



Daniel McCracken-Hewson
General Manager
Merger Investigations
ACCC

By email: ANZ-Suncorp-Merger@acc.gov.au

SIR,

We wish to make a submission against the purchase of Suncorp Bank by the ANZ Bank.

In short, this proposal will increase the cost associated with borrowing money for all Suncorp customers.

The Royal Commission into Banking approximately 4 years ago reported that ANZ stood to make an additional \$6M per annum as a result of 'repricing' loans provided by Landmark following their take over.

During the process of refinancing our Rural operation we received an offer from both ANZ and Suncorp Banks and have attached them for reference.

ANZ's offer was \$500k short of what was applied for, cost an additional interest rate of 0.05% and required an additional \$8M property as collateral. It was simply unworkable.

Suncorp's offer was for the full amount of \$5M, \$4M of a fixed loan and \$1M as an overdraft and only required the security of the farm properties and stock involved. Leaving all other properties unencumbered and available to grow our business.

We would be happy to provide more information if required. Unredacted documents can be provided at a formal interview but are not for publication.

Sinclair Hill AM OBE

From: Cameron, Dan
Subject: ANZ FORMAL APPROVAL
Date: 9 December 2021 at 11:48 am
To:
Cc:

DC

Good Morning ,

Please accept this email as formal approval of your application for funding to refinance current facilities to ANZ and restructure facilities to a more suitable arrangement for your business needs.

The main changes are to move borrowings to the family trust to help with succession planning and offer flexibility in working capital in way of a sizable overdraft coupled with three ANZ business loans specific to each purpose.

There will also be a requirement to produce more detailed documentation in regard to succession within a 90 day timeframe from drawdown.

These purposes are...

1). Refinance Rabo debt to a three year interest only term. This will allow you and ANZ to 'test the waters' as the new relationship develops whilst offering 3 years of interest only over the bulk of your lending.

2). Refinance the stock co loan to a better rate and payment arrangement.

3). Offer a facility specific to development of the properties. This facility gives you 18 months interest only to draw down the loan on invoices supplied and acceptable to ANZ. So initially you will be able to provide an invoice for the recent dozer purchase and this amount can be drawn. If you have other development costs over the next 18 months then send the invoice through and the loan can be drawn down further to cover the cost. You may of course not need to draw any more than the dozer amount. Once the 18 months interest only period is up no further drawdown can be completed. The loan then moves to principle and interest for the remainder of the ten year term in total.

Facilities.

1.
Borrower: capacity and
Facility: Revolving Agri Line
Amount: \$250,000
Term: Annual review
Repayments: Interest only in arrears.
Interest Rate: BMI (ANZ Business Mortgage Index) minus 1.60%
rate 5.00% Monthly in arrears.
Credit Facility Fee 0.25% (this is on the total limit even if undrawn)
LAC (Loan admin charge) \$0
LAF (Loan approval fee) \$0

2.

Borrower: _____ ty and
as trustee for _____
Facility: ABL (ANZ Business Loan)
Amount: \$220,000
Term: 10 years (18 months IO then 8.5 years P&I) Progressive
draw.
Repayments: Monthly in arrears
Interest Rate: BMI minus a margin of 3.35% =3.00% customer rate.
LAC: \$187.50 quarterly \$750 pa
LAF: \$0

3.

Borrower: _____
as trustee for _____
Facility: ABL
Amount: \$170,000
Term: 18 months P&I (principle and interest).
Repayments: Monthly in arrears
Interest Rate: BMI minus a margin of 3.35% =3.00% customer rate.
LAC: \$187.50 quarterly \$750 pa
LAF: \$0

4.

Borrower: _____
as trustee for _____
Facility: ABL
Amount: \$3,860,000
Term: 3 years term Interest only.
Repayments: Monthly in arrears
Interest Rate: BMI minus a margin of 3.15% =3.15% customer rate.
LAC: \$187.50 quarterly \$750 pa
LAF: \$6000

There will government charges and other fees associated with taking mortgages, opening accounts etc, however the main loan structure and pricing is covered above.

