DAIMLER

Daimler International Finance B.V.

Interim Report

2017

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Supervisory Board

- U. Tüchter Chairman
- Dr. B. Niess
- K. Schäfer
- P. Zirwes

Board of Management

- P. Derks Chairman
- mr. M. van Pelt
- O. Ernst

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Report of the Board of Management

General

These Financial Statements cover the first half year 2017, which ended at the balance sheet date of 30 June 2017.

Daimler International Finance B.V. (or "the Company") was established on 4 April 1986 as a private limited company (B.V.). As at June 30, 2017 the authorized capital of the Company was € 2,500,000 divided into 5,000 ordinary shares of € 500 nominal value, of which 1,000 shares have been issued and fully paid. Each share carries one vote at general meetings of shareholders. The shares are 100% owned by Daimler AG in Stuttgart, Germany. The Company's purpose is to finance part of the activities of the Daimler Group. The needed funding is managed by borrowing from Group companies and the capital markets by issuing bonds, notes and commercial paper.

The Euro Medium Term Note Program (EMTN) issues and the European Commercial Paper Program (CP) issues of Daimler International Finance B.V. are both irrevocably guaranteed by Daimler AG. The bonds have long-term ratings of A2 (stable) from Moody's Investors Service, A (stable) from Standard & Poor's Ratings Group and A- (stable) from Fitch Ratings as at 30 June 2017. These ratings rely on the performance of the Daimler Group.
The bonds issued by Daimler International Finance B.V. are listed on the Luxembourg Stock Exchange.

The funding obtained by the Company has been made available to companies within the Daimler Group and to associated and joint ventures of Daimler AG by way of intercompany loans, with a focus on European financial services companies and Daimler treasury centres.

Development 1st half of 2017

In the first half of 2017, Daimler International Finance B.V. issued four bonds under the Daimler EMTN Program in the total amount of € 1,280 million.
Furthermore, in 2017 Daimler International Finance B.V. issued CPs for a total amount of € 220 million under the Daimler European Commercial Paper Program with tenors of 3 months. At 30 June 2017, the CP outstanding amounts to € 110 million. The proceeds of the EMTN and CP were allocated as intercompany loans to Daimler Group companies.

In 2017 the total loans to affiliated companies of the Company increased by € 675 million to a level of € 3,142 million as per June 30, 2017. All new funding of the financial assets was realized through the issuance of EMTN and CPs under the European CP Programs and through group-internal loans.

The interest margin developed positively to € 3.140 million compared to € 2.570 million in the first half of 2016. Also the financial result was positively affected by the valuation impact of derivatives. The net profit after taxation amounts to an amount of € 2.4 million compared to a negative result of € 2.9 million in the first half of 2016.

Since all the EMTN / CP issued are guaranteed by Daimler AG the general risk profile of the Company and its solvency heavily depend on the solvency of the Daimler Group as a whole.

The number of employees at June 30, 2017 was 5 (2016: 5).
The directors who held office at the end of the financial year and at signing of these financial statements had no disclosing interest in the shares of the Company.

Risk Management

The Board of Management is responsible for the internal control and the management of risks within the Company and for the assessment of the effectiveness of the control systems. These controls were set up in cooperation with Daimler Group to identify and manage foreign exchange, interest, liquidity and credit risks.

In the Company's business, the creation and management of a loan involves the assumption of a number of risks: credit risk, market interest rate risk, foreign exchange risk, market risk and other operational risks. The funds obtained with the issuance of EMTN notes and CP are in general lent onward at similar conditions to affiliated companies.
It is the Company's general policy to hedge the foreign exchange risk with foreign exchange swaps and interest rate swaps to match the funding requirements in terms of maturities and interest rates.

Liquidity risk comprises the risk, that a company cannot meet its financial obligations in full. Daimler International Finance B.V. manages its liquidity by holding adequate volume of cash and by applying as far as possible the matched funding principle. In accordance with internal guidelines, this principle ensures that financial obligations generally have the same maturity profile as the financial assets and receivables and thus reduces the Company's liquidity risks.

The Company solely provides loans within the Daimler Group and to companies in which Daimler holds a minority share (Joint Ventures). Therefore the Company's exposure to credit risk is influenced mainly by the characteristics of Daimler Group related default risk. In cooperation with Daimler AG headquarters, assessments of credit risks are made and credit limits are set, which are periodically reviewed. In respect of cash at banks and financial derivatives, these are only deposited and / or entered into in compliance with the Daimler Global Counterparty Limits as provided by Daimler AG.

