Mercedes-Benz Finance North America LLC

Annual Report 2024

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Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Mercedes-Benz Finance North America LLC (the Company) provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Company's Management Report provides a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Farmington Hills, MI (USA), April 28, 2025

Ramasami Muthaiyah	Christoph Rieker
Chief Executive Officer	*Chief Financial Officer*

Management Report

General

Mercedes-Benz Finance North America LLC (“MBFNA” or the “Company”) is a wholly-owned subsidiary of Mercedes-Benz North America Corporation (“MBNAC”), which is a wholly-owned subsidiary of Mercedes-Benz Capital Investments B.V. (“MBCI”), which is a wholly-owned subsidiary of Mercedes-Benz AG (“MBAG”), which is in turn a wholly-owned subsidiary of Mercedes-Benz Group AG (“MBGAG”).

MBFNA accesses U.S. and foreign capital markets to raise funds, which it lends to MBNAC through a consolidated funding and cash management system. As such, it has relationships with other subsidiaries of MBGAG. MBGAG issued full and unconditional guarantees for MBFNA’s obligations incurred under its outstanding notes and bonds program and commercial paper program. MBFNA and MBNAC entered into an intercompany loan agreement which is intended to mirror MBFNA’s external borrowings such that interest expense with third parties is offset by corresponding interest income from MBNAC.

The nature of the Mercedes-Benz Group operations in the US includes the distribution of passenger cars purchased from Mercedes-Benz AG under the brand name Mercedes-Benz. Mercedes-Benz Group also has financial services operations that principally provide automotive financing to its dealers and their customers, including retail and lease financing for cars, dealer inventory and other financing needs.

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 and investment activity in the United States;
- a deterioration of our funding possibilities on the credit and financial markets, which could result in an increase in borrowing costs or limit our funding flexibility;
- changes in currency exchange rates and interest rates;
- changes in laws, regulations and government policies that may affect the Company or any of its sister companies; and
- the business outlook of the Company’s sister companies in the United States, which may affect the funding requirements of these companies in the automotive and financial services businesses.

The following discussion should be read in conjunction with the MBFNA’s financial statements as of and for the years ended December 31, 2024 and 2023, which were prepared using IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Note 3 to the financial statements provides an overview of the Company’s material accounting policies.

The percentages in the following discussion were computed using exact dollar amounts and numbers. Some of those percentages may, therefore, not reflect the ratio between the rounded amounts presented below.

Earnings

Interest Income

Interest income increased to $1,241,991 in 2024 from $885,585 in 2023, an increase of $356,406 or 40%. The increase was caused by higher interest rates and higher average balance of receivables from related parties.

Interest Expense

Interest expense increased to $1,241,991 in 2024 from $885,585 in 2023, an increase of $356,406 or 40%. The increase is due to higher interest rates for issuances in and higher average balance of notes and bonds and commercial paper in 2024.

Guarantee Fees

Guarantee fees charged by MBGAG (11 bp on outstanding external debt) were $28,732 in 2024, compared to $21,811 in 2023. This was caused by the Company's outstanding balances of external borrowings which were higher in 2024 compared to 2023.

Other Financial Income/(Expense), Net

Other financial income/(expense) was $11 and $(14) for 2024 and 2023. The change is due to foreign exchange on EUR invoices paid.

Administrative Expenses

Administrative expenses were $2,880 and $3,027 for 2024 and 2023, respectively. This was due to lower legal fees in 2024.

Reimbursement of Expenses from MBNAC

MBFNA and MBNAC are parties to an agreement where MBNAC reimburses MBFNA for any and all expenses incurred in connection with the administration of MBFNA's notes and bonds program and commercial paper program. The reimbursement of net expenses from MBNAC amounted to $31,601 in 2024 and $24,852 in 2023.

Profit and Loss

Profit and loss was $0 in both 2024 and 2023.

Financial Position

Total assets were $26,257,314 at December 31, 2024 compared to $23,177,686 at December 31, 2023, an increase of $3,079,628 or 13%. The increase is primarily due to issuances of loans to related parties exceeding the repayments of loans to related parties.

Total liabilities were $26,257,314 at December 31, 2024 compared to $23,177,686 at December 31, 2023, an increase of $3,079,628 or 13%. The increase reflects the issuances of notes and bonds and commercial paper exceeding repayments in 2023.

