

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N99892 *National Australia Bank Limited (ABN 12 004 044 937) ("NAB")*

- (b) Short description of business carried on by that person:
(Refer to direction 3)
NAB supplies banking and other financial services including loans, overdrafts and credit card facilities to small businesses

- (c) Address in Australia for service of documents on that person:
[TO BE COMPLETED]

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

The proposed conduct relates to the supply of NAB 'QuickBiz' branded financial products and services (including overdrafts, term loans, and equipment finance facilities) ('QuickBiz Products') to small businesses and the acquisition of accounting software from third party suppliers.

- (b) Description of the conduct or proposed conduct:

NAB proposes to:

- (a) *supply or offer to supply QuickBiz Products to qualifying small business customers on the condition that those customers have first acquired accounting software from a third party supplier - ;*
- (b) *Refuse to supply or offer to supply QuickBiz Products to small business customers for the reason that those customers have not first acquired accounting software from a third party supplier.*

(Refer to direction 4)

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:

(Refer to direction 5)

NAB small and medium business customers

- (b) Number of those persons:

- (i) At present time:

Nil

- (ii) Estimated within the next year:

(Refer to direction 6)

Substantially greater than 50

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable

4. Public benefit claims

- (a) Arguments in support of notification:

(Refer to direction 7)

NAB has developed an online application and instant decisioning tool for existing NAB products and services made available as QuickBiz Products. In order to be able to apply for and receive an instant credit decision online, applicants for QuickBiz Products NAB automatically link their business financial information within the digital application. In order for this to occur, customers must first upload financial data from any accounting software available from one or more third party suppliers. Until NAB receives this financial data, it is unable to provide a credit decision. By uploading financial data during the course of the online application process, customers obtain an instant credit decision in relation to their application. NAB will accept financial data from any third party supplied accounting software, including XERO, MYOB, Quickbooks, Reckon, Sage, Sasu, Wave and Cashflow Manage.

The proposed conduct will be of benefit to the public because:

(a) *it will allow business customers to apply online for and obtain a fast online credit decision in relation to QuickBiz Products, providing an alternative source of potential funding to that provided by Fintech businesses and enhanced competition for online business finance applications and decisioning;*

(b) *it does not restrict the customer's choice of accounting software; and*

(c) *it will provide enhanced competition amongst suppliers of suppliers of financial products and services to small businesses currently offered by many of NAB's competitors including Australia and New Zealand Banking Group. Westpac Banking Corporation, Commonwealth Bank of Australia, Prospa Advance Pty Ltd, OnDeck Capital Australia Pty Ltd, Bendigo and Adelaide Bank and Bank of Queensland.*

(b) Facts and evidence relied upon in support of these claims:

Ability for business customer to make application and get instant credit decision online may be a significant benefit to customers.

See also paragraph 4(a) above

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

NAB has not formed any concluded views regarding the markets affected by the proposed conduct. However the proposed conduct relates to:

(a) *the supply of business finance (particularly via online application and instant decisioning); and*

(b) *the supply of accounting software through third party suppliers.*

6. Public detriments

(a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

The proposed conduct will not result in any public detriment, for reasons including the following:

(a) *The market for small business financial products and services (including overdrafts, term loans, and equipment finance facilities) is*

characterised by a large number of competitors offering products and services similar to those that NAB will supply under the proposed conduct. In that context, the proposed conduct enhances and does not detract from the existing level of competition in the markets in which those services are supplied. NAB's current market share in its target market for QuickBiz Products is 24% for small businesses with turnover up to \$5 million as at February 2017.

- (b) Facts and evidence relevant to these detriments:

See paragraph 6(a) above

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Dated..... 11 SEPTEMBER 2017

Signed by/on behalf of the applicant

.....
(Signature)

Mark Victor Siddall.
(Full Name)

National Australia Bank Limited
(Organisation)

Senior Consultant, Legal Counsel
Business Products and Services
(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.