03 GROUP FINANCIAL STATEMENTS

INCOME STATEMENT FOR GROUP AND SEGMENTS

		Group		**Automotive** (unaudited supplementary information)		**Motorcycles** (unaudited supplementary information)		**Financial Services** (unaudited supplementary information)		**Other Entities** (unaudited supplementary information)		**Eliminations** (unaudited supplementary information)	
in € million	Note	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Revenues	7	142,380	155,498	124,917	132,277	3,220	3,214	38,562	36,227	14	11	– 24,333	– 16,231
Cost of sales	8	– 119,485	– 125,809	– 107,729	– 109,920	– 2,721	– 2,656	– 34,183	– 31,548	–	–	25,148	18,315
Gross profit		**22,895**	**29,689**	**17,188**	**22,357**	**499**	**558**	**4,379**	**4,679**	**14**	**11**	**815**	**2,084**
Selling and administrative expenses	9	– 11,296	– 11,025	– 9,357	– 9,195	– 296	– 303	– 1,675	– 1,559	– 41	– 34	73	66
Other operating income	10	1,411	1,045	1,335	967	4	6	59	63	23	13	– 10	– 4
Other operating expenses	10	– 1,501	– 1,227	– 1,273	– 1,148	– 9	– 2	– 252	– 128	– 21	– 3	54	54
Profit/loss before financial result		**11,509**	**18,482**	**7,893**	**12,981**	**198**	**259**	**2,511**	**3,055**	**– 25**	**– 13**	**932**	**2,200**
Result from equity accounted investments	24	– 14	– 159	– 14	– 159	–	–	–	–	–	–	–	–
Interest and similar income	11	655	701	1,363	1,389	5	7	10	5	4,593	3,403	– 5,316	– 4,103
Interest and similar expenses	11	– 573	– 656	– 1,572	– 1,502	– 5	– 8	– 20	– 11	– 3,214	– 2,372	4,238	3,237
Other financial result	12	– 606	– 1,272	– 126	– 67	–	–	37	– 87	– 517	– 1,118	–	–
Financial result		**– 538**	**– 1,386**	**– 349**	**– 339**	**–**	**– 1**	**27**	**– 93**	**862**	**– 87**	**– 1,078**	**– 866**
Profit/loss before tax		**10,971**	**17,096**	**7,544**	**12,642**	**198**	**258**	**2,538**	**2,962**	**837**	**– 100**	**– 146**	**1,334**
Income taxes	13	– 3,293	– 4,931	– 2,262	– 3,685	– 60	– 75	– 735	– 861	– 241	29	5	– 339
Net profit/loss		**7,678**	**12,165**	**5,282**	**8,957**	**138**	**183**	**1,803**	**2,101**	**596**	**– 71**	**– 141**	**995**
Attributable to non-controlling interests		388	875	392	857	–	–	– 5	17	1	1	–	–
Attributable to shareholders of the BMW AG		**7,290**	**11,290**	**4,890**	**8,100**	**138**	**183**	**1,808**	**2,084**	**595**	**– 72**	**– 141**	**995**
Basic earnings per share of common stock in €	**14**	**11.62**	**17.67**										
Basic earnings per share of preferred stock in €	**14**	**11.64**	**17.69**										
Dilutive effects		–	–										
Diluted earnings per share of common stock in €	**14**	**11.62**	**17.67**										
Diluted earnings per share of preferred stock in €	**14**	**11.64**	**17.69**										

STATEMENT OF COMPREHENSIVE INCOME FOR GROUP

in € million	Note	2024	2023
Net profit/loss		**7,678**	**12,165**
Remeasurement of the net liability for defined benefit pension plans	33	302	– 142
Income taxes		– 50	24
Items not expected to be reclassified to the income statement in the future		**252**	**– 118**
Marketable securities (at fair value through other comprehensive income)		2	113
Derivative financial instruments		– 3,306	– 1,808
Costs of hedging		919	766
Other comprehensive income from equity accounted investments		7	26
Income taxes		678	281
Currency translation foreign operations		1,108	– 1,772
Items that can be reclassified to the income statement in the future		**– 592**	**– 2,394**
Other comprehensive income for the period after tax	**19**	**– 340**	**– 2,512**
Total comprehensive income		**7,338**	**9,653**
Total comprehensive income attributable to non-controlling interests		324	607
Total comprehensive income attributable to shareholders of BMW AG		**7,014**	**9,046**

BALANCE SHEET FOR GROUP AND SEGMENTS AT 31 DECEMBER 2024

		Group		Automotive (unaudited supplementary information)		Motorcycles (unaudited supplementary information)		Financial Services (unaudited supplementary information)		Other Entities (unaudited supplementary information)		Eliminations (unaudited supplementary information)	
in € million	Note	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS													
Intangible assets	21	20,220	20,022	19,630	19,439	220	216	369	366	1	1	–	–
Property, plant and equipment	22	39,581	35,266	38,909	34,639	588	533	84	94	–	–	–	–
Leased products	23	48,838	43,118	–	–	–	–	57,249	50,415	–	–	– 8,411	– 7,297
Investments accounted for using the equity method	24	553	443	553	443	–	–	–	–	–	–	–	–
Other investments		1,099	1,197	14,662	14,697	–	–	25	28	23,187	23,084	– 36,775	– 36,612
Receivables from sales financing	25	55,149	50,517	–	–	–	–	55,299	50,657	–	–	– 150	– 140
Financial assets	26	834	1,387	315	588	–	–	192	256	471	643	– 144	– 100
Deferred tax	13	3,244	2,431	3,336	3,216	–	–	597	506	57	22	– 746	– 1,313
Other assets	28	1,827	1,537	2,061	2,296	18	18	2,906	2,852	41,499	35,249	– 44,657	– 38,878
Non-current assets		**171,345**	**155,918**	**79,466**	**75,318**	**826**	**767**	**116,721**	**105,174**	**65,215**	**58,999**	**– 90,883**	**– 84,340**
Inventories	29	24,387	23,719	22,372	22,121	919	905	1,096	693	–	–	–	–
Trade receivables	30	2,834	4,162	2,449	3,875	132	102	252	184	1	1	–	–
Receivables from sales financing	25	38,569	36,838	–	–	–	–	38,569	36,838	–	–	–	–
Financial assets	26	2,565	4,131	1,561	2,888	–	–	613	558	423	692	– 32	– 7
Current tax	27	1,316	1,199	715	911	–	–	154	102	447	186	–	–
Other assets	28	7,429	7,596	23,152	24,925	17	7	4,375	3,753	64,227	57,638	– 84,342	– 78,727
Cash and cash equivalents		19,287	17,327	14,853	13,590	21	36	3,103	3,090	1,310	611	–	–
Current assets		**96,387**	**94,972**	**65,102**	**68,310**	**1,089**	**1,050**	**48,162**	**45,218**	**66,408**	**59,128**	**– 84,374**	**– 78,734**
Total assets		**267,732**	**250,890**	**144,568**	**143,628**	**1,915**	**1,817**	**164,883**	**150,392**	**131,623**	**118,127**	**– 175,257**	**– 163,074**

BALANCE SHEET FOR GROUP AND SEGMENTS AT 31 DECEMBER 2024

		Group		Automotive (unaudited supplementary information)		Motorcycles (unaudited supplementary information)		Financial Services (unaudited supplementary information)		Other Entities (unaudited supplementary information)		Eliminations (unaudited supplementary information)	
in € million	Note	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
EQUITY AND LIABILITIES													
Subscribed capital	31	639	639	–	–	–	–	–	–	–	–	–	–
Capital reserves	31	2,456	2,456	–	–	–	–	–	–	–	–	–	–
Revenue reserves	31	92,812	89,072	–	–	–	–	–	–	–	–	–	–
Accumulated other equity	31	– 2,090	– 2,071	–	–	–	–	–	–	–	–	–	–
Treasury shares	31	– 1,502	– 500	–	–	–	–	–	–	–	–	–	–
Equity attributable to shareholders of BMW AG	**31**	**92,315**	**89,596**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-controlling interests		2,688	3,327	–	–	–	–	–	–	–	–	–	–
Equity		**95,003**	**92,923**	**58,562**	**61,971**	**–**	**–**	**16,954**	**16,573**	**61,550**	**56,031**	**– 42,063**	**– 41,652**
Pension provisions	33	222	427	134	326	–	7	16	17	72	77	–	–
Other provisions	34	7,830	7,797	7,411	7,559	107	80	312	158	–	–	–	–
Deferred tax	13	2,621	2,797	2,500	2,601	–	–	2,099	2,603	92	226	– 2,070	– 2,633
Financial liabilities	36	66,770	52,880	3,145	2,726	1	2	21,205	18,003	42,563	32,249	– 144	– 100
Other liabilities	37	7,597	7,065	8,271	8,041	779	808	43,461	36,848	410	485	– 45,324	– 39,117
Non-current provisions and liabilities		**85,040**	**70,966**	**21,461**	**21,253**	**887**	**897**	**67,093**	**57,629**	**43,137**	**33,037**	**– 47,538**	**– 41,850**
Other provisions	34	8,543	9,240	7,813	8,547	130	128	549	558	51	7	–	–
Current tax	35	1,131	1,401	737	1,045	–	–	241	141	153	215	–	–
Financial liabilities	36	44,491	42,130	3,012	1,680	–	–	26,901	25,392	14,610	15,065	– 32	– 7
Trade payables	38	14,126	15,547	12,556	13,906	561	566	997	1,071	12	4	–	–
Other liabilities	37	19,398	18,683	40,427	35,226	337	226	52,148	49,028	12,110	13,768	– 85,624	– 79,565
Current provisions and liabilities		**87,689**	**87,001**	**64,545**	**60,404**	**1,028**	**920**	**80,836**	**76,190**	**26,936**	**29,059**	**– 85,656**	**– 79,572**
Total equity and liabilities		**267,732**	**250,890**	**144,568**	**143,628**	**1,915**	**1,817**	**164,883**	**150,392**	**131,623**	**118,127**	**– 175,257**	**– 163,074**

CASH FLOW STATEMENT FOR GROUP AND SEGMENTS

	Group		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
in € million	2024	2023	2024	2023	2024	2023
Profit/loss before tax	10,971	17,096	7,544	12,642	2,538	2,962
Income taxes paid	– 3,794	– 5,049	– 2,043	– 3,472	– 1,059	– 698
Interest received*	644	683	1,342	1,417	10	3
Other interest and similar income/expenses*	– 433	– 515	– 135	– 350	9	5
Depreciation and amortisation of tangible and intangible assets	8,650	8,974	8,504	8,826	28	32
Other non-cash income and expense items	339	179	167	103	20	– 11
Result from equity accounted investments	14	159	14	159	–	–
Change in leased products	– 5,231	– 999	–	–	– 6,186	– 1,346
Change in receivables from sales financing	– 4,144	– 3,622	–	–	– 4,154	– 3,649
Changes in working capital	– 396	– 2,715	173	– 2,674	– 534	– 31
Change in inventories	– 128	– 4,135	270	– 3,835	– 385	– 179
Change in trade receivables	1,379	– 187	1,474	– 154	– 69	– 70
Change in trade payables	– 1,647	1,607	– 1,571	1,315	– 80	218
Change in provisions	– 726	1,616	– 698	1,471	132	53
Change in other operating assets and liabilities	1,672	1,735	1,923	– 447	809	3,168
Cash inflow/outflow from operating activities	**7,566**	**17,542**	**16,791**	**17,675**	**– 8,387**	**488**
Total investment in intangible assets and property, plant and equipment	– 12,205	– 10,881	– 12,006	– 10,688	– 16	– 9
Proceeds from subsidies for intangible assets and property, plant and equipment	192	–	192	–	–	–
Proceeds from the disposal of intangible assets and property, plant and equipment	21	116	19	115	2	1
Expenditure for investment assets	– 162	– 222	– 157	– 219	–	–
Proceeds from the disposal of investment assets and other business units	13	65	13	59	–	–
Investments in marketable securities and investment funds	– 1,062	– 583	– 913	– 530	– 149	– 14
Proceeds from the disposal of marketable securities and investment funds	1,834	1,957	1,752	1,890	82	28
Cash inflow/outflow from investing activities	**– 11,369**	**– 9,548**	**– 11,100**	**– 9,373**	**– 81**	**6**

CASH FLOW STATEMENT FOR GROUP AND SEGMENTS

	Group		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
in € million	2024	2023	2024	2023	2024	2023
Payments out of equity	– 22	– 20	– 22	– 20	–	–
Treasury shares acquired	– 1,002	– 1,222	– 1,002	– 1,222	–	–
Payment of dividends to shareholders of BMW AG	– 3,781	– 5,430	– 3,781	– 5,430	–	–
Payment of dividends to non-controlling interests	– 1,013	– 1,485	– 1,013	– 1,485	–	–
Intragroup financing and equity transactions	–	–	2,001	2,076	5,148	– 2,961
Interest paid*	– 196	– 186	– 1,207	– 1,031	– 18	– 9
Proceeds from issue of non-current financial liabilities	30,025	20,633	10	34	11,752	11,614
Repayment of non-current financial liabilities	– 22,182	– 22,430	– 528	– 515	– 10,466	– 10,790
Change in other financial liabilities	3,937	3,281	1,125	247	2,122	1,396
Cash inflow/outflow from financing activities	**5,766**	**– 6,859**	**– 4,417**	**– 7,346**	**8,538**	**– 750**
Effect of exchange rate on cash and cash equivalents	**– 3**	**– 705**	**– 11**	**– 502**	**– 57**	**– 184**
Effect of changes in composition of Group on cash and cash equivalents	**–**	**27**	**–**	**27**	**–**	**–**
Change in cash and cash equivalents	**1,960**	**457**	**1,263**	**481**	**13**	**– 440**
Cash and cash equivalents as at 1 January	17,327	16,870	13,590	13,109	3,090	3,530
Cash and cash equivalents as at 31 December	**19,287**	**17,327**	**14,853**	**13,590**	**3,103**	**3,090**

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

The reconciliation of liabilities from financing activities is presented in ↗ note [36] to the Group Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR GROUP

					Accumulated other equity							
in € million	Note	Subscribed capital	Capital reserves	Revenue reserves	Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging	Treasury shares	Equity attributable to shareholders of BMW AG	Non-controlling interests	Total
1 January 2024	31	639	2,456	89,072	– 2,083	– 29	699	– 658	– 500	89,596	3,327	92,923
Net profit		–	–	7,290	–	–	–	–	–	7,290	388	7,678
Other comprehensive income for the period after tax		–	–	252	978	1	– 2,085	578	–	– 276	– 64	– 340
Comprehensive income at 31 December 2024		**–**	**–**	**7,542**	**978**	**1**	**– 2,085**	**578**	**–**	**7,014**	**324**	**7,338**
Dividend payments		–	–	– 3,781	–	–	–	–	–	– 3,781	– 1,013	– 4,794
Treasury shares acquired		–	–	–	–	–	–	–	– 1,002	– 1,002	–	– 1,002
Treasury share redemption		–	–	–	–	–	–	–	–	–	–	–
Reclassification resulting from share redemption		–	–	–	–	–	–	–	–	–	–	–
Other changes		–	–	– 21	–	–	509	–	–	488	50	538
31 December 2024	**31**	**639**	**2,456**	**92,812**	**– 1,105**	**– 28**	**– 877**	**– 80**	**– 1,502**	**92,315**	**2,688**	**95,003**

STATEMENT OF CHANGES IN EQUITY FOR GROUP

					Accumulated other equity							
in € million	Note	Subscribed capital	Capital reserves	Revenue reserves	Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging	Treasury shares	Equity attributable to shareholders of BMW AG	Non-controlling interests	Total
1 January 2023	31	663	2,432	85,425	– 584	– 107	1,728	– 1,154	– 1,278	87,125	4,163	91,288
Net profit		–	–	11,290	–	–	–	–	–	11,290	875	12,165
Other comprehensive income for the period after tax		–	–	– 118	– 1,499	78	– 1,201	496	–	– 2,244	– 268	– 2,512
Comprehensive income at 31 December 2023		**–**	**–**	**11,172**	**– 1,499**	**78**	**– 1,201**	**496**	**–**	**9,046**	**607**	**9,653**
Dividend payments		–	–	– 5,430	–	–	–	–	–	– 5,430	– 1,485	– 6,915
Treasury shares acquired		–	–	–	–	–	–	–	– 1,222	– 1,222	–	– 1,222
Treasury share redemption		–	–	– 2,000	–	–	–	–	2,000	–	–	–
Reclassification resulting from share redemption		– 24	24	–	–	–	–	–	–	–	–	–
Other changes		–	–	– 95	–	–	172	–	–	77	42	119
31 December 2023	**31**	**639**	**2,456**	**89,072**	**– 2,083**	**– 29**	**699**	**– 658**	**– 500**	**89,596**	**3,327**	**92,923**

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 2024 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 operator of the Company Register and made accessible via that agency's 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 Financial Statements have been drawn up in euros. All amounts are disclosed in millions of euros (€ million) unless stated otherwise.

Key figures presented in this 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, 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 [46] (Explanatory notes to segment information).

Approval for the publication of the Group Financial Statements was granted by the Board of Management on 11 March 2025.

