

# DAIMLER

## Daimler Financial Services Capital Market Day 2017

London – February 14, 2017





# DAIMLER

Daimler Financial Services



## CAPITAL MARKET DAY

**Stephan Unger**

Member of the Board of Management,  
Daimler Financial Services







01



### Our Performance

Strong track record of profitable growth expected to continue in the future



02

### Our Risk Management

With our Governance, our balanced funding strategy and active portfolio steering we are continuing to manage risks on a conservative level



03

### Our Way Forward

We are extending our customer base with innovative solutions as a basis for future revenues



# Performance 2016:

## Another record year for Daimler Financial Services!



**47.7%** Penetration Rate

Excellent cooperation with our brand partners

High efficiency

**0.93%** Operating Ratio

**133bn** € Portfolio

Portfolio growth in all regions along with growing sales

Excellent risk management

**0.31%** Net Credit Losses

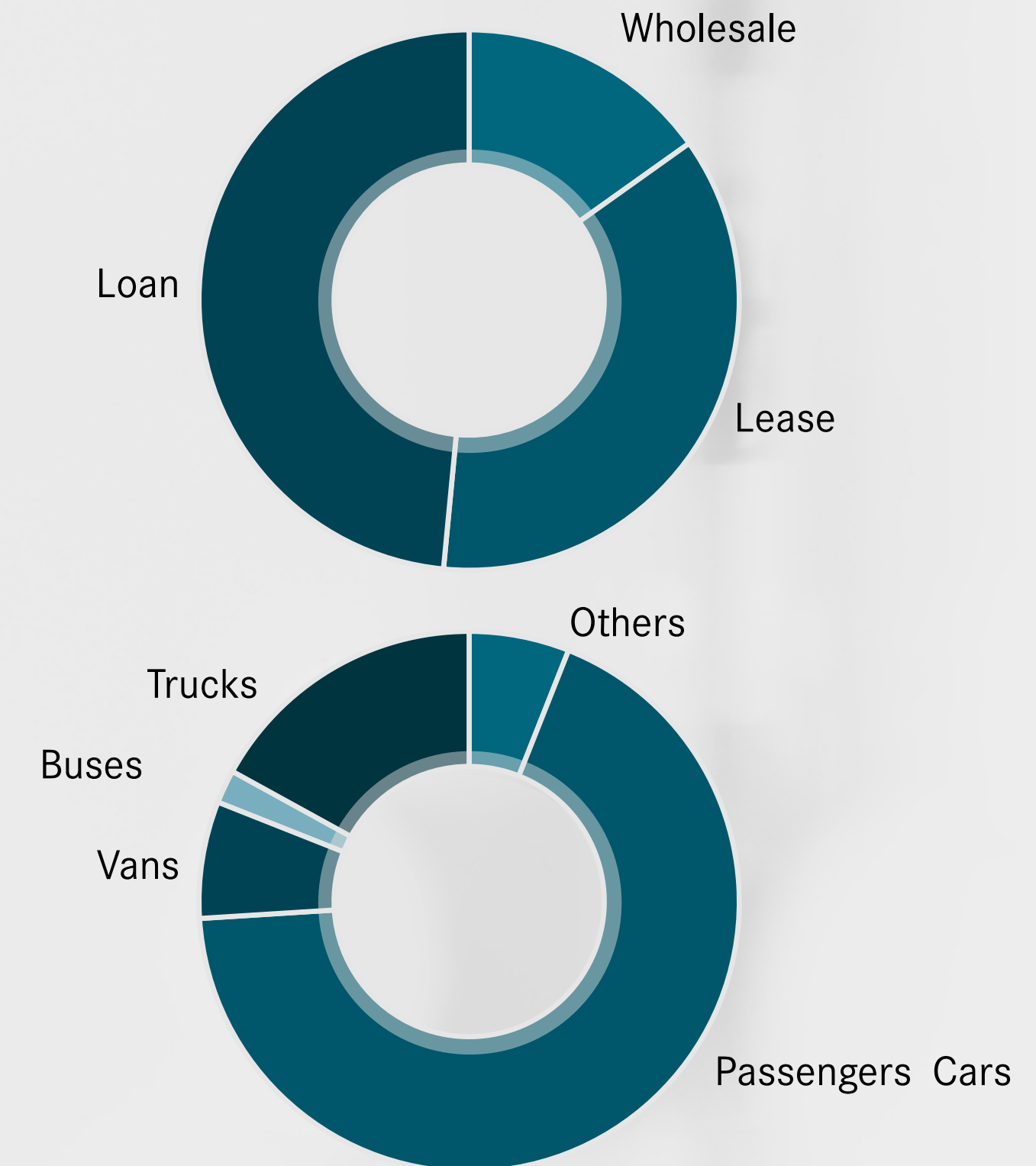
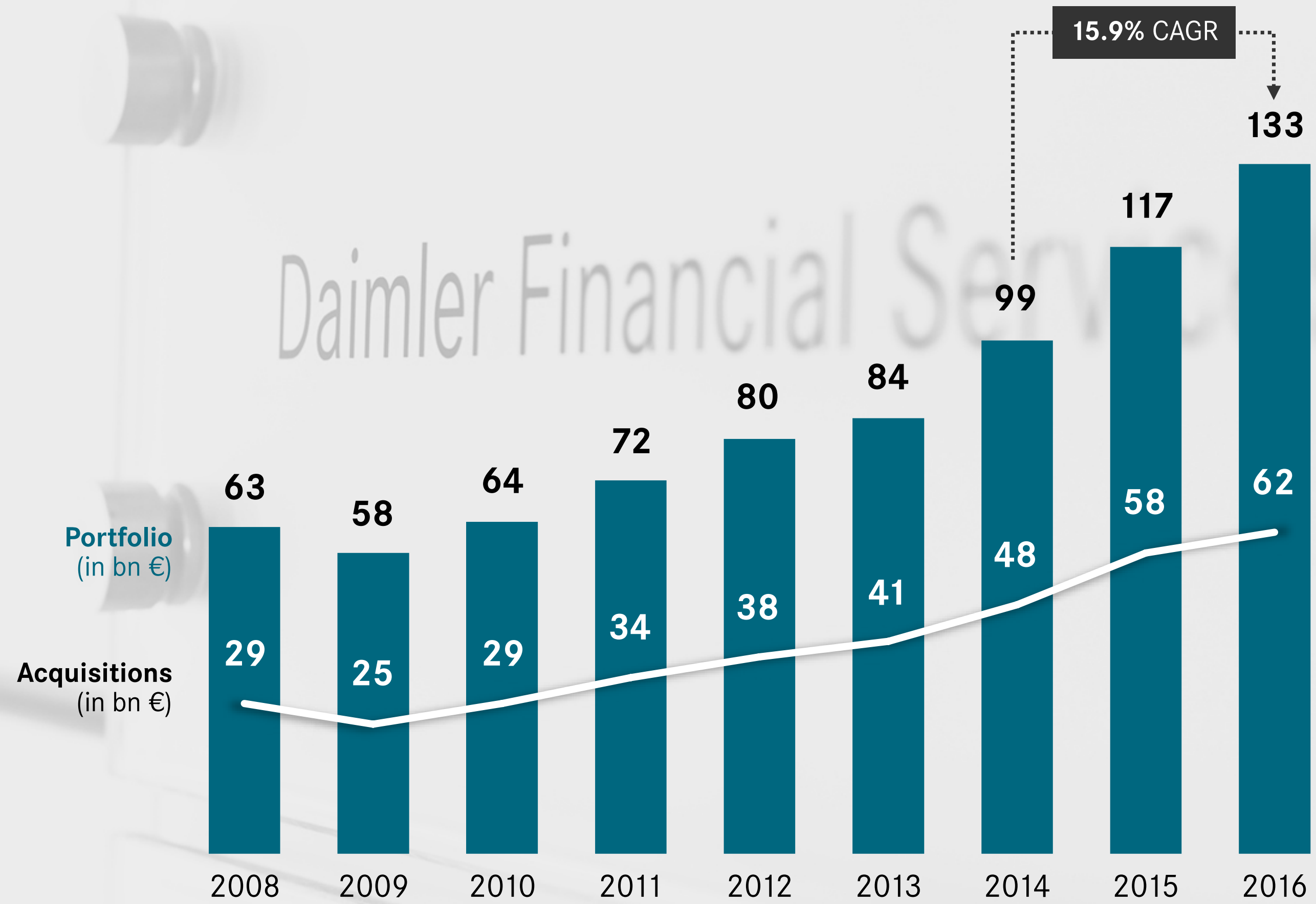
**1.74bn** € EBIT

