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STATEMENT OF COMPREHENSIVE INCOME FOR GROUP

in € million	Note	2022	2021
Net profit / loss		18,582	12,463
Remeasurement of the net liability for defined benefit pension plans	34	1,077	1,243
Deferred taxes		- 332	- 224
Items not expected to be reclassified to the income statement in the future		745	1,019
Marketable securities (at fair value through other comprehensive income)		- 154	- 45
Derivative financial instruments		2,801	14
Costs of hedging		- 1,557	72
Other comprehensive income from equity accounted investments		22	- 50
Deferred taxes		- 458	163
Currency translation foreign operations		199	1,228
Items that can be reclassified to the income statement in the future		853	1,382
Other comprehensive income for the period after tax	20	1,598	2,401
Total comprehensive income		20,180	14,864
Total comprehensive income attributable to non-controlling interests		679	81
Total comprehensive income attributable to shareholders of BMW AG		19,501	14,783



BALANCE SHEET FOR GROUP AND SEGMENTS AT 31 DECEMBER 2022

in € million	Note	Group		Automotive (unaudited (supplementary information))		Motorcycles (unaudited (supplementary information))		Financial Services (unaudited (supplementary information))		Other Entities (unaudited (supplementary information))		Eliminations (unaudited (supplementary information))	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS													
Intangible assets	22	21,776	12,980	21,220	12,438	185	167	370	374	1	1	-	-
Property, plant and equipment	23	32,126	22,390	31,514	21,885	491	438	121	67	-	-	-	-
Leased products	24	42,820	44,700	-	-	-	-	49,867	52,017	-	-	-7,047	-7,317
Investments accounted for using the equity method	25	420	5,112	420	5,112	-	-	-	-	-	-	-	-
Other investments		1,351	1,241	14,775	6,061	-	-	28	21	23,020	6,899	-36,472	-11,740
Receivables from sales financing	26	50,368	51,712	-	-	-	-	50,482	51,808	-	-	-114	-96
Financial assets	27	3,073	1,715	1,522	577	-	-	481	159	1,191	997	-121	-18
Deferred tax	14	1,758	2,202	3,340	3,418	-	-	517	618	23	39	-2,122	-1,873
Other assets	29	1,030	1,302	2,612	2,057	25	30	2,325	2,649	38,315	38,882	-42,247	-42,316
Non-current assets		154,722	143,354	75,403	51,548	701	635	104,191	107,713	62,550	46,818	-88,123	-63,360
Inventories	30	20,005	15,928	18,679	14,868	802	656	524	404	-	-	-	-
Trade receivables	31	4,127	2,261	3,869	2,076	143	91	114	94	1	-	-	-
Receivables from sales financing	26	35,340	35,705	-	-	-	-	35,340	35,705	-	-	-	-
Financial assets	27	5,164	5,800	3,841	4,925	-	-	560	542	766	520	-3	-187
Current tax	28	1,096	1,529	547	300	-	-	134	83	415	1,146	-	-
Other assets	29	9,602	8,941	31,576	35,592	4	3	5,020	5,425	54,857	56,589	-81,855	-88,668
Cash and cash equivalents		16,870	16,009	13,109	12,009	21	9	3,530	3,471	210	520	-	-
Current assets		92,204	86,173	71,621	69,770	970	759	45,222	45,724	56,249	58,775	-81,858	-88,855
Total assets		246,926	229,527	147,024	121,318	1,671	1,394	149,413	153,437	118,799	105,593	-169,981	-152,215



BALANCE SHEET FOR GROUP AND SEGMENTS AT 31 DECEMBER 2022

in € million	Note	Group		Automotive (unaudited (supplementary information))		Motorcycles (unaudited (supplementary information))		Financial Services (unaudited (supplementary information))		Other Entities (unaudited (supplementary information))		Eliminations (unaudited (supplementary information))	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
EQUITY AND LIABILITIES													
Subscribed capital	32	663	661	-	-	-	-	-	-	-	-	-	-
Capital reserves	32	2,432	2,325	-	-	-	-	-	-	-	-	-	-
Revenue reserves	32	85,425	71,705	-	-	-	-	-	-	-	-	-	-
Accumulated other equity	32	- 117	- 325	-	-	-	-	-	-	-	-	-	-
Treasury shares	32	- 1,278	-	-	-	-	-	-	-	-	-	-	-
Equity attributable to shareholders of BMW AG	32	87,125	74,366	-	-	-	-	-	-	-	-	-	-
Non-controlling interests		4,163	766	-	-	-	-	-	-	-	-	-	-
Equity		91,288	75,132	67,234	50,296	-	-	17,737	17,324	48,894	25,264	- 42,577	- 17,752
Pension provisions	34	339	1,247	233	1,073	9	31	20	35	77	108	-	-
Other provisions	35	8,445	7,206	8,206	6,944	83	110	156	152	-	-	-	-
Deferred tax	14	2,765	1,458	2,786	1,515	-	-	3,447	3,426	315	88	- 3,783	- 3,571
Financial liabilities	37	53,469	62,342	2,730	2,247	2	2	16,343	18,909	34,515	41,202	- 121	- 18
Other liabilities	38	6,199	5,676	6,840	6,739	721	524	39,654	40,003	1,185	475	- 42,201	- 42,065
Non-current provisions and liabilities		71,217	77,929	20,795	18,518	815	667	59,620	62,525	36,092	41,873	- 46,105	- 45,654
Other provisions	35	7,316	6,748	6,668	6,175	123	109	519	460	6	4	-	-
Current tax	36	1,224	921	886	700	-	-	123	140	215	81	-	-
Financial liabilities	37	40,727	41,121	1,646	1,462	-	-	25,718	24,428	13,366	15,418	- 3	- 187
Trade payables	39	14,120	10,932	12,763	9,650	494	378	852	894	11	10	-	-
Other liabilities	38	21,034	16,744	37,032	34,517	239	240	44,844	47,666	20,215	22,943	- 81,296	- 88,622
Current provisions and liabilities		84,421	76,466	58,995	52,504	856	727	72,056	73,588	33,813	38,456	- 81,299	- 88,809
Total equity and liabilities		246,926	229,527	147,024	121,318	1,671	1,394	149,413	153,437	118,799	105,593	- 169,981	- 152,215



CASH FLOW STATEMENT FOR GROUP AND SEGMENTS

in € million	Group		Automotive (unaudited (supplementary information))		Financial Services (unaudited (supplementary information))	
	2022	2021	2022	2021	2022	2021
Profit / loss before tax	23,509	16,060	18,918	11,805	3,205	3,753
Income taxes paid	- 4,512	- 3,217	- 4,229	- 1,805	- 487	- 1,423
Interest received ¹	453	130	718	220	6	2
Other interest and similar income / expenses ¹	- 206	78	- 228	115	2	1
Depreciation and amortisation of tangible and intangible assets	8,566	6,495	8,433	6,341	32	35
Other non-cash income and expense items ²	- 7,392	- 713	- 7,433	- 470	8	-
Result from equity accounted investments	100	- 1,520	100	- 1,520	-	-
Change in leased products	2,794	- 1,282	-	-	3,236	- 1,602
Change in receivables from sales financing	1,888	965	-	-	1,870	926
Changes in working capital	- 523	1,355	- 310	762	- 130	433
Change in inventories	- 115	- 563	156	- 1,032	- 125	438
Change in trade receivables	- 939	119	- 866	- 16	- 20	6
Change in trade payables	531	1,799	400	1,810	15	- 11
Change in provisions	816	- 1,256	854	- 1,440	47	87
Change in other operating assets and liabilities ³	- 1,970	- 1,181	- 2,041	- 1,425	1,356	1,058
Cash inflow / outflow from operating activities	23,523	15,914	14,782	12,583	9,145	3,270
Total investment in intangible assets and property, plant and equipment	- 9,050	- 6,619	- 8,867	- 6,439	- 12	- 12
Proceeds from subsidiaries for intangible assets and property, plant and equipment ³	102	43	102	43	-	-
Proceeds from the disposal of intangible assets and property, plant and equipment	103	40	101	39	2	1
Expenditure for acquisitions, net of cash acquired	3,587	-	5,011	-	-	-
Expenditure for investment assets	- 117	- 158	- 86	- 132	- 4	- 1
Proceeds from the disposal of investment assets and other business units	32	263	28	260	-	-
Investments in marketable securities and investment funds	- 649	- 271	- 459	- 16	- 147	- 185
Proceeds from the sale of marketable securities and investment funds	1,220	302	991	37	111	260
Cash inflow / outflow from investing activities	- 4,772	- 6,400	- 3,179	- 6,208	- 50	63



CASH FLOW STATEMENT FOR GROUP AND SEGMENTS

in € million	Group		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
	2022	2021	2022	2021	2022	2021
Payments into equity	85	103	85	103	-	-
Treasury shares acquired	-1,278	-	-1,278	-	-	-
Payment of dividends to shareholders of BMW AG	-3,827	-1,253	-3,827	-1,253	-	-
Payment of dividends to non-controlling interests	-1,455	-24	-1,455	-24	-	-
Intragroup financing and equity transactions	-	-	-2,998	-1,545	-7,139	-2,511
Interest paid ¹	-222	-217	-521	-367	-9	-27
Proceeds from issue of non-current financial liabilities ²	16,050	18,811	-	-	11,584	12,243
Repayment of non-current financial liabilities ⁴	-26,102	-26,434	-547	-659	-12,165	-13,833
Change in other financial liabilities ⁴	-1,235	2,279	-51	-	-1,313	1,499
Cash inflow / outflow from financing activities	-17,984	-6,735	-10,592	-3,745	-9,042	-2,629
Effect of exchange rate on cash and cash equivalents	104	-307	99	-143	6	-96
Effect of changes in composition of Group on cash and cash equivalents	-10	-	-10	-	-	-
Change in cash and cash equivalents	861	2,472	1,100	2,487	59	608
Cash and cash equivalents as at 1 January	16,009	13,537	12,009	9,522	3,471	2,863
Cash and cash equivalents as at 31 December	16,870	16,009	13,109	12,009	3,530	3,471

¹ With the exception of interest for lease liabilities, interest relating to financial services business is classified as revenues/cost of sales.

² Includes the elimination of the non-cash revaluation effect of the investment in BMW Brilliance amounting to € 7,649 million.

³ Prior year figures adjusted.

⁴ In the previous year, transitory items were reported within cash flows from financing activities on a gross basis. In addition, items meeting the criteria of IAS 7.22 (b) were included. In 2022, reporting was changed to a net basis. The figures for the previous financial year have also been adjusted (reported in 2021: at Group level inflows amounting to € 224,916 million, outflows amounting to € 232,089 million and change in other items amounting to € 1,829 million; and at the Financial Services segment level inflows amounting to € 218,348 million, outflows amounting to € 219,488 million and change in other items amounting to € 1,049 million). Reporting cash flows on a net basis where this is permitted improves the readability and comparability of the BMW Group's cash flow statement.

The reconciliation of liabilities from financing activities is presented in [note \[37\]](#) to the Group Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR GROUP

in € million	Note	Subscribed capital	Capital reserves	Revenue reserves	Translation differences	Marketable securities	Accumulated other equity				Equity attributable to shareholders of BMW AG	Non-controlling interests	Total
							Derivative financial instruments	Costs of hedging	Treasury shares				
1 January 2022	32	661	2,325	71,705	- 438	2	362	- 251	-	-	74,366	766	75,132
Net profit		-	-	17,941	-	-	-	-	-	-	17,941	641	18,582
Other comprehensive income for the period after tax		-	-	745	- 146	- 109	1,973	- 903	-	-	1,560	38	1,598
Comprehensive income at 31 December 2022		-	-	18,686	- 146	- 109	1,973	- 903	-	-	19,501	679	20,180
Dividend payments		-	-	- 3,827	-	-	-	-	-	-	- 3,827	- 1,455	- 5,282
Treasury shares acquired		-	-	-	-	-	-	-	- 1,278	-	- 1,278	-	- 1,278
Subscribed share capital increase out of Authorised Capital		2	-	-	-	-	-	-	-	-	2	-	2
Premium arising on capital increase relating to preferred stock		-	107	-	-	-	-	-	-	-	107	-	107
Other changes		-	-	- 1,139	-	-	- 607	-	-	-	- 1,746	4,173	2,427
31 December 2022	32	663	2,432	85,425	- 584	- 107	1,728	- 1,154	- 1,278	-	87,125	4,163	91,288



STATEMENT OF CHANGES IN EQUITY FOR GROUP

in € million	Note	Subscribed capital	Capital reserves	Revenue reserves	Accumulated other equity				Equity attributable to shareholders of BMW AG	Non-controlling interests	Total
					Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging			
1 January 2021	32	660	2,199	59,550	- 2,156	34	868	- 264	60,891	629	61,520
Net profit		-	-	12,382	-	-	-	-	12,382	81	12,463
Other comprehensive income for the period after tax		-	-	1,019	1,718	- 32	- 317	13	2,401	-	2,401
Comprehensive income at 31 December 2021		-	-	13,401	1,718	- 32	- 317	13	14,783	81	14,864
Dividend payments		-	-	- 1,253	-	-	-	-	- 1,253	- 24	- 1,277
Subscribed share capital increase out of Authorised Capital		1	-	-	-	-	-	-	1	-	1
Premium arising on capital increase relating to preferred stock		-	126	-	-	-	-	-	126	-	126
Other changes		-	-	7	-	-	- 189	-	- 182	80	- 102
31 December 2021	32	661	2,325	71,705	- 438	2	362	- 251	74,366	766	75,132



NOTES TO THE GROUP FINANCIAL STATEMENTS

PRINCIPLES

01 Basis of preparation

The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft (BMW Group Financial Statements or Group Financial Statements) at 31 December 2022 were drawn up in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU), and the supplementary requirements of § 315e (1) of the German Commercial Code (HGB). Pursuant to § 325 HGB, the Group Financial Statements and the Group Management Report are required to be submitted electronically to the agency that maintains the Company Register and may be obtained via the Company Register website. Bayerische Motoren Werke Aktiengesellschaft (BMW AG), which has its seat in Germany, Munich, Petuelring 130, is registered in the Commercial Register of the District Court of Munich under the number HRB 42243. BMW AG manufactures automobiles and motorcycles in the premium segment.

The Group currency is the euro. All amounts are disclosed in millions of euros (€ million) unless stated otherwise.

Key figures presented in the report have been rounded in accordance with standard commercial practise. In certain cases, this may mean that values do not add up exactly to the stated total and that percentages cannot be derived from the values shown.

The income statement for the BMW Group and segments is presented using the cost of sales method.

In order to provide a better insight into the results of operations, financial position and net assets of the BMW Group, and going beyond the requirements of IFRS 8 (Operating Segments), the Group Financial Statements also include an income statement and a balance sheet for the Automotive, Motorcycles, Financial Services and Other Entities segments. The Group Cash Flow Statement is supplemented by a statement of cash flows for the Automotive and Financial Services segments. Inter-segment transactions relate primarily to internal sales of products, the provision of funds for Group companies and the related interest. A description of the nature of the business and the major operating activities of the BMW Group's segments is provided in [note 47](#) (Explanatory notes to segment information).

Approval for the publication of the Group Financial Statements was granted by the Board of Management on 7 March 2023.

02 Group reporting entity and consolidation principles

The BMW Group Financial Statements include BMW AG and all material subsidiaries over which BMW AG – either directly or indirectly – exercises control. This also includes 57 structured entities, consisting of asset-backed financing arrangements and special purpose funds. In some cases, contractual agreements are in place with the asset-backed securities companies to offset their losses in connection with residual value risks arising from the receivables sold to them.

In relation to fully consolidated companies, the following changes took place in the Group reporting entity in the financial year 2022:

	Germany	Foreign	Total
Included at 31 December 2021	20	185	205
Included for the first time in 2022	-	15	15
No longer included in 2022	-	16	16
Included at 31 December 2022	20	184	204

All consolidated subsidiaries have the same year-end as BMW AG with the exception of BMW India Private Ltd. and BMW India Financial Services Private Ltd., whose year-ends are 31 March in accordance with local legal requirements. Interim financial statements are prepared as at 31 December for the two companies with divergent reporting dates.

When assessing whether an investment gives rise to a controlled entity, an associated company, a joint operation or a joint venture, the BMW Group considers contractual arrangements and other circumstances, as well as the structure and legal form of the entity. Discretionary decisions may also be required. If indications exist of a change in the judgement of (joint) control, the BMW Group undertakes a new assessment.

An entity is deemed to be controlled if BMW AG – either directly or indirectly – has power over it, is exposed or has rights to variable returns from it and has the ability to influence those returns.

An entity is classified as an associated company if BMW AG – either directly or indirectly – has the ability to exercise significant influence over the entity's operating and financial policies. As a general rule, the Group is assumed to have significant influence if it holds 20 % or more of the entity's voting power.

Joint operations and joint ventures are forms of joint arrangements. Such an arrangement exists when a BMW Group entity jointly carries out activities with a third party on the basis of a contractual agreement.

In the case of a joint operation, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Assets, liabilities, revenues and expenses of a joint operation are recognised proportionately in the Group Financial Statements on the basis of the BMW Group entity's rights and obligations (proportionate consolidation). The impact of joint operations on the Group Financial Statements are of minor significance.

The BMW Group's largest joint operation is Spotlight Automotive Limited (Spotlight), which has been operated together with the Chinese automobile manufacturer Great Wall Motor Company Limited (Great Wall) since 2019, jointly developing and manufacturing electric vehicles in China. The BMW Group and Great Wall each hold 50 % of the joint operation's equity. In addition to electric MINI vehicles, Spotlight will in future also develop and produce electric vehicles for Great Wall.

In the case of a joint venture, the parties which have joint control only have rights to the net assets of the arrangement.

Associated companies and joint ventures are accounted for using the equity method, with measurement on initial recognition based on acquisition cost.

BMW Brilliance Automotive Ltd. (BMW Brilliance) was fully consolidated for the first time with effect from 11 February 2022. Detailed information is provided in [note 3](#).

On 30 September 2021, the BMW Group signed an agreement with the Huachen Group to acquire all of the shares of Brilliance Automobile Manufacturing Co., Ltd, a Huachen Group subsidiary. However, the transaction was still not completed by the end of the financial year 2022.

The other changes to the Group reporting entity do not have a material impact on the results of operations, financial position and net assets of the Group.

03 Increased shareholding in BMW Brilliance Automotive Ltd.

On 11 February 2022, via its subsidiary BMW Holding B.V., the BMW Group increased its shareholding in the BMW Brilliance joint venture from 50 % to 75 % with the acquisition of a further 25 % of BMW Brilliance's shares. On 11 October 2018, the BMW Group signed an agreement with its joint venture partner, a wholly owned subsidiary of Brilliance China Automotive Holdings Ltd. (CBA), to acquire these shares. The agreement was approved at the CBA shareholders' meeting on 18 January 2019.

The previous joint venture requirement in China for businesses manufacturing conventionally powered automobiles came to an end with effect from 1 January 2022. The new joint venture agreement came into force and the formal transfer of shares was completed on 11 February 2022, following the issuance of a new business licence. Since that date, the BMW Group has held a 75 % majority of the voting rights, as a result of which it now has control over BMW Brilliance. BMW Brilliance has therefore been fully consolidated as a subsidiary in the BMW Group Financial Statements with effect from 11 February 2022. The contractual term of the joint venture, which previously ran until 2028, has been extended to 2040.

BMW Brilliance manufactures BMW brand models primarily for the Chinese market at its two vehicle production plants as well as petrol engines and high-voltage batteries at a separate facility.

The strategic objectives of the acquisition are to further strengthen the BMW Group's long-term collaboration with a partner in China, expand production capacities at the existing locations in Shenyang, and systematically increase the local production of further models, including New Energy Vehicles.

The consideration paid for the additional 25 % stake totalled CNY 27,941 million. Converted and including hedging effects, the purchase price amounted to € 3,735 million, which was settled entirely in cash. Cash and cash equivalents acquired totalled € 8,746 million. Overall, therefore, the cash flow statement for the Automotive segment shows a cash inflow from acquisitions (part of the cash inflow/outflow from investing activities) amounting to € 5,011 million. After deducting intragroup cash and cash equivalents, the cash flow statement for the BMW Group shows a cash inflow from acquisitions (part of the cash inflow/outflow from investing activities) amounting to € 3,587 million. Intragroup cash and cash equivalents relate to cash deposits made by BMW Brilliance with the Group's financial services companies in China.

As the BMW Group already held 50 % of the shares in BMW Brilliance prior to the acquisition, the transaction constitutes a business combination achieved in stages (step acquisition). In this context, the Group's 50 % shareholding in BMW Brilliance at the acquisition date was measured at its fair value, which was calculated at € 12,341 million. The remeasurement gain of € 7,649 million was recognised on the line item "Result on investments" within other financial result.

The assets acquired and liabilities assumed in conjunction with the business combination were required to be identified and measured at their fair value. The fair values of the main groups of assets and liabilities are shown in the following table:

	in € million
Reacquired rights	7,781
Dealership relationships	520
Other intangible assets	48
Property, plant and equipment	6,437
Right-of-use assets from leases	635
Inventories	4,282
Trade receivables	1,069
Other assets	2,930
Cash and cash equivalents	8,746
Provisions	- 990
Trade payables	- 3,945
Other liabilities	- 6,243
Deferred taxes	- 1,430
Net Identified assets acquired	19,840

Reacquired rights and dealership relationships identified in conjunction with the business combination were recognised as intangible assets. Reacquired rights were recognised as a separate

intangible asset if they were contractually granted to Brilliance before control was obtained by the BMW Group. More specifically, they relate to rights granted by the BMW Group to the BMW Brilliance joint venture prior to the acquisition, allowing the latter to use specified vehicle production technologies and trademark rights.

These acquired intangible assets have a useful life of 6 to 7 years. Other fair value adjustments were also recognised, mainly for property, plant and equipment and inventories.

The remaining difference of € 1,197 million between the consideration transferred for 25 % of the shares and the previously held shares measured at fair value on the one hand and the Group's share of identifiable net assets acquired on the other was recognised as goodwill. This essentially represents synergy benefits, given that the fair value of the reacquired rights already takes potential excess returns into account. The acquisition did not give rise to any goodwill that is deductible for tax purposes. Goodwill was allocated in full to the new BMW Brilliance cash-generating unit within the Automotive segment.

The gross amount of acquired receivables corresponds to their fair value.

The remaining non-controlling interest of 25 % held by other shareholders is measured on the basis of their proportionate share of identifiable net assets. Equity attributable to non-controlling interests therefore amounted to € 4,960 million.

The purchase price allocation has been completed. All adjustments made during the year compared to the first announcement were of minor importance.

Since the date of first-time consolidation, revenues and profit after tax amounting to € 28,031 million and € 2,211 million respectively relate to BMW Brilliance. The figure reported for profit after tax also includes depreciation and amortisation arising on the purchase price allocation as well as intragroup eliminations attributable to BMW Brilliance. It does not, however, include the elimination of intragroup profits arising at other companies.

If BMW Brilliance had been fully included in the Group Financial Statements with effect from 1 January 2022, Group revenues and profit after tax for the twelve-month period would have amounted to € 145,521 million and € 18,842 million respectively.

Following the business combination, the equity capital of BMW Automotive Finance (China) Co. Ltd. and Herald International Financial Leasing Co., Ltd. attributable to non-controlling interests changed to 10.5 % in each case (previously 21 %). As the two entities were already included in the Group Financial Statements as subsidiaries, the change was recognised through Group equity without any impact on profit or loss.

04 Other significant events during the financial year 2022 Russia-Ukraine war

Major uncertainties remained at 31 December 2022 with respect to the ongoing Russia-Ukraine war. The sanctions imposed and the countermeasures taken in this context significantly restrict economic activities with Russia and also have an impact on the Russian companies of the BMW Group.

In connection with the Russia-Ukraine war, allowances for expected credit losses on receivables from sales financing were increased in the financial year 2022 to take account of the negative impact on retail customer business, to the extent not covered by the BMW Group's standard loss provisioning models (post-model adjustments).

The restrictions currently in place for payments mean that transfers of liquid funds from Russia are limited. Developments in this area are reviewed by the BMW Group on a regular basis. In total, the Russian companies hold around 5 % of the BMW Group's cash and cash equivalents.

Current restrictions on transfers from Russia mean that the credit default risk vis-à-vis Russian companies is elevated. In this context, impairment allowances were recognised on receivables from a non-consolidated Russian subsidiary.

For a certain number of vehicles sold on the Russian market, warranty arrangements give rise to a repurchase obligation. In accordance with IFRS 15, this obligation has been recognised as a reduction of revenue in the year ended 31 December 2022.

For inventory valuation purposes, write-downs were recognised on vehicles and parts destined for the Russian market.

The Russia-Ukraine war also had an impact on foreign exchange markets, causing heightened volatility of the Russian rouble (RUB) during the first half of the year.

A closing rate of RUB 77.12 to the euro was applied at 31 December 2022. The BMW Group has been able to execute transactions at this rate. Compared to the exchange rate at 31 December 2021 (RUB 85.23), the value of assets has appreciated. If the previous year's exchange rate had been applied at 31 December 2022, BMW Group total assets would have been 0.1 % lower.

Overall, the effects described above as a consequence of the Russia-Ukraine war have so far had a negative impact on the BMW Group's earnings in the mid-three-digit million range.

05 Foreign currency translation and measurement

The financial statements of consolidated companies which are presented in a foreign currency are translated using the modified closing rate method. Under this method, assets and liabilities are translated at the closing exchange rate, whilst income and expenses are translated at the average exchange rate. Differences arising on foreign currency translation are presented in "Accumulated other equity". In the single entity accounts of BMW AG and its subsidiaries, foreign currency receivables and payables are measured on initial recognition using the exchange rate prevailing at the date of first-time recognition. Advance payments to suppliers or from customers in a foreign currency that result in the addition of non-monetary assets or liabilities are recorded at the exchange rate prevailing at the date of payment. At the end of the reporting period, foreign currency receivables and payables are measured using the closing exchange rate. The resulting unrealised gains and losses, as well as realised gains and losses arising on settlement, are recognised in the income statement, in line with the underlying substance of the transaction. Non-monetary balance sheet items denominated in foreign currencies are rolled forward on the basis of historical exchange rates.

The exchange rates of currencies which have a material impact on the Group Financial Statements were as follows:

	Closing rate		Average rate	
	31.12.2022	31.12.2021	2022	2021
1 Euro =				
US Dollar	1.07	1.14	1.05	1.18
Chinese Renminbi	7.36	7.22	7.08	7.63
British Pound	0.89	0.84	0.85	0.86
Russian Rouble	77.12	85.23	73.72	87.18
Japanese Yen	141.11	130.70	138.02	129.87

Argentina has fulfilled the definition of a hyperinflationary economy since 1 July 2018. Since that date, IAS 29 (Financial Reporting in Hyperinflationary Economies) has therefore been applied for the BMW subsidiary in Argentina. The price indices published by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) are used to adjust non-monetary assets and liabilities and items in the income statement. The resulting effects are not material for the BMW Group.

