

## Target Market Determination - Standard Term Deposit Account (Individual Customers)

This is the target market determination (**TMD**) for the purposes of section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the Standard Term Deposit Account (**Product**).

The issuer of the Product is Bank of China (Australia) Limited ABN 28 110 077 622 AFSL 287322 ACL 287 322 (**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 Term Deposit Accounts Terms and Conditions, the Account Access Methods Conditions of Use and the Schedule of Fees and Charges and other information available on the Bank's website in relation to the Product. A copy of these documents can be accessed on the Bank's website at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from the Bank's retail branches in Australia during business hours (free of charge). If an application for the Product is approved, the particular Product will be governed by the Term Deposit Accounts Terms and Conditions.

This TMD has been prepared without taking into account any person's individual needs, objectives, or financial situation. If you are considering a Standard Term Deposit Account, we encourage you to understand how it may affect your personal circumstances and seek professional advice (such as, independent legal and financial advice).

Capitalised terms have the meaning given to them in the Term Deposit Accounts Terms and Conditions, unless otherwise defined.

<b>Product</b>	Standard Term Deposit Account
<b>Issuer</b>	Bank of China Australia Limited ABN 28 110 077 622 AFSL 287 322 ACL 287 322 ( <b>Bank</b> )
<b>Date of TMD</b>	5 October 2021
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>Individual customers, who are 16 years or older, who are looking for a term deposit account denominated in AUD, HKD, CNY and USD dollars, with the ability to earn higher interest and in respect of which the balance is intended to be invested for a fixed term varying from 7 days to 5 years (depending on the amount invested and the denomination of the account).</p> <p><b>Description of product, including key attributes</b></p> <p>A Standard Term Deposit Account is a term deposit account that pays a fixed interest rate on a fixed amount for a fixed term. The key attributes of a Standard Term Deposit Account include:</p> <ul style="list-style-type: none"> <li>• this account can be opened by eligible individual customers who are 16 years of age or older;</li> </ul>

- money deposited in this account is intended to be invested for a fixed term, with terms varying from 7 days to 5 years (depending on the amount invested and the denomination of the account), as selected by the customer;
- the balance invested in the account will attract interest at a fixed interest rate that will apply for the fixed term;
- interest will be paid on maturity, but only if there is no withdrawal from this account prior to maturity, and will be calculated using the interest rate that is current as at the date of opening the account, or in the event of a renewal of the account, at the then current interest rate for the account;
- withdrawal prior to the maturity is allowed by providing 31 days' prior notice to the Bank;
- if a customer withdraws funds from this account prior to the maturity date, accrued interest may be lost or reduced;
- this account can be denominated in AUD, HKD, CNY and USD;
- a customer may access their account using one or more of the following methods:
  - over the counter at any retail branch of the Bank in Australia during business hours; and
  - by using internet banking;
- money cannot be directly deposited to or withdrawn from this account. Rather, this account must be linked to a Bank of China Transactional and At Call Account (subject to eligibility criteria and excluding Home Loan Offset Accounts) and this Transactional and At Call Account must be used to transfer money in and out of the account;
- at maturity principal and interest payments will be paid to a linked Bank of China Transactional and at Call Account, reinvested in the term deposit or invested in a new term deposit;
- no account keeping fee applies;
- other fees may be payable in respect of this account depending on the service required by customer including for example cheque issuing fee, remittance fee, additional copy of account statement;
- a statement of account is provided to customers at least every 6 months (or more frequently at the request of the customer) where transactions have been made on their account since the last statement was provided by the Bank; and
- a specified minimum opening balance applies, depending on the currency denomination.

Please refer to the Term Deposit Account Terms and Conditions for further information in relation to this Product.