Outlook

In 2017 the net interest income on operating activities is expected to develop in line with the balance sheet development during the course of the year. Ineffectiveness resulting from fair value hedge relationships may have impact on the profit before taxation.

The financing activities will develop in line with the strategy of Daimler AG. For the year 2017 management expects a relatively higher level of outstanding EMTN notes which will impact the financing activities to group companies. The Company is expected to extend its current core activities and will actively support all major changes in the treasury operations deemed necessary to ensure even further the efficiency and effectiveness of financing the capital needs of the Daimler Group.

Events after the balance sheet date

Since the reporting date of June 30, 2017, the Board of Management consists of two members instead of three as previously. Mr. Peter Derks left the Board of Management as planned on July 1, 2017. There have been no further occurrences that are of major significance to the Company.

According to new regulations of the Dutch Civil Law (Wet Toezicht Bestuur) the Company's Board of Management and Supervisory Board are unbalanced since less than 30% of the members is female. The Board members have been appointed based on qualifications and availability, irrespective of gender. In order to create more balance the Boards will take these regulations into account to the extent possible in future appointments of Board members.

Utrecht, August 22, 2017

Daimler International Finance B.V.
Van Deventerlaan 50 NL – 3528 AE Utrecht

The Board of Management

M. van Pelt O. Ernst

Responsibility Statement by Management

To the best of our knowledge, and in accordance with the applicable reporting principles for annual financial reporting, the **Interim Report 2017** gives a true and fair view of the assets, liabilities, financial position and profit or loss of Daimler International Finance B.V. The Report of the Board of Management includes a fair review of the development and performance of the business and the position of Daimler International Finance B.V., together with a description of the principal opportunities and risks associated with the expected development of Daimler International Finance B.V.

Utrecht, August 22, 2017

Daimler International Finance B.V.
The Board of Management

M. van Pelt O. Ernst

Daimler International Finance B.V.
Balance sheet as at June 30, 2017
(before profit appropriation x €1,000)
-unaudited-

	Note	30-06-2017		31-12-2016	
ASSETS					
FIXED ASSETS					
◊ **Tangible fixed assets**			21		21
◊ **Deferred tax assets**	6		1.312		1.622
◊ **Financial fixed assets**					
Loans to affiliated companies	1	2.530.557		2.115.667	
Other financial assets	2	434		-	
			2.530.991		2.115.667
CURRENT ASSETS					
◊ **Receivables:**					
Loans to affiliated companies	1	611.751		352.000	
Interest receivables affiliated companies	3	5.569		17.871	
			617.320		369.871
◊ **Cash and cash equivalents**	4		73.528		15.917
			3.223.172		2.503.098

Daimler International Finance B.V.
Balance sheet as at June 30, 2017
(before profit appropriation x €1,000)
-unaudited-

	Note	30-06-2017		31-12-2016	
LIABILITIES					
◊ **Shareholders' equity**	5				
Issued capital		500		500	
Other reserves		524.955		527.002	
Cash flow hedge reserve		434		-	
Retained earnings		2.448		-2.047	
			528.337		525.455
◊ **Deferred tax liabilities**	6		-		-
◊ **Long-term liabilities**					
EMTN issues	7	1.857.258		879.424	
Loans from affiliated companies	7	30.000		185.000	
Other financial liabilities	2	116.637		153.933	
			2.003.895		1.218.357
◊ **Short-term liabilities**					
EMTN issues	7	261.499		-	
CP issues	7	110.085		200.067	
Loans from affiliated companies	7	315.000		542.000	
Other liabilities to affiliated companies	8	1.300		1.532	
Taxation and social security premiums	9	109		56	
Other liabilities and accruals	10	2.947		15.631	
			690.940		759.286
			3.223.172		2.503.098

Daimler International Finance B.V.
Profit and loss account for the half-year ended June 30, 2017
(x €1,000)
-unaudited-

	Note	30-06-2017		30-06-2016	
◊ **Interest income**	12	31.180		31.523	
◊ **Interest expenses**		(28.040)		(28.953)	
Interest margin			3.140		2.570
◊ **Result financial transactions**	13		1.522		(5.354)
◊ **External costs and other**					
Operating costs		(148)		(124)	
Commissions in relation to EMTN issues	14	(1.016)		(729)	
Wages and salaries		(205)		(147)	
Social security charges		(17)		(17)	
Pension charges and early retirement costs		(24)		(24)	
			(1.410)		(1.041)
PROFIT BEFORE TAX			3.252		(3.825)
◊ **Taxation**	15		(804)		956
NET PROFIT (LOSS)			**2.448**		**(2.869)**