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 58 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 2024:

	Germany	Foreign	Total
Included at 31 December 2023	20	187	207
Included for the first time in 2024	1	12	13
No longer included in 2024	–	18	18
Included at 31 December 2024	**21**	**181**	**202**

All consolidated subsidiaries have the same year end as BMW AG with the exception of BMW India Private Ltd., Gurgaon, and BMW India Financial Services Private Ltd., Gurgaon, whose year-ends are 31 March in accordance with local legal requirements, as well as BMW i Ventures SCS SICAV-RAIF, Senningerberg, BiV Carry I SCS, Senningerberg, and BiV Carry II SCS, Senningerberg, whose year-ends are 30 September. Interim financial statements are prepared as at 31 December for the companies with divergent reporting dates.

When assessing whether an investment gives rise to a controlled entity, a joint operation, a joint venture or an associated company, 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.

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. The assets, liabilities, revenues and expenses of one joint operation that is classified as material 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 is of minor significance.

The BMW Group's largest joint operation is Spotlight Automotive Ltd., Zhangjiagang, which has been operated together with the Chinese automobile manufacturer Great Wall Motor Company Limited since 2019, jointly developing and manufacturing electric vehicles for the MINI and Great Wall brands in China. The BMW Group and Great Wall each hold 50% of the joint operation's equity.

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

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.

Interests in material associated companies and joint ventures are accounted for using the equity method.

BMW Fleet GmbH, Munich, which acquired part of the Group's own fleet and thus also assumed responsibility for the management and marketing of these vehicles, was fully included in the Group Financial Statements for the first time with effect from 31 March 2024.

On 19 July 2023, the BMW Group signed an agreement with the companies of the Mercedes-Benz Group, the Stellantis Group, the Honda Group, the Hyundai Motor Group and the General Motors Company Group to establish IONNA LLC, Torrance, in the USA with the aim of developing charging infrastructure in North America. Following approval by the relevant antitrust authorities, the transaction was completed on 18 October 2023. The BMW Group's stake in IONNA LLC was diluted from 16.67% to 14.29% in the financial year 2024 following the entry of Toyota Motor Corporation. Although this is below 20%, the newly founded entity is included in the BMW Group Financial Statements as an associated company using the equity method, reflecting the fact that the BMW Group is represented on the management board and therefore has significant influence.

On 6 November 2023, the BMW Group signed an agreement with a company of the Mercedes-Benz Group to establish Beijing Ionchi New Energy Technology Ltd., Beijing, in China with the aim of developing the charging infrastructure there. Following approval by the relevant antitrust authorities, the transaction was completed on 4 March 2024. The BMW Group holds a 50% interest in the newly founded entity, which is accounted for as a joint venture using the equity method.

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 Other significant events

Russia-Ukraine war

Major uncertainties remained at 31 December 2024 with respect to the ongoing Russia-Ukraine war. The current sanctions and the countermeasures taken significantly restrict economic activities with Russia and also have an impact on the Russian companies of the BMW Group.

The restrictions currently in place for payments continue to restrict the transfer of liquid funds from Russia. Developments in this area are reviewed by the BMW Group on a regular basis. In total, the Russian companies hold around 4% (2023: 4%) of the BMW Group's cash and cash equivalents.

04 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, while 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 line 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	
1 euro =	31.12.2024	31.12.2023	2024	2023
US dollar	1.04	1.11	1.08	1.08
Chinese renminbi	7.57	7.86	7.78	7.66
British pound	0.83	0.87	0.85	0.87
Japanese yen	162.74	156.58	163.84	151.98
South Korean won	1,530.75	1,435.44	1,475.62	1,412.98

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

05 Financial reporting rules

a Financial reporting standards applied for the first time in the financial year 2024

Standards and Revised Standards applied for the first time in the financial year 2024 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 April 2024, the International Accounting Standards Board (IASB) published IFRS 18 Presentation and Disclosure in Financial Statements. The Standard replaces IAS 1 and contains new rules on the structure of the income statement, on key performance indicators defined by management, and on the aggregation and disaggregation of items in the income statement. The new rules are mandatory for financial years beginning on or after 1 January 2027. The BMW Group is analysing the impact of IFRS 18 on the Group Financial Statements. Early adoption of IFRS 18 is not currently intended.

In December 2024, the IASB also published Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The targeted amendments contained therein deal with the accounting treatment of nature-dependent electricity arrangements, in particular to long-term energy supply contracts (power purchase agreements). The amendments to IFRS 9 are primarily intended to address current challenges in the application of the "own-use" exception and hedge accounting. The amendments to IFRS 7 include additional disclosure requirements for nature-dependent electricity contracts. Subject to their implementation by the law-making bodies of the European Union, the new regulations are mandatory, at the latest, for financial years beginning on or after 1 January 2026. A decision on whether to apply the new regulations early will be made after taking into account the date of their transposition into European Community law as well as an implementation cost analysis. The BMW Group expects that the amended criteria for assessing the applicability of the "own-use" exemption will make it possible to apply it to a larger total volume of power purchase agreements, thereby supporting the BMW Group's decarbonisation efforts. With the exception of the additional disclosure requirements, this does not result in any change to the accounting treatment of the existing portfolio of power purchase agreements.

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.

06 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 – such as the expansion of electric mobility, regulatory requirements and changes in production conditions – that are relevant for expected climate change. In this context, the BMW Group incurs expenditure on research and development for electrified models, invests in resource-saving production facilities for the manufacture of electrified automobiles and, in particular, is gradually converting its production processes from fossil fuels to green energy by concluding power purchase agreements for electricity and gas from renewable sources.

In order to reduce emissions of carbon dioxide equivalents (CO_2e), the BMW Group has set itself science-based, cross-sector targets for 2030, in line with the approach of the Science Based Targets initiative (SBTi). Long-term corporate planning is also geared towards achieving these targets. The target set for the BMW Group's Scope 1 and 2 emissions is in line with the 1.5°C-compliant pathway. The overarching target set for Scope 3 Automobiles (purchased goods and services, transportation logistics, use phase) is in line with a well-below-two-degree (WB2D) approach.

The targets set for the period up to 2030 envisage a reduction in CO_2e emissions of at least 40 million tonnes of CO_2e compared to the reference year 2019. This equates to an absolute target for Scopes 1 and 2 CO_2e emissions of 0.635 million tonnes, a reduction of 46.3% compared to the reference year 2019. At the level of Scope 3 emissions an absolute target of 108 million tonnes of CO_2e has been set for purchased goods and services, transportation logistics and the use phase of automobiles, a reduction of 27.5% compared to the reference year 2019.

Physical and transitory climate-related risks and opportunities, as well as the targets set to reduce CO_2e emissions (as explained above) are taken into account both for internal performance management as well as for financial reporting purposes. These aspects, referred to below as "climate-related aspects", are highly relevant for the preparation of the Group Financial Statements, particularly in the case of assumptions, judgements and estimations relating to future developments that impact the BMW Group and its environment, and are therefore included in their assessment.

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. « (Section contains information in line with ESRS E1-1 AR 15.)

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. Revenues are recognised when control of the product is transferred to the dealership or retail customer, whereby the point in time of transfer is becoming increasingly important due to the phased introduction of the direct sales model. In the case of sales of products, control is transferred and revenue therefore recognised as a general rule 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 subsidies. The consideration arising from these sales is usually due for payment in advance, 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 general 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 multiple-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 business, revenues are not recognised at Group level at the time of the sale of the vehicle. Instead, assets and liabilities arising from rights of return are recognised in the balance sheet for these vehicles.

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.

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 continue to be accounted for in accordance with IFRS 15 due to the option available in IFRS 17. In some markets, however, products (e.g. comprehensive vehicle insurance) are offered that are required to be accounted for in accordance with IFRS 17. These contracts are recognised using the so-called premium allocation approach. Insurance premiums arising on insurance contracts are presented in other 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. Government grants received for assets are deducted from the carrying amount of the relevant assets, and recognised in profit or loss over the respective useful lives of the assets in the form of reduced depreciation/amortisation. For information on the accounting treatment of government grants for assets granted before 31 December 2022, please refer to the disclosures provided in ↗ note [37].

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 when they are returned or, in exceptional cases, when they are sold or expire. 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 emissions 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 strategy process and the ongoing expansion of electric mobility, the detailed forecast takes account of key assumptions such as the planned increase in the share of electrified automobiles to over 50%, the required level of expenditure on research and development with regard to vehicle models with battery-powered electric drives, the scale of investments in resource-saving production facilities (including any expected efficiency improvements) and the cost of converting production processes from fossil fuels to renewable energy sources. Last but not least, the expected impact on the current leasing portfolio is also considered.

Amounts are discounted on the basis of a market-related cost of capital rate. Impairment tests are performed for accounting and financial reporting purposes and using a risk-adjusted pre-tax cost of capital (WACC) for the Automotive excluding BMW Brilliance, BMW Brilliance and Motorcycles cash-generating units. 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. The following pre-tax discount factors were applied:

in %	2024	2023
Automotive excluding BMW Brilliance	13.4	13.7
BMW Brilliance	13.6	15.6
Motorcycles	13.4	13.7
Financial Services	13.9	15.2

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. No adjustments to the WACC were made for environmental, social or governance (ESG) aspects.

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 lives of plant and equipment are 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. In addition to the assumptions used for long-term corporate planning as described above, product-relevant decisions taken during the year are also considered. Climate-related aspects have an indirect impact on the utilisation of property, plant and equipment. Adjustments to the useful lives of items of plant and machinery are avoided by means of by a combination of flexible manufacturing arrangements (independent of drivetrain type and capable of handling all vehicle generations) as well as 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.

A lease arises for IFRS 16 purposes either when an actual legal **rental/lease agreement for property, plant and equipment** is in place or when other contractual arrangements are in place that are equivalent to a lease in substance. Depending on the specific facts and circumstances of each individual case, power purchase agreements and long-term supply contracts for battery cells may also constitute a lease.

The BMW Group recognises a right-of-use asset and a liability for the outstanding lease payments 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 depreciated 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.

The incremental borrowing rate comprises 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.

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-emissions 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 case, valuations relevant for new business which are subject to the same turn of events would also be adjusted. The models used to determine residual value are also subject to regular review and can be supplemented where appropriate to include aspects relating to changes in the market.

Using this approach, different scenario analyses can be used to take into account upward or downward adjustments to estimated values. The assumptions are based on internally available historical data and current market data, as well as on data from 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, finance receivables, 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. Financial assets are derecognised when contractual cash flows attached to them have expired or are transferred and all significant risks and rewards have been passed on to the acquirer.

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. In the BMW Group, selected marketable securities, shares in investment funds, money market funds and convertible bonds are measured 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.

As part of its asset-backed securities (ABS) financing activities, the BMW Group transfers some of its receivables from sales financing – primarily retail customer and dealership financing receivables – to structured companies, which in turn securitise them and place them on the capital market as collateralised marketable securities.

The transferred receivables are not derecognised and therefore remain on the BMW Group's balance sheet. For this reason, receivables from sales financing fulfil the criteria of the "hold" business model.

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. The related vehicles are reported within the line item 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 12-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 economic 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 line 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 economic 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 economic 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 assets, 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.

Financial assets include in particular marketable securities and shares in investment funds as well as derivative financial instruments.

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 line items 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. 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. As an exception to this, deferred tax assets and liabilities resulting from the implementation of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules are neither recognised nor disclosed.

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% 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. The current obligation is also recognised as a provision in the case of an onerous contract. An onerous contract is a contract for which the unavoidable expenditure necessary to fulfil the contractual obligation exceeds the economic benefits expected to be received from that contract. In principle, this cost-benefit analysis – which is often subject to judgement – is carried out at the level of the entire contract. 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 [34]. Similar estimates are also made in conjunction with the measurement of expected reimbursement claims.

The recognition and measurement of provisions for **litigation and liability risks** necessitate 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 their close family members or intermediary companies. 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 [41] and in the list of investments disclosed in ↗ note [47].

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 [42].

NOTES TO THE INCOME STATEMENT

07 Revenues

Revenues by activity comprise the following:

in € million	2024	2023
Sales of products and related goods	103,984	118,769
Sales of products previously leased to customers	14,356	14,262
Income from lease instalments	12,523	11,664
Interest income on credit financing and finance leases	6,092	5,279
Revenues from service contracts, telematics and roadside assistance	3,822	3,648
Other income	1,603	1,876
Revenues	**142,380**	**155,498**

Revenues recognised from contracts with customers in accordance with IFRS 15 totalled € 123,386 million (2023: € 138,190 million), spread across the first, second and fifth categories of the above table and proportionately to other income.

Revenues by segment are shown in the explanatory comments on segment information provided in ↗ note [46].

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 and finance leases are allocated to the Financial Services segment. Revenues from service contracts, telematics and roadside assistance are attributable mainly to the Automotive and Financial Services segments, and, to a lesser extent, to the Motorcycles segment.

Other income relates mainly to the Automotive segment and the Financial Services segment. This figure includes insurance premiums relating to insurance contracts amounting to € 89 million (2023: € 89 million).

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 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 € 4,684 million (2023: € 4,081 million). This interest income is not reported separately in the income statement as it is not significant compared to total Group revenues.

08 Cost of sales

Cost of sales comprises:

in € million	2024	2023
Manufacturing costs	75,680	82,549
Cost of sales relating to financial services business	30,277	27,764
thereof interest expense relating to financial services business	4,902	3,554
Research and development expenses	7,642	7,538
Expenses for service contracts, telematics and roadside assistance	2,885	2,780
Warranty expenditure	1,964	3,782
Other cost of sales	1,037	1,396
Cost of sales	**119,485**	**125,809**

Manufacturing costs are reduced by public-sector subsidies in the form of reduced taxes on assets and reduced consumption-based taxes amounting to € 111 million (2023: € 107 million).

Impairment losses recognised in the income statement in connection with receivables from sales financing amounted to € 352 million (2023: € 168 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	2024	2023
Research and development expenditure	9,078	7,755
New expenditure for capitalised development costs	– 3,525	– 2,604
Amortisation	2,089	2,387
Research and development expenses	**7,642**	**7,538**

09 Selling and administrative expenses

in € million	2024	2023
Selling expenses	6,135	6,091
Administrative expenses	5,161	4,934
Selling and administrative expenses	**11,296**	**11,025**

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

10 Other operating income and expenses

Other operating income and expenses comprise the following items:

in € million	2024	2023
Exchange gains	757	429
Income from the reversal of provisions	235	240
Income from the reversal of impairment allowances and write-downs	18	2
Gains on the disposal of assets	26	58
Sundry operating income	375	316
Other operating income	**1,411**	**1,045**
Exchange losses	– 510	– 401
Expense for additions to provisions	– 228	– 399
Expense for impairment allowances and write-downs	– 35	– 15
Loss on the disposal of assets	– 141	– 67
Sundry operating expenses	– 587	– 345
Other operating expenses	**– 1,501**	**– 1,227**
Other operating income and expenses	**– 90**	**– 182**

In 2024, exchange gains and losses include a net positive amount of € 233 million arising primarily on the de-designation of renminbi currency hedging transactions.

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

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

Impairment losses recognised on receivables from contracts with customers amounted to € 35 million (2023: € 15 million).

11 Net interest result

Net interest result comprises the following:

in € million	2024	2023
Other interest and similar income	653	691
thereof from subsidiaries	35	37
Net interest income on the net defined benefit liability for pension plans	2	10
Interest and similar income	**655**	**701**
Net interest impact on other long-term provisions	– 330	– 467
Net interest expense on the net defined benefit liability for pension plans	– 11	– 9
Other interest and similar expenses	– 232	– 180
thereof to subsidiaries	– 4	– 4
Interest and similar expenses	**– 573**	**– 656**
Net interest result	**82**	**45**

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.

12 Other financial result

in € million	2024	2023
Income from investments in subsidiaries and participations	99	85
thereof from subsidiaries:	24	22
Expenses from investments in subsidiaries and participations	– 248	– 142
thereof from subsidiaries:	– 6	–
Result on investments	**– 149**	**– 57**
Income (+) and expenses (–) from financial instruments	– 457	– 1,215
Sundry other financial result	**– 457**	**– 1,215**
Other financial result	**– 606**	**– 1,272**

In addition to the investment result, the other financial result 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.

The negative sundry other financial result was attributable in particular to the unfavourable fair value development of interest rate hedges as a consequence of the decline in yield curves and portfolio effects.

13 Income taxes

Taxes on income of the BMW Group can be classified according to their origin as follows:

in € million	2024	2023
Current tax expense	3,844	5,370
Deferred tax expense (+) / deferred tax income (–)	– 551	– 439
thereof relating to temporary differences	– 532	– 457
thereof relating to tax loss carryforwards and tax credits	– 19	18
Income taxes	**3,293**	**4,931**

The tax expense was reduced by € 16 million (2023: € 33 million) as a result of utilising tax loss carryforwards, for which deferred assets had not previously been recognised and in conjunction with previously unrecognised tax credits and temporary differences.

The tax income resulting from the change in the valuation allowance on deferred tax assets relating to tax losses available for carryforward and temporary differences amounted to € 42 million (2023: € 19 million).

The BMW Group falls within the scope of the OECD Pillar Two model rules aimed at ensuring a global minimum taxation rate of 15%. The income tax expense resulting from the first-time application of the OECD Pillar Two model rules amounted to € 9 million in the financial year 2024. The BMW Group applies the exemption relating to the recognition of deferred tax assets and liabilities in connection with Pillar Two.

