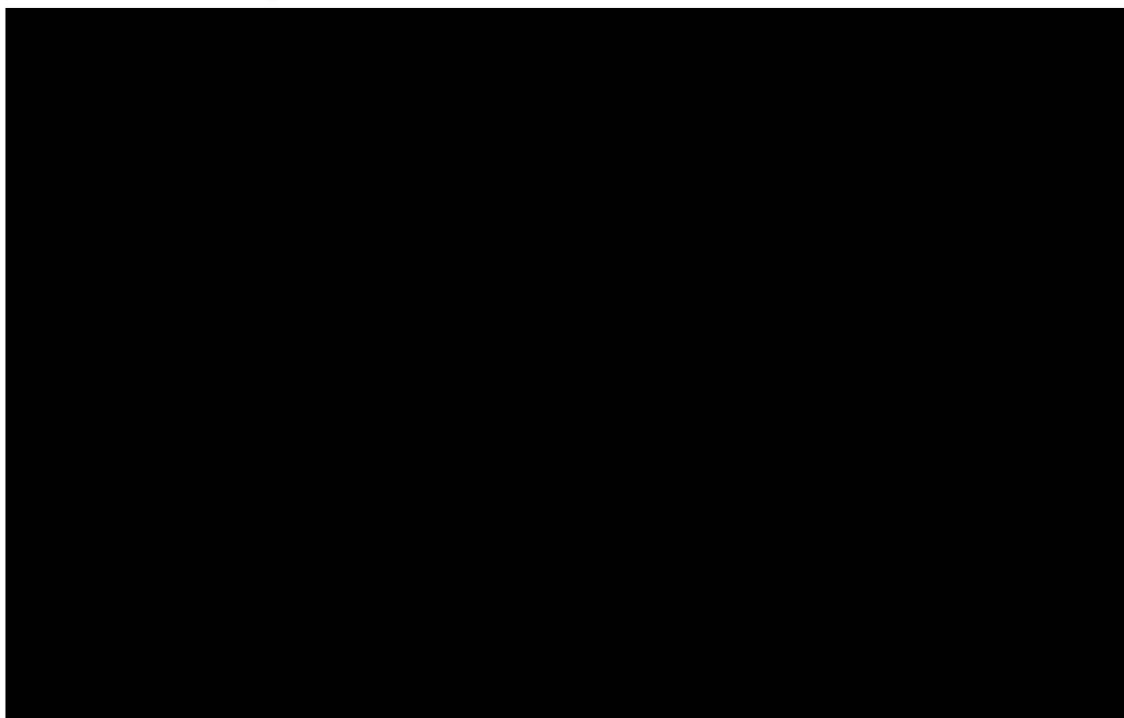
14. I began my employment with ANZ in November 2011, when I was appointed Head of Agribusiness. I took on this role not long after ANZ had acquired the Landmark rural loan and deposit portfolio. At this time, the regional mixed agribusiness portfolio I was responsible for comprised approximately [Confidential to ANZ]: ██████████ in debt.
15. In this role, I was responsible for a business segment called "Corporate Farmgate", which had recently been formed within ANZ, and which serviced agribusiness customers who typically had borrowings of greater than [Confidential to ANZ]: ██████████. My role involved obtaining resourcing and implementing improved oversight for the Corporate Farmgate team in order to ensure satisfactory customer and portfolio understanding and reporting, and a functional platform for future growth.
16. I was also responsible, in an advisory capacity, for assisting ANZ's regional business to generate momentum. This became increasingly important as the regional business demanded more specialist attention due to external shocks to regional industries, such as the live cattle export ban, drought in Western Australia, and cyclones in Queensland.
17. During my time as Head of Agribusiness, I was also responsible for transitioning the Corporate Farmgate business into a newly branded "Corporate Agribusiness". This segment accommodated agribusiness clients which had previously been customers of ANZ's Institutional Division, and which had up to [Confidential to ANZ]: ██████████. The larger of those clients held debt of more than [Confidential to ANZ]: ██████████ with ANZ. As a result of this change, the agribusiness portfolio I managed was not limited to large farming customers, but also included vertically integrated agribusinesses like wineries and cotton ginning. At this time, I was also involved in implementing a corporate banking origination and management model which reflected this new customer profile, and the needs of these customers.
18. In March 2017, my title changed to Head of Agribusiness and Emerging Corporate, Regional Business Banking. This occurred at a time when ANZ's agribusiness activities were expanding to accommodate large and complex commercial customers in regional Australia, as we had developed a larger, more capable regional banking team to better serve this customer profile.

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My current role

19. In 2017, ANZ's Specialised Agribusiness and Emerging Corporate business was moved into the newly created Specialist Distribution (**SD**) segment within ANZ Commercial, which is called Specialised Agribusiness & Commercial (**SA&C**). As a consequence, one of my titles changed to Head of SA&C.
20. ANZ Commercial provides banking products to small and mid-market customers. ANZ Commercial has four customer focused segments, which are each led by a dedicated General Manager (**GM**): Small Business Banking (**SBB**), Business Banking (**BB**), Specialist Distribution (**SD**) and Private Banking. I have read the description of ANZ Commercial, and these segments, in the statement of Isaac Rankin dated 30 November 2022 (**Rankin Statement**) at paragraph 15, and agree with that description.
21. SA&C is a segment within SD. As part of my role, I have responsibility for ANZ's dealings with agribusiness customers across the SBB, BB and SD segments. Where I refer below to "ANZ's" agribusiness portfolio, customers, staff or related activities, I am referring to the agribusiness portfolio, customers, staff and related activities within ANZ Commercial, for which I am responsible across each of the SBB, BB and SD segments.
22. As my responsibilities extend beyond the SD segment, I am also referred to within ANZ as ANZ's "Head of Agribusiness".
23. Agribusiness customers who have a turnover of more than [Confidential to ANZ]: [REDACTED] or have particularly complex banking needs, are generally managed by ANZ's Institutional Division, which is separate from ANZ Commercial. I sometimes work with the Institutional Division in relation to those customers, but am not responsible for them, and I do not address those customers further in this statement.
24. As Head of SA&C, I sit within the SD segment, and report to the General Manager, SD, ANZ Commercial. My immediate reports are:

[Confidential to ANZ]:



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25. In my role, I am responsible for the performance of the SA&C segment and provide advice in relation to agribusiness generally. My responsibilities include:
- (a) directly managing the SA&C team (ie my direct reports, described in paragraph 24);
 - (b) shaping and executing on ANZ's agribusiness strategy through the SD segment (via the four State Directors described in paragraph 24(a)), and the BB and SBB segments (via the State Agribusiness Managers described in paragraph 24(b)); I present annually to the ANZ Board on the performance of the ANZ Commercial agribusiness portfolio;
 - (c) setting and managing the risk policy settings and processes for ANZ's agribusiness portfolio with ANZ Commercial's Agribusiness Risk and Commercial Risk teams, and I also provide specialist advice regarding agribusiness banking in the BB and SBB segments;
 - (d) controlling the agribusiness marketing budget;
 - (e) overseeing ANZ's strategic external sponsorships and partnerships relevant to agribusiness;
 - (f) overseeing ANZ's agribusiness graduate program, and for agribusiness training and capability development for ANZ's frontline agribusiness bankers;
 - (g) overseeing ANZ's insights and research capability, publications and internal commodity price analysis relevant to agribusiness;
 - (h) overseeing compliance obligations for agribusiness customers in the SD segment (with compliance for agribusiness customers in the SBB and BB segments being the responsibilities of the ANZ Commercial business units responsible for SBB and BB customers); and
 - (i) representing ANZ in public engagement regarding agribusiness banking, for example, in government inquiries concerning agribusiness.
26. While at ANZ, I have maintained my familiarity with the industries I was most involved in when at Rabobank (described in paragraph 13 above), and also gained familiarity with other industries and regions, including cotton, sugar, and the large pastoral landscapes of northern Australia.

D. AGRIBUSINESS AT ANZ

ANZ's agribusiness customers

27. ANZ has a wide range of agribusiness customers, ranging from family farming businesses through to agricultural processors and traders, vertically integrated wine companies, and specialist asset managers who facilitate superannuation or pension funds seeking to invest in Australian agribusinesses.
28. ANZ's classification of a customer as SBB, BB or SD affects which part of ANZ Commercial deals directly with the customer, and how it services the customer, as I address in paragraph 53 below. There is some flexibility as to how a customer is categorised. For example, an SBB customer with a strong business and strong growth potential might be categorised and serviced as a BB or SD customer, to ensure ANZ is well placed to service the needs of that customer as it grew.
29. ANZ's agribusiness portfolio includes approximately [Confidential to ANZ]: [REDACTED], and produces a Return on Equity (ROE) of around [Confidential to ANZ]: [REDACTED]. As at April

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2022, ANZ's total exposure at default (**EAD**) for agribusiness customers in each segment was as follows:

- (a) SBB: [Confidential to ANZ]: [REDACTED]
- (b) BB: [Confidential to ANZ]: [REDACTED] and
- (c) SD: [Confidential to ANZ]: [REDACTED]

- 30. "EAD" is a measure of ANZ's exposure if a customer defaulted on its loan(s) with ANZ.
- 31. The following table identifies the main industries in which ANZ's agribusiness customers operate, which is extracted from ANZ's IRIS system.

[Confidential to ANZ]: [Confidential Table 1: Breakdown of ANZ's agribusiness by industry (April 2022)]

Industry	EAD (\$m)
Mixed farming (crop and livestock within one farm)	[REDACTED]
Beef cattle farming	[REDACTED]
Horticulture and fruit growing	[REDACTED]
Grain	[REDACTED]
Other livestock and other crop growing	[REDACTED]
Dairy cattle farming	[REDACTED]
Manufacturing (including wine) and wholesale and storage	[REDACTED]
Services to agriculture	[REDACTED]
Forestry and logging, and fishing and aquaculture	[REDACTED]
Cotton	[REDACTED]

ANZ's products for agribusiness customers

- 32. The role of ANZ's agribusiness bankers is to provide financial solutions that meet a customer's needs. I describe those needs, and the products ANZ supplies to meet them, below. Exhibit MSB-1 is a copy of ANZ's current brochure for agribusiness customers summarising its product offering.
- 33. Agribusiness customers have access to the same products as other ANZ Commercial customers.

Core debt

- 34. Farming businesses' core debt is often the most important component of their relationship based financial needs. By "core debt", I mean long-term debt, that is typically fully secured by their farming land and is provided in a way that is flexible enough for the business to be able to manage its cashflow through seasonal variations. ANZ generally provides for agribusinesses' core debt needs through the ANZ Business Loan and Tailored Commercial Facility products.
- 35. Farming businesses need core debt because they are capital intensive: for example, buying a paddock that marginally increases farm size might cost upwards of \$1 million. The farming land that secures this debt is at the heart of a farming business's relationship with its banker. In

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order to understand the needs of that business, the banker needs to understand and appreciate these assets, including their productive capacity, value, potential for improvement, natural capital (such as soil type and water sources), and biodiversity. The reason that core debt needs to be long-term is that these debts are typically long lasting, and how their terms are structured is important. Strategic decisions in farming businesses are taken having regard to a long term (and sometimes multi-generational) time horizon. When I refer to the "price" of debt or loans, I am referring to the interest rate ANZ or another bank charges on that product.

36. In addition, farming businesses need flexibility. In some cases, it will be in their best interest to reduce their debt on or ahead of schedule. In other cases, long-term debt might be appropriate depending on the financial circumstances and profile of the business. This flexibility is required due to the cashflow variations that are experienced as a result of seasonal variations (namely weather), economic conditions and commodity price fluctuations. Strong farming enterprises will often achieve returns that are higher than the cost of debt. In these circumstances, financial performance can be enhanced by reinvesting in the farm enterprise, as opposed to repaying debt.
37. Agribusiness customers will often renegotiate their loan rather than pay down the principal of the loan over its lifetime. Renegotiating is particularly common at the end of an interest only period on a loan. Whether the bank is willing to offer one or more further interest only periods can be very important to a customer, and banks will consider this with the individual farm business' circumstances in mind. This can be a source of competitive tension. These types of features and flexibility can be more important to agribusiness customers than price.