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

This Product is designed for customers whose:

- Likely objectives include:
  - seeking to invest money for a fixed term up to 5 years (in the case of an AUD denominated account) or up to 12 months (in the case of a HKD, CNY or USD denominated account);
  - seeking a higher interest rate;
  - seeking a term deposit account denominated in AUD, HKD, CNY and USD;

	<ul style="list-style-type: none"> <li>○ seeking an AUD denominated term deposit that is protected by the Financial Claims Scheme.</li> <li>● <u>Likely financial situation includes:</u> <ul style="list-style-type: none"> <li>○ meeting the Bank's eligibility requirements including customers: <ul style="list-style-type: none"> <li>▪ with a wide range of income;</li> <li>▪ with a wide range of spending habits.</li> </ul> </li> </ul> </li> <li>● <u>Likely needs include:</u> <ul style="list-style-type: none"> <li>○ seeking security of funds;</li> <li>○ seeking a higher interest rate;</li> <li>○ seeking a wide range of available fixed terms and currencies in which to invest.</li> </ul> </li> </ul> <p><b><i>Classes of consumers for whom the product is unsuitable</i></b></p> <p>This Product is not suitable for customers who:</p> <ul style="list-style-type: none"> <li>● are not individual customers or do not meet the other eligibility criteria;</li> <li>● are looking for a transaction account for daily use, including, but not limited to, a transaction account with additional features such as an overdraft or cheque book facility;</li> <li>● are looking to invest for a specified fixed term that is not available in the currency of their choice;</li> <li>● in the case of accounts denominated in USD, HKD or CNY, are looking for a term deposit that is protected by the Financial Claims Scheme;</li> <li>● are looking for investment in currencies other than AUD, HKD, CNY or USD; or</li> <li>● are looking for a savings account with the ability to deposit or withdraw funds as needed without impacting the payment of interest on the account.</li> </ul> <p><b><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></b></p> <p>The Bank considers that the Product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market because:</p> <ul style="list-style-type: none"> <li>● this Product offers the ability to earn a higher interest rate;</li> <li>● this Product, as a term deposit account, is low risk in nature;</li> <li>● this Product offers the ability to invest a deposit for a fixed term, with a wide range of fixed terms (from 7 days to 5 years depending on the amount invested and the denomination of the account); and</li> <li>● this Product has AUD, CNY, HKD and USD to choose from.</li> </ul>
<b>Distribution Conditions</b>	<p><b><i>Distribution conditions</i></b></p> <p>This Product can only be distributed in branch (through one of the Bank's branches in Australia) by an employee of the Bank who is authorised to distribute this Product.</p>

	<p><b><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></b></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"> <li>• the Bank’s distribution channel for this Product is restricted to its branch network and is only able to be distributed by the Bank’s employees who are authorised to distribute the Product;</li> <li>• authorised 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; and</li> <li>• the Product is only made available to customers using consistent approval processes that allow the Bank the opportunity to check all applications before they are approved for consistency with the Bank's eligibility criteria for the Product.</li> </ul>
<p><b>Review Triggers</b></p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• there are unexpectedly high rates of account closures or customers withdrawing funds prior to the maturity date within a 12 month period (except where explainable by external factors unrelated to product attributes or distribution arrangements);</li> <li>• the Bank identifies a significant dealing of the Product outside the target market that it is required to report to ASIC;</li> <li>• a significant number of complaints are 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; and</li> <li>• ASIC has utilised its product intervention power in Part 7.9A of the Corporations Act to intervene in relation to this product.</li> </ul>
<p><b>Review Periods</b></p>	<p><b><i>First review date:</i></b> Within 1 year from 5 October 2021.</p> <p><b><i>Periodic reviews:</i></b> Within 3 years after the initial review date and each subsequent review date after that.</p>

<b>Distribution Reporting Requirements</b>	The following information must be provided to Bank of China (Australia) Limited by distributors who engage in retail product distribution conduct in relation to this Product:		
	<b>Type of information</b>	<b>Description</b>	<b>Reporting period</b>
	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) <sup>1</sup>	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

<sup>1</sup> 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.