

DEALER FINANCE CONSUMER LOAN

Target Market Determination

30 November 2021

Prepared by BOQ Credit Pty Ltd (BOQC) ABN 92 080 151 266 (Australian Credit Licence number 393331). BOQC is a wholly owned subsidiary of Bank of Queensland Limited (BOQ) ABN 32 009 656 740. BOQ does not guarantee or otherwise support the obligations or performance of BOQC or the products it offers.



FINANCE

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 Credit 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 need a loan to acquire an asset for personal use and have the financial situation to borrow money to do so. These customers are likely to have the following objective, needs and financial situation and must meet the eligibility criteria for this product.

Objectives

The customers' objective is to acquire an asset.

Needs

The customers' likely need is a basic product that enables their objective of buying an asset. This may include:

- certainty in repayments and interest rates/cost with a fixed interest rate
- short-to-medium repayment term
- loan amount will be secured against the asset acquired
- financing complementary products and services relating to the asset.

Financial situation

This product is for customers who satisfy BOQ Credit'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

A fixed rate loan that gives you the certainty of knowing what your repayments will be over the course of your loan. Final payment can be a residual value (balloon) payment available through selected authorised dealerships, enabling lower payments during the term.

Key attributes of this product

- fixed interest rate
- principal and interest repayment schedule
- secured against the asset
- balloon payment option with selected authorised dealerships.

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 objective to acquire an asset can be met by the loan features such as fixed interest, principal and interest and balloon payment option.

Distribution conditions

This product can be distributed through BOQ Credit's direct channels, including dealer assist (BOQ Credit bankers).

This product can also be distributed by accredited third party channels, including:

- authorised dealer groups only at the point of sale of the asset being acquired
- accredited brokers.

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

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

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

- dealer group and broker accreditation requirements
- distribution agreements in place
- controls are applied at point of sale to align customer needs and financial circumstances with this product
- BOQ Credit controls to ensure applying customers meet BOQ Credit's credit assessment and eligibility requirements.

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 Credit:

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 Credit 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 Credit 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.

