

Accessory Loan Target Market and Fair Value Document.

Key Features.

Product Name	Accessory Loan	Product Brand	ALPHERA Financial Services
Product Type	Unsecured Personal Loan	Credit Regulatory Class	Regulated
Description of the product	An Accessory Loan is a legal agreement. It is an unsecured loan meaning there is no underlying asset on which the lending is secured. It is offered to support the sale of aftermarket accessories or services/products. The product is offered with a fixed monthly repayment requirement for a pre-determined period.		
Key Terms and Conditions	<ul style="list-style-type: none"> ▪ This is an Unsecured Loan. ▪ No deposit is required. ▪ Designed to support the purchase BMW Group accessories and retailer service products. ▪ Accessory Loans are a standalone agreement and do not require a link to the vehicle finance agreement. ▪ Applications will result in an additional credit check for the customer as this will be a separate loan agreement. ▪ The retailer must provide a copy of the goods invoice to BMW Group Financial Services. ▪ Will result in a credit check. 		
Exclusions and Restrictions	<ul style="list-style-type: none"> ▪ Cannot be used to cover the funding of MOT, service bills or body shop repairs. ▪ Cannot be used to cover the funding of Administration fees. 		
Contract Exit Provisions	<ul style="list-style-type: none"> ▪ The customer has a right to withdraw within 14 days of the date the contract is signed. ▪ The customer can settle the agreement early, by paying off the remaining amount, less an interest rebate. 		

Target Market.

Territory or territories in which the product will be sold	United Kingdom of Great Britain and Northern Ireland
Type of target	Private individuals and Sole Traders.
Detailed description of the target market	UK residents, over 18 years of age who are looking for a finance agreement to support the purchase BMW Group accessories and retailer service products.
Key indicators of target market	<ul style="list-style-type: none"> ▪ Private individuals and sole traders who are UK resident aged 18+ years. ▪ Expressed interest in funding options to purchase BMW Group accessories and retailer service products.
Objectives, demands and needs of the target market	<ul style="list-style-type: none"> ▪ Customers who are purchasing accessories and wish to obtain finance to help with the purchase.
Target market's knowledge and understanding of the product	<ul style="list-style-type: none"> ▪ All customers should have the salient product features explained and these explanations should be evidenced. e.g. <ul style="list-style-type: none"> ▫ Fixed term and fixed interest. ▫ Statutory right to make lump sum payments or make full early settlement. ▪ Where individual customers or Sole Traders have characteristics of vulnerability, distributors must consider what additional steps need to be taken to ensure the customer is able to make a fully informed and responsible borrowing decision. If the product or service on offer is likely to lead to consumer harm, it must not be sold. Any vulnerability identified must be disclosed to BMW Group Financial Services but only if the customer has given consent for you to do so and can be evidenced.
Risks faced by the target market in relation to the subject matter of the product	<ul style="list-style-type: none"> ▪ Changes to customer circumstances during agreement leading to risk of affordability.
Risk tolerance of the target market	<ul style="list-style-type: none"> ▪ Customers who understand the risk of taking out additional borrowing to fund a purchase. ▪ This product is intended for customers who foresee income stability at the start of the agreement and can budget appropriately for the monthly cost.

Fair Value.

Fair Value	The product has been reviewed and signed off as representing fair value to customers.
Factors included, but not limited to, in the assessment of fair value:	<ul style="list-style-type: none"> ▪ Customer benefits, risks, and customer costs. ▪ Financing costs. ▪ Operations expenses. ▪ Risk of credit losses.
What should distributors do to ensure the product provides fair value and benefit to the end customer?	<ul style="list-style-type: none"> ▪ Assess the customers' demands and needs and ensure that they align to the features of the product. ▪ Confirm the product is affordable by conducting an assessment with the customer. ▪ Present the customer with the known risks of the product. ▪ Fees, or charges passed onto the customer must be proportionate to the service provided and provide fair value. ▪ Distributors should consider their costs incurred and the provision of comparable products within the market including non-credit alternatives like cash or savings. Distributors should avoid pricing that differs significantly between customers and should also take existing customers and customers with closed contracts into account

Manufacturers and Distributors Information.

Identity of Manufacturer	BMW Group Financial Services (GB) Ltd, part of the BMW Group
Identity of Distributors	Contracted Partners and Retailers, direct sales
Types of Distribution channels	BMW Group Retailers, ALPHERA dealers and contracted broker partners
Legal Agreement?	Yes

Document control.

Template version	V1.0 April 2023
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We are committed to conducting business in a fair, honest, and open manner and to ensure that we have appropriate product oversight and governance systems and controls in place to offer products that have been assessed as providing fair value to customers that are within the appropriate target market.

This summary document has been created to fulfil our responsibilities under consumer duty regulations and should not be used as a sales or marketing tool. The client facing Partner must always ensure good customer outcomes and act in the best interests of each customer individually.