









Agenda.

Group Strategy

Financial performance Review and Outlook 2020

BMW Group Treasury In China



WHAT do we stand for? POSITION.

We take on business, environmental and societal challenges.

WHAT drives us? DIRECTION

We offer inspiring premium products for individual mobility. Today and for future generations.

BMW GROUP STRATEGY

WHERE do we want to go? STRATEGIC APPROACH.

We focus on our customers and fulfil their diverse needs worldwide.

HOW do we achieve our goals? COOPERATION.

We deliver top performance. Each of us makes a contribution, based on our values.

OUR CUSTOMERS DECIDE WHAT IS RIGHT FOR THEIR NEEDS.



BMW X3. PETROL & DIESEL.

BMW X3 xDRIVE 30e.

BMW iX3.

VARIETY OF DRIVE TRAINS IN THE BMW X3.

TO "ONE PLATFORM SERVES ALL".

"BORN ELECTRIC".



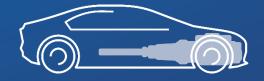


FROM **2021** ON.



ONE PLATFORM
FITS ALL POWERTRAIN
DERIVATIVES ...





PLUG-IN HYBRID.



PURE ELECTRIC.



AT LEAST 25 ELECTRIFIED MODELS BY 2023 INCLUDING AT LEAST 13 FULLY ELECTRIC CARS. BY THE END OF 2020, THE BMW GOUP WILL HAVE AT LEAST 12 PHEVS BASIC MODELS AVAILABLE.

FULLY ELECTRIC.















2013

2014

2015

2016

2017

- FEET - C

2018

2019

2020

BMW iX3*

2021 — 2022 —

2023









N.W. S.

San Millions







BMW 530e



Countryman ALL4

























BMW X1 xDrive 25Le (CN only)





MORE THAN 146,000 UNITS SOLD IN 2019.



500,000 ON THE ROAD.

ROADMAF

EUROPEAN NEW VEHICLE FLEET.

50% ELECTRIFIED.

33% ELECTRIFIED.

25% ELECTRIFIED.

BMW CONCEPT 14.

BMW i4 (2021).

UP TO 600 KM RANGE (BASED ON WLTP).

UP TO 530 HP.

5TH GENERATION BMW eDRIVE WITHOUT ANY RARE EARTHS.

BUILT IN MUNICH.

CROSS-INDUSTRY COOPERATION

TO PREPARE ITSELF FOR FUTURE TECHNOLOGIES AND BUSINESS OPPORTUNITIES.

ELECTRIFICATION AND CELL TECH



DIGITAL & MOBILITY SERVICES







OF THE AUTOMOTIVE INDUSTRY.

Update I&C-Features (OtA)

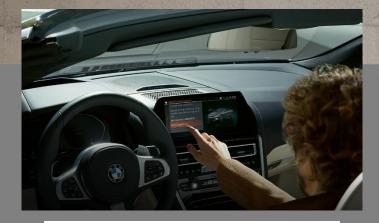


OTA SW-Updates for complete vehicle



Update via Smartphone / App







BMW Group's OTA in a nutshell:

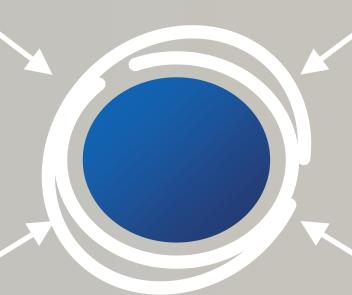
Offered in 49 Connected Drive markets since May 2020.
From now on up to 3 total vehicle updates per year.
From over 500,000 vehicles today to over 2 million vehicles p.a. (as of 2021)

BMW is the first traditional OEM who uses software updates for the entire vehicle via OTA.

HOLISTIC APPROACH.

- External electricity sourcing 100% renewable.
- CO2-emissions: -60% since 2006.

- Direct sourcing of Cobalt/Lithium.
- No rare earth materials in electric motors (Gen5).



- CO2-emissions EU-fleet:-50% by end of 2020 (vs. 1995).
- 12 electrified models on offer,
 >500,000 xEVs delivered to customers.
- All vehicles 95% recyclable.
- Up to 20% of plastics in vehicles are made from recycled material.

