

# Foreign Exchange Forward Exchange Contract



## Target Market Determination (TMD)

### Foreign Exchange Forward Exchange Contract

Issued by Suncorp-Metway Ltd ABN 66 010 831 722;  
Australian Credit Licence 229882; Australian Financial  
Services Licence 229882 (**Suncorp Bank**).

#### What is a Target Market Determination?

A Target Market Determination (**TMD**) is a determination that Suncorp Bank has made to:

- describe the class of customers this product has been designed for;
- specify product distribution conditions;
- specify review periods and triggers; and
- set out reporting requirements.

A TMD is not a product disclosure statement and is not a full summary of the product features or the terms of the product. It is not intended to be a customer disclosure document and does not take into account any person's individual objectives, financial situation or needs.

If you are interested in acquiring this product, please carefully read the relevant Product Disclosure Statement (PDS) and terms and conditions before making a decision. This information is available on request.

#### What is this Foreign Exchange Forward Exchange Contract?

Suncorp Banks Foreign Exchange Forward Exchange Contract allows customers the ability to enter a binding foreign exchange transaction to exchange one currency for another at an agreed exchange rate, on an agreed

settlement date, that is more than two business days and less than two years after the date of the agreement. On the settlement date there is physical delivery of one currency in exchange for the other currency into or from a Treasury Foreign Currency at Call Deposit account. The product is suitable for customers seeking to make an international money transfer, convert one currency to another currency, and for completing a foreign exchange order.

This Foreign Exchange Forward Exchange Contract also provides the following:

- an ability to choose an optional settlement date;
- an ability to pre-deliver part or all of the Forward Exchange Contract;
- an ability to extend part or all of the Forward Exchange Contract, subject to Suncorp Bank approval;
- can be a Par Forward, which is a series of Forward Exchange Contracts at one agreed rate.

This product is **not suitable** for a customer seeking:

- a foreign exchange transaction with a settlement date less than three Business Days;
- a simultaneous equal and opposite pair of foreign currency transactions;
- a fixed term deposit;
- a fixed or variable interest rate of return;
- a foreign currency deposit account;
- to pledge money for foreign currency order; or
- to exchange foreign cash or foreign currency cheques.

## What are the key attributes of this Foreign Exchange Forward Exchange Contract?

This Foreign Exchange Forward Exchange Contract has the following key attributes:

- an agreement between the customer and Suncorp Bank to exchange one currency for another at an agreed exchange rate, amount, and settlement date;
- fund the transaction on date of settlement;
- settlement options greater than 2 Business Days from date of the agreement and less than 2 years subject to terms of an approved credit facility;
- Flexibility to vary the agreed settlement date;
- no minimum or maximum amount;
- no cooling-off period, however Suncorp Bank may agree to a request to terminate the contract at its discretion;
- it cannot be traded on a market or with anyone else;
- select foreign currencies (full list of available currencies is set out in the Product Disclosure Statement (PDS), as amended from time to time); and
- a restricted ability to access and use the product.

## Who is the Target Market for Foreign Exchange Forward Exchange Contract?

The Target Market is the class of customers who meet the criteria below. Note: sections 1 – 4 should be considered in totality.

