

Target Market Determination – Great Wall International MasterCard Credit Cards

This is the target market determination (**TMD**) for the purposes of section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) for each of the credit card products listed below (each a **Product**).

The issuer of the Product is Bank of China (Australia) Limited (**Bank**). This TMD sets out certain information relevant to the Bank's compliance with the design and distribution (**DDO**) framework in the Corporations Act, including the:

- class of consumers that makes up the target market for the Product;
- conditions that will be imposed on the distribution of the Product;
- requirements for the Bank to review the TMD; and
- requirements for distributors to report certain information to the Bank.

This TMD does not provide a complete list of the features and terms and conditions of the Product. This TMD should be read in conjunction with the *Bank of China Credit Card Conditions of Use and Bank of China Rewards Program Terms and Conditions* and other information available on the Bank's website in relation to the Products. A copy of these documents can be accessed on the Bank's website at www.bankofchina.com/au or from the Bank's retail branches in Australia during business hours (free of charge). If an application for a credit card is approved, the credit contract issued following any approval will govern the specific terms and conditions that apply to that particular Product.

This TMD has been prepared without taking into account any person's individual needs, objectives, or financial situation. Any person seeking to obtain a credit card Product should consider how it may affect their personal circumstances.

Capitalised terms have the meaning given to them in the *Bank of China Conditions of Use and Bank of China Rewards Program Terms and Conditions*, unless otherwise defined.

Product	<p>Each of the following Bank of China Great Wall International MasterCard Credit Cards:</p> <ul style="list-style-type: none"> • Great Wall International MasterCard Credit Card GOLD CARD (MasterCard Gold Card) • Great Wall International MasterCard Credit Card LOW INTEREST CARD (MasterCard Low Interest Card) • Great Wall International MasterCard Credit Card LOW ANNUAL FEE CARD (MasterCard Low Annual Fee Card) • Great Wall International MasterCard STUDENT CARD (MasterCard Student Card)
Issuer	<p>BANK OF CHINA (AUSTRALIA) LIMITED ABN/ACN 28 110 077 622 Australian Financial Services Licence and Australian Credit Licence No 287322</p>

	(the Bank)
Date of TMD	5 October 2021
Target Market	<p>Description of target market</p> <p>The target market for each Product will comprise persons who wish to acquire goods or services from merchants and suppliers who accept payment using the payment scheme operated by MasterCard and at the time of acquiring those goods and services:</p> <ul style="list-style-type: none"> • want to manage their cashflow by accessing credit up to an agreed credit limit under a credit facility that allows them to make repayments and then redraw within the credit limit (sometimes referred to as a 'continuing credit contract'); • want to temporarily defer repayment of the cost of acquiring the goods and services; and • otherwise meet the Bank's eligibility criteria (including that they are able to repay the money that they borrow). <p>In addition, the target market for each particular Product will vary as stated below:</p> <ul style="list-style-type: none"> • MasterCard GOLD CARD—people who wish to use their credit card purchases to earn reward points which they can redeem; • MasterCard LOW INTEREST CARD—people whose preference is for lower interest charges; • MasterCard LOW ANNUAL FEE CARD—people who whose preferences is for lower annual fees; • MasterCard STUDENT CARD—students undertaking tertiary education with a source of income. <p>Description of product, including key attributes</p> <p>Each Product is a credit card product that has the following key attributes:</p> <ul style="list-style-type: none"> • the ability to make payment to merchants/suppliers both in Australia and overseas who accept MasterCard as a payment method using the customer's credit card; • the ability to make payments over the internet and by phone; • the ability to link the credit card facility to the Bank's mobile banking facilities which allows easy account monitoring; • where the Product is used to purchase goods or services, an interest free period of up to 50 days (but only if the outstanding balance is reduced to nil by the due date shown in each statement); • an option to apply for a smart interest free instalment plan (subject to the consent of the Bank). The Bank can consider requests for a purchase instalment plan (which can be applied for after a purchase) or a statement instalment plan (which can be applied for after a statement has been issued and if approved may require a minimum balance payment of 10%); • fees and charges are payable in respect of the Product – including annual fee, late payment fees and currency conversion fees for foreign currency transactions;