Transactional accounts and overdraft facilities

38. Farming businesses generally require an account to facilitate payments and receipts. ANZ generally meets these needs by providing a business transaction account which may be linked to an overdraft limit. The overdraft limit gives the customer flexibility to draw down on the overdraft to meet their expenses during periods of limited cash flow (such as if wet weather delayed a harvest or during the typical build in operating expenses before a harvest or sales period), and then to pay down amounts when their cashflow becomes available.
39. Agribusiness deposit accounts can also be provided in different ways. In particular, ANZ offers a farm management deposit (**FMD**) account, which allows agribusinesses to self-manage income requirements across different seasonal conditions. FMDs are provided pursuant to a government initiative (called the Farm Management Deposit Scheme). ANZ FMD accounts are available at-call or for a fixed term.
40. ANZ also offers a specific Revolving Agri Line linked to a transaction account to agribusiness customers, which is a line of credit for relatively large customers who have infrequent cash flows. **[Confidential to ANZ]:** [REDACTED]

Asset finance

41. Farming businesses also generally require asset finance to assist them to purchase working commercial equipment such as tractors, trucks, harvesters and implements. ANZ meets these needs by offering chattel mortgage, hire purchase and finance lease products.

Other products

42. The three products I described above cover the vast majority of most SBB, BB and SD agribusinesses' banking needs. Generally, the most important relationship banking service for farmers is related to core debt secured against the farming property as a long-term investment.

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43. Some agribusiness customers also require different products. For example, grain traders and fresh produce wholesalers, may not have adequate land or other assets to support a secured loan. ANZ supports these customers by providing trade finance or working capital loan products, where the amount of debt loaned is based on the cost of goods to be sold by that business, and the proceeds from sales of those goods are used to liquidate the debt. Some businesses may also require access to foreign currency exchange hedging if they are importing products or selling into export markets. Those products are negotiated between ANZ and the customer as required.

ANZ's agribusiness strategy

[Confidential to ANZ]:

44.

45.

46.

ANZ's agribusiness approach

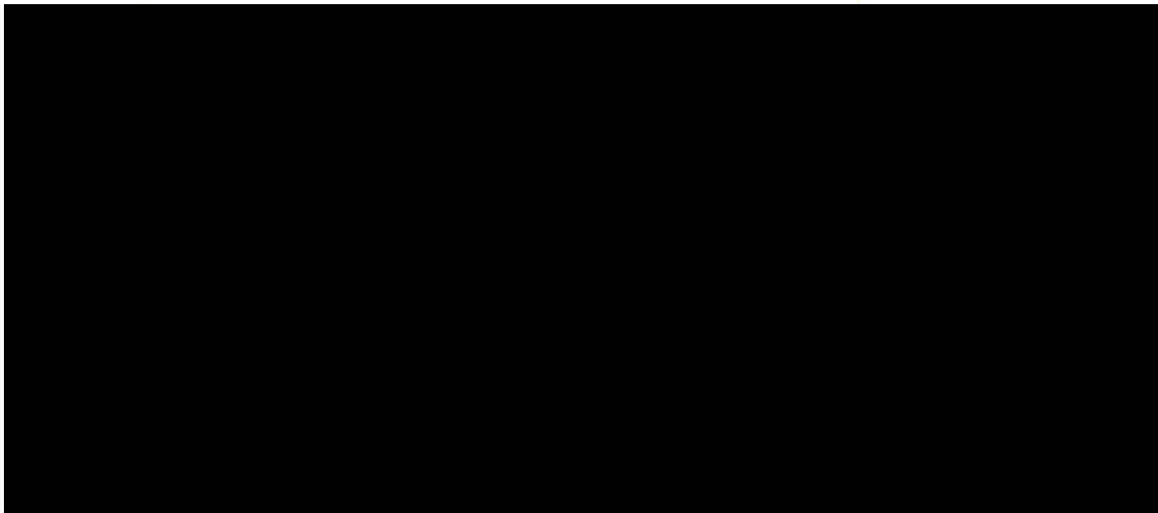
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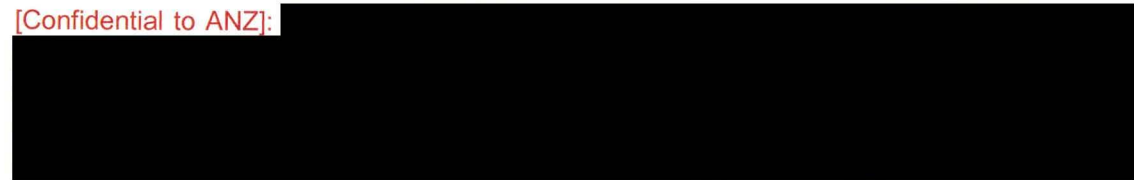
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SBB agribusiness customers

51. SBB customers are segmented in line with ANZ Commercial's segmentation rules. They comprise smaller businesses or larger businesses with small debts. ANZ's SBB agribusiness customers had total deposits of about [Confidential to ANZ]: [REDACTED] and lending of [Confidential to ANZ]: [REDACTED] in June 2022. I have read the description of ANZ's strategy regarding SBB customers generally in the Rankin Statement at paragraphs 21 to 30. Subject to my comments in the following paragraph, that description accords with my understanding of the strategy used to pursue these types of SBB agribusiness customers.

52. [Confidential to ANZ]: [REDACTED]



ANZ's agribusiness bankers

53. ANZ's approach to managing agribusiness customers varies depending on whether the customer is classified as SBB, BB or SD, and reflects the complexity of the customer's banking needs and their total business limits. Agribusiness customers can move between these different servicing models if they move between these classifications (for example, as the amount of their debt with ANZ changes, or as ANZ determines that it is appropriate to reclassify them for other reasons, as I described in paragraph 28 above).

SBB agribusiness customers

54. SBB agribusiness customers have lower credit requirements and less complex banking arrangements and requirements than BB and SD agribusiness customers.

55. ANZ typically services SBB agribusiness customers in one of three ways:

- (a) by allocating the SBB agribusiness customer to a portfolio managed by SBB Small Business Specialists and Business Banking Managers. These bankers are generally based in regional locations close to the customer but are not specialised agribusiness bankers. A typical portfolio comprises over [Confidential to ANZ]: [REDACTED] commercial and agribusiness SBB customers, a minority of which are agribusiness customers;
- (b) by allocating the customer for remote management by an SBB Small Business Manager in the specialised Agribusiness team at ANZ's National Business Centre (NBC) in Melbourne. The specialised Agribusiness team currently comprises [Confidential to

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ANZ: [REDACTED] SBB Small Business Managers who manage a portfolio of around [Confidential to ANZ]: [REDACTED] agribusiness customers; or

- (c) in the case of SBB agribusiness customers with very small accounts with ANZ, not allocating a specific banker to the customer. Those customers can engage with ANZ through channels that are accessible to ANZ Commercial customers generally.
56. ANZ determines which approach to adopt for servicing a particular customer based on segmentation rules and its knowledge of the customer's business. All else being equal, customers with lower credit needs and less complex banking needs are more likely to be adequately serviced on a remote basis. This is because those customers' needs can typically be met through a servicing arrangement more akin to the types of arrangements ANZ uses for straightforward home loan customers.
57. The bankers who deal with SBB agribusiness customers are given access to training and tools to assist them to evaluate credit risk for agribusiness customers and are otherwise expected to treat those customers in the same way as they treat SBB customers operating in other industries. These bankers report to regional sales leaders who are responsible for both commercial and agribusiness performance, and who report to State Heads who have mixed responsibility (as do the GMs these State Heads report to).
58. By servicing SBB agribusiness customers in this way, ANZ ensures that SBB customers can have their needs met relatively quickly, by a generalist banker who is available to assist them and are trained and supported in dealing with SBB agribusiness customers.

BB and SD agribusiness customers

BB agribusiness customers

59. BB agribusiness customers are typically managed by an Agribusiness Manager (who I also refer to as a "Relationship Manager" (RM)), who is supported by an Assistant Manager (AM). These RMs typically manage a portfolio of around [Confidential to ANZ]: [REDACTED] BB customers. However, the number of customers in an RM's portfolio varies depending on matters such as the complexity and geographic spread of the customers in the portfolio, the number of customers the RM can manage without sacrificing service levels or their ability to identify opportunities with new customers, and ANZ's internal processes. These RMs report to regional sales leaders who are responsible for both commercial and agribusiness performance, and who in turn report to State Heads who also have mixed responsibility, as do the GMs to whom the State Heads report. They are also supported by State Agribusiness Managers.

SD agribusiness customers

60. SD agribusiness customers are typically managed by an RM with the title Senior Relationship Manager. These RMs typically manage a portfolio of around [Confidential to ANZ]: [REDACTED] customers, but the number of customers can vary based on the factors described in paragraph 59. These RMs are also supported by a Relationship Credit Manager and a Relationship Credit Assistant Manager, who are part of the SD segment's Relationship Team. Their role is to assist in managing the risk associated with more complex transactions for SD customers, including to assist in loan structuring and conducting the financial analysis required for ANZ to approve those transactions. The RMs who deal with SD agribusiness customers report into leaders in the SA&C structure I described in paragraph 24(a).

Role and responsibilities of RMs and AMs

61. RMs are responsible for managing ANZ's relationships with BB or SD customers, and for critical and strategic decision-making with those customers about their banking needs. They are also

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responsible for generating income, managing their customers' credit profile and the risk events associated with their business that may affect ANZ, including delinquency (ie late payments), and excesses (ie overdrawing) and conducting an annual review with each customer in their portfolio. ANZ expects RMs to see their customers face-to-face at least once a year.

62. AMs assist RMs to manage BB and SD customer relationships. Their role is to understand their customers well, to be aware in advance of maturities and other events concerning their products that the customer may need reminders about and to deal with customers when RMs are unavailable. AMs can form an important part of ANZ's customer relationships, as they are a touchpoint for customers' account issues and day to day needs.
63. In SD, RMs and AMs often come from agribusiness or regional backgrounds, with degrees in agriculture, business, or both. This enhances their ability to service their customers, as it means their technical skills are typically complemented by an understanding of industry, and familiarity with family farming and strategic decision making.
64. RMs and AMs sometimes specialise in particular Agri sub-sectors, such as beef or poultry, especially if they remain in a region for a longer period of time. However, bankers who specialise can still accommodate banking relationships with customers in other industry sub-sectors. An agribusiness banker with at least 5 years' experience, is usually proficient in managing customers across a range of agribusiness industries.