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 429% (2023: 430%), the underlying income tax rate for Germany was as follows:

in %	2024	2023
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	15.0	15.1
German income tax rate	**30.8**	**30.9**

Deferred taxes for non-German entities are calculated on the basis of the relevant country-specific tax rates. These ranged in the financial year 2024 between 9.0% and 40.0% (2023: 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	2024	2023
Profit before tax	10,971	17,096
Tax rate applicable in Germany	30.8%	30.9%
Expected tax expense	**3,379**	**5,283**
Variances due to different tax rates	– 472	– 786
Tax increases (+) / tax reductions (-) due to:		
Tax-exempt income	– 159	– 217
Non-deductible expenses	487	632
Equity accounted	4	44
Tax expense (+) / benefits (–) for prior years	– 16	– 284
Effects from tax rate changes	– 25	– 7
Other variances	95	266
Actual tax expense	**3,293**	**4,931**
Effective tax rate	30.0%	28.8%

The tax increases due to non-deductible expenses were mainly attributable to withholding tax expenses.

Other variances included an amount of € 106 million (2023: € 304 million) attributable to deferred tax effects relating to prior periods.

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

	Deferred tax assets		Deferred tax liabilities	
in € million	2024	2023	2024	2023
Intangible assets	21	18	4,866	4,674
Property, plant and equipment	183	263	1,985	1,987
Leased products	405	394	2,622	2,895
Other investments	6	3	–	–
Sundry other assets	1,938	1,478	3,152	3,334
Tax loss carryforwards and unused tax credits	178	182	–	–
Capital losses	484	461	–	–
Provisions	5,090	5,012	9	19
Liabilities	4,584	4,575	836	1,027
Eliminations	4,348	4,162	2,463	2,332
	17,237	**16,548**	**15,933**	**16,268**
Valuation allowances on tax loss carryforwards and temporary differences	– 197	– 185	–	–
Valuation allowances on capital losses	– 484	– 461	–	–
Netting	– 13,312	– 13,471	– 13,312	– 13,471
Deferred taxes	**3,244**	**2,431**	**2,621**	**2,797**
Net	623	–	–	366

Tax loss carryforwards relating to Germany and foreign operations amounted to € 575 million (2023: € 601 million). This includes tax losses available for carryforward amounting to € 321 million (2023: € 382 million), on which a valuation allowance of € 106 million (2023: € 129 million) was recognised on the related deferred tax asset. Of these loss carryforwards, € 264 million (2023: € 349 million) can be used indefinitely, while € 35 million (2023: € 33 million) expires after one to three years and € 22 million (2023: € 0 million) after more than three years.

A net surplus of deferred tax assets over deferred tax liabilities amounting to € 97 million (2023: € 95 million) is reported for entities that have suffered tax losses in the financial year 2024 or the preceding year. 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.

Capital losses available for carryforward in the UK which do not relate to ongoing operations changed due to currency factors to a total of € 1,937 million (2023: € 1,845 million). As in previous years, deferred tax assets recognised on these tax losses amounting to € 484 million (2023: € 461 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 authority.

The change in deferred taxes relating to amounts recognised with income effect or without income effect is shown in the following reconciliation:

in € million	2024	2023
Deferred taxes at 1 January (assets (+) / liabilities (–))	– 366	– 1,007
Deferred tax expense (–) / income (+) recognised through income statement	551	439
Change in deferred taxes recognised directly in equity	392	227
thereof relating to fair value gains and losses on financial instruments and marketable securities recognised directly in equity	440	203
thereof relating to the remeasurements of net liabilities for defined benefit pension plans	– 70	24
thereof from currency translation	22	–
Exchange rate impact and other changes	46	– 25
Deferred taxes at 31 December (assets (+) / liabilities (–))	**623**	**– 366**

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 to 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 € 39,647 million (2023: € 36,081 million). No computation was made of the potential impact of income taxes on the grounds of proportionality.

Deferred tax liabilities on expected dividends amounted to € 131 million (2023: € 187 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.

14 Earnings per share

		2024	2023
Net profit attributable to the shareholders of BMW AG	€ million	7,290.0	11,290.3
thereof profit attributable to common stock	€ million	6,629.6	10,250.3
thereof profit attributable to preferred stock	€ million	660.4	1,040.0
Average number of common stock shares in circulation	number	570,599,065	579,941,360
Average number of preferred stock shares in circulation	number	56,741,178	58,776,197
Basic/diluted earnings per share of common stock	**€**	**11.62**	**17.67**
Basic/diluted earnings per share of preferred stock	**€**	**11.64**	**17.69**
Dividend per share of common stock	**€**	**4.30***	**6.00**
Dividend per share of preferred stock	**€**	**4.32***	**6.02**

* Proposal by the Board of Management.

As in the previous year, diluted earnings per share correspond to basic earnings per share.

15 Personnel expenses

The income statement includes personnel expenses as follows:

in € million	2024	2023
Wages and salaries	12,394	12,170
Pension and welfare expenses	1,480	1,377
Social insurance expenses	1,248	1,174
Personnel expenses	**15,122**	**14,721**

Personnel expenses include € 54 million (2023: € 44 million) of costs relating to workforce measures.

The total pension expense for defined contribution plans of the BMW Group amounted to € 189 million (2023: € 179 million). Employer contributions paid to state pension insurance schemes totalled € 859 million (2023: € 806 million).

The average number of employees during the year was:

	2024	2023
Average number of employees	**157,110**	**152,111**
Automotive	144,605	139,779
Motorcycles	4,043	3,794
Financial Services	8,367	8,440
Other	95	98

Of the average number of employees, 966 (2023: 995) are attributable to one proportionately consolidated entity within the Automotive segment.

16 Leases

a As lessee

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

in € million	2024	2023
Expenses for leases of low-value assets and short-term leases	79	81
Expenses relating to variable lease payments not included in the measurement of lease liabilities	16	12
Interest expense arising on the measurement of lease liabilities	66	66

Most of the expenses for leases of 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 € 144 million (2023: € 480 million).

The BMW Group is also party to a number of long-term supply contracts for battery cells and to one heat supply contract that give rise to fixed and variable payment obligations. Based on the current interpretation, these arrangements include a lease component in accordance with IFRS 16. The fixed payment obligations arising from these contracts in accordance with IFRS 16 amounted to € 705 million (2023: € 749 million). The payments for the supply of heat are required to be made from the beginning of the financial year 2025, while the payment obligations under the long-term supply contracts for battery cells will arise as from the beginning of series delivery in the financial year 2026.

Cash outflows for leases in the financial year 2024 amounted to € 677 million (2023: € 675 million). In addition, cash outflows for right-of-use assets paid in advance amounted to € 309 million (2023: € 674 million).

Information on right-of-use assets, lease liabilities as well as further explanatory comments are provided in ↗ note [6], ↗ note [20], ↗ note [22] and ↗ note [36].

b As lessor

in € million	2024	2023
Income from variable lease payments for operating leases	141	110
Income from variable lease payments for finance leases	8	4
Financial income on the net investment in finance leases	1,324	1,127
Selling profit on the sale of vehicles leased to retail customers under finance leases	1,650	1,919

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

17 Fee expense for the Group auditor

The fee expense pursuant to § 314 (1) no. 9 HGB recognised in the financial year 2024 for the Group auditor and the PwC network of audit firms amounted to € 22 million (2023: € 19 million) and consists of the following:

	PwC International		thereof PwC GmbH	
in € million	2024	2023	2024	2023
Audit of financial statements	20	18	6	5
Other attestation services	2	1	2	1
Tax advisory services	–	–	–	–
Other services	–	–	–	–
Fee expense	**22**	**19**	**8**	**6**

Services provided during the financial year 2024 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, 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.

18 Government grants and government assistance

Income from asset-related and performance-related grants, amounting to € 112 million (2023: € 98 million) and € 274 million (2023: € 215 million) respectively, was recognised in the income statement in 2024.

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

19 Disclosures relating to the statement of comprehensive income

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

in € million	2024	2023
Remeasurement of the net liability for defined benefit pension plans	302	– 142
Income taxes	– 50	24
Items not expected to be reclassified to the income statement in the future	**252**	**– 118**
Marketable securities (at fair value through other comprehensive income)	**2**	**113**
thereof gains/losses arising in the period under report	12	33
thereof reclassifications to the income statement	– 10	80
Derivative financial instruments	**– 3,306**	**– 1,808**
thereof gains/losses arising in the period under report	– 1,571	– 507
thereof reclassifications to the income statement	– 1,735	– 1,301
Costs of hedging	**919**	**766**
thereof gains/losses arising in the period under report	72	– 102
thereof reclassifications to the income statement	847	868
Other comprehensive income from equity accounted investments	**7**	**26**
Income taxes	**678**	**281**
Currency translation foreign operations	**1,108**	**– 1,772**
Items that can be reclassified to the income statement in the future	**– 592**	**– 2,394**
Other comprehensive income for the period after tax	**– 340**	**– 2,512**

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

	2024			2023		
in € million	Before tax	Income taxes	After tax	Before tax	Income taxes	After tax
Remeasurement of the net liability for defined benefit pension plans	302	– 50	252	– 142	24	– 118
Marketable securities (at fair value through other comprehensive income)	2	– 1	1	113	– 35	78
Derivative financial instruments	– 3,306	941	– 2,365	– 1,808	536	– 1,272
Costs of hedging	919	– 262	657	766	– 220	546
Other comprehensive income from equity accounted investments	7	–	7	26	–	26
Currency translation foreign operations	1,108	–	1,108	– 1,772	–	– 1,772
Other comprehensive income	**– 968**	**628**	**– 340**	**– 2,817**	**305**	**– 2,512**

Other comprehensive income from equity accounted investments amounted to € 7 million (2023: € 26 million) and is reported in the Group Statement of Changes in Equity within currency translation differences.

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

NOTES TO THE BALANCE SHEET

20 Analysis of changes in Group tangible, intangible and investment assets 2024

	Acquisition and manufacturing cost							Depreciation and amortisation							Carrying amount	
in € million	1.1.2024	Translation differences	Additions due to changes in consolidated companies	Additions	Reclassifi-cations	Disposals	31.12.2024	1.1.2024	Translation differences	Current year	Reclassifi-cations	Value adjustments[1]	Disposals	31.12.2024	31.12.2024	31.12.2023
Development costs	23,028	–	–	3,525	–	5,085	21,468	10,684	–	2,089	–	–	5,085	7,688	13,780	12,344
Goodwill	1,487	42	–	–	–	–	1,529	–	–	–	–	–	–	–	1,529	1,487
Other intangible assets	9,461	315	–	83	–	251	9,608	3,270	128	1,431	–	–	132	4,697	4,911	6,191
Intangible assets	**33,976**	**357**	**–**	**3,608**	**–**	**5,336**	**32,605**	**13,954**	**128**	**3,520**	**–**	**–**	**5,217**	**12,385**	**20,220**	**20,022**
Land, titles to land, buildings, including buildings on third party land	21,957	388	–	1,066	1,664	185	24,890	8,709	131	999	–	–	150	9,689	15,201	13,248
thereof right-of-use assets from leases	4,449	58	–	497	1	95	4,910	1,659	12	457	–	–	78	2,050	2,860	2,790
Plant and machinery	46,425	679	–	2,856	1,828	3,191	48,597	31,496	464	3,723	– 7	–	3,093	32,583	16,014	14,929
thereof right-of-use assets from leases	1,717	4	–	300	167	52	2,136	444	1	395	–	–	23	817	1,319	1,273
Other facilities, factory and office equipment	3,519	49	–	506	105	343	3,836	2,248	27	408	7	–	326	2,364	1,472	1,271
thereof right-of-use assets from leases	156	7	–	79	–	33	209	67	2	46	–	–	28	87	122	89
Advance payments made and construction in progress	5,818	142	–	4,545[2]	– 3,597	14	6,894	–	–	–	–	–	–	–	6,894[3]	5,818
Property, plant and equipment	**77,719**	**1,258**	**–**	**8,973**	**–**	**3,733**	**84,217**	**42,453**	**622**	**5,130**	**–**	**–**	**3,569**	**44,636**	**39,581**	**35,266**
Leased products	**52,948**	**967**	**–**	**24,171**	**–**	**19,757**	**58,329**	**9,830**	**128**	**5,978**	**–**	**–**	**6,445**	**9,491**	**48,838**	**43,118**
Investments accounted for using the equity method	**683**	**3**	**–**	**105**	**–**	**– 2**	**793**	**240**	**–**	**–**	**–**	**–**	**–**	**240**	**553**	**443**
Investments in non-consolidated subsidiaries	323	10	–	10	–	4	339	89	3	–	–	6	1	97	242	234
Participations	1,152	25	–	31	–	18	1,190	189	– 20	–	–	163	– 1	333	857	963
Other investments	**1,475**	**35**	**–**	**41**	**–**	**22**	**1,529**	**278**	**– 17**	**–**	**–**	**169**	**–**	**430**	**1,099**	**1,197**

[1] Thereof expense amounting to € 169 million recognised in profit or loss.
[2] Including advance payments for right-of-use assets amounting to € 38 million.
[3] Including assets under construction amounting to € 5,963 million.

Analysis of changes in Group tangible, intangible and investment assets 2023

	Acquisition and manufacturing cost							Depreciation and amortisation							Carrying amount	
in € million	1.1.2023	Translation differences	Additions due to changes in consolidated companies	Additions	Reclassifications	Disposals	31.12.2023	1.1.2023	Translation differences	Current year	Reclassifications	Value adjustments[1]	Disposals	31.12.2023	31.12.2023	31.12.2022
Development costs	21,576	–	–	2,604	–	1,152	23,028	9,449	–	2,387	–	–	1,152	10,684	12,344	12,127
Goodwill	1,562	– 75	–	–	–	–	1,487	–	–	–	–	–	–	–	1,487	1,562
Other intangible assets	10,067	– 534	–	162	–	234	9,461	1,980	– 104	1,470	–	–	76	3,270	6,191	8,087
Intangible assets	**33,205**	**– 609**	**–**	**2,766**	**–**	**1,386**	**33,976**	**11,429**	**– 104**	**3,857**	**–**	**–**	**1,228**	**13,954**	**20,022**	**21,776**
Land, titles to land, buildings, including buildings on third party land	21,442	– 413	112	998	356	538	21,957	8,147	– 74	996	– 1	–	359	8,709	13,248	13,295
thereof right-of-use assets from leases	4,541	– 114	–	444	–	422	4,449	1,512	– 27	473	–	–	299	1,659	2,790	3,029
Plant and machinery	44,928	– 471	–	3,221	1,520	2,773	46,425	30,738	– 222	3,726	– 14	–	2,732	31,496	14,929	14,190
thereof right-of-use assets from leases	979	– 3	–	701	43	3	1,717	141	–	303	–	–	–	444	1,273	838
Other facilities, factory and office equipment	3,524	– 54	1	405	91	448	3,519	2,295	– 27	395	15	–	430	2,248	1,271	1,229
thereof right-of-use assets from leases	154	– 4	–	49	–	43	156	63	– 1	47	–	–	42	67	89	91
Advance payments made and construction in progress	3,412	– 81	405	4,050[2]	– 1,967	1	5,818	–	–	–	–	–	–	–	5,818[3]	3,412
Property, plant and equipment	**73,306**	**– 1,019**	**518**	**8,674**	**–**	**3,760**	**77,719**	**41,180**	**– 323**	**5,117**	**–**	**–**	**3,521**	**42,453**	**35,266**	**32,126**
Leased products	**52,893**	**– 534**	**–**	**18,927**	**–**	**18,338**	**52,948**	**10,073**	**– 86**	**5,591**	**–**	**–**	**5,748**	**9,830**	**43,118**	**42,820**
Investments accounted for using the equity method	**660**	**–**	**–**	**168**	**–**	**145**	**683**	**240**	**–**	**–**	**–**	**–**	**–**	**240**	**443**	**420**
Investments in non-consolidated subsidiaries	381	– 6	–	6	–	58	323	90	– 1	–	–	–	–	89	234	291
Participations	1,102	– 16	–	101	–	35	1,152	42	13	–	–	115	– 19	189	963	1,060
Other investments	**1,483**	**– 22**	**–**	**107**	**–**	**93**	**1,475**	**132**	**12**	**–**	**–**	**115**	**– 19**	**278**	**1,197**	**1,351**

[1] Thereof expense amounting to € 115 million recognised in profit or loss.
[2] Including advance payments for right-of-use assets amounting to € 79 million.
[3] Including assets under construction amounting to € 4,565 million.

21 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, emissions allowances, software and purchased customer bases.

Other intangible assets include brand-name rights amounting to € 98 million (2023: € 96 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 (2023: € 33 million) allocated to the Automotive excluding BMW Brilliance cash-generating unit (CGU) and goodwill of € 1,149 million (2023: € 1,107 million) allocated to the BMW Brilliance CGU. Goodwill amounting to € 347 million (2023: € 347 million) related to the Financial Services CGU.

In addition, emission certificates and similar rights from programmes to reduce CO_2e emissions with a carrying amount of € 74 million (2023: € 180 million) are included in other intangible assets.

As in the previous year, there was no requirement to recognise impairment losses or reversals of impairment losses on intangible assets in 2024.