The BMW Group is fully on track to meet the CO2 fleet targets in the EU* in 2020.









BMW X1 PHEV

BMW X2 PHEV

BMW X3 PHEV

BMW X5 M







4 Series Gran Coupé

5 Series LCI

M8 Gran Coupé

EXPANDED WITH JV SPOTLIGHT AUTOMOTIVE FOR MINI.



China Bankers Days – Treasury Update | Birgit Böhm | 21st July 2020

SUPPORTED BY A MARKET ORIENTED PRODUCT LOCALIZATION.

Share of JV Sales (through BMW Brilliance Automotive).



FY-2019 GROWTH OF +2.2% TO A NEW RECORD OF 2,538,367 VEHICLES.



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FY-2019 KEY FINANCIALS.

Penetration rate (in %)

Credit loss ratio (in %)

BMW Group	FY-2019	FY-2018**	Change in %
Earnings before tax (EBT) – Group (in m€)	7,118*	9,627	-26.1
EBT margin (in %) – Group	6.8*	9.9	-3.1% points
Automotive Segment			4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Sales (units)	2,538,367	2,483,292	+2.2
Earnings before interest and tax (EBIT) (in m€)	4,499*	6,182	-27.2
EBIT margin (in %)	4.9*	7.2	-2.3% points
Sales (units)	175,162	165,566	+5.8
Earnings before interest and tax (EBIT) (in m€)	194	175	+10.9
EBIT margin (in %)	8.2	8.1	+0.1 % points
Earnings before tax (EBT) (in m€)	2,272	2,143	+6.0
Return on Equity (in %)	15.0	14.8	+0.2 % points

52.2

0.26

+2.1 % points

+0.01 % points

50.1

0.25

China Bankers Days – Treasury Update | Birgit Böhm | 21st July 2020 *Includes the provision of a

^{*}Includes the provision of approximately \in 1.4 billion in connection with ongoing antitrust proceedings.

^{**}Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 6 to the Group Financial Statements. In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

CLOSURE OF OUR DEALERSHIPS.

BEGINNING OF MARCH

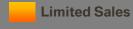








Sales Stop



Regular Sales (>95% of the dealerships)

OVER THE FIRST 6 MONTHS OF 2020.

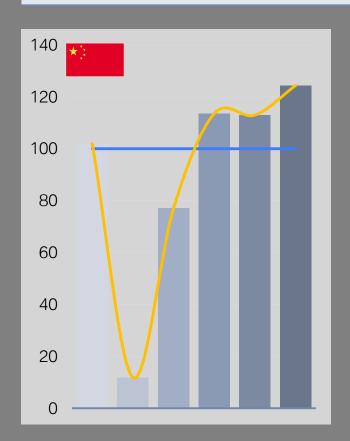


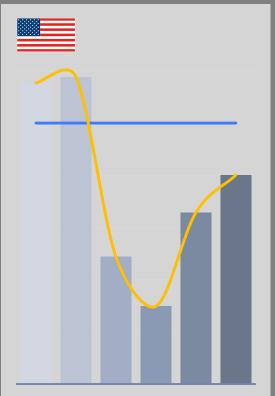


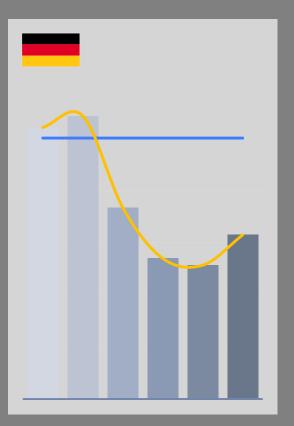


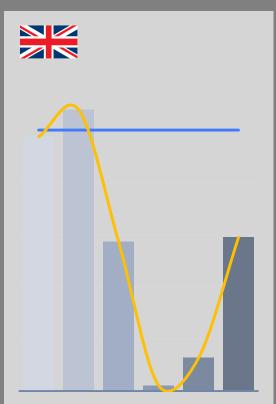
IN OUR FOUR BIGGEST MARKETS.