Security will be as discussed with first mortgage over _____ and _____
_____. There will be guarantees taken including individual guarantees given
by _____ and _____ being owners of the land. This will be detailed in
documentation to come.

Hannah and Bevan will see this through to the letter of offer plus other documents needed for execution. Hannah will also need to gain the trust involved to be vetted and will be in contact about this. She will have my phone so please feel free to call her. Bevan will call to introduce himself in the coming week I am sure.

It's been a great pleasure to be able to get this sorted for you in my last few weeks at ANZ (with an incredible amount of help from Hannah). To be able to help new clients

who have been let down with current banking arrangements has been one of the jobs best parts. Bevan is of excellent character and a great Agri manager and I am sure you will find him excellent to work with. Coupled with one of ANZ's best assistant managers (a little bias here) you are in good hands.

The operation is well and truly going to achieve great results over the coming years and I look forward to touching base in the future.

Regards,

Dan Cameron

ANZ Agribusiness Manager

Business Banking

Cnr Mcdowall and Wyndham Streets, Roma QLD 4455

Australia

Phone: [REDACTED] | Mobile: [REDACTED]

[REDACTED] <<http://www.anz.com/>>





Suncorp-Metway Ltd
ABN 66 010 831 722
AFSL No 229882

106 Egerton Street
PO Box 9
EMERALD QLD 4720

Phone: 07 4987 9057
Facsimile: 07 3031 2475

HD / 10280347 / 117470 / 000137183

011178998

31 January 2022

The Director

Dear Sir/Madam

OFFER OF FINANCE

Suncorp-Metway Ltd ABN 66 010 831 722 ("Bank" or "Suncorp"), is pleased to offer facilities (the "Facilities" and each a "Facility") on the terms and conditions set out below or contained in any other document issued by the Bank to the Borrower named below ("Borrower") from time to time.

Borrower	
Mortgagor	
Guarantor	On a Joint and Several basis

Note that the Borrowers and Mortgagors listed in this Letter of Offer, are classified as Qualified Business Mortgagors and Qualified Business Grantors under any Mortgage or General Security Agreement respectively (to the extent that such documents form part of the Security Documents under this Letter of Offer).

Any Guarantors listed in this Letter of Offer, where the Guarantor is a Company, should note that the Guarantee & Indemnity is a Qualified Business Guarantee as defined under that document (to the extent that any such Guarantee & Indemnity forms part of the Security Documents under this Letter of Offer).

Qualified Business Mortgagors, Qualified Business Grantors and Guarantors under a Qualified Business Guarantee have some different or additional obligations or may be subject to different or additional consequences under these security documents, so ensure that these documents are carefully read and understand how they apply.

Group	Reference to Group means each of or all of the Borrower, Mortgagor and/or Guarantor	
Total Facility Limit	Term Loan Facility No. 1	\$4,000,000
	Business Premium Account Overdraft Facility No. 2	\$1,000,000
	Total Facility Limit	\$5,000,000

Establishment Fees and other costs	<p>The Borrower must pay a non-refundable Establishment fee of \$10,000 to the Bank regardless of whether any or all of the facilities are utilised.</p> <p>Documentation and Statutory fees and charges will be advised to you in due course.</p> <p>The Bank reserves the right to impose or vary the fees and charges relating to the administration of the Facility and the general provision of the Bank's services from time to time and to do so with prior notice to the Borrower. Please refer to the Business Banking Lending Fees and Charges guide for current lending fees and charges.</p> <p>All costs incurred by the Bank relating to the Facility are to be reimbursed by the Borrower and Guarantor (if any) whether or not the Facility proceeds. Examples of these costs are valuation/surveyors fees, legal costs for preparing loan documents, stamp duty, registration, settlement, and search fees.</p>
---	--