06 Financial reporting rules

a Financial reporting standards applied for the first time in the financial year 2022

Standards or amendments to standards applied for the first time in the financial year 2022 did not have any significant impact on the BMW Group Financial Statements.

b Financial reporting pronouncements issued by the IASB, but not yet applied

In May 2017 the IASB published IFRS 17 Insurance Contracts. The Standard replaces IFRS 4 and contains new rules relating to the recognition, measurement, presentation and disclosure requirements for insurance contracts. The new rules are mandatory for financial years beginning on or after 1 January 2023.

In a Group-wide project, the BMW Group examined the impact of adopting IFRS 17 for existing agreements. The BMW Group offers various products that meet the definition of an insurance contract in accordance with IFRS 17. However, for the majority of these products, either an exemption applies (e.g. for warranty agreements) or the insurance arrangements qualify as fixed-fee service contracts, which can continue to be accounted for in accordance with IFRS 15 due to the option available in IFRS 17. In some markets, however, products are offered (e.g. comprehensive vehicle insurance) that are required to be accounted for in accordance with IFRS 17. These contracts can be accounted for using the premium allocation approach, which is essentially the same as the current accounting method applied for these

contracts. In the financial year 2022, insurance premiums totalling € 191 million were recognised in revenues for these contracts. At 31 December 2022, the insurance liability for the remaining term of these contracts amounted to € 282 million and the liability for incurred claims to € 12 million. The option to adopt IFRS 17 early was not applied.

Similarly, other financial reporting standards and revised standards issued by the IASB that have not yet been applied are not expected to have any significant impact on the BMW Group Financial Statements.

c Accounting policy changes in the financial year 2022

In the previous year, transitory items were reported within cash flows from financing activities on a gross basis. In addition, items meeting the criteria of IAS 7.22 (b) were included. In 2022, reporting was changed to a net basis. The figures for the previous financial year have also been adjusted (reported in 2021: at Group level inflows amounting to € 224,916 million, outflows amounting to € 232,089 million and change in other items amounting to € 1,829 million; and at the Financial Services segment level inflows amounting to € 218,348 million, outflows amounting to € 219,488 million and change in other items amounting to € 1,049 million). Reporting cash flows on a net basis where this is permitted improves the readability and comparability of the BMW Group's cash flow statement.

07 Accounting policies, assumptions, judgements and estimations

The **impact of climate change** has been taken into account by the Board of Management when preparing the Group Financial Statements. As a matter of principle, the Group Financial Statements are prepared in accordance with the BMW Group's long-term corporate plan, as approved by management, taking into account issues relevant for climate change such as the transformation to electromobility, regulatory requirements and changes in production conditions.

As a consequence of joining the Business Ambition for 1.5 °C campaign led by the Science Based Target initiative (SBTi), the BMW Group pursues validated SBTi Near Term Targets for the year 2030, which are incorporated in the Group's long-term corporate plan.

In line with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD), both physical and transition-related risks and opportunities are taken into account in the Group's internal performance management system and in conjunction with the preparation of the Group Financial Statements. These risks and opportunities, together with the impact of climate change that has already taken place over the past year are referred to below as "climate-related aspects".

Climate-related aspects are considered in the preparation of the Group Financial Statements, and are particularly relevant in the case of assumptions, judgements and estimations relating to future developments that impact the BMW Group and its environment.

More detailed information on how climate-related aspects are taken into account for recognition and measurement purposes is provided below, particularly in the comments on property, plant and equipment, leased products and the performance of impairment tests. This includes an indication of the extent to which climate-related aspects have been taken into account in the estimations and assumptions for the recognition and measurement of balance sheet items.

Revenues from customer contracts include in particular revenues from the sale of products (primarily new and pre-owned vehicles and related products) as well as revenues from services. Revenue is recognised when control is transferred to the dealership or retail customer. In the case of sales of products, this is usually at the point in time when the risks and rewards of ownership are transferred. Revenues are stated net of settlement discount, bonuses and rebates as well as interest and residual value subsi-

dies. The consideration arising from these sales usually falls due for payment immediately or within 30 days. In exceptional cases, a longer payment may also be agreed. In the case of services, control is transferred over time. Consideration for the rendering of services to customers usually falls due for payment at the beginning of a contract and is therefore deferred as a contract liability. The deferred amount is released over the service period and recognised as revenue in the income statement. As a rule, amounts are released on the basis of the expected expense trend, as this best reflects the performance of the service. If the sale of products includes a determinable amount for services (multiple-component contracts), the related revenues are deferred and recognised as income in the same way. Variable consideration components, such as bonuses, are measured at the expected value, and in the case of multi-component contracts, allocated to all performance obligations unless directly attributable to the sale of a vehicle.

Revenues from the sale of products, for which repurchase arrangements are in place, are not recognised immediately in full. Instead, revenues are either recognised proportionately or the difference between the sales and repurchase price is recognised in instalments over the term of the contract depending on the nature of the agreement. In the case of vehicles sold to a dealership that are expected to be repurchased in a subsequent period as part of leasing operations, revenues are not recognised at Group level at the time of the sale of the vehicle. Instead, assets and liabilities relating to the right of return vehicles are recognised.

Revenues from leases of own-manufactured vehicles are recognised at Group level in accordance with the requirements for manufacturer or dealer leases. In the case of operating leases, revenues from lease payments are recognised on a straight-line basis over the lease term.

Finance leases, on the other hand, are accounted for as a sale. At the lease commencement date, revenues are recognised at the amount of the fair value of the leased asset and reduced by any unguaranteed residual value of vehicles that are expected to be returned to the Group at the end of the lease term. In addition, initial direct costs are recognised as cost of sales at the lease commencement date.

Revenues also include interest income from financial services. Interest income arising on finance leases as well as on retail customer and dealership financing is recognised using the effective interest method and reported as interest income on credit financing within revenues.

Public sector grants are not recognised until there is reasonable assurance that the conditions attaching to them have been complied with and the grants will be received. The resulting income is recognised in cost of sales over the periods in which the costs occur that they are intended to compensate.

Earnings per share are calculated as follows: Basic earnings per share are calculated for common and preferred stock by dividing the net profit for the year (after non-controlling interests) that is attributable to each category of stock, by the average number of shares of each category in circulation. Net profit for the year is accordingly allocated to the different categories of stock. The portion of the net profit that is not being distributed is allocated to each category of stock based on the number of outstanding shares. Profits available for distribution are determined directly on the basis of the dividend proposals or resolutions for common and preferred stock. Diluted earnings per share are calculated and separately disclosed in accordance with IAS 33.

Intangible assets are measured on initial recognition at acquisition or manufacturing cost. Subsequently, intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives of between three and 20 years. Impairment losses are recognised where necessary. Intangible assets with indefinite useful lives are tested annually for impairment. Internally generated intangible assets mainly comprise development costs for vehicle, module and architecture projects.

Development costs are capitalised if all of the criteria specified by IAS 38 are met. They are measured on the basis of direct costs and directly attributable overhead costs. Project-related capitalised development costs are amortised on a straight-line basis following the start of production over the estimated product life (usually five to twelve years).

Goodwill arises when the cost of acquiring a business exceeds the Group's share of the net fair value of the assets, liabilities and contingent liabilities identified during the acquisition.

Intangible assets also include **emission allowances** and similar **rights arising from programmes aimed at reducing carbon or other climate-damaging emissions** (for example in conjunction with the EU Emissions Trading System or vehicle-related emissions regulations in the USA or China). These allowances and rights are carried at cost and, in the event that they are allocated free of charge, recorded at a value of zero. Amounts are derecognised at the date of the return, sale or expiry of the allowances or rights. In parallel to the recognition of these allowances and rights as assets, provisions are recognised in accordance with IAS 37 corresponding to the amount of obligations expected to arise in conjunction with the related emission regulations. Provisions are measured on the basis of the expected value of the allowances or rights that are to be returned.

If there is any indication of **impairment of intangible assets**, or if an annual impairment test is required (i.e. intangible assets with an indefinite useful life, intangible assets during the development phase and goodwill), an impairment test is performed. Each individual asset is tested separately unless the cash flows generated by the asset are not sufficiently independent from the cash flows generated by other assets or other groups of assets. In these cases, impairment is tested at the level of a cash-generating unit, which is the norm for the BMW Group.

For the purpose of the impairment test, the carrying amount of an asset (or a cash-generating unit) is compared with the recoverable amount. The first step of the impairment test is to determine the value in use. If the value in use is lower than the carrying amount, the next step is to determine the fair value less costs to sell and compare the amount so determined with the asset's carrying amount. If the fair value is lower than the carrying amount, an impairment loss is recognised, reducing the carrying amount to the higher of the asset's value in use or fair value less costs to sell.

If the reason for a previously recognised impairment loss no longer exists, the impairment loss is reversed up to the level of the recoverable amount, but no higher than the amortised acquisition or manufacturing cost. Impairment losses on goodwill are not reversed.

As part of the process of assessing recoverability, it is generally necessary to apply estimations and assumptions – in particular regarding future cash inflows and outflows and the length of the forecast period – which could differ from actual amounts. Actual amounts may differ from the assumptions and estimations used if business conditions develop differently to expectations.

The BMW Group determines the value in use of intangible assets on the basis of a present value computation. The cash flows used for this calculation are derived from the long-term corporate plan approved by management, corresponding to a forecast period of six years. For the purposes of calculating cash flows beyond the planning period, a perpetual annuity return is assumed which does not take growth into account. Forecasting assumptions are adjusted to current information and regularly compared with external sources. The assumptions used take account in particular of expectations of the profitability of the product portfolio, future market share development, macroeconomic developments (such as currency, interest rate and raw materials prices) as well as the legal environment and past experience.

Assumptions also take into account the impact of climate-related aspects and the influence of other sustainability factors on business performance and the product portfolio, for example as a result of changes in demand patterns, regulatory requirements or changes in production conditions. In line with the BMW Group's stated corporate strategies and the ongoing transformation to electromobility, the detailed forecast takes account of key assumptions such as the planned increase in the share of electrified automobiles to over 50 % of total deliveries, the scale of investments in production facilities that will be required to achieve that target and the expected impact on the current leasing portfolio.

Amounts are discounted on the basis of a market-related cost of capital rate. Impairment tests are performed for accounting and financial reporting purposes for the Automotive excluding BMW Brilliance, BMW Brilliance and Motorcycles cash-generating units using a risk-adjusted pre-tax cost of capital (WACC). In the case of the Financial Services cash-generating unit, a pre-tax cost of equity capital is used, as is customary in the sector. In light of the fact that acquisition of additional shares in BMW Brilliance took place during the year under report, the fair value

less costs to sell of this cash-generating unit was determined directly. This approach differs from value in use only in relation to the length of the detailed forecast period (which extends to the end of the joint venture contract in 2040) and the treatment of costs to sell. In the level hierarchy pursuant to IFRS 13, this measurement of fair value has been allocated to Level 3. The following pre-tax discount factors were applied:

in %	2022	2021
Automotive excluding BMW Brilliance	12.4	10.1
BMW Brilliance	15.4	-
Motorcycles	12.4	10.1
Financial Services	13.7	13.0

An after-tax discount rate of 11.5 % was used to determine the fair value less costs to sell of the BMW Brilliance cash-generating unit (CGU).

The risk-adjusted discount rate, calculated using a capital asset pricing model (CAPM), also takes into account specific peer-group information relating to beta-factors, capital structure data and borrowing costs. The weighted average cost of capital (WACC) was not adjusted to take account of environmental, social and governance (ESG) factors.

In conjunction with the impairment tests for cash-generating units, sensitivity analyses are performed for the main assumptions in order to rule out that possible changes to the assumptions used to determine the recoverable amount would result in the requirement to recognise an impairment loss. Even in the case of a 10 % deterioration in the individual measurement assumptions, the need to recognise an impairment loss did not arise.

All items of **property, plant and equipment** are measured at acquisition or manufacturing cost less accumulated depreciation and accumulated impairment losses.

The cost of internally constructed plant and equipment comprises all costs which are directly attributable to the manufacturing process as well as an appropriate proportion of production-related overheads. This includes production-related depreciation and amortisation as well as an appropriate proportion of administrative and social costs. Financing costs are not included in acquisition or manufacturing cost unless they are directly attributable to the asset. The carrying amount of items of depreciable property, plant and equipment is written down according to scheduled usage-based depreciation – as a general rule on a straight-line basis – over the useful lives of the assets. Depreciation is recorded as an expense in the income statement.

The following useful lives are applied throughout the BMW Group:

in years	
Factory and office buildings, residential buildings, fixed installations in buildings and outside facilities	8 to 50
Plant and machinery	3 to 30
Other facilities, factory and office equipment	2 to 25

The useful life of the plant and equipment is reviewed regularly and extended or shortened as necessary. This review also takes account of the impact of climate-related aspects on useful lives, for example due to changes in demand patterns or regulatory requirements. This assessment is based on the assumptions used for long-term corporate planning purposes and product-related decisions, as described above. Climate-related aspects have an indirect impact on the utilisation of property, plant and

equipment. The useful lives of items of plant and machinery can be extended by a combination of flexible manufacturing arrangements (independent of drivetrain type and capable of handling all vehicle generations) and sustainable asset-preservation measures. The useful lives of plant and machinery that are used exclusively for internal combustion vehicle production are also covered by up-to-date planning assumptions. For machinery used in multiple-shift operations, depreciation rates are increased to account for the additional utilisation. If there is any indication of impairment of property, plant and equipment, an impairment test is performed as described above for intangible assets.

In the case of **leased items of property, plant and equipment**, a right-of-use asset and a liability for the outstanding lease payments are recognised with effect from the date on which the leased asset becomes available for use by the BMW Group. The cost of the right-of-use asset is the sum of the amount at which the lease liability is initially measured, any lease payments made at or before the lease commencement date, any initial direct costs incurred by the lessee and the estimated costs of dismantling, removing or restoring the leased asset. Lease incentives granted by the lessor are deducted. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the leased asset and the expected lease term. If ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straight-line basis over the expected useful life of the leased asset. Right-of-use assets are reported in the balance sheet within the relevant line items for property, plant and equipment. The depreciation expense on right-of-use assets is reported in the income statement in cost of sales as well as in selling and administrative expenses.

The lease liability is measured on initial recognition at the present value of the future lease payments. Subsequent to initial recognition, the carrying amount of the lease liability is increased to reflect interest on the lease liability and reduced, without income statement impact, by the lease payments made. Lease liabilities are reported within financial liabilities, while interest expense is reported as part of net interest result. In the cash flow statement, both the repayment portion and the interest portion of lease payments are shown as cash outflows from financing activities.

The lease payments to be taken into account to measure the right-of-use asset and the lease liability comprise fixed payments, variable lease payments that depend on an index or an interest rate as well as amounts expected to be payable under residual value guarantees. If it is reasonably certain that a purchase or lease extension option will be exercised, the relevant payments are also included. Payments for periods for which the lessee has an option to terminate a lease unilaterally are only included in the lease payments if it is reasonably certain that the termination option will not be exercised. For the purposes of assessing options, the BMW Group takes account of all facts and circumstances that create an economic incentive to exercise or not to exercise the option.

IFRS 16 requires that lease payments are discounted as a general rule using the interest rate implicit in the lease. However, since the interest rate in leases entered into by the BMW Group cannot readily be determined, amounts are discounted on the basis of the incremental borrowing rate, comprising the risk-free interest rate in the relevant currency for matching maturities plus a premium for the credit risk. Specific risks attached to an asset are generally not taken into account, given that collateral received in the context of alternative financing arrangements is not relevant within the BMW Group.

Determining which items are to be counted as lease payments – including the issue of the lease term underlying those payments – and which discount rate to apply involves using estimates and assumptions that may differ from actual outcomes.

As lessee, the BMW Group makes use of the application exemptions available for short-term leases and leases of low-value assets.

The BMW Group has not applied the exemptions available to lessees to account for COVID-19-related rent concessions (amendments to IFRS 16 dated 28 May 2020 and 31 March 2021).

Group products recognised by BMW Group entities as **leased products** under operating leases are measured at manufacturing cost and all other leased products at acquisition cost, in each case including initial direct costs. All leased products are depreciated over the period of the lease using the straight-line method down to their expected residual value.

Where the recoverable amount of a lease exceeds the asset's carrying amount, changes in residual value expectations are recognised by adjusting scheduled depreciation prospectively over the remaining term of the lease. If the recoverable amount is lower than the asset's carrying amount, an impairment loss is recognised for the shortfall. A test is carried out at each balance sheet date to determine whether an impairment loss recognised in prior years no longer exists or has decreased. In such cases, the carrying amount of the asset is increased to the recoverable amount, at a maximum up to the amount of the asset's amortised cost.

Assumptions and estimations are required regarding future residual values, since these represent a significant part of future cash inflows. Relevant factors to be considered include the trend in market prices and demand on the pre-owned automobile market. The expected change in the drive-system mix going forward, which is subject to regular analysis, is also taken into account.

The BMW Group has developed and implemented methods and processes that enable sustainability aspects of residual value risks, particularly climate-related aspects, to be appropriately assessed and managed. A scenario-based approach is applied to quantify the impact of the transition towards zero-emission mobility and factor in the technological progress of the products involved, resulting potentially in the need to adjust the estimated residual values of both internal combustion and electrified vehicles. However, the transition to new drive systems will stretch over a period of time. Under these circumstances, regulatory aspects, customer behaviour and the structure of the product range all have to be taken into account. To varying degrees, the aforementioned aspects will play a role in bringing about changes to the existing product portfolio over the coming years. The nature of these planned changes can already be anticipated today to some extent, highlighting potential, but calculable risks for future operations. Disproportionate risks are only likely to arise in the event of unexpected regulatory changes that would also be to the detriment of customers. In addition to these various considerations, the vehicle portfolio subject to residual value risks is remeasured on a quarterly basis, allowing new aspects to be incorporated in the valuation at an early stage. In this event, it would also be possible to adjust valuations relevant for new business, given that such valuations are subject to the same turn of events. The forecasting models used by the BMW Group are subject to regular review and can be supplemented where appropriate to include aspects relating to changes in the market.

Using this approach, upward or downward adjustments can be made to residual values on the basis of a range of scenario analyses. The assumptions are based on internally available historical data and current market data as well as on forecasts of external institutions. Furthermore, assumptions are regularly validated by comparison with external data. Certain types of contracts require a high degree of judgement when deciding whether they give rise to operating leases or receivables from sales financing.

Investments accounted for using the equity method are measured – provided no impairment has been recognised – at cost of investment adjusted for the Group's share of earnings and changes in equity capital. If there is any indication that an investment is impaired, an impairment test is performed on the basis of the discounted cash flow method. An indicator exists, for example, in the event of a serious shortfall compared to budget, the loss of an active market or if funds are required to avoid insolvency.

With the exception of lease receivables, **financial assets** are measured on initial recognition at their fair value. Financial assets include in particular other investments, receivables from sales financing, marketable securities and investment funds, derivative financial assets, trade receivables and cash and cash equivalents. As a general rule, initial recognition takes place as soon as the BMW Group becomes a party to a contract. In the case of so-called "regular way" purchases or sales of non-derivative financial assets, initial recognition takes place at the settlement date.

Depending on the business model and the structure of contractual cash flows, financial assets are classified as measured at amortised cost, at fair value through comprehensive income or at fair value through profit or loss. The category "measured at fair value through comprehensive income" at the BMW Group comprises mainly marketable securities and investment funds used for liquidity management purposes. Selected marketable securities and investment funds, money market funds within cash and cash equivalents as well as convertible bonds are recognised at fair value through profit or loss, as their contractual cash flows do not solely represent payments of principal and interest.

The BMW Group does not make use of the option to measure equity instruments at fair value through other comprehensive income or debt instruments at fair value through profit or loss.

The market values of financial instruments measured at fair value are determined on the basis of market information available at the balance sheet date, such as quoted prices or using appropriate measurement methods, in particular the discounted cash flow method.

Items reported under **other investments** within the scope of IFRS 9 are measured at fair value through profit or loss. Investments in subsidiaries, joint arrangements and associated companies that are not material to the BMW Group are also included in other investments.

Receivables from sales financing are measured as a general rule at amortised cost using the effective interest rate method.

Receivables from sales financing also include finance lease receivables which are measured at the amount of the net investment in the lease. This balance sheet line item also includes operating lease receivables at the end of the reporting period, while the related vehicles are reported as leased products.

With the exception of receivables from operating leases and trade receivables, the BMW Group applies the general approach described in IFRS 9 to determine **impairment** of financial assets. Under the general approach, loss allowances are measured on initial recognition on the basis of the expected twelve-month credit loss (stage 1). If the credit loss risk at the end of the reporting period has increased significantly since initial recognition, the impairment allowance is measured on the basis of lifetime expected credit losses (stage 2 – general approach). The measurement of the change in default risk is based on a comparison

of the default risk at the date of initial recognition and at the end of the reporting period. The default risk at the end of each reporting period is determined on the basis of credit checks, current key performance indicators and any overdue payments.

The BMW Group applies the simplified approach described in IFRS 9 to operating lease and trade receivables, whereby the amount of the loss allowance is measured subsequent to the initial recognition of the receivable on the basis of lifetime expected credit losses (stage 2 – simplified approach). For the purposes of allocating an item to stage 2, it is irrelevant whether the credit risk of the assets concerned has increased significantly since initial recognition.

As a general rule, the BMW Group assumes that a receivable is in default if it is more than 90 days overdue or if there are objective indications of insolvency, such as the opening of insolvency proceedings. Credit-impaired assets are identified as such on the basis of this definition of default. In the case of credit-impaired assets which had not been credit-impaired at the time they were acquired or originated, an impairment allowance is recognised at an amount equal to lifetime expected credit losses (stage 3). This is the case regardless of whether the general or simplified approach is applied. In the case of stage 3 assets, interest income is calculated on the asset's carrying amount less any impairment loss.

In addition, post-model adjustments are recorded if the risk is not fully covered by the standard models.

The BMW Group derecognises financial assets when it has no reasonable expectation of recovery. This may be the case, for instance, if the debtor is deemed not to have sufficient assets or other sources of income to service the debt.

Loss allowances relating to the balance sheet item "Receivables from sales financing" are determined primarily on the basis of past experience with credit losses, current data on overdue receivables, rating classes and scoring information.

Forward-looking information (for instance forecasts of key performance indicators) is also taken into account if, based on past experience, such indicators show a substantive correlation to actual credit losses.

Loss allowances on trade receivables are determined primarily on the basis of information relating to overdue amounts. Furthermore, both positive and negative economic scenarios are used alongside the latest forecasts of key performance indicators when determining the level of valuation allowances. These scenarios are based on local analyses and take into account, for example, anticipated political and economic developments.

Input factors available on the market, such as ratings and probabilities of default, are used to calculate valuation allowances for cash and cash equivalents, financial receivables, receivables from subsidiaries and receivables from companies in which an investment is held. In the case of marketable securities and investment funds, the BMW Group usually applies the option not to allocate financial assets with a low default risk to different stages. Accordingly, assets with an investment grade rating are always allocated to stage 1.

Derivative financial instruments are used within the BMW Group for hedging purposes in order to reduce currency, interest rate, fair value and market price risks. Derivative financial instruments are recognised as of the trade date, measured at their fair value. Depending on their market value at measurement date, these financial instruments are reported in the balance sheet as financial assets or financial liabilities.

Fair values are determined on the basis of valuation models. Observable market price, tenor and currency basis spreads are taken into account in the measurement of derivative financial instruments. Furthermore, the Group's own credit risk and that of counterparties is taken into account on the basis of credit default swap values for market contracts with matching terms.

The BMW Group applies the option to recognise the credit risks arising from the fair values of a group of derivative financial assets and liabilities on the basis of their total net amount. Portfolio-based valuation adjustments (credit valuation adjustments and debit valuation adjustments) to the individual derivative financial assets and financial liabilities are allocated using the relative fair value approach (net method).

Where hedge accounting is applied, changes in fair value of derivative financial instruments are presented as part of other financial result in the income statement or within other comprehensive income as a component of accumulated other equity, depending on whether the hedging relationship is classified as a fair value hedge or a cash flow hedge.

Fair value hedges are mainly used to hedge interest rate risks relating to financial liabilities. The currency basis is not designated as part of the hedging relationship in the case of cross currency interest rate hedges accounted for as fair value hedges. Accordingly, changes in the market value of such components are recorded as costs of hedging within accumulated other equity. Amounts accumulated in equity are reclassified to other financial result within the income statement over the term of the hedging relationship.

In addition, for selected fixed-interest assets, a portion of the interest rate risk is hedged on a portfolio basis in accordance with IAS 39. The designated hedged items (underlying transactions) are reported in the balance sheet as receivables from sales financing or financial liabilities. Interest rate risks are hedged on the basis of the present value of net cash flows relating to fixed income assets (on the asset side) less cash flows relating to variable-rate financing (on the liabilities side). The net cash flow determined in this way is hedged by purchasing corresponding interest rate swaps that have the effect of reducing the interest rate risk. Hedge relationships are terminated and redesignated on a monthly basis at the end of each reporting period, thereby taking account of the constantly changing content of each portfolio.

Fair value hedge ineffectiveness is generally recognised in other financial result.

The time values of option transactions and the interest component – including the currency basis – of forward currency contracts are not designated as part of the hedging relationship in the case of currency hedges accounted for as cash flow hedges. Changes in the fair value of such components are recorded as costs of hedging on a separate line within accumulated other equity. Amounts recorded in accumulated other equity from currency hedges are reclassified to cost of sales when the related hedged item is recognised in profit or loss.

In the case of raw materials hedges that are accounted for as cash flow hedges, the hedging instruments are designated in full as part of the hedging relationship. As an exception to this general rule, the interest component of raw materials derivative instruments redesignated in conjunction with the first-time application of IFRS 9 was not designated as part of the hedging relationship. Changes in the fair value of this component are re-

corded as costs of hedging on a separate line within accumulated other equity. Amounts recorded in accumulated other equity are included in the carrying amount of inventories on initial recognition.

Ineffectiveness arising on cash flow hedges is recognised directly in cost of sales, whereas the impact of prematurely terminated hedging relationships is recognised in other operating income and expenses.

Deferred income taxes are recognised for all temporary differences between the tax and accounting bases of assets and liabilities, including differences arising on consolidation procedures, as well as on unused tax losses and unused tax credits, when it is probable that they can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The recoverability of deferred tax assets is assessed at each balance sheet date on the basis of planned taxable income in future financial years. If with a probability of more than 50 percent future tax benefits will not be realised, either in part or in total, a valuation allowance is recognised on the deferred tax assets. The calculation of deferred tax assets requires assumptions to be made with regard to the level of future taxable income and the timing of recovery of deferred tax assets. These assumptions take account of forecast operating results, announced legislative changes in connection with climate change and the impact on earnings of the reversal of taxable temporary differences. Since future business developments cannot be predicted with certainty and to some extent cannot be influenced by the BMW Group, the measurement of deferred tax assets is subject to uncertainty.

Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies as well as interests in joint arrangements are not recognised if the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future. This is particularly the case if it is intended that profits will not be distributed, but rather will be used to maintain the substance and expand the volume of business of the entities concerned.

Current income taxes are calculated within the BMW Group on the basis of tax legislation applicable in the relevant countries. To the extent that judgement was necessary to determine the treatment and amount of tax items presented in the financial statements, there is in principle a possibility that local tax authorities may take a different position.

As a general rule, each income tax treatment is considered independently when accounting for **uncertainties in income taxes**. If it is not considered probable that an income tax treatment will be accepted by the local tax authorities, the BMW Group uses the most likely amount of the tax treatment when determining taxable profit and the tax base.