As in the previous year, no financing costs were recognised as a cost component of intangible assets in 2024.

In 2024, government grants totalling € 3 million (2023: € 2 million) were deducted from the acquisition cost of intangible assets. These grants include public sector funds aimed at promoting development.

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

No impairment losses were recognised in 2024, 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 2024.

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.

In 2024, government grants totalling € 195 million (2023: € 121 million) were deducted from the acquisition cost of property, plant and equipment. These amounts relate mainly to public sector grants aimed at the promotion of regional structures as well as to subsidies received for plant expansions.

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 progressive expansion of electric mobility as well as the associated short- and medium-term impact on the product portfolio. The review of useful lives did not lead to any material adjustments in the financial year 2024.

23 Leased products

Minimum lease payments of non-cancellable operating leases fall due as follows:

in € million	31.12.2024	31.12.2023
within one year	11,011	9,601
between one and two years	8,127	6,872
between two and three years	4,659	3,875
between three and four years	2,105	1,813
between four and five years	439	305
later than five years	72	52
Minimum lease payments	**26,413**	**22,518**

Impairment losses amounting to € 533 million (2023: € 553 million) were recognised on leased products in 2024 as a consequence of changes in residual value expectations. Income from the reversal of impairment losses amounted to € 292 million (2023: € 274 million).

In 2024, public sector grants totalling € 355 million (2023: € 252 million) were deducted from the acquisition cost of leased products. These amounts relate mainly to investment tax credits in the form of tax credits for electric vehicles. It is expected that the investment tax credits can be utilised. The actual utilisation of investment tax credits will, however, depend on the extent to which they can be offset against income tax liabilities and is therefore subject to a degree of uncertainty.

24 Investments accounted for using the equity method

Investments accounted for using the equity method comprise interests in the joint ventures YOUR NOW Holding GmbH, Munich (YOUR NOW), and Beijing Ionchi New Energy Technology Ltd., Beijing (IONCHI), as well as interests in the associated companies IONITY Holding GmbH & Co. KG, Munich (IONITY), IONNA LLC, Torrance (IONNA), Solid Power Inc., Wilmington, Delaware (Solid Power), and THERE Holding B.V., Rijswijk (THERE).

YOUR NOW

Together with the Mercedes-Benz Group, the BMW Group offers mobility services via the YOUR NOW joint venture.

The at-equity loss relating to YOUR NOW for the financial year 2024 amounted to € 14 million (2023: € 82 million).

IONCHI

In the financial year 2024, the BMW Group and the Mercedes-Benz Group jointly founded the company IONCHI in China with the aim of developing charging infrastructure there. The 50% interest in the newly founded entity is accounted for as a joint venture using the equity method.

The at-equity loss relating to IONCHI in 2024 amounted to € 9 million.

IONITY

The BMW Group operates the entity IONITY in collaboration with the Mercedes-Benz Group, the Ford Motor Company, the Volkswagen Group and the Hyundai Motor Group. IONITY's business model envisages the construction and operation of high-performance charging stations for battery-powered vehicles in Europe.

On 1 November 2021, IONITY signed a contract 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. In addition, the existing shareholders have contributed € 200 million. With effect from 28 April 2022, on 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. The BMW Group has significant influence as it is represented on IONITY's Supervisory Board.

The at-equity profit relating to IONITY amounted to € 11 million (2023: € 12 million). This includes remeasurement effects arising in conjunction with the transaction with Blackrock.

IONNA

In 2023, the BMW Group, together with the Mercedes-Benz Group, the Stellantis Group, the Honda Group, the Hyundai Motor Group and the General Motors Company Group, founded the company IONNA in the USA with the aim of developing a charging network in North America. Following the entry of Toyota Motor Corporation during the financial year 2024, the BMW Group's interest was diluted from 16.67% to 14.29%. The BMW Group has significant influence as it is represented on IONNA's Board of Directors.

The at-equity loss relating to IONNA amounted to € 3 million (2023: € 0 million).

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 BMW Group has significant influence as it is represented on Solid Power's Board of Directors.

The at-equity profit relating to Solid Power for the financial year 2024 amounted to € 4 million (2023: at-equity loss of € 12 million). An impairment loss was reversed in 2024, whereas an impairment loss was recognised in the previous financial year.

in € million	2024	2023
DISCLOSURES RELATING TO THE INCOME STATEMENT		
Profit/loss after tax	– 61	– 43
thereof from continuing operations	– 61	– 43
Other comprehensive income	1	–
Total comprehensive income	– 60	– 43

THERE

Together with AUDI AG, the Mercedes-Benz Group 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.

The at-equity loss relating to THERE for the financial year 2024 amounted to € 3 million (2023: at-equity loss of € 77 million). In the previous year, impairment losses were recognised in relation to THERE's associated company HERE.

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

	YOUR NOW		IONCHI		IONITY		IONNA		THERE	
in € million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
DISCLOSURES RELATING TO THE BALANCE SHEET										
Non-current assets	60	68	94	–	750	574	22	–	1,104	1,109
Current assets	93	128	171	–	147	164	78	33	2	3
thereof cash and cash equivalents	56	77	168	–	87	96	78	33	1	3
Equity	66	77	166	–	725	573	90	31	959	973
Non-current financial liabilities, provisions and liabilities	23	28	80	–	109	41	3	–	146	137
Current financial liabilities, provisions and liabilities	64	91	19	–	63	124	7	2	1	2
RECONCILIATION OF AGGREGATED FINANCIAL INFORMATION										
Assets	153	196	265	–	897	738	100	33	1,106	1,112
Provisions and liabilities	87	119	99	–	172	165	10	2	147	139
Net assets	66	77	166	–	725	573	90	31	959	973
Group's interest in net assets	33	38	83	–	110	87	13	5	293	299
Carrying amount	33	38	83	–	110	87	13	5	296	299
DISCLOSURES RELATING TO THE INCOME STATEMENT										
Revenues	200	271	1	–	158	130	–	–	–	–
Scheduled depreciation	7	11	–	–	71	46	–	–	–	–
Profit/loss before financial result	– 12	– 131	– 20	–	– 59	– 27	– 22	– 2	– 1	– 1
Interest income	2	3	2	–	–	–	4	–	21	23
Interest expense	–	–	–	–	2	2	–	–	8	9
Income taxes	–	3	–	–	1	25	–	–	3	8
Profit/loss after tax	– 30	– 168	– 18	–	– 62	– 54	– 18	– 2	– 11	– 339
thereof from continuing operations	– 30	– 168	– 18	–	– 62	– 54	– 18	– 2	– 11	– 339
thereof from discontinued operations	–	–	–	–	–	–	–	–	–	–
Other comprehensive income	19	51	–	–	–	–	–	–	– 6	2
Total comprehensive income	– 11	– 117	– 18	–	– 62	– 54	– 18	– 2	– 17	– 337

25 Receivables from sales financing

Receivables from sales financing comprise the following:

in € million	31.12.2024	31.12.2023
Credit financing for retail customers and dealerships*	70,121	65,733
Finance lease receivables	23,597	21,622
Receivables from sales financing	**93,718**	**87,355**

* Including operating leases.

As part of its ABS financing activities, the BMW Group transfers some of its receivables from sales financing – primarily retail customer and dealership financing receivables – to structured companies, which in turn securitise them and place them on the capital market as collateralised securities.

For the purposes of ABS financing, only the senior tranches of the issued securities are sold to external investors. Subordinated tranches are retained by the BMW Group. Furthermore, the BMW Group retains the exposure to interest rate risk in many transactions for which it concludes corresponding interest rate derivatives. The risk of delayed payments by debtors is reduced in the majority of ABS financing agreements by cash reserves financed by the BMW Group. Due to the risks remaining with the BMW Group, the ABS financing arrangements did not result in the derecognition of the securitised financial assets.

The carrying amount of receivables from sales financing transferred but not derecognised at 31 December 2024 stood at € 15,758 million (2023: € 15,152 million). The fair value of those receivables at that date was € 16,038 million (2023: € 15,332 million).

The carrying amount of the corresponding liabilities from asset-backed financing transactions at 31 December 2024 stood at € 12,580 million (2023: € 12,089 million). The fair value of these liabilities at that date was € 12,735 million (2023: € 12,148 million).

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

	Stage 1	Stage 2		Stage 3	
in € million		General	Simplified		Total
Impairment allowances at 1 January 2024	581	929	36	643	2,189
Reclassification to Stage 1	7	– 75	–	– 3	– 71
Reclassification to Stage 2	– 23	253	–	– 43	187
Reclassification to Stage 3	– 5	– 72	– 2	302	223
Derecognition and origination of receivables	43	14	1	– 9	49
Write-off of receivables	– 1	– 30	– 1	– 184	– 216
Changes in risk parameters	– 9	7	–	9	7
Other changes	– 51	– 35	– 4	47	– 43
Impairment allowances at 31 December 2024	**542**	**991**	**30**	**762**	**2,325**

	Stage 1	Stage 2		Stage 3	
in € million		General	Simplified		Total
Impairment allowances at 1 January 2023	576	935	35	599	2,145
Reclassification to Stage 1	5	– 47	–	– 1	– 43
Reclassification to Stage 2	– 23	234	–	– 39	172
Reclassification to Stage 3	– 3	– 52	– 1	215	159
Derecognition and origination of receivables	54	26	2	– 20	62
Write-off of receivables	– 1	– 24	– 1	– 98	– 124
Changes in risk parameters	– 8	– 5	– 1	– 2	– 16
Other changes	– 19	– 138	2	– 11	– 166
Impairment allowances at 31 December 2023	**581**	**929**	**36**	**643**	**2,189**

In order to take into account the impact of the weaker macroeconomic environment on its retail and dealership business, the Group has recognised an additional risk allowance for expected credit losses that are not fully reflected in the standard models (post-model adjustments). The level of the risk allowance is reviewed regularly and has been reduced compared to the previous year across the countries concerned, as some of the weaker overall economic development is now also taken into account in the standard models. By contrast, the allowance for the Chinese market was increased year on year and means – in combination with the ongoing uncertainties and the overall subdued macroeconomic outlook – that the additional risk allowance remains within the mid-three-digit million range.

Impairment allowances include € 133 million (2023: € 95 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 € 656 million (2023: € 488 million). The carrying amount of assets held as collateral and taken back as a result of payment default amounted to € 83 million (2023: € 19 million).

Finance leases are analysed as follows:

in € million	31.12.2024	31.12.2023
due within one year	7,579	7,107
due between one and two years	7,168	6,560
due between two and three years	6,152	5,677
due between three and four years	4,987	4,134
due between four and five years	938	942
due later than five years	36	32
Gross investment in finance leases	**26,860**	**24,452**
due within one year	6,546	6,232
due between one and two years	6,376	5,857
due between two and three years	5,604	5,191
due between three and four years	4,670	3,935
due between four and five years	835	836
due later than five years	32	29
Net investment in finance leases without loss allowances	**24,063**	**22,080**
Unrealised interest income	**2,797**	**2,372**
Loss allowances	**466**	**458**
Net investment in finance leases	**23,597**	**21,622**

26 Financial assets

Financial assets comprise:

in € million	31.12.2024	31.12.2023
Marketable securities and investment funds	1,470	2,170
Derivative instruments	1,497	2,926
Loans to third parties	22	18
Other	410	404
Financial assets	**3,399**	**5,518**
thereof non-current	834	1,387
thereof current	2,565	4,131

27 Income tax assets

Income tax assets totalling € 1,316 million (2023: € 1,199 million) include claims amounting to € 26 million (2023: € 29 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.

28 Other assets

Other assets comprise:

in € million	31.12.2024	31.12.2023
Return right assets for future leased products	2,000	2,263
Collateral assets	892	455
Receivables from subsidiaries	684	642
Deposits	98	98
Receivables from companies in which an investment is held	55	48
Other assets (financial instruments)	**3,729**	**3,506**
Other taxes	1,686	1,987
Advance payments	1,168	847
Expected reimbursement claims	818	819
Prepaid expenses	555	517
Other assets (non-financial instruments)	**4,227**	**4,170**
Sundry other assets	1,300	1,457
Other assets	**9,256**	**9,133**
thereof non-current	1,827	1,537
thereof current	7,429	7,596

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

29 Inventories

Inventories comprise the following:

in € million	31.12.2024	31.12.2023
Finished goods and goods for resale	16,851	16,103
Work in progress, unbilled contracts	3,130	3,190
Raw materials and supplies	3,310	3,722
Vehicles held for sale in the financial services business	1,096	693
Advance payments to suppliers	–	11
Inventories	**24,387**	**23,719**

Out of the total amount recognised for inventories at 31 December 2024, inventories measured at net realisable value amounted to € 2,537 million (2023: € 1,346 million). Write-downs to net realisable value in the financial year 2024 amounted to € 522 million (2023: € 189 million), while reversals of write-downs amounted to € 15 million (2023: € 13 million).

The expense recorded in conjunction with inventories during the financial year 2024 amounted to € 75,333 million (2023: € 81,497 million).

At 31 December 2024, the carrying amounts of inventories expected to be realised after more than twelve months amount to € 54 million (2023: € 86 million).

30 Trade receivables

Trade receivables comprise the following:

in € million	31.12.2024	31.12.2023
Gross carrying amount	2,917	4,232
Allowances for impairment of Stage 2 – simplified approach	– 11	– 18
Allowances for impairment of Stage 3	– 72	– 52
Net carrying amount	**2,834**	**4,162**
thereof non-current	3	3
thereof current	2,831	4,159

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

in € million	2024	2023
Balance at 1 January	70	59
Allocated	22	17
Reversed	– 6	– 2
Utilised	– 3	– 3
Exchange rate impact and other changes	–	– 1
Balance at 31 December	**83**	**70**

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.

31 Equity

Number of shares issued

	Preferred stock		Common stock	
	2024	2023	2024	2023
Shares in circulation at 1 January	57,977,516	59,395,329	575,577,304	586,683,189
Less: shares repurchased and withdrawn from circulation	2,150,252	1,417,813	9,145,249	11,105,885
Shares in circulation at 31 December	**55,827,264**	**57,977,516**	**566,432,055**	**575,577,304**
Treasury shares	3,093,144	942,892	13,363,612	4,218,363
Number of shares issued at 31 December	**58,920,408**	**58,920,408**	**579,795,667**	**579,795,667**

BMW AG's issued share capital totalling € 638,716,075 comprises 579,795,667 shares of common stock, each with a par value of € 1, and 58,920,408 shares of non-voting preferred stock, each with a par value of € 1. The issued share capital and the number of shares were reduced by € 24,123,400 in the previous financial year 2023 following the redemption of 22,199,529 shares of common stock and 1,923,871 shares of preferred stock. These treasury shares had been acquired in conjunction with the first share buyback programme 2022/2023. The amount of the share capital reduction was reclassified to capital reserves.

All Company stock is issued to bearer. Preferred stock bears an additional dividend of € 0.02 per share.

Capital reserves

Capital reserves include mainly premiums arising from the issue of shares, and totalled € 2,456 million (2023: € 2,456 million).

Revenue reserves

Revenue reserves include the non-distributed earnings of companies consolidated in the Group Financial Statements. In addition, remeasurements of the net liability for defined benefit pension plans (and related income taxes) that are recognised through other comprehensive income 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 2024 amounting to € 2,676,831,616.98 be utilised to pay a dividend of € 4.32 for each share of preferred stock entitled to receive a dividend, and a dividend of € 4.30 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 2024 entitled to receive a dividend, the proposed distribution represents a total payout of € 2.7 billion.

The proposal for the appropriation of unappropriated profit takes into account 13,363,612 treasury shares of common stock and 3,093,144 treasury shares of preferred stock held directly or indirectly by the Company at 31 December 2024. In accordance with § 71b of the German Stock Corporation Act (AKTG), these shares 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 through other comprehensive income resulting from the translation of the financial statements of foreign subsidiaries, changes in the fair value of derivative financial instruments and marketable securities, the cost of hedging measures as well as income taxes relating to those items.

Treasury shares

At the Annual General Meeting of BMW AG held 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 or – if this value is lower – of the share capital in place at the date of the respective exercise of the authorisation, and to withdraw these shares from circulation without any further resolution by the Annual General Meeting. The buyback authorisation remains valid until 10 May 2027.

In conjunction with this authorisation, on 3 May 2023, the Board of Management approved a second share buyback programme via the stock exchange. Under this programme, BMW AG is authorised to acquire treasury shares of common and preferred stock amounting to a maximum of € 1.65 billion and € 0.35 billion respectively. The second programme commenced immediately following completion of the first buyback programme and will be completed by 31 December 2025 at the latest.

The acquisition serves the purpose of either redeeming the shares at a later date and reducing share capital or using them in conjunction with the Employee Share Programme.

Up to 31 December 2024, a total of 13,363,612 shares of common stock had been bought back via the stock exchange under the second share buyback programme at an average price per share of € 92.42 and a total acquisition cost of € 1,235 million. This corresponds to 2.09% of share capital. The shares concerned are held by BMW AG as treasury shares at the end of the reporting period.

Up to 31 December 2024, a total of 3,093,144 shares of preferred stock had been bought back via the stock exchange under the second share buyback programme at an average price per share of € 85.67 and a total acquisition cost of € 265 million, corresponding to 0.48% of share capital. The shares concerned are held by BMW AG as treasury shares at the end of the reporting period.

