



NEWS RELEASE

Dec 01, 2021

R&I View: Mercedes-Benz Finance Spins Off Business No impact on the CP rating

On December 1, Mercedes-Benz Finance Co., Ltd. (CP Rating: a-1+, MBF), a Japanese sales finance subsidiary of Germany-based Daimler AG, transferred its financial services business for trucks and busses to newly established Daimler Truck Financial Services Asia Co., Ltd. by way of a spin-off. MBF will be dedicated to the financial services business for passenger cars. Daimler AG will continue to own 95.11% of MBF shares.

The spinoff is part of the group reorganization Daimler AG is working on. Daimler AG intends to separate the truck business and focus mainly on the premium passenger car segment of the Mercedes-Benz brand. The separation of the truck business is expected to be completed by end-December 2021.

R&I's CP rating for MBF strongly reflects the very high creditworthiness of the Daimler Group. The Daimler Group's creditworthiness is underpinned by the high competitiveness of the premium passenger car segment, which forms the core of the group's earnings sources, as well as by a robust financial base. Because MBF will continue to engage in sales financing for Mercedes-Benz cars in Japan after the spinoff, its importance for the Daimler Group would be unchanged going forward. MBF will maintain access to the Daimler Group's funding support framework. Therefore, it is most likely that the spinoff will not affect the CP rating for MBF, in R&I's view.

R&I will examine the group's creditworthiness based on its financial conditions after the separation of the truck business by Daimler AG, and also closely analyze developments in its Japanese operations, MBF's earnings and financial conditions and liquidity, among others. These factors will be incorporated into the evaluation of the CP rating for MBF.

Lead Rating Analyst: Ayumi Wada

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.