TERM LOAN FACILITY NO. 1		
Facility Limit	\$4,000,000	
Facility Term	36 months from the date of first drawdown.	
Purpose	Refinance of debt from Rabobank and StockCo.	
Facility Interest Rate	The Facility Interest Rate is calculated as follows:	
	Base Rate*	Is the Business Variable Rate (half-yearly charging) currently at 2.000% per annum which may vary from time to time.
	plus Facility Margin#	0.450% per annum which may vary from time to time.
	equals Facility Interest Rate	2.450%*
*These rates are Indicative only. The Base Rate (and therefore the Facility Interest Rate) may change prior to Settlement and will be determined on the day of Settlement. The Facility Interest Rate payable from Settlement		

	<p>will be disclosed in a letter the Borrower will receive following Settlement and in the Borrower's first facility Statement.</p> <p>After Settlement, the Base Rate being the Business Variable Rate (half-yearly charging) may change from time to time.</p> <p>#The Facility Margin can be varied by the Bank at various times during the Term, including following a Review. For more details as to when and how the Bank may do this, please refer to the General Conditions.</p> <p>The Facility Interest Rate may change from time to time if either the Base Rate and/or the Facility Margin change. The Facility Interest Rate and any changes to it are advised on the Borrower's Statement.</p> <p>Interest is calculated on daily balances based on a 365-day year and charged at the Facility Interest Rate provided payment is received by the due date and there is no existing default.</p> <p>Any changes made from time to time to your Facility Interest Rate are advised on your facility Statement.</p>
Higher Interest Rate	<p>The Higher Interest Rate is the Facility Interest Rate which may vary from time to time plus 2.000% per annum.</p> <p>The indicative Facility Interest Rate is currently 2.450% per annum, making your indicative Higher Interest Rate 4.450% per annum.</p> <p>If a payment is not received by its due date, the Higher Interest Rate will be applied to the Balance Outstanding instead of the Facility Interest Rate. The Higher Interest Rate will be applied to the daily balances from the day following the due date and will continue to apply until all outstanding payments are received by the Bank.</p>
Repayment	<p>6 payments of interest only payable in arrears on the same day each half-year following the date of first drawdown. Principal and all other outstanding moneys are payable on the expiry of the Term.</p>
Fees and Charges	<p>The Borrower will pay to the Bank a non-refundable Account Maintenance Fee (AMF) of \$0 half-yearly (cycle period) in arrears. The cycle period shall commence on the date of the first drawdown of the Facility.</p> <p>On each date the AMF becomes due for payment, the AMF shall be paid by Direct Debit authority or other such method of direct transmission of funds as the Bank may specify.</p> <p>The Borrower will pay to the Bank a non-refundable Line Fee equal to 0.50% per annum of the Total Facility Limit half-yearly (cycle period) in arrears. The cycle period shall commence on the date of the first drawdown of the Facility.</p> <p>On each date the Line Fee becomes due for payment, the Line Fee shall be paid by Direct Debit authority or other such method of direct transmission of funds as the Bank may specify.</p> <p>Please refer to the Lending Fees and Charges Brochure for Business Banking for other fees and charges that may apply to Term Loan Facilities.</p>
Redraw	<p>Except during any Fixed Rate Period selected by the Borrower amounts paid in advance of scheduled repayments may be redrawn.</p>