Favorable EBIT development

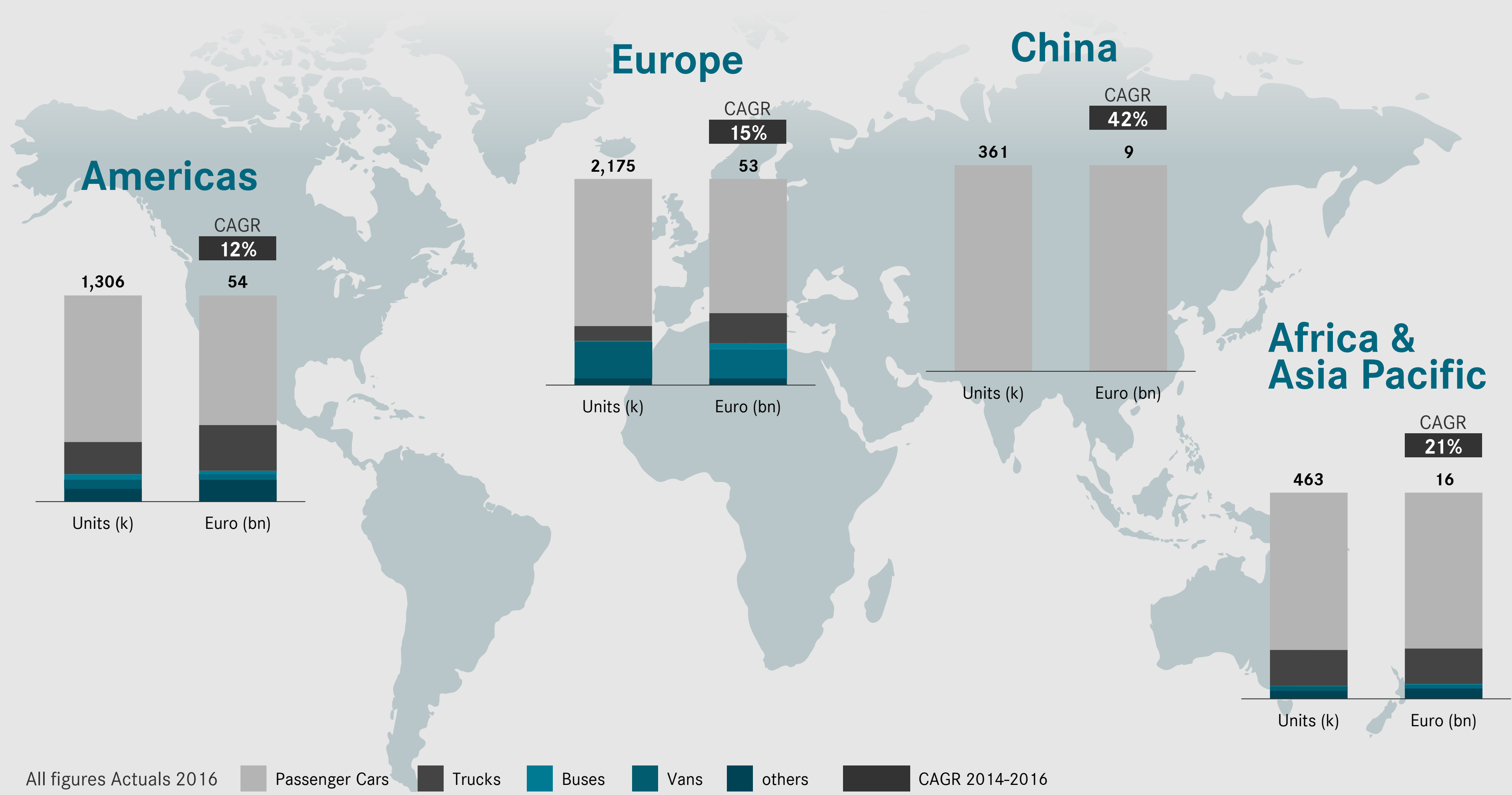
Sustainable profitability

**17.4%** Return on Equity

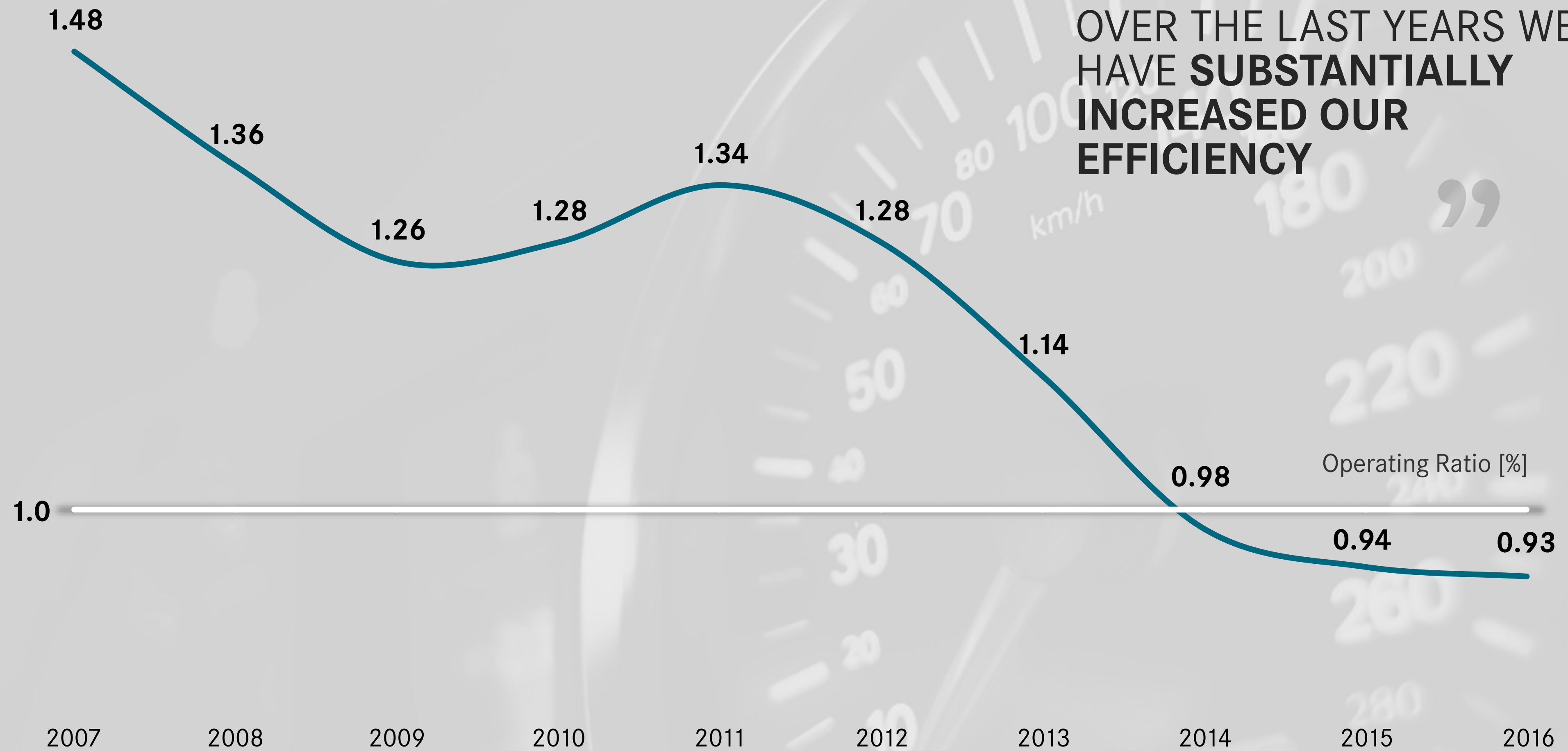
# Our portfolio is growing considerably year over year