65. [Confidential to ANZ]:

Exception: asset finance for BB and SD agribusiness customers

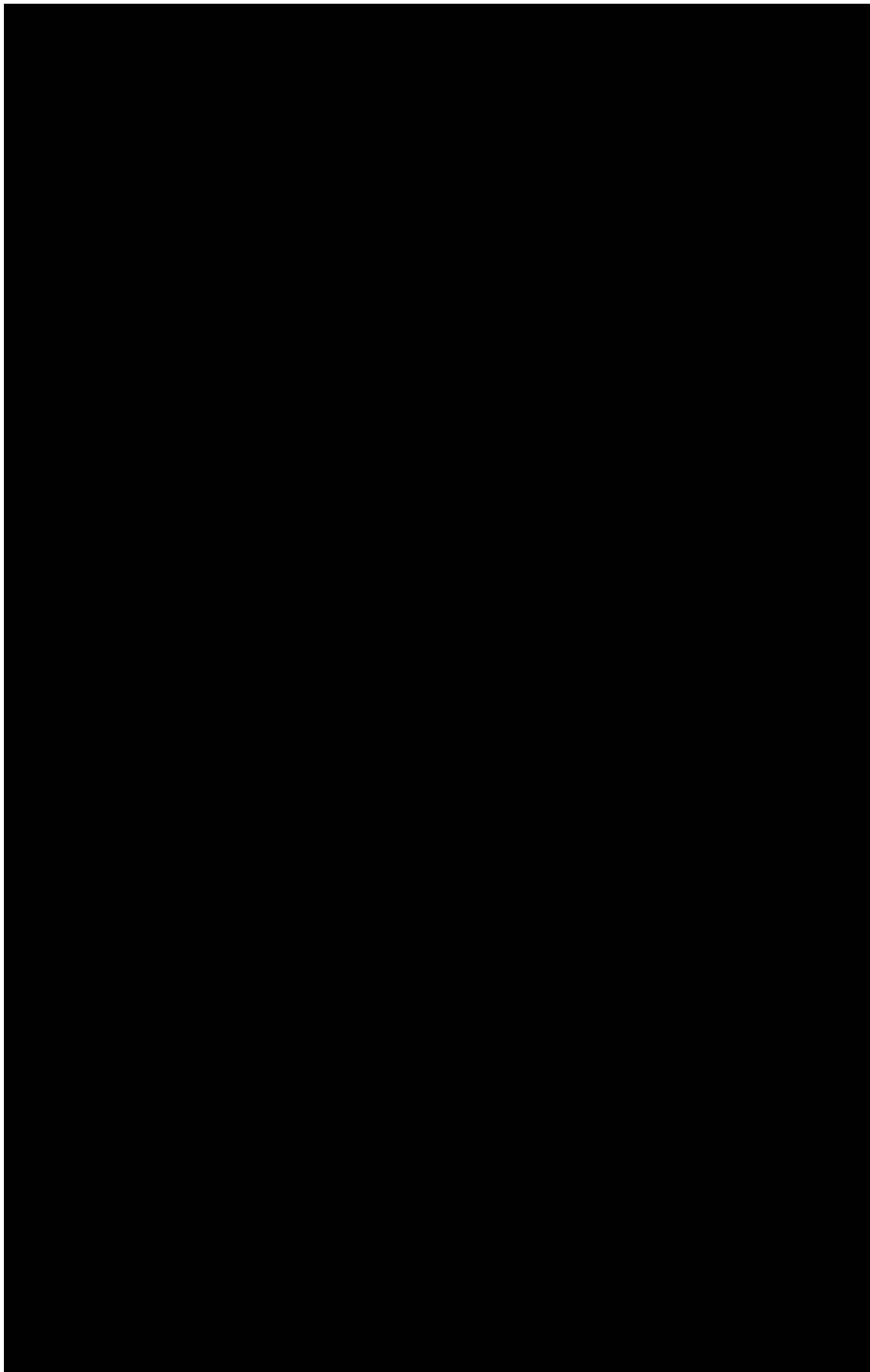
66. When a BB or SD agribusiness customer requires asset finance, ANZ's standard process is for the customer's RM to introduce them to a manager who specialises in asset finance. We run asset finance for agribusiness in line with the way we run asset finance in ANZ Commercial.

Location of ANZ's agribusiness bankers and retail branches

67. ANZ operates business centres, which are spaces at which ANZ's agribusiness bankers (other than those based at the NBC) can work. A business centre may be located within an ANZ retail branch, or in a separate standalone facility.

68. [Confidential to ANZ]:

[Confidential to ANZ]:



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69.

[Confidential to ANZ]:

Policies governing lending to ANZ's agribusiness customers

70. ANZ Commercial's high-level strategy, risk appetite and management approach is set out in the annual Business Writing Strategy for ANZ Commercial. This document applies to ANZ Commercial including agribusiness. ANZ Commercial also has the following policies, which are set at a national level, governing its pricing and lending criteria to agribusiness customers.
- (a) for SBB bankers, the Small Business Credit Requirements and Agribusiness Direction of Lending (**DOL**) for SBB;
 - (b) for BB and SD bankers, the Judgement Credit Policy and Judgemental Credit Requirements as well as the Agribusiness DOL for BB and SD customers; and
 - (c) for SD bankers, a policy of requiring them to apply the Mid-Market Enterprise (**MME**) model where the customer has significant turnover because the customer's business relates to pre or post farm gate activities; and
 - (d) where applicable, the Asset Finance DOL.

Agribusiness DOLs

71. The Agribusiness DOLs provide guidance to frontline bankers when considering lending to agribusiness customers, including:
- (a) the conditions by which ANZ lends to particular industries and to particular types of customers (for example, it identifies that ANZ will not lend to customers for tobacco farming which is illegal in Australia);
 - (b) the criteria that must be met in order for ANZ to lend (such as criteria governing serviceability); and
 - (c) the steps that must be followed in order for ANZ to approve a loan, such as:
 - (i) where a particular type of transaction requires approval by a more senior banker, such as a State Agribusiness Manager (for example, a loan which did not meet the DOL's criteria would require such escalation); and
 - (ii) where a particular transaction requires specialised support within ANZ (for example, loans to clients in specific industries and climate zones).
72. The Agribusiness DOLs are reviewed quarterly within ANZ Commercial, and on an ad hoc basis when necessary to respond to particular issues relevant to agribusiness (such as an animal disease outbreak or unexpected commodity price shock).
73. Frontline bankers are supported by generalist Credit Coaches to ensure alignment with DOL and any other policy settings. In complying with DOLs, they must also operate within ANZ Commercial's Credit Approval Discretion (**CAD**) framework, which identifies the level of approval required for different types of loans based on value and risk profile. As a general proposition, loans of over [Confidential to ANZ]: require approval by both a frontline

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banker and a member of the ANZ Commercial Risk team, and the higher the loan's value or risk, the higher the level of approval required.

Pricing and margins

74. I have read and agree with the description of how that pricing occurs in the Rankin Statement at paragraphs 67 to 75. The same framework applies to agribusiness customers.
75. ANZ's net interest margin (NIM) for agribusiness lending and deposits for FY19-FY22, at the national level and by customer segment, are set out in [Confidential to ANZ]: [Confidential Table 3].

[Confidential to ANZ]: [Confidential Table 3]:

	Lending			
	FY19	FY20	FY21	FY22
Total agribusiness				
SBB				
BB				
SD				
Asset Finance				

E. KEY FEATURES OF THE AGRIBUSINESS BANKING INDUSTRY

Key sectors in the agribusiness industry

76. The key sectors in the Australian agribusiness industry are described in the Australian Banking Association's (ABA's) 2022 Agribusiness Report (ABA Report). Exhibit MSB-3 is a copy of the ABA Report. The ABA Report identifies that the top ten industry segments that dominated agribusiness as at June 2021 were beef cattle farming (specialised) (29%), grain-sheep and grain-beef cattle farming (16%) and sheep-beef cattle farming (10%), followed by other grain growing (7%), sheep farming (specialised) (6%), dairy cattle farming (6%), grape growing (4%), vegetable growing (outdoors) (3%), sugar cane growing (3%) and other fruit and tree nut growing (3%) (this is addressed at page 13).

Agribusiness is an attractive industry for banks

77. Agribusiness is currently an attractive sector for banks, in that it contains many strong potential customers, who typically seek fully secured transactions, which generate reasonable returns for banks. There is a very limited history of losses in modern agribusiness banking – for example, the Australian Bureau of Agricultural and Resource Economics and Science's (ABARES') September 2022 report Trends in Farm Debt: Agricultural Lending Data 2020-2021 (ABARES 20/21 Report) indicates that instances of new agricultural business foreclosures are in the low dozens yearly (since 2016-2017), and there were only 10 instances in 2020-2021 (this is addressed at figure 8). Exhibit MSB-4 is a copy of the ABARES 20/21 Report. Further, the consolidation among agribusinesses over the last 20 or so years (which is discussed further

¹ IRIS. IRIS is ANZ's financial information reporting tool.

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below at paragraphs 81 and 82) has meant that the industry today collectively represents a stronger risk profile.

78. For the last 10 to 15 years, the agribusiness industry has also experienced strong growth, which reflects the growing global demand for food, and the rising spending power of consumers in developing markets, who seek safe, high quality produce. Since key commodities tend to be resource intensive to produce, in that they require intensive water and land use, international production is relied on to satisfy demand in many countries. Despite its changeable climate conditions, Australia is comparatively well placed to produce a significant surplus to our domestic needs, and so to supply agricultural commodities into international markets.
79. Further, in recent years there has been increased community understanding and connection with where and how food is produced. It is well recognised that a rising global population requires more food. Food production to meet global demand, prominence of the “paddock to plate” supply chain, and the middle-class consumer interest in where and how food is produced all point to opportunity for our Australian Agribusiness industry. This and other attractive features of the Australian industry, is well recognised by banks making the agribusiness industry comparatively compelling.
80. The ABA Report identifies that, in the 12 months to February 2022, ABA members constituted more than 80% of agribusiness lending, and lent an average of \$4.2 billion to agribusiness per month, representing a 29% increase from \$3.2 billion in the 12 months prior (this is addressed at page 6). The ABA Report also notes the ABARES predicts a continued rise in agricultural income, driven by productivity growth, better than average seasonal conditions, and record demand and prices in international exports (this is addressed at page 8).

Consolidation in the agribusiness industry

81. Currently, there is increasing consolidation in the agribusiness sector: fewer, larger farming businesses tend to control greater assets, and tend to have more complex needs and larger debts, than in the past. These businesses often buy farming assets from smaller farmers who are retiring or selling for another reason. One of the drivers of this trend is that running a modern farm business involves greater cost and complexity than in the past. For example, modern farming business requires people who are strong in agronomy, marketing, financial management, human relationships, and environmental management. This depth and breadth of skills can be difficult to achieve in a small family business, and a small business can find it difficult to invest in all of these resources when income can only stretch so far.
82. The ABA Report identifies this trend, in that it identifies that the number of agricultural, forestry and fishing businesses has been in overall decline for over a decade (this is addressed at page 12). In particular, it reports that a reduction in the number of agribusinesses from 204,503 in June 2009 to 173,131 agribusinesses in June 2021 (this is addressed at page 12).

Many agribusinesses do not hold any debt

83. In my experience, only a portion of agribusinesses hold material core debt. This means that competition to provide services to those customers is heightened.
84. Three recent reports have reported on this feature:
 - (a) Exhibit MSB-5 is the ABARES 2019-2020 Agricultural Lending Data report (ABARES 19/20 Report). This report notes that approximately 25% of broadacre and dairy farms had no debt (this is addressed at page 9).
 - (b) The ABARES 20/21 Report suggests that the proportion of broadacre and dairy farms with an estimated value of agriculture operations greater than \$40,000 with no debt is

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even higher, identifying that in 2020/2021, 5% of such farms accounted for around 47% of the aggregate debt for those farms, whereas 50% of such farms had very little or no debt.

- (c) The ABA Report suggests that the proportion of agribusiness customers (not limited to broadacre and dairy farms and excluding businesses that did not know their expectation of debt) with no debt is much higher, and identifies that 40% of those surveyed reported having no current debt and not intending to borrow in the next 12 months to February 2022, and only approximately 10% reported intending to access more credit (this is addressed at page 21).

Agribusiness banking requires a detailed understanding of a customer's business and industry

85. A good agribusiness banker needs a detailed understanding of their customer's business and industry. This is because accurately assessing the risk and opportunity from dealing with a customer (and, accordingly, determining how much, at what price and on what terms ANZ will lend) requires a close understanding of the customer, their business and the value of their assets in the context of that business. Agribusiness bankers exercise judgement in making this assessment.

[Confidential to ANZ]:



87. An agribusiness banker cannot properly understand these matters, and so could not adequately assess whether, how much and on what terms to lend to a farmer in this situation, without having a thorough knowledge of the farmer's current and planned assets and operations.
88. Further, agribusiness, and farming in particular, can involve challenging issues in relation to matters such as environmental management and animal welfare which can, if not appropriately managed by the agribusiness, give rise to material reputational and financial risks for an agribusiness and their bank.
89. These features of agribusiness banking have two consequences. First, agribusiness banking involves much more variation in customer outcomes than more commoditised areas such as residential home loans because the risks and opportunities associated vary materially from customer to customer. Secondly, it is difficult to make "apples for apples" comparisons of the competitiveness of one customer's banking arrangements by looking at another customer's arrangements, as the loan amount, price, terms and conditions offered to a customer depend critically on the customer's unique characteristics.

