



## **Supplementary information on agenda item 9.1:**

Annual Financial Statements for Bavaria Wirtschaftsagentur  
GmbH as of 31 December 2018

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**Bavaria Wirtschaftsagentur GmbH, Munich**  
**Balance sheet as at 31.12.2018**

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>EUR</b>	<b>EUR</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets		
Concessions acquired for a consideration, commercial Property rights and similar rights and assets as well as Licences to such rights and values	6.699,00	14.016,69
	<hr/> 6.699,00	<hr/> 14.016,69
Property, plant and equipment		
Other equipment, operating and office equipment	25.423,94	32.327,05
Low-value assets	22.985,86	13.874,68
	<hr/> 48.409,80	<hr/> 46.201,73
Financial assets		
Shares in affiliated companies	36.506,24	36.506,24
	<hr/> 36.506,24	<hr/> 36.506,24
	<b>91.615,04</b>	<b>96.724,66</b>
<b>Current assets</b>		
Receivables and other assets		
Receivables from deliveries and services	274.979,15	3.047.360,71
Receivables from affiliated companies	4.701.953,36	1.969.468,01
Other assets	33.552,73	21.010,99
	<hr/> 5.010.485,24	<hr/> 5.037.839,71
<b>Prepaid expenses</b>	<b>32.331,82</b>	<b>7.799,71</b>
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<b>Balance sheet total</b>	<b>5.134.432,10</b>	<b>5.142.364,08</b>
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**Bavaria Wirtschaftsagentur GmbH, Munich**  
**Balance sheet as at 31.12.2018**

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>EUR</b>	<b>EUR</b>
<b>PASSIVA</b>		
<b>Equity</b>		
Subscribed capital	102.258,38	102.258,38
Retained earnings		
Other revenue reserves	1.080.573,62	1.918.141,41
	<b>1.182.832,00</b>	<b>2.020.399,79</b>
<b>Provisions</b>		
Provisions for pensions and similar obligations	1.612.850,88	906.919,11
Other provisions	1.984.138,12	1.970.742,65
	<b>3.596.989,00</b>	<b>2.877.661,76</b>
<b>Liabilities</b>		
Liabilities from deliveries and services	201.946,21	61.287,79
Other liabilities		
- thereof from taxes		
EUR (94.571,43prev. year EUR 89,835.14)	94.571,43	89.835,14
	<b>296.517,64</b>	<b>151.122,93</b>
<b>Deferred income</b>	<b>58.093,46</b>	<b>93.179,60</b>
<b>Balance sheet total</b>	<b>5.134.432,10</b>	<b>5.142.364,08</b>

**Bavaria Wirtschaftsagentur GmbH, Munich**  
**Profit and loss account for the period from**  
**01.01.2018 - 31.12.2018**

	<b>2018</b>	<b>2017</b>
	<b>EUR</b>	<b>EUR</b>
Gross profit	24.629.656,28	26.389.660,17
Personnel expenses	-7.291.973,27	-7.335.259,38
Amortisation of intangible fixed assets and depreciation of tangible fixed assets	-20.964,89	-122.897,65
Other operating expenses	-2.574.402,50	-2.544.309,84
Income from participations - thereof from affiliated companies EUR 525.000,00 (prev. year EUR 285.000,00)	525.000,00	285.000,00
Other interest and similar income - thereof from affiliated companies EUR (2.684,14prev. year EUR 9.837,80)	2.684,14	9.837,80
Interest and similar expenses - thereof to affiliated companies EUR (149.166,19prev. year EUR 157.480,88)	-1.122.381,51	-527.919,44
Result after taxes	14.147.618,25	16.154.111,66
Refunds of other taxes	62.221,40	87.037,17
Due to a profit and loss transfer agreement transferred profits	-15.047.407,44	-16.116.542,55
<b>Net loss/profit for the year</b>	<b>-837.567,79</b>	<b>124.606,28</b>
Allocation/transfer of revenue reserves	837.567,79	-124.606,28
<b>Balance sheet profit</b>	<b>0,00</b>	<b>0,00</b>

