

# Foreign Exchange Swaps



## Target Market Determination (TMD)

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Issued by Suncorp Bank (Norfin Limited ABN 66 010 831 722; Australian Credit Licence 229882; Australian Financial Services Licence 229882).

#### 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 are Foreign Exchange Swaps?

Suncorp Bank's Foreign Exchange Swaps allow customers the ability to enter a binding foreign currency transaction to exchange one currency for another at an agreed exchange rate on an agreed settlement date, and then a re-exchange of these two currencies on a later date, also at an agreed exchange rate, that is less than

two years after the date of the binding agreement. On the settlement date there is actual delivery of one currency in exchange for the other currency into or from a Treasury Foreign Currency at Call Deposit account.

This Foreign Exchange Swap also provides the following:

- an ability to choose an optional settlement date, enabling a set period of time to exercise the agreed exchange rate;
- an ability to terminate the Foreign Exchange Swap early by agreement with Suncorp Bank;

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

- a single foreign exchange transaction;
- a foreign currency 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 Swaps?

This Foreign Exchange Swaps has the following key attributes:

- an agreement between the customer and Suncorp Bank for the simultaneous sale and purchase transaction that has a Start Date, when a currency is first exchanged for another at an agreed exchange rate, and the End Date when the currencies are exchanged back at an agreed exchange rate;



- there is no minimum term and the maximum term cannot exceed the terms of your approved credit facility or 2 years;
- agreed settlement date may be varied by agreement with Suncorp Bank;
- no minimum or maximum amount;
- no cooling-off period, however Suncorp Bank may agree to your request to terminate 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);
- a restricted ability to access and use the product;
- fees may be applied for related optional services such as issuing, tracing or recalling a telegraphic transfer;
- related additional services including the reprinting of confirmations and the issuance of Audit Certificates may incur fees; and
- a margin is charged by retaining the difference between the market foreign exchange rate Suncorp Bank buys at and the foreign exchange rate quoted for the transaction.

## Who is the Target Market for Foreign Exchange Swaps?

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 account;</li> <li>— joint 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>— greater certainty on foreign currency cashflow to more closely match cash flow needs;</li> <li>— ability to enter into simultaneous sale and purchase transactions with agreed equal foreign currency amounts (two legs); <ul style="list-style-type: none"> <li>— leg one has an agreed start date and agreed exchange rate;</li> <li>— leg two has an agreed end date and agreed exchange rate;</li> <li>— an optional settlement date for either or both legs;</li> <li>— no minimum term with settlement no later than 2 years from date of agreement;</li> </ul> </li> <li>— fund the transaction on settlement date and not the agreement date;</li> <li>— access to a risk management product to manage exposure to currency risk;</li> <li>— the ability to in effect extend the settlement date of a Foreign Exchange Forward Exchange Contract by entering into a Foreign Exchange Swap.</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 Bank Forward Exchange Limit Credit Facility;</li> <li>— a Legal Entity Identifier (LEI);</li> <li>— a Derivatives Masters Agreement (DMA) or ISDA held by Suncorp Bank; 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 Bank Treasury.</li> </ul>



The Foreign Exchange Swaps 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 simultaneous foreign exchange transactions with agreed settlement dates, currency amounts and exchange rates that supports their needs to effectively manage foreign currency risk
- the product enables customers to enter into simultaneous foreign exchange transactions with agreed settlement dates, currency amounts, and exchange rates that supports their needs to effectively manage 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 Swaps 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	<div><div><div>– by an approved Treasury representative;</div><div>– following an approved conversation framework;</div><div>– through General Advice or No Advice; and</div></div><div>Where:<div><div>– products are directed to customers who are likely within the target market;</div><div>– applications are submitted using approved Treasury onboarding forms either already completed or as part of acquiring this product;</div><div>– all marketing must be approved by Suncorp Bank and consistent with this TMD.</div></div></div></div>

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 2024 and will be periodically reviewed at least every 24 months. The next TMD review is due by 04 October 2026. We will also review this TMD if, in Suncorp Bank’s view, any of the following Review Triggers occur.

#### Review Triggers

- Where there is any significant dealing outside the target market;
- Where there is a material change in the design and/or strategy for the product, including changes to the distribution channel;
- Where there is a material change to the fee structure which in Suncorp Bank’s opinion negatively impacts the target market of this product;

- Where the number of complaints about the product exceed Suncorp Bank’s predefined internal thresholds of 8 per month;
- Where the monitored metrics for the product exceed Suncorp Bank’s predefined internal thresholds; or
- Where 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;
- 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.