Customer preferences and customer switching

90. In my experience, agribusiness banking customers typically have the following characteristics.

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Importance of relationships

91. Agribusiness customers, particularly when they are family-owned, appreciate forming a relationship with a good banker, who is a decent person who they like and trust, who gets the job done really well (and, when necessary, quickly), and who has a strong support team. Having this relationship makes it easier and quicker for an agribusiness banker to solve problems, or even to predict and prevent them. A good agribusiness banker can strengthen the agribusiness customer's trust and the customer relationship over time. ANZ and other banks often have multi-generational relationships with agribusiness customers. Agribusiness customers often consider that having developed a relationship with their banker earns them flexibility and understanding when they most need it, including in response to issues arising at a local level.
92. In some cases, agribusiness customers might need flexibility and understanding from their bank in response to short term issues affecting their business. In these scenarios, a customer typically needs flexibility in their payment schedule to accommodate delayed income or increased operating costs. [Confidential to ANZ]: [REDACTED]
93. In other cases, agribusiness customers might need flexibility and understanding to address more fundamental, longer lasting issues. [Confidential to ANZ]: [REDACTED]
94. An agribusiness banker's relationship with their customer can also be valuable to the customer in other ways. [Confidential to ANZ]: [REDACTED]
- [REDACTED] In my experience, customers are often very appreciative of the role their banker has played in supporting their business. [Confidential to ANZ]: [REDACTED]

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Price is one of several features that agribusiness customers care about

95. It is generally important to agribusiness customers to know that the interest rate on their debt is reasonable compared to alternatives. Customers generally keep themselves informed about those alternatives, as I describe in paragraph 99 below.
96. However, in my experience, price is only one factor in winning or keeping a customer's business. Other important features are how much the bank is willing to lend, the terms and conditions offered by the bank (such as whether the bank offers flexibility, and the quality of their relationship and experience with their banker). Another factor that agribusiness customers consider very important is the quality of the service they receive from their bank as an organisation. Some aspects of the customer's experience with their bank are based on the bank's internal processes – for example, whether the bank is able to lend quickly when required, and whether it is easy and predictable to deal with. Other aspects concern the bank's track record in seeing the customer through economic, commodity and weather cycles, and their intention to do so in future. Agribusiness customers often seek to develop connections with people at their bank in addition to their own banker, to help them to connect with the bank as an organisation, rather than just at the relationship level.
97. In my experience, these non-price aspects can be very important to agribusiness customers, to the extent that I generally would not expect an agribusiness customer to change banks to obtain a slightly better price if they were otherwise happy with their current banker and their organisation.

Agribusiness customers watch and test their banker, and will switch if considered necessary

98. Agribusiness customers are generally realists: they are good at telling their banker if ANZ is not up to scratch, and generally watch their banker carefully. [Confidential to ANZ]: [REDACTED]
99. Agribusiness customers generally keep themselves well-informed about various banks' offerings, such as through discussions with their accountant or broker, or less formally by asking around others in their community. In this way, they "test" their own banker by pressing them for a better deal if they think better offers are available elsewhere. [Confidential to ANZ]: [REDACTED]
[REDACTED] This type of discussion can be a prompt for ANZ's banker to see if they are able to offer them a lower interest rate. In some cases, this will result in the banker making an improved offer to the customer; in others, it will result in the banker explaining why they cannot do so. It is up to the customer how they respond to that explanation and their actions will be based on holistic value.
100. Further, agribusiness customers often already have a second or third banker in mind as a possible alternative banker who they could approach if their banker or bank let them down. This can be a banker with whom they have had some contact over a long period of time.
101. These features mean that, in practice, an agribusiness banker needs to earn the right to maintain a customer on an ongoing basis.
102. In my experience, if an agribusiness customer sought to change banks and did not have an alternative banker in mind, they would typically seek to contact a banker they had some knowledge of, based on a word of mouth recommendation, or advice from their broker, lawyer or accountant. They would be more likely to do this than to contact a bank using a generic telephone number or email address. Therefore, an agribusiness banker's reputation in their community is important to their ability to attract work from new customers in their region.

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103. Given the above "testing", customers can and do switch banks. In my experience, there is generally a "trigger" which prompts agribusiness customers to consider changing banks, such as having an application declined by their current bank, making a new asset purchase, restructuring their current loan, or considering succession planning for their business. In other instances, a customer may be prompted to consider if they could be better off banking elsewhere – for example, via a broker, as I describe from paragraph 147 below.
104. One of the main challenges to a customer switching banks is the administration associated with changing their bank account details with trading partners and any others they have a direct credit or debit arrangement with. This is not, to my knowledge, a factor that stops agribusiness customers from changing banks.
105. Larger agribusiness customers (ie with assets of over [Confidential to ANZ]: ██████████) can often maintain active relationships including core debt with more than one bank. This means that if one bank fails to meet the customer's needs (for example, declines a particular application), the bank might lose that part of the customer's business (which the customer might switch to another bank). [Confidential to ANZ]: ██████████
██████████
106. Smaller and medium agribusiness customers (ie with total assets of less than [Confidential to ANZ]: ██████████) typically do not maintain core debt with more than one bank. Therefore, if a bank fails to meet a need of one of these types of customers, it risks the customer moving their entire active banking relationship to another bank. Dual banking relationships can be more time consuming to establish and manage, which explains why smaller businesses are less likely to adopt them.
107. In my experience, agribusiness customers do not like it, and often complain, if their banker moves out of their region or to another bank, but typically give their existing bank the opportunity to replace that banker before they consider changing banks. In some cases, the relationship between customer and banker is so strong that the customer follows the banker to a new bank, but in my experience that is less common.

Importance of visiting the customer

108. The need for an agribusiness banker to understand their customer's assets and business makes it important for the banker to visit the customer's business to see the assets and operations in person. Accordingly, ANZ expects RMs to visit their BB and SD customers at least once a year. Depending on the customer and their needs, those visits can range from a quick cup of tea to spending the entire day with a customer. Those visits can provide important information to a banker that helps them to complete their annual review for that customer, and increases their understanding of the customer's business, any issues or concerns they are facing, and their future plans. Therefore, if a banker does not take this opportunity to ask questions of a customer, they risk another banker doing a better job for the customer.

Limited role of bank business centres and branches

109. In my experience, agribusiness customers typically expect to negotiate any material new business at their premises, rather than at an ANZ branch or business centre. This has been the case in the time I have been involved in agribusiness banking. As agribusiness customers generally do not receive or deal in large amounts of cash, they seldom use the deposit or withdrawal services offered by branches. An agribusiness customer might call into the branch or business centre to sign documents or to say hello if they happen to be in town, but they generally get their banker out to their property for anything substantial. [Confidential to ANZ]: ██████████

██████████ Accordingly, I consider that

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an agribusiness banker does not need to be "on the spot" all of the time in its customers' region, or to operate out of a branded, local premises, in order to meet a typical agribusiness customer's needs. For example, bankers do not have to be living in Sea Lake to lend money to a farmer in Sea Lake: they can travel for 45 minutes from Swan Hill to see the farmer, and in my view that is actually what the farmer would expect. I cannot remember any time during my time in agribusiness banking, when the agribusiness customer I was dealing with considered it important to be able to visit their banker at a branch or business centre.

110. [Confidential to ANZ]:



Importance of bankers', and banks', reputations

111. An agribusiness banker's reputation is critical to their success. A successful agribusiness banker relies on having a reputation for getting a good job done with good farmers, and on word of mouth recommendations from those farmers.
112. In regional areas, ANZ's reputation depends on the personal reputation of its bankers in that region. What customers and potential customers think about ANZ, and so their willingness to bank with ANZ, is heavily influenced by how our people are seen by people in the local community: how they act, what they do, and what they do not do. When bankers live in a country town they are highly visible. I regularly receive feedback from customers that they have come to, or stayed with, ANZ due to their positive perception of ANZ's people and/or brand, or that they have moved to ANZ from another bank due to a negative perception of the other bank's people and/or brand.
113. However, bad news travels fast, and if someone is known for doing a bad job, that spreads more quickly than the fact that someone is doing a good job. Any negative reputational perceptions, such as being a bank that does not understand the issues its customers face, or which did not support customers in a region when other banks did, can last for a long time.

[Confidential to ANZ]:





F. COMPETITION IN AGRIBUSINESS BANKING

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114. In this section I describe the key participants in agribusiness banking, the key features of competition in agribusiness banking, and the key competitors in agribusiness banking. The features I describe are consistent across geographic regions, and across the banks which are active in agribusiness banking, unless I state otherwise.

Intense and increased competition, driven by strength of the agribusiness sector

115. The agribusiness sector is a strongly performing, and growing, sector. For the reasons I described in paragraph 77 above, it is an attractive sector for banks to do business in. The types of large, sustainable and growing agribusinesses that ANZ particularly seeks to attract, are also highly attractive to other banks involved in agribusiness, and competition among banks is particularly intense in relation to these customers.
116. Competition in agribusiness banking is more intense now than at any time previously in my career. When I began my career, many Australian banks did not actively pursue agribusiness customers in the way that they do today. They did not seek to develop the relationships and understanding with agribusiness customers that banks pursue today. Rabobank took a different approach. Rabobank is a Dutch cooperative bank with a history of heavily focusing on customers in the food and agricultural industry in Holland. Rabobank first came to Australia in the late 1980s as a merchant bank. Until deregulation of Australian agribusiness banking in the 1980s, banks were limited in offering long term finance to farmers. This problem was addressed by introducing PIBA to operate in conjunction with banks to offer long term loans. This changed post deregulation in 1985, when PIBA for the first time offered loans direct to farmers, bypassing local banks. When Rabobank acquired PIBA in 1994, it acquired the ability to lend directly to Australian agribusinesses and began specialising in agribusiness loans and deposits. Rabobank had significant appetite for Australian agribusiness and offered several attractive product features. First, it offered farmers long term facility agreements over a period of 15 years, subject to reviews every 3 to 5 years. Rabobank actively promoted this feature, whereas other agribusiness banks did not so openly offer equivalent loan tenor. Secondly, Rabobank's key loan product was simple: it had only one fee and no other charges. Thirdly, Rabobank offered agribusiness customers relatively easy access to, and self-management of, loan structure decisioning; for example, when to fix an interest rate and over what portion of their total debt. When I first arrived at Rabobank, it did not maintain a physical presence outside of capital cities; instead, bankers worked out of capital cities, and travelled to regional areas to see and attract customers.
117. Following Rabobank's entry, Australian banks started focusing more actively on agribusiness. For example, NAB developed an agribusiness specialisation within its commercial banking division, and to position themselves to agribusiness customers, including by undertaking industry research and releasing related publications.
118. Even so, when I was an RM with Rabobank, from around the mid-1990s, it was much easier for bankers to find and write good deals than it is today. [Confidential to ANZ]: 
-  In my view, these changes reflect the fact that today, more banks are actively competing for agribusiness customers' business.

Competition for relationships

119. Much of the competition in agribusiness banking is competition among banks to develop and maintain relationships with customers and potential customers. This reflects the importance of

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- relationships to retaining existing customers and attracting new business from new and existing customers.
120. ANZ and several other banks maintain a high contact service model across the BB and SD segments of agribusiness, as well as SBB customers with the potential to grow.
121. Competition for relationships also occurs at the level of individual bankers. RMs and AMs work hard to build their reputation, profile and relationships in their region. This can involve doing the following things.
- (a) Doing a good job for their existing clients, to help retain that client's business, be well placed to win their future business, and gain a reputation as a good banker.
 - (b) Seeking to become well known to leading agribusinesses, financial advisors, accountants and solicitors, and in some instances also financial brokers, water brokers and real estate agents, in the region. These kinds of people may introduce opportunities to a banker. For example, a banker who provides great outcomes for a customer of a particular accounting firm can become a 'go to' for the firm to recommend when it next faces a similar scenario with a different customer.
 - (c) Attending industry events, field days, conferences and other relevant forums.
 - (d) Being involved in the community in other ways, such as through the local schools, football or netball clubs.
122. Bankers also work hard to build relationships with potential clients. This can take a long time, and often involves multi-year effort. To do this, bankers spend time with a potential customer, learning about their needs and business, and trying to offer value. For example, the banker might see whether ANZ can make an offer to the potential customer which is better than their arrangements with their current bank, share ANZ's publications or other industry insights, make valuable introductions, and invite them to relevant events. In doing this, bankers are seeking to position themselves to be the potential customer's alternative banker when a trigger event occurs (by which I mean an event where a customer needs to engage with a banker who will need to exercise judgement about the request, such as a property purchase, sale or purchase of a significant asset, or succession planning). This type of relationship building has become very commonplace across the last 10 to 15 years. I expect ANZ's bankers to be developing relationships with other banks' clients in this way and know that other banks' bankers do this with ANZ's clients.