- the use of the card is subject a fraud monitoring program that assists customers to mitigate against the risk of their credit card details being used fraudulently;
- the ability to obtain cash advances under the credit facility from ATMs anywhere in the world in the relevant local currency and from the Bank's Australian branches (subject to the cash advance rate);
- the ability to obtain balance transfers from another credit facility (subject to the cash advance rate and a balance transfer fee);
- late payment fees;
- a minimum periodic repayment amount that is calculated as the greater of 4% of the amount outstanding (excluding amounts overdue) and \$20

In addition, the Products have the following key attributes that vary according to the specific Product:

Product feature	MasterCard Gold Card	MasterCard Low Interest Card	MasterCard Low Annual Fee Card	MasterCard Student Card
Additional Cardholder	Yes	Yes	Yes	No
Additional Cardholder fees apply	Yes	No	No	Not applicable
Rewards Points	Yes	Yes	No	No
Interest rate applicable for purchases of goods and services	Standard rate for purchases	Discounted Rate for purchases. Cash advances and balance transfers are subject to the normal cash advance rate	Standard Rate for purchases	Standard Rate for purchases
Fees and charges applicable	Standard fees and charges including an annual fee	Standard fees and charges including an annual fee	Reduced annual fee	Reduced annual fee
Minimum amount of credit	\$4,000	\$500	\$500	\$500

Maximum amount of credit	\$100,000	\$50,000	\$50,000	\$20,000
--------------------------	-----------	----------	----------	----------

Information about Fees and Charges for this Product are set out in the Bank's 'Credit Card Rates and Fees' information which is available on the Bank's website (as is the Key Facts Sheet for the Bank's credit card products).

Description of likely objectives, financial situation and needs of consumers in the target market

The target markets for each Product have a number of characteristics in common, and some that vary from Product to Product.

Each Product is designed for customers whose likely needs include:

- the ability make payments using the Mastercard payment system; and
- the ability to manage or meet cash flow on an ongoing basis.

In addition, each Product is designed for customers whose likely objectives and financial situation include the following as relevant:

Card type	Likely objectives of customers in the target market	Likely financial situation of customers in the target market
MasterCard Gold Card	Preference to earn rewards from use of their credit card and willingness to accept standard fees and interest rates for the opportunity to earn and redeem rewards.	Meet the Bank's credit assessment and eligibility requirements including: <ul style="list-style-type: none"> • having regular income; • having the ability to fully repay the credit balance on repayment dates so as not to carry significant balances after repayment dates for a prolonged period; and • having a good credit score.
MasterCard Low Interest Card	Preference to earn rewards from the use of their credit card and willingness to accept standard fees for the opportunity to earn and	Meet the Bank's credit assessment and eligibility requirements including: <ul style="list-style-type: none"> • having regular income; • having an acceptable credit score;

		redeem rewards but at a lower rate of interest.	<ul style="list-style-type: none"> seeking a lower interest rate credit product and still participate in the rewards program; <p>May not be able to fully repay credit balance on repayment dates.</p> <p>Likely to carry significant credit balances for longer periods of time.</p>
	MasterCard Low Annual Fee Card	Preference to minimise to annual fees over participation in rewards program.	<p>Meet the Bank's credit assessment and eligibility requirements including:</p> <ul style="list-style-type: none"> having regular income; having the ability to repay the credit balance on repayment dates so as not to carry significant balances after repayment dates for a prolonged period; and having an acceptable credit score.
	MasterCard Student Card	Preference to minimise to annual fees over participation in rewards program.	<p>Meet the Bank's credit assessment and eligibility requirements including:</p> <ul style="list-style-type: none"> being a student engaged in tertiary education having a source of income; having the ability to repay the credit balance on repayment dates so as not to carry significant balances after repayment dates for a prolonged period; and have an acceptable credit score.

Classes of consumers for whom the product is clearly unsuitable

This Product is not suitable for customers whose likely needs and objectives do not require an ongoing credit facility to use to make recurring purchases.

This Product is not suitable for customers looking to obtain credit below the minimum credit limit or above the maximum credit limit for the relevant card type.

