

FIXED AND FLOATING TERM DEPOSIT (VIA TREASURY)

Target Market Determination

15 November 2023

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

BOQ
GROUP

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
15 November 2023
Next Review Due
Before 15 November 2025
Review
At least every two years from when this TMD was made and then every two years thereafter

Target Market

The Target Market for this product is investors who have funds to invest and are looking for a floating or fixed interest rate for a predetermined time-frame with a known maturity date. Deposits can be in Australian dollars or other major currency (subject to Treasury approval). 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 seek a low-risk investment solution, earn interest, invest for a fixed period of time and to be able to manage their investment cashflows.

Needs

The customers' likely need is a simple, low-cost product they can rely on to manage their objective. This may include:

- earning interest
- term-based access to money
- a secure place to deposit money.

Financial situation

This product is suited to customers with a wide range of financial situations with funds to invest and who do not need at-call or immediate access to these funds.

Eligibility criteria for this product

To acquire this product customers must meet the minimum investment amount, which is set at Treasury's discretion.

Product description

A deposit where the interest rate may be fixed or floating, while the term is fixed for an agreed period.

Key attributes of this product

- fixed or floating interest rate for the term
- fixed interest rate term (7 days to 5 years)
- floating interest rate term (1 year to 5 years)
- 31 days notice required to redeem term deposit early
- interest adjustment and break fees apply if term deposit is redeemed earlier than the agreed term
- flexibility to re-invest – funds are automatically reinvested at maturity for the same term as the previous investment at the current interest rate at the time of reinvestment, unless otherwise nominated. Alternatively, we may hold the funds and offer a daily interest rate for a period of time while we attempt to contact you*
- flexible interest payment methods – customers can elect to have interest payments periodically throughout the term or at the end of the term (fixed rate only). Interest is paid at least annually for terms greater than 12 months.**

*Additional deposits and withdrawals to the term deposit can be made at maturity date. See BOQ Treasury Deposit Facilities terms and conditions for further details.

**Interest will be paid to you in accordance with your standard settlement instructions.

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. The customer's need to have a term deposit for capital preservation, earn interest and be able to manage their investment cashflows can be met by the features such as having access to funds subject always to a minimum 31-day notice period, and earning a fixed or floating interest rate.

Distribution conditions

This product can be distributed through:

- BOQ Treasury Bankers who are licensed and accredited to do so
- BOQ's Branch network (including owner managers), the customer contact centre and Business Bankers on a spot-and-refer basis to the BOQ Treasury team
- third party brokers who are licensed and accredited to do so.

This product can only be distributed to retail customers 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:

- non-BOQ Treasury distribution channels are restricted to spot-and-refer activity and are not authorised to sell this product to retail customers
- controls to ensure applying customers meet BOQ eligibility requirements
- monitoring and supervision of customer suitability and on boarding processes.

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:

- 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 about 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.