BMW Group retail sales 2020 relative to previous year's level (blue line), in %



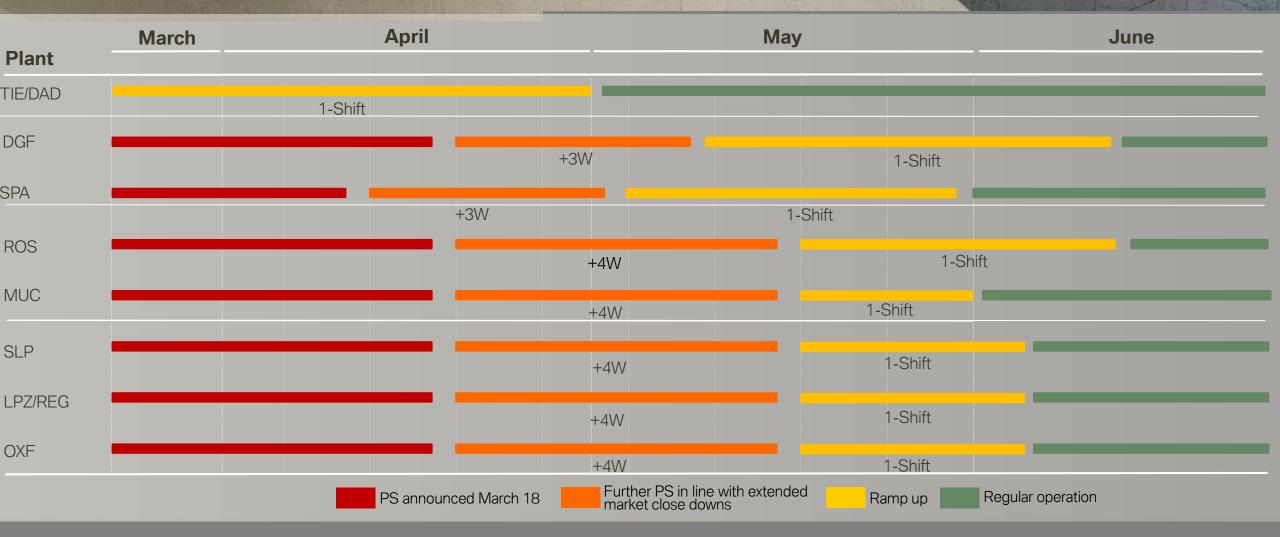






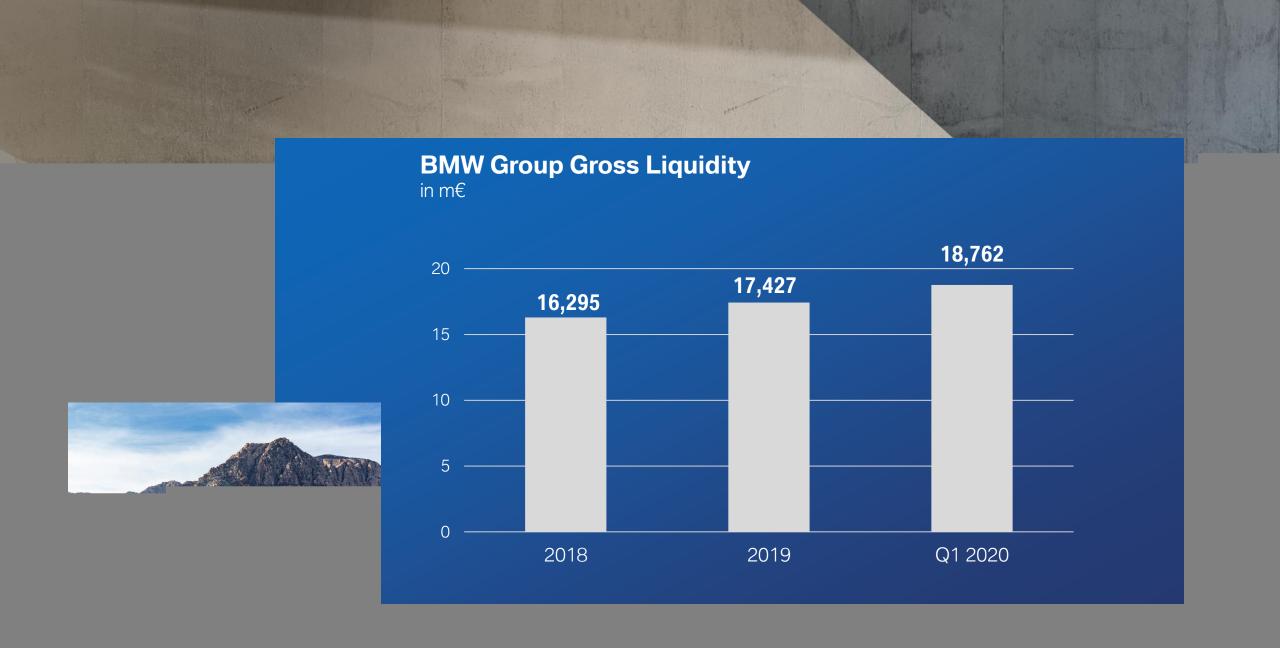
January Februar March April May June

FORWARD PLANNING AND BY ADJUSTING PRODUCTION WELL IN ADVANCE.

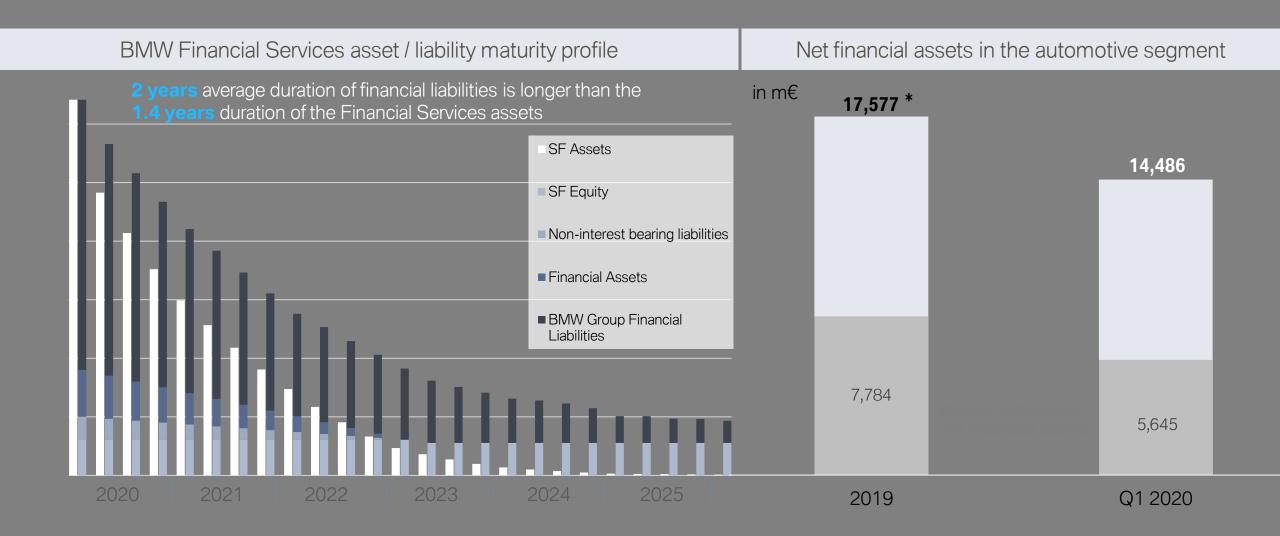


Q1-2020 KEY FINANCIALS.

	BMW Group	Q1-2020	Q1-2019	Change in %	
	Earnings before tax – Group (in m€)	798	762*	4.7	
	EBT margin (in %) – Group	3.4	3.4*		
62/25/60/096	Automotive Segment				
	Sales (units)	477,111	600,614	-20.6	
	Earnings before interest and tax (EBIT) (in m€)	229	-310*		
	EBIT margin (in %)	1.3	-1.6*		
	Free Cash Flow (in m€)	-2.218	-559		
	Sales (units)	34,774	38,606	-9.9	
	Earnings before interest and tax (EBIT) (in m€)	72	89	-19.1	
	EBIT margin (in %)	12.9	15.2	-2.3% points	
	Earnings before tax (EBT) (in m€)	484	627	-22.8	



PROFILE AND AUTOMOTIVE FINANCIAL ASSETS REMAINING AT A SOLID LEVEL.



^{*} The net financial assets are impacted by the first-time application of IFRS 16 in 2019. The related increase in leasing liabilities Page 25

HAVE THE BEST CREDIT RATING AMONG

EUROPEAN OEMS AND THE SECOND BEST RATING WORLDWIDE.