# We operate in over 40 Countries with growth in all regions

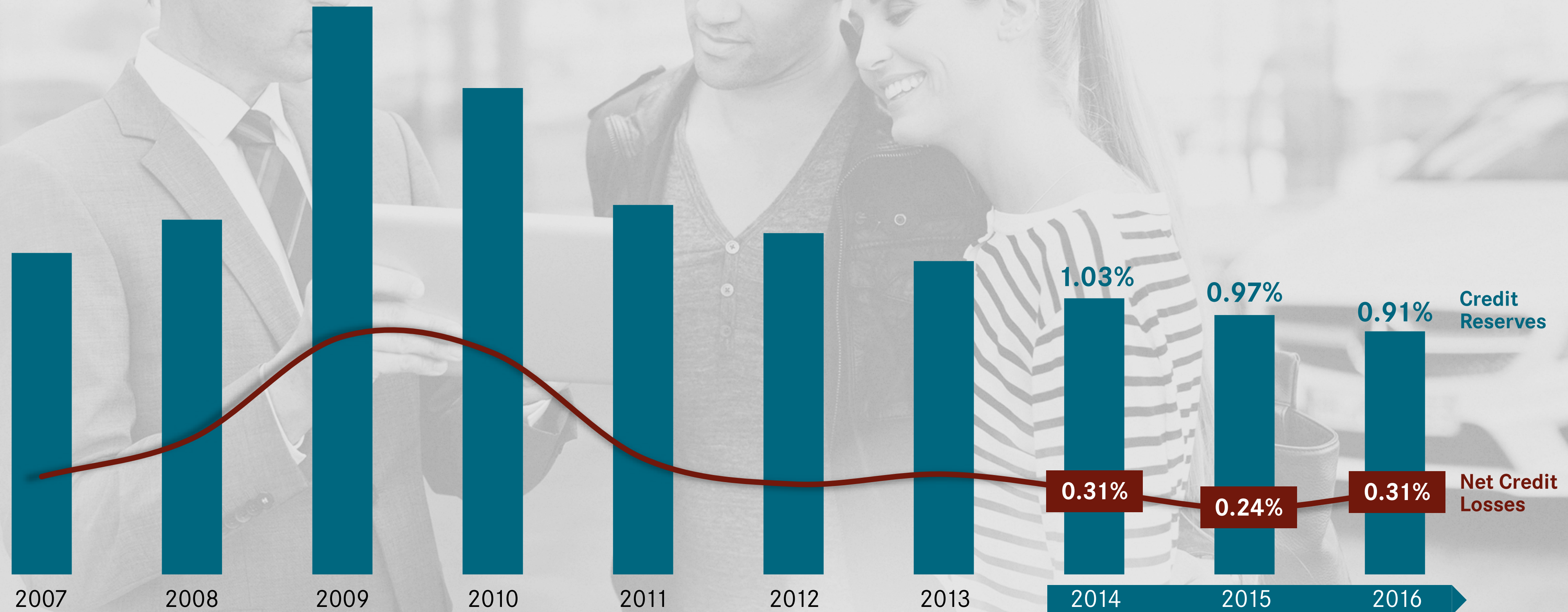








# Our Portfolio performs on an excellent level





# DFS applies a comprehensive risk governance covering the full range of our business



## RISK TYPES

- Credit Risk
- Interest/ Liquidity Risk
- Residual Value Risk
- Operational Risk
- Political/Legal Risks
- Hard Currency Risk