Cash Flow statement (x €1,000) –unaudited-

	30-06-2017	30-06-2016
Profit after tax	**2.448**	**(2.869)**
Adjustments for:		
Interest income	(31.180)	(31.523)
Interest expenses	28.040	28.953
Income tax expense	804	(956)
Result financial transactions	(1.522)	5.354
Changes in:		
Change in provisions	-	-
Change in tax receivables	53	(594)
Other liabilities (excluding interest on debts)	(34)	15
Cash flow from operating activities:		
Interest received	42.935	49.751
Interest paid	(40.118)	(47.726)
Additions to loans to affiliated companies	(1.020.000)	(1.525.000)
Repayments of loans to affiliated companies	267.000	1.718.088
Derivative assets and liabilities	1.035	485
Tax paid	(442)	(600)
Net cash from operating activities	**(750.981)**	**193.378**
Cash flow from investing activities:		
Cash flow from financing activities:		
Proceeds from additional EMTN and CP issues	1.500.592	100.000
Repayments of EMTN and CP	(310.000)	(255.088)
Additional short term loans received from aff. companies	1.550.000	1.310.000
Additional long term loans received from aff. companies	-	40.000
Repayments of loans from affiliated companies	(1.932.000)	(1.383.000)
Capital contribution	-	
Net cash from financing activities	**808.592**	**(188.088)**
Net de / increase in cash and cash equivalents	**57.611**	**5.290**
Cash at beginning of period	15.917	8.644
Cash at end of period	73.528	13.934
Net de / increase in cash and cash equivalents	57.611	5.290

Statement of comprehensive income (x €1,000) –unaudited-

	30-06-2017		30-06-2016	
Net result after tax attributable to the company		2.448		(2.869)
Unrealized revaluation of cash flow hedges charged directly to shareholders equity	434		731	
Total of items recognised directly in shareholders' equity of the company		434		731
Total result of the legal entity		**2.882**		**(2.138)**

NOTES TO THE ANNUAL ACCOUNTS as at June 30, 2017

1 Financial fixed assets

Loans to Affiliated companies:
The financial fixed assets stated in the balance sheet are intercompany receivables and are carried at amortized cost.
Recognized financial assets designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged.

Movements in financial fixed assets:

(x €1,000)	30 June 2017	31 Dec. 2016
Value as at the 1 January	2.467.667	2.045.576
Changes in fair value as a result of hedge accounting	-	-
Exchange rate differences	(78.359)	8.719
Additions in the year	1.020.000	3.591.283
Repayments in the year	(267.000)	(3.177.911)
Value as at the 31 December	3.142.308	2.467.667

As at the 30 June € 0.6 billion (2016: € 0.4 billion) of the principle portions outstanding is due and repayable within 1 year and € 2.5 billion (2016: € 2.1 billion) is due and repayable between 1 and 5 years.

The interest rate of the loans to affiliated companies is in conformity with the Group-wide Intercompany pricing standards ensuring at arm's-length conditions.

Loans to affiliated companies for a total amount of € 1.0 billion (2016: € 1.0 billion) are denominated in a currency other than Euro for which the Company has entered into foreign exchange contracts to hedge foreign currency risks as far as they are not lent on in the same currency. The valuation of the loans is determined based on the (half-) year-end foreign exchange rate. As at June 30, 2017 there are no loans which are designated in a fair value hedge accounting relationship (2016: € 0.0 million).

The fair value of the loans to affiliated companies per June 30 2017 is € 3.3 billion (2016: € 2.5 billion).

2 Other financial assets and liabilities

The effectiveness test consists of comparing the cumulative fair value change of a hypothetical derivative defined at the transaction date, with a fair value of zero at the transaction date, as a proxy for the hedge position with the cumulative value change of the actual derivative. If the latter has a higher negative value than the hypothetical derivative, then the difference is recognized in the profit and loss account as ineffectiveness

The fair values of the derivatives are as follows:

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2017		31 Dec. 2016	
Instrument type:				
Interest rate swaps	434	1.255	-	2.343
Cross currency swaps	-	115.382	-	151.590
Total	434	116.637	-	153.933

Fair value hedges

The Company uses interest rate swaps and cross currency interest rate swaps to hedge its exposure to changes in the fair values of its fixed rate, bonds attributable to changes in market interest rates and foreign exchange rates. Interest rate swaps are matched to specific issuances of fixed rate loans.