Liquidity and Capital Resources

In the ordinary course of business, the Company issues notes and bonds and commercial paper in the US and foreign capital markets and lends the proceeds to MBNAC. In 2024, $9,810,313 new notes and bonds and commercial paper were issued, while there were $7,875,124 new issuances in 2023. The Company had neither cash nor cash equivalents as of December 31, 2024 and 2023.

Risk Report

Many factors could directly and indirectly, through the close affiliation with MBGAG's affiliated companies, affect the Company's business, financial condition, and cash flows. The results of operations would not be affected due to the existing reimbursement agreements with MBNAC. The principal risks are described below.

Economic Risk

The Federal Reserve began the current rate-cut cycle in September of 2024 and has indicated the possibility of additional rate cuts in 2025. Any further rate cuts will depend on inflation continuing to advance towards the 2% target and on the job market weakening.

In 2025 the auto sector will continue to face the challenge of transitioning to battery electric vehicles, as suppliers and automakers invest in electrification while also continuing to fund internal combustion engines and hybrid technology to satisfy market requirements. The auto sector also faces potential volatility amid regulatory changes under the new presidential administration. Proposed tariffs on imports and a potential trade war could negatively impact the auto industry as the passing of these added costs to the consumer could lower new vehicle sales. Additionally, an environment with high interest rates, low vehicle affordability, and rising dealer inventories could adversely affect new vehicle sales in 2025.

Industry Risks

Possible declines in vehicle sales may be caused in particular by a worse-than-expected macroeconomic environment for the Mercedes-Benz Group and in the context of political, trade policy or economic uncertainties. In addition to weaker economic growth overall, factors such as high energy prices, high inflation, interest rates, and volatile exchange rates may lead to market uncertainty or loss of purchasing power and may have a negative impact on demand in the automotive sector. A lower-than-expected market acceptance of electric vehicles can also lead to risks in the development of unit sales and can have a negative impact on earnings.

In addition, the financial services that the Mercedes-Benz Group offers in connection with the sale of vehicles involve several risks. These include borrowers' worsening creditworthiness, so receivables might not be recoverable. Additionally, it includes the potential inability to recover the investments in leased vehicles or to collect the sales financing receivables if the resale prices of the vehicles securing these receivables fall short of their book value (residual value risk). This may lead to additional funding requirements through MBFNA.

Financial Risks

Changes in interest rates may have substantial adverse effects on the Company's cash flows. Adverse effects may also arise from downgrades of the long-term debt ratings of the Company's ultimate parent company, MBGAG, and the ability of the Company to issue debt in the US and European markets. Lower demand for the Company's debt instruments could increase the borrowing costs or otherwise limit MBFNA's ability to fund the Mercedes-Benz Group operations in the US.

Note 8 to the Company's financial statements describes the risk management strategies employed by the Company to address such risks.

If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our 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. Any forward-looking statement speaks only as of the date on which it is made.

Corporate Governance

Corporate Bodies

As of December 31, 2024, the Company had six officers and a board of directors which comprised three members. With this segregation, the officers are responsible for managing the day-to-day operations of the Company while the board of directors advises and monitors the officers.

Compliance

As part of the Mercedes-Benz Group organization, the Company has applied all compliance principles the Mercedes-Benz Group AG Board of Management has set including an Integrity Code. This Integrity Code is a set of guidelines for behavior defining a binding framework for the actions of all employees worldwide. Among other things, the guidelines define correct behavior in international business and in any cases of conflicts of interest, questions of equal treatment, proscription of corruption, the role of internal control systems and the duty to comply with applicable law as well as other internal and external regulations.

Risk Management and Internal Control

The risk management system is an integral part of the overall planning, controlling and reporting process. Its goal is to enable the Company's management to recognize significant risks at an early stage and to initiate appropriate countermeasures in a timely manner (see Note 8).

The officers of the Company are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Accounting Principles

The financial statements of the Company are prepared in accordance with IFRS as issued by the IASB.

Outlook

Management expects profit and loss and equity to be $0 in 2025. This expectation is based on the assumption of a stable economic development and continuation of the Company's business model.