Under the authorisation granted at the Annual General Meeting in 2022, a total of 35,563,141 shares of common stock and 5,017,015 shares of preferred stock had been repurchased on the stock exchange up to 31 December 2024, corresponding to 6.35% of share capital at the end of the reporting period.

On 10 September 2024 and on the basis of § 71 (1) no.2 AktG, the Board of Management resolved a programme – carried out during the period from 12 November to 29 November 2024 – to buy back shares of common stock for employees. The acquisition of shares under this programme was solely for the purpose of fulfilling obligations arising from the existing Employee Share Programme. Based on the applications received from eligible employees, 1,352,000 shares of common stock were bought back and subsequently sold to employees at a preferential price of € 54.75 per share. These shares are entitled to receive dividends for the first time with effect from the financial year 2024.

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	31.12.2024	31.12.2023
Equity attributable to shareholders of BMW AG	92,315	89,596
Proportion of total capital	45.3%	48.5%
Non-current financial liabilities	66,770	52,880
Current financial liabilities	44,491	42,130
Total financial liabilities	111,261	95,010
Proportion of total capital	54.7%	51.5%
Total capital	**203,576**	**184,606**

Equity attributable to shareholders of BMW AG increased during the financial year by 3.0%, primarily reflecting the increase in revenue reserves.

32 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.

Total comprehensive income allocated to the other shareholders of BMW Brilliance amounts to € 376 million (2023: € 615 million). A dividend of € 984 million (2023: € 1,447 million) was distributed to these shareholders during the financial year. At 31 December 2024, non-controlling interests in BMW Brilliance amounted to € 2,415 million (2023: € 2,970 million).

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

in € million	2024	2023
DISCLOSURES RELATING TO THE INCOME STATEMENT		
Revenues	26,453	33,227
Profit after tax	1,413	3,262
Total comprehensive income	1,613	2,327
DISCLOSURES RELATING TO THE BALANCE SHEET		
Non-current assets	15,826	16,352
Current assets	7,151	11,044
Non-current provisions and liabilities	3,314	3,601
Current provisions and liabilities	8,254	9,773
DISCLOSURES RELATING TO THE CASH FLOW STATEMENT		
Total cash flows	– 1,555	– 621

33 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 %	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Discount rate	3.36	3.19	5.48	4.54	6.13	5.57
Pension level trend	2.01	2.24	2.28	2.17	–	–
Weighted duration of all pension obligations in years	13.0	13.8	12.1	13.1	12.2	12.8

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	S4PA Tables and CMI_2023 model with improvement factor of 1.25%

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

	Germany		United Kindgom		Other		Total	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Present value of defined benefit obligations	13,255	12,721	4,847	5,306	892	891	18,994	18,918
Fair value of plan assets	13,391	12,528	5,560	6,079	752	740	19,703	19,347
Effect of limiting net defined benefit asset to asset ceiling	–	–	766	797	5	2	771	799
Carrying amounts	**– 136**	**193**	**53**	**24**	**145**	**153**	**62**	**370**
thereof pension provisions	3	193	72	77	147	157	222	427
thereof assets	– 139	–	– 19	– 53	– 2	– 4	– 160	– 57

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

Germany
Employer-funded as well as employee-funded benefit plans exist in Germany. In addition to retirement benefits, pension benefits also include disability and surviving dependents' benefits. The level of ongoing pension payments is adjusted in accordance with § 16 of the Company Pensions Act (Betriebsrentengesetz).

Two employer-funded pension plans are in place that are based on defined contributions for which the level of benefits depends on developments on the capital markets. Benefits granted by the two plans are funded by a combination of the payment of fixed monthly contributions by the Company, a deferred remuneration option for employees and a matching contribution by the Company. Further contributions are made on the basis of the BMW Group's performance. A further plan is in place that is funded entirely out of deferred remuneration. Due to the minimum interest rate guaranteed by the BMW Group, these plans are all classified as defined benefit plans in accordance with IAS 19. In addition to the above plans, an employer-funded, defined benefit pension plan with lifelong pension benefits remains in place which is now closed to new entrants. The pension benefit is calculated by multiplying a fixed amount by the number of completed years of service. Only employees who did not agree to a one-time option to switch to the defined contribution system in 2021 and 2022 will receive future increases in entitlements under this plan.

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 is represented by ten trustees and BMW Pension Trustees Limited 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 2024	18,918	– 19,347	– 429	799	370
EXPENSE/INCOME					
Current service cost	382	–	382	–	382
Interest expense (+)/income (–)	677	– 711	– 34	43	9
Past service cost	41	–	41	–	41
REMEASUREMENTS					
Gains (–) or losses (+) on plan assets, excluding amounts included in interest income	–	407	407	–	407
Gains (–) or losses (+) arising from changes in financial assumptions	– 906	–	– 906	–	– 906
Gains (–) or losses (+) arising from changes in demographic assumptions	– 48	–	– 48	–	– 48
Gains (–) or losses (+) arising from experience adjustments	277	–	277	–	277
Changes in the limitation of the net defined benefit asset to the asset ceiling	–	–	–	– 112	– 112
Transfers to fund	–	– 362	– 362	–	– 362
Employee contributions	111	– 111	–	–	–
Pensions and other benefits paid	– 742	743	1	–	1
Translation differences and other changes	284	– 322	– 38	41	3
31 December 2024	**18,994**	**– 19,703**	**– 709**	**771**	**62**
thereof pension provisions					222
thereof assets					– 160

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 2023	17,685	– 18,383	– 698	894	196
EXPENSE/INCOME					
Current service cost	366	–	366	–	366
Interest expense (+)/income (–)	704	– 748	– 44	43	– 1
Past service cost	27	–	27	–	27
REMEASUREMENTS					
Gains (–) or losses (+) on plan assets, excluding amounts included in interest income	–	– 317	– 317	–	– 317
Gains (–) or losses (+) arising from changes in financial assumptions	458	–	458	–	458
Gains (–) or losses (+) arising from changes in demographic assumptions	– 174	–	– 174	–	– 174
Gains (–) or losses (+) arising from experience adjustments	329	–	329	–	329
Changes in the limitation of the net defined benefit asset to the asset ceiling	–	–	–	– 155	– 155
Transfers to fund	–	– 353	– 353	–	– 353
Employee contributions	107	– 107	–	–	–
Pensions and other benefits paid	– 673	667	– 6	–	– 6
Translation differences and other changes	89	– 106	– 17	17	–
31 December 2023	**18,918**	**– 19,347**	**– 429**	**799**	**370**
thereof pension provisions					427
thereof assets					– 57

Due to the fact that there is no right of reimbursement or right to reduce future contributions, particularly to the fund of one pension plan in the UK, the amount of plan assets reported 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:

	Germany		United Kingdom		Other		Total	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Equity instruments	3,527	2,729	–	–	50	41	3,577	2,770
Debt instruments	6,479	6,561	3,592	4,237	58	53	10,129	10,851
thereof investment grade	5,789	5,479	3,592	4,237	58	53	9,439	9,769
thereof non-investment grade	690	1,082	–	–	–	–	690	1,082
Real estate funds	56	51	–	–	31	27	87	78
Money market funds	–	–	77	51	30	27	107	78
Other	272	289	–	–	4	1	276	290
Total with quoted market price	**10,334**	**9,630**	**3,669**	**4,288**	**173**	**149**	**14,176**	**14,067**
Debt instruments	345	341	962	682	1	1	1,308	1,024
thereof investment grade	341	336	–	–	–	–	341	336
thereof mixed funds (funds without a rating)	4	5	962	682	–	–	966	687
thereof non-investment grade	–	–	–	–	1	1	1	1
Real estate	424	431	513	622	–	–	937	1,053
Cash and cash equivalents	142	73	–	–	–	–	142	73
Absolute return funds	409	466	2	52	–	–	411	518
Other	1,737	1,587	414	435	578	590	2,729	2,612
Total without quoted market price	**3,057**	**2,898**	**1,891**	**1,791**	**579**	**591**	**5,527**	**5,280**
Total plan assets	**13,391**	**12,528**	**5,560**	**6,079**	**752**	**740**	**19,703**	**19,347**

In the financial year 2024, disbursements out of plan assets are expected to exceed the employer's contributions to plan assets by € 388 million. Plan assets of the BMW Group include own transferable financial instruments amounting to € 11 million (2023: € 17 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:

	Germany		United Kingdom		Other	
in %	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Current employees	59.6	58.2	–	–	56.7	57.1
Pensioners	34.1	35.2	66.2	59.2	35.7	35.6
Former employees with vested benefits	6.3	6.6	33.8	40.8	7.6	7.3
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			
		31.12.2024		31.12.2023	
		in € million	in %	in € million	in %
Discount rate	increase of 0.75%	– 1,238	– 6.5	– 1,418	– 7.5
	decrease of 0.75%	1,455	7.7	1,671	8.8
Pension level trend	increase of 0.25%	299	1.6	325	1.7
	decrease of 0.25%	– 285	– 1.5	– 319	– 1.7
Average life expectancy	increase of 1 year	445	2.3	515	2.7
	decrease of 1 year	– 446	– 2.3	– 533	– 2.8

34 Other provisions

Other provisions changed during the year as follows:

in € million	1.1.2024	Additions due to changes in consolidated companies	Translation differences	Additions	Reversal of discounting	Utilised	Reversed	31.12.2024	thereof due within one year
Statutory and non-statutory warranty obligations, product guarantees	9,650	–	217	3,007	287	– 3,217	– 672	9,272	3,595
Obligations for personnel and social expenses	2,964	–	15	1,464	44	– 1,763	– 246	2,478	1,664
Bonus and price reductions	1,677	–	30	1,822	–	– 1,276	– 187	2,066	1,914
Other obligations	2,746	4	28	1,407	17	– 999	– 646	2,557	1,370
Other provisions	**17,037**	**4**	**290**	**7,700**	**348**	**– 7,255**	**– 1,751**	**16,373**	**8,543**

in € million	1.1.2023	Additions due to changes in consolidated companies	Translation differences	Additions	Reversal of discounting	Utilised	Reversed	31.12.2023	thereof due within one year
Statutory and non-statutory warranty obligations, product guarantees	8,251	–	– 235	4,243	391	– 2,674	– 326	9,650	4,333
Obligations for personnel and social expenses	3,249	–	– 12	1,782	47	– 2,061	– 41	2,964	1,979
Bonus and price reductions	1,443	–	– 44	1,144	–	– 761	– 105	1,677	1,545
Other obligations	2,818	–	– 44	1,399	38	– 932	– 533	2,746	1,383
Other provisions	**15,761**	**–**	**– 335**	**8,568**	**476**	**– 6,428**	**– 1,005**	**17,037**	**9,240**

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 obligations decreased in the financial year 2024. Compared to the previous year, lower sales volumes and increased eliminations in connection with the rise in new leasing business reduced additions to the provision. Warranty obligations in the previous financial year were also impacted by increased additions in connection with airbags with inflators supplied by ARC Automotive as well as by the remeasurement of the provision for the exhaust gas recirculation cooler. Despite the recognition of higher additions at 31 December 2024 for vehicle recalls in connection with the Integrated Brake System, the expense for additions to warranty provisions was lower year on year. Furthermore, reversals of provisions increased in 2024 due to reversal of the provision relating to ARC Automotive. Expected reimbursement claims at 31 December 2024 amounted to € 818 million (2023: € 819 million) and are disclosed within other assets (see ↗ note [28]).

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 as well as risks relating to the order backlog.

35 Income tax liabilities

Current income tax liabilities totalling € 1,131 million (2023: € 1,401 million) include € 170 million (2023: € 50 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.

36 Financial liabilities

Financial liabilities of the BMW Group comprise the following:

in € million	31.12.2024 Maturity within one year	Maturity between one and five years	Maturity later than five years	Total	31.12.2023 Maturity within one year	Maturity between one and five years	Maturity later than five years	Total
Bonds	9,338	28,418	10,790	48,546	10,583	21,471	7,754	39,808
Asset-backed financing transactions	7,977	13,620	–	21,597	7,697	12,388	–	20,085
Liabilities from customer deposits (banking)	14,446	4,987	6	19,439	14,125	3,883	8	18,016
Liabilities to banks	5,711	2,171	808	8,690	3,868	1,272	684	5,824
Lease liabilities	520	1,399	634	2,553	484	1,367	688	2,539
Derivative instruments	1,566	2,825	816	5,207	1,349	2,124	927	4,400
Commercial paper	4,118	–	–	4,118	3,292	–	–	3,292
Other	815	102	194	1,111	732	108	206	1,046
Financial liabilities	**44,491**	**53,522**	**13,248**	**111,261**	**42,130**	**42,613**	**10,267**	**95,010**

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 € 39 million (2023: € 42 million).

Similarly, potential future cash outflows amounting to € 1,703 million (2023: € 1,639 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 89 years (2023: up to 90 years).

Liabilities related to financing activities can be reconciled as follows:

in € million	1.1.2024	Cash inflows/outflows	Changes due to exchange rate factors	Basis adjustments from hedge accounting	Other changes	31.12.2024
Bonds	39,808	6,985	1,485	328	– 60	48,546
Asset-backed financing transactions	20,085	1,021	483	–	8	21,597
Liabilities from customer deposits (banking)	18,016	937	464	4	18	19,439
Liabilities to banks	5,824	2,713	107	46	–	8,690
Lease liabilities	2,539	– 516	31	2	497	2,553
Commercial paper	3,292	693	131	–	2	4,118
Financial liabilities towards companies in which an investment is held	–	2	–	–	–	2
Other (excluding interest payable)	493	– 55	– 34	– 5	1	400
Liabilities relating to financing activities	**90,057**	**11,780**	**2,667**	**375**	**466**	**105,345**

in € million	1.1.2023	Cash inflows/outflows	Changes due to exchange rate factors	Basis adjustments from hedge accounting	Other changes	31.12.2023
Bonds	41,084	– 1,825	– 563	1,135	– 23	39,808
Asset-backed financing transactions	18,746	1,796	– 464	–	7	20,085
Liabilities from customer deposits (banking)	16,511	1,727	– 247	10	15	18,016
Liabilities to banks	7,255	– 1,201	– 279	49	–	5,824
Lease liabilities	2,764	– 516	– 64	–	355	2,539
Commercial paper	1,712	1,634	– 54	–	–	3,292
Financial liabilities towards companies in which an investment is held	–	–	–	–	–	–
Other (excluding interest payable)	662	– 131	– 38	–	–	493
Liabilities relating to financing activities	**88,734**	**1,484**	**– 1,709**	**1,194**	**354**	**90,057**

The total amount of interest payments received and interest payments made is comprised primarily of interest received and interest paid in the Group Cash Flow Statement as well as the cash-relevant portion of the interest income shown in Revenues (see ↗ note [7]) and interest expense in Cost of sales respectively (see ↗ note [8]).

Bonds comprise the following:

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 1,500 million	2.0	3.9
	fixed	EUR 15,150 million	7.6	1.4
	fixed	CNY 2,500 million	3.0	3.1
	fixed	HKD 1,670 million	6.2	3.5
	fixed	USD 500 million	10.0	2.9
	fixed	AUD 273 million	10.0	3.2
BMW US Capital, LLC	variable	USD 2,800 million	2.4	6.0
	fixed	USD 17,345 million	6.8	4.1
	fixed	EUR 2,500 million	7.9	2.8
BMW International Investment B.V.	variable	EUR 1,200 million	2.0	3.7
	variable	SEK 1,000 million	2.0	3.7
	fixed	EUR 4,200 million	6.2	3.2
	fixed	NOK 2,500 million	9.4	4.0
	fixed	CHF 765 million	6.6	1.1
	fixed	GBP 750 million	4.6	5.1
BMW China Capital B.V.	fixed	CNY 10,000 million	2.4	2.6
BMW Canada Inc.	fixed	CAD 1,550 million	3.2	4.0
BMW Japan Finance Corp.	fixed	JPY 20,000 million	3.0	0.8

Commercial paper comprises the following:

Issuer	Issue volume in relevant currency (ISO-Code)	Weighted average maturity period (in days)	Weighted average nominal interest rate (in %)
BMW US Capital, LLC	USD 1,921 million	27	4.4
BMW Finance N.V.	EUR 1,870 million	43	3.0
BMW International Investment B.V.	GBP 340 million	29	4.9

37 Other liabilities

Other liabilities comprise the following items:

in € million	31.12.2024	31.12.2023
Bonuses and sales aides	5,113	5,447
Refund liabilities for future leased products	2,803	2,963
Deposits received	1,239	1,079
Payables for supplier development cost*	1,079	380
Payables to subsidiaries	336	241
Payables to other companies in which an investment is held	21	38
Other liabilities (financial instruments)	**10,591**	**10,148**
Contract liabilities	8,644	7,998
Deferred income	3,568	3,359
Other taxes	1,409	1,613
Social security	145	130
Other advance payments received for orders	115	237
Other liabilities (non-financial instruments)	**13,881**	**13,337**
Sundry*	2,523	2,263
Other liabilities	**26,995**	**25,748**

* Presentation adjusted compared to previous year.

Liabilities arising from supplier development contracts include development costs incurred during the series development phase. In the financial year 2024 these liabilities were mainly attributable to new vehicle models, in particular the NEUE KLASSE, as well as expenses in connection with the further electrification of the vehicle fleet.