The fair value of these derivatives is determined on the basis of the discounted expected future cash flows; whereby the market interest rates valid for the remaining terms of the financial instruments are used in which the counterparty and own credit risk are taken into account.

The fair values of derivatives designated as fair value hedges are as follows:

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2017		31 Dec. 2016	
Instrument type:				
Interest rate swaps	-	1.255	-	2.343
Cross currency swaps	-	115.382	-	151.590
Total	-	116.637	-	153.933

Cash flow hedges

The Company uses interest rate and cross-currency swaps to hedge the foreign currency and interest rate risks arising from granting floating rate loans denominated in foreign currencies.

The fair values of derivatives designated as cash flow hedges are as follows:

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2017		31 Dec. 2016	
Instrument type:				
Interest rate swaps	434	-	-	-
Cross currency swaps	-	-	-	-
Total	434	-	-	-

3 Interest receivables from affiliated companies

The intercompany receivables consist of interest on financial fixed assets and are due within one year. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

Receivables from affiliated companies for a total amount of € 3.0 million (2016: € 2.8 million) are denominated in a currency other than Euro for which the Company has entered into foreign exchange contracts to hedge foreign currency risks as far as there is no matching with interest liabilities.

4 Cash and cash equivalents

Cash and cash equivalents is stated at nominal value and freely disposable. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

5 Shareholders' equity

Summary of movements in shareholders' equity in 2017 and 2016:

(x €1,000)	1 January 2017	capital increase	Profit distribution in 2017 for 2016	Dividend distribution in 2017	Changes in fair value of cash flow hedges	Result for the year	30 June 2017
Share capital:							
Authorised capital	2.500						2.500
Not issued capital	(2.000)						(2.000)
Issued capital	500		-	-		-	500
Other reserves	527.002		(2.047)	-			524.955
Cash flow hedge reserve	-				434		434
Profit for the year	(2.047)		2.047			2.448	2.448
Total shareholders' equity	525.455		-	-	434	2.448	528.337

(x €1,000)	1 January 2016	capital increase	Profit distribution in 2016 for 2015	Dividend distribution in 2016	Changes in fair value of cash flow hedges	Result for the year	31 December 2016
Share capital:							
Authorised capital	2.500						2.500
Not issued capital	(2.000)						(2.000)
Issued capital	500		-	-		-	500
Other reserves	28.124	500.000	(1.122)	-			527.002
Cash flow hedge reserve	1.081				(1.081)		-
Profit for the year	(1.122)		1.122			(2.047)	(2.047)
Total shareholders' equity	28.583		-	-	(1.081)	(2.047)	525.455

The authorized capital of Daimler International Finance B.V. amounts to € 2,500,000 consisting of 5,000 shares with a par value of € 500. At June 30, 2017 1,000 shares have been issued and fully paid.

In 2016 Daimler AG decided to increase the equity of Daimler International Finance B.V. by € 500 million. Purpose of the increase is to strengthen Daimler International Finance B.V. in its role as a strategic financing hub for the Daimler Group. At the end of July 2016 the Company received € 500 million as a share premium reserve.

The other reserves are considered to be legal statutory reserves both in 2016 and 2017.
The cash flow hedge reserve comprises the effective portion of the accumulated net change in the fair value of cash flow hedge instruments for hedged transactions that have not yet occurred. This cash flow hedge reserve is released during the period that the cash flows from the hedged risk are realised. The cash flow hedge reserve is not freely distributable.

The movement in the cash flow hedge reserve can be specified as follows:

- the effective portion of changes in fair value of cash flow hedges amounting to € 0.4 million (2016: € 0.0 million);
- the net change in fair value of matured cash flow hedges reclassified to P&L amounting to € 0.0 million (2016: € 1.1 million).