Report of Independent Auditors

To the Board of Directors of Mercedes-Benz Finance North America LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mercedes-Benz Finance North America LLC (the "Company"), which comprise the statement of financial position as of December 31, 2024, and the related statements of comprehensive income, changes in equity, and cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company as of December 31, 2023 and for the year then ended were audited by other auditors whose report, dated April 26, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management Report (consisting of pages 4/28 to 7/28), but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements – *European Single Electronic Format*

In connection with the Company's listing requirements with the Luxembourg Stock Exchange, management is responsible for presenting the financial statements in compliance with the requirements set forth in Article 3 of the Delegated Regulation 2019/815 on European Single Electronic Format (ESEF Regulation). The requirements set forth in the ESEF Regulation that are relevant to the Company relate to the financial statements being prepared using a valid eXtensible HyperText Markup Language (XHTML) format. As part of our assessment as to whether the financial statements are prepared, in all material respects, with the requirements set forth in the ESEF Regulation that are relevant to the Company, we have performed tests of the compliance of the presentation of the financial statements of the Company with the requirement to prepare the financial statements using a valid XHTML format as set forth in the ESEF Regulation. In our opinion, the presentation of the financial statements, identified as MBFNA_Annual_Report_2024.zip, have been prepared, in all material respects, in accordance with the requirements set forth in the ESEF Regulation that are relevant to the Company insofar as it relates to the preparation of the financial statements in a valid XHTML format.

PricewaterhouseCoopers LLP

Detroit, Michigan
April 28, 2025

(all amounts in thousands of U.S. dollars)

Statement of Comprehensive Income

		Year ended December 31,	
	Note	**2024**	**2023**
Interest income – related parties	3	1,241,991	885,585
Interest expense – third parties	6	(1,241,991)	(885,585)
Guarantee fees – MBGAG	5	(28,732)	(21,811)
Net interest expense		**(28,732)**	**(21,811)**
Other financial income / (expense), net	4	11	(14)
Administrative expenses	5	(2,880)	(3,027)
Reimbursement of expenses from MBNAC	5	31,601	24,852
Profit and loss		**-**	**-**
Other comprehensive income		-	-
Total comprehensive income		**-**	**-**

The accompanying notes on pages 15 to 28 are an integral part of the financial statements.

(all amounts in thousands of U.S. dollars)

Statement of Financial Position

		December 31,	
	Note	**2024**	**2023**
Assets			
Receivables from related parties	5	20,661,557	15,321,747
Total non-current assets		**20,661,557**	**15,321,747**
Receivables from related parties	5	5,208,225	7,602,391
Accrued interest income from MBNAC	5	387,532	253,548
Total current assets		**5,595,757**	**7,855,939**
Total assets		**26,257,314**	**23,177,686**
Equity and liabilities			
Total equity		-	-
Notes and bonds payable	7	20,661,557	15,321,747
Total non-current liabilities		**20,661,557**	**15,321,747**
Notes and bonds payable	7	4,347,106	4,197,484
Commercial paper	7	838,262	3,389,509
Payables to related parties	5, 7	22,609	15,398
Other provisions	7	248	-
Accrued interest expense	7	387,532	253,548
Total current liabilities		**5,595,757**	**7,855,939**
Total liabilities		**26,257,314**	**23,177,686**
Total equity and liabilities		**26,257,314**	**23,177,686**

The accompanying notes on pages 15 to 28 are an integral part of the financial statements.

Statement of Changes in Equity

	Member's Investment	Retained Earnings	Other Reserves	Total Equity
Balance at January 1, 2023	**-**	**-**	**-**	**-**
Profit and loss	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**
Transactions with members directly recognized in equity	-	-	-	-
Balance at December 31, 2023	**-**	**-**	**-**	**-**
Profit and loss	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**
Transactions with members directly recognized in equity	-	-	-	-
Balance at December 31, 2024	**-**	**-**	**-**	**-**

The accompanying notes on pages 15 to 28 are an integral part of the financial statements.

(all amounts in thousands of U.S. dollars)