Moody's Investment grade Non-investment grade S&P Global Ratings Aa2 Aa3 A2 А3 B2 Aaa Aa1 Α1 Baa1 Baa2 Baa3 Ba₁ Ba2 Ba3 B1 **B3** AAA ▲ Rating with positive outlook AA+▼ Rating with negative outlook AA M sap Shows respective AArating agency Α+ BBB+ BBB BBB-BB+ BB BB-B+ В B-

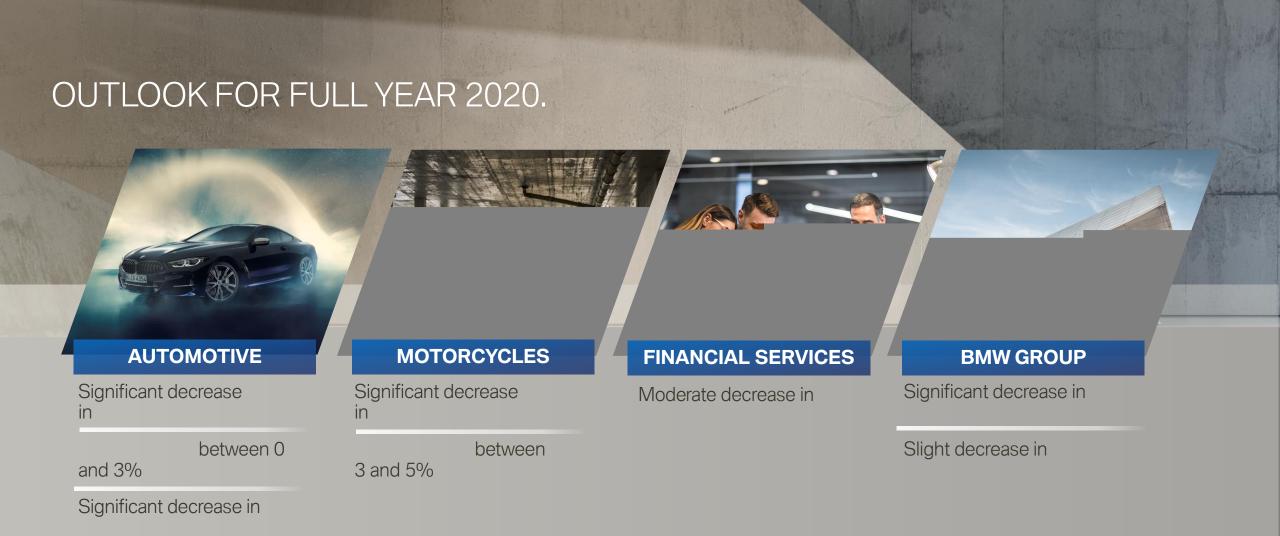
ACCELERATED.



PERFORMANCE PROGRAMME

Additional content





Prior to the coronavirus outbreak, the company's planning envisaged the Automotive segment posting a slight increase in sales. The spread of the coronavirus slowed the BMW Group's worldwide vehicle sales. We now expect global sales in 2020 to be much lower than last year. In light of the negative effects of the pandemic and the assessment that deliveries in all markets would return to normal levels after a few weeks, we had published an EBIT margin target of 2% to 4% for the year as a whole by mid-March 2020. Other than assumed by mid-March 2020, we do now expect that the economic environment will only begin to stabilize in the third quarter of the year. Accordingly, we are expanding our guidance for the financial year and are expecting an EBIT margin of between 0 and 3%, with the first half of the year being affected more than H2.

*Including the joint venture BMW Brilliance Automotive Ltd., Shenyang ** EU-28



GROUP TREASURY MANAGES RISK ALONG THE ENTIRE VALUE CHAIN.