In addition, some of the Products will not be suitable for some types of customers as described below:

Card type	Persons for whom this product will not be suitable
MasterCard Gold Card	Customers who: <ul style="list-style-type: none">• prefer to minimise costs over the chance to participate in rewards programmes; and/or• are likely to carry substantial balances for prolonged periods (i.e. they will not be able to reduce the credit amount to nil on repayment dates).
MasterCard Low Interest Card	Customers who: <ul style="list-style-type: none">• wish to minimise the total annual fee for holding a credit card and who will be able to reduce their loan balance to nil on repayments dates: and/or• prefer to minimise costs over earning rewards points.
MasterCard Low Annual Fee Card	Customers who wish to minimise costs but are likely to carry substantial balances after repayment dates for prolonged periods.
MasterCard Student Card	Customers who are not a student engaged in tertiary education or are a student engaged in tertiary education but who: <ul style="list-style-type: none">• do not have a source of income;• are likely to carry substantial balances after repayment dates for prolonged periods; and/or.• wish to add additional cardholders to access credit.

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market

The Bank considers that each Product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market because:

- each credit card provides access to the scheme operated by Mastercard that is accepted by merchants in Australia and internationally; and
- each credit card is linked to an underlying credit facility that allows the customer to manage cash flow needs within the agreed credit limit.

In addition, the Bank considers that each Product is likely to be consistent with the likely objectives, financial situation and needs of customers in the specific target market of that Product for the reasons set out in the table below:

Card type	<i>Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market</i>
MasterCard Gold Card	This credit card allows customers to earn rewards points for purchases of goods and services. Where customers repay their credit balance to nil by each repayment date customers will not incur interest on purchases due to the 50 day interest free period for purchases.
MasterCard Low Interest Card	This credit card allows customers to earn rewards points for purchases of goods and services. Customers may carry over balances for prolonged periods and will incur interest on the credit balance without being able to take advantage of 50 day interest free arrangements but this credit card provides for a lower rate of interest in comparison to the other credit card products offered by the Bank.
MasterCard Low Annual Fee Card	This credit card provides a lower annual fee to customers who prefer lower costs over rewards points and are able to repay their credit balance to nil by each repayment date. Where customers repay their credit balance to nil by each repayment date customers will not incur interest on purchases due to the 50 day interest free period for purchases.
MasterCard Student Card	Where customers repay their credit balance to nil by each repayment date customers will not incur interest on purchases due to the 50 days of interest free period for purchases. In addition the annual fee for this credit card is the equal lowest of the credit card products offered by the Bank .

Distribution Conditions	<p><i>Distribution conditions</i></p> <p>This Product usually only be distributed by the Bank's own employees, in branch or over the telephone, who are authorised and trained to deal with customers in relation to credit card products.</p> <p>This Product is not otherwise distributed by third aggregators or brokers (except in the limited circumstances where it is distributed in conjunction with Bank of China Discount Plus Home Loan or a Bank of China Discount Plus Investment Home Loan).</p> <p>All credit card applications are required to go through a common application and approval process which requires the customer to provide information about the requirements and objectives of the customer applying for a credit card product and their financial situation (consistent with the Bank's responsible lending obligations and credit approval criteria).</p> <p><i>Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market</i></p> <p>The Bank considers that the distribution conditions mean that it is likely that customers who acquire the Product will be in the target market because:</p> <ul style="list-style-type: none"> • distribution of the Product is restricted to the Bank's own authorised employees and authorised third party aggregators or brokers who distribute the Bank's Discount Plus Home Loan and Discount Plus Investment Home Loan; • employees must be authorised by the Bank to distribute this Product and are required to complete relevant training in relation to the Product and the distribution of the Product; • the training provided to the Bank's employees, and the application and approval process, take into the likely objectives, financial situation and needs of customers; and • the Product is only made available to customers who meet the Bank's eligibility criteria and the Bank will have the opportunity to check all applications before they are approved for consistency with the Bank's eligibility criteria for the Product.
Review Triggers	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate in relation a Product include:</p> <ul style="list-style-type: none"> • there are significant changes to the key attributes of the Product as described in this document that make it reasonable to conclude that it would no longer be consistent with the TMD; • the bank identifies a significant dealing that it is required to report to ASIC;