	<p>The Bank reserves the right to withdraw this redraw feature at any time without notice, if reasonably necessary to protect the Bank's Legitimate Interests</p>
<p>Interest Rate Alternatives</p>	<p>Provided the original Debt Reduction Structure (defined below) is maintained and subject to the Bank's approval the Borrower may at any time elect to switch their Base Rate to a fixed rate or a variable rate on part or whole of the Balance Outstanding under the Term Loan Facility.</p> <p>The minimum amount that can be fixed is \$100,000 for any fixed rate.</p> <p>The period chosen for any Fixed Rate (the 'Fixed Rate Period') must not exceed the remaining term of the Term Loan Facility.</p> <p>The Bank must receive seven days' notice in writing of:</p> <ul style="list-style-type: none"> • the amount to be fixed or variable, • the period of the fixed or variable rate. <p>At the expiry of any Fixed Rate Period, the Bank's variable Base Rate applicable at that time plus the applicable Facility Margin shall apply, unless the Borrower requests to fix the rate for a further period and the Bank approves such request.</p> <p>If the Borrower and the Bank agree to a Fixed Rate, the Borrower will be advised of the rate on a separate letter.</p> <p>Any changes made from time to time to the Facility Interest Rate are advised on the Facility Statement.</p> <p>An Early Payment Interest Adjustment (EPIA) may apply to your Facility if it has a Fixed Rate Period. Any EPIA applied to a Facility with a fixed rate reflects a reasonable estimate of the loss incurred by the Bank as a result of the Borrower's decision to:</p> <ol style="list-style-type: none"> a. make any additional repayments during the Fixed Rate Period b. repay the loan in full during the Fixed Rate Period c. break the current Fixed Rate. <p>Making a decision to fix an interest rate is a serious financial decision that should not be entered into lightly. The Bank recommends that the Borrower obtain financial advice when contemplating this decision as the EPIA that may apply could be substantial depending on the movement of the wholesale funding market between the time the rate is fixed and the time the Borrower breaks it or repays it early.</p> <p>For more information about an EPIA please see General Terms and Conditions or Facilities.</p> <p>The Bank does not represent or warrant that fixing the rate of interest is suitable to the Borrower or the financial circumstances of the Borrower, or that interest paid in advance can be deducted from the Borrower's taxable income for the year such interest is paid or for any other year.</p> <p>The Borrower should obtain independent legal and financial advice on this matter.</p>
<p>Interest in Advance or Arrears</p>	<p>Provided the original Debt Reduction Structure is maintained and subject to the Bank's approval the Borrower may at any time elect to switch to paying interest "in advance" or "in arrears" on part or whole of the Balance Outstanding under the Term Loan Facility.</p>

	<p>The minimum amount that can be switched is \$100,000.</p> <p>When interest is changed to "in arrears" the minimum interest period will be one month and the maximum interest period six months.</p> <p>When interest is changed to "in advance"</p> <ol style="list-style-type: none"> a. the minimum interest period will be two months and the maximum interest period thirteen months; and b. the Bank's applicable Base Rate will be fixed during any such period. <p>The Bank must receive seven days' notice in writing of:</p> <ol style="list-style-type: none"> a. the amount of principal for which interest will change from "in advance" or "in arrears"; b. the period for which this change will apply. <p>If the Bank agrees to such a change, the Borrower will receive confirmation of the new details in a separate letter.</p> <p>The Bank does not represent or warrant that interest paid in advance can be deducted from the Borrower's taxable income for the year such interest is paid or for any other year.</p> <p>The Borrower should obtain independent legal and financial advice on this matter.</p>
<p>Debt Reduction Structure</p>	<p>The Debt Reduction Structure refers to the principal repayment program that has been approved by the Bank for the Facility.</p> <p>For example:</p> <ul style="list-style-type: none"> • If a Borrower elects to switch part or all of their Term Loan Facility to a Fixed Rate then the original Debt Reduction Structure must be maintained; or • If the Bank approves a Facility on the basis that it is to be repaid in full over 10 years by scheduled principal instalments then these instalments must be maintained over the original term when switching or splitting the Facility. <p>Any alteration to the original Debt Reduction Structure must be approved by the Bank and a variation fee will apply. The amount of this fee is available by contacting your Relationship Manager.</p>