## **Bavaria Wirtschaftsagentur GmbH, Munich** **Notes for the financial year 2018**

### **General information**

The annual financial statements of Bavaria Wirtschaftsagentur GmbH have been prepared in accordance with the provisions of the German Commercial Code and the Limited Liability Companies Act. Bavaria Wirtschaftsagentur GmbH, with its registered office in Munich, is registered with the Munich Register Court under the commercial register number HRB 42267. The annual financial statements are prepared in EUR. Bavaria Wirtschaftsagentur GmbH is a medium-sized corporation within the meaning of Section 267 (HGB2). Size-dependent relief under §§ 276 and 288 HGB has been taken advantage of.

### **Accounting and valuation principles**

Intangible assets acquired for consideration are recognised at cost, taking into account straight-line amortisation based on a useful life of three years.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation. Tangible fixed assets are depreciated on a straight-line basis.

Financial assets are recognised at acquisition cost.

Receivables, other assets and prepaid expenses are recognised at the lower of nominal value or fair value.

Foreign currency receivables and liabilities are valued at the mean spot exchange rate at the time of the transaction. Gains resulting from the valuation at the balance sheet date are recognised for receivables and liabilities with a remaining term of less than one year. Losses from exchange rate changes are taken into account by revaluation on the balance sheet date.

To meet pension obligations, BMW Trust e. V., Munich, holds assets in trust within the framework of contractual trust arrangements (CTA). They are measured at fair value, which is offset against the underlying obligations. The fair value is derived from the market values of the capital management companies as of the reporting date. If there is a surplus of obligations, this is recognised under provisions. If the value of the assets exceeds the obligations, it is reported as "asset difference from asset offsetting".

Pension obligations are calculated using the projected unit credit method and discounted at a ten-year average market interest rate corresponding to their remaining term. The calculation is based on actuarial reports taking into account biometric calculation principles. For reasons of uniformity of the valuation method, the provisions for anniversary bonuses and partial retirement are valued using the same method.

Other provisions are measured in such a way that they take into account all identifiable risks. Provisions are recognised at the settlement amount deemed necessary according to prudent business judgment. Long-term provisions are discounted at the average Bundesbank interest rate corresponding to their remaining term.

Liabilities are recognised at the settlement amount on the balance sheet date.

Deferred income is shown at nominal value.

## Notes to the balance sheet

### Financial assets

The financial assets relate to 51% of the shares in the affiliated company BAVARIA-LLOYD Reisebüro GmbH, Munich. The equity of this company amounts to EUR 1,087,821.40 (previous year: EUR 1,356,719.43) as at 31 December 2018. The net profit for 2018 amounts to EUR 431,101.97 (previous year: EUR 787,811.78).

### Receivables and other assets

Trade receivables mainly include receivables from insurance premiums.

Receivables from affiliated companies amount to EUR 4,701,983.36 (previous year EUR 1,969,468.01) from the shareholder.

Other assets relate to receivables from employees in the amount of EUR 33,552.73 (previous year EUR 21.010,99).

As in the previous year, receivables and other assets are due within one year.

### Asset difference from asset offsetting

Assets are offset against the underlying obligations to secure pensions. The assets are shares in fund assets.

Since the 2017 financial year, credit balances from partial retirement have been secured by bank guarantees. Therefore, there are no corresponding cover assets on the balance sheet date.

### Equity

The subscribed capital of the company amounts to DM 200,000.00. This corresponds to a balance sheet amount of EUR 102,258.38.

### Retained earnings

Retained earnings amount to EUR 1,080,573.62, of which EUR 1,048,673.86 is blocked from distribution due to § 268 para. 8 HGB.

The profit distribution block was adjusted in the 2018 financial year, reducing it by EUR 837,567.79.

### Provisions

The provisions for pensions and similar obligations relate to vested rights and current benefits.

