

BMW CONSUMER LOAN.

TARGET MARKET DETERMINATION.

BMW Financial Services

ABOUT THIS DOCUMENT.



This Target Market Determination (**TMD**) applies to the Consumer Loan (**Product**) detailed in the loan documents listed in Appendix 1 (**T&Cs**). The Product is issued by BMW Australia Finance Limited ABN 78 007 101 715 Australian Credit Licence No. 392387 (**Issuer**).

The purpose of this TMD is to describe the class of consumers for which the Product has been designed, having regard to the key attributes and the needs, objectives and financial situation of that class of customers (**Target Market**). Examples used in this TMD are illustrative only and are not intended to be exhaustive.

This TMD is not intended to provide any financial product advice and does not consider any individual customer's personal needs, objectives or financial situation.

This TMD is not to be treated as a full summary of the Product's terms and conditions (**T&Cs**) and does not replace the T&Cs or any other supplementary documents in relation to the Product. A customer should refer to the T&Cs or any other supplementary documents before making a decision about the Product.

A customer may fall within the Target Market but may not meet the Issuer's lending criteria on application. For further information about the Product, go to www.bmw.com.au/en/bmw-financial-services/bmw-loan.html

1. TARGET MARKET.

The Product is a credit contract and has been designed for consumers who require credit to assist in the purchase of a motor vehicle or motorcycle, whether new, demonstrator or used (**Vehicle**) for use wholly or predominantly for personal, domestic or household purposes (**Private Use**).

The Product is designed for customers in the Target Market whose likely needs, objectives and financial situation (as listed below) are aligned with the Product (including the key attributes and eligibility criteria as listed below).

PRODUCT DESCRIPTION (INCLUDING KEY ATTRIBUTES).

Key Attributes	– Fixed term loan between 12 and 60 months with repayments of principal and interest by monthly instalments. – Meets minimum net amount financed requirements. – Fixed interest rate during the loan term. – Certain credit fees and other charges may be payable (including, but not limited to, government charges, set-up and early termination fees). – Customer owns the Vehicle. The Issuer holds a security interest over the Vehicle. – Customers must take out comprehensive insurance coverage over the Vehicle for the loan term and specify the Issuer as the interested party.
Attributes (Optional)	– Customers may select or be required to provide a deposit. – Customer may pay out the loan contract early, subject to an early termination fee. – The Product may be structured to include a residual value balloon payment at the end of the loan term. – Where the Guaranteed Future Value option is selected, customer can return the vehicle at the end of loan term to the Issuer for the residual value balloon amount, subject to T&Cs. These T&Cs include, but are not limited to, the vehicle condition and kilometres travelled. Fees may be payable on return.
Key Eligibility Criteria	– Customer must be able to service the loan repayments without hardship. – Vehicle finance may only be for the purchase of a motor vehicle predominantly for private or domestic use. – Customer must be willing to grant a first ranking security interest over the Vehicle. – The Vehicle must be purchased from a Distributor. – Customer must meet the Issuer's lending criteria. – Customer must be aged 18 years or over.
Exclusions	– New customers must not be an undischarged bankrupt.
Limitations	– The Vehicle must be used, maintained and stored in accordance with the Issuer's requirements including use in accordance with normal use for which the Vehicle was designed and manufactured and in accordance with applicable laws. – The vehicle must remain located in Australia.

LIKELY NEEDS, OBJECTIVES AND FINANCIAL SITUATION OF CUSTOMERS IN THE TARGET MARKET.



The Product is designed for:

LIKELY NEEDS AND OBJECTIVES.

Customers that:

- need an amount of credit to assist in the purchase of a Vehicle from an authorised and licenced Motor Vehicle Dealer;
- want to use the Vehicle for private or domestic use;
- want to repay principal and interest amounts by monthly instalments over the contracted loan term;
- are able to make the principal and the interest repayment as and when they fall due;
- are able to pay the associated credit fees and other charges;
- are able to provide the deposit amount or other security for the amount of credit;
- are able to maintain the mandatory comprehensive insurance coverage over the loan term;
- may want to pay higher instalments during the loan term to reduce overall interest costs;
- may want to reduce the monthly instalments during the loan term by paying a higher payment (residual balloon amount) at the end of the loan term; and
- may want the ability to return the Vehicle at the end of the loan term without the need to pay any residual balloon value amount where the Guaranteed Future Value option is available and selected.

LIKELY FINANCIAL SITUATION.

Customers that are able to repay the principal and interest amounts over the contracted loan term and, where a balloon is selected, are able to pay any residual balloon amount at the end of the loan term.