6 Deferred tax assets and liabilities

At June 30, 2017 a net deferred tax asset of € 1.3 million for temporary differences was recognized. Deferred tax assets and liabilities are measured at nominal value.
The deferred tax assets and liabilities comprises the tax effect of the temporary differences between the profit determination for financial reporting purposes and for tax purposes.
Deferrals with a residual term of one year or less amount to € 0.4 million (2016: € 0.3 million).
Deferred tax assets and liabilities are attributable to the following:

Movements in 2017:

(x €1,000)	1 January 2017	Re-classi-fication	Provi-sions made	Provi-sions used	Provi-sions released	Other	30 June 2017
Valuation of derivatives	1.622	-	-	-	(310)	-	1.312

Movements in 2016:

(x €1,000)	1 January 2016	Re-classi-fication	Provi-sions made	Provi-sions used	Provi-sions released	Other	31 December 2016
Valuation of derivatives	617	-	1.005	-		-	1.622

7 Short/Long-term liabilities

Daimler International Finance B.V. obtains funds from the market by issuing corporate bonds/notes under the Euro Medium Term Notes and Commercial Paper under the European Commercial Paper Program and obtains funds from affiliated companies by entering into loan agreements. The issues under the EMTN and CP Programs (totalling € 2.2 billion) are unconditionally and irrevocably guaranteed by Daimler AG for which the Company pays a guarantee fee. The bonds issued by Daimler International Finance B.V. are listed on the Luxembourg Stock Exchange.

The terms and conditions of outstanding EMTN notes were as follows:
(x € 1,000)

(x €1,000)	Currency	Nominal interest rate	Date of drawing	Date of maturity	Nominal value	Book value 30-06-2017	Market value 30-06-2017
EMTN	USD	1,750%	10-4-2013	10-4-2018	229.253	261.499	262.963
EMTN	GBP	3,500%	6-2-2012	6-6-2019	603.726	577.581	594.879
EMTN	EUR	3M Euribor + 0,65%	12-1-2017	12-1-2019	200.000	201.260	201.030
EMTN	EUR	0,000%	15-3-2017	15-3-2019	500.000	500.248	499.600
EMTN	EUR	3M Euribor + 0,30%	11-5-2017	11-5-2022	500.000	500.238	500.870
EMTN	NOK	1,750%	24-5-2017	24-5-2022	79.921	77.931	78.349
Total	EUR				2.112.900	2.118.757	2.137.691

CP notes (x € 1,000)

(x €1,000)	Currency		Nominal value	Book value 30-06-2017
CP	EUR		110.000	110.085
Total	EUR		110.000	110.085

The due date of the CPs is September 2017, with interest rates of - 0.32% .

EMTN notes include both hedged and unhedged notes.

◊ The due date of the loans obtained from affiliated companies varies from July 2017 to June 2019. The interest rates of the loans obtained from affiliated companies vary between - 0.16% and 1.1% and are in conformity with the Group-wide intercompany pricing standards ensuring at arm's-length conditions.

◊ As at June 30 2017 there are no liabilities to affiliated companies denominated in a currency other than Euro (2016: € 0.0 million). When they occur the Company will enter into foreign exchange contracts to hedge foreign currency risks as far as they are not back-to-back. The valuation of the loans is determined based on the year-end rate of exchange.

◊ The fair value of the loans from affiliated companies per June 30, 2017 is € 0.3 billion (2016: € 0.7 billion).

◊ The fair value of EMTN notes per June 30 2017 is € 2.1 billion (2016: € 0.9 billion). The fair value of EMTN notes is derived from the market quotation.

8 Other liabilities to affiliated companies

The intercompany liabilities consist of interest on intercompany loans and are due within 1 year.

As at June 30, 2017 there are no liabilities to affiliated companies denominated in a currency other than Euro (2016: € 0.0 million). In cases there is no matching with interest receivables the Company has entered into foreign exchange contracts to hedge foreign currency risks. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

9 Taxation and social security premiums

The specification is as follows:

(x €1,000)	30 June 2017	31 Dec. 2016
Corporate income tax	75	24
Value-added tax	18	(1)
Payroll tax and social security charges	16	33
Total	109	56

10 Other liabilities and accruals

The specification is as follows:

(x €1,000)	30 June 2017	31 Dec. 2016
Interest debts to third parties	2.610	15.260
Other liabilities / accruals	337	371
Total	2.947	15.631

11 Risk Management

General

During the normal course of business the Company is exposed to interest rate risk, currency risk, liquidity risk, credit risk and other operational risks. In order to avoid or reduce these risks, Derivative Financial Instruments such as (but not limited to) Interest Swaps, Currency Contracts and Cross Currency Swaps are used. The Company does not trade in these Derivative Financial Instruments.