Inventories of raw materials, supplies and goods for resale are stated at the lower of average acquisition cost and net realisable value.

Work in progress and finished goods are stated at the lower of manufacturing cost and net realisable value. Manufacturing cost comprises all costs which are directly attributable to the manufacturing process as well as an appropriate proportion of production-related overheads. This includes production-related depreciation and amortisation and an appropriate proportion of administrative and social costs. Financing costs are not included in the acquisition or manufacturing cost of inventories.

Inventories also include vehicles held for sale in the financial services business, measured at their amortised cost or lower net realisable value.

Cash and cash equivalents comprise mainly cash on hand and cash at bank with an original term of up to three months. With the exception of money market funds, cash and cash equivalents are measured at amortised cost.

Financial liabilities, with the exception of lease liabilities, are measured on first-time recognition at their fair value. For these purposes, transaction costs are taken into account except in the case of financial liabilities allocated to the category "measured at fair value through profit or loss". Subsequent to initial recognition, liabilities are – with the exception of derivative financial instruments – measured at amortised cost using the effective interest method.

Provisions for pensions are measured using the projected unit credit method. Under this method, not only obligations relating to known vested benefits at the reporting date are recognised, but also the effect of future expected increases in pensions and salaries. The calculation is based on independent actuarial valuations which take into account the relevant biometric factors.

In the case of funded plans, the pension obligation is offset against plan assets measured at their fair value. If the plan assets exceed the pension obligation, the surplus is tested for recoverability. In the event that the BMW Group has a right of reimbursement or a right to reduce future contributions, it reports an asset (within Other financial assets), measured on the basis of the present value of the future economic benefits attached to the plan assets. For funded plans, in cases where the obligation exceeds plan assets, a liability is recognised under pension provisions.

The calculation of the amount of the provision requires assumptions to be made with regard to discount rates, pension trends, employee fluctuation and the life expectancy of employees, among other things. Discount rates are determined by reference to market yields at the end of the reporting period on high quality fixed-interest corporate bonds.

Net interest expense on the net defined benefit liability or net interest income on the net defined benefit assets are presented separately within the financial result. All other costs relating to allocations to pension provisions are allocated to costs by function in the income statement.

Past service cost arises where a BMW Group company introduces a defined benefit plan or changes the benefits payable under an existing plan. This cost is recognised immediately in the income statement. Similarly, gains and losses arising on the settlement of a defined benefit plan are recognised immediately in the income statement.

Remeasurement of the net liability can result from changes in the present value of the defined benefit obligation, the fair value of the plan assets or the asset ceiling. Remeasurement can result, amongst others, from changes in financial and demographic parameters, as well as changes following the portfolio development. Remeasurements are recognised immediately through other comprehensive income and ultimately in equity (within revenue reserves).

Other provisions are recognised when the BMW Group has a present legal or factual obligation towards a third party arising from past events, the settlement of which is probable and when the amount of the obligation can be reliably estimated. Provisions with a remaining period of more than one year are measured at their net present value.

The measurement of provisions for **statutory and non-statutory warranty obligations (statutory, contractual and voluntary)** involves estimations. In addition to manufacturer warranties prescribed by law, the BMW Group offers various further standard (assurance-type) warranties depending on the product and sales market. No provisions are recognised for additionally offered service packages that are treated as separate performance obligations.

Provisions for statutory and non-statutory warranties are recognised at the point in time when control over the goods is transferred to the dealership or retail customer or when it is decided to introduce new warranty measures. With respect to the level of the provision, estimations are made in particular based on past experience of damage claims and processes. Future potential repair costs and price increases per product and market are also taken into account. Provisions for warranties for all companies of the BMW Group are adjusted regularly to take account of new information, with the impact of any changes recognised in the income statement. Further information is provided in [note 35](#). Similar estimates are also made in conjunction with the measurement of expected reimbursement claims.

The recognition and measurements of provisions for **litigation and liability risks** necessitates making assumptions in order to determine the probability of liability, the amount of claim and the duration of the legal dispute. The assumptions made, especially the assumption about the outcome of legal proceedings, are subject to a high degree of uncertainty. The appropriateness of assumptions is regularly reviewed, based on assessments undertaken both by management and external experts, such as lawyers. If new developments arise in the future that result in a different assessment, provisions are adjusted accordingly.

If the recognition criteria relevant for provisions are not fulfilled and the outflow of resources on fulfilment is not unlikely, the potential obligation is disclosed as a **contingent liability**.

Related party disclosures comprise information on associated companies, joint ventures and non-consolidated subsidiaries as well as individuals which have the ability to exercise a controlling or significant influence over the financial and operating policies of the BMW Group. This includes all persons in key positions of the Company, as well as close members of their families or intermediary entities.

In the case of the BMW Group, this also applies to members of the Board of Management and the Supervisory Board. Details relating to these individuals and entities are provided in [note 42](#) and in the list of investments disclosed in [note 48](#).

Share-based remuneration programmes that provide for settlement in shares or a cash payment with a direct obligation to invest in shares of BMW AG common stock are measured at their fair value at grant date. The related expense is recognised as personnel expense in the income statement over the vesting period and offset against capital reserves.

Share-based remuneration programmes expected to be settled in cash are revalued to their fair value at each balance sheet date between the grant date and the settlement date and on the settlement date itself. The expense is recognised as personnel expense in the income statement over the vesting period and presented in the balance sheet as a provision.

The share-based remuneration programme for Board of Management members and senior heads of department entitles BMW AG to elect whether to settle its commitments in cash or with shares of BMW AG common stock. Based on the decision to settle in cash, the share-based remuneration programmes for Board of Management members and senior heads of department are accounted for as cash-settled, share-based remuneration programmes. Further information on share-based remuneration programmes is provided in [note 43](#).

NOTES TO THE INCOME STATEMENT

08 Revenues

Revenues by activity comprise the following:

in € million	2022	2021
Sales of products and related goods	106,678	77,042
Sales of products previously leased to customers	15,040	13,780
Income from lease instalments	11,872	11,526
Interest income on credit financing and finance leases	4,129	3,701
Revenues from service contracts, telematics and roadside assistance	3,394	2,766
Other income	1,497	2,424
Revenues	142,610	111,239

Revenues recognised from contracts with customers in accordance with IFRS 15 totalled € 126,384 million (2021: € 95,795 million), spread across the first, second and fifth categories of the above table and proportionately to other income.

An analysis of revenues by segment is shown in the explanatory comments on segment information provided in [note 47](#).

Revenues from the sale of products and related goods are generated primarily in the Automotive segment and, to a lesser extent, in the Motorcycles segment. Revenues from the sales of products previously leased to customers, income from lease instalments and interest income on credit financing are allocated to the Financial Services segment.

Other income relates mainly to the Automotive segment and the Financial Services segment.

The major part of revenues expected to arise from the Group's order book at the end of the reporting period relates to the sale of vehicles. Revenues resulting from those sales will be recognised in the next financial year.

The services included in vehicle sale contracts that will be recognised as revenues in subsequent years represent only an insignificant portion of expected revenues. Accordingly, use has been made of the practical expedient contained in IFRS 15, permitting an entity not to disclose information on a quantitative basis due to the short-term nature of items and the lack of informational value of such disclosures.

Interest income on credit financing and finance leases includes interest calculated on the basis of the effective interest method totalling € 3,656 million (2021: € 3,379 million). This interest income is not reported separately in the income statement as it is not significant compared to total Group revenues.

09 Cost of sales

Cost of sales comprises:

in € million	2022	2021
Manufacturing costs*	76,760	50,345
Cost of sales relating to financial services business	27,517	26,409
thereof: interest expense relating to financial services business	2,114	1,643
Research and development expenses	6,624	6,299
Warranty expenditure	3,209	2,192
Expenses for service contracts, telematics and roadside assistance*	2,775	2,607
Other cost of sales	1,157	1,401
Cost of sales	118,042	89,253

* Prior year's figures adjusted.

Manufacturing costs previously included expenses relating to service contracts, telematics and roadside assistance. The presentation of these items has been adjusted for the financial years 2022 and 2021, giving rise to a reclassification amounting to € 1,016 million for the previous year.

Manufacturing costs were reduced by public-sector subsidies in the form of reduced taxes on assets and reduced consumption-based taxes amounting to € 115 million (2021: € 118 million).

Impairment losses recognised in the income statement 2022 in connection with receivables from sales financing amounted to € 649 million (2021: € 103 million). In view of the fact that the impairment losses are of minor importance compared to total Group cost of sales, they have not been disclosed separately in the income statement.

Research and development expenses were as follows:

in € million	2022	2021
Research and development expenditure	7,178	6,870
New expenditure for capitalised development costs	-2,819	-2,506
Amortisation	2,265	1,935
Research and development expenses	6,624	6,299

10 Selling and administrative expenses

in € million	2022	2021
Selling expenses	6,191	5,324
Administrative expenses	4,425	3,909
Total selling and administrative expenses	10,616	9,233

Selling and administrative expenses relate mainly to expenses for marketing and communication, personnel and IT.

Selling expenses in the financial year 2022 include € 653 million for the first time relating to BMW Brilliance.

11 Other operating income and expenses

Other operating income and expenses comprise the following items:

in € million	2022	2021
Exchange gains	458	232
Income from the reversal of provisions	521	1,162
Income from the reversal of impairment allowances and write-downs	79	10
Gains on the disposal of assets	45	13
Sundry operating income	274	285
Other operating income	1,377	1,702
Exchange losses	-444	-204
Expense for additions to provisions	-307	-474
Expense for impairment allowances and write-downs	-260	-7
Loss on the disposal of assets	-88	-98
Sundry operating expenses	-231	-272
Other operating expenses	-1,330	-1,055
Other operating income and expenses	47	647

Income from the reversal of and expenses for the recognition of impairment allowances and write-downs relate mainly to impairment allowances on receivables.

Expenses for impairment allowances recognised on receivables from contracts with customers amounted to € 61 million (2021: € 7 million).

In addition, expenses for impairment allowances include the write-down of receivables from a non-consolidated Russian subsidiary, as described in [note 4](#), which negatively impacted the Other Entities segment.

The expense for additions to provisions includes litigation and other legal risks. Income from the reversal of provisions includes income arising on the reassessment of risks from legal disputes.

In the financial year 2021, income from the reversal of provisions included the partial reversal of the provision relating to EU Commission antitrust proceedings. Further information is provided in [note 10](#) to the Group Financial Statements for the financial year 2021 included in the BMW Group Report 2021.

Other operating income and expenses include € 206 million of income and € 101 million of expenses arising at the level of BMW Brilliance.

12 Net interest result

Net interest result comprises the following:

in € million	2022	2021
Other interest and similar income	422	135
thereof from subsidiaries:	20	12
Interest and similar income	422	135
Net interest impact on other long-term provisions	481	71
Net interest expense on the net defined benefit liability for pension plans	-11	-22
Other interest and similar expenses	-219	-214
thereof subsidiaries:	-1	-
Interest and similar expenses	251	-165
Net interest result	673	-30

Interest expense from unwinding the discounting of other non-current provisions on the one hand and interest income from adjusting the discount rate on the other are netted and, as in previous years, reported as a net interest effect within interest expense.

During the twelve-month period under report, steepening yield curves had a positive impact on the discount unwinding result.

Items relating to BMW Brilliance for the first time in 2022 comprise interest income amounting to € 200 million as well as interest expense amounting to € 34 million in the net interest impact on other long-term provisions.

13 Other financial result

in € million	2022	2021
Income from investments in subsidiaries and participations	7,949	612
thereof from subsidiaries:	35	14
Expenses from investments in subsidiaries and participations	- 179	- 28
Result on investments	7,770	584
Income (+) and expenses (-) from financial instruments	1,167	586
Sundry other financial result	1,167	586
Other financial result	8,937	1,170

The main factor for the improved result on investments was a remeasurement gain arising on the investment in BMW Brilliance in conjunction with that entity's full consolidation. Further information is provided in [note 3](#).

Other financial result also includes income and expenses arising on the measurement of stand-alone derivatives and fair value hedge relationships, as well as income and expenses from the measurement and sale of marketable securities and shares in investment funds.

Other financial result benefited in 2022 from the favourable fair value development of interest rate hedges due to the rise in yield curves.

14 Income taxes

Taxes on income of the BMW Group comprise the following:

in € million	2022	2021
Current tax expense	5,069	2,512
Deferred tax expense (+) / deferred tax income (-)	- 142	1,085
thereof relating to temporary differences	- 992	1,668
thereof relating to tax loss carryforwards and tax credits	850	- 583
Income taxes	4,927	3,597

The tax expense was reduced by € 71 million (2021: € 28 million) as a result of utilising tax loss carryforwards, for which deferred tax assets had not previously been recognised and in conjunction with previously unrecognised tax credits and temporary differences.

The tax expense resulting from the change in the valuation allowance on deferred tax assets relating to tax losses available for carryforward and temporary differences amounted to € 103 million (2021: € 3 million).

Deferred taxes are determined on the basis of tax rates which are currently applicable or expected to apply in the relevant national jurisdictions when the amounts are recovered. After taking account of an average municipal trade tax multiplier rate (Hebesatz) of 430 (2021: 428), the underlying income tax rate for Germany was as follows:

in %	2022	2021
Corporate tax rate	15.0	15.0
Solidarity surcharge	5.5	5.5
Corporate tax rate including solidarity surcharge	15.8	15.8
Municipal trade tax rate	15.1	15.0
German income tax rate	30.9	30.8

Deferred taxes for non-German entities are calculated on the basis of the relevant country-specific tax rates. These ranged in the financial year 2022 between 9.0 % and 40.0 % (2021: between 9.0 % and 40.0 %).

The difference between the expected tax expense based on the underlying tax rate for Germany and actual tax expense is explained in the following **reconciliation**:

in € million	2022	2021
Profit before tax	23,509	16,060
Tax rate applicable in Germany	30,9 %	30,8 %
Expected tax expense	7,264	4,946
Variiances due to different tax rates	-1,047	-596
Tax increases (+) / tax reductions (-) due to:		
Tax-exempt income	-2,203	-597
Non-deductible expenses	802	314
Equity accounted	44	-370
Tax expense (+) / benefits (-) for prior years	18	-54
Effects from tax rate changes	31	25
Other variances	18	-71
Actual tax expense	4,927	3,597
Effective tax rate	21.0 %	22.4 %

The tax reductions due to tax-exempt income related primarily to the non-tax-relevant gain recognised in conjunction with the remeasurement of the BMW Group's previous at-equity interest in BMW Brilliance.

The tax increases relating to non-deductible expenses were mainly attributable to higher withholding tax expenses and transfer pricing issues.

The allocation of deferred tax assets and liabilities to **balance sheet line items** at 31 December is shown in the following table:

in € million	Deferred tax assets		Deferred tax liabilities	
	2022	2021	2022	2021
Intangible assets	15	4	5,176	3,494
Property, plant and equipment	264	74	1,457	665
Leased products	378	300	3,686	4,493
Other investments	5	5	-	1
Sundry other assets	1,281	886	3,495	4,646
Tax loss carryforwards	212	1,061	-	-
Capital Losses	464	490	-	-
Provisions	4,636	6,070	11	29
Liabilities	4,573	4,303	800	601
Eliminations	4,379	3,936	1,880	1,826
	16,207	17,129	16,505	15,755
Valuation allowances on tax loss carryforwards and temporary differences	-245	-140	-	-
Valuation allowances on capital losses	-464	-490	-	-
Netting	-13,740	-14,297	-13,740	-14,297
Deferred taxes	1,758	2,202	2,765	1,458
Net	-	744	1,007	-

Tax **loss carryforwards** relating to Germany and foreign operations amounted to € 711 million (2021: € 4,138 million). This includes one tax loss carryforward amounting to € 416 million (2021: € 413 million), on which a valuation allowance of € 141 million (2021: € 140 million) was recognised on the related deferred tax asset. The decrease in tax loss carryforwards was mainly due to the partial utilisation of loss carryforwards at the level of Group entities in the USA and the further utilisation of tax start-up losses relating to San Luis Potosí plant in Mexico, opened in 2019.

For entities with tax losses available for carryforward, a net surplus of deferred tax assets over deferred tax liabilities is reported at 31 December 2022 amounting to € 2,196 million (2021: € 2,487 million). The basis for the recognition of deferred taxes is the BMW Group business model or management's assessment that there is material evidence that the entities will generate future taxable profit, against which deductible temporary differences can be offset.

Loss carryforwards amounting to € 523 million (2021: € 3,834 million) can be used indefinitely, while € 188 million (2021: € 304 million) expire after more than three years.

Capital losses available for carryforward in the UK which do not relate to ongoing operations decreased to € 1,856 million due to exchange rate factors (2021: € 1,959 million). As in previous years, deferred tax assets recognised on these tax losses amounting to € 464 million (2021: € 490 million) were fully written down since they can only be utilised against future capital gains.

Deferred tax assets and deferred tax liabilities are netted for each relevant tax entity if they relate to the same tax authorities.

Deferred taxes recognised directly in **equity** amounted to € 1,214 million (2021: € 1,733 million).

in € million	2022	2021
Deferred taxes at 1 January (assets (+) / liabilities (-))	744	1,950
Deferred tax expense (-) / income (+) recognised through income statement	142	- 1,085
Change in deferred taxes recognised directly in equity	- 519	23
thereof relating to fair value gains and losses on financial instruments and marketable securities recognised directly in equity	- 190	247
thereof relating to the remeasurements of net liabilities for defined benefit pension plans	- 326	- 250
thereof from currency translation	- 3	26
Effects in connection with the first-time consolidation of BMW Brilliance	- 1,312	-
Exchange rate impact and other changes	- 62	- 144
Deferred taxes at 31 December (assets (+) / liabilities (-))	- 1,007	744

The effects in connection with the first-time consolidation of BMW Brilliance gave rise primarily to net deferred tax liabilities relating to the remeasurement of the assets acquired and liabilities assumed as part of the purchase price allocation.

No deferred taxes are recognised on taxable temporary differences arising from investments in subsidiaries, associated companies and joint ventures if the BMW Group is able determine the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future, in particular in view of the fact that there is no intention to distribute the profits, but rather to use them to maintain substance and reinvest in the companies concerned. Temporary differences of this kind, for which no deferred taxes were recognised, amounted to € 32,882 million (2021: € 25,526 million). No computation was made of the potential impact of income taxes on the grounds of proportionality.

Deferred tax liabilities on expected dividends amount to € 199 million (2021: € 79 million) and related primarily to dividends from foreign subsidiaries.

The tax returns of BMW Group entities are checked regularly by German and foreign tax authorities. Taking account of numerous factors – including interpretations, commentaries and legal decisions relating to the various tax jurisdictions as well as past experience – adequate provision has been made, to the extent identifiable and probable, for potential future tax obligations.

15 Earnings per share

		2022	2021
Net profit attributable to the shareholders of BMW AG	€ million	17,941.0	12,382.2
Profit attributable to common stock	€ million	16,327.7	11,298.4
Profit attributable to preferred stock	€ million	1,613.3	1,083.8
Average number of common stock shares in circulation	number	597,924,318	601,995,196
Average number of preferred stock shares in circulation	number	59,035,325	57,686,234
Basic / diluted earnings per share of common stock	€	27.31	18.77
Basic / diluted earnings per share of preferred stock	€	27.33	18.79
Dividend per share of common stock	€	8.50*	5.80
Dividend per share of preferred stock	€	8.52*	5.82

* Proposal by the Board of Management.

In the case of preferred stock, the calculation of earnings per share and the average number of shares in circulation only takes account of shares of preferred stock that are entitled to receive a dividend in each of the relevant financial years. As in the previous year, diluted earnings per share correspond to basic earnings per share.

16 Personnel expenses

The income statement includes personnel expenses as follows:

in € million	2022	2021
Wages and salaries	11,481	10,598
Pension and welfare expenses	1,385	720
Social insurance expenses	1,066	968
Personnel expenses	13,932	12,286

Personnel expenses include € 40 million (2021: € 223 million) of costs relating to workforce measures.

Personnel expenses in the financial year 2022 include € 730 million for the first time relating to BMW Brilliance.

In the previous year, pension and welfare expenses included positive changeover effects resulting from the modernisation of the pension plan model in Germany amounting to € 562 million. The total pension expense for defined contribution plans of the BMW Group amounted to € 175 million (2021: € 160 million). Employer contributions paid to state pension insurance schemes totalled € 750 million (2021: € 654 million).

The average number of employees during the year was:

	2022	2021
Average number of employees	146,727	118,626
thereof at proportionately-consolidated entities	953	304

The average number of employees reported for financial year 2022 includes 24,618 employees for the first time relating to BMW Brilliance.

17 Leases**a As lessee**

In terms of accounting for leases as a lessee, the following amounts are included in the income statement:

in € million	2022	2021
Expenses for leases of low-value assets and short-term leases	-77	-74
Expenses relating to variable lease payments not included in the measurement of lease liabilities	-17	-14
Interest expense arising on the measurement of lease liabilities	-56	-48

Most of the expenses for leases for low-value assets and short-term leases relate to low-value assets.

The BMW Group is party to leases at the end of the reporting period which have not yet commenced. These leases are expected to give rise to future cash outflows amounting to € 873 million (2021: € 530 million).

Total cash outflows for leases in the financial year 2022 amounted to € 681 million (2021: € 600 million).

Information on right-of-use assets, lease liabilities as well as further explanatory comments are provided in [note 7](#) (Accounting policies, assumptions, judgments and estimations), [note 21](#) (Analysis of changes in Group tangible, intangible and investment assets in 2022), [note 23](#) (Property, plant and equipment [including right-of-use assets arising from leases]) and [note 37](#) (Financial liabilities).

b As lessor

in € million	2022	2021
Income from variable lease payments for operating leases	81	109
Income from variable lease payments for finance leases	4	13
Financial income on the net investment in finance leases	1,025	964
Selling profit on the sale of vehicles leased to retail customers under finance leases	1,601	1,557

Variable lease payments are based on distance driven. The agreements have, in part, extension and purchase options.

18 Fee expense for the Group auditor

The fee expense pursuant to § 314 (1) no. 9 HGB recognised in the financial year 2022 for the Group auditor and the PwC network of audit firms amounted to € 20 million (2021: € 19 million) and consists of the following:

in € million	PwC International		thereof PwC GmbH	
	2022	2021	2022	2021
Audit of financial statements	17	16	5	5
Other attestation services	1	2	1	2
Tax advisory services	-	-	-	-
Other services	2	1	-	1
Fee expense	20	19	6	8

Services provided during the financial year 2022 by the Group auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch, on behalf of BMW AG and subsidiaries under its control relate to the audit of financial statements and other attestation services. The audit of financial statements comprises mainly the audit of the Group Financial Statements and the separate financial statements of BMW AG and subsidiaries under its control, and all work related thereto, including the review of the Interim Group Financial Statements. Other attestation services include mainly project-related audits, comfort letters and statutorily prescribed, contractually agreed or voluntarily commissioned attestation work. No tax advisory services were provided in the financial year 2022. Other services provided in the previous financial year included mainly consulting services relating to production processes.

19 Government grants and government assistance

Income from asset-related and performance-related grants, amounting to € 118 million (2021: € 94 million) and € 172 million (2021: € 152 million) respectively, was recognised in the income statement in 2022.

These amounts relate mainly to public sector grants aimed at the promotion of regional structures as well as to subsidies received for plant expansions and development.



NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

20 Disclosures relating to the statement of comprehensive income

Other comprehensive income for the period after tax comprises the following:

in € million	2022	2021
Remeasurement of the net liability for defined benefit pension plans	1,077	1,243
Deferred taxes	-332	-224
Items not expected to be reclassified to the income statement in the future	745	1,019
Marketable securities (at fair value through other comprehensive income)	-154	-45
thereof gains / losses arising in the period under report	-256	-38
thereof reclassifications to the income statement	102	-7
Derivative financial instruments	2,801	14
thereof gains / losses arising in the period under report	2,350	25
thereof reclassifications to the income statement	451	-11
Costs of hedging	-1,557	72
thereof gains / losses arising in the period under report	-2,299	-287
thereof reclassifications to the income statement	742	359
Other comprehensive income from equity accounted investments	22	-50
Deferred taxes	-458	163
Currency translation foreign operations	199	1,228
Items that can be reclassified to the income statement in the future	853	1,382
Other comprehensive income for the period after tax	1,598	2,401

Deferred taxes on components of other comprehensive income are as follows:

in € million	2022			2021		
	Before tax	Deferred taxes	After tax	Before tax	Deferred taxes	After tax
Remeasurement of the net liability for defined benefit pension plans	1,077	- 332	745	1,243	- 224	1,019
Marketable securities (at fair value through other comprehensive income)	- 154	45	- 109	- 45	13	- 32
Derivative financial instruments	2,801	- 841	1,960	14	37	51
Costs of hedging	- 1,557	442	- 1,115	72	- 22	50
Other comprehensive income from equity accounted investments	22	- 104	- 82	- 50	135	85
Currency translation foreign operations	199	-	199	1,228	-	1,228
Other comprehensive income	2,388	- 790	1,598	2,462	- 61	2,401

Other comprehensive income relating to equity accounted investments is reported in the Group Statement of Changes in Equity within currency translation differences with a negative amount of € 395 million (2021: positive amount of € 490 million), within derivative financial instruments with a positive amount of € 220 million (2021: negative amount of € 368 million) and within costs of hedging with a positive amount of € 93 million (2021: negative amount of € 37 million).

The hedging effects of derivative financial instruments that are attributable to the acquisition cost of inventories are not included in other comprehensive income after tax.

NOTES TO THE BALANCE SHEET

21 Analysis of changes in Group tangible, intangible and investment assets 2022

in € million	Acquisition and manufacturing cost							Depreciation, amortisation and impairment losses					Carrying amount			
	1. 1. 2022	Translation differences	Additions arising on business combinations	Additions	Reclassifications	Disposals	31. 12. 2022	1. 1. 2022	Translation differences	Current year	Reclassifications	Value adjustments ¹	Disposals	31. 12. 2022	31. 12. 2022	31. 12. 2021
Development costs	19,287	-	-	2,819	-	530	21,576	7,714	-	2,265	-	-	530	9,449	12,127	11,573
Goodwill	385	-15	1,197	-	-	5	1,562	5	-	-	-	-	5	-	1,562	380
Other intangible assets	1,975	-68	8,349	254	-	443	10,067	948	-31	1,474	-	-	411	1,980	8,087	1,027
Intangible assets	21,647	-83	9,546	3,073	-	978	33,205	8,667	-31	3,739	-	-	946	11,429	21,776	12,980
Land, titles to land, buildings, including buildings on third party land	16,886	36	2,830	934	1,168	412	21,442	7,452	34	1,000	-	-	339	8,147	13,295	9,434
thereof right-of-use assets from leases	3,363	-11	625	701	-	137	4,541	1,134	-	484	-	-	106	1,512	3,029	2,229
Plant and machinery	41,739	268	2,493	3,563	1,407	4,542	44,928	31,574	213	3,457	-	-	4,506	30,738	14,190	10,165
thereof right-of-use assets from leases	145	-1	7	787	48	7	979	14	-	134	-	-	7	141	838	131
Other facilities, factory and office equipment	3,251	40	164	393	155	479	3,524	2,344	28	370	-	-	447	2,295	1,229	907
thereof right-of-use assets from leases	131	2	1	68	-	48	154	69	1	41	-	-	48	63	91	62
Advance payments made and construction in progress	1,884	29	1,585	2,647	-2,730	3	3,412	-	-	-	-	-	-	-	3,412 ²	1,884
Property, plant and equipment	63,760	373	7,072	7,537	-	5,436	73,306	41,370	275	4,827	-	-	5,292	41,180	32,126	22,390
Leased products	53,847	1,096	-	16,027	-	18,077	52,893	9,147	182	5,890	-	-	5,146	10,073	42,820	44,700
Investments accounted for using the equity method	5,352	-	-	402	-	5,094	660	240	-	-	-	-	-	240	420	5,112
Investments in non-consolidated subsidiaries	340	9	-	35	-	3	381	87	3	-	-	-	-	90	291	253
Participations	1,020	27	-	112	-	57	1,102	32	-21	-	-	23	-8	42	1,060	988
Other investments	1,360	36	-	147	-	60	1,483	119	-18	-	-	23	-8	132	1,351	1,241

¹ Thereof expense amounting to € 23 million recognised in profit or loss.