Price competition

123. Price is generally one of several factors that are important to an agribusiness customer's decision as to who they bank with, as I described from paragraph 95 above.
124. My experience over time is that, to the extent that banks involved in agribusiness publish information about the average margins or other aspects of the performance of their agribusiness portfolios, that information suggests that there is not a material difference in the average margins that banks earn from agribusiness banking. This in turn suggests that on average, banks' pricing to agribusiness customers tends to be quite similar.
125. However, in my experience, there can be material differences in banks' pricing to individual agribusiness customers at any given point in time, and within a given district or sector, depending on their appetite for writing new business with agribusiness customers, their pricing models and their discretion frameworks. Pricing can also vary depending on how aggressively a particular banker pursues particular pricing for their customer. The stronger risk profile the customer presents, the stronger the competition for that customer.

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126. ANZ experiences (and I expect other banks experience) price competition in relation to agribusiness customers in the following ways:
- (a) in the course of its business as usual relationships with agribusiness customers: through customers' "testing" of their banker, as I described in paragraph 99 above;
 - (b) as a result of bankers from other banks cultivating relationships with its customers, and putting competing offers to the customer in a bid to win their business;
 - (c) through its customers' use of brokers, which I describe in paragraph 147 below; and
 - (d) in some instances, through competitive tender processes run by larger agribusinesses themselves.
127. The fact that an agribusiness banker's success depends critically on their reputation as a good banker who is good to deal with provides a powerful incentive for bankers to ensure that their pricing to their customers is competitive.

Product competition

128. The products banks offer to agribusiness customers are generally quite comparable, and banks do not typically compete based on the features of those products. However, there are differences between banks from time to time concerning the customer's interaction with those products, such as whether a bank offers flexibility to a customer as I described in paragraph 92 above, how easy the bank is to deal with in relation to those products (for example, when approving a loan or a variation to an existing product), how fast the bank's processes are from the customer's perspective, and the quality of the customer's relationship with their banker.

Competition for staff

129. Attracting and retaining good agribusiness bankers is a key area of focus for, and competition between, banks. Banks regularly go out of their way to attract the best agribusiness bankers, who even, absent a macro-level labour shortage, can be difficult to source. This is particularly evident when, as is the case now, banks are seeking to attract new staff in order to grow their agribusiness portfolios. [Confidential to ANZ]: [REDACTED]
130. Attracting and/or retaining good bankers is important for several reasons.
131. First, having good bankers enables ANZ to do a good job for its current agribusiness customers (and therefore to retain their work), and to win new work from those customers and other customers.
132. Secondly, when a bank cannot retain staff, or fill vacancies promptly, this can create a negative perception which harms its business. [Confidential to ANZ]: [REDACTED]
133. Thirdly, retaining good bankers helps ANZ to limit the risk of losing their customer to another bank. This risk can arise if the departing banker has such strong customer relationships that its customers follow the banker to another bank. Even if a banker's departure does not immediately prompt their customers to change bank, it may increase the risk of those customers moving in future. This is because bankers retain their network and reputation when they leave ANZ, and so remain well placed to win referrals, and ultimately work, from their network over time. For example, a banker who leaves ANZ might seek to position themselves as a

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customer's alternative banker and win that customer's business over time. Alternatively, they might begin working as a broker and offer opportunities to their former customers in that capacity, which could result in the customer leaving ANZ.

Competition to demonstrate commitment and insight

134. ANZ and other banks actively seek to demonstrate their commitment to the agribusiness sector and its associated communities, and to provide knowledge and insights relevant to agribusiness, in order to develop a positive reputation among customers and potential customers. If ANZ is not visible in this way, this presents a risk that its agribusiness customers will be engaging with other banks and wondering why ANZ is not more committed.

Industry events

135. One key way that ANZ and other banks demonstrate their commitment to agribusiness customers is by attending industry events such as field days and conferences.

136. Field days are events where businesses and other organisations from a particular district or region come together to host a stand at a large facility, such as an events centre, over a few days, and patrons visit to find out about the exhibitors, and to connect with other people in the region or industry. There can be a diverse range of exhibitors, such as banks, farm machinery suppliers, accountants, lawyers, food stores and schools.

137. [Confidential to ANZ]:

[Redacted]

138. Other banks typically attend the field days that ANZ attends, and engage in similar activities, but not all banks attend all field days. [Confidential to ANZ]:

[Redacted]

Even if a bank is not an exhibitor at a field day, they may still be represented by staff attending as patrons in branded clothing and may host events to coincide with the field day.

139. [Confidential to ANZ]:

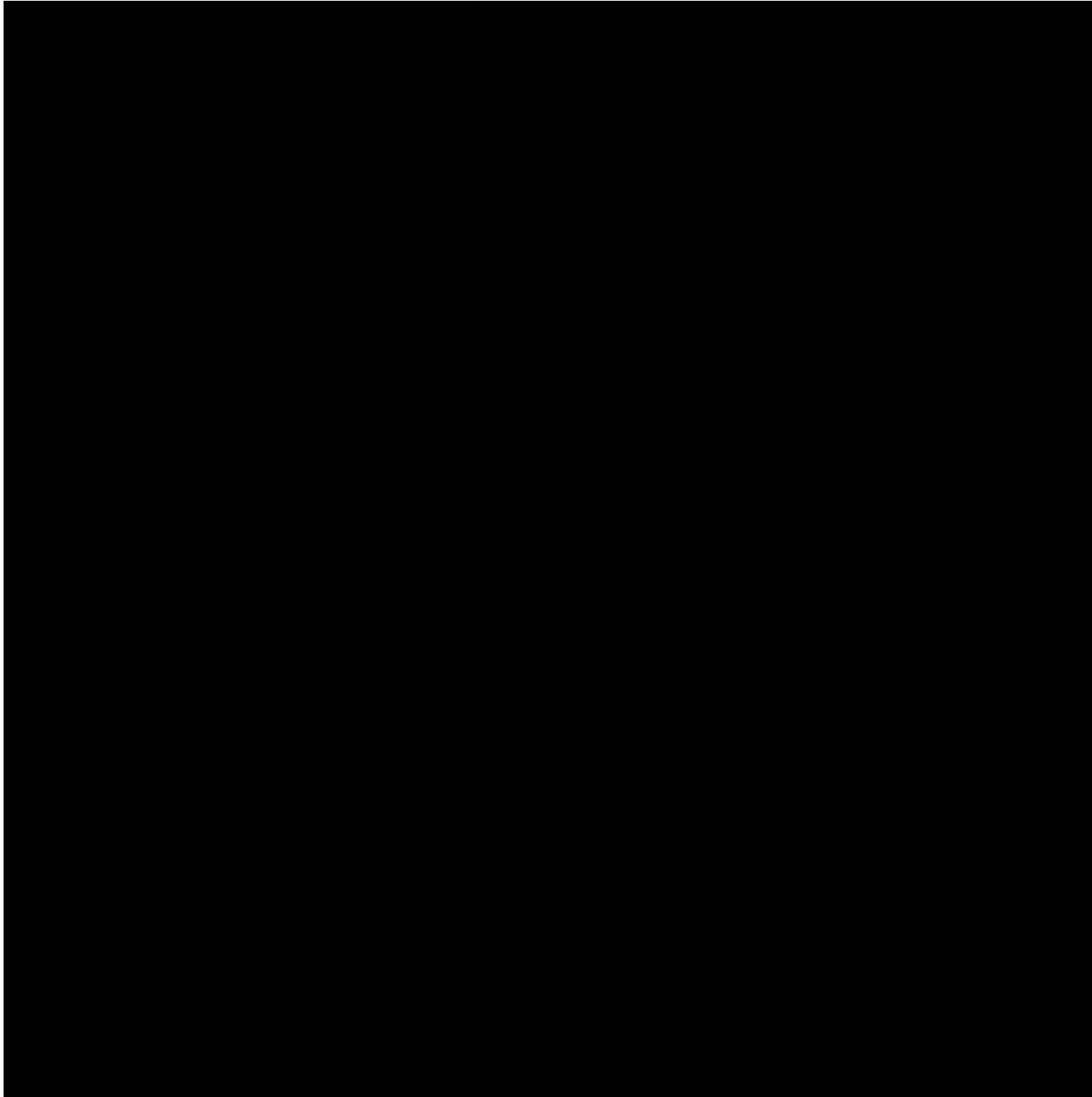
[Redacted]

- [Confidential to ANZ]:

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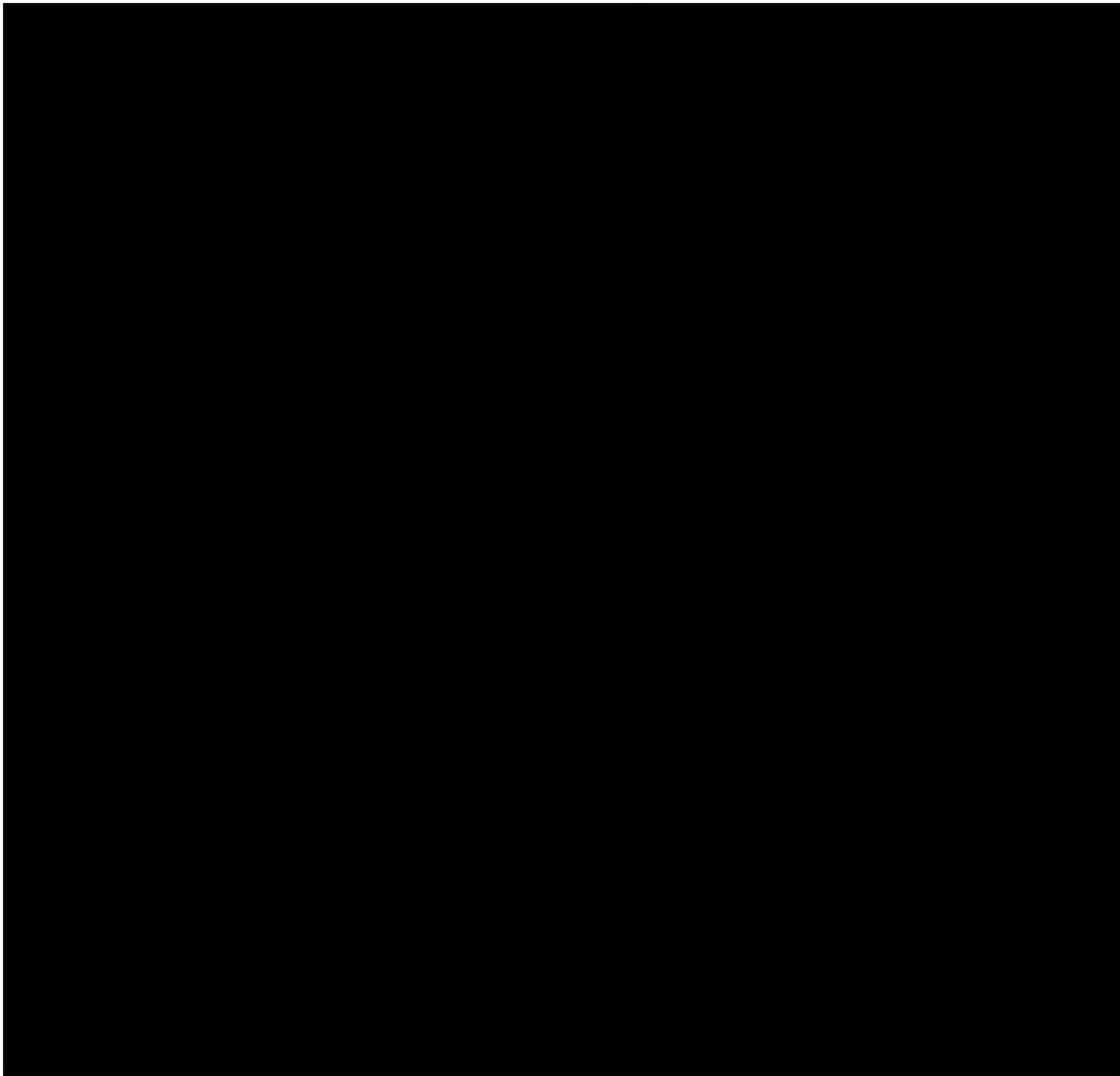
140. [Confidential to ANZ]: [Redacted]

141. As part of being visible to, and involved in, the agribusiness community, ANZ is a member of, or sponsors, a range of organisations, events and programs, as do other banks. Some examples of ANZ’s memberships and sponsorships are listed in [Confidential to ANZ]: [Confidential Table 5].