Statement of Cash Flows

		Year ended December 31,	
	Note	**2024**	**2023**
Profit and loss		-	-
Adjustments for			
Foreign exchange (gains)/losses	4	(11)	14
Non-cash interest expense		7,696	29,585
Changes in			
Receivables from related parties	5	(2,945,633)	(4,969,364)
Payables to related parties	5	7,211	3,428
Other provisions		248	0
Net cash provided by/(used for) operating activities		**(2,930,489)**	**(4,936,337)**
Net cash provided by/(used for) investing activities		**-**	**-**
Issuances of notes and bonds payable	7	9,670,476	6,477,364
Repayments of notes and bonds payable	7	(4,200,000)	(2,925,000)
Proceeds from issuances of commercial paper, net[2]	7	-	1,246,124
Repayments of commercial paper, net[2]	7	(2,402,137)	-
Proceeds from issuances of commercial paper with an initial maturity of >3 months	7	139,837	151,636
Repayments of commercial paper with an initial maturity of >3 months	7	(277,687)	(13,787)
Net cash provided by/(used for) financing activities		**2,930,489**	**4,936,337**
Net increase/(decrease) in cash and cash equivalents		**-**	**-**
Cash and cash equivalents at the beginning of the period		**-**	**-**
Cash and cash equivalents at the end of the period		**-**	**-**
Supplemental information:[1]			
Interest paid		(1,100,311)	(772,825)
Interest received		1,100,311	772,825

[1] All cash flows from interest are included in cash used in operating activities. The Company does not have any cash flows from income taxes and dividends.
[2] Cash flows from commercial paper with initial time to maturity less than 3 months are netted.

The accompanying notes on pages 15 to 28 are an integral part of the financial statements.

Notes to the Financial Statements

1. General information

Mercedes-Benz Finance North America LLC ("MBFNA" or the "Company") is a limited liability company organized under the laws of Delaware. The Company is a wholly-owned subsidiary of Mercedes-Benz North America Corporation ("MBNAC"), which is a wholly-owned subsidiary of Mercedes-Benz Capital Investments B.V. ("MBCI"), which is a wholly-owned subsidiary of Mercedes-Benz AG ("MBAG"), which in turn is a wholly-owned subsidiary of Mercedes-Benz Group AG ("MBGAG"). Its registered office is located at 1209 Orange Street, Wilmington, Delaware 19801, USA.

MBFNA accesses US and foreign capital markets to raise funds, which it lends to MBNAC through a consolidated funding and cash management system.

In the event of non-payment by MBFNA, MBGAG irrevocably and unconditionally guarantees the debt holders the payment of the amounts corresponding to the principal of, and interest on the respective notes and bonds and commercial paper as they become due. MBFNA and MBNAC entered into intercompany loan agreements which are intended to mirror MBFNA's external borrowings such that interest expense with third parties is offset by corresponding interest income from MBNAC. MBFNA has one reportable segment. The Statement of Comprehensive Income and Statement of Financial Position is provided to and reviewed by MBFNA's Chief Executive Officer once a year.

The Company's ultimate parent MBGAG produces consolidated financial statements that are available for public use.

On April 28, 2025, the Board of Directors of MBFNA authorized the financial statements for issue.

2. Basis of preparation

(a) Applied IFRS Accounting Standards

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

(b) IFRS Accounting Standards issued and adopted in the reporting period

The following amended standards did not have an impact on MBFNA's financial statements:

- Classification of Liabilities as Current and Non-Current (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale-and-Leaseback (Amendments to IFRS 16)

(c) IFRS Accounting Standards issued not effective

New accounting standards are effective for annual periods beginning after January 1, 2025 and earlier adoption is permitted. The items below are not expected to have a significant or material impact on the financial statements and were not early adopted:

- Lack of Exchangeability (Amendments to IAS 21) – Effective January 1, 2025
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 & IFRS 7) – Effective January 1, 2026
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – Effective January 1, 2027

In April 2024, the IASB issued the standard IFRS 18 Presentation and Disclosure in Financial Statements. The aim of the standard is to improve the presentation of financial information as well as to increase the transparency and comparability of the financial statements. IFRS 18 will in the future replace IAS 1 Presentation of Financial Statements. The application of IFRS 18 is mandatory for reporting periods beginning on or after January 1, 2027. Earlier application is permitted but not planned for MBFNA. MBFNA currently does not expect any material impacts on profitability, liquidity and capital resources and financial position due to the application of IFRS 18.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(e) Functional and presentation currency

These financial statements are presented in U.S. dollars (“$”), which is the Company’s functional currency. The Company reports the financial information in thousands of U.S. dollars, except where indicated otherwise.

(f) Presentation in the statement of financial position

Presentation in the statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are classified as current if they mature within one year.

(g) Accounting estimates and management judgements

The preparation of financial statements requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Management’s most important estimates relate to the fair values of the Company’s notes and bonds payable and receivables from MBNAC. Refer to Note 7 for additional information.

Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are applied prospectively.

Management judgements

Recoverability of receivables from related parties

At each reporting date, the carrying amounts of receivables from related parties are evaluated to determine whether there is an objective significant increase in credit risk since initial recognition. Through December 31, 2024, the credit risk on receivables from related parties has not increased significantly since initial recognition. Therefore, the loss allowance for receivables from related parties would be measured at an amount equal to 12-month expected credit losses. Receivables from related parties are considered to have a low risk of default. Management considers the 12-month expected credit losses for receivables from related parties as immaterial.

Estimates

Significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts disclosed in the financial statements relate to the fair value measurements for the Company's financial instruments.

Fair value of financial instruments

The Company measures fair values of its financial instruments using the following hierarchy of methods:

- Quoted market prices in an active market for an identical instrument.
- Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices. For all other financial instruments, the Company determines fair values using valuation techniques. In particular, the Company uses widely recognized valuation models for determining the fair value of common and simpler financial instruments that use only observable market data and require little management judgment. Observable prices and model inputs are usually available in the market for listed debt securities. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

3. Material accounting policies

(a) Interest income and expense

Interest income and expense are recognized in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, except future credit losses.

The calculation of the effective interest rate includes all fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(b) Income taxes

The Company is a single member limited liability company. As such, the Company is not a taxable entity for federal and state income tax purposes. Rather, taxable income or loss is included in its member's federal and state income tax returns and any resulting income taxes are paid by the member.

(c) Transactions with related parties

MBFNA is wholly-owned by MBNAC and indirectly by MBGAG. Transactions with related parties in the normal course of business are recorded at the agreed upon exchange amount. Financial receivables and payables with related parties are entered into at prevailing market terms at the time of the transaction.

(d) Financial assets

Financial assets consist primarily of receivables from MBNAC, which arise from intercompany loans. The classification of financial instruments is based on the business model in which these instruments are held and on their contractual cash flows.

Financial assets that give rise to cash flows consisting solely of payments of principal and interest ("SPPI") are classified in accordance with MBFNA's business model for holding these instruments. These business models are managed principally based on interest-rate structure and credit risk.

For the purposes of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time. In assessing whether the contractual cash flows are solely payments of principal and interest, MBFNA considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, MBFNA considers:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features
- terms that limit MBFNA's claim to cash flows of specified assets (e.g., non-recourse features)

The determination of the business model is made at the portfolio level and is based on management's intention and past transaction patterns. Assessments of the contractual cash flows are made on an instrument-by-instrument basis.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the nominal amount outstanding and which are held with the aim of collecting the contractual cash flows (business model "hold to collect").

After initial recognition, financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method less any loss allowances. Gains and losses are recognized in profit or loss when the financial assets at amortized cost are impaired or derecognized. Interest effects on the application of the effective interest method are also recognized in profit or loss.

Impairment of financial assets

MBFNA recognizes loss allowances for expected credit losses for financial assets other than those to be measured at fair value through profit or loss. The loss allowances for financial assets that are determined to have low credit risk at the reporting date or for which credit risk has not increased significantly since recognition (including receivable from related parties) are measured at 12-month expected credit losses.

When determining if the credit risk of a financial asset has increased significantly MBFNA considers reasonable and supportable information that is relevant and available without undue cost or effort, including quantitative and qualitative information based on historical experience and forward-looking information.

(all amounts in thousands of U.S. dollars)

MBFNA assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Measurement of expected credit losses

Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset. 12-months expected credit losses are a portion of expected credit losses that result from default events that are possible within the next 12 months after the reporting date. Expected credit losses are discounted at the effective interest rate of the financial asset.

A financial instrument is written off when there is no reasonable expectation of recovering it in its entirety or a portion thereof, for example at the end of insolvency proceedings or after a court decision of uncollectibility.

(e) Financial liabilities

Financial liabilities include notes and bonds payable, commercial paper, payables to related parties, and accrued interest. New notes and bonds and commercial paper issuances are recognized at fair value based on quoted prices on the day of issuance minus transaction costs, if any. After initial recognition at fair value minus transaction costs, they are subsequently measured at amortized cost using the effective interest method.