In the 2018 financial year, the 2018 G guidelines by Prof. Dr. Heubeck were used for the first time to calculate the pension obligations for the biometric calculation bases. This resulted in an increase in obligations in the amount of EUR 68,713. This was offset by a reduction in disability rates from 50% to 30% in the amount of EUR 24,510. In addition, the following parameters were taken into account:

in %

	<b>31.12.2018</b>	<b>31.12.2017</b>
Discount factor 10-year average	3,21	3.68
Discount factor 7-year average	2,32	2,80
Salary trend	3,06	2,94
Pension trend	1,62	1,82

With the legal amendment of § 253 para. 6 HGB, the reference period of the average interest rate for retirement benefit obligations was extended from 7 years to 10 years.

In application of the legal provisions for income tax consolidation, the difference is transferred in full to the parent company in accordance with section 253 (6) of the German Commercial Code (HGB).

The interest rate used for discounting pension obligations corresponds to the average market interest rate determined and published by the Deutsche Bundesbank for an assumed remaining term of 15 years.

The provisions for pensions are as follows:

in EUR	<b>31.12.2018</b>	<b>31.12.2017</b>
Acquisition cost of plan assets for pension obligations	5.338.498,26	4.532.461,48
Fair value of plan assets for pension obligations	6.387.172,12	6.450.602,89
Defined benefit obligation of the pension commitments	8.000.023,00	7.357.522,00
<b>Provisions for pensions and similar obligations</b>	<b>1.612.850,88</b>	<b>906.919,11</b>

The acquisition costs of cover assets for pension obligations were taken from the fund reports for the first time in the financial year.

The expenses from the compounding of pension obligations, the change in the discount rate as well as the income and expenses from the valuation of the offset assets are reported in interest income or interest expense. All other components of pension expenses are recognised under personnel expenses.

Other provisions mainly include amounts for personnel expenses, e.g. profit-sharing, bonuses, anniversaries, part-time work for older employees as well as costs for the annual financial statements and the employers' liability insurance association.

#### Liabilities

Trade payables amounting to EUR 260,524.37 (previous year EUR 61,287.79) mainly include obligations to insurance companies within the scope of brokerage collection, as well as general liabilities to suppliers.

As in the previous year, the liabilities have a remaining term of less than one year.

#### Other financial obligations

There are rental obligations to the shareholder Bayerische Motoren Werke Aktiengesellschaft arising from a lease for office space at Heidemannstrasse 164 in Munich amounting to EUR (117.987,84 previous year EUR 117.987,84) per annum.

#### Transactions with related parties

Only arm's length transactions are concluded with related parties.

## Notes to the profit and loss account

### Gross profit

The gross profit includes income from other periods from the release of provisions in the amount of EUR 5,686.57 (previous year EUR 144,472.48\*).

### Personnel expenses

in EUR	2018	2017
Salaries	6.429.823,22	6.442.852,85
Social security contributions, expenses for Pension provision and support	862.150,05	892.406,53
- of which for pensions: EUR (37.613,23prev. year EUR 94.835,49)	-----	-----
	7.291.973,27	7.335.259,38

The average number of employees during the year was	2018	2017
Salaried employees	68	69
Trainee	0	0

### Other operating expenses

Other operating expenses mainly include third-party services for insurance processing fees, IT costs, vehicle expenses, call centre costs, travel and rental expenses, purchased services in the personnel area and insurance.

Furthermore, expenses unrelated to the accounting period in the amount of EUR 32,738.17 (previous year: EUR 22,456.56) for profit sharing and bonuses from the previous year are included.

### Income from participations

As in the previous year, the income from investments EUR (525.000,00previous year EUR 285.000) results from the affiliated company BAVARIA-LLOYD Reisebüro GmbH, Munich.