	<ul style="list-style-type: none"> • there are significant changes to the methods of distribution of the Product that make it reasonable to conclude that the TMD does not reflect the actual distribution methods used by the Bank; • a significant number of complaints is received from customers in relation to their purchase or use of the Product that reasonably suggests that the TMD for the Product is no longer appropriate; • there are unexpectedly high rates of default or unusually high numbers of hardship applications in relation to the Product (except where explainable by external factors unrelated to product attributes or distribution arrangements); and • ASIC has utilised its product intervention power in Part 7.9A of the Corporations Act to intervene in relation to this product. <p>In addition, the following additional review triggers specific to each Product would also reasonably suggest that the TMD is no longer appropriate in relation to the relevant Product:</p> <table border="1" data-bbox="437 857 1426 1458"> <thead> <tr> <th data-bbox="437 857 703 909">Card type</th> <th data-bbox="703 857 1426 909">Review trigger</th> </tr> </thead> <tbody> <tr> <td data-bbox="437 909 703 1048">MasterCard Gold Card</td> <td data-bbox="703 909 1426 1048"> <ul style="list-style-type: none"> • there a low rates of redemption under rewards programs offered in conjunction with this Product; </td> </tr> <tr> <td data-bbox="437 1048 703 1184">MasterCard Low Interest Card</td> <td data-bbox="703 1048 1426 1184"> <ul style="list-style-type: none"> • there is evidence of the material mis-selling of this Product to vulnerable customers; </td> </tr> <tr> <td data-bbox="437 1184 703 1323">MasterCard Low Annual Fee Card</td> <td data-bbox="703 1184 1426 1323"> <ul style="list-style-type: none"> • there is evidence of the material mis-selling of this Product to vulnerable customers; </td> </tr> <tr> <td data-bbox="437 1323 703 1458">MasterCard Student Card</td> <td data-bbox="703 1323 1426 1458"> <ul style="list-style-type: none"> • there is evidence of the material mis-selling of this product to vulnerable customers. </td> </tr> </tbody> </table>	Card type	Review trigger	MasterCard Gold Card	<ul style="list-style-type: none"> • there a low rates of redemption under rewards programs offered in conjunction with this Product; 	MasterCard Low Interest Card	<ul style="list-style-type: none"> • there is evidence of the material mis-selling of this Product to vulnerable customers; 	MasterCard Low Annual Fee Card	<ul style="list-style-type: none"> • there is evidence of the material mis-selling of this Product to vulnerable customers; 	MasterCard Student Card	<ul style="list-style-type: none"> • there is evidence of the material mis-selling of this product to vulnerable customers.
Card type	Review trigger										
MasterCard Gold Card	<ul style="list-style-type: none"> • there a low rates of redemption under rewards programs offered in conjunction with this Product; 										
MasterCard Low Interest Card	<ul style="list-style-type: none"> • there is evidence of the material mis-selling of this Product to vulnerable customers; 										
MasterCard Low Annual Fee Card	<ul style="list-style-type: none"> • there is evidence of the material mis-selling of this Product to vulnerable customers; 										
MasterCard Student Card	<ul style="list-style-type: none"> • there is evidence of the material mis-selling of this product to vulnerable customers. 										
Review Periods	<p>First review date: Within 1 year from 5 October 2021.</p> <p>Periodic reviews: Within 2 years of the first review date and each subsequent review date after that.</p>										

Distribution Information Reporting Requirements	The following information must be provided to Bank of China (Australia) Ltd by distributors who engage in retail product distribution conduct in relation to this product:		
	Type of information	Description	Reporting period
	Complaints	Number of complaints , nature and substance of the complaint	Every 3 months within 10 business days from the end of the period.
Significant dealing(s) ¹	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware	

¹ For example, a distributor may consider a dealing outside the TMD to be significant because (i) they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the Product, or (ii) they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the customer (or class of customers), or (iii) the issuer has reasonably identified the this type of dealing as significant or a regulator, court or AFCA identifies this type of dealing as significant.