# We mitigate risk and volatility through a balanced mix of funding instruments and clear principles

## Capital Markets

Strengthen our global footprint and use market opportunities

## Bank Loans

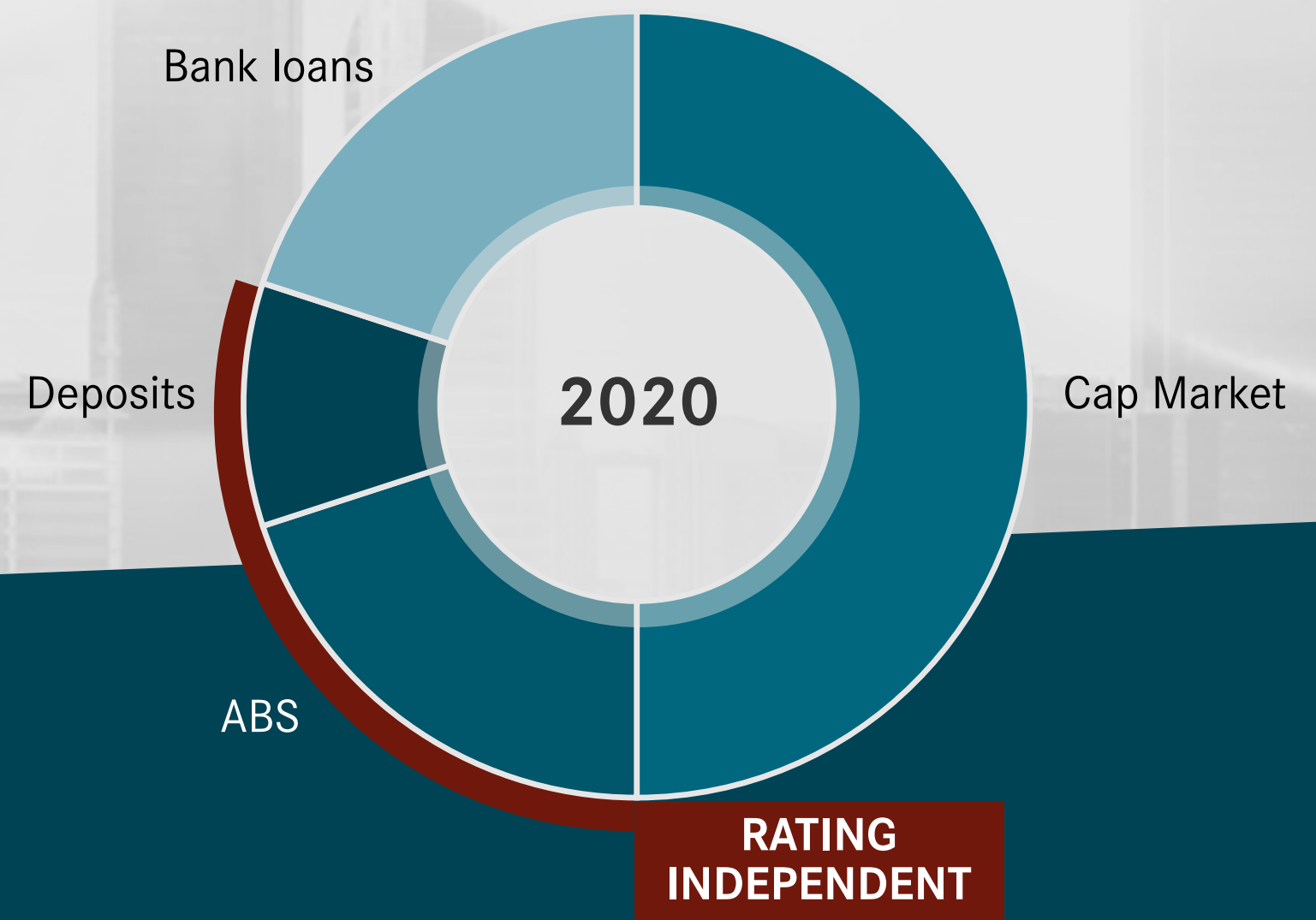
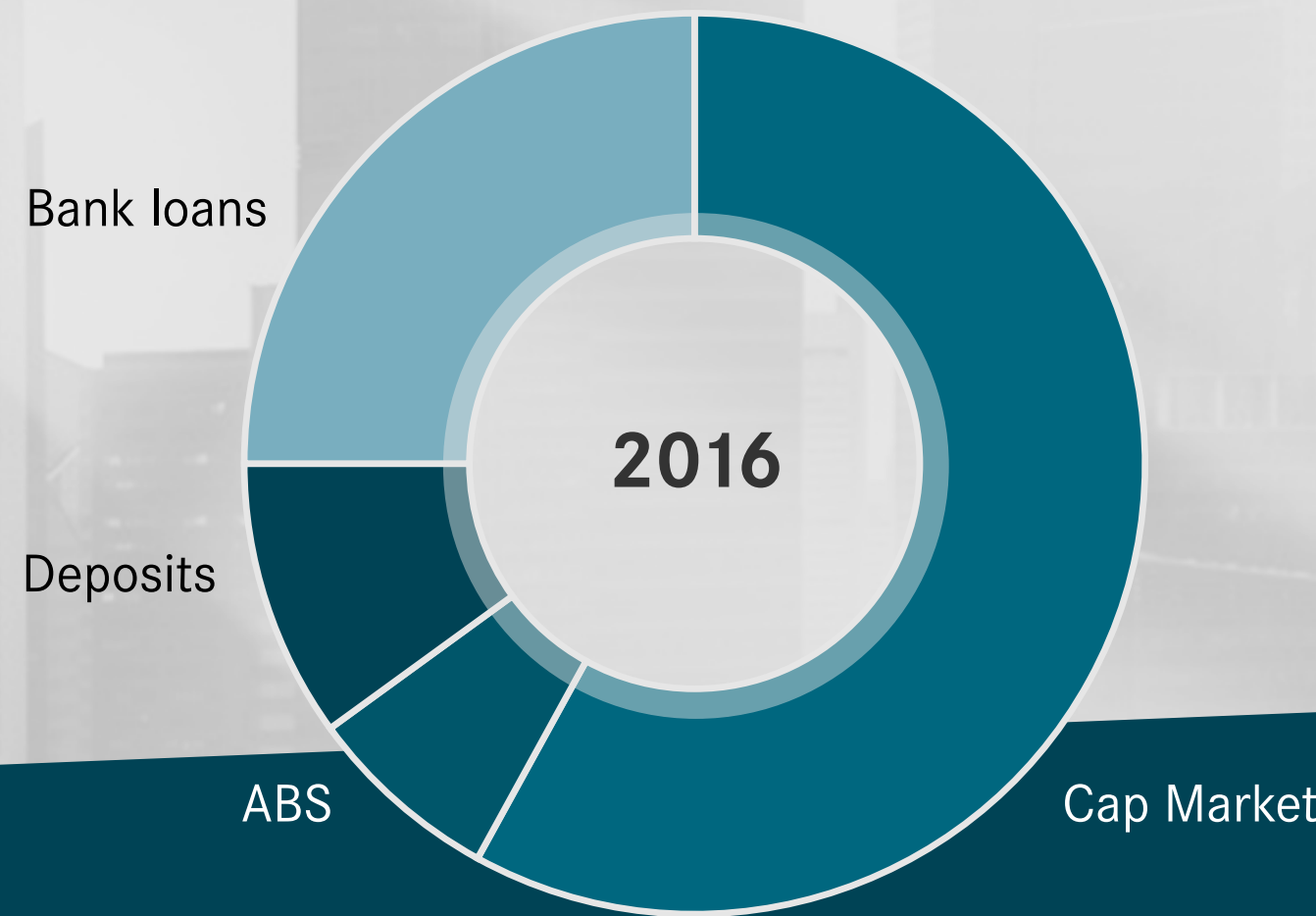
Deepen our excellent bank relationships