BUSINESS PREMIUM ACCOUNT OVERDRAFT FACILITY NO. 2		
Overdraft Limit	\$1,000,000	
Purpose	Working Capital.	
Facility Interest Rate	The Facility Interest Rate is calculated as follows:	
	Base Rate*	Is the Business Overdraft Reference Rate (monthly charging) currently at 5.990% per annum which may vary from time to time.
	plus Facility Margin[#]	-3.500% per annum which may vary from time to time.
	Equals Facility Interest Rate	2.490% per annum.
	<p>*These rates are indicative only. The Base Rate (and therefore the Facility Interest Rate) may change prior to Settlement and will be determined on the day of Settlement. The Facility Interest Rate payable from Settlement will be disclosed to the Borrower in a letter following Settlement and in the Borrower's first Statement.</p> <p>After Settlement, the Base Rate being the Business Overdraft Reference Rate (monthly charging) may change from time to time.</p> <p>[#]The Facility Margin can be varied by the Bank when it reviews your Facility. (see General Terms and Conditions).</p> <p>The Facility Interest Rate may change from time to time if either the Base Rate and/or the Facility Margin change. The Facility Interest Rate and any changes made to it are advised on the Borrower's Statement.</p>	
Higher Interest Rate	<p>The Higher Interest Rate is the Facility Interest Rate which may vary from time to time plus 2.000% per annum.</p> <p>The indicative Facility Interest Rate is currently 2.490% per annum, making your indicative Higher Interest Rate 4.490% per annum.</p> <p>If the Overdraft Limit is exceeded then the Higher Interest Rate will apply to the amount in excess of such limit from the date that limit is exceeded until the date that the Balance Outstanding is reduced to an amount within the limit.</p>	
Term	<p>This is an ongoing overdraft facility repayable on demand.</p> <p>The Borrower must repay to the Bank the Principal Outstanding and all other outstanding moneys immediately on demand.</p>	
Interest Payments	All interest is calculated on daily balances based on a 365 day year and payable by automatic debit to the Account on which the Overdraft Limit is to be established in arrears on the last banking day of each month at the Facility Interest Rate.	
Early Repayment	Early Repayment is permitted in whole or in part without notice or penalty.	

Fees and Charges	The Borrower must pay to the Bank a facility fee (" Facility Fee ") each Quarter by automatic debit to the Account on which the Overdraft Limit is to be established.	
	The Facility Fee is determined on the approved Overdraft Limit and is charged Quarterly in arrears on the anniversary of the day the Borrower's Overdraft Limit was first established.	
	Overdraft Limit	Facility Fee
	< \$100k	\$150.00
	\$100k < \$250k	\$300.00
	\$250k ≤ \$500k	\$500.00
> \$500k	% of the Overdraft Limit determined at application	
Based on the approved Overdraft Limit, the Borrower's Facility Fee will be 0.50% per annum of the Overdraft Limit.		
The Facility Fee may change due to changes to the Borrower's Overdraft Limit.		
Any fees and charges that are charged to this Facility will be debited to the Account and appear on the Statement for the Account.		
Please refer to the Product Information Document for Suncorp Bank Business Accounts and to the Lending Fees and Charges for Business Lending guide for other fees and charges that apply on the account on which your Overdraft Limit is to be established.		

DERIVATIVES FACILITY

The Bank and the Borrower may enter into derivative transactions on terms and conditions to be mutually agreed on the condition that the Borrower executes a Derivatives Master Agreement or ISDA Master Agreement containing terms and conditions acceptable to the Bank.

SECURITY SCHEDULE - ALL FACILITIES

Each Facility, Additional Facility, Security and Guarantee is enforceable despite any other Facility, Additional Facility, Security or Guarantee or any other obligation between a Borrower and/or a Guarantor and the Bank or anybody else, being void or unenforceable for any reason. Any release or waiver in relation to any Facility, Additional Facility, Security or Guarantee does not affect any other Facility, Additional Facility, Security or Guarantee or the Bank's rights under any other Facility, Additional Facility, Security or Guarantee.

"Additional Facility" means any other facility or loan provided by the Bank to a Borrower or Guarantor whether alone or with someone else.

The Borrower and each Guarantor and each Mortgagor acknowledge and agree that the following securities (the "**Securities**" and each a "**Security**") will secure the repayment of the Facility and all of the Borrower's obligations under this letter.