4. Other financial income/(expense), net

Other financial income/(expense) includes foreign exchange from intercompany cash balances and invoices in EUR:

	2024	**2023**
Result of foreign exchange transactions	11	(14)
Total	**11**	**(14)**

5. Transactions with related parties

The following table sets forth amounts receivable from related parties:

	December 31,	
	2024	**2023**
Mercedes-Benz North America Corporation	25,862,501	22,921,015
Mercedes-Benz North America Corporation - accrued interest	387,532	253,548
Mercedes-Benz North America Finance Corporation (MBNAF)	7,281	3,123
Total	**26,257,314**	**23,177,686**

The receivables bear interest at fixed and variable rates ranging from 1.45% to 8.50%, with a weighted average interest rate of 4.75%. Variable rates are re-priced on a 3-month basis. Interest income is recorded using the effective interest method. The Company recorded interest income from MBNAC of $1,241,991 in 2024 and $885,585 in 2023. The Company holds receivables with MBNAF, the US In-House Bank, and recorded interest income of $244 in 2024 and $135 in 2023.

(all amounts in thousands of U.S. dollars)

As of December 31, 2024, aggregate annual maturities of receivables from related parties were as follows:

Year	Amount
2025	5,595,757
2026	6,190,692
2027	3,989,128
≥2028	10,481,737
Total	**26,257,314**

As of December 31, 2023, aggregate annual maturities of receivables from related parties were as follows:

Year	Amount
2024	7,855,939
2025	4,342,556
2026	2,743,465
≥2027	8,235,726
Total	**23,177,686**

The following table sets forth amounts payable to related parties which result from guarantee fees:

	December 31,	
	2024	**2023**
Mercedes-Benz Group AG	22,609	15,398
Total	**22,609**	**15,398**

MBFNA is charged fees for the full and unconditional guarantees on its outstanding notes and bonds and commercial paper programs by MBGAG. These fees are calculated as a set percentage of the outstanding notes and bonds and commercial paper at the end of each month at any given year. These guarantee fees were $28,732 and $21,811 for the years ended December 31, 2024 and 2023, respectively.

MBFNA is charged for administrative overhead expenses by MBNAC. These expenses were $2,023 and $1,994 for the years ended December 31, 2024 and 2023, respectively, and are included in administrative expenses of $2,880 and $3,027 for the years ended December 31, 2024 and 2023 in the Statement of Comprehensive Income.

MBFNA and MBNAC are also parties to agreements pursuant to which MBNAC reimburses MBFNA for any and all expenses incurred in connection with the administration of MBFNA's notes and bonds and commercial paper programs. These reimbursements are recognized in income - Reimbursement of expenses from MBNAC.

The receivable for reimbursement of expenses from MBNAC amounted to $15,576 as of December 31, 2024 and $12,276 as of December 31, 2023.

There are no related party transactions with key management personnel as defined in IAS 24.

(all amounts in thousands of U.S. dollars)

6. Statement of cash flows

In 2024 the changes in liabilities arising from financing activities were as follows.

Financing liabilities	**Notes and bonds payable**	**Commercial paper**	**Total**
Balance at January 1, 2024[1]	**19,772,779**	**3,389,509**	**23,162,288**
Proceeds from issuances	9,670,476	139,837	9,810,313
Repayments	(4,200,000)	(2,679,824)	(6,879,824)
Total changes from financing cash flows	**5,470,476**	**(2,539,987)**	**2,930,489**
Interest expense	1,065,481	176,510	1,241,991
Interest paid	(912,541)	(187,770)	(1,100,311)
Total liability-related other changes	**152,940**	**(11,260)**	**141,680**
Balance at December 31, 2024[2]	**25,396,195**	**838,262**	**26,234,457**

[1] Notes and bonds payable balance at January 1, 2024 includes accrued interest in the amount of $253,548.
[2] Notes and bonds payable balance at December 31, 2024 includes accrued interest in the amount of $387,532.

In 2023 the changes in liabilities arising from financing activities were as follows.

Financing liabilities	**Notes and bonds payable**	**Commercial paper**	**Total**
Balance at January 1, 2023[1]	**16,121,247**	**1,991,944**	**18,113,191**
Proceeds from issuances	6,477,364	1,397,760	7,875,124
Repayments	(2,925,000)	(13,787)	(2,938,787)
Total changes from financing cash flows	**3,552,364**	**1,383,973**	**4,936,337**
Interest expense	718,212	167,373	885,585
Interest paid	(619,044)	(153,781)	(772,825)
Total liability-related other changes	**99,168**	**13,592**	**112,760**
Balance at December 31, 2023[2]	**19,772,779**	**3,389,509**	**23,162,288**

[1] Notes and bonds payable balance at January 1, 2023 includes accrued interest in the amount of $170,373.
[2] Notes and bonds payable balance at December 31, 2023 includes accrued interest in the amount of $253,548.