² Including assets under construction amounting to € 2,502 million.

Analysis of changes in Group tangible, intangible and investment assets 2021

in € million	Acquisition and manufacturing cost						Depreciation, amortisation and impairment losses						Carrying amount		
	1.1.2021	Translation differences	Additions	Reclassifications	Disposals	31.12.2021	1.1.2021	Translation differences	Current year	Reclassifications	Value adjustments ¹	Disposals	31.12.2021	31.12.2021	31.12.2020
Development costs	16,976	-	2,506	-	195	19,287	5,969	-	1,935	-	-	190	7,714	11,573	11,007
Goodwill	384	1	-	-	-	385	5	-	-	-	-	-	5	380	379
Other intangible assets	1,751	45	289	2	112	1,975	795	12	202	-	-	61	948	1,027	956
Intangible assets	19,111	46	2,795	2	307	21,647	6,769	12	2,137	-	-	251	8,667	12,980	12,342
Land, titles to land, buildings, including buildings on third party land	15,935	285	789	221	344	16,886	6,691	124	843	-	-	206	7,452	9,434	9,244
thereof right-of-use assets from leases	3,108	59	416	-	220	3,363	796	20	433	-	-	115	1,134	2,229	2,312
Plant and machinery	40,299	634	2,292	864	2,350	41,739	30,239	468	3,180	-2	-	2,311	31,574	10,165	10,060
thereof right-of-use assets from leases	58	-	125	-	38	145	18	-	15	-	-	19	14	131	40
Other facilities, factory and office equipment	3,138	67	235	73	262	3,251	2,211	45	335	2	-	249	2,344	907	927
thereof right-of-use assets from leases	121	4	25	-	19	131	51	2	36	-	-	20	69	62	70
Advance payments made and construction in progress	1,619	23	1,407	-1,160	5	1,884	-	-	-	-	-	-	-	1,884 ²	1,619
Property, plant and equipment	60,991	1,009	4,723	-2	2,961	63,760	39,141	637	4,358	-	-	2,766	41,370	22,390	21,850
Leased products	50,120	1,725	18,465	-	16,463	53,847	8,125	301	5,263	-	-	4,542	9,147	44,700	41,995
Investments accounted for using the equity method	3,825	-	1,736	-	209	5,352	240	-	-	-	-	-	240	5,112	3,585
Investments in non-consolidated subsidiaries	301	11	47	-	19	340	85	2	-	-	-	-	87	253	216
Participations	963	28	75	-	46	1,020	444	-17	-	-	-434	-39	32	988	519
Non-current marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investments	1,264	39	122	-	65	1,360	529	-15	-	-	-434	-39	119	1,241	735

¹ Thereof income amounting to € 434 million recognised in profit or loss.² Including assets under construction of € 1,354 million.

22 Intangible assets

Intangible assets mainly comprise capitalised development costs on vehicle, module and architecture projects as well as rights reacquired in conjunction with a business acquisition. Also included are subsidies for tool costs, licences, purchased development projects, emission allowances, software and purchased customer bases.

Other intangible assets include brand-name rights amounting to € 95 million (2021: € 43 million) which are allocated to the Automotive segment and are not subject to scheduled amortisation since their useful life is deemed to be indefinite. The brand-name rights are, to an extent, subject to a limited right of ownership. Intangible assets also include goodwill of € 33 million (2021: € 33 million) allocated to the Automotive excluding BMW Brilliance cash-generating unit (CGU) and goodwill of € 347 million (2021: € 347 million) allocated to the Financial Services CGU. Goodwill was recognised in conjunction with the business combination with BMW Brilliance during the year under report and allocated to the new BMW Brilliance CGU within the Automotive segment. The carrying amount at 31 December 2022 stood at € 1,182 million.

Further information on additions from business acquisitions is provided in [note 3](#).

As in the previous year, there was no requirement to recognise impairment losses or reversals of impairment losses on intangible assets in 2022.

As in the previous year, no financing costs were recognised as a cost component of intangible assets in 2022.

23 Property, plant and equipment (including right-of-use assets arising from leasing)

No impairment losses were recognised in 2022, as in the previous year.

As in the previous year, no financing costs were recognised as a cost component of property, plant and equipment in 2022.

Right-of-use assets arising from leases of land and buildings relate primarily to logistics and office premises and, to a lesser extent, to selling and production premises. In order to secure these premises and, in the interests of flexibility, the property rental agreements concerned often contain extension and termination options.

The regular review of the useful lives of items of property, plant and equipment subject to systematic depreciation takes into account the assumptions contained in the long-term corporate plan, and hence the ongoing transformation towards electromobility as well as the associated short- and medium-term impact on the product portfolio. In 2022, that review resulted in some useful lives being reassessed and extended accordingly, giving rise to a positive effect of € 524 million in the form of lower depreciation.

Moreover, a large volume of fully depreciated tools was derecognised, as a result of which disposals of historical cost and accumulated depreciation – as reported in the analysis of changes in tangible assets – increased year on year.

24 Leased products

Minimum lease payments of non-cancellable operating leases amounting to € 21,408 million (2021: € 23,026 million) fall due as follows:

in € million	31. 12. 2022	31. 12. 2021
within one year	9,606	10,123
between one and two years	6,522	7,052
between two and three years	3,465	3,812
between three and four years	1,512	1,702
between four and five years	265	302
later than five years	38	35
Minimum lease payments	21,408	23,026

Impairment losses amounting to € 527 million (2021: € 338 million) were recognised on leased products in 2022 as a consequence of changes in residual value expectations. Income from the reversal of impairment losses amounted to € 282 million (2021: € 111 million).

25 Investments accounted for using the equity method

Investments accounted for using the equity method comprise an interest in the joint venture YOUR NOW Holding GmbH (YOUR NOW), Munich, as well as interests in the associated companies IONITY Holding GmbH & Co. KG (IONITY), Munich, THERE Holding B.V. (THERE), Rijswijk, and Solid Power Inc. (Solid Power), Wilmington, Delaware.

BMW Brilliance

With the acquisition of a further 25 % of BMW Brilliance's shares on 11 February 2022, the previous joint venture became a subsidiary of the BMW Group. The transaction is described in detail in [note 3](#).

YOUR NOW

The at-equity loss reported for YOUR NOW for 2022 amounted to € 357 million (2021: loss of € 171 million). This includes impairment losses relating to the YOUR NOW subsidiary FREE NOW.

On 15 July 2022, YOUR NOW sold its subsidiary SHARE NOW GmbH to Stellantis N.V. In addition, the subsidiary moovel Group GmbH was merged with YOUR NOW on 1 August 2022. The impact of the two transactions is not material.

IONITY

In collaboration with Mercedes-Benz Group AG, the Ford Motor Company, the Volkswagen Group and the Hyundai Motor Group, the BMW Group operates the entity IONITY.

On 1 November 2021, a contract was signed with GRP III HPC Lux S.á.r.l. (Blackrock) for the provision of financing amounting to € 500 million for the further expansion of the charging network. The existing shareholders are also investing an additional € 200 million. With effect from 28 April 2022, following completion of the transaction, Blackrock became IONITY's largest shareholder. As a result, the former joint venture became an associated company of the BMW Group. IONITY's business model envisages the construction and operation of high-performance charging stations for battery-powered vehicles in Europe.

THERE

Together with AUDI AG, Mercedes-Benz Group AG and other companies, the BMW Group holds shares in THERE. HERE International B.V. (HERE) is an associated company of THERE. HERE's digital maps are laying the foundations for the next generation of mobility and location-based services, providing the basis for new assistance systems and, ultimately, fully automated driving.

Solid Power

The BMW Group holds shares in Solid Power, an industry-leading manufacturer of solid-state batteries for electric vehicles. Joint development partnerships are in place with Solid Power with a view to securing the supply of solid-state batteries for future generations of electric vehicles. The investment meets the criteria of an associated company and is accounted for using the equity method.

in € million	2022	2021
DISCLOSURES RELATING TO THE INCOME STATEMENT		
Profit / loss after tax	- 12	- 26
thereof from continuing operations	- 12	- 26
thereof from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	- 12	- 26

Financial information relating to equity accounted investments is summarised in the following tables (from a 100 % perspective):

	BMW Brilliance		THERE		YOUR NOW		IONITY	
in € million	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021
DISCLOSURES RELATING TO THE BALANCE SHEET								
Non-current assets	-	8,950	986	1,175	98	666	357	287
Current assets	-	15,062	1	2	218	528	162	49
thereof cash and cash equivalents	-	8,493	1	2	144	444	113	19
Equity	-	11,176	858	1,090	159	897	412	209
Non-current financial liabilities, provisions and liabilities	-	2,027	129	87	36	84	26	16
Current financial liabilities, provisions and liabilities	-	10,809	-	-	121	213	81	111
RECONCILIATION OF AGGREGATED FINANCIAL INFORMATION								
Assets	-	24,012	987	1,177	316	1,194	519	336
Provisions and liabilities	-	12,836	129	87	157	297	107	127
Net assets	-	11,176	858	1,090	159	897	412	209
Group's interest in net assets	-	5,588	255	298	78	424	62	42
Eliminations	-	-1,283	-	-	-	-	-	-
Carrying amount	-	4,305	255	298	78	424	62	42

in € million	BMW Brilliance		THERE		YOUR NOW		IONITY	
	2022	2021	2022	2021	2022	2021	2022	2021
DISCLOSURES RELATING TO THE INCOME STATEMENT								
Revenues	-	28,001	-	-	357	248	80	30
Scheduled depreciation	-	729	-	-	598	263	32	26
Profit / loss before financial result	-	4,457	-1	-1	-774	-309	-51	-39
Interest income	-	185	18	9	-	-	-	-
Interest expense	-	38	8	-	2	2	2	2
Income taxes	-	1,150	-	-	-5	8	-	-6
Profit / loss after tax	-	3,596	-134	-108	-800	-337	-53	-35
thereof from continuing operations	-	3,596	-134	-108	-797	-536	-53	-35
thereof from discontinued operations	-	-	-	-	-3	199	-	-
Other comprehensive income	-	174	-9	-17	-	-	-	-
Total comprehensive income	-	3,770	-143	-125	-800	-337	-53	-35

26 Receivables from sales financing

Receivables from sales financing comprise the following:

in € million	31.12.2022	31.12.2021
Credit financing for retail customers and dealerships*	64,382	65,258
Finance lease receivables	21,326	22,159
Receivables from sales financing	85,708	87,417

* Including operating leases.

Notes to the Group Financial Statements

Impairment allowances on receivables from sales financing in accordance with IFRS 9, which only arise within the Financial Services segment, developed as follows:

in € million	Stage 1	Stage 2		Stage 3	Total
		General	Simplified		
Impairment allowances at 1 January 2022	447	550	35	567	1,599
Reclassification to Stage 1	3	-22	-	-2	-21
Reclassification to Stage 2	-18	241	-	-37	186
Reclassification to Stage 3	-2	-36	-1	177	138
Derecognition and origination of receivables	115	77	2	-24	170
Write-off of receivables	-1	-15	-	-87	-103
Changes in risk parameters	85	44	2	3	134
Other changes	-53	96	-3	2	42
Impairment allowances at 31 December 2022	576	935	35	599	2,145

in € million	Stage 1	Stage 2		Stage 3	Total
		General	Simplified		
Impairment allowances at 1 January 2021	483	474	39	643	1,639
Reclassification to Stage 1	4	-31	-	-7	-34
Reclassification to Stage 2	-15	159	-	-25	119
Reclassification to Stage 3	-3	-37	-1	170	129
Derecognition and origination of receivables	34	11	1	-55	-9
Write-off of receivables	-1	-11	-	-131	-143
Changes in risk parameters	10	-46	-	-31	-67
Other changes	-65	31	-4	3	-35
Impairment allowances at 31 December 2021	447	550	35	567	1,599

Due to a weaker macroeconomic outlook as well as geopolitical uncertainties, an additional risk allowance for expected credit losses was recognised to take account of the negative impact on retail customer and dealership business, to the extent not covered by the BMW Group's standard loss provisioning models (post-model adjustments). The level of the additional risk allowance is reviewed on a regular basis. At 31 December 2022, the additional risk allowance was a mid-three-digit million amount, similar to one year earlier.

Impairment allowances include € 99 million (2021: € 102 million) on credit-impaired receivables relating to finance leases.

The estimated fair value of vehicles held as collateral for credit-impaired receivables at the end of the reporting period totalled € 455 million (2021: € 569 million). The carrying amount of assets held as collateral and taken back as a result of payment default amounted to € 35 million (2021: € 21 million).

Finance leases are analysed as follows:

in € million	31.12.2022	31.12.2021
due within one year	7,112	7,147
due between one and two years	6,272	6,528
due between two and three years	5,469	5,590
due between three and four years	4,146	4,435
due between four and five years	760	669
due later than five years	20	44
Gross investment in finance leases	23,779	24,413
due within one year	6,385	6,625
due between one and two years	5,694	6,001
due between two and three years	5,061	5,158
due between three and four years	3,914	4,080
due between four and five years	688	604
due later than five years	19	42
Net investment in finance leases without loss allowances	21,761	22,510
Unrealised interest income	2,018	1,903
Loss allowances	435	351
Net investment in finance leases	21,326	22,159

27 Financial assets

Financial assets comprise:

in € million	31.12.2022	31.12.2021
Marketable securities and investment funds	3,438	4,243
Derivative instruments	4,386	2,998
Loans to third parties	34	58
Other	379	216
Financial assets	8,237	7,515
thereof non-current	3,073	1,715
thereof current	5,164	5,800

28 Income tax assets

Income tax assets totalling € 1,096 million (2021: € 1,529 million) include claims amounting to € 26 million (2021: € 19 million), which are expected to be settled after more than one year. Claims may be settled earlier than this depending on the timing of the underlying proceedings. The decrease in income tax assets was mainly attributable to tax reimbursements during the year.

29 Other assets

Other assets comprise:

in € million	31.12.2022	31.12.2021
Return right assets for future leased products	4,317	2,405
Receivables from companies in which an investment is held	50	2,190
Receivables from subsidiaries	1,036	694
Collateral assets	454	295
Other assets (financial instruments)	5,857	5,584
Other taxes	1,846	1,950
Expected reimbursement claims	872	1,112
Prepaid expenses	477	397
Other assets (non-financial instruments)	3,195	3,459
Sundry other assets	1,580	1,200
Other assets	10,632	10,243
thereof non-current	1,030	1,302
thereof current	9,602	8,941

Collateral assets comprise mainly customary collateral (banking deposits) arising on the sale of asset-backed financing instruments.

30 Inventories

Inventories comprise the following:

in € million	31.12.2022	31.12.2021
Finished goods and goods for resale	12,563	9,683
Work in progress, unbilled contracts	3,235	3,175
Raw materials and supplies	3,424	2,277
Vehicles held for sale in the financial services business	524	404
Advance payments to suppliers	259	389
Inventories	20,005	15,928

Out of the total amount recognised for inventories at 31 December 2022, inventories measured at net realisable value amounted to € 1,940 million (2021: € 1,457 million). Write-downs to net realisable value in the financial year 2022 amounted to € 112 million (2021: € 41 million), while reversals of write-downs amounted to € 11 million (2021: € 5 million).

The expense recorded in conjunction with inventories during the financial year 2022 amounted to € 76,014 million (2021: € 54,484 million).

At 31 December 2022, the carrying amounts of inventories expected to be realised after more than twelve months amount to € 98 million (2021: € 194 million).

31 Trade receivables

Trade receivables comprise the following:

in € million	31.12.2022	31.12.2021
Gross carrying amount	4,186	2,293
Allowances for impairment of stage 2 simplified approach	- 16	- 18
Allowances for impairment of stage 3	- 43	- 14
Net carrying amount	4,127	2,261
thereof non-current	2	3
thereof current	4,125	2,258

In the financial year 2022, trade receivables include € 1,404 million for the first time relating to BMW Brilliance.

Impairment allowances on trade receivables in accordance with IFRS 9 developed as follows:

in € million	2022	2021
Balance at 1 January	32	47
Allocated	34	8
Reversed	- 5	- 20
Utilised	- 2	- 4
Exchange rate impact and other changes	-	1
Balance at 31 December	59	32

In the case of trade receivables, collateral is generally held in the form of vehicle documents and bank guarantees so that the risk of bad debt loss is very limited.

Expenses for impairment losses and income from the reversal of impairment losses are not significant for the BMW Group and are therefore not reported separately in the income statement.

32 Equity

Number of shares issued

	Preferred stock		Common stock	
	2022	2021	2022	2021
Shares issued / in circulation at 1 January	59,404,304	57,689,304	601,995,196	601,995,196
Shares issued in conjunction with Employee Share Programme	1,439,975	1,718,070	-	-
Less: shares repurchased and re-issued	-	3,070	-	-
Less: shares repurchased and withdrawn from circulation	1,448,950	-	15,312,007	-
Shares in circulation at 31 December	59,395,329	59,404,304	586,683,189	601,995,196
Treasury shares	1,448,950	-	15,312,007	-
Number of shares issued at 31 December	60,844,279	59,404,304	601,995,196	601,995,196

All Company stock is issued to bearer and each share has a par value of € 1.00. Preferred stock, to which no voting rights are attached, bears an additional dividend of € 0.02 per share.

In the financial year 2022, a total of 1,439,975 shares of preferred stock was sold to employees at a reduced price of € 59.06 per share in conjunction with an Employee Share Programme. These shares are entitled to receive dividends for the first time with effect from the financial year 2023.

Issued share capital increased by € 1.4 million as a result of the issue to employees of 1,439,975 new shares of non-voting preferred stock. BMW AG is authorised up to 15 May 2024 to issue 5 million shares of non-voting preferred stock amounting to nominal € 5.0 million. At the end of the reporting period, 0.3 million of these amounting to nominal € 0.3 million remained available for issue.

Capital reserves

Capital reserves include premiums arising from the issue of shares and totalled € 2,432 million (2021: € 2,325 million). The change amounting to € 107 million related to the share capital increase in conjunction with the issue of shares of preferred stock to employees.

Revenue reserves

Revenue reserves comprise the non-distributed earnings of companies consolidated in the Group Financial Statements. In addition, remeasurements of the net defined benefit obligation for pension plans are also presented in revenue reserves.

The Board of Management and the Supervisory Board propose that the unappropriated profit of BMW AG for the financial year 2022 amounting to € 5.5 billion be utilised to pay a dividend of € 8.52 for each share of preferred stock entitled to receive a dividend, and a dividend of € 8.50 for each share of common stock entitled to receive a dividend, and that the remaining amount be transferred to revenue reserves. Based on the number of shares at 31 December 2022 entitled to receive a dividend, the proposed dividend represents a total payout of € 5.5 billion.

The proposal for the appropriation of profit takes into account treasury shares held at 31 December 2022 which are not entitled to receive a dividend.

The number of shares entitled to receive a dividend may change prior to the Annual General Meeting. In this case, based on an unchanged distribution per share of common and preferred stock

entitled to receive a dividend, a correspondingly amended resolution concerning the appropriation of profit will be submitted to the Annual General Meeting.

The proposed distribution was not recognised as a liability in the Group Financial Statements.

Accumulated other equity

Accumulated other equity comprises amounts recognised directly in equity resulting from the translation of the financial statements of foreign subsidiaries, changes in the fair value of derivative financial instruments and marketable securities, costs of hedging recognised directly in equity as well the related deferred taxes.

Treasury shares

At the Annual General Meeting of BMW AG on 11 May 2022, the shareholders authorised the Board of Management to acquire treasury shares via the stock exchange, up to a maximum of 10 % of the share capital in place at the date of the resolution and to withdraw those shares from circulation without any further resolution by the Annual General Meeting. The buyback authorisation remains valid until 10 May 2027. BMW AG resolved to initiate

a share buyback programme on the basis of this authorisation. The programme has a volume of up to € 2.0 billion (total purchase price excluding incidental acquisition costs), comprising up to € 1.85 billion for shares of common stock and up to € 0.15 billion for shares of preferred stock. The programme was launched on 1 July 2022 and is scheduled to be completed by no later than 31 December 2023.

During the period from 1 July 2022 to 31 December 2022, BMW AG repurchased 15,312,007 shares of common stock for € 1,172 million and 1,448,950 shares of preferred stock for € 106 million, all of which are now reported as treasury shares.

As at 31 December 2022, BMW AG therefore held a total of 16,760,957 treasury shares, corresponding to a nominal amount of € 16,760,957 or 2.53 % of BMW AG's share capital.¹

Capital management disclosures

The BMW Group's objectives with regard to capital management are to safeguard over the long-term the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The capital structure is managed in order to meet needs arising from changes in economic conditions and the risks of the underlying assets.

The BMW Group is not subject to any unified external minimum equity capital requirements. Within the Financial Services segment, however, there are a number of individual entities which are subject to equity capital requirements of relevant regulatory banking authorities.

In order to manage its capital structure, the BMW Group uses various instruments, including the amount of dividends paid to shareholders and share buybacks. Moreover, the BMW Group actively manages debt capital, carrying out funding activities with a target debt structure in mind.

A key aspect in the selection of financial instruments is the objective to achieve matching maturities for the Group's financing requirements. In order to reduce non-systematic risk, the BMW Group uses a variety of financial instruments available on the world's capital markets to achieve diversification.

The capital structure at the end of the reporting period was as follows:

in € million	31.12.2022	31.12.2021
Equity attributable to shareholders of BMW AG	87,125	74,366
Proportion of total capital	48.1 %	41.8 %
Non-current financial liabilities	53,469	62,342
Current financial liabilities	40,727	41,121
Total financial liabilities	94,196	103,463
Proportion of total capital	51.9 %	58.2 %
Total capital	181,321	177,829

Equity attributable to shareholders of BMW AG increased during the financial year by 17.2 %, primarily reflecting the increase in revenue reserves.

33 Non-controlling interests

The 25 % non-controlling interests of other shareholders in the subsidiary BMW Brilliance represent a significant item in the BMW Group's balance sheet. At the date of acquisition (11 February 2022), the direct non-controlling interests in BMW Brilliance were measured at € 4,574 million. The remaining amount of non-controlling interests arising from the transaction relate to

BMW Automotive Finance (China) Co. Ltd. and Herald International Financial Leasing Co., Ltd.

Total comprehensive income allocated to the other shareholders of BMW Brilliance since 11 February 2022 amounts to € 580 million. In addition, dividends totalling € 1,445 million were paid to these shareholders during the financial year 2022.

At 31 December 2022, non-controlling interests therefore amounted to € 3,709 million.

Financial information relating to BMW Brilliance from 11 February onwards is summarised in the following table (from a 100 % perspective):

in € million	BMW Brilliance 2022 ²
DISCLOSURES RELATING TO THE INCOME STATEMENT	
Revenues	29,243
Profit after tax	2,140
Total comprehensive income	2,193
DISCLOSURES RELATING TO THE BALANCE SHEET	
Non-current assets	18,823
Current assets	12,344
Non-current liabilities	4,059
Current liabilities	9,756
DISCLOSURES RELATING TO THE CASH FLOW STATEMENT	
Total cash flows	- 4,268

² Disclosures relating to the income statement and cash flow statement refer to the period 11 February to 31 December 2022, while the disclosures relating to the balance sheet refer to 31 December 2022. Cash flows include distributions.

¹ The number of shares reported here corresponds the number of shares transferred by the mandated banks to BMW AG as at 31 December 2022, which differs from the transaction volume published on the BMW Group website.

34 Pension provisions

In the case of defined benefit plans, the BMW Group is required to pay the benefits it has granted to present and past employees. Defined benefit plans may be covered by provisions or pension assets. In Germany, pension obligations of the BMW Group are almost entirely covered by assets transferred to BMW Trust e.V., Munich (BMW Trust), in conjunction with a Contractual Trust Arrangement (CTA) (funded plan). In addition, funded plans also exist in the UK as well as in the USA, Switzerland, Belgium and

Japan. In the meantime, all of the main defined benefit plans have been closed for new entrants and replaced by defined contribution plans.

The assumptions stated below, which depend on the economic situation in the relevant country, are used to measure the defined benefit obligation of each pension plan. The following weighted average values have been used for Germany, the UK and other countries:

	Germany		United Kingdom		Other	
in %	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021
Discount rate	3.67	1.04	4.73	1.83	5.88	2.27
Pension level trend	2.53	2.10	2.26	2.36	-	-
Weighted duration of all pension obligations in years	14.2	17.5	13.7	17.8	12.8	15.4

The following mortality tables are applied in countries, in which the BMW Group has significant defined benefit plans:

Germany	Mortality Table 2018 G issued by Prof. K. Heubeck (with invalidity rates reduced by 70 %)
United Kingdom	S3PA Tables and CMI_2020 model with improvement factor of 1.25 %

In addition, a career trend component, which is plan-dependent and lies within a range of 0.25 % to 0.50 %, is taken into account in the measurement of pension obligations in Germany (2021: career trend of 0.25 % to 0.50 %).

Based on the measurement principles contained in IAS 19, the following balance sheet carrying amounts apply to the Group's pension plans:

in € million	Germany		United Kingdom		Other		Total	
	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021
Present value of defined benefit obligations	11,529	15,045	5,287	8,844	869	1,100	17,685	24,989
Fair value of plan assets	11,508	14,105	6,134	9,968	741	938	18,383	25,011
Effect of limiting net defined benefit asset to asset ceiling	-	-	879	1,184	15	3	894	1,187
Carrying amounts	21	940	32	60	143	165	196	1,165
thereof pension provisions	118	947	77	106	144	194	339	1,247
thereof assets	-97	-7	-45	-46	-1	-29	-143	-82

The most significant of the BMW Group's pension plans are described below.

Germany

Both employer- and employee-funded benefit plans exist in Germany. Benefits paid in conjunction with these plans comprise old-age retirement pensions as well as invalidity and surviving dependents' benefits. The level of ongoing pension payments is adjusted in accordance with § 16 of the Company Pensions Act (Betriebsrentengesetz).

