BMW GROUP FINANCIAL SERVICES BANKERS DAY CHINA.

SERGE NAUDIN, PRESIDENT AND CEO OF BMW GROUP FINANCIAL SERVICES CHINA

21st July 2020
BMW GROUP FINANCIAL SERVICES SET-UP IN MAINLAND CHINA.

BMW AUTOMOTIVE FINANCE (CHINA) CO., LTD.
(BMW AFC), JV by BMW Group (58%) and BBA (42%), incorporated 2010

- RETAIL LOAN
- WHOLESALE LOAN

HERALD INTERNATIONAL FINANCIAL LEASING CO., LTD.
(HERALD), JV by BMW Group (58%) and BBA (42%), acquired in 2016

- LEASING
- MOTORRAD
- CONSULTING SERVICE*

* Consulting and Third Party Administration (TPA) services to AWP Business Services (Beijing) Co., Ltd., delivered by Herald Hezhong (Beijing) Automotive Trading Co. Ltd, a wholly owned subsidiary of HERALD.
BUSINESS LINES IN MAINLAND CHINA AT A GLANCE.

BMW AFC RETAIL FINANCE
CNY 89 BN.

BMW AFC COMMERCIAL FINANCE
CNY 13 BN.

HERALD LEASING
CNY 12 BN.

(Serviced Portfolio as of 12/2019)
FINANCIAL SERVICES CHINA
CONTINUOUS BUSINESS GROWTH OVER PAST YEARS.

### RETAIL FINANCE SERVICED UNIT GROWTH

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 YTD Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMW AFC</td>
<td>371</td>
<td>421</td>
<td>510</td>
<td>589</td>
<td>587</td>
</tr>
<tr>
<td>Herald</td>
<td>13</td>
<td>45</td>
<td>78</td>
<td>82</td>
<td></td>
</tr>
</tbody>
</table>

### SERVICED PORTFOLIO GROWTH

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 YTD Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMW AFC</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Herald</td>
<td>72</td>
<td>81</td>
<td>92</td>
<td>102</td>
<td>95</td>
</tr>
</tbody>
</table>

* AFC Pene% Only.
VALUE PROPOSITION OF FINANCIAL SERVICES WITHIN THE BMW GROUP.

- SUPPORT OF SALES
  - Financing partners of BMW Group.
  - Strengthen automotive brands.
  - Accelerate BMW dream.

- CUSTOMER INTERFACE
  - Service and loyalize all BMW Group customers.
  - Win new customers.

- PROFIT CONTRIBUTION
  - Independent profit contribution to BMW Group.
  - Return on equity target.

Bankers Day, July 2020
FINANCIAL SERVICES CHINA
PROFITABILITY DEVELOPMENT.

BMW AFC PROFIT BEFORE TAX
(mn.CNY)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.467</td>
</tr>
<tr>
<td>2017</td>
<td>2.515</td>
</tr>
<tr>
<td>2018</td>
<td>2.630</td>
</tr>
<tr>
<td>2019</td>
<td>3.338</td>
</tr>
<tr>
<td>2020 YTD Q1</td>
<td>748</td>
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</tbody>
</table>

HERALD LEASING PROFIT BEFORE TAX
(mn.CNY)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-54</td>
</tr>
<tr>
<td>2018</td>
<td>84</td>
</tr>
<tr>
<td>2019</td>
<td>311</td>
</tr>
<tr>
<td>2020 YTD Q1</td>
<td>83</td>
</tr>
</tbody>
</table>

* One-time effects on PbT due to equity injection and lending quota control.
OPERATIONAL EFFICIENCY IS CONSTANTLY INCREASING THROUGH PROCESS AUTOMATION AND DIGITALIZATION.
FINANCIAL SERVICES CHINA
STABLE AND PRUDENT RISK PORTFOLIO.

>80% PORTFOLIO OF CUSTOMER WITH VERY GOOD/GOOD CREDIT

RISK SITUATION REMAINS STABLE
31-180 Days Delinquency Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>BMW AFC</th>
<th>Herald</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.08%</td>
<td>0.03%</td>
</tr>
<tr>
<td>2017</td>
<td>0.11%</td>
<td>0.06%</td>
</tr>
<tr>
<td>2018</td>
<td>0.13%</td>
<td>0.10%</td>
</tr>
<tr>
<td>2019</td>
<td>0.14%</td>
<td>0.22%</td>
</tr>
<tr>
<td>2020 YTD Q2</td>
<td>0.23%</td>
<td></td>
</tr>
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</table>

(2020 YTD Q2)
Phase I: Business Continuity:
- Workforce protection
- Initiate solutions to mitigate business impact and risks

Phase II: Road to Recovery:
- Customer care incl. special policies and services
- Dealer support

Phase III: Sustainable Growth:
- Enlarged product offers and joint campaigns
- Strategy implementation to strengthen competitive advantage
INVEST IN PEOPLE AND NEW TECHNOLOGY.
EXCELLENCE IN CUSTOMER SERVICE.

PEOPLE & COMPETENCIES
(strategic talent development)

OPERATION EFFICENCY
(Automation and mixed sourcing strategy)

ADVANCED RISK ENGINE
(data analytics in scorecard development)

EXCELLENT CUSTOMER SERVICES
(24/7 A.I. Chatbot, Online Self Service)

Bankers Day, July 2020
OUR VISION: DIGITAL CHAMPION.
Financial services integrated into a holistic group ecosystem across all channels and online-to-offline touchpoints for a seamless personalized journey - anytime anywhere.

Remember me - anytime & anywhere – with a Unique Customer ID across all Channels.
TOGETHER WE ARE CONTINUING OUR JOINT SUCCESS STORY IN CHINA.

**SUPPORT OF SALES**
- Enlarged SF Offer
- Corporate Sales by Herald Leasing
- Strategic Role within the Value China of BMW Group China

**CUSTOMER INTERFACE**
- National Roll-out of eFinance
- Upgraded AI, Chatbot and Auto QC Technology in Customer Services
- Omni-channel Campaigns

**PROFIT CONTRIBUTION**
- Strengthen Operational Excellence via RPA, OCR & new IT System
- Balanced Risk Portfolio
- Stable Profitability Outlook

Legend:  
RPA: Robotic Process Automation  
QC: Quality Control  
OCR: Optical Character Recognition
THANK YOU.