

EVERYDAY BUSINESS ACCOUNT (WITH OPTIONAL OVERDRAFT)

Target Market Determination

30 November 2021

Prepared by Bank of Queensland Limited (BOQ) ABN 32 009 656 740
Australian Credit Licence and AFSL 244616, the issuer of this product.



BUSINESS

What is a Target Market Determination?

A Target Market Determination (TMD) describes:

- the class of customers that comprise the Target Market for the product
- any conditions or restrictions on how the product is distributed to retail customers
- events or circumstances where we will review the TMD for the product.

Why does BOQ need to make this TMD publicly available?

We are required to produce this TMD by law. The law is intended to help customers obtain appropriate financial products by requiring issuers and distributors to have a customer centric approach to the design and distribution of products.

This document is not a substitute for the product's terms and conditions or other disclosure documents. Customers must refer to these documents when making a decision about this product. These documents can be found on our website or you can obtain a copy upon request.

The TMD will undergo a periodic review as follows:

EFFECTIVE DATE
30 November 2021
NEXT REVIEW DUE
Before 30 November 2023
REVIEW
At least every two years from the effective date of this TMD

Target Market

Everyday Business Account

The Target Market for this product is customers who want a transaction account to manage everyday payments and receipts.

Everyday Business Account with Overdraft (Business Overdraft)

The Target Market for this product is customers who want a transaction account with an overdraft facility to manage their working capital and everyday payments and receipts.

Objectives, needs and financial situation

These customers are likely to have the following objectives, needs and financial situation and meet the eligibility criteria for this product.

Objectives

Everyday Business Account

The customers' likely objective is to have an account to keep their money safe and be able to make and manage everyday payments and receipts.

Business Overdraft

The customers' likely objective is to have:

- an account to keep their money safe and be able to make and manage everyday payments and receipts, and
- a secured or unsecured^ overdraft facility attached to their transaction account to manage their cash flow and liquidity.

Needs

The customers' likely need is a product they can rely on to manage their daily transactions and liquidity when required. This may include:

- a secure place to store money with access to account any time through online banking
- managing everyday payments and receipts in various ways such as through the linked VISA Business debit card, BPAY or internet banking.

For the Business Overdraft, the customer's likely needs also include having a secured or unsecured^ line of credit with flexibility in repayments with a variable interest rate.

Financial situation

This product is suited to customers with a wide range of financial situations.

Customers who want the Business Overdraft will also need to satisfy BOQ's credit assessment criteria.

Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an Australian citizen, permanent resident, or resident with acceptable residency status, or
- be an Australian registered corporation or association, or
- be a trustee of an Australian family, statutory, superannuation, unit or hybrid trust (the beneficiary and the trustee trust must meet eligibility criteria of an individual or a corporation.

When taking out the Business Overdraft, all customers must:

- individual customers must be 18 years or older
- have an acceptable credit history
- demonstrate their capacity to repay the overdraft facility.

Product description

Everyday Business Account

A transaction account that gives customers unlimited transactions, with monthly account-keeping fees. Not for profit organisations may be able to earn a variable interest rate for credit balances held in the account. Variable interest rate depends on market conditions.

Business Overdraft

A secured or unsecured[^] overdraft facility attached to the Everyday Business Account. Customers will need to satisfy BOQ's credit assessment criteria to acquire this product.

Key attributes of this product

Everyday Business Account:

- physical access, including branch and ATMs
- online banking access to view account balance and make transfers
- monthly account-keeping fees* (see the 'Business Banking Guide to Fees and Charges' for fees)
- VISA Business debit card**
- not for profit organisations earn a variable interest rate on credit balances.

Business Overdraft:

In addition to the above, the following are key attributes of the Business Overdraft:

- secured or unsecured[^] overdraft facility, which is a revolving line of credit
- one-off application fee applies if approved for overdraft facility (see the 'Business Banking Guide to Fees and Charges' for fees)
- variable interest is payable on actual overdraft amounts used and not the whole balance
- quarterly agreed credit advance fee applies on the approved limit every quarter.

[^]An unsecured overdraft facility may be provided subject to enhanced credit assessment criteria.

* Not for profit organisations are exempt from having to pay monthly account-keeping fees.

** Customers can receive a VISA Business debit card when opening this account and must nominate whether the card will have full access or restricted access for each card issued:

- **Full access** enables customers to use the card to make purchases at merchants and cash withdrawals at ATMs that accept VISA domestically and internationally
- **Restricted access** enables customers to use the card only to make purchases at merchants that accept VISA domestically and internationally.

The card will use the money available in the account. VISA Business debit card holders will automatically receive complimentary transit accident insurance and unauthorised transaction insurance, subject to eligibility requirements, limitations and exclusions. Please see the relevant terms and conditions for insurance.

Why the product is likely to be consistent with the likely objectives, needs and financial situation of the Target Market

The product's attributes are designed to support the Target Market's objectives, needs and financial situation:

- customers can use the account for everyday banking purposes
- customers who take out the Business Overdraft can use this to manage cashflow and liquidity
- customers can only obtain the product if they meet eligibility criteria and BOQ's credit assessment criteria for the Business Overdraft.

Distribution conditions

This product can be distributed through the BOQ branch network or BOQ Business Bankers.

Accredited third-party aggregators or brokers can also distribute this product.

When this product is distributed to retail customers, it must be distributed in accordance with BOQ's customer acceptance requirements and is subject to BOQ's credit assessment processes.

Why the distribution conditions will make it likely that the customers who acquire the product are in the Target Market

BOQ considers that the distribution conditions and restrictions support BOQ's assessment that the product will likely be distributed to the Target Market because of the following key controls:

- appropriate training of staff to ensure adequate understanding of product features and aligning this to the customer's need
- aggregator/broker accreditation requirements
- controls to ensure applying customers meet BOQ's credit assessment and eligibility requirements
- customer needs-analysis is applied to align customer needs with this product.

Review triggers

We will review this TMD if any of the following trigger events and information being monitored reasonably suggest that the TMD may no longer be appropriate:

- we receive a significant number of complaints in relation to the product
- we identify a material adverse customer experience in relation to product appropriateness
- there is a material change to the product attributes, fees, charges, terms and conditions or the manner of distribution
- there is a Significant Dealing in this product which is inconsistent with the Target Market.

Information reporting requirements

All distributors who distribute this product must give the following information to BOQ:

TYPE OF INFORMATION	DESCRIPTION	REPORTING PERIOD
Customer complaints received in relation to this product	Customer complaints (including number of complaints, complaints record verbatim, product name and distributor name) in relation to this product that may indicate the TMD may no longer be appropriate for this product	As well as agreed in writing, quarterly and in any case within 10 business days from the end of the reporting period
Significant Dealings	The date or date range of when the Significant Dealing occurred and a description of why it may not be consistent with this TMD	As soon as practicable, and in any case within 10 business days after becoming aware
Incidents/Issues (incl. regulatory breaches)	Incidents and breaches that may indicate product is no longer appropriate for the Target Market or is being distributed outside the Target Market	As soon as practicable, and in any case within 10 business days after becoming aware

Note: Record keeping

BOQ and its distributors will keep records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

BOQ will also keep complete and accurate records of our decisions, and the reasons for those decisions about:

- all Target Market determinations for this product
- identifying and tracking review triggers
- setting review periods
- the matters documented in this TMD.