## ABS

Globally expand our highly competitive ABS issuances

## Deposit

Maintain well controllable liquidity reserve

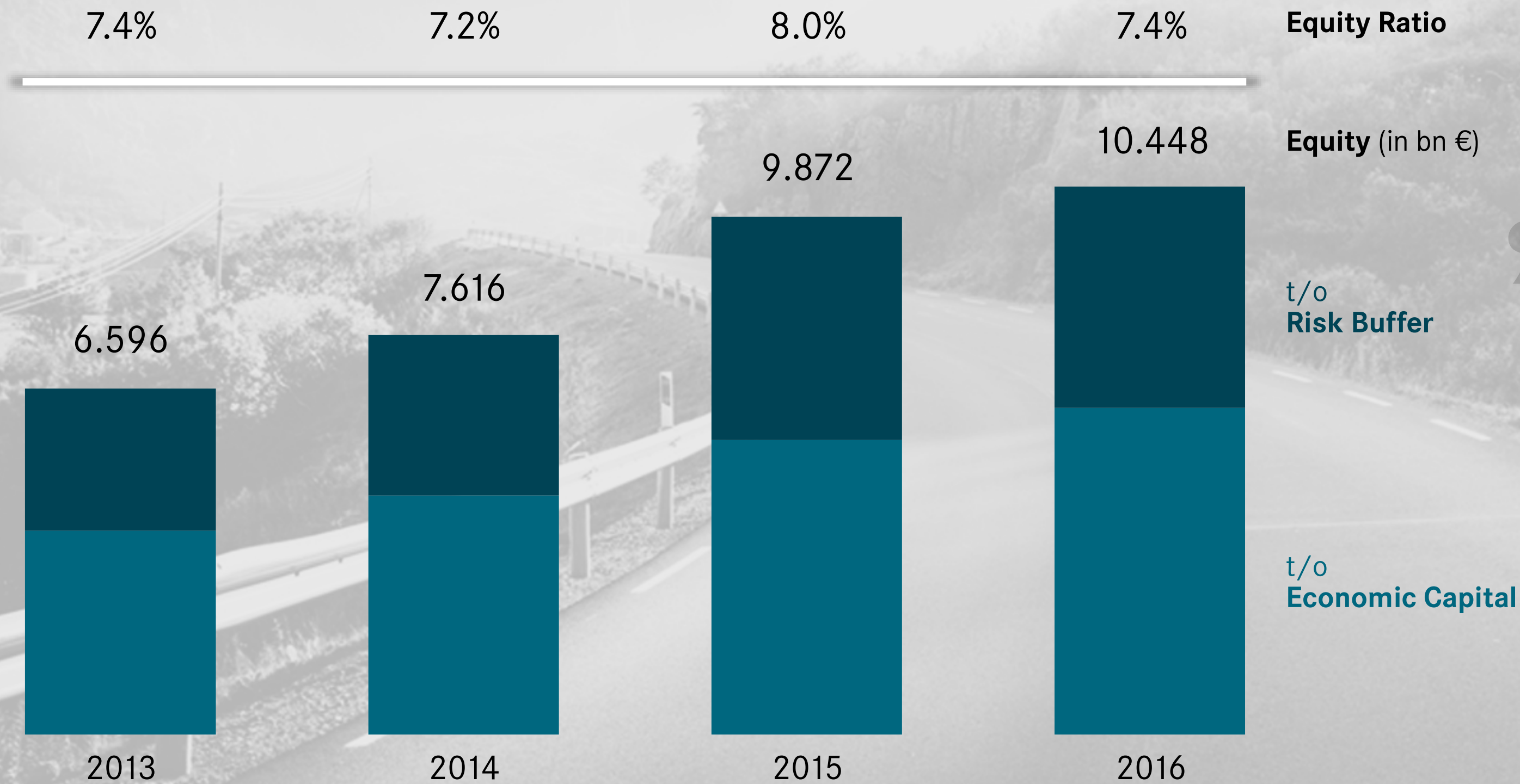


## STRINGENT FUNDING POLICY WORLDWIDE

- Liquidity matched funding
- Interest rate matched funding
- Currency matched funding