<b>Section 1 - Type of Customer</b>	<p>An Australian resident who is any one of the following:</p> <ul style="list-style-type: none"> <li>– an adult personal customer;</li> <li>– a non-personal customer, registered in Australia, who is: <ul style="list-style-type: none"> <li>– a start-up business,</li> <li>– an established business.</li> </ul> </li> </ul> <p>These types of customers typically need:</p> <ul style="list-style-type: none"> <li>– an individual Suncorp Bank Treasury Foreign Currency at Call Deposit account;</li> <li>– a joint Suncorp Bank Treasury Foreign Currency at Call Deposit account with separate or joint signatory authority; or</li> <li>– the ability to delegate signing authority to someone else.</li> </ul>
<b>Section 2 - Objectives and Needs</b>	<p>Customers will have any one or more of the following primary short-term and long-term objectives:</p> <ul style="list-style-type: none"> <li>– certainty for pricing of foreign exchange in the short-term;</li> <li>– certainty for pricing of foreign exchange in the long-term;</li> <li>– protection against adverse currency movements;</li> <li>– to manage foreign currency risk; and</li> <li>– to manage foreign currency cash flow.</li> </ul> <p>Customers will have any one or more of the following primary needs:</p> <ul style="list-style-type: none"> <li>– protect income against unfavourable exchange rate movements;</li> <li>– protect against purchases costing more due to unfavourable exchange rate movements;</li> <li>– ability to enter into a foreign exchange transaction to buy or sell; <ul style="list-style-type: none"> <li>– an agreed foreign currency amount,</li> <li>– an agreed future settlement date being greater than 2 Business Days but less than 2 years from date of the agreement,</li> <li>– an agreed exchange rate.</li> </ul> </li> <li>– fund the transaction on a future settlement date and not the agreement date; and</li> <li>– access to a risk management product to manage exposure to foreign currency risk.</li> </ul>
<b>Section 3 - Financial Situation</b>	<p>Customers will have all of the following:</p> <ul style="list-style-type: none"> <li>– ongoing and regular income with an ongoing foreign currency exposure;</li> <li>– ability to pay any fees and charges associated with the product;</li> <li>– able to satisfy the Bank's credit assessment requirements or willingness to provide the required financial information and/or security to qualify for the associated credit facilities for this product.</li> </ul>
<b>Section 4 - Dependencies</b>	<p>Customers will have or be willing to obtain the following in the same name/entity:</p> <ul style="list-style-type: none"> <li>– an approved Suncorp Forward Exchange Limit Credit Facility;</li> <li>– a Legal Entity Identifier (LEI);</li> <li>– a Derivatives Masters Agreement (DMA) or ISDA held by Suncorp; and</li> <li>– a Treasury Foreign Currency at Call Deposit account.</li> </ul> <p>Customers will have any one or more of the following in the same name/entity:</p> <ul style="list-style-type: none"> <li>– a transactional bank account with Suncorp Bank in Australian dollars; or</li> <li>– a Treasury at Call Deposit account in Australian dollars with Suncorp Treasury.</li> </ul>

The Foreign Exchange Forward Exchange Contract is likely to be consistent with the objectives, financial situation and needs of the class of customers in the target market because:

- the product enables customers to enter into foreign exchange transactions with settlement 3 or more Business Days after the date of the agreement supporting their needs to effectively manage foreign currency risk

- the product enables customers to enter into foreign exchange transactions with settlement 3 or more Business Days after the date of agreement that supports their needs to effectively manage the cashflow of foreign exchange transactions

Suncorp Bank continuously monitors the consumer outcomes with this product and analyses that the key terms, features and attributes of the product are consistent with the identified class of customers.

## What conditions/restrictions are there on how this Foreign Exchange Forward Exchange Contract product is distributed?

This product can only be sold by Suncorp Bank and is distributed through the following channel with the following conditions/restrictions:

Channel	Distribution Conditions/Restrictions
Treasury	<ul style="list-style-type: none"> <li>– by an approved Treasury representative;</li> <li>– following an approved conversation framework;</li> <li>– through General Advice or No Advice; and</li> </ul>
	<p>Where:</p> <ul style="list-style-type: none"> <li>– products are directed to customers who are likely within the target market;</li> <li>– applications are submitted using approved Treasury onboarding forms either already completed or as part of acquiring this product;</li> <li>– all marketing must be approved by Suncorp Bank and consistent with this TMD.</li> </ul>

The limited and specialist distribution channel and the conditions and restrictions on distribution supported by appropriate platform controls, representative training and approval, sales processes and monitoring make it likely the class of customers who acquire the product are in the target market for whom the product has been designed.

## When will this TMD be reviewed?

This TMD is effective from 4 October 2022 and will be periodically reviewed at least every 24 months from the last effective date. We will also review this TMD if, in Suncorp Bank's view, any of the following Review Triggers occur.

### Review Triggers

- there is a significant dealing outside the target market;
- there is a material change in the design and/or strategy for the product, including changes to the distribution channel;
- there is a material change to the fee structure which in Suncorp's opinion negatively impacts the target market of this product;
- there is a material and unexpected increase in the number and in the nature of complaints received about the product;
- there is a material and unexpected increase in the monitoring metrics for the product when compared to expected thresholds; or
- the distribution conditions have in Suncorp Bank's view been found to be inadequate.

An earlier review will also be conducted when other events or circumstances reasonably suggest that the TMD is no longer appropriate.

## What information will the bank review?

### *Internal sources*

To monitor for the review triggers mentioned in the previous section, Suncorp Bank will review the following information every quarter from internal sources:

- Complaints information in a format required by Suncorp Bank including the number and the nature of complaints;
- Product and distribution monitoring metrics, including number of transactions terminated, and extended;
- Proportion of customers who are not in the target market who have acquired the product during the reporting period; and
- Material changes to the product including strategy, design, fees, documentation, or distribution.

In addition, the bank will review the following information when conducting a review of this TMD (all obtained internally):

- customer feedback on the product;
- quality assurance.