

FOREIGN CURRENCY DEPOSIT

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

The Target Market for this product is customers who have surplus foreign currency and are looking for a low-risk, secure place to deposit their funds without withdrawing it during the term period. These customers are likely to have the following objectives, needs and financial situation and must meet the eligibility criteria for this product.

Objectives

The customers' likely objective is a safe place to deposit their funds by fixing their deposits for a period of time in a foreign currency term deposit account.

Needs

The customers' likely need is a product that enables their objective of earning interest on their foreign currency deposit. These may include:

- a secure place to deposit foreign currency with term-based access to funds
- a dedicated interest-bearing, fixed-term deposit account
- basic investment with the customer exposed to foreign currency exchange risk.

Financial situation

This product is suited to customers who:

- have a wide range of financial situations
- have surplus foreign cash
- don't need this money at call or need immediate access to money
- can tolerate any potential loss of AUD equivalent value of their deposit due to adverse movements in exchange rates.

Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an individual, 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 must meet the eligibility criteria of an individual or a corporation), and
- hold a BOQ Australian dollar bank account in the same name to enable transfers into and out of the foreign currency account.

Excluded customer class

This product is not designed to be distributed to customers who need a foreign currency deposit product for foreign exchange trading or speculative purposes.

Product description

A foreign currency deposit with a fixed-term, fixed-interest rate facility which is available in all major currencies.

Key attributes of this product

- fixed term (7 days to 1 year)
- fixed interest rate
- foreign currency
- break costs incurred for early withdrawal
- 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.

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 earn a rate of interest on their deposit can be met by the features such as funds being at a fixed term and earning a fixed interest rate.

Distribution conditions

The product can be distributed to retail clients by the BOQ Financial Markets team.

The product can be distributed through BOQ's direct channels, on a spot-and-refer basis, including:

- branch network (including owner managers)
- Business Bankers
- Customer Contact Centre.

This product can be distributed to retail customers in accordance with BOQ's customer acceptance requirements and is subject to BOQ's eligibility 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:

- training of Financial Markets staff
- controls to ensure applying customers meet BOQ's eligibility requirements
- client needs analysis and checklists are applied to align customer needs and financial circumstances 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 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.

