

# THIRD 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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Banking Group Limited  
Date: 7 July 2023

This document contains confidential information which is indicated as follows:

[Confidential to ANZ]: [.....]

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## Introduction

1. I am the Head of Agribusiness within ANZ Commercial. 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 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 **Proposed Acquisition**).
3. This statement supplements the first statement dated 1 December 2022 (my **First Statement**) and the second statement on 17 May 2023 (my **Second Statement**) that I made in support of the Proposed Acquisition.
4. I address the matters in this statement based on my experience in agribusiness banking, described in part C of my First Statement, and my review of the business records of ANZ which are available to me in my current role.
5. Some of the information in this statement was extracted from ANZ's business records. Where I make statements based on the information provided to me, I believe that information to be true.
6. This statement 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.
7. In this statement, I use the term "agribusiness" in the same way that I used it in my **First Statement**. I also use capitalised and other terms which I do not define here in the same way as used in my First Statement. In this statement, I also use the word "bank" to describe both bank and non-bank lenders (such as Elders).

## My role at ANZ

8. My role and responsibilities remain as described in paragraphs 22 to 26 of my First Statement.

## Management of agribusiness customers

9. In my First Statement at paragraphs 47 to 66, I described how ANZ services agribusiness customers across the Small Business Banking (**SBB**), Business Banking (**BB**) and Specialist Distribution (**SD**) segments.
10. At paragraph 55 of my First Statement, I mention the three ways that ANZ typically manages SBB customers. I have also read paragraph 24 of Isaac Rankin's statement dated 30 November 2023 which also describes the three service models for SBB customers. To clarify, ANZ manages agribusiness customers in the SBB segment in broadly the same way as other SBB customers, except that there is also a specialised agribusiness team serving

SBB customers in the National Business Centre. ANZ manages the customer by allocating the customer to:

- (a) a dedicated Business Banking Managers (**BBM**), who is generally based in a location close to the customer. That banker will not be a specialist agribusiness banker. However, if the banker is based in a location where there are a lot of agribusiness customers, then they will often be experienced in serving agribusiness customers as part of their portfolio;
- (b) a SBB Small Business Manager in the specialised agribusiness team at ANZ's National Business Centre in Melbourne for remote management. These bankers are specialist agribusiness bankers and, between them, are a dedicated point of telephone and email contact for agribusiness customers allocated to them; or
- (c) a team of Small Business Specialists if the customer has very small accounts with ANZ and straightforward banking requirements (**[Confidential to ANZ]** [REDACTED]). These are referred to as "portfolio managed" customers by Isaac Rankin. While these customers are not allocated to a specific banker, their needs are well-supported by self-service options and Small Business Specialist who are accessible over the telephone, online or in-person. ANZ has the "Find your local Small Business Specialist" or "Find your local Agribusiness Manager" functions on its website, which allows a customer to find a banker at the locations closest to the customer. The customer can then call them directly, or "request a call".<sup>1</sup> The nominated banker will then either engage with the customer, or refer them to the correct person (for example, if an SBB customer calls a Relationship Manager (**RM**) responsible for the BB segment, then the RM may refer them to a Small Business Specialist or BBM).

11. ANZ reviews the allocation of customers across the segments (both between SBB, BB and SD and the allocation within SBB) and the approach to managing customers twice a year to ensure each customer is receiving the level of service appropriate for their banking needs and lending requirements.
12. Across all of these customer segments, day-to-day banking is typically done online or over the telephone and, increasingly rarely, at branches, as further discussed at paragraph 109 of my First Statement. RMs and BBMs will also contact or visit their customers. The primary purpose of an RM or BBM contacting or visiting a customer is generally not to meet the customer's everyday banking requirements, but to manage their overall relationship with the customer, including understanding the customer's business operations and plans, reviewing whether the products and services the customer is acquiring continue to meet the customer's needs, and to discuss any additional products or services the customer may require, as further discussed at paragraph 108 of my First Statement.
13. In my experience and based on my discussions with ANZ bankers and customer feedback, ANZ's competitors manage their agribusiness customer relationships in a similar way. There may be differences in how competitors segment customers, how they structure their banker

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<sup>1</sup> See: <https://www.anz.com.au/support/contact-us/business-banking/>

workforce, the authority and support given to relationship managers, and the number of RMs deployed.

