BMW GROUP FINANCIAL SERVICES IN THE AMERICAS.

ED ROBINSON
PRESIDENT & CHIEF EXECUTIVE OFFICER BMW GROUP FINANCIAL SERVICES, AMERICAS REGION.
BMW GROUP – THE WORLD’S LEADING PROVIDER OF PREMIUM PRODUCTS AND PREMIUM SERVICES FOR INDIVIDUAL MOBILITY.

BMW Group Network

Dealership

National Sales Company (NSC)

Dealer financing / Insurance

Commission payments

Customer

Financial Services Company (NFSC)

Group internal agreements

Dealer contract

Sales contract

Leasing / Financing / Insurance

Capital Markets Day – Ed Robinson
BMW FINANCIAL SERVICES IS AS AN INTEGRAL PART OF THE BMW GROUP VALUE CHAIN.
BMW GROUP FINANCIAL SERVICES AT A GLANCE.

Global Presence 2014

- Global Operations in 54 Countries
- > 7,000 Employees (80% outside Germany)

Business Lines (Portfolio Size 2014)

- Retail Finance: €67.0 bn.
- Commercial Finance: €13.1 bn.
- Fleet Business: €9.7 bn.
- Multi Make Financing: €7.5 bn.
- Insurance: €9.2 bn.
- Banking: €9.2 bn.
BMW FINANCIAL SERVICES – 22 YEARS OF EVOLUTION IN THE AMERICAS. FROM DIVERSIFICATION TO INTEGRATED SERVICES.

- BMW Financial Services takes hold of U.S.
- Infiniti Takes Financial Services to Canada
- ALPHERA Financial Services
- Ohio expansion to Regional Service Center (RSC)
- Ultimate Drive Mobile App
- RSC Integrate
- Capital Markets Day – Ed Robinson
- BMW Bank launch Salt Lake City
- Introduction direct financing and eContracting 700K + Active Accounts
- Expansion of Insurance Business
- Launch of BMW i
SUSTAINABLE GROWTH OF SERVICED UNITS, PORTFOLIO & NEW BUSINESS WITH THE UNITED STATES AND THE REGION.

Serviced Vehicle Units (Thousands)

- 814 (2008)
- 855 (2009)
- 900 (2010)
- 932 (2011)
- 978 (2012)
- 1,031 (2013)
- 1,067 (2014)

Serviced Vehicle Portfolio (Billion €)

- 18.5 (2008)
- 18.2 (2009)
- 20.0 (2011)
- 20.5 (2012)
- 21.9 (2013)
- 27.0 (2014)

New Business Volume (Billion €)

- 9.3 (2008)
- 8.4 (2009)
- 9.3 (2010)
- 9.1 (2011)
- 10.8 (2012)
- 12.5 (2013)
- 12.2 (2014)

US share of Total FS 2014

- 31% (United States)
- 69% (Rest of Region)

Around 1/3 of Global Financial Services Volume is generated in the United States.
THE US RISK MANAGEMENT HOUSE SETS THE STANDARDS FOR OUR COMPREHENSIVE RISK MANAGEMENT STRATEGY.
MAJORITY OF RETAIL FINANCE CUSTOMERS HAVE A GOOD RATING. DELINQUENCY AND AVERAGE LOAN TERMS ARE BELOW MARKET LEVEL.

Development Retail Finance Booking:

- **2010:**
  - 700+: 16.7%
  - 640-699: 77.0%
  - <640: 6.4%
  - Average: Ø = 753

- **2012:**
  - 700+: 19.1%
  - 640-699: 72.3%
  - <640: 8.6%
  - Average: Ø = 743

- **2014:**
  - 700+: 19.0%
  - 640-699: 74.1%
  - <640: 6.8%
  - Average: Ø = 753

Development average Loan Contract Terms:

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Experian Industry comparison 2014

- **Average Term**
  - Industry: 66 months
  - New vehicles: 66 months
  - Used vehicles: 62 months
  - Average: Ø 64 month

- **30+ days past due delinquency**
  - Industry: 2.38%

- **Average Industry loan score development**
  - Q4-2009: Ø = 732
  - Q4-2010: Ø = 659
  - Q4-2011: Ø = 653
  - Q4-2012: Ø = 650
  - Q4-2013: Ø = 646
  - Q4-2014: Ø = 648

*FICO Score **Experian VantageScore
INTRODUCE UPSTREAM CHANNELS TO OPTIMIZE SALES OPPORTUNITIES AND LIMIT AUCTION VOLUME.

Introduction of Upstream Channels via virtual market platform

- National Sale
- VIP Independents
- Direct customer

Upstream Channels

Maximize US National re-distribution opportunities

Customer

Grounding Dealer

Improved offering to entire Dealer network.

Physical Auction

20% of auction volume purchased by BMW Dealers.

2/3 units sold to BMW Dealers.

Strong After sales parts cooperation

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FOCUS ON STRONG DEALER NETWORK AND NATIONAL DISTRIBUTION TO FURTHER OPTIMIZE REMARKETING AND MAINTAIN HIGH RESIDUAL VALUES.

Used Car Demand
41 Million

New Car Demand
16 Million

Maximize National re-distribution opportunities by implementing additional sales channels through virtual market platform. Increase Marketing activities to gain and loyalize existing customer as well as providing additional dealer network support.
In 1996 the National Customer Service Center is built in Dublin, Ohio – all operations under one roof.

With the final integration of Brazil in 2012, Ohio is established as Regional Service Center (RSC).

The RSC is strengthening the Customer Interface for the BMW Group.

The RSC provides service offerings for a portfolio of more than $27 Billion.

More than 1.7 Mio. direct customer contacts p.a. for Sales & Financial Services Companies.
FINANCIAL SERVICES IS PREPARED FOR THE FUTURE.