(all amounts in thousands of U.S. dollars)

7. Financial instruments

(a) Carrying amounts and fair values of financial instruments

The following table shows the carrying amounts and fair values of the Company's financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market. The fair values of financial instruments were calculated on the basis of market information available on the balance sheet date.

	December 31, 2024		**December 31, 2023**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at amortized cost				
Receivables from related parties	25,869,782	25,858,729	22,924,138	23,114,798
Accrued interest income from MBNAC	387,532	387,532	253,548	253,548
Total financial assets at amortized cost	26,257,314	26,246,261	23,177,686	23,368,346
Total financial assets	**26,257,314**	**26,246,261**	**23,177,686**	**23,368,346**
Financial liabilities carried at amortized cost				
Notes and bonds payable	25,008,663	24,997,858	19,519,231	19,709,891
Commercial paper	838,262	838,262	3,389,509	3,389,509
Payables to related parties	22,609	22,609	15,398	15,398
Accrued interest expense	387,532	387,532	253,548	253,548
Total financial liabilities carried at amortized cost	26,257,066	26,246,261	23,177,686	23,368,346
Total financial liabilities	**26,257,066**	**26,246,261**	**23,177,686**	**23,368,346**

(all amounts in thousands of U.S. dollars)

Financial assets and liabilities not measured at fair value are classified into the following fair value hierarchy:

	December 31, 2024				December 31, 2023			
	Total	**Level 1[1]**	**Level 2[2]**	**Level 3[3]**	**Total**	**Level 1[1]**	**Level 2[2]**	**Level 3[3]**
Financial assets at amortized cost	**26,246,261**	-	26,246,261	-	**23,368,346**	-	23,368,346	-
Financial liabilities carried at amortized cost	**26,246,261**	19,995,671	6,250,590	-	**23,368,346**	19,124,430	4,243,916	-
thereof notes and bonds	**24,997,858**	19,696,875	5,300,983	-	**19,709,891**	19,124,430	585,461	-
thereof other financial liabilities	**1,248,403**	298,796	949,607	-	**3,658,455**	-	3,658,455	-

[1] Fair value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
[2] Fair value measurement based on inputs for the asset or liability that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).
[3] Fair value measurement based on inputs for the asset or liability that are not observable market data.

The fair values of financial instruments were calculated on the basis of market information available at the reporting date using the methods and assumptions presented below. Due to the short nature of accrued interest income, accrued interest expense, and payables to related parties, management assumes that their fair values are equal to the carrying amounts.

Receivables from related parties

MBFNA holds receivables from MBNAC within a business model whose objective is to collect contractual cash flows. No material impairments have been recognized, and the Company does not believe that these receivables are at risk of being impaired. The Company believes that the fair value of the receivables from MBNAC approximates the fair value of the external notes and bonds payable at December 31, 2024 and 2023, as the terms and interest rates of the receivables from MBNAC are intended to mirror MBFNA's external borrowings such that interest expense and debt maturities with third parties are offset by corresponding interest income and loan maturities from MBNAC.

Notes and bonds payable

When available, the Company uses quoted market prices for its issued notes and bonds and classifies such instruments as Level 1 in the fair value hierarchy. If quoted market prices are not available or for instruments with quoted prices in markets that are considered less than active, the fair value of notes and bonds is determined based on internal models calculating present values of the estimated cash flows and using observable inputs such as interest rates for similar types of instruments. Notes and bonds measured using simple proprietary models based on observable inputs are classified as Level 2 in the fair value hierarchy.

Other financial liabilities
Because of the short maturities of these financial instruments, the carrying amount approximates fair value.