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 multiple-component arrangements). An amount of € 3,932 million (2023: € 4,239 million) was released from contract liabilities in the financial year and recognised as revenues from contracts with customers.

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. Grants and subsidies awarded before 31 December 2022 are released to income over the useful life of the assets to which they relate.

Other non-financial liabilities also include insurance liabilities for the remaining contractual terms of contracts accounted for in accordance with IFRS 17 amounting to € 331 million (2023: € 289 million).

38 Trade payables

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

OTHER DISCLOSURES

39 Contingent liabilities and other financial commitments

Contingent liabilities

The following contingent liabilities existed at the balance sheet date:

in € million	31.12.2024	31.12.2023
Taxes and customs duties[1]	1,701	1,707
Litigation	299	80
Investment subsidies	55	66
Guarantees	52	22
Other[1]	-	18[2]
Contingent liabilities	**2,107**	**1,893**[2]

[1] Presentation adjusted compared to previous year.
[2] Prior year figures adjusted.

In the previous year, other contingent liabilities mainly included obligations for irrevocable loan commitments. In the financial year 2024, these amounts are reported in the following table as other financial commitments.

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.

Since March 2019, the Chinese State Administration for Market Regulation is conducting an antitrust proceeding against BMW AG. In July 2024, the Brazilian antitrust authority launched an antitrust proceeding against BMW AG and provided its preliminary statement of objections. The investigations each relate to largely the same facts which were the subject of a proceeding which was concluded by the European Commission in 2021 (see ↗ note [10] to the BMW Group Financial Statements for the financial year 2021 included in the BMW Group Report 2021). Possible risks for the BMW Group in connection with the antitrust proceedings in China and Brazil cannot be currently foreseen, neither in terms of their outcome nor the amounts involved. In relation to these allegations two individual customers' lawsuits have been pending in South Korea since June 2018. In addition, claimants in a group litigation in England and Wales have brought damages claims based on the European Commission's decision. Further civil lawsuits based on the allegations are possible going forward. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Beginning in 2014, 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.

In May 2023, the National Highway Traffic Safety Administration (NHTSA), an agency of the US federal government, requested a recall of airbags in the USA that are equipped with airbag inflators produced by ARC Automotive. In the second half of 2024, the NHTSA announced that it will continue its investigation before deciding how to proceed and whether to issue a final decision. Implications thereof for the BMW Group as well as implications from class action lawsuits, which have been brought in this context against the BMW Group in the USA and Canada, cannot 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. The competition authorities allege that car manufacturers (i) coordinated the remuneration to be paid to dismantlers for the provision of their services and (ii) agreed that issues related to end-of-life vehicles should be dealt with in a non-competitive way. Appropriate risk provisions were recognised in the second quarter 2022 in connection with these investigations. At the current stage of the investigations, further risks for the BMW Group in connection with the proceedings of the two authorities cannot be quantified at present. In December 2023, the South Korean antitrust authority conducted an inspection at the premises of several car manufacturers, including BMW Korea and opened formal proceedings in March 2024. In June 2024, the Chinese Antitrust Authority (SAMR) sent BMW AG a request for information, which was answered within the set deadline. The investigation by the South Korean antitrust authority and the request for information by the Chinese Antitrust Authority have the same background as the investigations of the European Commission and the UK Competition and Markets Authority. Due to the relatively early stage of these investigations, it is also not possible to provide further information in this regard. 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 proceedings were finally concluded in March 2024 and BMW Group agreed to pay a fine. To the extent that aspects of this matter are under review by authorities, the BMW Group continues to cooperate. 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.

In several recent judgements, the European Court of Justice has ruled on emission control systems in diesel vehicles and has significantly tightened requirements pertaining to the justification of these systems. As a result of these judgements by the European Court of Justice, the interpretation of regulatory requirements for emission control systems is evolving. This is reflected, amongst other things, by the fact that established administrative practices of type approval authorities are being questioned from numerous sides. This development leads to a reassessment of civil proceedings pending in Germany due to the emissions performance of BMW and MINI diesel vehicles. According to the previous established case law of German national courts, damage claims could only be asserted on the basis of intentional damage inflicted in a manner offending common decency. In its judgements from 2023 linked to proceedings against other manufacturers and taking into account the case law of the European Court of Justice, the German Federal Court of Justice has ruled that a manufacturer can also be held liable for negligent breach of EU homologation standards and on the basis of a far-reaching reversal of the burden of proof to the detriment of the manufacturer. An increase in the effort and complexity of the defence in individual cases, an increasing number of new court proceedings, increased legal risks and increased financial expenditure are still to be expected. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In addition, the Kraftfahrt-Bundesamt (KBA) determined in February 2024 that two functionalities of the emission control system of the BMW vehicle model X3 with 2.0 litre diesel engine (EU5), built between September 2010 and March 2014 do not comply with legal requirements. The KBA views these functionalities as prohibited defeat devices. The BMW Group has filed a timely objection against this decision. Corrective measures are currently being carried out after coordination with the responsible type approval authorities.

Furthermore, the BMW Group is conducting an internal investigation, supported by external legal advisers and technical experts, considering all relevant legal and factual aspects, to determine whether and to what extent functionalities of the emission control systems of this and other past diesel vehicle models comply with legal requirements and is in dialogue with responsible authorities in this regard. In this context, the Munich public prosecutor's office has opened an investigation against unknown ("Ermittlungsverfahren gegen Unbekannt") in July 2024 and conducted searches. Also, against the background of the development in case law referred to above, it is possible that these and further authorities, including type approval and law enforcement authorities, and courts find fault with functionalities of the emission control systems or deem them as non-compliant with legal requirements. The investigation is complex and will still take some time to complete. At this stage, it is not possible to make any disclosures pursuant to IAS 37.86 with regard to the results of the aforesaid investigation and the internal investigation and possible measures to be taken as well as possible effects, including administrative and court proceedings, and any financial risks that may be related thereto.

Furthermore, several BMW Group entities have been facing a number of diesel emissions-related court claims in England and Wales since November 2021 as well as in Scotland since March 2023. In November 2023, the High Court approved a group litigation regarding the proceeding in England and Wales. In addition to the BMW Group, several other OEMs are facing similar proceedings in the same court. In March 2024, the court selected the proceedings against five OEMs as lead proceedings; BMW Group is not among them. In Scotland, the court also approved the combination of relevant claims in group proceedings. In the course of 2024, the sued BMW Group entities filed their defences in the two proceedings. Given that proceedings are still at an early stage, the probability, amount or timing of any liability cannot be determined at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In the United Kingdom, motor finance customers file complaints and civil lawsuits regarding commissions paid to motor dealers, inter alia against BMW Financial Services (GB) Ltd., Farnborough (BMW FS UK). In three cases not involving BMW FS UK but brought against other lenders, the UK Court of Appeal (CoA) handed down a single judgement on 25 October 2024. The CoA concluded that motor dealers owe both a disinterested duty and an ad hoc fiduciary duty to their customers (as borrowers) and therefore are obligated to disclose the amount and nature of any commission payments received and obtain informed customer consent for such payments. Where the payment of commission is not adequately disclosed, it is deemed "secret" and treated as a civil bribe, which constitutes a breach of a motor dealer's fiduciary duty. While the motor dealer is responsible for disclosing the commission and obtaining informed consent, the CoA held that where there is no disclosure of commission, the lender is also directly liable to the customer on the basis that the lender knew or should have known that the commission payment was a civil bribe. In the case of a partial disclosure of commission, the lender is liable as an accessory to a claim for breach of fiduciary duty against the motor dealer. As this ruling appears to conflict with known market practice, it could have far reaching consequences for the UK finance sector and potentially impact all of BMW FS UK's finance products involving a commission paid to a motor dealer. Accordingly, an application for permission to appeal the judgment to the UK Supreme Court was made by the lenders involved in the CoA cases with the written support of BMW FS UK, various trade bodies, and the Financial Conduct Authority. That application has been granted and due to the significance for the UK finance sector, the expedited appeal is set to take place in April 2025. An appropriate contingent liability is recognised and reflected as litigation risk in the preceding table.

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	31.12.2024	31.12.2023
Purchase commitments for property, plant and equipment	8,001	7,712
Purchase commitments for intangible assets	2,980	2,252
Obligations for irrevocable loan commitments	363	76

40 Financial instruments

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

	31.12.2024				31.12.2023			
in € million	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	–	–	802	297	–	–	911	286
Receivables from sales financing	69,523	–	–	24,195	65,092	–	–	22,263
Financial assets								
Derivative instruments								
Cash Flow Hedges	–	–	–	518	–	–	–	1,525
Fair Value Hedges	–	–	–	273	–	–	–	444
Other derivative instruments	–	–	706	–	–	–	957	–
Marketable securities and investment funds	–	1,366	104	–	–	2,127	43	–
Loans to third parties	19	–	3	–	17	–	1	–
Other	250	–	–	160	347	–	–	57
Cash and cash equivalents	17,214	–	2,073	–	16,055	–	1,272	–
Trade receivables	2,834	–	–	–	4,162	–	–	–
Other assets								
Receivables from subsidiaries	684	–	–	–	642	–	–	–
Receivables from companies in which an investment is held	55	–	–	–	48	–	–	–
Collateral assets	892	–	–	–	455	–	–	–
Remaining other assets	1,270	–	–	6,355	1,218	–	–	6,770
Total	**92,741**	**1,366**	**3,688**	**31,798**	**88,036**	**2,127**	**3,184**	**31,345**

in € million	31.12.2024 At amortised cost	31.12.2024 At fair value through other comprehensive income	31.12.2024 At fair value through profit or loss	31.12.2024 Not allocated to an IFRS 9 category	31.12.2023 At amortised cost	31.12.2023 At fair value through other comprehensive income	31.12.2023 At fair value through profit or loss	31.12.2023 Not allocated to an IFRS 9 category
LIABILITIES								
Financial liabilities								
Bonds	48,546	–	–	–	39,808	–	–	–
Liabilities to banks	8,690	–	–	–	5,824	–	–	–
Liabilities from customer deposits (banking)	19,439	–	–	–	18,016	–	–	–
Commercial paper	4,118	–	–	–	3,292	–	–	–
Asset-backed financing transactions	21,597	–	–	–	20,085	–	–	–
Derivative instruments								
Cash Flow Hedges	–	–	–	1,978	–	–	–	1,598
Fair Value Hedges	–	–	–	1,953	–	–	–	2,073
Other derivative instruments	–	–	1,276	–	–	–	729	–
Lease liabilities	–	–	–	2,553	–	–	–	2,539
Other	1,111	–	–	–	1,046	–	–	–
Trade payables	14,126	–	–	–	15,547	–	–	–
Other liabilities					–	–	–	–
Payables to subsidiaries	336	–	–	–	241	–	–	–
Payables to other companies in which an investment is held	21	–	–	–	38	–	–	–
Remaining other liabilities	9,023	–	–	17,615	8,171	–	–	17,298
Total	**127,007**	**–**	**1,276**	**24,099**	**112,068**	**–**	**729**	**23,508**

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.

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 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.

	31.12.2024		31.12.2023	
in € million	Fair value	Carrying amount	Fair value	Carrying amount
Receivables from sales financing - credit financing	72,672	69,523	67,307	65,092
Receivables from sales financing - finance and operating leases	25,599	24,195	23,539	22,263
Financial liabilities				
Bonds	49,977	48,546	40,919	39,808
Asset-backed financing transactions	22,220	21,597	19,951	20,085
Liabilities from customer deposits (banking)	19,149	19,439	17,591	18,016
Liabilities to banks	8,791	8,690	5,906	5,824

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 below:

	31.12.2024			31.12.2023		
	Level hierarchy in accordance with IFRS 13			Level hierarchy in accordance with IFRS 13		
in € million	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities and investment funds	1,138	332	–	1,864	306	–
Other investments	91	–	711	146	–	765
Cash equivalents	2,073	–	–	1,272	–	–
Loans to third parties	–	–	3	–	–	1
Derivative instruments (assets)						
Interest rate risks	–	276	–	–	794	–
Currency risks	–	525	–	–	1,278	–
Combined interest rate/currency risks	–	435	–	–	472	–
Raw material market price risks	–	197	–	–	324	–
Other risks	–	–	64	–	–	58
Derivative instruments (liabilities)						
Interest rate risks	–	2,336	–	–	2,319	–
Currency risks	–	889	–	–	318	–
Combined interest rate/currency risks	–	594	–	–	373	–
Raw material market price risks	–	1,388	–	–	1,390	–

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

There were no reclassifications within the level hierarchy in the financial year 2024 or in the previous year.

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 31.12.2024	Fair value 31.12.2023
Unquoted equity instruments	711	765
Convertible bonds	3	1
Options on unquoted equity instruments	64	58

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 (generally every 12–24 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, among others. 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 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 fair value of the options that the BMW AG holds in shares of such investee companies is measured primarily on the basis of a binomial model, taking into account the respective conditions under which the options were granted. The comments provided on the income-based approach used to measure equity instruments held outside the private equity fund apply analogously for the purposes of determining the relevant share price that is taken into account when measuring the fair value of the options. The exercise price for share options arising in conjunction with the private equity fund 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.

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	Financial instruments Level 3
1 January 2024	765	1	58	824
Additions	27	9	–	36
Disposals	– 11	–	–	– 11
Gains (+)/losses (–) recognised in the income statement	– 113	– 7	5	– 115
Currency translation differences	43	–	1	44
31 December 2024	**711**	**3**	**64**	**778**

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Financial instruments Level 3
1 January 2023	839	8	2	849
Additions	99	–	–	99
Disposals	– 54	– 4	– 1	– 59
Gains (+)/losses (–) recognised in the income statement	– 94	– 2	57	– 39
Currency translation differences	– 25	– 1	–	– 26
31 December 2023	**765**	**1**	**58**	**824**

Gains and losses recognised in the income statement are reported within the line item Other financial result and included a net negative amount of € 115 million (2023: net negative amount of € 39 million) relating to unrealised items.

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:

	31.12.2024		31.12.2023	
in € million	Assets	Liabilities	Assets	Liabilities
Balance sheet amount as reported	1,497	5,207	2,926	4,400
Gross amount of derivatives which can be offset in case of insolvency	– 957	– 957	– 1,638	– 1,638
Cash collateral	– 233	– 19	– 1	– 95
Net amount after offsetting	307	4,231	1,287	2,667

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	2024	2023
Financial instruments measured at fair value through other comprehensive income	2	113
Financial instruments measured at fair value through profit or loss	– 122	– 161
Financial assets measured at amortised cost	– 349	– 482
Financial liabilities measured at amortised cost	– 71	– 67

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 ↗ note [19]. Total interest income arising on financial assets measured at fair value through other comprehensive income amounted to € 67 million (2023: € 82 million) and total interest expense to € 0 million (2023: € 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 include 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 sometimes subject to carrying amount adjustments that are recognised through profit or loss as part of the application of hedge accounting. These carrying amount changes are largely neutralised by the offsetting changes in fair value arising on hedging transactions and for this reason are not reported in the figures for net gains and losses.

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 € 3,270 million (2023: € 2,505 million).

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 (sections ↗ Outlook and ↗ 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 € 36,059 million (2023: € 32,149 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. Transitory climate-related risks are limited by the fact that customer financing can be restricted if the customer is exposed to risks prevalent in a particular industry, and could therefore have an impaired credit rating.

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. At several group companies, part of the creditworthiness assessment for dealership and importer financing also involves a classification with regard to physical and transitory climate-related risks, as well as risks relating to social and governance factors. This approach will be rolled out worldwide in 2025.

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	31.12.2024	31.12.2023
Not overdue	2,543	3,718
1–30 days overdue	170	339
31–60 days overdue	63	42
61–90 days overdue	16	29
More than 90 days overdue	125	104
Total	**2,917**	**4,232**

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:

	31.12.2024						31.12.2023					
	Stage 1	Stage 2		Stage 3			Stage 1	Stage 2		Stage 3		
in € million		General	Simplified		Total	Expected credit loss		General	Simplified		Total	Expected credit loss
Gross carrying amount of financial assets with good credit ratings	75,482	2,038	501	–	78,021	330	71,882	1,901	509	–	74,292	388
Gross carrying amount of financial assets with medium credit ratings	10,206	3,721	25	–	13,952	760	8,311	3,971	32	–	12,314	797
Gross carrying amount of financial assets with poor credit ratings	88	2,590	22	1,370	4,070	1,235	251	1,600	19	1,068	2,938	1,004
Total	**85,776**	**8,349**	**548**	**1,370**	**96,043**	**2,325**	**80,444**	**7,472**	**560**	**1,068**	**89,544**	**2,189**

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 ↗ note [25] and ↗ note [30].