The EMTN notes issued by the Company are in general lent onward at arm's length conditions to affiliated companies.

Interest rate risk

As a result from its issuing and lending business, the Company is exposed to interest rate risks. The interest rate risk exposure is frequently monitored and assessed. It is the Company's general policy to mitigate interest rate risk by applying a matched funding in terms of maturities and interest rate and to hedge interest rate exposures by entering into Derivative Financial Instruments, such as interest rate swaps. Changes in fair values of derivatives are compensated by changes in the fair value of the respective underlying.

Foreign currency risk

It is the objective of the Company to eliminate foreign currency risk. Therefore, the Company enters into foreign exchange contracts to hedge foreign currency risks as far as they are not lent on in the same currency. As a result the company incurred only limited foreign currency risk from its ordinary issuance and lending activities. The related Derivative Financial Instruments are recognized on the balance sheet against fair value.

The Company incurs a foreign currency risk on the cash (equivalents) position, which is recognized against the exchange rate applying to the balance sheet date. Gains and losses are taken to the profit and loss account under result financial transactions.

Credit risk

The Company solely provides loans within the Daimler Group and to companies in which Daimler holds a minority share (Joint Ventures). In cooperation with Daimler AG headquarters, assessments of credit risks are made and credit limits are set, which are periodically reviewed. Therefore the company's exposure to credit risk is influenced mainly by the characteristics of Daimler Group related default risk. Daimler Group is rated by credit rating agencies and has a rating of A2 (stable) from Moody's Investors Service, A (stable) from Standard & Poor's Ratings Group and A- (stable) from Fitch Ratings as at June 30, 2017.

In respect of cash at banks and Derivative Financial Instruments, these are only deposited and/or entered into in compliance with the Daimler Global Counterparty Limits as provided by Daimler AG.

Liquidity risk

Liquidity risk comprises the risk, that a company cannot meet its financial obligations in full. Daimler International Finance B.V. manages its liquidity by holding adequate volume of cash and by applying as far as possible the matched funding principle. In accordance with internal guidelines, this principle ensures that financial obligations generally have the same maturity profile as the financial assets and receivables and thus reduces the Company's liquidity risks.

Hedging and Hedge Accounting

Derivative Financial Instruments are valued at fair value in the balance sheet and any changes in the fair value must be accounted for in the income statement. In the event that changes in fair value of hedged risks are not accounted for through the income statement, a mismatch occurs in the accounting of results, making these results more volatile. In these cases, hedge accounting is applied as much as possible to mitigate accounting mismatching and volatility. The Company makes a distinction between fair value hedge accounting and cash flow hedge accounting.

In fair value hedge accounting, the developments in fair value of the hedged risk are processed through profit or loss. This compensates for the fair value movements of the accompanying derivatives. In cash flow hedge accounting, the movements in fair value of the derivatives are accounted for in a separate cash flow hedge reserve in total equity. This cash flow hedge reserve is released over the period in which the cash flows from the hedged risk are realized.

12 Interest income

The interest income is based on loans provided to group companies in the EU (2017: 52.1% and 2016: 58.7%), the US (2017: 47.9% and 2016: 40.8%) and Australia (2017: 0.0% and 2016: 0.5%).

13 Result financial transactions

Result financial transactions comprises the valuation impact of derivatives and the translation gains and losses.
Hedge accounting is applied in accordance with the hedge accounting requirements as stated in RJ 290.
The Company incurs a foreign currency risk on the cash (equivalents) position, which is recognized against the exchange rate applying to the balance sheet date. The total result from translation gains and losses amount to EUR 0.2 million (loss).

14 Commissions in relation to EMTN notes and Commercial Paper

Commissions in relation to EMTN notes and Commercial Paper consist of guarantee fees paid by the Company to Daimler AG, guarantor under the EMTN and CP Programs.

15 Corporation tax

The applicable nominal tax rate is 25% (2016: 25%). The tax expense recognized in the profit and loss account for 2017 amounts to EUR 0.8 million, or 25% of the result before tax (2016: 25%).

(x €1,000)	30 June 2017	30 June 2016
Tax liability for current financial year	(493)	(165)
Deferred tax asset / liability	(311)	1.121
Total	(804)	956

16 Contingent liabilities and (off-balance sheet) commitments

As at June 30, 2017 the Company has no off balance sheet commitment (2016: 0.0 million).