The defined benefit plans have been closed to new entrants since 2014. Defined contribution plans with a minimum rate of return, comprising employer- and employee-funded components, continue to exist. The fact that the plan involves a minimum rate of return means that the defined contribution entitlements are classified in accordance with IAS 19 as defined benefit plans. In 2021, employees in the defined benefit plan were given the option to

switch to the defined contribution plan. In the case of defined benefit plans involving the payment of a pension, the amount of benefits to be paid is determined by multiplying a fixed amount by the number of years of service.

The assets of the German pension plans are invested by BMW Trust (a German association) in accordance with a CTA. The representative bodies of the association are the Board of Directors and the Members' General Meeting. BMW Trust currently has seven members and three members of the Board of Directors elected by the Members' General Meeting. The Board of Directors is responsible for investments, drawing up and deciding on investment guidelines as well as monitoring compliance with those guidelines. The members of the association can be employees, employee representatives, senior executives and members of the Board of Management of BMW AG. An ordinary Members' General Meeting takes place once every calendar year, and deals with a range of matters, including receiving and approving the

association's annual report, ratifying the activities of the Board of Directors and adopting changes to the association's statutes.

UK

Defined benefit plans exist in the UK which are closed for all plan participants. Vested benefits remain in place. New benefits are covered by contributions made to a defined contribution plan.

The defined benefit pension plans are administered by BMW Pension Trustees Limited, Farnborough, and BMW (UK) Trustees Limited, Farnborough, both trustee companies which act independently of the BMW Group. BMW (UK) Trustees Limited, Farnborough, is represented by ten trustees and BMW Pension Trustees Limited, Farnborough, by five trustees. A minimum of one third of the trustees must be elected by plan participants. The trustees represent the interests of plan participants and decide on investment strategies. Funding contributions to the funds are determined in agreement with the BMW Group.

The change in the net defined benefit liability for pension plans can be derived as follows:

in € million	Defined benefit obligation	Plan assets	Total	Effect of limitation of the net defined benefit asset to the asset ceiling	Net defined benefit liability
1 January 2022	24,989	- 25,011	- 22	1,187	1,165
EXPENSE / INCOME					
Current service cost	415	-	415	-	415
Interest expense (+) / income (-)	338	- 349	- 11	21	10
Past service cost	34	-	34	-	34
Gains (-) or losses (+) arising from settlements	-	-	-	-	-
REMEASUREMENTS					
Gains (-) or losses (+) on plan assets, excluding amounts included in interest income	-	6,417	6,417	-	6,417
Gains (-) or losses (+) arising from changes in financial assumptions	- 7,471	-	- 7,471	-	- 7,471
Gains (-) or losses (+) arising from changes in demographic assumptions	- 201	-	- 201	-	- 201
Gains (-) or losses (+) arising from experience adjustments	462	-	462	-	462
Changes in the limitation of the net defined benefit asset to the asset ceiling	-	-	-	- 262	- 262
Transfers to fund	-	- 367	- 367	-	- 367
Employee contributions	106	- 106	-	-	-
Pensions and other benefits paid	- 703	697	- 6	-	- 6
Translation differences and other changes	- 284	336	52	- 52	-
31 December 2022	17,685	- 18,383	- 698	894	196
thereof pension provisions					339
thereof assets					- 143

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in € million	Defined benefit obligation	Plan assets	Total	Effect of limitation of the net defined benefit asset to the asset ceiling	Net defined benefit liability
1 January 2021	26,587	- 22,910	3,677	3	3,680
EXPENSE / INCOME					
Current service cost	411	-	411	-	411
Interest expense (+) / income (-)	257	- 235	22	-	22
Past service cost	- 527	-	- 527	-	- 527
Gains (-) or losses (+) arising from settlements	-	-	-	-	-
REMEASUREMENTS					
Gains (-) or losses (+) on plan assets, excluding amounts included in interest income	-	- 652	- 652	-	- 652
Gains (-) or losses (+) arising from changes in financial assumptions	- 1,341	-	- 1,341	-	- 1,341
Gains (-) or losses (+) arising from changes in demographic assumptions	- 616	-	- 616	-	- 616
Gains (-) or losses (+) arising from experience adjustments	97	-	97	-	97
Changes in the limitation of the net defined benefit asset to the asset ceiling	-	-	-	1,157	1,157
Transfers to fund	-	- 1,082	- 1,082	-	- 1,082
Employee contributions	90	- 90	-	-	-
Pensions and other benefits paid	- 680	675	- 5	-	- 5
Translation differences and other changes	711	- 717	- 6	27	21
31 December 2021	24,989	- 25,011	- 22	1,187	1,165
thereof pension provisions					1,247
thereof assets					- 82

In the previous year, in conjunction with a measure aimed at modernising the pension model in Germany, employees were given the choice of remaining in the previous defined benefit plan or switching to the defined contribution plan. The fixed amounts to which employees were previously entitled in the defined benefit plan remain unchanged going forward and therefore resulted in a plan amendment in accordance with IAS 19. Also in 2021, the previous pension entitlement trend (Festbetragstrend) was converted – with the exception of one remaining component – into

a career trend. Furthermore, an employee switching to the defined contribution plan received an entitlement deemed to be equivalent in legal terms to their previous rights.

This gave rise in the financial year 2021 to an overall positive impact of € 562 million on past service cost, which was recognised in the income statement, primarily in the form of reductions to cost of sales as well as to selling and administrative expenses.

Due to the fact that there is no right of reimbursement or right to reduce future contributions to the fund, the amount of plan assets reported for the UK pension plan has been limited to the amount of the obligations.

Depending on the cash flow profile and risk structure of the pension obligations involved, plan assets relating to defined benefit plans are invested in a diversified portfolio.

Plan assets in Germany, the UK and other countries comprised the following:

in € million	Germany		United Kingdom		Other		Total	
	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021
Equity instruments	2,068	2,875	14	342	37	85	2,119	3,302
Debt instruments	6,101	7,742	4,343	7,081	51	660	10,495	15,483
thereof investment grade	5,436	5,302	4,343	6,377	51	653	9,830	12,332
thereof mixed funds (funds without a rating)	-	-	-	-	-	-	-	-
thereof non-investment grade	665	2,440	-	704	-	7	665	3,151
Real estate funds	-	-	-	-	28	20	28	20
Money market funds	-	-	35	157	15	37	50	194
Absolute return funds	-	-	-	-	-	-	-	-
Other	232	223	-	-	-	4	232	227
Total with quoted market price	8,401	10,840	4,392	7,580	131	806	12,924	19,226
Debt instruments	340	800	55	646	4	5	399	1,451
thereof investment grade	332	328	-	-	-	-	332	328
thereof mixed funds (funds without a rating)	8	472	55	646	-	-	63	1,118
thereof non-investment grade	-	-	-	-	4	5	4	5
Real estate	455	494	700	786	-	-	1,155	1,280
Cash and cash equivalents	32	55	-	-	-	1	32	56
Absolute return funds	843	709	640	742	2	10	1,485	1,461
Other	1,437	1,207	347	214	604	116	2,388	1,537
Total without quoted market price	3,107	3,265	1,742	2,388	610	132	5,459	5,785
Total plan assets	11,508	14,105	6,134	9,968	741	938	18,383	25,011

In the financial year 2023, disbursements out of the plan assets are expected to exceed the employer's contributions to plan assets by € 342 million. Plan assets of the BMW Group include own transferable financial instruments amounting to € 7 million (2021: € 2 million).

The BMW Group is exposed to risks arising both from defined benefit plans and defined contribution plans with a minimum return guarantee. The discount rates used to calculate pension obligations are subject to market fluctuations and therefore influence the level of the obligations. Furthermore, changes in other actuarial parameters, such as expected rates of inflation, also have an impact on pension obligations. In order to reduce currency exposures, a substantial portion of plan assets is either invested in the same currency as the underlying plan or hedged by means of currency derivatives. As part of the internal reporting procedures and for internal management purposes, financial risks relating to the pension plans are reported using a value-at-risk approach by reference to the pension deficit. The investment strategy is also subject to regular review together with external consultants, with the aim of ensuring that investments are structured to match the timing of pension payments and the expected development of pension obligations. In this way, fluctuations in pension provisions recognised in the balance sheet are reduced.

The defined benefit obligation relates to current employees, pensioners and former employees with vested benefits as follows:

in %	Germany		United Kingdom		Other	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Current employees	57.7	62.0	-	-	56.7	59.9
Pensioners	35.6	30.6	59.5	50.4	35.8	32.2
Former employees with vested benefits	6.7	7.4	40.5	49.6	7.5	7.9
Defined benefit obligation	100.0	100.0	100.0	100.0	100.0	100.0

The sensitivity analysis provided below shows the extent to which changes in individual factors – independently of each other – could influence the defined benefit obligation at the end of the reporting period.

It is only possible to aggregate sensitivities to a limited extent. Since the change in obligation follows a non-linear pattern,

estimates made on the basis of the specified sensitivities are only possible with this restriction. The calculation of sensitivities using ranges other than those specified could result in a disproportional change in the defined benefit obligation.

In the UK, the sensitivity analysis for the pension level trend also takes account of restrictions due to caps and floors.

Change in defined benefit obligation

		31.12.2022		31.12.2021	
		in € million	in %	in € million	in %
Discount rate	increase of 0.75 %	-1,379	-7.8	-2,650	-10.6
	decrease of 0.75 %	1,632	9.2	3,311	13.2
Pension level trend	increase of 0.25 %	322	1.8	610	2.4
	decrease of 0.25 %	-307	-1.7	-586	-2.3
Average life expectancy	increase of 1 year	492	2.8	896	3.6
	decrease of 1 year	-509	-2.9	-910	-3.6
Career trend	increase of 0.10 %	37	-	63	-
	decrease of 0.10 %	-37	-	-62	-

35 Other provisions

Other provisions changed during the year as follows:

in € million	1. 1. 2022	Additions arising on business combinations	Translation differences	Additions	Reversal of discounting	Utilised	Reversed	31. 12. 2022	thereof due within one year
Statutory and voluntary warranty obligations, product guarantees	6,600	872	141	3,820	- 372	- 2,181	- 629	8,251	2,337
Obligations for personnel and social expenses	3,317	-	7	2,106	- 156	- 1,922	- 103	3,249	2,287
Other obligations	2,589	119	21	933	- 57	- 534	- 653	2,418	1,161
Other obligations for ongoing operational expenses	1,448	1	15	1,496	-	- 719	- 398	1,843	1,531
Other provisions	13,954	992	184	8,355	- 585	- 5,356	- 1,783	15,761	7,316

in € million	1. 1. 2021	Translation differences	Additions	Reversal of discounting	Utilised	Reversed	31. 12. 2021	thereof due within one year
Statutory and voluntary warranty obligations, product guarantees	6,131	241	2,714	- 54	- 2,220	- 212	6,600	1,798
Obligations for personnel and social expenses	2,582	14	2,083	- 23	- 1,299	- 40	3,317	2,196
Other obligations	3,666	41	1,219	- 9	- 994	- 1,334	2,589	1,421
Other obligations for ongoing operational expenses	1,603	56	1,111	-	- 1,108	- 214	1,448	1,333
Other provisions	13,982	352	7,127	- 86	- 5,621	- 1,800	13,954	6,748

Depending on when claims occur, it is possible that the BMW Group may be called upon to fulfil the warranty or guarantee obligations over the whole period of the warranty or guarantee. Warranty provisions include amounts recognised in connection with the exhaust gas recirculation cooler. Expected reimbursement claims at 31 December 2022 amounted to € 872 million (2021: € 1,112 million) and are disclosed within other assets (see [note 29](#)). The higher amount of additions compared to the financial year 2021 was mainly due to additions relating to the exhaust gas recirculation cooler, inflation-induced increases to a variety of provisions and the full consolidation of BMW Brilliance.

Provisions for obligations for personnel and social expenses comprise mainly obligations relating to performance-related remuneration components, workforce measures as well as pre-retirement part-time working arrangements and long-service awards.

The provisions for other obligations cover numerous specific risks and uncertain obligations, in particular for litigation and liability risks. Further information on the reversal of the provision relating to EU Commission antitrust proceedings was provided in [note 10](#) to the BMW Group Financial Statements for the financial year 2021 included in the BMW Group Report 2021.

Other obligations for ongoing operational expenses include in particular expected payments for dealer bonuses and other price deductions.

36 Income tax liabilities

Current income tax liabilities totalling € 1,224 million (2021: € 921 million) include € 58 million (2021: € 44 million) which are expected to be settled after more than twelve months. Liabilities may be settled earlier than this depending on the timing of the underlying proceedings.

37 Financial liabilities

Financial liabilities of the BMW Group comprise the following:

in € million	31. 12. 2022				31. 12. 2021			
	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total
Bonds	11,020	22,306	7,758	41,084	12,406	28,675	10,417	51,498
Asset-backed financing transactions	7,895	10,851	-	18,746	6,891	12,471	-	19,362
Liabilities from customer deposits (banking)	13,223	3,274	14	16,511	13,175	3,507	20	16,702
Liabilities to banks	4,187	2,399	669	7,255	4,918	3,186	975	9,079
Lease liabilities	533	1,369	862	2,764	475	1,131	814	2,420
Derivative instruments	1,462	2,142	1,457	5,061	1,146	581	148	1,875
Commercial paper	1,712	-	-	1,712	1,374	-	-	1,374
Other	695	138	230	1,063	736	75	342	1,153
Financial liabilities	40,727	42,479	10,990	94,196	41,121	49,626	12,716	103,463

Planned future cash outflows from variable lease payments, which are not taken into account in the measurement of lease liabilities, are expected to amount to € 43 million (2021: € 48 million).

Similarly, potential future cash outflows amounting to € 1,608 million (2021: € 1,262 million) (undiscounted) have not been taken into account in the measurement of lease liabilities as it is not reasonably certain that the leases will be renewed (or not terminated). These cash outflows relate to periods of up to 61 years (2021: up to 62 years).

Notes to the Group Financial Statements

Liabilities related to financing activities can be reconciled as follows:

in € million	1.1.2022	Cash inflows / outflows	Changes due to the acquisition or disposal of companies	Changes due to exchange rate factors	Changes in fair values	Other changes	31.12.2022
Bonds	51,498	- 8,107	-	1,011	- 3,321	3	41,084
Asset-backed financing transactions	19,362	- 471	-	- 142	-	- 3	18,746
Liabilities from customer deposits (banking)	16,702	- 658	-	410	- 11	68	16,511
Liabilities to banks	9,079	- 1,613	-	- 25	- 186	-	7,255
Lease liabilities	2,420	- 531	129	4	-	742	2,764
Commercial paper	1,374	261	-	77	-	-	1,712
Financial liabilities towards companies in which an investment is held	2,188	- 150	-	44	-	- 2,082	-
Other (excluding interest payable)	724	- 18	-	- 30	- 14	-	662
Liabilities relating to financing activities	103,347	- 11,287	129	1,349	- 3,532	- 1,272	88,734

in € million	1.1.2021	Cash inflows / outflows	Changes due to the acquisition or disposal of companies	Changes due to exchange rate factors	Changes in fair values	Other changes	31.12.2021
Bonds	56,665	- 6,021	-	1,647	- 787	- 6	51,498
Asset-backed financing transactions	18,819	- 331	-	874	-	-	19,362
Liabilities from customer deposits (banking)	16,466	- 229	-	465	-	-	16,702
Liabilities to banks	9,037	- 357	-	458	- 59	-	9,079
Lease liabilities	2,511	- 464	-	42	-	331	2,420
Commercial paper	550	781	-	43	-	-	1,374
Financial liabilities towards companies in which an investment is held	740	1,295	-	153	-	-	2,188
Other (excluding interest payable)	752	- 18	-	- 10	-	-	724
Liabilities relating to financing activities	105,540	- 5,344	-	3,672	- 846	325	103,347



Notes to the Group Financial Statements

Bonds comprise:

Issuer	Interest	Issue volume in relevant currency (ISO Code)	Weighted average maturity period (in years)	Weighted average nominal interest rate (in %)
BMW Finance N. V.	variable	EUR 500 million	3.0	1.8
	variable	NOK 1.230 million	3.0	5.3
	variable	SEK 1.500 million	4.0	3.2
	fixed	EUR 20.650 million	7.1	0.8
	fixed	CNY 13.500 million	2.8	3.2
	fixed	JPY 13.400 million	5.6	0.6
	fixed	HKD 1.224 million	6.6	2.9
	fixed	USD 1.000 million	7.5	2.6
	fixed	NOK 750 million	4.0	2.3
BMW US Capital, LLC	fixed	AUD 273 million	10.0	3.2
	variable	USD 1.950 million	3.2	2.6
	fixed	USD 15.525 million	6.9	3.1
BMW International Investment B. V.	fixed	EUR 500 million	12.0	1.0
	fixed	GBP 950 million	4.4	1.3
	fixed	NOK 1.000 million	10.0	3.3
Other	fixed	CHF 600 million	6.8	0.5
	fixed	JPY 10.000 million	3.0	0.2
	fixed	CAD 800 million	3.3	1.4

38 Other liabilities

Other liabilities comprise the following items:

in € million	31. 12. 2022	31. 12. 2021
Refund liabilities for future leased products	5,777	3,108
Bonuses and sales aides	4,809	3,123
Payables to other companies in which an investment is held	51	2,367
Payables to subsidiaries	255	180
Deposits received	1,047	895
Other liabilities (financial instruments)	11,939	9,673
Contract liabilities	7,651	5,955
Deferred income	3,633	3,820
Other taxes	1,412	1,143
Social security	120	123
Other advance payments received for orders	237	160
Other liabilities (non-financial instruments)	13,053	11,201
Sundry	2,241	1,546
Other liabilities	27,233	22,420

Contract liabilities relate to obligations for service and repair work as well as telematics services and roadside assistance agreed to be part of the sale of a vehicle (in some cases multi-component arrangements). An amount of € 3,146 million excluding BMW Brilliance (2021: € 3,035 million) was released from contract liabilities in the financial year and recognised as revenues from contracts with customers.

In the financial year 2022, contract liabilities include € 1,826 million for the first time relating to BMW Brilliance.

Deferred income includes down payments received on leases with customers as well as deferred grants.

Grants comprise mainly public sector funds to promote regional structures and which have been invested in the production plants in Brazil, China, Germany, Mexico, Austria and South Africa amongst others. The grants are partly subject to holding periods for the assets concerned of up to five years and/or minimum employment figures or minimum production figures. Grant income is recognised in the income statement over the useful lives of the assets to which it relates.

39 Trade payables

Trade payables mainly have a remaining term of up to one year.

In the financial year 2022, trade payables include € 2,782 million for the first time relating to BMW Brilliance.

OTHER DISCLOSURES

40 Contingent liabilities and other financial commitments

Contingent liabilities

The following contingent liabilities existed at the balance sheet date:

in € million	31.12.2022	31.12.2021
Investment subsidies	63	56
Litigation	94	131
Guarantees	89	77
Other	1,112	1,202
Contingent liabilities	1,358	1,466

Other contingent liabilities mainly comprise risks relating to taxes and customs duties.

The BMW Group determines its best estimate of contingent liabilities on the basis of the information available at the date of preparation of the Group Financial Statements. This assessment may change over time and is adjusted regularly on the basis of new information and circumstances. A part of the risks is covered by insurance.

The EU Commission's antitrust proceedings were settled on 8 July 2021 (see [note 10](#) to the BMW Group Financial Statements for the financial year 2021 included in the BMW Group Report 2021).

In addition, respective antitrust proceedings were opened against BMW AG by the Chinese State Administration for Market Regulation in March 2019 and the Korea Fair Trade Commission in May 2020. Possible risks for the BMW Group in connection with the antitrust proceedings in China cannot be currently foreseen, neither in terms of their outcome nor the amounts involved. The South Korean antitrust authority decided at the beginning of 2023 to terminate the proceedings by imposing a fine.

In relation to these allegations, numerous class action lawsuits have been brought in the USA and Canada as well as several individual customers' lawsuits in South Korea. In the USA, the customer class actions were withdrawn and the dealer class action was dismissed. The class action lawsuits in Canada and individual customers' lawsuits in South Korea remain at an early stage. Further civil lawsuits based on the allegations are possible going forward. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Regulatory authorities have ordered the BMW Group to recall various vehicle models in conjunction with airbags supplied by the Takata group of companies. Provision for the costs involved has been recognised within warranty provisions. In addition to the risks already covered by warranty provisions, it cannot be ruled out that further vehicles of the BMW Group will be affected by future recall actions. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

On 22 January 2020, the U.S. Securities and Exchange Commission (SEC) opened an investigation into possible violations of U.S. securities laws by the BMW Group relating to disclosures regarding the BMW Group's unit sales of new vehicles. This matter was settled with the SEC, without admitting or denying the allegations, and the BMW Group consented to the entry of an Order finding violations of the U. S. Securities Act and agreed to pay a penalty of US \$ 18 million. Following the SEC Order, Certain BMW Group entities and their officers became defendants in private securities litigation. The claimants withdrew the claim against the individual defendants voluntarily without prejudice. The remaining parties reached an agreement to settle the action for a settlement amount of US \$ 1.75 million. This settlement has been approved by the court on 21 December 2022, which concludes this civil proceeding.

Several BMW Group entities are facing a number of diesel emissions-related court claims in England. The claimants have applied for a group litigation order. Given that the proceedings are still at an early stage, the probability, amount or timing of any liability is not practical to be estimated at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In March 2022, the European Commission (EC) conducted inspections at the premises of automobile manufacturers and associations located in several member states. In parallel, the EC sent out formal requests for information to several automobile manufacturers, including BMW AG. The inspections and requests for information concern possible collusion in relation to the collection, treatment and recovery of end-of-life vehicles and light commercial vehicles. The inspections were conducted in coordination with the UK Competition and Markets Authority, which has initiated formal proceedings in respect of the UK market. Appropriate risk provisions were recognised in the second quarter 2022 in connection with these investigations. Due to the early stage of the investigations, further risks for the BMW Group in connection with the proceedings of the two authorities cannot be quantified at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Following a request for legal assistance from the Korean authorities in 2020 in connection with leaks in exhaust gas recirculation modules in BMW Group vehicles, the Munich public prosecutor's office initiated an investigation and searched BMW Group offices in Munich and Steyr in June 2022. The ongoing investigations by the authorities have never referred to the allegation of the use of illegal defeat devices. This was also not the subject of the search conducted in June 2022. Potential risks for the BMW Group cannot be quantified at the present time. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Other financial commitments

In addition to liabilities, provisions and contingent liabilities, the following commitments exist for the BMW Group at the end of the reporting period:

in € million	31.12.2022	31.12.2021
Purchase commitments for property, plant and equipment	5,758	3,350
Purchase commitments for intangible assets	1,912	2,190

41 Financial instruments

The carrying amounts of financial instruments are assigned to IFRS 9 categories in the following table:

in € million	31.12.2022				31.12.2021			
	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category
ASSETS								
Other investments	-	-	1,003	348	-	-	947	294
Receivables from sales financing	63,808	-	-	21,900	64,795	-	-	22,622
Financial assets								
Derivative instruments								
Cash Flow Hedges	-	-	-	2,046	-	-	-	1,596
Fair Value Hedges	-	-	-	427	-	-	-	1,012
Other derivative instruments	-	-	1,913	-	-	-	390	-
Marketable securities and investment funds	-	2,908	530	-	20	3,238	985	-
Loans to third parties	26	-	8	-	35	-	23	-
Other*	236	-	-	143	134	-	-	82
Cash and cash equivalents	16,860	-	10	-	15,983	-	26	-
Trade receivables	4,127	-	-	-	2,261	-	-	-
Other assets								
Receivables from subsidiaries	1,036	-	-	-	694	-	-	-
Receivables from companies in which an investment is held	50	-	-	-	2,190	-	-	-
Collateral assets	454	-	-	-	295	-	-	-
Remaining other assets	1,489	-	-	7,603	1,547	-	-	5,517
Total	88,086	2,908	3,464	32,467	87,954	3,238	2,371	31,123

* Prior year's figures adjusted.

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in € million	31.12.2022				31.12.2021			
	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category
LIABILITIES								
Financial liabilities								
Bonds	41,084	-	-	-	51,498	-	-	-
Liabilities to banks	7,255	-	-	-	9,079	-	-	-
Liabilities from customer deposits (banking)	16,511	-	-	-	16,702	-	-	-
Commercial paper	1,712	-	-	-	1,374	-	-	-
Asset-backed financing transactions	18,746	-	-	-	19,362	-	-	-
Derivative instruments								
Cash Flow Hedges	-	-	-	1,639	-	-	-	1,006
Fair Value Hedges	-	-	-	3,032	-	-	-	250
Other derivative instruments	-	-	390	-	-	-	619	-
Lease liabilities	-	-	-	2,764	-	-	-	2,420
Other	1,063	-	-	-	1,153	-	-	-
Trade payables	14,120	-	-	-	10,932	-	-	-
Other liabilities								
Payables to subsidiaries	255	-	-	-	180	-	-	-
Payables to other companies in which an investment is held	51	-	-	-	2,367	-	-	-
Remaining other liabilities	7,276	-	-	19,651	4,856	-	-	15,017
Total	108,073	-	390	27,086	117,503	-	619	18,693

Disclosures relating to financial instruments measured at amortised cost

The following table shows the fair values and carrying amounts of financial assets and liabilities that are measured at amortised cost and whose carrying amounts differ from their fair value.

The fair values are generally determined using the discounted cash flow method, taking into account the relevant risk of default. For the purposes of fair value measurement using the discounted cash flow method, expected future cash flows are discounted on the basis of up-to-date interest rate curves observable on the market.

The fair values of receivables from sales financing are measured using the discounted cash flow method, taking into account customer-specific credit risk. In view of the fact that these allowances are calculated in part on the basis of internal information, receivables from sales financing are allocated to Level 3 in the level hierarchy in accordance with IFRS 13.

The fair values of the financial assets shown in the table exist with financial institutions and are also measured using the discounted cash flow method, taking into account the risk of default. Given that these financial institutions all have excellent credit ratings, the risk of default is low and can be observed on the market. The fair values of these items are therefore allocated to Level 2.

In the case of financial liabilities, own credit risk is taken into account based on credit default swaps available on the market, so that the fair values of these items are also allocated to Level 2.

For all other financial instruments not listed here that are measured at amortised cost, the carrying amount corresponds to the fair value. For this reason, they are not presented separately.

in € million	31. 12. 2022		31. 12. 2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Receivables from sales financing – credit financing	65,237	63,808	67,158	64,795
Receivables from sales financing – finance and operating leases	22,600	21,900	24,675	22,622
Financial assets – Marketable securities and investment funds	-	-	20	20
Financial liabilities				
Bonds	42,173	41,084	53,022	51,498
Asset-backed financing transactions	18,542	18,746	19,602	19,362
Liabilities from customer deposits (banking)	15,939	16,511	16,732	16,702
Liabilities to banks	7,302	7,255	9,177	9,079

Disclosures relating to financial instruments measured at fair value

The carrying amounts of financial instruments measured at fair value are allocated to the measurement levels pursuant to IFRS 13 as follows:

in € million	31. 12. 2022			31. 12. 2021		
	Level hierarchy in accordance with IFRS 13			Level hierarchy in accordance with IFRS 13		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities, investment funds and collateral assets	3,048	390	-	3,675	548	-
Other investments	164	-	839	223	-	724
Cash equivalents	10	-	-	26	-	-
Loans to third parties	-	-	8	-	-	23
Derivative instruments (assets)						
Interest rate risks	-	2,121	-	-	1,373	-
Currency risks	-	768	-	-	466	-
Raw material market price risks	-	1,495	-	-	1,092	67
Other risks	-	-	2	-	-	-
Derivative instruments (liabilities)						
Interest rate risks	-	3,368	-	-	729	-
Currency risks	-	1,174	-	-	1,045	-
Raw material market price risks	-	519	-	-	101	-

As a general rule, any transfers between fair-value hierarchy levels are made at the end of the relevant reporting period.

