

BMW Financial Services

March 18, 2013

Dear Media Friend:

As we near the end of the first quarter of 2013, we wanted to open the door for you to further get to know BMW Financial Services, which since 1992 has provided a host of offerings to BMW Group customers and retailer partners; and to date, has achieved a secure portfolio of more than \$32.5 billion U.S. dollars.

Over the past year, we've had a string of successes that include meeting and exceeding our corporate and dealership targets, ranging from commercial lending areas to extended mobility platforms – and our extensive and growing partnership with our dealers has continued to fuel a near decade of consecutive JD Power wins along the way.

But it's really the stats and innovation that allow us to remain committed to achieving even more:

- During 2012, **insurance contracts grew 18 percent** over 2011, establishing a true business model for the brand. This included the extension of a full suite of branded protection products such as *Extended Service Contracts*, *Tire and Wheel Protection*, and *Lease Protection Security programs* – all continuing to cultivate customer loyalty within the BMW family
- Our **commercial loan portfolio realized a net growth of \$202.0mm**, including a total of 22 new car floorplans -- and an expectation for continued growth in 2013; our commercial portfolio grew an exceptional 19 percent to \$4.6 billion U.S. dollars in 2012 -- and with the recent roll-out of our 75-day free flooring for off-lease cars, coinciding with anticipated increases in dealer pre-owned inventories, we foresee continued growth in 2013
- Loan processing has been further enhanced through our **eContracting platform, which grew to include 151 BMW dealerships, finalizing 46,000 deals and increasing usage by 73 percent last year** – and this year the MINI brand will add to the mix, further showcasing our desire to revolutionize technology
- Mobility as a whole also increased, with an enhanced iPad system featuring a range of new functionalities and tools such as our **“Dealer Self Inspection” process which saw nearly 35,000 pre-inspections for customers**, and provided an enormous advantage in loyalty and retention. In fact, at the end of 2012, we had well over 200 dealers using the iPad to complete the DSI process, resulting in nearly a full percentage point increase on the Customer Satisfaction Index (CSI)
- And our demographics are growing too – with **1,142 contracts funded in our College Grad program**, 2012 saw an increase of 219 percent over the prior year and included BMW/MINI, and both new and used vehicles

For 2013, our “best in class” top-notch programs will broaden and continue as we demonstrate our commitment to technological advancements and service to our dealers (we're open 361 days of the year to support their efforts -- in fact, our Regional Service Center (RSC) in Ohio, which provides services to all U.S. regions as well as Canada and Mexico, is open until 10pm EST daily). We, and our dealers, take pride in our accessibility and a personalized approach in all we do.

I look forward to keeping you updated throughout the year on expanded accomplishments and new programs and incentives that will continue to create a strong halo for the BMW Financial Services brand and its products. ***Our communications goal this year is to remain your resource in the F&I world and retain an open door to discussing both the industry and our expanding role with both our dealers and our customers.***

Should you need any information or insight regarding BMW Financial Services, please feel free to contact me directly at deb@debpollack.com or 805-320-9248.

With best regards,



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