RESEARCH & DEVELOPMENT



SUPPLY CHAIN





Currencies

Commodities

Interest Rates

SALES & MARKETING



FINANCIAL SERVICES



Financial Risk

Liquidity Funding



Solvent
Independent
Flexible
Value Oriented



Increasing planning security
Reducing earnings risk
Maintaining opportunities





Yield oriented Risk optimized Chances



Asset-Liability-Studies
Liability-driven investment
Lifecycle concept



Operational Implementation

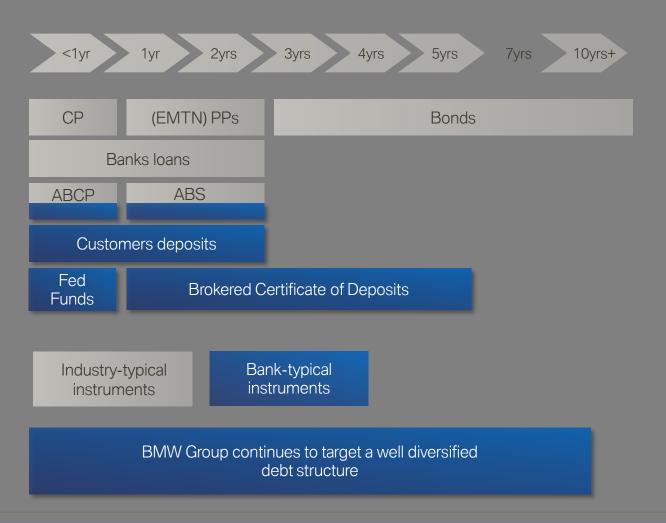
Strategic

Direction

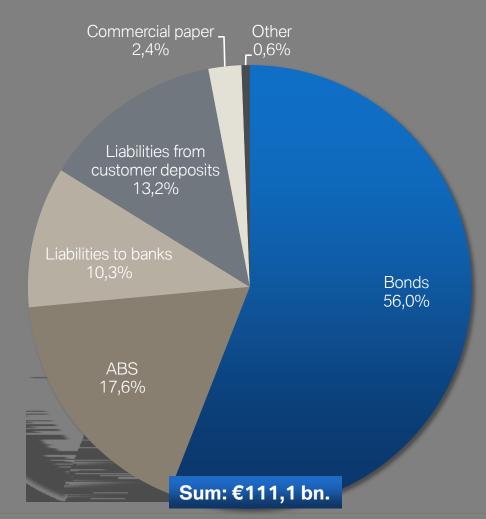
Minimum Liquidity Concept Target Debt Structure Financing Follows Markets Selective Approach Relative Value Natural Hedging Sustainability &

COMBINATION OF INDUSTRY AND BANK-TYPICAL FINANCING INSTRUMENTS.

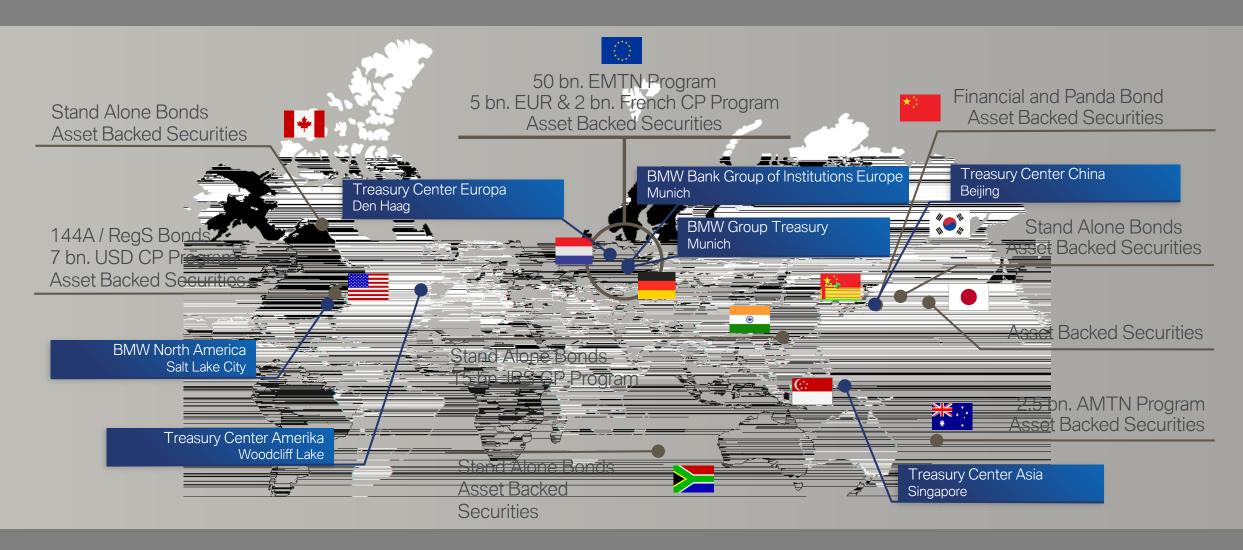
FUNDING INSTRUMENTS



FINANCIAL DEBT AS OF FY 2019



TREASURY ORGANIZATION ENSURES 24 HOUR MARKET COVERAGE.