At 31 December 2022, derivative instruments used to hedge raw material market price risks with a fair value of € 71 million were reclassified from Level 3 to Level 2. For these selected derivative instruments, sufficient observable market data are now available for valuation purposes due to greatly improved market maturity.

As in previous reporting periods, the valuation methodology applied is in line with the general valuation principles for derivatives used within the treasury management system of the BMW Group.

At the end of the previous financial year, equity instruments amounting to € 49 million were reclassified from Level 3 to Level 1, due to the fact that quoted market prices became available for the instruments concerned for the first time.



Financial instruments measured at fair value using input factors not based on observable market prices are allocated to Level 3. The fair values of these financial instruments are shown in the following table:

in € million	Fair value 31.12.2022	Fair value 31.12.2021
Unquoted equity instruments	839	724
Convertible bonds	8	23
Options on unquoted equity instruments	2	-
Derivative instruments	-	67

Financial instruments allocated to Level 3 relate mainly to investments in a private-equity fund. The valuation of unlisted equity instruments is determined primarily using the market-based approach. In particular, the financing rounds that take place within the private equity sector – usually on a regular basis at intervals of approximately 12 to 24 months – represent a significant input factor for these purposes. In addition, the investment advisor provides the external fund manager with relevant, investment-specific information on an ongoing basis (at least quarterly). The latter subsequently assesses the underlying individual companies in accordance with the guidelines for International Private Equity and Venture Capital Valuations (IPEV).

As part of the process of analysing valuations, the external fund manager reviews the investment-specific milestones, including an analysis of financial, technical and liquidity-specific performance indicators. Based on this analysis, it is considered whether the price of the most recent financing round is acceptable as a reasonable market valuation, in particular for early-stage or growth-phase investments. Key performance indicators used for the purpose of milestone analysis are highly dependent on the business model underlying the investment. Typical technical key performance indicators relate to licenses and patents held, the stage of technology development such as evidence of feasibility and prototypes, market entries, customer and user growth and appointments to key management positions. Key financial performance indicators used are revenues, EBITDA and the corresponding growth rate and / or development of specific contribution margins. Key liquidity-specific performance indicators are cash on hand, cash burn rates and prospects for future financing rounds.

Since the pricing from the financing rounds is considered to be the decisive input factor for the valuation, increases and decreases in valuation give rise to a similar change in the equity instrument that is recognised in the income statement.

In addition, equity instruments that are held outside the private equity fund are measured using the income approach. This involves discounting cash flows on the basis of current business cases using the weighted average cost of capital to determine the fair value of the financial instrument. Changes in fair values determined in connection with adjustments to significant input factors are not material for the BMW Group.

The convertible bonds that have been classified to Level 3 are primarily used as instruments in advance of future financing rounds relating to private equity investments. Valuations are therefore performed in accordance with the IPEV guidelines.

Mandatory conversions are usually structured in such a way that the number of shares to be received depends on the future share price. Due to the generally short maturities, the instruments are subject to only insignificant fluctuations in value. Irrespective of this fact, impairment tests are performed at regular intervals.

The exercise price for share options in such companies is generally low, verging towards zero. Consequently, financing rounds have a direct impact on the fair value of the options. In this respect, the valuation of options and assessment of their impact on sensitivity is similar to the approach taken to unquoted equity instruments, as described above.

For specific derivative instruments used to hedge raw materials price risks, a complete set of data relevant for valuation purposes was not always available in the past due to their limited market maturity. For this reason, data was obtained by means of regular bank and trader inquiries in order to model the forward curves required for valuation purposes. Changes in fair values resulting from these shifts in forward curves in a range of + / - 10 % were not material for the BMW Group.

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The balance sheet carrying amount of Level 3 financial instruments developed as follows:

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Derivative instruments	Financial instruments Level 3
1 January 2022	724	23	-	67	814
Additions	75	-	-	-	75
Disposals	-6	-12	-	-5	-23
Gains (+) / losses (-) recognised in accumulated other equity	-	-	-	7	7
Gains (+) / losses (-) recognised in the income statement	14	-4	2	2	14
Currency translation differences	32	1	-	-	33
Level transfer	-	-	-	-71	-71
31 December 2022	839	8	2	-	849

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Derivative instruments	Financial instruments Level 3
1 January 2021	397	22	3	-5	417
Additions	76	24	-	-	100
Disposals	-220	-30	-	-4	-254
Gains (+) / losses (-) recognised in accumulated other equity	-	-	-	75	75
Gains (+) / losses (-) recognised in the income statement	488	5	-3	1	491
Currency translation differences	32	2	-	-	34
Level transfer	-49	-	-	-	-49
31 December 2021	724	23	-	67	814

Gains and losses recognised in the income statement are reported within the line item "Other financial result". Gains and losses recognised in the income statement in the financial year 2022 included an unrealised net positive amount of € 14 million (2021: € 352 million).

**Offsetting of financial instruments**

Derivative financial instruments of the BMW Group are subject to legally enforceable master netting agreements or similar contracts. However, receivables and payables relating to derivative financial instruments are not netted due to non-fulfilment of the stipulated criteria. Offsetting would have the following impact on the carrying amounts of derivatives:

in € million	31. 12. 2022		31. 12. 2021	
	Reported on assets side	Reported on equity and liabilities side	Reported on assets side	Reported on equity and liabilities side
Balance sheet amounts as reported	4,386	5,061	2,998	1,875
Gross amount of derivatives which can be offset in case of insolvency	- 2,118	- 2,118	- 1,118	- 1,118
Cash collateral ¹	- 228	- 188	- 26	- 33
Net amount after offsetting	2,040	2,755	1,854	724

¹ Disclosure supplemented in comparison with the previous year's table.

Non-derivative financial assets and liabilities are only offset if a legally enforceable right currently exists and it is actually intended to offset the relevant amounts. No financial assets and liabilities have been netted in the BMW Group due to the fact that the necessary requirements for netting have not been met.

Gains and losses on financial instruments

The following table shows the net gains and losses arising on financial instruments in accordance with IFRS 9:

in € million	2022	2021
Financial instruments measured at fair value through other comprehensive income	- 154	- 45
Financial instruments measured at fair value through profit or loss	1,438	- 35
Financial assets measured at amortised cost ²	- 652	- 112
Financial liabilities measured at amortised cost ²	209	- 308

² Prior year's figures adjusted.

Net gains and losses arising on financial instruments measured at fair value through other comprehensive income mainly relate to changes in the fair value of marketable securities. Further details are provided in the disclosures relating to the statement of comprehensive income ([↗ note 20](#)). Total interest income arising on financial assets measured at fair value through other comprehensive income amounted to € 37 million (2021: € 31 million) and total interest expense to € 10 million (2021: € 18 million).

Net gains and losses arising on financial instruments measured at fair value through profit and loss mainly include results from the fair value measurement of stand-alone derivatives, marketable securities and shares in investment funds, as well as other financial assets.

Net gains and losses arising on financial assets measured at amortised cost comprise mainly exchange rate gains / losses and impairment losses / reversals.

Net gains and losses arising on financial liabilities measured at amortised cost comprise mainly exchange rate gains / losses.

Financial instruments measured at amortised cost are subject to changes in fair value that are recognised through profit or loss due to designated hedging relationships. These changes in fair value are largely neutralised by the offsetting changes in fair value arising on hedging transactions and for this reason are not recognised in net gains and losses. Prior year figures have been adjusted accordingly.

Total interest income arising on financial assets measured at amortised cost relates mainly to the interest income earned on credit financing and reported within revenues. Total interest expenses arising on financial instruments measured at amortised cost amounted to € 1.7 billion (2021: € 1.6 billion).

Credit risk

The BMW Group is exposed to counterparty credit risks if contractual partners, for example a retail customer or a dealership, are unable or only partially able to meet their contractual obligations. Information on the management of credit risk for receivables from financial services is provided in the Combined Management Report [↗ Risks and Opportunities](#).

Notwithstanding the existence of collateral accepted, the carrying amount of financial assets (with the exception of derivative financial instruments) generally represents the maximum credit risk. In addition, the credit risk is increased by additional unutilised loan commitments in the dealership financing line of business. Total dealership financing credit risk at the end of the reporting period therefore amounted to € 31,163 million (2021: € 31,508 million).

In the case of all relationships underlying non-derivative financial instruments, in order to minimise the credit risk and depending on the nature and amount of exposure, collateral is required, credit information and references obtained or historical data based on the existing business relationship, in particular payment behaviour, reviewed.

In the case of trade receivables, customers are regularly assessed with regard to their credit risk. Depending on contractual status, necessary measures, such as dunning procedures, are initiated in good time.

The credit risk relating to cash deposits and derivative financial instruments is minimised by the fact that the Group only enters into such contracts with parties of first-class credit standing.

Within the financial services business, items financed for retail customers and dealerships (such as vehicles, facilities and

property) serve as first-ranking collateral with a recoverable value. Security is also put up by customers in the form of collateral asset pledges, asset assignment and first-ranking mortgages, supplemented where appropriate by warranties and guarantees. Items previously held as collateral that are subsequently acquired relate mainly to vehicles. As a rule, these assets can be converted into cash at short notice through the dealership organisation. Creditworthiness testing is an important aspect of the BMW Group's credit risk management. Every borrower's creditworthiness is tested for all credit financing and lease contracts entered into by the BMW Group. In the case of retail customer financing, creditworthiness is assessed using validated scoring systems integrated in the purchasing process.

In the area of dealership financing, creditworthiness is assessed by means of ongoing credit monitoring and an internal rating system that takes account not only of the material credit standing of the borrower, but also of qualitative factors, such as past reliability in business relations.

The credit risk on trade receivables is assessed mainly on the basis of information relating to overdue amounts. The gross carrying amounts of these receivables are allocated in accordance with IFRS 9 to overdue ranges used for management purposes as follows:

in € million	31.12.2022	31.12.2021
Not overdue	3.871	2.113
1 – 30 days overdue	208	120
31 – 60 days overdue	31	12
61 – 90 days overdue	11	14
More than 90 days overdue	65	34
Total	4.186	2.293

Receivables from sales financing are allocated to internally defined rating categories based on credit risk. The classification into creditworthiness levels is based on default probabilities. The related gross carrying amounts in accordance with IFRS 9 are allocated as follows:

in € million	31.12.2022						31.12.2021					
	Stage 1	Stage 2		Stage 3	Total	Expected credit loss	Stage 1	Stage 2		Stage 3	Total	Expected credit loss
		General	Simplified					General	Simplified			
Gross carrying amount of financial assets with good credit ratings	71,418	975	446	-	72,839	370	79,639	1,071	374	-	81,084	377
Gross carrying amount of financial assets with medium credit ratings	8,792	3,726	37	-	12,555	841	3,310	2,671	44	-	6,025	517
Gross carrying amount of financial assets with poor credit ratings	318	1,152	21	968	2,459	934	71	769	13	1,054	1,907	705
Total	80,528	5,853	504	968	87,853	2,145	83,020	4,511	431	1,054	89,016	1,599

Further disclosures relating to credit risk – in particular with regard to the amounts of impairment losses recognised – are provided in the explanatory notes to the relevant categories of receivables in [notes 26](#) and [31](#).

Liquidity risk

The following table shows the maturity structure of expected contractual cash flows (undiscounted) for financial liabilities:

in € million	31.12.2022				31.12.2021			
	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total
NON-DERIVATIVE FINANCIAL LIABILITIES								
Bonds	11,951	24,710	9,496	46,157	13,266	30,071	10,821	54,158
Asset-backed financing transactions	8,057	11,470	-	19,527	6,964	12,622	-	19,586
Liabilities to banks	4,456	2,594	775	7,825	5,130	3,350	1,027	9,507
Liabilities from customer deposits (banking)	13,285	3,337	14	16,636	13,211	3,574	20	16,805
Trade payables	14,080	40	-	14,120	10,932	-	-	10,932
Lease liabilities	533	1,460	1,094	3,087	483	1,167	990	2,640
Commercial paper	1,714	-	-	1,714	1,374	-	-	1,374
Other financial liabilities	305	181	202	688	321	116	301	738
DERIVATIVE FINANCIAL LIABILITIES								
With gross settlement	1,150	280	-413	1,017	1,434	937	9	2,380
Cash outflows	20,537	13,087	319	33,943	29,300	15,117	166	44,583
Cash inflows	-19,387	-12,807	-732	-32,926	-27,866	-14,180	-157	-42,203
With net settlement	1,201	1,993	378	3,572	219	216	88	523
Cash outflows	1,201	1,993	378	3,572	219	216	88	523
Total financial liabilities	56,732	46,065	11,546	114,343	53,334	52,053	13,256	118,643

The cash flows from non-derivative liabilities comprise principal repayments and the related interest. The amounts disclosed for derivative instruments comprise only cash flows relating to derivatives that have a negative fair value at the balance sheet date. In the case of derivatives with a negative fair value, an overall positive cash flow can arise due to the various yield curves used. At 31 December 2022, credit commitments available at short notice to dealerships which had not been called upon at the end

of the reporting period amounted to € 16,044 million (2021: € 18,334 million).

Solvency is assured at all times by managing and monitoring the liquidity situation on the basis of a rolling cash flow forecast.

The resulting funding requirements are covered by a variety of instruments placed on the world's financial markets, with the aim

to minimise risk by matching maturities with financing requirements and in alignment with a dynamic target debt structure.

As a further reduction of risk, a syndicated credit line totalling € 8 billion (2021: € 8 billion) from a consortium of international banks is available to the BMW Group. Intragroup cash flow fluctuations are balanced out by the use of daily cash pooling arrangements. Further information is provided in the Combined Management Report.

Market risks

The principal market risks to which the BMW Group is exposed are currency risk, interest rate risk and raw materials market price risk.

Protection against such risks is provided in the first instance though natural hedging which arises when the values of non-derivative financial instruments have matching maturities and amounts (netting). Derivative financial instruments are used to reduce the risk remaining after netting.

Currency, interest rate and raw materials market price risks of the BMW Group are managed at a corporate level.

Further information is provided in the [↗ Risks and Opportunities](#) section of the Combined Management Report.

Currency risk

As an enterprise with worldwide operations, the BMW Group conducts business in a variety of currencies, from which currency risks arise. In order to hedge currency risks, the BMW Group holds, as at 31 December 2022, derivative financial instruments mostly in the form of forward currency contracts and currency swaps.

As part of the implementation of the risk management strategy, the extent to which risk exposures should be hedged is decided at regular intervals. The economic relationship between the hedged item and the hedging instrument is based essentially on the fact that they are denominated in the same currency and have the same maturities. Items are hedged on the basis of a constant ratio of one to one between hedging instrument and risk exposure.

Causes of hedge ineffectiveness are seen potentially only for counterparty credit risk. However, in view of the processes that have been established for credit risk management, ineffectiveness is not expected to arise.

The BMW Group measures currency risk using a cash-flow-at-risk model. The analysis of currency risk is based on forecast foreign currency transactions which could result in exposures to surpluses of foreign currency cash inflows and cash outflows. At the end of the reporting period, the overall currency exposure – in each case for the following year and determined by aggregating the individual currency exposures based on their absolute amount – was as follows:

in € million	31.12.2022	31.12.2021
Currency exposure	43,179	38,134

Currency exposures include short positions amounting to € 3,604 million (2021: € 2,715 million). In addition to the exposures reported in 2021, a currency risk exposure existed on purchase price payable arising in connection with the increase in the BMW Group's stake in BMW Brilliance for a euro-equivalent amount of € 3,857 million. The transaction was completed in February 2022. Further information is provided in [↗ note 3](#) Increased shareholding in BMW Brilliance Automotive Ltd.

The currency exposure is compared to all hedges that are in place. The net cash flow surplus represents an uncovered risk position. The cash-flow-at-risk approach involves showing the impact of potential exchange rate fluctuations on operating cash flows on the basis of probability distributions. Volatilities and correlations serve as the main input factors to determine the relevant probability distributions.

The potential negative impact on earnings is calculated at the reporting date for each currency for the following financial year on the basis of current market prices and exposures with a confidence level of 95%. The risk mitigating effect of correlations between the various currencies is taken into account when the risks are aggregated.

The following table shows the potential negative impact for the BMW Group for the following year resulting from unfavourable changes in exchange rates, measured on the basis of the cash-flow-at-risk approach.

in € million	31.12.2022	31.12.2021
Cashflow at risk	530	564

Interest rate risk

Interest rate risks arise when funds are borrowed and invested with differing fixed-rate periods or differing terms. At the BMW Group, all items subject to, or bearing, interest are exposed to interest rate risk and can therefore affect both the assets and liabilities side of the balance sheet.

The fair value of the Group's interest rate portfolios was as follows at the end of the reporting period:

in € million	31.12.2022	31.12.2021
Fair values of interest rate portfolios	73,954	63,835

Interest rate risk is managed through the use of interest rate derivatives. As part of the implementation of the risk management strategy, interest rate risks are monitored and managed at regular intervals. The interest rate contracts used for hedging purposes comprise mainly swaps, which, if hedge accounting is applied, are accounted for as fair value hedges. The economic relationship between the hedged item and the hedging instrument is based on the fact that the main parameters of the hedged item and the related hedging instrument, for example start date, term and currency, are the same. Items are hedged on the basis of a constant ratio of one to one between hedging instrument and risk exposure.

In view of the fact that own credit risk is excluded from the hedging relationship, ineffectiveness is expected to be low.

For selected fixed-interest assets, part of the interest rate risk is hedged on a portfolio basis. In this case, swaps are used as the hedging instrument. Hedge relationships are terminated and redesignated on a monthly basis at the end of each reporting period, thereby taking account of the constantly changing content of each portfolio.

In light of the reform and replacement of certain benchmark interest rates, some of the BMW Group's hedging relationships have been redesignated to take account of alternative benchmark interest rates.

The transition to the newly created or revised benchmark interest rates is being managed, monitored and assessed with regard to risk management implications as part of a multidisciplinary project. The tasks of the conversion project includes the continual monitoring of regulatory developments, the initiation of necessary changes to systems, processes, risk and measurement models as well as the clarification of the associated accounting and financial reporting implications.

In light of the reform and replacement of certain benchmark interest rates, some of the BMW Group's fair-value hedging relationships have been redesignated. The BMW Group's fair value hedges affected by the reform are mainly based on the benchmark interest rates relating to the British pound (GBP), the US dollar (USD) and the Japanese yen (JPY). All fair value hedges for which LIBOR was previously designated as the hedged risk were converted in the year to 31 December 2021, with GBP LIBOR replaced by the SONIA benchmark interest rate, JPY LIBOR by TONA and USD LIBOR by SOFR. The BMW Group continues to see the economic link and has therefore continued to account for the pertinent items as fair value hedges.

In the case of USD LIBOR and CAD CDOR, uncertainty remains as to the exact timing and nature of the changes. The nominal amount of non-derivative financial liabilities not yet converted to an alternative interest rate at 31 December 2022 is € 654 million (thereof USD LIBOR € 412 million and CAD CDOR € 242 million). The notional amount of financial derivatives not yet converted to an alternative interest rate at 31 December 2021 is € 100 million (PLN WIBOR € 100 million).

The BMW Group applies a value-at-risk approach throughout the Group for internal reporting purposes and to manage interest rate risk.

This approach is based on a historical simulation in which the potential future fair value losses of the interest rate portfolios are compared across the Group with expected amounts on the basis of a holding period of 250 days and a confidence level of 99.98 %. The risk mitigating effect of correlations between the various portfolios is taken into account when the risks are aggregated.

In the following table the potential volumes of fair value fluctuations – measured on the basis of the value-at-risk approach – are compared with the expected value for the interest-rate-sensitive exposures of the BMW Group:

in € million	31.12.2022	31.12.2021
Value at risk	2,097	1,237

Raw materials price risk

The BMW Group is exposed to market price risks on raw materials. In order to hedge these risks, the Group mainly uses forward commodity contracts. As part of the implementation of the risk management strategy, the extent to which risk exposures should be hedged is decided at regular intervals and the corresponding hedging ratio defined. Items are hedged on the basis of a constant ratio of one to one between hedging instrument and risk exposure.

Causes of hedge ineffectiveness are seen potentially only for counterparty credit risk. However, in view of the processes that have been established for credit risk management, ineffectiveness is not expected to arise.

The economic relationship between the hedged item and the hedging instrument is based essentially on the fact that they have the same basis and term. The BMW Group designates only the commodity price index-linked raw materials surcharge, which is specified in the purchase contracts of vehicle components, as a hedged item. The proportion of the hedged risk component as a percentage of the total fair value depends on the specific types of vehicle component involved. Other price components contained in the contract are not designated as being part of the hedge relationship as no effective hedging instruments exist for these components.

The starting point for analysing raw materials price risk is to identify planned purchases of raw materials or components containing raw materials, the so-called "exposure". At each reporting date, the exposure for the following financial year amounted to:

in € million	31.12.2022	31.12.2021
Raw material price exposures	10,153	6,872

This exposure is compared to all hedges that are in place. The net cash flow surplus represents an uncovered risk position. The cash-flow-at-risk approach involves showing the impact of potential raw materials market price fluctuations on operating cash flows on the basis of probability distributions. Volatilities and correlations serve as input factors to assess the relevant probability distributions.

The potential negative impact on earnings is calculated at the reporting date for each raw materials category for the following financial year on the basis of current market prices and exposure with a confidence level of 95%. The risk mitigating effect of correlations between the various categories of raw materials is taken into account when the risks are aggregated.

The following table shows the potential negative impact for the BMW Group resulting from fluctuations in prices across all categories of raw materials, measured on the basis of the cash-flow-at-risk approach. The risk at each reporting date for the following financial year was as follows:

in € million	31.12.2022	31.12.2021
Cash flow at risk	1,115	597

Disclosures on hedging measures

The following disclosures on hedging measures include derivatives of fully consolidated companies that are designated as a hedging instrument. The amounts shown in the table are stated before deferred taxes and take account of additional effects arising from the application of the modified closing rate method.

The nominal amounts of hedging instruments were as follows:

in € million	31.12.2022		
	Maturity within one year	Maturity between one and five years	Maturity later than five years
Currency risks	22,649	21,392	-
Interest rate risks	9,639	21,114	9,949
Raw material price risks	3,537	5,936	-
Nominal amounts of hedging instruments	35,825	48,442	9,949

in € million	31.12.2021		
	Maturity within one year	Maturity between one and five years	Maturity later than five years
Currency risks	21,670	11,996	-
Interest rate risks	9,474	25,145	11,251
Raw material price risks	2,669	2,442	-
Nominal amounts of hedging instruments	33,813	39,583	11,251

The following table shows the average hedging rates of the financial instruments used by the BMW Group to hedge significant currency risk exposures:

Currency risks	31.12.2022	31.12.2021
EUR / CNY	7.54	7.99
EUR / GBP	0.87	0.87
EUR / KRW	1,354.27	1,341.73

The integration of BMW Brilliance increases the weighting of the CNY in the BMW Group portfolio. Compared with previous years, the USD and JPY no longer represent significant currency risk exposures.

The following table shows the average hedging rates of the financial instruments used by the BMW Group to hedge significant raw materials risk exposures:

Raw material price risks	31.12.2022	31.12.2021
Aluminium (EUR / t)	2,313	1,730
Copper (EUR / t)	7,120	5,389
Nickel (EUR / t)	17,309	14,475
Palladium (EUR / oz)	1,958	1,822

Due to the concentration on significant raw materials risk exposures, platinum no longer represents a significant raw materials risk exposure.

Information on average interest hedge rates is not provided, since interest rate derivatives designated as hedging instruments are used exclusively to hedge items in fair value hedges. The hedge rates therefore correspond in each case to current market interest rate level.

Most of the hedges used in this context relate to variable yield curves relating to the euro, US dollar and British pound currency areas.

The following table provides information on the nominal amounts, carrying amounts and fair value changes of contracts designated as hedging instruments:

in € million	31.12.2022				31.12.2021			
	Carrying amounts			Change in fair value of designated components	Carrying amounts			Change in fair value of designated components
	Nominal amounts	Assets	Liabilities		Nominal amounts	Assets	Liabilities	
Cash Flow Hedges								
Currency risks	44,041	552	1,119	885	33,666	437	905	- 795
Raw material price risks	9,473	1,494	520	3,178	5,111	1,159	101	820
Fair Value Hedges								
Interest rate risks	52,744	427	3,032	- 3,685	57,920	1,012	250	- 1,138

The following table shows key information on hedged items for each risk category as well as the balances of designated components within accumulated other equity:

in € million	31.12.2022					31.12.2021				
	Carrying amounts		Change in value of hedged items	Balances in accumulated other equity		Carrying amounts		Change in value of hedged items	Balances in accumulated other equity	
	Assets	Liabilities		Continuing hedge relationships	Terminated hedge relationships	Assets	Liabilities		Continuing hedge relationships	Terminated hedge relationships
Cash Flow Hedges										
Currency risks	-	-	- 885	2,026	-	-	-	795	- 274	-
Raw material price risks	-	-	- 3,178	662	-	-	-	- 820	1,057	-
Fair Value Hedges										
Interest rate risks	10,979	46,617	3,690	-	-	10,611	56,985	1,141	-	-

The accumulated amount of hedge-related fair value adjustments is a negative amount of € 283 million (2021: negative amount of € 9 million) for assets and a positive amount of € 2,880 million (2021: positive amount of € 577 million) for liabilities.

Hedge relationships give rise to the following effects:

in € million	2022			2021		
	Change of designated components in other comprehensive income	Change in costs of hedging in other comprehensive income	Hedge ineffectiveness recognised in income statement	Change of designated components in other comprehensive income	Change in costs of hedging in other comprehensive income	Hedge ineffectiveness recognised in income statement
Cash Flow Hedges						
Currency risks	2,300	-1,539	-	-806	55	-
Raw material price risks	-395	-	-	547	-	-
Fair Value Hedges						
Interest rate risks	-	-18	5	-	17	3

Designated components and costs of hedging within accumulated other equity changed as follows:

in € million	2022						2021			
	Currency risks		Interest rate risk	Raw material price risk		Currency risks		Interest rate risk	Raw material price risk	
	Designated component	Costs of hedging	Costs of hedging	Designated component	Costs of hedging	Designated component	Costs of hedging	Costs of hedging	Designated component	Costs of hedging
Opening balance at 1 January	-274	-244	15	1,057	-	532	-299	-2	510	-
Change in fair value during the reporting period	1,832	-2,281	-18	517	-	-795	-307	20	820	-
Reclassification to profit or loss										
for continuing hedge relationships	578	739	-	-	-	-4	355	-3	-	-
for terminated hedge relationships	-110	3	-	-17	-	-7	7	-	-	-
Reclassification to acquisition costs for inventories	-	-	-	-895	-	-	-	-	-273	-
Closing balance at 31 December	2,026	-1,783	-3	662	-	-274	-244	15	1,057	-



42 Related party relationships

The following individuals and entities are related parties in accordance with IAS 24:

- Stefan Quandt and Susanne Klatten as well as companies controlled by them
- The Board of Management and the Supervisory Board of the BMW Group
- Associated companies, joint ventures, non-consolidated subsidiaries, BMW Trust and BMW Foundation Herbert Quandt

Transactions of the Group companies with related parties were carried out, without exception, in the normal course of business of each of the parties concerned and conducted at market conditions, i.e. conditions that are also granted to other third-party manufacturers.