14. Based on feedback from ANZ bankers and my experience in speaking to customers, some of ANZ's competitors, including Suncorp Bank, appear to have a reputation for providing a more direct managed approach to agribusiness customers with less complex requirements and lower total business limits. When I say "direct managed approach", I mean assigning a dedicated banker to each customer. It is not clear to me that this is economically sustainable. **[Confidential to ANZ]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

15. **[Confidential to ANZ]** [REDACTED]

### Competition for agribusiness customers in Queensland

16. In my First Statement, I set out the key features of the agribusiness banking industry, including that:
- (a) agribusiness is an attractive sector for banks (paragraphs 77 to 80);
  - (b) there is increasing consolidation in the agribusiness sector (paragraphs 81 to 82); and
  - (c) many agribusinesses do not hold any debt (paragraphs 83 to 84).
17. I also observed that the extent of competition varies from bank to bank, in different geographies, across different time periods, and across different product types (paragraph 156).



In my opinion, the acquisition has a real chance of resulting in an SLC in local/regional markets for agribusiness banking in Queensland due to horizontal unilateral effects compared to both the 'status quo' and 'alternative buyer' counterfactuals. Suncorp Bank is a vigorous and effective competitor in Queensland, particularly for smaller agribusinesses, and there is evidence to suggest that Suncorp Bank competes differently from the major banks and Rabobank, particularly in non-price factors. Therefore, the consumer harm arises from a reduction in consumer choice and competition stemming from the elimination of a strong competitor that competes differently from the major banks and Rabobank. While I do not have access to sufficiently granular information to make a full assessment at local market level, I believe the risk of an SLC may be higher in Northern Queensland (given Suncorp's strength there) and in Ayr, Chinchilla/Miles and Cairns.

24. Based on my experience in my role, it is not correct to say that the major banks and Rabobank compete differently to Suncorp Bank or other regional banks on price or non-price factors. I expect it is only at the margins that there would be any real difference in what banks are doing regarding relationships with agribusiness customers. While major banks are often able to price more strongly, particularly for larger and more complex banking products and services, I do not consider that major banks focus only on price and my perception is that Suncorp Bank's approach to managing agribusiness customers is similar to ANZ's approach. I have not seen any evidence to suggest that regional banks have greater service or pricing flexibility than ANZ. In particular, for SBB customers seeking small loan amounts, ANZ is able to service these customers quickly with a digital and remote proposition and low document requirements. I do not expect that regional banks could offer significantly more flexibility than this. There may be case-by-case examples where Suncorp Bank has taken a different decision in relation to a particular customer based on its own judgement of risk, but that will be the case for any bank.
25. I do not consider that ANZ would face less competitive pressure if it acquires Suncorp Bank compared to Suncorp Bank continuing as it is now, or if Bendigo and Adelaide Bank (**Bendigo Bank**) acquires Suncorp Bank. This is because:
- (a) if the Proposed Acquisition occurs, ANZ would continue to experience strong competition from other banks, particularly as other banks would see the Proposed Acquisition as an opportunity to try and win customers away from Suncorp Bank;
  - (b) as I said in my First Statement at paragraph 170, while Suncorp Bank is active in Queensland and northern NSW and appears to do a reasonably good job of servicing its current clients, and keep their loyalty, I consider NAB and Rabobank to be the strongest competitors (and, in the case of NAB, significantly stronger), that CBA continues to have a strong focus on agribusiness, including in Queensland, and that Westpac is strong in some pockets, and that those other banks will continue to compete with ANZ for new customer opportunities when they arise across Queensland; and
  - (c) I do not see how an acquisition by Bendigo Bank/Rural Bank would create a stronger and larger new competitor for customers in regional Queensland. Bendigo Bank/Rural Bank is not a significant competitor in regional Queensland for

agribusiness customers and, in many locations, an acquisition by them would simply mean that Suncorp Bank has a different owner, but there would be little difference on the ground and it would do little to ensure a long-term proposition to markets due to lack of scale enhancement.

26. As I said in my First Statement at paragraph 209, I also consider that the combination of ANZ and Suncorp Bank will increase ANZ's ability to compete more effectively with NAB and Rabobank, who are the two largest agribusiness lenders in Queensland and NSW. The additional scale will ensure higher probability of lasting services and competition in this market for all agribusiness operations.

Signed by Mark Stephen Bennett on  
7 July 2023

A large grey rectangular box redacting the signature of Mark Stephen Bennett.

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Signature of Mark Stephen Bennett