### Other interest and similar income

in EUR	2018	2017
Other interest and similar income	2.684,14	9.837,80
- thereof from affiliated companies	2.684,14	9.837,80
- of which from pension and long-term Personnel provisions	0,00	0,00

\*Previous year figure adjusted



### Interest and similar expenses

in EUR	2018	2017
Interest and similar expenses	1.122.381,51	527.919,44
- of which to affiliated companies	149.166,19	157.480,88
- of which from pension and long-term Personnel provisions	973.215,32	370.438,56

The interest expense or income from pension and long-term personnel provisions is the net amount after offsetting against income and expenses from the cover assets:

in EUR	2018	2017
Expenses from assets to be offset (prev. year income)	-156.866,32	197.576,63
Expenses from the compounding of pension and long-term personnel provisions	-816.349,00	-568.015,19
<b>Interest expense from pensions</b>	<b>-973.215,32</b>	<b>-370.438,56</b>

The item expenses from assets to be offset includes a reduction of the cover assets at fair value by EUR 156,866.32 (previous year EUR 197,576.63) in the current financial year.

The interest result includes expenses from compounding and changes in the discount rate of provisions and liabilities.

### **Other information**

#### Auditor's fee

With regard to the disclosure of the total fee charged by the auditor for the 2018 financial year in accordance with § 285 No. 17 HGB, use is made of the simplification option provided for in § 285 No. 17 HGB, as the disclosure is included in the Consolidated Financial Statements of Bayerische Motoren Werke Aktiengesellschaft, Munich.

#### Management report and disclosure

The company makes use of the exemption option of § 264 para. 3 HGB with regard to the preparation of a management report and the disclosure of the annual financial statements.

#### Management

Mr. Dirk Förster, graduate in business administration and  
Ms Nicole Kraft-Stimson, Graduate Industrial Engineer

With regard to the disclosure of the total remuneration of the management, the company makes use of the protective clause of § 286 para. 4 HGB.

Group affiliation

Bavaria Wirtschaftsagentur GmbH is a 100% subsidiary of Bayerische Motoren Werke Aktiengesellschaft, Munich.

There is a profit and loss transfer agreement with Bayerische Motoren Werke Aktiengesellschaft, Munich.

The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft for the 2018 financial year are submitted to the operator of the electronic Federal Gazette and are accessible via the website of the Company Register.

Munich, the 29.03.2019

[SIGNATURE]

.....  
Dirk Förster  
Managing Director

[SIGNATURE]

.....  
Nicole Kraft-Stimson  
Managing Director

Bavaria Wirtschaftsagentur GmbH, Munich - Development of fixed assets 2018

	Acquisition and production costs				Depreciation			Book values		
	01.01.2018	Access	Disposals	31.12.2018	01.01.2018	Current year	Disposals	31.12.2018	31.12.2018	31.12.2017
<b>in EUR</b>										
<b>Intangible assets</b>										
Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licences to such rights and assets	1.129.809,98	0,00	0,00	1.129.809,98	-1.115.793,29	-7.317,69	0,00	-1.123.110,98	6.699,00	14.016,69
<b>Property, plant and equipment</b>										
Shares in affiliated companies	269.115,13	16.679,33	-22.542,55	263.251,91	-222.913,40	-13.647,20	21.718,49	-214.842,11	48.409,80	46.201,73
<b>Fixed assets (without financial assets)</b>	<b>1.398.925,11</b>	<b>16.679,33</b>	<b>-22.542,55</b>	<b>1.393.061,89</b>	<b>-1.338.706,69</b>	<b>-20.964,89</b>	<b>21.718,49</b>	<b>-1.337.953,09</b>	<b>55.108,80</b>	<b>60.218,42</b>
<b>Financial assets</b>										
Shares in affiliated companies	36.506,24	0	0	36.506,24	0	0	0	0	36.506,24	36.506,24
<b>Fixed assets (with financial assets)</b>	<b>1.435.431,35</b>	<b>16.679,33</b>	<b>-22.542,55</b>	<b>1.429.568,13</b>	<b>-1.338.706,69</b>	<b>-20.964,89</b>	<b>21.718,49</b>	<b>-1.337.953,09</b>	<b>91.615,04</b>	<b>96.724,66</b>