

FARM MANAGEMENT AT CALL DEPOSIT ACCOUNT

Target Market Determination

30 September 2023

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 September 2023
NEXT REVIEW DUE
Before 30 September 2026
REVIEW
At least two years from when this TMD was made and then every three years thereafter

Target Market

The Target Market for this product is primary producers who want a low-risk, secure Farm Management Deposits (FMD) at-call account to deposit their funds.

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

Objectives

The customers' likely objective is to take advantage of the FMD Scheme to obtain possible tax benefits and smooth their fluctuating income with an at-call deposit account to keep their money safe and earn interest.

Needs

The customers' likely need is a low-risk FMD product they can rely on to manage their deposits. This may include:

- a secure place to deposit funds
- interest-bearing account
- access to funds any time by providing a written request to the bank.

Financial situation

This product is suited to customers who have at least \$1,000 to deposit.

Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an individual
- be carrying on a primary production business in Australia when they make a deposit
- sign the FMD application and statement form*
- hold another BOQ Business transaction account to receive interest earned and pay any fees from the FMD account where applicable.

See the 'Everyday Business Account (with optional overdraft)' TMD for details of the BOQ Business transaction account.

*It is important that the customer read and sign the FMD application and statement form, which includes the qualifying criteria for the product and requirements to comply with the Income Tax Assessment Regulation Act 1997.

To be eligible to claim a tax deduction for a deposit to an FMD account, the key qualifying criteria includes:

- customers must have no more than \$100,000 in taxable non-primary production income in the income year they make the deposit
- customers must hold no more than \$800,000 in total in FMDs.

It is the customer's responsibility to ensure they satisfy the tax eligibility criteria if they wish to claim the tax deduction.

Product description

An FMD account that enables customers to earn a variable interest rate on their funds. Each deposit to the account must be held for at least 12 months to qualify as an FMD in terms of FMD laws, unless the customers are exempt from this rule.

Key attributes of this product

- physical access to BOQ branches to withdraw and deposit money*
- online banking access to view account balance only
- no monthly account-keeping fees (see the 'Business Banking Guide to Fees and Charges' for fees)
- all interest and any fees will be redirected to another BOQ Business transaction account.

* Minimum deposit and withdrawal amount is \$1,000.

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, because customer deposits will qualify as an FMD in terms of FMD laws if they hold their deposit for at least 12 months in this account. Customers will earn a variable interest rate on their funds when holding money in this account.

Distribution conditions

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

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

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
- customers satisfying BOQ's eligibility requirements
- quality assurance to monitor compliance with customer on-boarding and account origination processes
- customer needs analysis is applied to align customer needs with this product.

Review triggers

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

- there is an increase in complaints received in relation to the product and its features that exceeds internally set tolerances
- 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 provide 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 (including 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, and
- the matters documented in this TMD.

