



## Target Market Determination - Demand 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 Demand 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 Transaction and At Call 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 Transactional and At Call 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 Demand 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 Transactional and At Call Accounts Terms and Conditions, unless otherwise defined.

<b>Product</b>	Demand 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 deposit account denominated in AUD, USD, CNY and HKD that is accessible for day to day transactions, in respect of which the balance is available for withdrawal on demand and which has the ability to earn interest.</p> <p><b>Description of product, including key attributes</b></p> <p>A Demand Deposit Account is a deposit account that provides a flexible and convenient way to maintain and access AUD, USD, CNY and HKD funds on demand, with the ability to earn interest.</p> <p>The key attributes of a Demand Deposit Account include:</p>

- this account can be opened by eligible individual customers who are 16 years of age or older;
- this account can be denominated in AUD, USD, CNY and HKD;
- a customer may access their account by using one or more of the following methods:
  - over the counter at any retail branch of the Bank in Australia during business hours by presenting their personal identification that is acceptable to the Bank;
  - using internet banking, including in the case of AUD denominated accounts, BPAY;
  - using mobile banking;
  - using a passbook (in the case of an AUD, USD, HKD or CNY denominated account) or using a debit card (in the case of an AUD denominated account), including to using an ATM or EFTPOS facilities within Australia and at worldwide ATM and POS terminals branded with the UnionPay logo;
- only accounts that are denominated in AUD can be used to make direct debit transactions and/or accept direct credit transactions;
- funds in this account can be received or transferred via telegraphic transfer remittance through SWIFT;
- AUD funds in this account can be transferred via RTGS;
- AUD funds in this account can be transferred using a bank cheque facility;
- maximum daily and yearly deposit and withdrawal limits apply. From February 2019, a maximum of \$50,000 AUD in physical cash (or its foreign currency equivalent) may be deposited per customer, across all accounts owned in jointly or separately by that customer per financial year;
- a minimum opening balance requirement applies;
- interest is payable half-yearly by the Bank if certain requirements are met, including that the specified minimum balance requirement is satisfied;
- no account keeping fee applies if the monthly average balance is equal to or above the minimum balance;
- an account denominated in AUD can be linked to a Debit Card (please refer to the Target Market Determination for the Bank's Debit Cards) and a Safe Deposit Box facility;
- other fees may be payable in respect of this account depending on the service required by customer including for example remittance fee, cheque issuing fee, additional copy of account statement;
- except where an account has a passbook facility, 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.

Please refer to the Transactional and At Call Accounts 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 a day to day deposit account with the flexibility both to earn interest, undertake day to day transactions and withdraw funds on demand;
  - seeking an AUD, USD, CNY or HKD denominated deposit account;

- seeking a AUD denominated deposit account that is protected by the Financial Claims Scheme;
- in relation to an account denominated in USD, HKD and CNY, seeking the ability to gain protection against AUD to USD, HKD and CNY exchange rate fluctuations.
- Likely financial situation includes:
  - meeting the Bank's eligibility requirements including:
    - customers with a wide range of income and
    - who have a wide range of spending habits.
- Likely needs include:
  - seeking the ability to withdraw funds easily and immediately;
  - seeking security of funds;
  - in relation to an account denominated in AUD, USD, CNY and HKD, seeking the ability to transact in such currencies.

***Classes of consumers for whom the product is unsuitable***

This Product is not suitable for customers who:

- are not individual customers or do not meet the other eligibility criteria;
- are seeking a deposit account with an overdraft facility;
- are seeking a deposit account with a cheque book facility;
- require a USD, CNY and HKD denominated deposit account that offers BPAY facilities;
- require a USD, CNY and HKD denominated deposit account that permits direct debit and/or direct credit transactions;
- are seeking to earn higher rates of interest on their funds; or
- 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;
- wish to deposit cash in excess of AUD 50,000 a year (including for example customers who operate a cash based business).

***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 the Product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market because:

- this Product is a deposit account that provides customers with the flexibility to undertake day to day transactions, withdraw on demand and to earn interest;
- this Product enables customers to easily manage, access and transact on their account including through the use of internet banking and mobile banking;
- this Product provides the ability for customers to transact in AUD, USD, CNY and HKD;
- the Product enables customers to earn interest; and
- this Product, as a deposit account, is low risk in nature.

<p><b>Distribution Conditions</b></p>	<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 individual 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 switching to other accounts offered by the Bank 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 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; 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>

<b>Review Periods</b>	<p><b>First review date:</b> Within 1 year from 5 October 2021.</p> <p><b>Periodic reviews:</b> Within 3 years after the initial review date and each subsequent review date after that.</p>											
<b>Distribution Reporting Requirements</b>	<p>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:</p>											
	<table border="1"> <thead> <tr> <th data-bbox="416 638 798 689">Type of information</th> <th data-bbox="798 638 1114 689">Description</th> <th data-bbox="1114 638 1441 689">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 689 798 862">Complaints</td> <td data-bbox="798 689 1114 862">Number of complaints, nature and substance of the complaint</td> <td data-bbox="1114 689 1441 862">Every 3 months within 10 business days from the end of the period</td> </tr> <tr> <td data-bbox="416 862 798 1180">Significant dealing(s) <sup>1</sup></td> <td data-bbox="798 862 1114 1180">Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</td> <td data-bbox="1114 862 1441 1180">As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> </tbody> </table>	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) <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		
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<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.