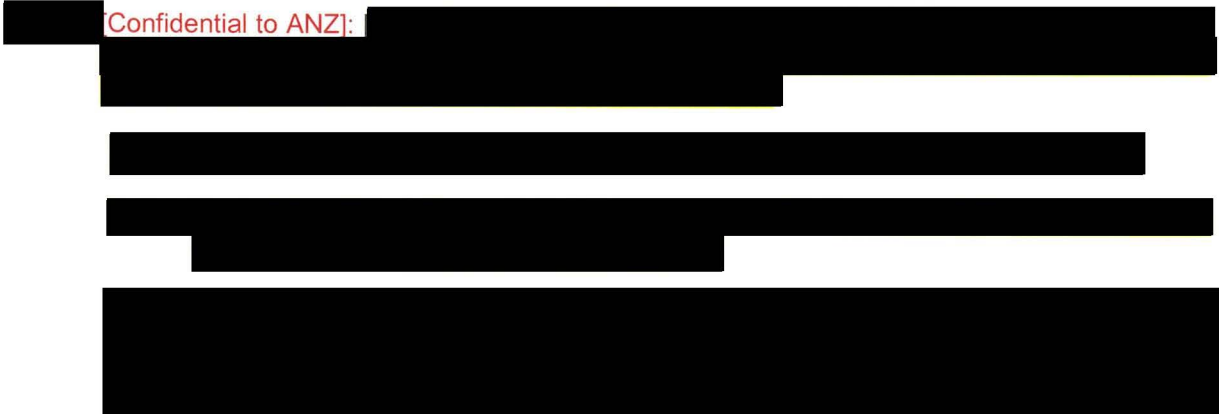
[Confidential to ANZ]: [Redacted]

[Redacted]

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Industry research, publications and delegations

143. Banks demonstrate commitment, knowledge and insight by conducting and reporting on research relevant to their agribusiness customers. For example, ANZ publishes a bi-monthly newsletter called “ANZ Agri Infocus”, where we report on issues, key developments and trends in industries and commodities markets relevant to our agribusiness customers. Exhibit MSB-6 is a copy of our August 2022 Agri Infocus publication. ANZ also releases this content in a

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podcast format,² and publishes other reports outside of this series on issues relevant to agribusinesses.³ This involves a substantial investment by ANZ. I consider that ANZ, NAB and Rabobank are the most active of the other banks when it comes to providing these types of research and insights to agribusiness customers.

144. Another way that ANZ engages with agribusiness customers is to host customer delegations to key production and consumption markets relevant to Australian agribusiness. [Confidential to ANZ]: [REDACTED]

Support for regional communities

145. ANZ also demonstrates its commitment to regional communities by offering financial and other (such as in kind) support for activities in those communities.
146. [Confidential to ANZ]: [REDACTED]

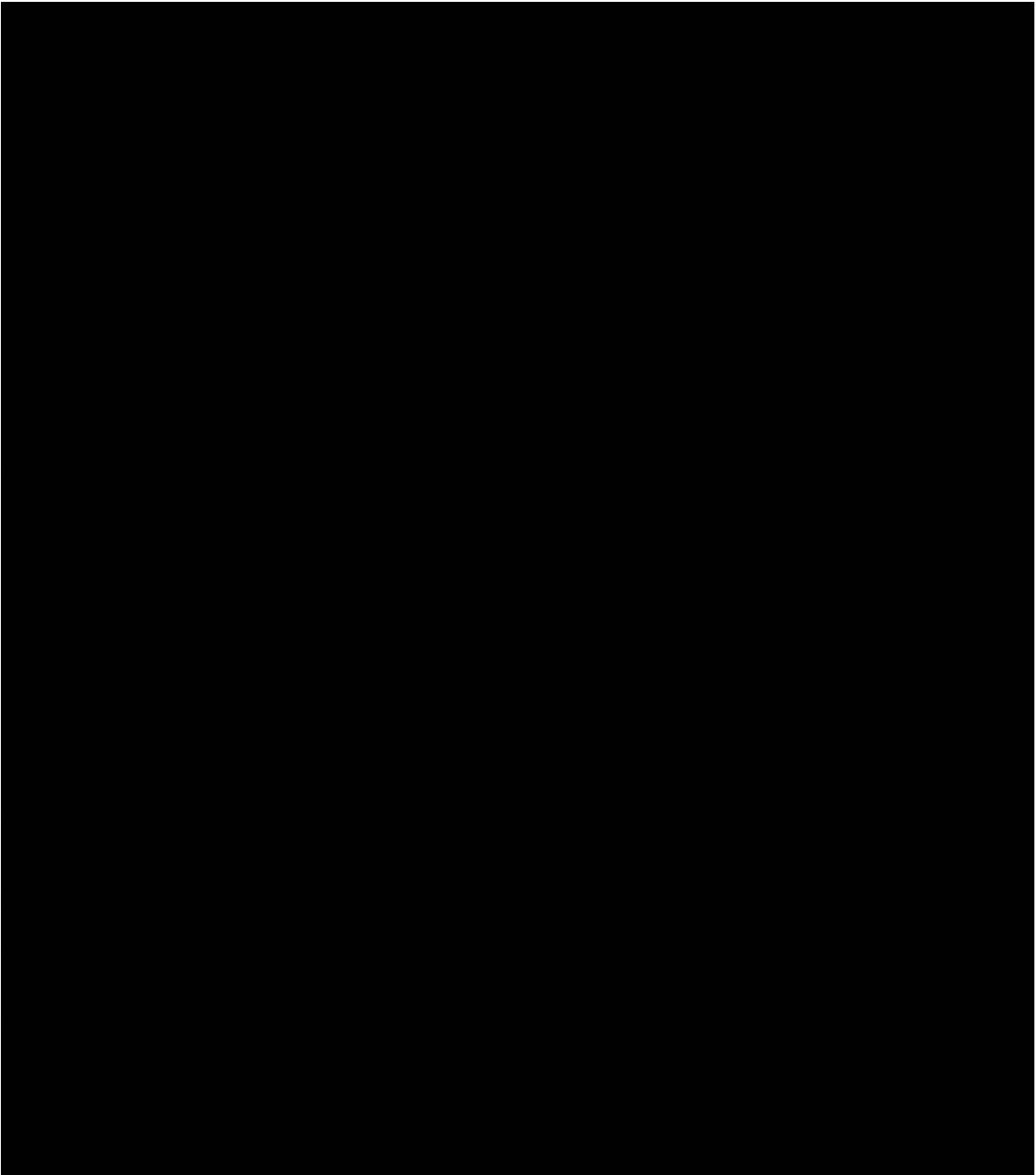
The role of brokers in agribusiness banking

147. In the past, agribusiness customers generally used brokers to finance transactions that they were struggling to negotiate directly with a bank. For example, if a transaction was particularly high risk, or involved significant reputational issues, a customer may have used a broker to find a lender with a higher risk appetite than their local banks, who would sometimes be a lender from outside of the customer's district. Otherwise, agribusiness customers tended not to use brokers.
148. Today there is much greater use of brokers by agribusiness customers. This is at least partly driven by the fact that, in the last five to 10 years, some brokerages such as Sprout Ag in NSW and Robinson Sewell in NSW have become more organised and successful. Another example is Homestead Agribusiness in Queensland. Some experienced agribusiness bankers with good reputations have begun working in these and other brokerages and have been able to leverage their former customer networks. These brokerages are successfully driving material amounts of lending, including refinancing. [Confidential to ANZ]: [REDACTED]
149. The use of brokers is particularly common in relation to asset finance, which is simpler than other types of products used by agribusiness customers. However, the use of brokers is also increasing in relation to the other, more complex products used by agribusiness customers.
150. The proportion of ANZ's agribusiness lending which was originated by brokers, grew slightly for BB and SD between March 2021 and July 2022, as [Confidential to ANZ]: [REDACTED]

² <https://podcasts.apple.com/au/podcast/bluenotes-podcast/id1257958042>

³ <https://www.anz.com.au/business/industries/agribusiness/>

[Confidential to ANZ]:



151. However, brokers are not used as widely in agribusiness as they are in other areas, such as general commercial banking and home loans. This may be due to limited use of brokers in agribusiness in the past as well as the complexity and specialisation that comes with the agribusiness profile.
152. The increased use of brokers by agribusiness customers makes it easier for customers to test the market, and, in turn, test their banker. [Confidential to ANZ]:



⁴ ANZ Data.

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153. ANZ actively engages with brokers, in order to be well-placed to win work through this channel – we would miss out on too many transactions if we did not deal with brokers. ANZ Commercial dedicates resources to managing its relationships with brokers. I have read the description of these arrangements in the Rankin statement at paragraphs 18, 46 to 48, and 56 to 57. That description is accurate in relation to ANZ's agribusiness activities. Further, individual agribusiness bankers seek to maintain connections with brokers, in order to stay fresh in a broker's mind, and be well positioned to receive opportunities and win work from brokers (as I described in paragraph 121 above).
154. Brokers can create competitive tension because they have the time, and connections, to approach multiple providers and facilitate introductions between bankers and customers. They can also assist customers who do not have the time, expertise, or inclination to negotiate with their banker. Brokers can often be focused on price, but bankers seek to compete on other factors such as relationship (as noted above in paragraph 119) which customers value and are willing to pay for.
155. I expect that the use of brokers by agribusiness customers will continue to increase over time if firms like the brokerages I referred to in paragraph 148 above do well.

Competitive landscape

156. When I consider competition in agribusiness banking, I consider three categories of competitor, which I describe below: "major" banks, "regional" banks and "other" competitors. ANZ competes with all of these competitors to win and retain business from agribusiness customers, but the extent of that competition varies from bank to bank, in different geographies, across different time periods, and across different product types.

The "major" banks involved in agribusiness

157. The major providers of agribusiness banking in Australia are ANZ, NAB, Rabobank, CBA and Westpac. I consider these banks to be the major providers because they have the largest market share in agribusiness banking.

ANZ

158. ANZ is the third biggest agribusiness bank in Australia. [Confidential to ANZ]:
- Based on my experience, I consider that ANZ is generally able to be very competitive on price and other aspects, particularly in relation to lower risk customers. [Confidential to ANZ]:
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NAB

159. NAB has a strong focus on and track record in agribusiness nationally, and its senior executives often emphasise this in their public statements. NAB uses a similar resourcing model to ANZ (but has a more significant employee number), and the products it offers to agribusiness customers are substantially similar to ANZ's products. NAB also invests in research and related insights to agribusiness customers. At present, NAB seems, based on feedback I receive from ANZ agribusiness bankers, to have an appetite for growth in its agribusiness portfolio. [Confidential to ANZ]:
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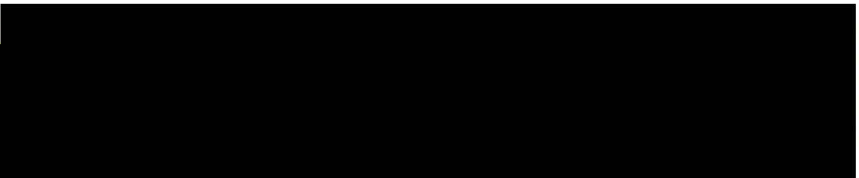


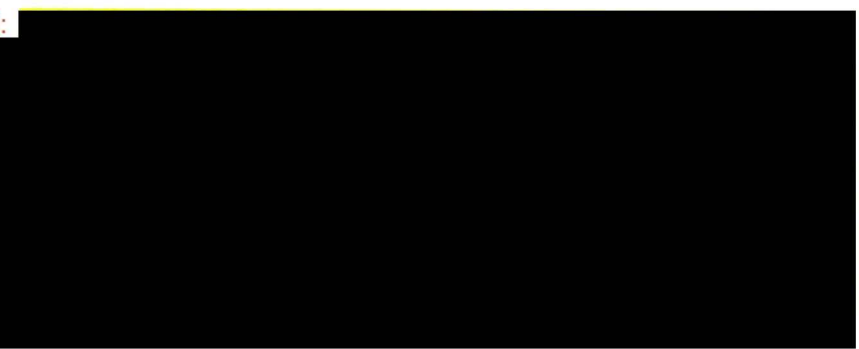
Rabobank


160. Like NAB, Rabobank has a strong focus on and track record in agribusiness nationally. One of Rabobank's marketing points to customers is that a number of its bankers are ex-farmers, farmers, or from farming families. I don't think this is much different to any other bank. Rabobank runs a relationship banking model that is similar to ANZ and other banks. The products Rabobank offers to agribusiness customers are substantially similar to ANZ's products.