- Country matched funding



# We utilize less than 60% of our risk bearing capacity

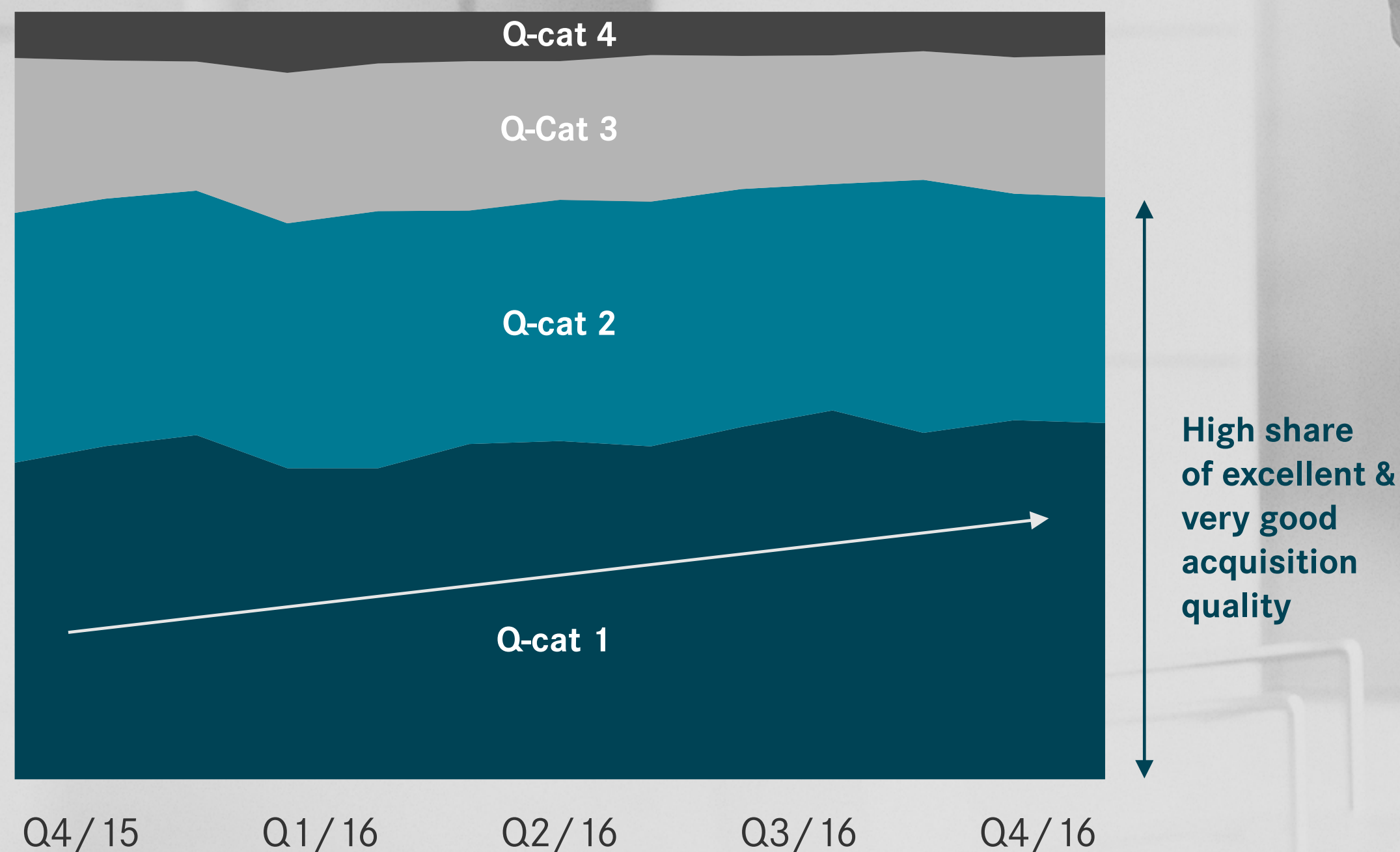


” **EQUITY RATIO IN LINE WITH REGULATORY REQUIREMENTS AND WELL ABOVE RISK PROFILE. CONSERVATIVE RISK STRATEGY AND HIGH ACQUISITION QUALITY ARE KEY.** ”



