

FINANCIAL SERVICE GUIDE

*Financial Markets and
Treasury Department*



 IT'S POSSIBLE to LOVE A BANK 

September 2015

Bank of Queensland Limited ABN 32 009 656 740 (Australian Credit Licence No 244616) (BOQ).

This Financial Services Guide (FSG) is issued by Bank of Queensland Limited. It relates to products and services provided by our Financial Markets and Treasury Department. It is an important document.

- It is designed to assist you in deciding whether to use any of the services we offer.
- It contains information about how we and our staff and other representatives are paid for the services we offer.
- It contains information on how complaints against us are dealt with.

You should read it carefully and make sure you understand it. If there is anything in this FSG that you do not understand, please contact our Financial Markets and Treasury Department.

You may also receive a Product Disclosure Statement (PDS) or a Statement of Advice (SOA) from us. Generally, we will give you a PDS if we are offering, or recommending that you acquire, a financial product. The PDS contains information that helps you make an informed decision about that product, such as details of the features, costs, risks and benefits of the product. We will give you an SOA if we give you personal advice in relation to a financial product (unless the advice is provided in relation to basic deposit products or a non-cash payment facility related to a basic deposit product). The SOA is a record of that advice. The SOA also contains other information to help you make an informed decision about whether to act on our advice.

What financial services are we authorised to provide?

Our Australian financial services licence authorises us to deal in, and provide advice in relation to, the following types of products:

- Treasury Deposit Facilities;
- Securities;
- Foreign Exchange Services;
- Foreign Currency Facilities;
- Derivatives;
- Funds transfers and electronic payment methods.

Who do we act for?

We provide the services described in this FSG on our own behalf.

How do we get paid?

We may charge fees for the products and services that we provide to you. Details of the fees that relate to a product are set out in the PDS for that product.

We may also receive a benefit in connection with the method we use to source or fund a particular product or service that we provide. For example, we may earn a better rate of return on your funds than the rate that we pay you. Similarly, we may buy a foreign currency at a more favourable rate than we sell that currency to you.

How do our staff and other representatives get paid?

We pay our staff a salary. We may also offer short term incentives in monetary or non-monetary form to our staff and other representatives for achieving performance targets. These performance targets relate to business initiatives aimed at attracting and retaining customers, providing banking products and services and/or completing various administrative tasks. These benefits are not linked to individual customers or transactions. These incentives are discretionary and are based on achievement of individual key performance indicators (KPIs) and behaviours. KPIs may include:

- Customer service orientation;
- Coaching;
- Teamwork;
- Sales ability;
- Initiative;
- Financial performance objectives.

Staff may also be eligible to:

- receive a free grant of Bank of Queensland shares under our Employee Share Plan; and
- participate in our long term incentive program, which offers shares and options that vest in the future, provided that Bank of Queensland attains certain performance hurdles. Eligibility for participation in the long term incentive program is entirely discretionary.

Staff are required to recommend to our customers the most suitable Bank products and services to meet their stated needs.

We may have arrangements with other companies in the Bank of Queensland group for services to be provided in relation to the financial services to which this FSG relates. We may pay these companies contracted payments under the terms of our arrangement. These payments are not linked to individual transactions or customers.

If you receive personal advice, more detailed information about any commission received by the person giving that advice will be disclosed in the SOA that you should receive from that person.

Benefits paid to those who refer customer to us

Stockbrokers, financial advisors, and other intermediaries

Where permitted by law, we may give benefits to stockbrokers, financial advisors and other intermediaries who refer customers to us. Those benefits are set out below:

Product	Commission	How the commission is paid	
Bank of Queensland Bonds	The commission payable to brokers who refer applications for Bank of Queensland Bonds valued at less than \$250,000 to us are as follows:	We pay commissions to our brokers in respect of successful applications referred to us.	
	Term		Brokerage
	30 days		0.021%
	60 days		0.041%
	90 days		0.062%
	120 days		0.082%
	150 days		0.103%
	180 days		0.123%
	1 year		0.250%
	18 months		0.375%
	2 years		0.500%
	3 years		0.750%
	4 years		0.800%
	5 years		1.000%
For investments in Bank of Queensland Bonds valued at more than \$250,000, the commission payable reflects the difference between the interest rate we quote to the broker in relation to a particular investment and the interest rate which the broker quotes to you in relation to that same investment.			
Treasury Deposit Facilities	The commission payable to brokers who refer applications for Treasury Deposit Facilities to us reflects the difference between the interest rate we quote to the broker in relation to a particular investment and the interest rate which the broker quotes to you in relation to that same investment.	We pay commissions to our brokers in respect of successful applications referred to us.	
Negotiable Certificates of Deposit	The commission payable to brokers who refer applications for Negotiable Certificates of Deposit to us reflects the difference between the interest rate we quote to the broker in relation to a particular investment and the interest rate which the broker quotes to you in relation to that same investment.	We pay commissions to our brokers in respect of successful applications referred to us.	