[Confidential to ANZ]: 

 Rabobank also invests heavily in offering research and related insights to agribusiness customers: it has commodity analysts who are dedicated to agribusiness in Australia and globally. This is a significant investment and I would say greater than any other agribusiness bank in Australia.

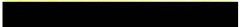
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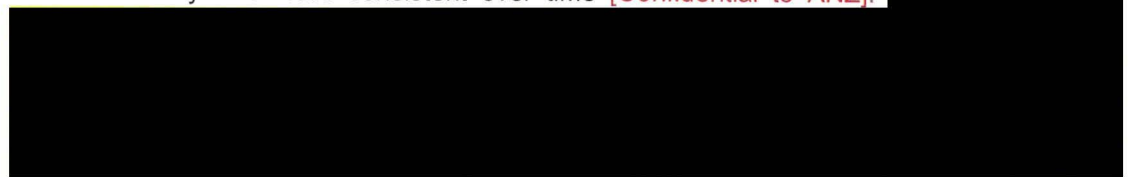
 [Confidential to ANZ]: 

163. Rabobank offers a high degree of loan flexibility to agribusiness customers, which includes the ability to self-manage many administrative changes to their account. This includes changes such as fixing the interest rate on their loan for a particular period. This can appeal to farmers, particularly smaller farmers, who may feel more secure when they do not have to approach their banker to ask for such features of their loans to be changed. [Confidential to ANZ]: 



CBA

164. CBA currently has a strong focus on agribusiness nationally. Based on CBA's public statements, and its job advertisements for agribusiness bankers, they also seem to have a strong appetite for growth in agribusiness at present. However, CBA's appetite for agribusiness has anecdotally been less consistent over time [Confidential to ANZ]: 



The products CBA offers to agribusiness customers are substantially similar to ANZ's products.

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Westpac

165. Westpac has a relatively low profile as an agribusiness bank, and over time has not appeared to have the same appetite for growth as the other major banks, particularly in larger transactions. [Confidential to ANZ]: [REDACTED] However, my experience is that Westpac is very good at servicing and retaining its relationships with long-term agribusiness customers, and that it is difficult to win transactions for existing Westpac customers. This is particularly evident in pockets of Victoria and in Queensland. [Confidential to ANZ]: [REDACTED] I am also aware that Westpac has stated its intention to provide banking solutions to "lifestyle" farmers. I also understand that they are currently advertising for corporate agribusiness bankers, which indicates they now have a view to grow in that segment.

The regional banks

166. The main regional banks involved in agribusiness banking are Suncorp Bank, Bank of Queensland (**BOQ**), Bendigo Bank (which also operates under the brand "Rural Bank"), BankWest (owned by CBA) and BankSA (owned by Westpac). I refer to these banks as "regional" because they originally operated locally (eg Bendigo Bank) or State-wide (eg Suncorp Bank, BOQ BankWest and BankSA). Although each bank now offers agribusiness banking outside of their original geographic area, they remain strongest in their "home" State, and for Agribusiness banking, appear to be less well organised outside of that State.
167. As a general proposition, the regional banks tend to attract significant customer loyalty in their home State, and therefore tend to compete more strongly with the major banks in their home State than in other areas. This tends to be a result of the customer portfolio they have built up and maintained over time in their home States or regions over time. [Confidential to ANZ]: [REDACTED]

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168. I consider that the reason why these types of customers are attracted to ANZ is that the regional banks do not have equivalent capacity, products, experience, developed policy and established ways to satisfy the banking needs of larger customers. Also, major banks tend to price more competitively than regional banks on larger transactions and have other relationship benefits where their footprints extends to a national basis which can bring value to a state domiciled, yet national business.

Suncorp Bank

169. Suncorp Bank appears strongest in agribusiness banking in its home State of Queensland, and in northern NSW. Suncorp Bank also appears to actively provide asset finance through the broker network beyond Queensland. Suncorp Bank sometimes also participates when ANZ syndicates a loan – that is, arranges for another bank to take on part of that loan (to a particular value), in order to balance the banking exposure to that customer. [Confidential to ANZ]:

170. Within Queensland, my perception is that Suncorp Bank does a reasonably good job of servicing its current clients, and has loyalty from them, but that ANZ is able to win business from Suncorp Bank customers, [Confidential to ANZ]: Suncorp Bank can also be effective in winning business from ANZ. Suncorp Bank is very active in regional Queensland, in that we see Suncorp Bank representatives all the time, [Confidential to ANZ]: To my knowledge, Suncorp Bank does not undertake research or issues publications or offer other agribusiness insights.

171. Generally, I consider that ANZ and Suncorp Bank seek similar customers in the BB and the lower end of the SD segments, and service these customers with a similar business model.

BOQ

172. Like Suncorp Bank, my impression is that BOQ is strongest in agribusiness banking in its home State of Queensland, and in northern NSW, but is less competitive south of Wagga Wagga. [Confidential to ANZ]: My perception is that BOQ has a strong retail presence. BOQ is not considered necessarily strong in commercial lending to agribusiness customers.

Bendigo and Adelaide Bank / Rural Bank

173. Bendigo and Adelaide Bank (including when operating under its “Rural Bank” brand), appears most active in agribusiness in Victoria and NSW.
174. The Bendigo and Adelaide Bank is a full service bank. In addition, it operates a “community ownership” model, under which members of a local community invest to become owners of a Bendigo Bank branch. Bendigo and Adelaide Bank operates on a higher cost to income ratio than the major banks and other regional banks, which typically results in higher pricing to customers in return for a stronger service level.
175. The Rural Bank brand is synonymous with agribusiness banking, and under that brand Bendigo Bank actively seeks to demonstrate its commitment to agribusiness, for example by using its publications to profile and promote its young bankers, and so appeal to the newer generation of farmers. It also uses those publications to provide insights to farmers. Bendigo Bank seems to have aspirations to grow under the Rural Bank brand, but can have issues retaining the types of customers I described in paragraph 167(a) to (c) . [Confidential to ANZ]:

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[REDACTED] I am also aware that Rural Bank has stated its intention to seek to provide banking solutions to "lifestyle" farmers.

BankWest

176. BankWest is a regional bank but is now owned by CBA. The BankWest brand is strongest in agribusiness in WA. BankWest is currently undergoing a brand change to CBA.

Other regional banks

177. There are other regional banks, such as Bank SA (which is particularly strong in South Australia and owned by Westpac), but they are not as significant in agribusiness as the regional banks I have described above.

Other competitors

178. There are several other types of competitors in agribusiness banking.

Judo Bank

179. Judo Bank is a recent entrant into agribusiness banking and is actively seeking agribusiness customers.
180. Within approximately the last 12 months, Judo Bank has recruited a number of agribusiness banking specialists, including from ANZ, and including in Queensland (for example, in Brisbane and Toowoomba). In terms of their prospects in agribusiness, they have successfully built a book of lending in commercial and in metro settings. This suggests to me that they may be able to do the same in agribusiness, but this will be dependent on their ability (amongst other things) to attract good talent and other competitive terms. We understand they are focused on the less than \$5m segment of the agribusiness market.

Providers of seasonal finance

181. ANZ also faces some competition to provide finance to agribusiness customers from agricultural suppliers who supply seasonal finance (usually without taking land as security) to assist their own customers in buying their products or using their services, and from "new technology" suppliers.
182. Larger examples of businesses who offer seasonal finance include:
- (a) Elders through their Rural Services, offers direct lending, typically around livestock, store finance, wool and seasonal lending facilities to customers who sell through Elders;
 - (b) Nutrien Ag Solutions (which operates under its own brand and under the "CRT" brand), which provides finance that customers can use to purchase products, such as cropping inputs, from their local branch;
 - (c) CBH Group, which is a Western Australian based co-operative which markets grain, handles grain storage, transport and processing logistics, and supplies fertiliser; CBH offers finance to customers, such as its "Grain for Fert" program, which provides customers with finance to pay for fertiliser, which is repaid with revenue earned on future grain sales (that is, CBH effectively "advances" money from a customer's grain sales for the customer to use to buy fertiliser); and
 - (d) John Deere, Case New Holland and other vendor brands, which supply tractors, harvesters and other farm machinery, and offer asset finance for their customers to buy their products.

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183. Banks, including ANZ, typically offer seasonal finance products on a secured basis, which can be cheaper than the finance offered by these non-bank providers (often through overdraft limits as described in paragraph 38 above). However, these non-bank providers' products can be attractive on the basis that they offer very convenient products, which require limited paperwork, and are easily accessible. Non-bank providers are often quite active in promoting these forms of finance, as they help to support their own product sales and meet the needs of specific customers.
184. These seasonal finance providers are not competitors to ANZ in the same way as other banks since they are not able to provide all of an agribusiness customer's banking needs. However, they are certainly competitors in the sense that by supplying seasonal finance, they supply finance that customers could otherwise obtain from ANZ.
185. AgPay, is example of an agri financier that provides a range of seasonal finance solutions that is not linked to any particular product sale opportunity.
186. There are also a number of "new technology" finance companies which seek to provide credit to agribusiness customers. For example, Farmpay offered seasonal finance solutions using blockchain technology. Farmpay as a supply chain management platform, provides services including instant transfer of data and prompt payment for on-farm grain sales, but to my knowledge is no longer operating. These lenders who have not yet proven longevity, replicate the type of banking platforms and other infrastructure that the major and regional banks use, and do not have the regulatory obligations that apply to banks which are Authorised Deposit-taking Institutions.
187. In addition, the "new technology" new agribusiness financiers companies are often prepared to lend without requiring the same type of security as banks. Often security is limited to the asset that's being financed (eg seed, fertiliser or even equipment). This potentially frees up a farmer's core assets to do other things, such as reinvest, invest outside of farming, or leverage its equity to achieve more diversity in, or higher returns from, the farming operation.
188. New technology financiers are competitors of ANZ in the sense that they offer customers finance that they could otherwise obtain from ANZ, using a new form of technology and potentially a different lens to risk. The recent emergence of these finance companies highlights an opportunity for the major and regional banks to consider whether they can improve their offering using new forms of technology. As for any new entrant with a new brand and business model, I expect that these new technology banks will face some challenges in terms of demonstrating their commitment to and winning the trust of agribusiness customers, including in developing customers' confidence in relying on new technologies. I expect that there will be banks that are successful with new technologies in the future. I do not know whether it will be the new entrants, or existing competitors.

Government finance

189. In recent years, ANZ has also faced competition from the Regional Investment Corporation (**RIC**) established by the federal government, which has lent a little over \$3 billion to agribusiness customers, predominantly in Queensland and New South Wales, on concessional terms. I understand that there is a cap on the total amount of lending that the RIC is able to offer, but it is currently still advertising loan products.
190. RIC is a competitor of ANZ and other banks in the sense that it took a lot of bank debt away from banks because customers and potential customers could obtain debt on concessional terms from RIC and continue to hold the balance of debt with their existing bank. RIC can only lend 50% of the farmer's total commercial debt. RIC has built a portfolio of about \$3 billion, which would otherwise have been bank funded.

