中国银行 BANK OF CHINA (AUSTRALIA) LIMITED

Target Market Determination - Cheque Account (Non-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 Cheque 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 Terms and Conditions 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 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 Cheque 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.

Product	Cheque Account
Issuer	Bank of China Australia Limited ABN 28 110 077 622 AFSL 287 322 ACL 287 322 (**Bank**)
Date of TMD	28 February 2025

Target Market	***Description of target market***
	Non-Individual customers, who are looking for a transaction account denominated in AUD with a cheque book that is accessible for day to day transactions, and in respect of which the balance is available for withdrawal on demand. ***Description of product, including key attributes*** A Cheque Account is a transaction account that provides a flexible and convenient way to maintain and access AUD funds on demand with a cheque book facility and with the ability to earn interest. The key attributes of a Cheque Account include: • this account can be opened by eligible Non-Individual customers only (being corporations, sole traders, partnerships with individual partners and trusts with individual trustees, and not customers who are natural persons); • this account can be denominated in AUD only; • payments to this account in currencies other than AUD will be converted to AUD, with fees and exchange rates applying to currency conversions; • a customer may access their account by using one or more of the following methods: o using a cheque book; o 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; ; o using internet banking where the customer has registered for the Bank's Business Internet Banking service, including BPAY; • this account has the ability to be linked to an overdraft facility (subject to approval by the Bank and entry into an overdraft agreement (if required)); • 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; • a minimum opening balance requirement applies; • 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; • 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 your monthly average balance is equal to or above the minimum balance requirement; • other fees that are payable in respect of this account depending on the service required by customer (for example remittance fee, cheque issuing fee, additional copy of account statement etc), noting that a cheque book is issued free of charge if the account balance is equal to or above the minimum balance requirement at the time the Bank receives a request for a cheque book; if an overdraft facility is approved, payment of interest will be in accordance with the overdraft agreement; and

	• 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.
	
	Description of likely objectives, financial situation and needs of consumers in the target market
	This Product is designed for customers whose:
	• <u>Likely objectives include:</u>
	  ○ seeking a day to day transaction account with a cheque book and in respect of which the balance is available for withdrawal on demand;
	  ○ seeking a transaction account denominated in AUD only;
	  ○ seeking a transaction account with the ability to earn interest;
	  ○ seeking an overdraft facility for business purposes; and
	  ○ seeking a transaction account that is protected by the Financial Claims Scheme.
	• <u>Likely financial situation includes:</u>
	  ○ meeting the Bank's eligibility requirements including customers having a wide range of business revenue income and business cash and saving levels.;
	• <u>Likely needs include:</u>
	  ○ seeking the ability to withdraw funds easily and immediately;
	  ○ seeking security of funds;
	  ○ seeking a cheque book facility; and
	  ○ seeking a transaction account to be used for business purposes;
	  ○ seeking an overdraft facility.
	
	Classes of consumers for whom the product is unsuitable
	This Product is not suitable for customers who:
	• are individual customers or do not meet the other eligibility criteria;
	• are looking for a transaction account that is denominated in currencies other than AUD;
	• are seeking a transaction account with additional features including access to mobile banking or the ability to link a debit card;
	• are seeking a low or no fee transaction account;
	• are seeking to invest money for a fixed term;
	• are seeking a product with a higher interest rate; or
	• 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 provides customers with the ability to easily access their funds for day to day transactions and withdraw the balance on demand;

	• this Product enables customers to easily manage, access and transact on their account including through the use of interest banking; • this Product has a cheque book facility and the ability to link to an overdraft facility; • the Product enables customers to earn interest; and • as a transaction account, this Product is low risk in nature;
Distribution Conditions	***Distribution conditions*** 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. This Product cannot be distributed through online channels or through third parties. ***Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market*** 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: • 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; • 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 • the Product is only made available to customers using consistent approval processes that allow the opportunity to check all applications before they are approved for consistency with the Bank's eligibility criteria for the Product.
Review Triggers	The review triggers that would reasonably suggest that the TMD is no longer appropriate in relation to a Product include: • 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; • 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;

<table>
<tr><td></td><td>

the rate of account closures or customers switching to other accounts offered by the Bank within 12 months of account opening exceeds 10% in any one year (except where explainable by external factors unrelated to product attributes or distribution arrangements);
the Bank identifies a significant dealing that it is required to report to ASIC (including where the bank identifies that the Product is being distributed without due care outside the target market to customers suffering from circumstances of vulnerability);
the number of customers making complaints in relation to their purchase or use of the Product in any year exceeds 5% of the total number of customers holding this Product;
ASIC has utilised its product intervention power in Part 7.9A of the Corporations Act to intervene in relation to this product.

</td></tr>
<tr><td>Review Periods</td><td>Next review date: Within 1 year from 28 February 2025.

Periodic reviews: Within 3 years after the next review date and each subsequent review date after that.</td></tr>
<tr><td>Distribution Reporting Requirements</td><td>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:
<table>
<tr><th>Type of information</th><th>Description</th><th>Reporting period</th></tr>
<tr><td>Complaints</td><td>Number of complaints, nature and substance of the complaint</td><td>Every 3 months within 10 business days from the end of the period.</td></tr>
<tr><td>Account closures/switching</td><td>Rate of account closures or customers switching accounts within 12 months of account opening</td><td>Every 3 months within 10 business days from the end of the period</td></tr>
<tr><td>Significant dealing(s) [1]</td><td>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>As soon as practicable, and in any case within 10 business days after becoming aware</td></tr>
</table>
</td></tr>
</table>

[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.