Liquidity risk

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

in € million	31.12.2024 Maturity within one year	Maturity between one and five years	Maturity later than five years	Total	31.12.2023 Maturity within one year	Maturity between one and five years	Maturity later than five years	Total
NON-DERIVATIVE FINANCIAL LIABILITIES								
Bonds	10,800	31,872	12,412	55,084	11,308	23,450	9,150	43,908
Asset-backed financing transactions	8,526	14,057	–	22,583	8,161	12,996	–	21,157
Liabilities to banks	6,110	2,494	944	9,548	3,998	1,386	850	6,234
Liabilities from customer deposits (banking)	14,597	5,222	6	19,825	14,280	4,037	8	18,325
Trade payables	14,119	7	–	14,126	15,512	35	–	15,547
Lease liabilities	522	1,487	831	2,840	497	1,460	882	2,839
Commercial paper	4,133	–	–	4,133	3,298	–	–	3,298
Other financial liabilities	114	145	159	418	191	146	174	511
DERIVATIVE FINANCIAL LIABILITIES								
With gross settlement	1,122	1,475	271	2,868	– 951	– 522	4	– 1,469
Cash outflows	21,234	30,650	4,643	56,527	18,145	12,650	598	31,393
Cash inflows	– 20,112	– 29,175	– 4,372	– 53,659	– 19,096	– 13,172	– 594	– 32,862
With net settlement	1,494	2,520	184	4,198	– 1,614	– 2,398	– 249	– 4,261
Cash inflows / outflows	1,494	2,520	184	4,198	– 1,614	– 2,398	– 249	– 4,261
Total financial liabilities	**61,537**	**59,279**	**14,807**	**135,623**	**54,680**	**40,590**	**10,819**	**106,089**

The cash flows from non-derivative liabilities comprise principal repayments and the related interest. The amounts disclosed for derivative financial liabilities comprise only cash flows relating to derivatives that have a negative fair value at the balance sheet date. It should be noted that, due to the various yield curves used, an overall net positive cash flow may arise from inflows/outflows relating to derivative instruments with negative fair values.

At 31 December 2024, credit commitments available at short notice to dealerships which had not been called upon at the end of the reporting period amounted to € 14,803 million (2023: € 13,218 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 (2023: € 8 billion) from a consortium of international banks is available to the BMW Group. Intra-group 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 ↗ Outlook and ↗ Risks and Opportunities sections 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, derivative financial instruments are in place at 31 December 2024, 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	31.12.2024	31.12.2023
Currency exposure	34,979	39,157

Currency exposures include short positions amounting to € 5,354 million (2023: € 2,136 million).

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	31.12.2024	31.12.2023
Cash flow at risk	353	493

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	31.12.2024	31.12.2023
Fair values of interest rate portfolios	68,725	73,510

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 (e.g. 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 include 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 the financial year 2024, all contracts based on CAD CDOR were converted to alternative benchmark interest rates (€ 34 million). In the prior year, all contracts based on USD LIBOR were converted to alternative benchmark interest rates (€ 412 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	31.12.2024	31.12.2023
Value at risk	1,921	1,967

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	31.12.2024	31.12.2023
Raw material price exposures	8,303	9,033

This exposure is compared to all commodity hedging transactions 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	31.12.2024	31.12.2023
Cash flow at risk	880	1,045

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:

	31.12.2024		
in € million	Maturity within one year	Maturity between one and five years	Maturity later than five years
Currency risks	15,804	18,452	283
Interest rate risks	7,299	18,614	8,232
Combined interest/currency risks	–	4,759	4,045
Raw material price risks	3,236	4,466	–
Nominal amounts of hedging instruments	**26,339**	**46,291**	**12,560**

	31.12.2023		
in € million	Maturity within one year	Maturity between one and five years	Maturity later than five years
Currency risks	22,648	18,328	–
Interest rate risks	7,055	19,169	8,626
Combined interest/currency risks	908	961	791
Raw material price risks	3,519	5,329	–
Nominal amounts of hedging instruments	**34,130**	**43,787**	**9,417**

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	31.12.2024	31.12.2023
EUR/CNY	7.37	7.40
EUR/GBP	0.89	0.87
EUR/KRW	1,453.03	1,405.05

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	31.12.2024	31.12.2023
Aluminium (EUR/t)	2,427	2,270
Copper (EUR/t)	8,201	7,398
Palladium (EUR/oz)	1,264	1,465
Lithium (EUR/t)	22,127	29,726

Due to the concentration on significant raw materials risk exposures, nickel 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 the 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:

	31.12.2024				31.12.2023			
		Carrying amounts				Carrying amounts		
in € million	Nominal amounts	Assets	Liabilities	Change in fair value of designated components	Nominal amounts	Assets	Liabilities	Change in fair value of designated components
Cash Flow Hedges								
Currency risks	34,539	329	680	-679	40,976	1,200	211	1,654
Raw material price risks	7,702	189	1,298	-892	8,848	325	1,387	-2,161
Fair Value Hedges								
Interest rate risks	54,325	183	1,650	582	49,236	288	1,956	1,414
Combined interest rate/currency risks	8,804	90	303	123	2,660	156	117	78

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:

	31.12.2024					31.12.2023				
	Carrying amounts			Balances in accumulated other equity		Carrying amounts			Balances in accumulated other equity	
in € million	Assets	Liabilities	Change in value of hedged items	Continuing hedge relationships	Terminated hedge relationships	Assets	Liabilities	Change in value of hedged items	Continuing hedge relationships	Terminated hedge relationships
Cash Flow Hedges										
Currency risks	–	–	679	– 188	–	–	–	– 1,654	2,377	–
Raw material price risks	–	–	892	– 1,162	–	–	–	2,161	– 1,206	–
Fair Value Hedges										
Interest rate risks	20,071	51,432	– 582	–	–	13,443	41,854	– 1,401	–	–
Combined interest rate/currency risks	–	31	– 120	–	–	–	2,605	– 75	–	–

The accumulated amount of hedge-related fair value adjustments is a negative amount of € 60 million (2023: negative amount of € 11 million) for assets and a negative amount of € 1,039 million (2023: negative amount of € 1,551 million) for liabilities.

Hedge relationships give rise to the following effects:

in € million	2024 Change of designated components in other comprehensive income	2024 Change in costs of hedging in other comprehensive income	2024 Hedge ineffectiveness recognised in income statement	2023 Change of designated components in other comprehensive income	2023 Change in costs of hedging in other comprehensive income	2023 Hedge ineffectiveness recognised in income statement
Cash Flow Hedges						
Currency risks	– 2,565	946	–	351	765	–
Raw material price risks	44	–	–	– 1,868	–	–
Fair Value Hedges						
Interest rate risks	–	–	–	–	–	13
Combined interest/currency risks	–	– 27	3	–	1	3

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

	2024						2023					
	Currency risks		Interest rate risk	Combined interest / currency risk	Raw material price risk		Currency risks		Interest rate risk	Combined interest / currency risk	Raw material price risk	
in € million	Designated component	Costs of hedging	Costs of hedging	Costs of hedging	Designated component	Costs of hedging	Designated component	Costs of hedging	Costs of hedging	Costs of hedging	Designated component	Costs of hedging
Opening balance at 1 January	2,377	– 1,018	–	– 2	– 1,206	–	2,026	– 1,783	–	– 3	662	–
Change in fair value during the reporting period	– 679	99	–	– 27	– 892	–	1,654	– 103	–	1	– 2,161	–
Reclassification to profit or loss												
for continuing hedge relationships	– 1,458	656	–	–	–	–	– 1,153	733	–	–	–	–
for terminated hedge relationships	– 428	191	–	–	151	–	– 150	135	–	–	2	–
Reclassification to acquisition costs for inventories	–	–	–	–	785	–	–	–	–	–	291	–
Closing balance at 31 December	**– 188**	**– 72**	**–**	**– 29**	**– 1,162**	**–**	**2,377**	**– 1,018**	**–**	**– 2**	**– 1,206**	**–**

The increase in prematurely terminated hedges of currency and raw materials risk exposures was primarily due to the challenging situation in the Chinese sales market. If, due to a change in expectations, an adequate hedging relationship no longer exists with respect to a derivative currency or raw materials instrument, the hedge accounting relationship is discontinued with immediate effect. All amounts recognised through other comprehensive income up to this point in time are reclassified to the income statement.

41 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 e.V., Munich, and BMW Foundation Herbert Quandt, Munich

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 loans were granted by entities of the BMW Group to members of the Board of Management and the Supervisory Board in the financial year 2024, 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 with BMW Group entities on customary market terms and conditions for the purchase of vehicles, maintenance and repair work, vehicle leasing and the investment of cash deposits in the low single-digit million range.

Stefan Quandt 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.

During the financial year 2024, DELTON Logistics S.à r.l. – via its subsidiaries – performed logistic-related services for the BMW Group. In addition, the DELTON companies held by Stefan Quandt acquired vehicles from the BMW Group by way of leasing.

Stefan Quandt is also the indirect majority shareholder of SOLARWATT GmbH, Dresden. Cooperation arrangements are in place between the BMW Group and SOLARWATT GmbH within the field of electric mobility. The focus of this collaboration is on the provision of complete photovoltaic solutions for rooftop systems and carports of BMW Group 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 also purchased vehicles from the BMW Group by way of leasing during the financial year 2024.

Susanne Klatten is a shareholder and member of the Supervisory Board of BMW AG and also the sole shareholder and Chairwoman of the Supervisory Board of UnternehmerTUM GmbH, Garching. In 2024, the BMW Group bought in services from UnternehmerTUM GmbH mainly in the form of consultancy services.

Due to the change in the indirect shareholding structure of ALTANA AG, Wesel, with effect from 1 July 2024 the latter no longer qualifies as a related party. For this reason, only the goods and services provided and received up to that date are reported.

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

	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
in € thousand	2024	2023	2024	2023	2024	2023	2024	2023
DELTON Health AG	1,993	2,058	–	–	3	16	–	–
DELTON Logistics S.à r.l.	689	753	9,642	9,698	22	29	1,188	986
SOLARWATT GmbH	32,680	21,452	146	60	–	3,083	50	–
UnternehmerTUM GmbH	–	–	3,294	3,387	–	–	66	71
ALTANA AG	1,125	2,900	–	1,066	–	361	–	118

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

	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
in € million	2024	2023	2024	2023	2024	2023	2024	2023
Joint ventures and associated companies	18	4	33	86	55	-	7	17

Business relationships with non-consolidated entities are small in scale.

BMW Trust e.V. 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 e.V.

The BMW Foundation Herbert Quandt 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 2024 totalling € 5.9 million (2023: € 6.0 million) for ongoing foundation work and other services. No other significant transactions arose.

42 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 2024 financial year, eligible BMW Group employees were granted shares of BMW AG common stock on preferential terms (see ↗ note [31] for information on the number and price of the shares of common stock issued). At their discretion, participants in the programme were able to purchase packages of 10, 20, 30, 40 or 50 shares of common stock (2023: 10, 20, 30, 40 or 50 shares of common stock) at a discount of € 16.00 (2023: € 20.00) on each share as compared to the market price (average closing price in Xetra trading in the period from 4 to 7 November 2024: € 70.75). Employees who are currently employed by BMW AG or a wholly owned subsidiary of BMW AG based in Germany were able to partake in the programme, insofar as the subsidiary'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 common stock were transferred.

The shares of common stock acquired within 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 common stock were acquired. These shares of common stock are eligible for dividends for the first time for the 2024 financial year.

A total of 1,352,000 shares of common stock were transferred to employees in the reporting year (2023: 1,290,000). The 1,352,000 shares of common stock were acquired as part of the Employee Share Programme. BMW AG's Board of Management decides each year anew whether to continue the programme.

As at 31 December 2024, 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 € 18 million (2023: € 28 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 effect 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 attainment of specific financial and non-financial targets in the previous 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, an 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 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, they were obliged to invest in shares of the Company's common stock. This amount was also subject to a four-year holding period and on expiry thereof the Board of Management members received one 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 eliminated 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 undertook 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 one 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 members of the Board of Management in office on the balance sheet date hold 164,474 shares of BMW common stock with a holding obligation arising from share-based remuneration for financial years 2020 to 2023 (2023: 112,969).

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 € 4,682,583 (2023: € 21,776,062).

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 2024).

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 2024 € 2,783,721 (2023: € 5,982,815).

The total income from the share-based remuneration component for eligible active and former Board of Management members and senior department heads amounted to € 65,186 in financial year (2023: expense of € 1,598,368).

43 Declaration with respect to the 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 AktG. The declaration has been made permanently available on the Company's website ↗ www.bmwgroup.com.

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

The expenses recorded in accordance with IFRS in financial year 2024 for remuneration for the active members of the Board of Management and Supervisory Board are broken down as follows:

in € million	2024	2023
Remuneration for the members of the Board of Management		
Short-term benefits	19.1	32.9
Other long-term benefits	3.2	3.2
Benefits resulting from termination of the Board mandate	–	5.4
Share-based remuneration	– 0.1	0.2
Remuneration for the members of the Supervisory Board		
Short-term benefits	5.8	5.8
Total expense	**28.0**	**47.5**

The income for the active members of the Board of Management arising from share-based remuneration, in effect up to and including 2020, amounted to € 0.1 million (2023: expense € 0.2 million). The provision for the share-based remuneration component amounted to € 0.3 million (2023: € 0.9 million).

The remuneration of former members of the Board of Management and their dependants amounted to € 13.2 million (2023: € 11.9 million).

Provisions have been recognised for pension obligations to active members of the Board of Management in accordance with IAS 19 in the amount of € 22.7 million (2023: € 16.5 million).

Provisions have been recognised for pension obligations to former members of the Board of Management and their dependants in accordance with IAS 19 in the amount of € 93.3 million (2023: € 101.6 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 on account of these additional requirements.

Overview of the remuneration of the Supervisory Board[1]

in € million	Factor	Amount in € p.a.[3]
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]	2.25	450,000
Chairman of another committee[2]	2.00	400,000
Member of the Audit Committee[2]	2.00	400,000
Member of another committee[2]	1.50	300,000

[1] 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.
[2] Provided that the committee has met on at least three days during the financial year.
[3] Plus an attendance fee of € 2,000 per plenary session.

BMW Group companies did not grant any loans to members of the Board of Management or the Supervisory Board in the 2024 financial year, nor did they enter into any contingent liabilities in their favour. In the reporting year, members of the Board of Management and the Supervisory Board concluded contracts with BMW Group companies for the purchase of vehicles, other services (including maintenance and repair work), vehicle leasing and cash deposits at arm's length conditions.

The remuneration of members of the Board of Management is structured as follows:

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. Base salary is paid monthly 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 as part of the next payroll run 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 performance factor — Earnings factor is derived from an allocation matrix determined in advance 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 € 7.0 billion and a Group post-tax return on sales of 6.0% — The earnings factor is 1.5 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 8.6 billion and a Group post-tax return on sales of 7.7% — The earnings factor is 0 in case of a profit attributable to shareholders of BMW AG below € 4.0 billion and/or a Group post-tax return on sales of below 3.2% — 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)	— 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 performance factor — 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 the future orientation of the Company — Relevant period is the vesting year — Additional trend analysis over at least three financial years — Composition of performance factor: — 50% cross-divisional targets with ESG criteria — 40% other cross-divisional targets — 10% individual targets — Criteria for cross-divisional targets with ESG criteria 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.: — € 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	— 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	— 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 — Payment as part of the next payroll run after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year — Requirement for Board of Management members to hold the acquired shares of common stock for at least four years; this requirement remains in effect for individuals who step down from the Board of Management (share ownership guideline) — Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)
Calculation	— Target amount p.a. (at 100% target achievement): — € 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 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 target amount — Payment after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year

COMPONENT	Parameters/measurement base, applicable amounts
Share-based remuneration (continued)	
RoCE component (at 100% target achievement corresponds to 50% of target amount)	— Target amount of RoCE component p.a. (50% of target amount for personal cash investment amount): — € 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.: — € 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)	— Target amount of strategic focus target component p.a. (50% of target amount for personal cash investment amount): — € 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.: 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.: — € 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	— 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	— 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 of Management
Clawback	— 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 of Management

COMPONENT	Parameters/measurement base, applicable amounts		
Maximum amounts p.a.			
in € million p.a.	Bonus	Share-based remuneration (personal cash investment amount)	Maximum remuneration
Member of the Board of Management in the first period of office	€ 1.710 million	€ 1.980 million	€ 4.925 million
Member of the Board of Management in the second period of office or fourth year of mandate	€ 2.070 million	€ 2.304 million	€ 5.500 million
Chairman of the Board of Management	€ 3.780 million	€ 4.230 million	€ 9.850 million

45 Events after the end of the reporting period

By March 12, 2025, the following tariff increases came into effect: tariff increases by the new US administration on imports from China (+20% tariffs on all products imported from China), on imports from Canada and Mexico of 25%, and on imported steel and aluminum, as well as countermeasures from the Chinese government (including +10% on imported vehicles with an engine size greater than 2.5 litres).

These tariff increases are included in the outlook for the fiscal year 2025 and will burden the results by a high three-digit million amount.

No other 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

46 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 brand products are sold via the brand's network of branches as well as through independent authorised dealerships and independent import companies. MINI brand products are sold via the direct sales model operated by BMW AG and its subsidiaries as well as through dealerships, branches and import companies. Rolls-Royce brand products are sold via authorised dealerships, import companies and subsidiary companies.