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Entry and expansion in agribusiness banking

191. In order for a bank which did not previously operate in Australian agribusiness lending to establish agribusiness operations in Australia, then they would need to consider the following things:

- (a) I am not aware of specific regulatory arrangements, compliance systems or infrastructure in establishing an agribusiness bank, that are different to the requirements to offer commercial banking (or non-banking) services generally. This reflects the fact that products provided to agribusiness customers can, as is the case for ANZ, be provided using the platforms, software and related infrastructure used in those other businesses.
- (b) The following resources would be specific to any agribusiness banking operations:
 - (i) appropriately skilled and qualified bankers in or within reasonable travelling distance of the customers it seeks to attract (assuming an operation based on existing models);
 - (ii) premises for its staff to use as a base;
 - (iii) vehicles for its agribusiness bankers (in particular, for staff to use to visit customers) assuming this function was not outsourced;
 - (iv) specialised risk policies and processes for agribusiness.

In addition, the bank would need to develop its brand as an agribusiness provider, including to gain trust that it was committed to agribusiness, and a “stayer” in the geographic areas it entered.

192. Existing banks could expand their agribusiness banking operations in the following ways, noting the list is not exhaustive.

- (a) A bank which had not previously offered agribusiness services could begin offering dedicated agribusiness banking services. In order to expand in this way, a bank would need to make use of the resources it used for its commercial banking offering generally and develop the specific resources I described in paragraph 191(b) above. This type of expansion occurred when NAB and other Australian banks began to focus on agribusiness banking from the mid-1990s onwards, as I described in paragraph 116 above.
- (b) A bank which is already involved in agribusiness banking could begin to offer agribusiness banking in a new geographic area, to new types of customers, and/or to a greater extent than it had done previously (for example, by increasing the value of the business it sought to write with agribusiness customers). In order to expand in this way, the bank or non-bank provider would need to:
 - (i) make use of the resources it used for its commercial banking offering generally; and
 - (ii) develop / (in the case of expansion into a new geographic area), make further investments in or increase the productivity of the specific resources I described in paragraph (b) above.

Examples of these types of expansion are:

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- (iii) BankWest's expansion, in the period before its 2008 merger with CBA, from being a predominantly Western Australian agribusiness bank to supplying agribusiness services in other States;
- (iv) Bendigo and Adelaide Bank's development of the Rural Bank brand for its agribusiness offering;
- (v) ANZ, NAB, Rabobank and CBA's efforts to increase the size of their agribusiness banking portfolios; and
- (vi) Judo Bank is currently recruiting agribusiness bankers as it expands its commercial banking business.

Entry or expansion by non-bank lenders

193. Entry or expansion could also occur at the level of seasonal finance providers and new technology lenders. That could occur without replicating the type of infrastructure banks use to engage in agribusiness banking. In particular, seasonal finance providers typically leverage the existing brand, retail stores and other assets of their existing business when providing seasonal finance. New technology providers could, by relying on blockchain technology, enter or expand without replicating the infrastructure used by banks, but would still need to develop their brand in the way I described in paragraph 191 above.
194. In addition, entry or expansion might come from global agribusiness companies, or global technology companies.

The prospect of further entry/expansion

195. As I described in paragraphs 77 to 80 above, I consider that the agribusiness sector is, and will continue to be, an attractive sector for banks to do business in. Based on this view, I expect that banks and other lenders will continue to enter and expand into agribusiness banking in future.

G. INDUSTRY DYNAMICS AND COMPETITION IN AGRIBUSINESS BANKING IN QUEENSLAND

Agribusiness banking in Queensland

196. The Queensland Rural and Industry Development Authority (**QRIDA**) released a report on the results of the Queensland Rural Debt Survey 2021 in August 2022. Exhibit MSB-7 is a copy of that report (**QRIDA Report**).
197. The QRIDA Report describes rural debt in Queensland, using "rural debt" to refer to the total indebtedness of farmers and rural enterprises throughout Queensland where the servicing of the rural debt relies primarily on rural generated income (this is addressed at pages 5 and 111). The QRIDA Report identifies that, as at 31 December 2021, there was \$24.06 billion of rural debt in Queensland (this is addressed at page 6). This represented an increase of 25.97% compared to December 2019 (this is addressed at page 6). The QRIDA Report also identifies that the total number of rural debt borrowers decreased in the two years to 31 December 2021, from 18,232 to 17,312, but the average debt per borrower increased from \$1.05 million to \$1.39 million (this is addressed at pages 6 and 26). Of the agribusiness industries represented among these borrowers, beef represented the largest proportion of total rural debt in Queensland (56.92%), followed by cotton (7.02%), grain/grazing (sheep and/or cattle) (7.01%) and various other industries which each represented less than 5% of total borrowings (this is addressed at page 35).

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198. The QRIDA Report also identifies that the quality of Queensland rural debt had remained strong. The proportion of total rural debt rated 'viable' (A) or 'potentially viable long term' (B+) increased from 93.15% in 2019 to 94.96% in 2021 (this is addressed at page 32). The QRIDA report identifies that the majority of Queensland rural debt came from three regions: the Western Downs and Central Highlands; the Southern Coastal region from Curtis to Moreton; and the Eastern Darling Downs (this is addressed on page 6).

ANZ's agribusiness banking in Queensland

199. Agribusiness customers in Queensland comprise around [Confidential to ANZ]: [REDACTED] of ANZ's agribusiness portfolio.
200. ANZ prepared data on its agribusiness portfolio for submission to the Queensland Government Statistician's Office's Rural Debt Survey 2021 (the results of which were reported in the QRIDA Report). Exhibit MSB-8 is a confidential copy of the summary of the data ANZ submitted for the Rural Debt Survey. The data ANZ submitted showed that, as at 31 December 2021, ANZ had [Confidential to ANZ]: [REDACTED] worth of loans outstanding from about [Confidential to ANZ]: [REDACTED] agribusiness borrowers in Queensland (this is addressed at page 4). This represented a [Confidential to ANZ]: [REDACTED] increase in ANZ's exposure to Queensland rural debt compared to December 2019 (this is addressed at page 5). However as at 31 December 2021, the number of ANZ's agribusiness borrowers in Queensland was down from approximately [Confidential to ANZ]: [REDACTED] borrowers in December 2019 (this is addressed at page 5).
201. The products that ANZ offers to agribusiness customers, its commercial strategy, its approach to resourcing, and its policies and pricing to those customers, are the same for Queensland as I described from paragraph 70 above. ANZ's NIMs on its agribusiness lending and deposits for FY21 and FY22 (partial) are as set out in [Confidential to ANZ]: [Confidential Table 3] above.
202. [Confidential to ANZ]: [Confidential Table 7] lists the location of ANZ's business centres in Queensland, from which agribusiness bankers operate, as at July 2022, and identifies whether the bankers at the business centres are primarily agribusiness bankers (meaning that the majority of the customers serviced by the centre are classified as agribusiness customers), and whether the business centre is co-located with or near to a retail banking branch. Generally, most locations offer agribusiness as well as business and retail banking. As shown below, SBB bankers also operate in [Confidential to ANZ]: [REDACTED] of these business centres.

[Confidential to ANZ]: [Confidential Table 7: ANZ's agribusiness presence (by business centre) in Queensland]

Location		Is the business centre located with, or near to, an ANZ retail branch?
79 Main Street Atherton QLD 4883		Branch location
14/15 Lake Street Cairns QLD 4870		Branches within 5 minutes (located at 42-52 Abbott Street, Cairns QLD 4870 and Shop 41, 1-21 McLeod Street, Cairns QLD 4870, which are 600 and 700 metres from the ANZ business centre respectively).
181 Sturt Street Townsville QLD 4810		Branch location
2 Mangrove Road Mackay QLD 4740		Branch location


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Location	Is the business centre located with, or near to, an ANZ retail branch?
214 Bolsolver Street Rockhampton QLD 4700	Branch location
1 Anakie St, Emerald QLD 4720	Branch location
70 Kariboe St, Biloela QLD 4715	Branch location
1/64 Bourbong Street Bundaberg QLD 4670	Branch location
221 Adelaide Street Maryborough QLD 4650	Branch location
56 McDowall Street Roma QLD 4455	Branch location
114 Heeney Street Chinchilla QLD 4413	No branch presence. Nearest branch is located at 81 Cunningham Street Dalby QLD 4405, which is 82.3 kilometres from the ANZ business centre.
81 Cunningham Street Dalby QLD 4405	Branch location
1/468 Ruthven Street Toowoomba QLD 4350 (but temporarily closed)	Branch location
74 Marshall Street Goondiwindi QLD 4390	Branch location
17/111 Eagle Street Brisbane QLD 4000	Branches within 5 minutes (located at 324 Queen Street, Brisbane QLD 4000 and 146 Queen Street, Brisbane QLD 4000, which are 174 and 261 metres from the ANZ business centre respectively).

Key features of the agribusiness banking industry in Queensland

203. The agribusiness banking industry in Queensland has the same key features as I outlined generally in part E above. The key commodities produced in Queensland are cattle, grain, cotton, sugar cane and horticulture. Northern and central Queensland are particularly focused on cattle. In South East Queensland and the Darling Downs (which is also similar to northern NSW), there is some focus on cattle, but greater focus on cotton (both dry land and irrigated) and cropping.
204. Competition in agribusiness banking in Queensland has the same features as I described in part F, subject to the following observations.

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205. First, while I do not have access to reliable market share data for agribusiness banking in Queensland (or in any other State), in my view, NAB and Rabobank are the first and second largest agribusiness banks in Queensland, respectively, Suncorp Bank is third, and ANZ is fourth.
206. Secondly, the only regional banks which have a material presence in agribusiness banking in Queensland are Suncorp Bank and BOQ. Competition from those banks is as I described from paragraph 169 and 172 above.
207. Thirdly, ANZ is not market leading in providing banking to customers in cattle, grain, cotton, sugar cane or horticulture in Queensland or northern NSW, and is least strong in cotton, grain and sugar cane. [Confidential to ANZ]: 

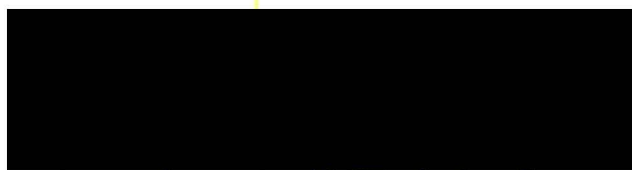
H. ANZ'S ACQUISITION OF SUNCORP

208. ANZ has not made detailed plans about how it would service Suncorp Bank's agribusiness customers following the proposed acquisition or how those customers will be managed (including whether they would be part of SA&C). However, I make the following observations based on my perspective as Head of Agribusiness for ANZ.
209. First, I think the proposed acquisition will help ANZ increase its position in Queensland and New South Wales in the agribusiness segment. This will enable ANZ to better compete with the two largest agribusiness lenders in Queensland and northern NSW, NAB and Rabobank. Doing this will demonstrate ANZ's commitment to agribusiness banking generally, and in Queensland (particularly in the cattle industry) and northern NSW. This is an important way in which agribusiness banks compete. The acquisition is an opportunity to attain bankers and customers as a package, gaining more scale rapidly and becoming more efficient by adopting best practices from both businesses.
210. Secondly, I expect that ANZ will have to be well organised, and work hard, to retain Suncorp Bank's customers and bankers. In relation to customers, it is important that we do this well, as there is a risk of them switching to another provider, whether to another major bank, BOQ or another regional bank operating in Queensland, or Judo Bank. I expect that bankers from other banks are already looking for opportunities to pick up transactions from Suncorp Bank customers by emphasising to those customers that the proposed acquisition creates uncertainty about how their banking will be managed in future. Suncorp Bank customers will also be readily able to increase their use of seasonal and other finance supplied by non-bank providers. In relation to bankers, ANZ recognises the valuable relationship between Suncorp and their customers and will be working hard to ensure this holds true as we work through integration of the businesses.

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Signed by Mark Stephen Bennett

on 1 December 2022



Signature of Mark Stephen Bennett