The Product is not designed for:

Customers:

- that need an amount of credit to purchase a Vehicle from anyone who is not a licenced motor vehicle dealer approved by the Issuer;
- that need an amount of credit to assist with the purchase of an item that is not a Vehicle;
- for which the Product is assessed as unsuitable;
- that are less than 18 years of age;
- that do not meet the Issuer's eligibility and lending criteria;
- that want to use the Vehicle for business use; and
- that want to use, maintain or store the Vehicle in a manner that does not meet the Issuer's requirements, including but not limited to where customers want to use the Vehicle for a purpose that is not in accordance with normal use for which the Vehicle was designed and manufactured, or want to use or operate the Vehicle for any illegal purpose or in breach of applicable laws.
- that wish to remove or transfer the vehicle outside Australia.

CONSISTENCY BETWEEN TARGET MARKET AND THE PRODUCT.

The Issuer critically assessed and tested the Product to ensure consistency between the Target Market and the Product. It has done so by considering its purpose, past outcomes, likely future outcomes and refining the Target Market or Product. Based on this assessment, the Product is likely to be consistent with the needs, objectives and financial situation of customers in the Target Market.

2. DISTRIBUTION.

DISTRIBUTION CHANNELS.

The Product may be distributed through any of the following means:

– Online platforms operated by the Issuer; and

– In-store at dealerships authorised by the Issuer (Distributors). The Issuer requires all Distributors be accredited to distribute the Product.

These channels are monitored by the Issuer and staffed by persons who have been trained in the distribution of the Product and the Application Process.

DISTRIBUTION CONDITIONS AND RESTRICTIONS.

The Product can only be issued to customers that are eligible for the Product in accordance with the Issuer's eligibility and lending criteria (which includes an assessment that the Product is not unsuitable), that has been approved in writing by the Issuer and that complies with the law (**Application Process**). The Product can be distributed either directly by the Issuer or by authorised dealers (distributor) approved by the Issuer.

The Application Process requires identification of whether the customer is in the Target Market as part of the eligibility and lending criteria for the Product.

Distributors are subject to strict obligations and their systems and processes are assessed and monitored by the Issuer and therefore either the direct distribution by the Issuer or distribution by Distributors will make it likely that the distribution of the Product will be directed towards the Target Market for whom the Product has been designed.

REPORTING AND MONITORING OF DISTRIBUTION INFORMATION.

The Issuer requires all Distributors to provide the following information in relation to their distribution of the Product covered by this TMD. In addition to other purposes, this information will assist the Issuer to identify promptly when a TMD may no longer be appropriate.

Complaints	All complaints in relation to this TMD are provided to the Issuer on at least a quarterly basis unless the Issuer has requested a Distributor to report more frequently. This will include written details of the complaints.
Sales data	Relevant sales and customer data in relation to this TMD will be reviewed on a quarterly basis.
Significant dealings	Notification of all relevant details within 10 business days if a Distributor becomes aware of a significant dealing in relation to this TMD that is inconsistent with this TMD, including the following details: – a material change to the proportion of customers who are not in the Target Market, including the proportion of customers who are part of a class that has been excluded from the Target Market acquiring the Product; – a material risk of actual or potential harm to customers, including financial loss, resulting from customers not in the Target Market acquiring the Product; – if there is an inconsistency between distribution of the Product with the Target Market; and – the time period in which these acquisitions outside the Target Market occurred. **Example:** Customers that need an amount of credit to assist with the purchase of an item that is non-vehicle related or customers that would like to include a large amount of credit not related to the vehicle purchase (negative equity) in their finance application.

OTHER.

In addition to the distribution conditions, restrictions and information set out above, the Issuer may include other conditions, restrictions and information on the distribution of the Product.

Any additional conditions and restrictions will be notified (in writing) to a Distributor.

3. TMD REVIEWS.

This TMD will be reviewed as follows:

Reviews	At least every three years from the effective date.
Review triggers	Where an event or circumstance is identified by the Issuer or is notified to the Issuer that would reasonably suggest the TMD is no longer appropriate. This may include (but not limited to): – a material change to the design or distribution of the Product, including related documentation; – occurrence of a significant dealing; – distribution conditions found to be inadequate; – external events such as adverse media coverage or regulatory attention; – significant changes in metrics, including, but not limited to, complaints, changes in customers in loan arrears and early loan payouts; – a material alteration to eligibility or lending criteria or the Application Process; – identified systemic issues in the Product or the distribution of the Product; – relevant feedback, information or notification received from a Distributor, regulator such as ASIC or APRA or other interested parties; and – where there appears to be a significant dealing that is inconsistent with the TMD; to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate. Where a review trigger has occurred, this Target Market Determination will be reviewed within 10 business days.

APPENDIX 1.

This TMD applies to the credit contract detailed in the following documents:

BMW Loan Contract and Goods Mortgage Schedule and General Conditions Booklet.

Effective date: 12 October 2026.