No advances and loans were granted by entities of the BMW Group to members of the Board of Management and the Supervisory Board in the financial year 2022, nor were any contingent liabilities entered into on their behalf. During the year under report, members of the Board of Management and the Supervisory Board concluded contracts for vehicle purchases and vehicle-related services (maintenance and repair work) on customary market terms and conditions.

Stefan Quandt, Germany, is a shareholder and Deputy Chairman of the Supervisory Board of BMW AG. He is also the sole shareholder and Chairman of the Supervisory Boards of DELTON Health AG, Bad Homburg v.d.H., and DELTON Technology SE,

Bad Homburg v.d.H., as well as the sole shareholder of DELTON Logistics S.à r.l., Grevenmacher, which via its subsidiaries, performed logistic-related services for the BMW Group during the financial year 2022. In addition, the DELTON companies held by Stefan Quandt acquired vehicles from the BMW Group by way of leasing.

Stefan Quandt, Germany, is also the indirect majority shareholder of SOLARWATT GmbH, Dresden. Cooperation arrangements are in place between BMW Group and SOLARWATT GmbH, Dresden, within the field of electric mobility. The focus of this collaboration is on the provision of complete photovoltaic solutions for rooftop systems and carports to BMW i customers. In addition, SOLARWATT GmbH purchases battery cells and related components for home battery storage applications as part of a supply project. In addition to the deliveries of goods described above, SOLARWATT GmbH, Dresden, also purchased vehicles from the BMW Group by way of leasing during the financial year 2022.

Susanne Klatten, Germany, is a shareholder and member of the Supervisory Board of BMW AG and also a shareholder and Deputy Chairwoman of the Supervisory Board of ALTANA AG, Wesel. In 2022, ALTANA AG, Wesel, acquired vehicles from the BMW Group, mainly by way of leasing.

Susanne Klatten, Germany, is also the sole shareholder and Chairwoman of the Supervisory Board of UnternehmerTUM GmbH, Garching. In 2022, the BMW Group bought in services from UnternehmerTUM GmbH, Garching, mainly in the form of consultancy and workshop services.

Seen from the perspective of BMW Group entities, the volume of significant transactions with the above-mentioned entities was as follows:

	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
in € thousand	2022	2021	2022	2021	2022	2021	2022	2021
DELTON Health AG (formerly DELTON AG)	2,058	1,821	-	-	15	-	-	-
DELTON Logistics S.à r.l.	768	1,090	19,667	19,450	7	65	1,004	3,362
SOLARWATT GmbH	16,282	8,827	33	49	349	1,369	11	-
ALTANA AG	2,740	2,572	794	251	361	315	108	49
UnternehmerTUM GmbH	-	-	3,215	809	-	-	29	337

As already described in detail in [note 3](#), BMW Brilliance has been fully consolidated as a subsidiary in the BMW Group Financial Statements since 11 February 2022. The following table shows the transactions of BMW Brilliance with Group companies up to the date of first-time consolidation:

	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
in € million	1 January to 10 February 2022	2021	1 January to 10 February 2022	2021	2022	2021	2022	2021
BMW Brilliance Automotive Ltd.	1,330	11,500	106	1,030	-	2,158	-	2,345

Group companies mostly sell vehicle components to BMW Brilliance for further processing. Supplies and services received relate principally to vehicles and services.

In total, the following amounts of goods and services were supplied to or received from other joint ventures and associated companies:

in € million	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
	2022	2021	2022	2021*	2022	2021*	2022	2021*
Other joint ventures and associated companies	4	27	63	71	-	-	17	13

* Prior year's figures adjusted.

Transactions with non-consolidated companies comprise receivables from BMW Manufacturing Hungary Kft. Furthermore, receivables from a non-consolidated Russian subsidiary were written down in full.

BMW Trust administers assets on a trustee basis to secure obligations relating to pensions in Germany and is therefore a related party of the BMW Group in accordance with IAS 24. This entity has no assets of its own. It had no income or expenses during the period under report. BMW AG bears expenses on an immaterial scale and performs services for BMW Trust.

The BMW Foundation Herbert Quandt, Munich, is an independent corporate foundation and, due to the BMW Group's significant influence, qualifies as a related party according to IAS 24. The BMW Group made donations to the BMW Foundation Herbert Quandt during the financial year 2022 totalling € 5.9 million (2021: € 5.9 million). No other significant transactions arose.

43 Share-based remuneration

The BMW Group has three share-based programmes: one for eligible employees, one for eligible senior department heads and one for members of the Board of Management.

Employee Share Programme

Within the scope of the Employee Share Programme in the financial year 2022, eligible BMW Group employees were granted non-voting shares of BMW AG preferred stock on preferential terms (see [note 32](#) Equity for information on the number and price of the shares of preferred stock issued). At their discretion, participants in the programme were able to purchase packages of 10, 20, 35, 50 or 65 shares of preferred stock (2021: 10, 20, 30, 40 or 90) with a discount of € 16.00 (2021: € 13.50) on each share as compared to the market price (average closing price in Xetra trading in the period 1 to 4 November 2022: € 75.06). Employees who are currently employed by BMW AG or a wholly-owned associate of BMW AG based in Germany were able to partake in the programme, insofar as the associate company's management had decided to participate. Employees were required to have been in their positions for at least one year without interruption at the time the programme was announced, and had to remain in their positions until the shares of preferred stock were transferred.

The shares of preferred stock acquired in the scope of the Employee Share Programme are subject to a vesting period of four years calculated from 1 January of the year in which the shares of preferred stock were acquired.

A total of 1,439,975 shares of preferred stock were transferred to employees in the reporting year (2021: 1,718,070). Of these, 1,439,975 stemmed from Authorised Capital 2019 (2021: 1,715,000). BMW AG's Board of Management decides each year whether to continue the programme.

As at 31 December 2022, the BMW Group recorded personnel expenses resulting from the Employee Share Programme relating to the difference between the market price and the discounted price for the shares of preferred stock purchased by employees totalling € 23 million (2021: € 23 million).

Senior department head and Board of Management programme

Both the share-based remuneration programme for members of the Board of Management that was in force in the reporting year and the share-based remuneration programme for eligible senior department heads serve to reward long-term entrepreneurial conduct with sustainable business management in mind.



Board of Management members and eligible senior department heads receive an earmarked cash amount (personal cash investment amount) that is, net of tax and deductions, to be invested in shares of BMW AG common stock. This amount depends on the achievement of certain financial and non-financial targets in the past financial year (vesting year).

Payment of the personal cash investment amount is made after the Annual General Meeting at which the Financial Statements are presented for the relevant financial year. The shares of common stock are purchased immediately after the personal cash investment amount has been paid out and are subject to a holding period of four years from the date of purchase. The RoCE component and the strategic focus target component each make up half of the target amount for the personal cash investment amount. For the RoCE component, a RoCE factor is determined based on the RoCE achieved in the Automotive segment for the grant year. For the strategic focus target component, a minimum of two strategic focus targets are defined prior to the start of the financial year. Minimum, target and maximum values are defined and factors are assigned for the RoCE in the Automotive segment and for each strategic focus target. The relevant factors are determined after the end of the financial year based on the extent to which targets were achieved.

For financial years up to and including financial year 2020, Board of Management members received an earmarked cash amount (investment component) corresponding to 45 % of the gross amount of the bonus that, net of tax and deductions, had to be invested in shares of the Company's common stock (up to and including financial year 2017, the investment component amounted to 20 % of the total bonus after tax, which the Board of Management members received plus tax and social security as additional cash remuneration). This amount was also subject to a four-year holding period and on expiry thereof the Board of Management members received an additional share of the Company's common stock or the equivalent value in cash (matching component) for every three shares of common stock held, at BMW AG's discretion.

In the event of death or invalidity, special rules apply for early payment of share-based remuneration components (matching components) based on the target amounts, and the holding period is also dropped for shares of common stock that were acquired with share-based remuneration components. Where the service contract is terminated prematurely and the Company has an extraordinary right of termination, or if the Board member resigns without the Company's agreement, entitlements to amounts as yet unpaid relating to share-based remuneration (matching components) are forfeited; a personal cash investment amount will be settled based on the target amount.

Up to and including financial year 2021, eligible senior department heads committed to invest 26 % of their earnings-related bonus in shares of BMW AG common stock and to hold the acquired shares for four years. For the investment obligation, BMW AG granted an amount corresponding to the entire investment amount as a net subsidy.

Participants receive an additional share of common stock or the equivalent value in cash for every three shares of common stock held once the four-year holding requirement has been fulfilled, at the Company's discretion.

The Board of Management members in office on the balance sheet date hold 118,604 shares of BMW common stock with a holding obligation arising from share-based remuneration for financial years 2018 to 2021 (2021: 58,560).

The expenses and the corresponding allowance against the cash reserve for the personal cash investment amount of the eligible active Board of Management members and senior department heads amount to € 20,175,614 (2021: € 21,616,110).

The share-based remuneration component is revalued at its fair value at each balance sheet date between the grant date and

the settlement date and on the settlement date itself. The expense for such programmes is recognised in the income statement (as personnel expense) on a straight-line basis over the vesting period of the options and in the balance sheet as a provision.

The remuneration system does not provide for any further matching components for the members of the Board of Management from financial year 2021 or for the senior department heads from financial year 2022.

The cash settlement of the share-based remuneration component is measured at fair value on the balance sheet date (closing price of BMW AG common stock in Xetra trading on 31 December 2022).

The total carrying amount of the provision for the share-based remuneration component for eligible active and former Board of Management members and senior department heads was € 6,971,951 on 31 December 2022 (2021: € 8,347,245).

The total expense arising from the share-based remuneration component for eligible active and former Board of Management members and senior department heads was € 638,715 in financial year 2022 (2021: € 2,743,398).

44 Declaration concerning the German Corporate Governance Code

The Board of Management and the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft have issued the prescribed Declaration of Compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" required by § 161 of the German Stock Corporation Act (AktG). The declaration has been made permanently available on the Company's website at www.bmwgroup.com/ezu.

45 Remuneration for members of the Board of Management and the Supervisory Board

The expenses recorded in accordance with IFRS in financial year 2022 for remuneration for the active members of the Board of Management and Supervisory Board are broken down as follows:

in € million	2022	2021
Remuneration for the members of the Board of Management		
Short-term benefits	33.8	35.3
Other long-term benefits	3.1	8.5
Benefits resulting from termination of the Board mandate	-	1.1
Share-based remuneration	0.1	0.5
Remuneration for the members of the Supervisory Board		
Short-term benefits	5.5	5.5
Total expense	42.5	50.9

The multi-year, future-oriented Performance Cash Plan (PCP) supplemented the variable remuneration for financial years 2018 up to and including 2020. The assessment period of the PCP is a period of three years, specifically the vesting year and the two following years. The PCP is paid out after the end of the three-year assessment period.

The costs for the active members of the Board of Management arising from share-based remuneration, which was in force up to and including 2020, amounted to € 0.1 million (2021: € 0.5 million). The provision for the share-based remuneration component amounted to € 1.2 million (2021: € 1.6 million).

The remuneration of former members of the Board of Management and their dependants amounted to € 9.7 million (2021: € 14.2 million).

There are provisions for pension obligations to active members of the Board of Management in accordance with IAS 19 totalling € 16.6 million (2021: € 18.9 million).

A provision has been established for pension obligations to former members of the Board of Management and their dependants in accordance with IAS 19 totalling € 93.5 million (2021: € 114.3 million).

The remuneration system for members of the Supervisory Board does not include any stock options, value appreciation rights comparable to stock options or any other share-based remuneration components.

In accordance with the Articles of Incorporation, each member of the Supervisory Board of BMW AG who does not exercise any additional function relevant to remuneration receives fixed remuneration of € 200,000 p.a. in addition to the reimbursement of his or her reasonable expenses, plus an attendance fee of € 2,000 for every plenary meeting that the member has attended.

Members of the Supervisory Board who perform a function relevant to remuneration such as the Chairman or Deputy Chairman of the Supervisory Board or the chairmen or members of committees, provided these committees meet on at least three days in the financial year, receive higher remuneration because of these additional requirements.

OVERVIEW OF THE REMUNERATION OF THE SUPERVISORY BOARD*

in € million	Factor	Amount in € p. a.
Member of the Supervisory Board	1.00	200,000
Chairman of the Supervisory Board	3.00	600,000
Deputy Chairman of the Supervisory Board	2.00	400,000
Chairman of the Audit Committee	2.25	450,000
Chairman of another committee	2.00	400,000
Member of the Audit Committee	2.00	400,000
Member of another committee	1.50	300,000

* If a Supervisory Board member performs more than one of the functions referred to above, their remuneration is measured only on the basis of the function that is remunerated with the highest amount.

BMW Group companies did not grant any loans or advances to members of the Board of Management or the Supervisory Board in financial year 2022, nor did they enter into any contingent liabilities in their favour. In the year under review, members of the Board of Management and the Supervisory Board concluded contracts with BMW Group companies for the purchase of vehicles and vehicle services (maintenance and repair work) at arm's length conditions.

Remuneration for members of the Board of Management is structured as follows:

REMUNERATION FOR MEMBERS OF THE BOARD OF MANAGEMENT

COMPONENT	Parameters/measurement base, applicable amounts
FIXED REMUNERATION COMPONENTS	
Base salary	Member of the Board of Management: — € 0.90 million p.a. (first period of office = first remuneration level) — € 1.05 million p.a. (from second period of office or fourth year of mandate = second remuneration level) Chairman of the Board of Management: — € 1.95 million p.a. — Monthly payment on a pro rata basis
Fringe benefits	Contractual agreement, main points: non-cash benefits from the use of company cars and the BMW chauffeur service, insurance premiums, contributions towards security systems, employee discounts
Compensation payments	The Supervisory Board may award payments to compensate for loss of salary from a previous employment relationship and to cover relocation costs in the case of new entrants.
Retirement benefits	Defined contribution system with a guaranteed minimum return Benefits based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement Pension contribution p.a.: Member of the Board of Management: € 400,000 Chairman of the Board of Management: € 700,000

Strategic relevance

- The base salary counteracts the temptation to take disproportionately high risks in order to achieve short-term goals, and thus contributes to the long-term development of the Company
- Fixed remuneration components are required for remuneration to be competitive in order to attract and retain qualified members of the Board of Management

VARIABLE REMUNERATION COMPONENTS

Bonus	
Bonus (sum of earnings component and performance component)	— Target amount p.a. (at 100 % target achievement): — € 0.95 million (first period of office = first remuneration level) — € 1.15 million (from second period of office or fourth year of mandate = second remuneration level) — € 2.10 million (Chairman of the Board of Management) — Capped at 180 % of target amount — Payment after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year
Earnings component (at 100 % target achievement corresponds to 50 % of target amount)	— Assessment period one year — Base amount p.a. (50 % of target bonus amount): — € 0.475 million (first period of office = first remuneration level) — € 0.575 million (from second period of office or fourth year of mandate = second remuneration level) — € 1.050 million (Chairman of the Board of Management) — Formula: 50 % of target amount x earnings factor — Earnings factor is derived from a predefined allocation matrix based on the parameters profit attributable to shareholders of BMW AG and Group post-tax return on sales in the vesting year — The earnings factor is 1.0 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 5.3 billion and a Group post-tax return on sales of 5.6 % — The earnings factor is 1.5 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 6.9 billion and a Group post-tax return on sales of 7.3 % — The earnings factor is 0 e.g. in case of a profit attributable to shareholders of BMW AG below € 3.0 billion or a Group post-tax return on sales of below 3.0 % — Earnings factor may not exceed 1.8 — Maximum amount of earnings component p.a.: — € 0.855 million (first period of office = first remuneration level) — € 1.035 million (from second period of office or fourth year of mandate = second remuneration level) — € 1.890 million (Chairman of the Board of Management)

COMPONENT	Parameters/measurement base, applicable amounts
Bonus (continued)	
Performance component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> — Assessment period one year — Base amount p.a. (50 % of target bonus amount): <ul style="list-style-type: none"> — € 0.475 million (first period of office = first remuneration level) — € 0.575 million (from second period of office or fourth year of mandate = second remuneration level) — € 1.050 million (Chairman of the Board of Management) — Formula: 50 % of target amount x performance factor — Primarily qualitative, non-financial criteria, expressed in terms of a performance factor, aimed at measuring the Board member's contribution to sustainable and long-term performance and corporate orientation — Relevant period is the vesting year — Additional trend analysis over at least three financial years — Composition of performance factor: * <ul style="list-style-type: none"> — 50 % cross-divisional targets with ESG criteria — 40 % other cross-divisional targets — 10 % individual targets — Criteria for the cross-divisional ESG targets include in particular: innovation performance (environmental, e.g. reduction of carbon emissions), development of the BMW Group's reputation based on ESG aspects (e.g. corporate culture, promotion of integrity and compliance), adaptability, attractiveness as an employer, leadership performance — Criteria for the other cross-divisional targets include in particular: market position compared to competitors, innovation performance (economic), development of the BMW Group's reputation based on non-ESG-related aspects (e.g. perception on capital markets, brand strength), customer orientation — Measurement parameters and target values are determined before the start of the financial year — Performance factor may not exceed 1.8 — Maximum amount of performance component p.a.: <ul style="list-style-type: none"> — € 0.855 million (first period of office = first remuneration level) — € 1.035 million (from second period of office or fourth year of mandate = second remuneration level) — € 1.890 million (Chairman of the Board of Management)
Strategic relevance	<ul style="list-style-type: none"> — Earnings component of bonus rewards attainment of financial targets and is beneficial for earnings-related aspects of business strategy — Performance component of bonus motivates the pursuit of non-financial strategic targets and is therefore beneficial for the long-term development of the BMW Group
Share-based remuneration	
Personal cash investment amount	<ul style="list-style-type: none"> — Requirement for Board of Management members to invest an earmarked cash amount (personal cash investment amount), net of tax and deductions, in shares of BMW common stock immediately after disbursement — Requirement for Board of Management members to hold the acquired shares of common stock for at least four years (share ownership guideline) — Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)
Calculation	<ul style="list-style-type: none"> — Target amount p.a. (at 100 % target achievement): <ul style="list-style-type: none"> — € 1.10 million (first period of office = first remuneration level) — € 1.28 million (from second period of office or fourth year of mandate = second remuneration level) — € 2.35 million (Chairman of the Board of Management) — 50 % of the target amount depends on RoCE achieved in the Automotive segment (RoCE component) — 50 % of the target amount depends on the achievement of predefined strategic focus targets (strategic focus target component) — Capped at 180 % of the target amount — Payment after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year

* See below for the targets set for the 2022 financial year ↗ Variable remuneration for the 2022 financial year.

COMPONENT	Parameters/measurement base, applicable amounts
Share-based remuneration (continued)	
RoCE component (at 100 % target achievement corresponds to 50 % of target amount)	<ul style="list-style-type: none"> — Target amount of RoCE component p.a. (50 % of target amount of personal cash investment amount): <ul style="list-style-type: none"> — € 0.55 million (first period of office = first remuneration level) — € 0.64 million (from second period of office or fourth year of mandate = second remuneration level) — € 1.175 million (Chairman of the Board of Management) — Formula: 50 % of target amount x RoCE factor — RoCE factor is derived from the RoCE achieved in the Automotive segment for the vesting year — Minimum, target and maximum values for RoCE are defined before the start of the financial year — RoCE factor may not exceed 1.8 — Maximum amount of RoCE component p.a.: <ul style="list-style-type: none"> — € 0.990 million (first period of office = first remuneration level) — € 1.152 million (from second period of office or fourth year of mandate = second remuneration level) — € 2.115 million (Chairman of the Board of Management)
Strategic focus target component (at 100 % target achievement corresponds to 50 % of target amount)	<ul style="list-style-type: none"> — Target amount of strategic focus target component p.a. (50 % of target amount of personal cash investment amount): <ul style="list-style-type: none"> — € 0.55 million (first period of office = first remuneration level) — € 0.64 million (from second period of office or fourth year of mandate = second remuneration level) — € 1.175 million (Chairman of the Board of Management) — At least two strategic focus targets derived from the strategic plan — Weighting of the strategic focus targets is decided before the start of the financial year — Formula in the event of two strategic focus targets with equal weighting p.a.: <ul style="list-style-type: none"> 25 % of target amount for personal cash investment amount x factor for strategic focus target 1 + 25 % of target amount for personal cash investment amount x factor for strategic focus target 2 — Minimum, target and maximum values are defined before the start of the financial year — Factor for each strategic focus target may not exceed 1.8 — Maximum amount of strategic focus target component p.a.: <ul style="list-style-type: none"> — € 0.990 million (first period of office = first remuneration level) — € 1.152 million (from second period of office or fourth year of mandate = second remuneration level) — € 2.115 million (Chairman of the Board of Management)
Strategic relevance	<ul style="list-style-type: none"> — 50 % of the personal cash investment amount within the target structure depends on the RoCE and is therefore directly linked to a key target for the corporate strategy and reflects BMW AG's aspiration to generate a significant premium on the cost of capital — The remaining 50 % of the personal cash investment amount encourages achievement of strategic focus targets and therefore contributes to business performance in key strategic areas — Commitment to purchase shares of the Company's common stock and the four-year holding period provide additional motivation to support the Company's long-term development
Malus and clawback rules	
Malus	<ul style="list-style-type: none"> — Agreement to withhold variable remuneration in the event of specified serious compliance violations or (withholding amounts provisionally) in the event of reasonable suspicions of such — Amounts may also be withheld in principle after a member has left the Board
Clawback	<ul style="list-style-type: none"> — Agreement entitling the BMW Group to reclaim variable remuneration already paid out in the event of specified serious incidences of non-compliance, incorrect calculation bases or incorrect financial statements — Amounts may also be clawed back in principle after a member has left the Board

46 Events after the end of the reporting period

No events have occurred after the balance sheet date with a particular significance for the results of operations, financial position or net assets of the BMW Group.



SEGMENT INFORMATION

47 Explanatory notes to segment information

Information on reportable segments

For the purposes of presenting segment information, the activities of the BMW Group are divided into operating segments in accordance with IFRS 8. The segmentation follows the internal management and reporting system and takes account of the organisational structure of the BMW Group based on the various products and services of the reportable segments.

The activities of the BMW Group are broken down into the operating segments Automotive, Motorcycles, Financial Services and Other Entities.

Within the Automotive segment, the BMW Group develops, manufactures, assembles and sells automobiles powered with all-electric drive systems, plug-in hybrid systems and highly efficient combustion engines, as well as spare parts, accessories and mobility services under the BMW, MINI and Rolls-Royce brands. BMW and MINI brand products are sold in Germany through branches of BMW AG and by independent, authorised dealers. Sales outside Germany are handled mainly by subsidiary companies and by independent import companies in some markets. Rolls-Royce brand vehicles are sold in selected markets via subsidiary companies and elsewhere by independent, authorised dealers.

Activities relating to the development, manufacture, assembly and sale of motorcycles as well as spare parts and accessories are reported in the Motorcycles segment.

Automobile and motorcycle leasing, retail and dealership financing, multi-brand fleet business, customer deposit business and insurance activities are the main activities allocated to the Financial Services segment.

Holding and Group financing companies are reported in the Other Entities segment. This segment also includes the operating companies BMW Services Ltd., BMW (UK) Investments Ltd. and Bavaria Lloyd Reisebüro GmbH, which are not allocated to one of the other segments.

Internal management and reporting

Segment information is prepared as a general rule in conformity with the accounting policies adopted for preparing and presenting the Group Financial Statements. Exceptions to this general principle include the treatment of inter-segment warranties, the earnings impact of which is allocated to the respective segments on the basis used internally to manage the business. In addition, intragroup repurchase agreements between the Automotive and Financial Services segments pursuant to IFRS 15, impairment allowances on intragroup receivables and changes in the value of consolidated other investments pursuant to IFRS 9 are also excluded. Intragroup leasing arrangements are not reflected in the internal management and reporting system on a IFRS 16 basis and therefore, in accordance with IFRS 8, do not give rise to any changes in the presentation of segment information. Inter-segment receivables and payables, provisions, income, expenses and profits are eliminated upon consolidation. Inter-segment revenues are based on market prices. Centralised cost components are included in the respective segments, without resulting in cash flows.

The role of "chief operating decision maker" with respect to resource allocation and performance assessment of the reportable segment is embodied in the full Board of Management. For this purpose, different measures of segment performance as well as segment assets are taken into account in the operating segments.

The Automotive and Motorcycles segments are managed on the basis of return on capital employed (RoCE). The relevant measure of segment results used is therefore profit before financial result. Capital employed is the corresponding measure of segment assets used to determine how to allocate resources. With effect from the reporting year 2022, a simplified definition of capital employed is applied to make the RoCE calculation more comprehensible and transparent for users. Capital employed is calculated as the sum of intangible assets, property, plant and equipment and net working capital, the latter comprising inventories as well as trade receivables less trade payables.

Further information is provided in the section "Managing operational performance at segment level" within the Combined Management Report.

The success of the Financial Services segment is measured on the basis of return on equity (RoE). Profit before tax therefore represents the relevant measure of segment earnings. The measure of segment assets in the Financial Services segment corresponds to net assets, defined as total assets less total liabilities.

The success of the Other Entities segment is assessed on the basis of profit or loss before tax. The corresponding measure of segment assets used to manage the Other Entities segment is total assets less asset-side income tax items and intragroup investments.

Segment information by operating segment is as follows:

	Automotive		Motorcycles		Financial Services		Other Entities		Reconciliation to Group figures		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
in € million												
External revenues	105,834	77,173	3,194	2,761	33,581	31,304	1	1	-	-	142,610	111,239
Inter-segment revenues	17,768	18,303	- 18	- 13	1,541	1,563	7	4	- 19,298	- 19,857	-	-
Total revenues	123,602	95,476	3,176	2,748	35,122	32,867	8	5	- 19,298	- 19,857	142,610	111,239
Segment result	10,635	9,870	257	227	3,205	3,753	995	531	8,417	1,679	23,509	16,060
Result from equity accounted investments	- 100	1,520	-	-	-	-	-	-	-	-	- 100	1,520
Capital expenditure on non-current assets	10,354	7,329	171	169	21,150	24,936	-	-	- 5,038	- 6,451	26,637	25,983
Depreciation and amortisation on non-current assets	8,433	6,341	101	119	10,016	10,567	-	-	- 4,094	- 5,269	14,456	11,758

	Automotive		Motorcycles		Financial Services		Other Entities		Reconciliation to Group figures		Group	
	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021	31. 12. 2022	31. 12. 2021
in € million												
Segment assets	62,519	41,617*	1,127	974*	17,737	17,324	95,727	97,917	69,816	71,695	246,926	229,527
Investments accounted for using the equity method	420	5,112	-	-	-	-	-	-	-	-	420	5,112

* Adjusted in line with the new performance management system, see [note 45](#) in the BMW Group Report 2021.