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 company BAVARIA-LLOYD Reisebüro GmbH, Munich, which is not allocated to 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 an 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. 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	
in € million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues	124,917	132,277	3,220	3,214	38,562	36,227	14	11	– 24,333	– 16,231	142,380	155,498
thereof external revenues	103,524	118,266	3,259	3,255	35,595	33,976	2	1	–	–	142,380	155,498
thereof inter-segment revenues	21,393	14,011	– 39	– 41	2,967	2,251	12	10	– 24,333	– 16,231	–	–
Cost of sales	– 107,729	– 109,920	– 2,721	– 2,656	– 34,183	– 31,548	–	–				
Selling and administrative expenses	– 9,357	– 9,195	– 296	– 303	– 1,675	– 1,559	– 41	– 34				
Other operating income	1,335	967	4	6	59	63	23	13				
Other operating expenses	– 1,273	– 1,148	– 9	– 2	– 252	– 128	– 21	– 3				
Segment result Automotive and Motorcycles	**7,893**	**12,981**	**198**	**259**	**–**	**–**	**–**	**–**				
Interest and similar income					10	5	4,593	3,403				
Interest and similar expenses					– 20	– 11	– 3,214	– 2,372				
Other financial result					37	– 87	– 517	– 1,118				
Segment result Financial Services and Other Entities					**2,538**	**2,962**	**837**	**– 100**				
Result from equity accounted investments	**– 14**	**– 159**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**– 14**	**– 159**
Capital expenditure on non-current assets	**12,371**	**11,239**	**183**	**184**	**31,478**	**24,896**	**–**	**–**	**– 7,280**	**– 5,952**	**36,752**	**30,367**
Depreciation and amortisation on non-current assets	**8,504**	**8,826**	**118**	**116**	**10,705**	**9,759**	**–**	**–**	**– 4,699**	**– 4,136**	**14,628**	**14,565**

	Automotive		Motorcycles		Financial Services		Other Entities		Reconciliation to Group figures		Group	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Segment assets	70,804	66,168	1,298	1,190	16,954	16,573	108,181	95,145	70,495	71,814	267,732	250,890
Investments accounted for using the equity method	553	443	–	–	–	–	–	–	–	–	553	443

Write-downs on inventories to their net realisable value amounting to € 522 million (2023: € 189 million) were recognised by the Automotive segment in the financial year 2024. The reversal of impairment losses had a positive impact of € 15 million (2023: € 13 million) on the segment result of the Automotive segment.

The result of the Financial Services segment was negatively impacted by impairment losses totalling € 607 million (2023: € 616 million) recognised on leased products. Income from the reversal of impairment losses on leased products amounted to € 311 million (2023: € 289 million).

Revenues with other segments result mainly from the sale of vehicles, for which the Financial Services segment has concluded a financing or lease contract.

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	2024	2023
Reconciliation of segment result		
Total for reportable segments	11,466	16,102
Financial result of Automotive segment	– 349	– 339
Financial result of Motorcycles segment	–	– 1
Elimination of inter-segment items	– 146	1,334
Group profit before tax	**10,971**	**17,096**
Reconciliation of capital expenditure on non-current assets		
Total for reportable segments	44,032	36,319
Elimination of inter-segment items	– 7,280	– 5,952
Total Group capital expenditure on non-current assets	**36,752**	**30,367**
Reconciliation of depreciation and amortisation on non-current assets		
Total for reportable segments	19,327	18,701
Elimination of inter-segment items	– 4,699	– 4,136
Total Group depreciation and amortisation on non-current assets	**14,628**	**14,565**

in € million	31.12.2024	31.12.2023
Reconciliation of segment assets		
Total for reportable segments	197,237	179,076
Financial and other assets - Automotive	61,208	63,554
Trade payables - Automotive	12,556	13,906
Financial and other assets - Motorcycles	56	61
Trade payables - Motorcycles	561	566
Total liabilities – Financial Services	147,929	133,819
Non-operating assets – Other Entities	23,442	22,982
Elimination of inter-segment items	– 175,257	– 163,074
Total Group assets	**267,732**	**250,890**

The reconciliation of segment figures to the corresponding total Group figures shows the inter-segment items. 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 sales 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.

	External revenues		Non-current assets	
in € million	2024	2023	2024	2023
Europe	60,780	58,677	73,538	66,170
thereof Germany	19,845	18,829	47,051	44,012
Asia	46,558	56,522	16,819	17,216
thereof China	31,786	40,833	13,419	13,961
Americas	31,941	37,231	26,312	22,032
thereof USA	27,048	31,845	22,924	19,106
Other regions	3,101	3,068	381	285
Eliminations	–	–	– 8,411	– 7,297
Group	**142,380**	**155,498**	**108,639**	**98,406**

LIST OF INVESTMENTS AT 31 DECEMBER 2024

47 List of investments at 31 December 2024

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 § 264b 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 2024

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
DOMESTIC[1]			
BMW INTEC Beteiligungs GmbH, Munich[3, 6]	11,559	–	100
BMW Beteiligungs GmbH & Co. KG, Munich[6]	6,140	1	100
BMW Bank GmbH, Munich[3]	2,075	–	100
BMW Finanz Verwaltungs GmbH, Munich	282	32	100
BMW Vertriebszentren Verwaltungs GmbH, Munich	214	14	100
BMW Anlagen Verwaltungs GmbH, Munich[3, 6]	179	–	100
Parkhaus Oberwiesenfeld GmbH, Munich	141	12	100
Alphabet International GmbH, Munich[4, 5, 6]	140	–	100
BMW High Power Charging Beteiligungs GmbH, Munich[4, 6]	103	–	100
Alphabet Fuhrparkmanagement GmbH, Munich[4]	–	–	100
Bavaria Wirtschaftsagentur GmbH, Munich[3, 5, 6]	–	–	100
BMW Fahrzeugtechnik GmbH, Eisenach[3, 5, 6]	–	–	100
BMW Fleet GmbH, Munich[4, 5, 6, 9]	–	–	100
BMW Hams Hall Motoren GmbH, Munich[4, 5, 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

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
FOREIGN[2,10]			
Europe			
BMW Holding B.V., The Hague	33,515	5,667	100
BMW International Holding B.V., Rijswijk	13,665	2,207	100
BMW Österreich Holding GmbH, Steyr	4,499	350	100
BMW (Schweiz) AG, Dielsdorf	1,609	136	100
BMW España Finance S.L., Madrid	1,529	161	100
BMW (UK) Holdings Ltd., Farnborough	1,190	298	100
BMW Financial Services (GB) Ltd., Farnborough	1,130	23	100
BMW Motoren GmbH, Steyr	1,078	174	100
BMW i Ventures SCS SICAV-RAIF, Senningerberg	695	– 50	100
BMW (UK) Manufacturing Ltd., Farnborough	691	80	100
BMW Finance S.N.C., Guyancourt	643	60	100
BMW (UK) Ltd., Farnborough	466	197	100
ALPHABET (GB) Ltd., Farnborough	311	61	100
BMW France S.A., Montigny-le-Bretonneux	301	99	100
BMW Russland Trading OOO, Moscow	273	80	100
BMW Austria Leasing GmbH, Salzburg	266	–	100
Rolls-Royce Motor Cars Ltd., Farnborough	258	120	100
Alphabet France Fleet Management S.A.S., Saint-Quentin-en-Yvelines	251	54	100
BMW Austria Bank GmbH, Salzburg	205	16	100
BMW Financial Services Nederland B.V., Breda	196	43	100
BMW Finance N.V., The Hague	182	– 139	100
BMW International Investment B.V., The Hague	174	– 34	100
BMW Italia S.p.A., San Donato Milanese	174	84	100
BMW Finanzdienstleistungen (Schweiz) AG, Dielsdorf	170	13	100
BMW Vertriebs GmbH, Salzburg	135	45	100
Bavaria Reinsurance Malta Ltd., Floriana	130	18	100
BMW Manufacturing Hungary Kft., Debrecen	126	– 41	100
BMW Malta Ltd., Floriana	124	–	100
BMW Austria GmbH, Salzburg	107	37	100

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Iberica S.A., Madrid	105	40	100
Alphabet Belgium Long Term Rental N.V., Aartselaar	–	–	100
Alphabet España Fleet Management S.A.U., Madrid	–	–	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
BiV Carry I SCS, Senningerberg	–	–	100
BiV Carry II SCS, Senningerberg	–	–	100
BMW Automotive (Ireland) Ltd., Dublin	–	–	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	–	–	100
BMW Czech Republic s.r.o., Prague	–	–	100
BMW Danmark A/S, Copenhagen	–	–	100
BMW Distribution S.A.S., Vélizy-Villacoublay	–	–	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 Polska Sp. z o.o., Warsaw	–	–	100
BMW Financial Services Scandinavia AB, Sollentuna	–	–	100
BMW Hellas Trade of Cars A.E., Athens	–	–	100
BMW Hungary Kft., Vecsés	–	–	100
BMW Italia Retail S.r.l., Rome	–	–	100
BMW Nederland B.V., The Hague	–	–	100
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 Slovenia, distribucija motornih vozil, d.o.o., Ljubljana	–	–	100

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Slovenská republika s.r.o., Bratislava	–	–	100
OOO BMW Bank, Moscow	–	–	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 Swiss Auto Lease A, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Compartment A, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Compartment German Auto Leases 7, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Compartment German Auto Leases 8, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Compartment German Auto Loans 11, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Compartment German Auto Loans 12, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Compartment German Auto Loans 13, Luxemburg[11]	–	–	0
Bavarian Sky S.A., Luxemburg[11]	–	–	0
Bavarian Sky FTC, Compartment French Auto Leases 4, Paris[11]	–	–	0
Bavarian Sky UK 5 plc, London[11]	–	–	0
Bavarian Sky UK 6 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
The Americas			
BMW Manufacturing Co., LLC, Wilmington, Delaware	2,666	474	100
BMW (US) Holding Corp., Wilmington, Delaware	2,642	1,855	100
BMW of North America, LLC, Wilmington, Delaware	1,860	914	100
BMW Bank of North America, Salt Lake City, Utah	1,666	258	100
BMW Financial Services NA, LLC, Wilmington, Delaware	1,054	735	100
BMW Canada Inc., Richmond Hill, Ontario	636	149	100
Financial Services Vehicle Trust, Wilmington, Delaware	607	– 282	100
BMW do Brasil Ltda., Araquari	526	51	100
BMW SLP, S.A. de C.V., Villa de Reyes	451	21	100

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW US Capital, LLC, Wilmington, Delaware	234	– 79	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 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 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
Rolls-Royce Motor Cars NA, LLC, Wilmington, Delaware	–	–	100
SB Acquisitions, LLC, Wilmington, Delaware	–	–	100
BMW 2023-A Lease Conduit, Wilmington, Delaware[11]	–	–	0
BMW 2024-A Lease Conduit, Wilmington, Delaware[11]	–	–	0
BMW Canada Auto Trust 2022-1, Richmond Hill, Ontario[11]	–	–	0
BMW Canada Auto Trust 2023-1, Richmond Hill, Ontario[11]	–	–	0
BMW Canada Auto Trust 2024-1, Richmond Hill, Ontario[11]	–	–	0
BMW Vehicle Lease Trust 2023-1, Wilmington, Delaware[11]	–	–	0
BMW Vehicle Lease Trust 2023-2, Wilmington, Delaware[11]	–	–	0
BMW Vehicle Lease Trust 2024-1, Wilmington, Delaware[11]	–	–	0

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Vehicle Lease Trust 2024-2, Wilmington, Delaware[11]	–	–	0
BMW Vehicle Owner Trust 2022-A, Wilmington, Delaware[11]	–	–	0
BMW Vehicle Owner Trust 2023-A, Wilmington, Delaware[11]	–	–	0
BMW Vehicle Owner Trust 2024-A, Wilmington, Delaware[11]	–	–	0
BMWCA 2023-A SMBC, Richmond Hill, Ontario[11]	–	–	0
Africa			
BMW (South Africa) (Pty) Ltd., Pretoria	741	49	100
BMW Financial Services (South Africa) (Pty) Ltd., Midrand	198	19	100
SuperDrive Investments (RF) Ltd., Cape Town[11]	–	–	0
Asia			
BMW Brilliance Automotive Ltd., Shenyang	6,040	2,458	75
BMW Automotive Finance (China) Co., Ltd., Beijing	2,269	51	100
BMW China Investment Ltd., Beijing	790	151	100
BMW Financial Services Korea Co., Ltd., Seoul	772	71	100
BMW Japan Finance Corp., Tokyo	398	62	100
BMW Japan Corp., Tokyo	355	129	100
Herald International Financial Leasing Co., Ltd., Tianjin	325	6	100
BMW Korea Co., Ltd., Seoul	245	89	100
BMW Leasing (Thailand) Co., Ltd., Bangkok	244	21	100
BMW India Financial Services Private Ltd., Gurgaon	116	10	100
BMW (Thailand) Co., Ltd., Bangkok	–	–	100
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 Private Ltd., Gurgaon	–	–	100
BMW Lease (Malaysia) Sdn Bhd, Kuala Lumpur	–	–	100
BMW Manufacturing (Thailand) Co., Ltd., Rayong	–	–	100
BMW Tokyo Corp., Tokyo	–	–	100

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
PT BMW Indonesia, Jakarta	–	–	100
BMW Malaysia Sdn Bhd, Kuala Lumpur	–	–	51
2021-3 ABL, Tokyo[11]	–	–	0
2021-9 ABL, Tokyo[11]	–	–	0
2022-9 ABL, Tokyo[11]	–	–	0
2023-3 ABL, Tokyo[11]	–	–	0
2023-9 ABL, Tokyo[11]	–	–	0
2024-6 ABL, Tokyo[11]	–	–	0
Bavarian Sky China 2022-2, Beijing[11]	–	–	0
Bavarian Sky China 2023-1, Beijing[11]	–	–	0
Bavarian Sky China 2024-1, Beijing[11]	–	–	0
Bavarian Sky China Leasing 2023-1, Tianjin[11]	–	–	0
Bavarian Sky Korea 2022-A, Seoul[11]	–	–	0
Bavarian Sky Korea 2023-6, Seoul[11]	–	–	0
Bavarian Sky Korea 2023-7, Seoul[11]	–	–	0
Bavarian Sky Korea 2023-A, Seoul[11]	–	–	0
Bavarian Sky Korea 2024-8, Seoul[11]	–	–	0
Bavarian Sky Korea 2024-A, Seoul[11]	–	–	0
Oceania			
BMW Australia Finance Ltd., Mulgrave	178	13	100
BMW Australia Ltd., Melbourne	165	28	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 2024

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
DOMESTIC[7]			
Automag GmbH, Munich	–	–	100
BMW Car IT GmbH, Munich[4]	–	–	100
BMW i Ventures GmbH, Munich	–	–	100
FOREIGN[7]			
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 Hellas Leasing Single Member Private Company, Kifissia	–	–	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
BMW TechWorks Romania S.R.L., Cluj-Napoca	–	–	50
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

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Shared Services, LLC, Wilmington, Delaware	–	–	100
BMW Technology Corporation, Wilmington, Delaware	–	–	100
Designworks/USA, Inc., Newbury Park, California	–	–	100
MINI Business Innovation, LLC, Wilmington, Delaware	–	–	100
Africa			
BMW Automobile Distributors (Pty) Ltd., Midrand	–	–	100
BPF Midrand Property Holdings (Pty) Ltd., Midrand	–	–	100
Asia			
BMW (China) Insurance Brokers Co., Ltd., Beijing	–	–	100
BMW Finance (United Arab Emirates) FZE, 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 Limited, 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 Financial Services Hong Kong Ltd., Hong Kong	–	–	51
BMW ArcherMind Information Technology Co., Ltd., Nanjing	–	–	50
BMW TechWorks India Private Ltd., Pune	–	–	50

BMW AG's associated companies, joint ventures and joint operations at 31 December 2024

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
Joint ventures – equity accounted			
DOMESTIC			
YOUR NOW Holding GmbH, Munich[8]	66	– 30	50
FOREIGN			
Beijing Ionchi New Energy Technology Ltd., Beijing[8]	166	– 18	50
Associated companies – equity accounted	–	–	-
DOMESTIC			
IONITY Holding GmbH & Co. KG, Munich[8]	725	– 62	15
FOREIGN			
THERE Holding B.V., Rijswijk[8]	959	– 11	31
IONNA LLC, Torrance	–	–	14
Solid Power, Inc., Wilmington, Delaware	–	–	6
Joint operations – proportionately consolidated entities			
FOREIGN			
Spotlight Automotive Ltd., Zhangjiagang[8]	128	33	50
Not equity accounted or proportionately consolidated entities			
DOMESTIC[7]			
Encory GmbH, Unterschleissheim	–	–	50
The Retail Performance Company GmbH, Munich	–	–	50
IDEALworks GmbH, Munich	–	–	49
PDB - Partnership for Dummy Technology and Biomechanics GbR, Gaimersheim	–	–	20
FOREIGN[7]			
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
ChargeScape, LLC, Wilmington, Delaware	–	–	33
Bavarian & Co Co., Ltd., Incheon	–	–	20

BMW AG's participations at 31 December 2024

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
DOMESTIC[7]			
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[7]			
Northvolt AB, Stockholm	–	–	3

[1] The amounts shown for domestic 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 proportionally 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 2024: BMW (UK) Capital plc., Farnborough.
[11] Control on basis of economic dependence.

Munich, 11 March 2025

Bayerische Motoren Werke
Aktiengesellschaft

The Board of Management

Oliver Zipse

Jochen Goller | Ilka Horstmeier

Walter Mertl | Dr-Ing Milan Nedeljković

Dr-Ing Joachim Post | Frank Weber