AS PART OF GROUP TREASURY THE LOCAL TREASURY CENTER SUPPORTS THE BUSINESS IN MAINLAND CHINA AND THE GREATER CHINA REGION.

Mainland China

BMW China Automotive Trading Ltd. (NSC)

100% owned

BMW China Services Ltd. (BCS)

100% owned

BMW Automotive Finance China Ltd. (AFC)

majority owned

BMW Brilliance Automotive (BBA)

JV

BMW China Investment Ltd. (CHC)

100% owned

BMW Mobility Services Ltd.

100% owned

Herald International Leasing Co. Ltd. (HIL)

majority owned

Spotlight Automotive Ltd. (SAL)

JV

Greater China Region

BMW Financial Services Hong Kong Ltd.

BMW Hong Kong Services Ltd.

BMW Hong Kong Services Ltd., Taiwan Branch



Funding



Liquidity management

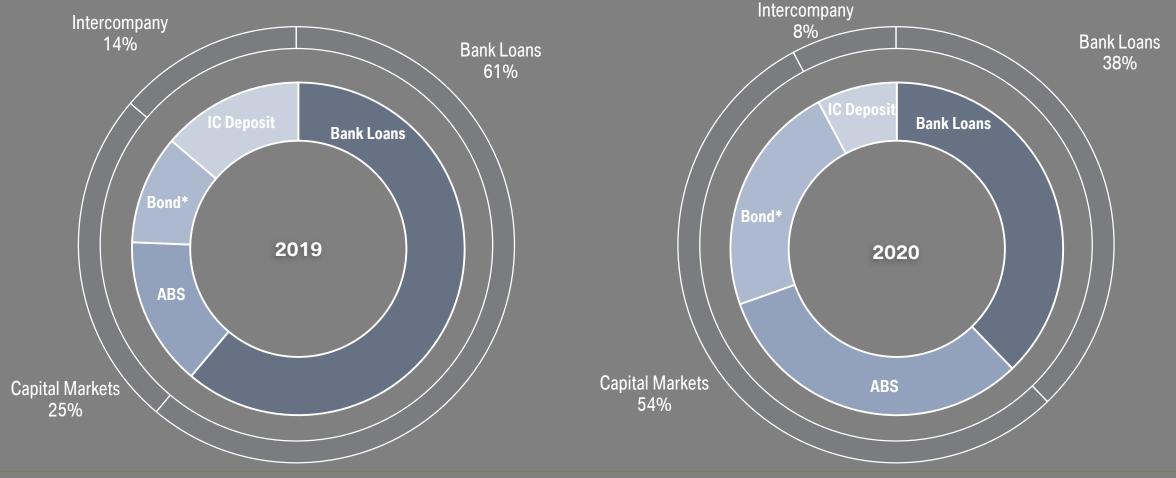


Risk Management



Other

ACCESS TO THE CHINESE CAPITAL MARKETS HAS FURTHER INCREASED IN LINE WITH THE GROUP STRATEGY.



Includes both financial bonds issued by AFC and Panda bonds issued by BMW Finance N.V. and on-lent to AFC / HIL as intercompany loans.



MARKET PARTICIPANTS HONOR THE WAY BMW GROUP MANAGES THE CAPITAL MARKETS IN CHINA.









"Top Issuer Award"





"Best Panda Bond"

OUR SUCCESSFUL BUSINESS DEVELOPMENT OFFERS FURTHER BUSINESS OPPORTUNITIES FOR OUR PARTNERS.



Reliable lending relationship



Access to broad investor base



Jointly develop capital markets



Derivatives Trading



Manage regulatory challenges together.



Innovative funding and liquidity management solutions.



Process optimization to reduce manual workload.