Write-downs on inventories to their net realisable value amounting to € 112 million (2021: € 41 million) were recognised by the Automotive segment in the financial year 2022. The reversal of impairment losses had a positive impact of € 11 million (2021: € 5 million) on the segment result of the Automotive segment.

The result of the Financial Services segment was negatively impacted by impairment losses totalling € 578 million (2021: € 390 million) recognised on leased products. Income from the reversal of impairment losses on leased products amounted to

€ 300 million (2021: € 134 million). The Other Entities segment result includes interest and similar income amounting to € 1,543 million (2021: € 875 million) and interest and similar expenses amounting to € 1,539 million (2021: € 974 million).

The information disclosed for capital expenditure and depreciation and amortisation relates to non-current property, plant and equipment, intangible assets and leased products.

The total of the segment figures can be reconciled to the corresponding Group figures as follows:

in € million	2022	2021
Reconciliation of segment result		
Total for reportable segments	15,092	14,381
Financial result of Automotive segment	8,283	1,935
Financial result of Motorcycles segment	12	1
Elimination of inter-segment items	122	- 257
Group profit before tax	23,509	16,060
Reconciliation of capital expenditure on non-current assets		
Total for reportable segments	31,675	32,434
Elimination of inter-segment items	- 5,038	- 6,451
Total Group capital expenditure on non-current assets	26,637	25,983
Reconciliation of depreciation and amortisation on non-current assets		
Total for reportable segments	18,550	17,027
Elimination of inter-segment items	- 4,094	- 5,269
Total Group depreciation and amortisation on non-current assets	14,456	11,758

in € million	31.12.2022	31.12.2021*
Reconciliation of segment assets		
Total for reportable segments	177,110	157,832
Financial and other assets – Automotive	71,742	70,051
Trade payables – Automotive	12,763	9,650
Financial and other assets – Motorcycles	50	42
Trade payables – Motorcycles	494	378
Total liabilities – Financial Services	131,676	136,113
Non-operating assets – Other Entities	23,072	7,676
Elimination of inter-segment items	- 169,981	- 152,215
Total Group assets	246,926	229,527

* Adjusted in line with the new performance management system, see [note 45](#) in the BMW Group Report 2021.

The reconciliation of segment figures to the corresponding total Group figures shows the inter-segment items. Revenues with other segments result mainly from the sale of vehicles, for which the Financial Services segment has concluded a financing or lease contract. Eliminations of inter-segment items in the reconciliation to the Group profit before tax, capital expenditure and depreciation and amortisation mainly result from the sale of vehicles in the Automotive segment, which are subsequently accounted for as leased vehicles in the Financial Services segment. In the reconciliation of segment assets to Group assets, eliminations relate mainly to intragroup financing balances.

In the information by region, external revenues are based on the location of the customer. The information disclosed for non-current assets relates to property, plant and equipment, intangible assets and leased products. Eliminations disclosed for non-current assets relate to leased products.

Information by region in € million	External revenues		Non-current assets	
	2022	2021	2022	2021
Germany	15,413	14,206	43,175	41,202
China	41,881	25,333	16,087	308
USA	28,751	21,522	18,919	20,878
Rest of Europe	36,032	32,920	19,350	19,134
Rest of Asia	12,805	10,875	2,903	2,315
Rest of the Americas	4,941	3,821	3,003	3,222
Other regions	2,787	2,562	332	328
Eliminations	-	-	- 7,047	- 7,317
Group	142,610	111,239	96,722	80,070

LIST OF INVESTMENTS AT 31 DECEMBER 2022

48 List of investments at 31 December 2022

The List of Investments of BMW AG pursuant to § 285 and § 313 HGB is presented below. Disclosures for equity and earnings and for investments are not made if they are of "minor significance" for the results of operations, financial position and net assets of BMW AG pursuant to § 286 (3) sentence 1 no. 1 HGB and § 313 (3) sentence 4 HGB. It is also shown in the list which subsidiaries apply the exemptions available in § 264 (3) and § 264 b HGB with regard to the publication of annual financial statements and the drawing up of a management report and/or notes to the financial statements (footnotes 5 and 6). The Group Financial Statements of BMW AG serve as exempting consolidated financial statements for these companies.

Affiliated companies (subsidiaries) of BMW AG at 31 December 2022

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
DOMESTIC¹			
BMW INTEC Beteiligungs GmbH, Munich ^{3,6}	11,559	-	100
BMW Beteiligungs GmbH & Co. KG, Munich ⁶	6,138	-3	100
BMW Bank GmbH, Munich ³	2,075	355	100
BMW Finanz Verwaltungs GmbH, Munich	217	4	100
BMW Vertriebszentren Verwaltungs GmbH, Munich	186	13	100
BMW Anlagen Verwaltungs GmbH, Munich ^{3,6}	179	-	100
Parkhaus Oberwiesenfeld GmbH, Munich	117	11	100
Alphabet Fuhrparkmanagement GmbH, Munich ⁴	-	-	100
Alphabet International GmbH, Munich ^{4,5,6}	-	-	100
Bavaria Wirtschaftsagentur GmbH, Munich ^{3,5,6}	-	-	100
BMW Fahrzeugtechnik GmbH, Eisenach ^{3,5,6}	-	-	100
BMW Hams Hall Motoren GmbH, Munich ^{4,5,6}	-	-	100
BMW High Power Charging Beteiligungs GmbH, Munich ^{4,6}	-	-	100
BMW M GmbH Gesellschaft für individuelle Automobile, Munich ^{3,5,6}	-	-	100
BMW Vermögensverwaltungs GmbH, Munich	-	-	100
Bürohaus Petuelring GmbH, Munich	-	-	100
LARGUS Grundstücks-Verwaltungsgesellschaft mbH, Munich	-	-	100
Rolls-Royce Motor Cars GmbH, Munich ^{4,5,6}	-	-	100
BAVARIA-LLOYD Reisebüro GmbH, Munich	-	-	51

Notes to the Group Financial Statements

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
FOREIGN^{2,10}			
Europe			
BMW Holding B.V., The Hague	34,822	6,967	100
BMW International Holding B.V., Rijswijk	4,684	629	100
BMW Österreich Holding GmbH, Steyr	3,664	308	100
BMW (Schweiz) AG, Dielsdorf	1,106	94	100
BMW Financial Services (GB) Ltd., Farnborough	984	244	100
BMW Motoren GmbH, Steyr	946	151	100
BMW España Finance S.L., Madrid	821	23	100
BMW Finance N.V., The Hague	614	369	100
BMW i Ventures SCS SICAV-RAIF, Senningerberg	577	23	100
Alphabet España Fleet Management S.A.U., Madrid	418	40	100
BMW Finance S.N.C., Guyancourt	311	46	100
BMW Russland Trading OOO, Moscow	248	88	100
BMW (UK) Ltd., Farnborough	191	112	100
ALPHABET (GB) Ltd., Farnborough	149	145	100
BMW Finanzdienstleistungen (Schweiz) AG, Dielsdorf	133	9	100
BMW Austria Leasing GmbH, Salzburg	119	12	100
BMW International Investment B.V., The Hague	117	134	100
Rolls-Royce Motor Cars Ltd., Farnborough	116	109	100
Alphabet Austria Fuhrparkmanagement GmbH, Salzburg	-	-	100
Alphabet Belgium Long Term Rental NV, Aartselaar	-	-	100
Alphabet France Fleet Management S.A.S., Saint-Quentin-en-Yvelines	-	-	100
Alphabet Fuhrparkmanagement (Schweiz) AG, Dielsdorf	-	-	100
Alphabet Italia S.p.A., Trento	-	-	100
Alphabet Luxembourg S.A., Leudelange	-	-	100
Alphabet Polska Fleet Management Sp. z o.o., Warsaw	-	-	100
Bavaria Reinsurance Malta Ltd., Floriana	-	-	100
Bavarian Sky S.A. Luxembourg ⁹	-	-	100
BiV Carry I SCS, Senningerberg	-	-	100

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Companies	Equity in € million	Profit / loss in € million	Capital investment in %
BiV Carry II SCS, Senningerberg	-	-	100
BLMC Ltd., Farnborough	-	-	100
BMW (UK) Capital plc, Farnborough	-	-	100
BMW (UK) Holdings Ltd., Farnborough	-	-	100
BMW (UK) Investments Ltd., Farnborough	-	-	100
BMW (UK) Manufacturing Ltd., Farnborough	-	-	100
BMW Austria Bank GmbH, Salzburg	-	-	100
BMW Austria GmbH, Salzburg	-	-	100
BMW Automotive (Ireland) Ltd., Dublin	-	-	100
BMW Bank OOO, Moscow	-	-	100
BMW Belgium Luxembourg S.A./N.V., Bornem	-	-	100
BMW Bulgaria EOOD, Sofia	-	-	100
BMW Central Medical Trustees Ltd., Farnborough	-	-	100
BMW China Capital B.V., The Hague ⁹	-	-	100
BMW Czech Republic s.r.o., Prague	-	-	100
BMW Danmark A/S, Copenhagen	-	-	100
BMW Distribution S.A.S., Vélizy-Villacoublay	-	-	100
BMW España Finance S.L., Madrid	-	-	100
BMW Financial Services (Ireland) DAC, Dublin	-	-	100
BMW Financial Services Belgium S.A./N.V., Bornem	-	-	100
BMW Financial Services Denmark A/S, Copenhagen	-	-	100
BMW Financial Services Nederland B.V., Breda	-	-	100
BMW Financial Services Polska Sp. z o.o., Warsaw	-	-	100
BMW Financial Services Scandinavia AB, Sollentuna	-	-	100
BMW France S.A., Montigny-le-Bretonneux	-	-	100
BMW Hungary Kft., Vecsés	-	-	100
BMW Iberica S.A., Madrid	-	-	100
BMW Italia Retail S.r.l., Rome	-	-	100
BMW Italia S.p.A., San Donato Milanese	-	-	100
BMW Malta Ltd., Floriana	-	-	100
BMW Nederland B.V., The Hague	-	-	100

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Companies	Equity in € million	Profit / loss in € million	Capital investment in %
BMW Norge AS, Fornebu	-	-	100
BMW Northern Europe AB, Stockholm	-	-	100
BMW Portugal Lda., Porto Salvo	-	-	100
BMW Renting (Portugal) Lda., Porto Salvo	-	-	100
BMW Romania S.R.L., Bucharest	-	-	100
BMW Services Ltd., Farnborough	-	-	100
BMW Slovenia distribucija motornih vozil d.o.o., Ljubljana	-	-	100
BMW Slovenská republika s.r.o., Bratislava	-	-	100
BMW Vertriebs GmbH, Salzburg	-	-	100
Oy BMW Suomi AB, Helsinki	-	-	100
Park Lane Ltd., Farnborough	-	-	100
Riley Motors Ltd., Farnborough	-	-	100
Swindon Pressings Ltd., Farnborough	-	-	100
Triumph Motor Company Ltd., Farnborough	-	-	100
Bavarian Sky Europe S.A. Compartment A, Luxembourg ¹¹	-	-	0
Bavarian Sky FTC, Compartment French Auto Leases 4, Paris ¹¹	-	-	0
Bavarian Sky S.A., Compartment A, Luxembourg ¹¹	-	-	0
Bavarian Sky S.A., Compartment German Auto Leases 6, Luxembourg ¹¹	-	-	0
Bavarian Sky S.A., Compartment German Auto Leases 7, Luxembourg ¹¹	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 9, Luxembourg ¹¹	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 10, Luxembourg ¹¹	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 11, Luxembourg ¹¹	-	-	0
Bavarian Sky UK 3 plc, London ¹¹	-	-	0
Bavarian Sky UK 4 plc, London ¹¹	-	-	0
Bavarian Sky UK A Ltd., London ¹¹	-	-	0
Bavarian Sky UK B Ltd., London ¹¹	-	-	0
Bavarian Sky UK C Ltd., London ¹¹	-	-	0
Bavarian Sky UK D Ltd., London ¹¹	-	-	0

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Companies	Equity in € million	Profit / loss in € million	Capital investment in %
The Americas			
BMW Manufacturing Co. LLC, Wilmington, Delaware	2,392	511	100
BMW Bank of North America Inc., Salt Lake City, Utah	1,545	184	100
BMW of North America LLC, Wilmington, Delaware	1,312	1,061	100
Financial Services Vehicle Trust, Wilmington, Delaware	972	205	100
BMW Canada Inc., Richmond Hill, Ontario	474	257	100
BMW US Capital LLC, Wilmington, Delaware	461	379	100
BMW (US) Holding Corp., Wilmington, Delaware	-	-	100
BMW Acquisitions Ltda., São Paulo	-	-	100
BMW Auto Leasing LLC, Wilmington, Delaware	-	-	100
BMW Consolidation Services Co. LLC, Wilmington, Delaware	-	-	100
BMW de Argentina S.A., Buenos Aires	-	-	100
BMW de Mexico S.A. de C.V., Mexico City	-	-	100
BMW do Brasil Ltda., Araquari	-	-	100
BMW Extended Service Corporation, Wilmington, Delaware	-	-	100
BMW Facility Partners LLC, Wilmington, Delaware	-	-	100
BMW Financeira S.A. Credito, Financiamento e Investimento, São Paulo	-	-	100
BMW Financial Services de Mexico S.A. de C.V. SOFOM, Mexico City	-	-	100
BMW Financial Services NA LLC, Wilmington, Delaware	-	-	100
BMW Floorplan Master Owner Trust, Wilmington, Delaware	-	-	100
BMW FS Funding Corporation, Wilmington, Delaware	-	-	100
BMW FS Receivables Corporation, Wilmington, Delaware	-	-	100
BMW FS Securities LLC, Wilmington, Delaware	-	-	100
BMW Insurance Agency Inc., Wilmington, Delaware	-	-	100
BMW Leasing do Brasil S.A., São Paulo	-	-	100
BMW Manufacturing Indústria de Motos da Amazônia Ltda., Manaus	-	-	100
BMW Manufacturing LP, Woodcliff Lake, New Jersey	-	-	100
BMW of Manhattan Inc., Wilmington, Delaware	-	-	100
BMW Receivables 1 Inc., Richmond Hill, Ontario	-	-	100
BMW Receivables 2 Inc., Richmond Hill, Ontario	-	-	100
BMW Receivables Ltd. Partnership, Richmond Hill, Ontario	-	-	100

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Companies	Equity in € million	Profit / loss in € million	Capital investment in %
BMW SLP, S.A. de C.V., Villa de Reyes	-	-	100
Rolls-Royce Motor Cars NA LLC, Wilmington, Delaware	-	-	100
SB Acquisitions LLC, Wilmington, Delaware	-	-	100
BMW 2021- A Lease Conduit, Wilmington, Delaware ¹¹	-	-	0
BMW 2022- A Lease Conduit, Wilmington, Delaware ¹¹	-	-	0
BMW Canada Auto Trust 2020-1, Richmond Hill, Ontario ¹¹	-	-	0
BMW Canada Auto Trust 2021-1, Richmond Hill, Ontario ¹¹	-	-	0
BMW Canada Auto Trust 2022-1, Richmond Hill, Ontario ¹¹	-	-	0
BMW Vehicle Lease Trust 2021- 2, Wilmington, Delaware ¹¹	-	-	0
BMW Vehicle Lease Trust 2021-1, Wilmington, Delaware ¹¹	-	-	0
BMW Vehicle Lease Trust 2022-1, Wilmington, Delaware ¹¹	-	-	0
BMW Vehicle Owner Trust 2019-A, Wilmington, Delaware ¹¹	-	-	0
BMW Vehicle Owner Trust 2020-A, Wilmington, Delaware ¹¹	-	-	0
BMW Vehicle Owner Trust 2022-A, Wilmington, Delaware ¹¹	-	-	0
Africa			
BMW Financial Services (South Africa) (Pty) Ltd., Midrand	115	11	100
BMW (South Africa) (Pty) Ltd., Pretoria	-	-	100
SuperDrive Investments (RF) Ltd., Cape Town ¹¹	-	-	0
Asia			
BMW Automotive Finance (China) Co. Ltd., Beijing	1,370	367	100
BMW China Investment Ltd., Beijing	840	798	100
BMW Japan Finance Corp., Tokyo	473	64	100
BMW Brilliance Automotive Ltd., Shenyang ⁹	410	2,401	75
BMW Financial Services Korea Co. Ltd., Seoul	223	78	100
BMW Japan Corp., Tokyo	223	163	100
BMW Leasing (Thailand) Co. Ltd., Bangkok	128	34	100
BMW Malaysia Sdn Bhd, Kuala Lumpur	113	97	51
BMW Korea Co. Ltd., Seoul	-	-	100
Herald International Financial Leasing Co. Ltd., Tianjin	-	-	100
BMW Manufacturing (Thailand) Co. Ltd., Rayong	-	-	100
BMW (Thailand) Co. Ltd., Bangkok	-	-	100

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Companies	Equity in € million	Profit / loss in € million	Capital investment in %
BMW Asia Pacific Capital Pte Ltd., Singapore	-	-	100
BMW Asia Pte. Ltd., Singapore	-	-	100
BMW Asia Technology Centre Sdn Bhd, Kuala Lumpur	-	-	100
BMW China Automotive Trading Ltd., Beijing	-	-	100
BMW China Services Ltd., Beijing	-	-	100
BMW Credit (Malaysia) Sdn Bhd, Kuala Lumpur	-	-	100
BMW Holding Malaysia Sdn Bhd, Kuala Lumpur	-	-	100
BMW India Financial Services Private Ltd., Gurgaon	-	-	100
BMW India Private Ltd., Gurgaon	-	-	100
BMW Lease (Malaysia) Sdn Bhd, Kuala Lumpur	-	-	100
BMW Tokyo Corp., Tokyo	-	-	100
PT BMW Indonesia, Jakarta	-	-	100
2019-1 ABL, Tokyo ¹¹	-	-	0
2019-2 ABL, Tokyo ¹¹	-	-	0
2019-3 ABL, Tokyo ¹¹	-	-	0
2020-1 ABL, Tokyo ¹¹	-	-	0
2021-1 ABL, Tokyo ¹¹	-	-	0
2021-2 ABL, Tokyo ¹¹	-	-	0
2022-1 ABL, Tokyo ¹¹	-	-	0
Bavarian Sky China 2021-1, Beijing ¹¹	-	-	0
Bavarian Sky China 2021-2, Beijing ¹¹	-	-	0
Bavarian Sky China 2021-3, Beijing ¹¹	-	-	0
Bavarian Sky China 2022-1, Beijing ¹¹	-	-	0
Bavarian Sky China 2022-2, Beijing ¹¹	-	-	0
Bavarian Sky China Leasing 2021-1, Tianjin ¹¹	-	-	0
Bavarian Sky China Leasing 2022-1, Tianjin ¹¹	-	-	0
Bavarian Sky Korea 2021-1, Seoul ¹¹	-	-	0
Bavarian Sky Korea 2022-1, Seoul ¹¹	-	-	0
Bavarian Sky Korea 2022-A, Seoul ¹¹	-	-	0

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Companies	Equity in € million	Profit / loss in € million	Capital investment in %
Oceania			
BMW Australia Finance Ltd., Mulgrave	-	-	100
BMW Australia Ltd., Melbourne	-	-	100
BMW Financial Services New Zealand Ltd., Auckland	-	-	100
BMW Melbourne Pty. Ltd., Melbourne	-	-	100
BMW New Zealand Ltd., Auckland	-	-	100
BMW Sydney Pty. Ltd., Sydney	-	-	100
Bavarian Sky Australia Trust A, Mulgrave ¹¹	-	-	0
BMW Australia Trust 2011-2, Mulgrave ¹¹	-	-	0

BMW AG's non-consolidated companies at 31 December 2022

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
DOMESTIC⁷			
Alphabet Fleetservices GmbH, Munich ⁴	-	-	100
Automag GmbH, Munich	-	-	100
BMW Car IT GmbH, Munich ⁴	-	-	100
BMW i Ventures GmbH, Munich	-	-	100
IDEALworks GmbH, Munich	-	-	100
FOREIGN⁷			
Europe			
Alphabet Insurance Services Polska Sp. z o.o., Warsaw	-	-	100
BMW (GB) Ltd., Farnborough	-	-	100
BMW (UK) Pensions Services Ltd., Hams Hall	-	-	100
BMW Car Club Ltd., Farnborough	-	-	100
BMW Drivers Club Ltd., Farnborough	-	-	100
BMW Financial Services Czech Republic s.r.o., Prague	-	-	100
BMW Financial Services Slovakia s.r.o., Bratislava	-	-	100
BMW Group Benefit Trust Ltd., Farnborough	-	-	100
BMW Manufacturing Hungary Kft., Debrecen	-	-	100

Notes to the Group Financial Statements

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
BMW Manufacturing Russland OOO, Kaliningrad	-	-	100
BMW Mobility Development Center s.r.o., Prague	-	-	100
BMW Motorsport Ltd., Farnborough	-	-	100
BMW Poland sp. z o.o., Warsaw	-	-	100
BMW Russland Automotive OOO, Kaliningrad	-	-	100
John Cooper Garages Ltd., Farnborough	-	-	100
John Cooper Works Ltd., Farnborough	-	-	100
OOO BMW Leasing, Moscow	-	-	100
The Americas			
217- 07 Northern Boulevard Corporation, Wilmington, Delaware	-	-	100
BMW Experience Centre Inc., Richmond Hill, Ontario	-	-	100
BMW i Ventures Inc., Wilmington, Delaware	-	-	100
BMW i Ventures LLC, Wilmington, Delaware	-	-	100
BMW Mobility Services LLC, Wilmington, Delaware	-	-	100
BMW Operations Corp., Wilmington, Delaware	-	-	100
BMW Shared Services LLC, Wilmington, Delaware	-	-	100
BMW Technology Corp., Wilmington, Delaware	-	-	100
Designworks / USA Inc., Newbury Park, California	-	-	100
MINI Business Innovation LLC, Wilmington, Delaware	-	-	100
MINI Canada Inc., Richmond Hill, Ontario	-	-	100
Urban X Accelerator SPV LLC, Wilmington, Delaware	-	-	100
Africa			
BMW Automobile Distributors (Pty) Ltd., Midrand	-	-	100
BPF Midrand Property Holdings (Pty) Ltd., Midrand	-	-	100
Multisource Properties (Pty) Ltd., Midrand	-	-	100

Notes to the Group Financial Statements

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
Asia			
BMW (China) Insurance Brokers Co. Ltd., Beijing	-	-	100
BMW Finance (United Arab Emirates) Ltd., Dubai	-	-	100
BMW Financial Services Singapore Pte Ltd., Singapore	-	-	100
BMW Hong Kong Services Ltd., Hong Kong	-	-	100
BMW India Foundation, Gurgaon	-	-	100
BMW India Leasing Private Ltd., Gurgaon	-	-	100
BMW Insurance Broker (Thailand) Co. Ltd., Bangkok	-	-	100
BMW Insurance Services Korea Co. Ltd., Seoul	-	-	100
BMW Middle East Retail Competency Centre DWC-LLC, Dubai	-	-	100
BMW Parts Manufacturing (Thailand) Co., Ltd., Rayong Province	-	-	100
BMW Technology Office Israel Ltd., Tel Aviv	-	-	100
Herald Hezhong (Beijing) Automotive Trading Co. Ltd., Beijing	-	-	100
Ling Yue Digital Information Technology Co. Ltd., Beijing	-	-	100
BMW Philippines Corp., Manila	-	-	70

BMW AG's associated companies, joint ventures and joint operations at 31 December 2022

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
Joint ventures – equity accounted			
DOMESTIC			
YOUR NOW Holding GmbH, Munich ⁸	159	- 800	50
Associated companies – equity accounted			
DOMESTIC			
IONITY Holding GmbH & Co. KG, Munich ⁸	412	- 53	15
FOREIGN			
THERE Holding B.V., Amsterdam ⁸	858	- 134	30
Solid Power, Inc., Wilmington, Delaware	-	-	6
Joint operations – proportionately consolidated entities			
FOREIGN			
Spotlight Automotive Ltd., Zhangjiagang ⁸	-	-	50
Not equity accounted or proportionately consolidated entities			
DOMESTIC⁷			
Encory GmbH, Unterschleißheim	-	-	50
The Retail Performance Company GmbH, Munich	-	-	50
PDB - Partnership for Dummy Technology and Biomechanics GbR, Gaimersheim	-	-	20
FOREIGN⁷			
BMW AVTOTOR Holding B.V., Amsterdam	-	-	50
Critical TechWorks S.A., Porto	-	-	50
BMW Albatha Finance PSC, Dubai	-	-	40
BMW Albatha Leasing LLC, Dubai	-	-	40
Bavarian & Co Co. Ltd., Incheon	-	-	20

BMW AG's participations at 31 December 2022

Companies	Equity in € million	Profit / loss in € million	Capital investment in %
DOMESTIC			
IVM Industrie-Verband Motorrad GmbH & Co. Dienstleistungs KG, Essen	-	-	28
SGL Carbon SE, Wiesbaden	-	-	18
Hubject GmbH, Berlin	-	-	16
Joblinge gemeinnützige AG Leipzig, Leipzig	-	-	16
Joblinge gemeinnützige AG Berlin, Berlin	-	-	10
Racer Benchmark Group GmbH, Landsberg am Lech	-	-	8
Joblinge gemeinnützige AG München, Munich	-	-	6
Deutsches Forschungszentrum für Künstliche Intelligenz GmbH, Kaiserslautern	-	-	5
GSB Sonderabfall-Entsorgung Bayern GmbH, Baar-Ebenhausen	-	-	3
FOREIGN			
Northvolt AB, Stockholm	-	-	3

¹ The amounts shown for German affiliated companies correspond to the annual financial statements drawn up in accordance with German accounting rules (HGB).

² The amounts shown for foreign affiliated companies correspond to the annual financial statements drawn up in accordance with uniform IFRS rules. Equity and earnings not denominated in euro are translated into euro using the closing exchange rate at the balance sheet date.

³ Profit and Loss Transfer Agreement with BMW AG.

⁴ Profit and Loss Transfer Agreement with a subsidiary of BMW AG.

⁵ Exemption from drawing up a management report applied in accordance with § 264 (3) and § 264b HGB.

⁶ Exemption from publishing financial statements applied in accordance with § 264 (3) and § 264b HGB.

⁷ These entities are neither consolidated nor accounted for using the equity method due to their overall immateriality for the Group Financial Statements.

⁸ The amounts shown for entities accounted for using the equity method and for proportionately consolidated entities correspond to the annual financial statements drawn up in accordance with uniform IFRS rules. Equity not denominated in euro is translated into euro using the closing exchange rate at the balance sheet date, earnings are translated using the average rate.

⁹ First-time consolidation.

¹⁰ Deconsolidation in financial year 2022: BMW Financial Services B.V. (merger), BMW Madrid S.L. (liquidation).

¹¹ Control on basis of economic dependence.



Munich, 7 March 2023

Bayerische Motoren Werke

Aktiengesellschaft

The Board of Management

Oliver Zipse

Ilka Horstmeier

Dr.-Ing. Milan Nedeljković

Pieter Nota

Dr. Nicolas Peter

Dr.-Ing. Joachim Post

Frank Weber