

Banking Package Home Loan

Target Market Determination

30 November 2023

Prepared by BOQ Specialist, a division of 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 Specialist 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 2023
Next Review Due
Before 30 November 2025
Review
At least two years from when this TMD was made and then every 2 years thereafter

Target Market

The Target Market for this product is customers generally from the medical, dental, veterinary or accounting professions and their associates and suppliers whose primary purpose is to acquire a home or investment property, and who have the financial situation to borrow money to do so.

The Target Market may have these other purposes this package would suit, including but not limited to: managing day-to-day expenses, payments and receipts and managing cash flow.

The Target Market is likely to prefer to achieve their objectives and meet their needs in a package, rather than choosing a separate financial product for each of their objectives and needs, because they believe it is more efficient to do so.

The customers in this Target Market are likely to have the following objectives, needs and financial situation, and meet the eligibility and credit assessment criteria for this product.

Objectives

The customers' primary objective is acquiring or refinancing a property for either owner-occupier/investment/property development purposes. They also see the efficiency and effectiveness of their other financial objectives being met in a package, which may include:

- having a single transactional banking relationship that provides an account to keep their money safe, make everyday transactions while at the same time offsetting interest on their variable term loan
- being able to manage their transactions and cash flow through short-term borrowing.

Needs

The customers' likely need is a banking package that enables a range of objectives and needs to be met, which may include:

Acquire property/investment

- certainty of repayments with a fixed interest rate, or flexible repayments with a variable interest rate
- long repayment term
- wide range of Loan-to-Value Ratio
- optional offset account

Managing cash flow

- have access through a credit card to a short-term unsecured line of credit up to a limit
- have access through a loan to a short-term secured line of credit up to a limit

Transactional banking

- manage everyday payments and purchases across multiple platforms, including BPAY and access to a debit card
- have a secure account to save money with immediate access to funds.

Financial situation

This product is suited to customers who can satisfy BOQ Specialist'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
- be 18 years or older
- have an acceptable credit history
- demonstrate their capacity to repay the loan.

Product description

This is a package product that includes a term home loan with optional additional products. Key attributes of the products in this package are provided in this TMD. A fee applies for this banking package home loan product.

The products in the package are:

- Term home loan¹
- Line of credit (secured)¹
- Plus loan (unsecured)¹
- Offset savings account¹
- Platinum credit card or Signature credit card (upgrade fee applies for Signature credit card)
- One account (with optional overdraft facility)

The Platinum and Signature credit cards and One account (with optional overdraft facility) can be obtained on their own and have their own TMD's. When acquired outside this package, there may be different fees, charges and benefits than when acquired in this package.

Term home loan

- variable or fixed interest rate
- principal and interest repayment schedule
- interest only repayment option (up to five years)
- loan splitting
- redraw and top up for variable portions
- wide range of Loan-to-Value Ratio, subject to BOQ credit assessment

- up to five loan accounts
- secured against property.

Plus loan

- principal and interest repayment schedule
- variable interest rate
- medium term (5-8 years)
- early repayments
- unsecured.

Line of credit

- variable interest rate
- secured against property
- revolving line of credit for a fixed term
- full repayment at end of fixed term or roll over for a further term subject to credit assessment.

Offset savings account

- transactional banking functions
- non-cash payment facilities with optional debit card*.

One account (with optional overdraft facility)

- variable interest
- optional overdraft/revolving credit
- unsecured
- digital access to account
- non-cash payment facilities with optional debit card*.

* Customers can receive a VISA debit card when opening this account. They can use this card to make purchases at merchants and cash withdrawals from ATMs that accept VISA domestically and internationally, using the money in the account.

Platinum or Signature credit card

- unsecured facility allowing domestic and international purchases
- 55 days interest-free
- earn airline reward points on eligible purchases in Australia
- digital access to account
- non-cash payment facilities
- complimentary travel insurance subject to eligibility requirements
- access to Priority Pass airport lounge which gives cardholders access to various airport lounges. The primary cardholder is entitled to four complimentary visits to Priority Pass lounges and may bring one guest per visit free of charge (Applies to Signature credit card only)

¹Only available in this package

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 range of objectives, needs and financial situation. The customer's range of needs can be met by the products available in the package.

Distribution conditions

This product can be distributed through:

- accredited bankers within the BOQ Specialist division of the Bank of Queensland
- BOQ's branch network (including owner managers) on a spot and refer basis to the BOQ Specialist team
- BOQ Specialist accredited third party aggregators, brokers, referrers as well as partnered associations.

This product can only be distributed to retail customers in accordance with BOQ Specialist's customer acceptance requirements, and is subject to BOQ Specialist credit assessment processes.

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

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

- training of bankers and internal staff with quality assurance processes over compliance
- aggregator/broker accreditation requirements
- controls to ensure applying customers meet BOQ Specialist eligibility requirements
- customer needs analysis/fact find and broker checklists are 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 identify a material adverse customer experience in relation to the 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.
- There is an increase in complaints received in relation to the product and its features that exceeds internally set tolerances

Information reporting requirements

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

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 Specialist 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 Specialist 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.