# Our acquisition quality is very favorable and the share of excellent acquisitions has constantly increased over time

Quality of Acquisitions\* by category

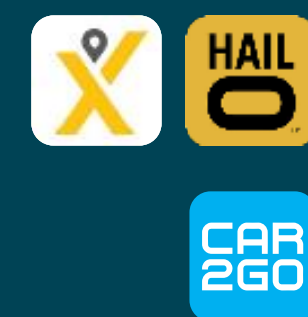
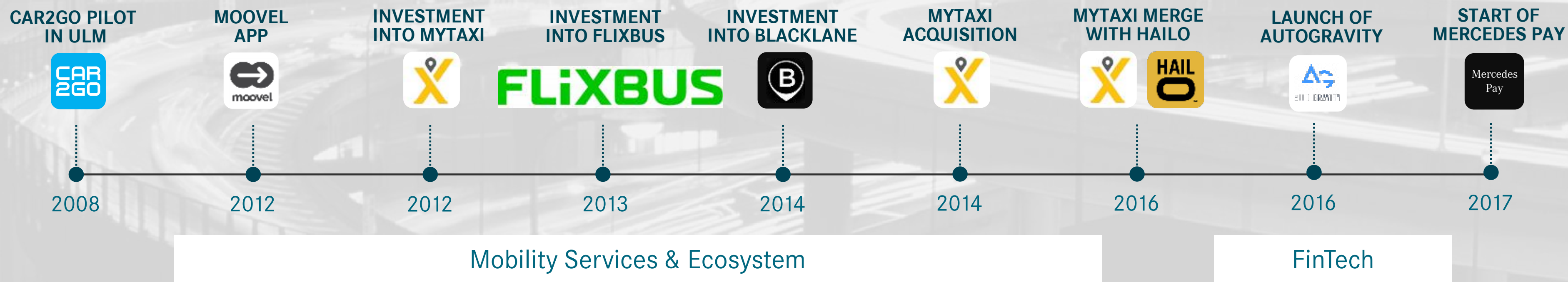


WE SYSTEMATICALLY INCREASE THE **CREDIT QUALITY** OF OUR **ACQUISITIONS** FOCUSING ON **CREDIT WORTHINESS AND DEAL STRUCTURE**

\*Our acquisition quality is globally measured based on potential loss severity and potential loss frequency



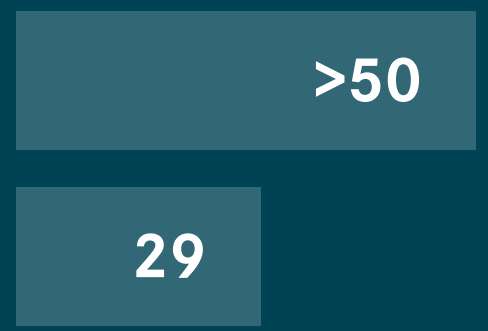
# With Full Speed into DIGITAL – Expanding our Customer Base and Creating a Unique Customer Experience



## Members



## Cities



## Transactions



### Combined change\*



\* car2go and mytaxi combined 12/16 (YTD) vs. 12/15 (YTD)



# Auto Finance is undergoing rapid digital transformation - Our first FinTech is live and operative since 2016



WITH AUTOGRAVITY WE **HARNESS THE POWER OF THE SMARTPHONE** TO PROVIDE A FULLY DIGITAL AND SEAMLESS CUSTOMER EXPERIENCE

WITH AUTOGRAVITY WE **EXPAND OUR CUSTOMER BASE** BY INTEGRATING MULTIPLE LENDERS AND MULTIPLE BRANDS

AUTOGRAVITY ENABLES US **TO TRANSFORM CAR FINANCING** FROM AN ASSET BASED TO A NON-ASSET BASED BUSINESS





# With Mercedes Pay we enable our customers to purchase all our services via smartphone

## FULL MOBILE PAYMENT EXPERIENCE

in-app  
on-board  
at the gas pump



## ONE eWALLET

Maximize customer value  
Minimize payment risk  
Optimize customer analytics





” WE CONTINUE TO FUEL  
OUR EXCELLENT PERFORMANCE  
TODAY AND **TOMORROW** ”



**WE**  
offer mobility at  
your fingertips

**WE**  
engage customer  
for life

**DAIMLER**

**WE**  
successfully  
manage growth

**WE**  
create value  
for our shareholder





# Disclaimer

**The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.**

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.