

Short term trade finance

Target Market Determination.

30 April 2025

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



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 April 2025
NEXT REVIEW DUE
Before 31 May 2028
REVIEW
At least every two years from when this TMD was made and then at least three years thereafter

Target Market

The Target Market for this product is customers who are involved in importing, exporting and/or domestically trading goods and services, who experience cash conversion cycles generally up to six months, and who hold large levels of inventory and/or who are experiencing sales growth.

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

Objectives

The customers' objective is to use a short-term loan to assist with acquiring inventory and manage the cash flow timing between buying the inventory, selling the products and receiving payment.

Needs

The customers' likely need is a product that enables their objective to acquire inventory through credit, manage cashflow and liquidity and make repayments through cash flows from the sale of the products.

These may include:

- short repayment term to match inventory and sale cycle (typically less than 180 days)
- certainty of repayments
- certainty of interest rate/cost
- foreign currency and exchange rate management options.

Financial situation

This product is for customers who 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, 18 years or older, 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 of the funds and interest plus any fees for the product.

Product description

Structured short-term loans designed to support domestic and international trade financing transactions.

Key attributes of this product

- fixed interest rate
- principal and interest repayments
- secured
- available in all major currencies.

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 acquire an asset, manage cashflow and liquidity and also manage payments and receipts can be met by the features such as fixed interest rate and principal and interest.

Distribution conditions

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

This product can also be distributed through BOQ's direct channels on a spot-and-refer to the BOQ Financial Markets team basis, including:

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

This product can also be distributed by accredited third-party channels on a spot-and-refer to the BOQ Financial Markets team basis, including aggregators and brokers.

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

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:

- controls to ensure applying customers meet BOQ's eligibility and credit assessment requirements
- customer suitability analysis and checklists are applied to align customer needs and financial circumstances with this product
- monitoring and supervision of customer suitability and onboarding 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.