If you are acquiring a product via a stockbroker, financial adviser or other intermediary approved by us, you may be required to pay them a brokerage fee.

Bank of Queensland Owner-Managers

To the extent permitted by law, we pay commissions to our owner managers who manage our owner managed branches in respect of certain Foreign Exchange Transactions.

Foreign Exchange Transactions include:

- Outward Telegraphic Transfers initiated in the Owner Managed Branch or via the BOQ Internet Banking service where the customer is domiciled at an Owner Managed branch.
- Foreign Exchange Conversions* transacted directly with the Bank's Financial Markets Department by Direct Dealing Customers** domiciled at an Owner Managed Branch.

Foreign Exchange Transactions that are excluded include:

- Travel money, ie, foreign cash, cash passport cards, travellers' cheque sales
- Negotiation of foreign cheques
- Inward Telegraphic Transfers for non Direct Dealing Customers**
- Drafts initiated in the branch by the Owner Manager

*(Conversions include inward and outward Telegraphic Transactions, conversions in and out of foreign currency accounts)

** (Direct Dealing Customer means a customer who has set up direct dealing arrangements with the Bank's Financial Markets Department including a Master Agreement. The Bank's Financial Markets Department will maintain sole discretion as to whether a customer fits this definition).

The Commissions that we pay our owner managers in respect of these Foreign Exchange Transactions is 20% of Bank Retail Foreign Exchange Margin Income.***

*** (Bank Retail Foreign Exchange Margin means the difference between the exchange rate the customer transacts at and the transfer price provided by the Bank's Treasury pricing desk)

We may also (again to the extent permitted by law) pay commissions to our owner managers who manage our owner managed branches in respect of credit limits established with us. The commission that we pay to our owner managers are calculated as a percentage of the credit limit which is put in place to facilitate the operation of Foreign Exchange Contracts. These commissions are as follows:

Credit limit	Percentage fee
Limits up to \$500,000	0.2% of credit limit
Limits above \$500,000	0.3% of credit limit

These commissions are paid by the Bank and do not have any impact on the Exchange Rate you are quoted to establish a particular Foreign Exchange Contract.

How you can provide us with instructions

You can contact us by using the contact details set out in this document. In most cases instructions can be provided to us by telephone, facsimile or by post. However, most of our Treasury products and services have their own rules around how you are to provide us with instructions. You should refer to the Product Disclosure Statement for the relevant product for these details.

If you have a problem or complaint

(a) Our service commitment

At Bank of Queensland, we are committed to providing our customers with innovative banking solutions and the best customer service experience.

Resolution of problems is a priority to us. If at any time our service does not meet your expectations we would like you to let us know.

(b) How to contact us

There are a number of ways to contact us:

- Contact our Financial Markets and Treasury Department. Our staff are always willing to listen to your suggestions about our products and services and they will do their best to address any concerns immediately.
- Our Customer Contact Centre can be contacted on 1300 55 72 72 from 7.00 a.m. to 7.00 p.m., Monday to Saturday.
- Contact our Customer Relations Department via:

E-mail: customer.relations@boq.com.au

Telephone: 1800 663 080

Fax: 07 3067 3915

Mail: Customer Relations,

Reply Paid 2258

Brisbane QLD 4001

(c) How will your complaint be handled?

If we cannot solve your problem on the spot, we will let you know within 48 hours who is handling your complaint and how long it is likely to take for it to be resolved. We aim to resolve all complaints within 5 working days. If this is not possible we will keep you informed on our progress.

If your complaint cannot be resolved promptly, Bank of Queensland Customer Relations Department will take responsibility and work with you to resolve the matter.

(d) What to do if you feel your complaint has not been resolved

If you remain dissatisfied with the outcome and you would like an independent review of the complaint and the result, you can refer your complaint to:

Financial Ombudsman Service Australia

GPO Box 3

Melbourne VIC 3001

Telephone: 1800 367 287

Fax: (03) 9613 6399

Internet: www.fos.org.au

The Australian Securities and Investments Commission (ASIC) also has an information line: 1300 300 630. You can use this number to make a complaint and obtain further information about your rights.

For further information on solving problems and disputes please ask at any branch for our “We would like to know” brochure.

e) Professional Indemnity Insurance

The Bank is regulated by the Australian Prudential Regulation Authority and is exempt from the compensation requirements in the Corporation Regulations. Notwithstanding the exemption, we hold professional indemnity insurance cover. The insurance covers work done for us by our representatives (including our employees) after they cease to work for us.

How can you contact us?

You can contact us by:

- calling our Financial Markets on 07 3212 3366 or Treasury Department on 1800 658 935;
- visiting our website at www.boq.com.au;
- emailing us at financial.markets@boq.com.au or moneymarket@boq.com.au; or
- writing to us at GPO Box 898, Brisbane QLD 4001.