(all amounts in thousands of U.S. dollars)

(b) Notes and bonds payable

MBFNA's obligations under the notes and bonds program are fully and unconditionally guaranteed by its ultimate parent company, MBGAG. Contemporaneously, MBFNA and MBNAC entered into an agreement according to which MBNAC reimburses MBFNA for any and all fees incurred by MBFNA in the course of the administration of the program. Terms and conditions of notes and bonds payable outstanding at December 31, 2024 are as follows:

US-Dollar Notes and Bonds	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Medium Term Note	USD	2.125%	2025	450,000	449,838
Medium Term Note	USD	SOFR + .93%	2025	300,000	299,934
Medium Term Note	USD	4.950%	2025	700,000	699,758
Medium Term Note	USD	3.300%	2025	650,000	649,777
Medium Term Note	USD	SOFR + .57%	2025	400,000	399,790
Medium Term Note	USD	5.375%	2025	700,000	699,399
Medium Term Note	USD	3.500%	2025	500,000	499,676
Medium Term Note	USD	5.375%	2025	650,000	648,934
Medium Term Note	USD	SOFR + .67%	2026	650,000	649,400
Medium Term Note	USD	4.900%	2026	700,000	699,094
Medium Term Note	USD	1.450%	2026	1,000,000	999,049
Medium Term Note	USD	4.800%	2026	1,000,000	998,480
Medium Term Note	USD	4.875%	2026	750,000	748,775
Medium Term Note	USD	SOFR + .63%	2026	750,000	748,932
Medium Term Note	USD	5.200%	2026	750,000	748,554
Medium Term Note	USD	4.800%	2026	600,000	598,409
Medium Term Note	USD	3.450%	2027	750,000	748,709
Medium Term Note	USD	4.800%	2027	800,000	798,207
Medium Term Note	USD	4.750%	2027	700,000	697,887
Medium Term Note	USD	4.900%	2027	700,000	697,779
Medium Term Note	USD	SOFR + .85%	2027	550,000	548,946
Medium Term Note	USD	5.250%	2027	500,000	497,601
Medium Term Note	USD	3.750%	2028	625,000	624,245
Medium Term Note	USD	3.750%	2028	300,000	297,440
Medium Term Note	USD	4.800%	2028	1,000,000	997,314
Medium Term Note	USD	5.100%	2028	900,000	897,365
Medium Term Note	USD	4.850%	2029	850,000	847,285
Medium Term Note	USD	4.300%	2029	500,000	498,652
Medium Term Note	USD	4.800%	2029	850,000	846,742
Medium Term Note	USD	3.100%	2029	500,000	498,229
Medium Term Note	USD	5.100%	2029	600,000	597,977
Medium Term Note	USD	2.625%	2030	450,000	448,169
Bond	USD	8.500%	2031	1,500,000	1,490,485
Medium Term Note	USD	2.450%	2031	500,000	498,794
Medium Term Note	USD	5.050%	2033	750,000	744,917
Medium Term Note	USD	5.000%	2034	750,000	746,994
Medium Term Note	USD	5.125%	2034	450,000	447,127
Total				**25,075,000**	**25,008,663**

(all amounts in thousands of U.S. dollars)

Terms and conditions of notes and bonds payable outstanding at December 31, 2023 are as follows:

US-Dollar Notes and Bonds	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Medium Term Note	USD	3.650%	2024	600,000	599,825
Medium Term Note	USD	0.750%	2024	1,500,000	1,499,640
Medium Term Note	USD	2.700%	2024	750,000	749,619
Medium Term Note	USD	3.250%	2024	500,000	499,535
Medium Term Note	USD	5.500%	2024	850,000	848,865
Medium Term Note	USD	2.125%	2025	450,000	449,185
Medium Term Note	USD	SOFR + 0.93%	2025	300,000	299,664
Medium Term Note	USD	4.950%	2025	700,000	699,028
Medium Term Note	USD	3.300%	2025	650,000	649,404
Medium Term Note	USD	SOFR + 0.57%	2025	400,000	399,428
Medium Term Note	USD	5.375%	2025	700,000	698,648
Medium Term Note	USD	3.500%	2025	500,000	499,242
Medium Term Note	USD	5.375%	2025	650,000	647,957
Medium Term Note	USD	1.450%	2026	1,000,000	998,289
Medium Term Note	USD	4.800%	2026	1,000,000	997,385
Medium Term Note	USD	5.200%	2026	750,000	747,791
Medium Term Note	USD	3.450%	2027	750,000	748,138
Medium Term Note	USD	5.250%	2027	500,000	496,890
Medium Term Note	USD	3.750%	2028	625,000	624,049
Medium Term Note	USD	3.750%	2028	300,000	296,703
Medium Term Note	USD	4.800%	2028	1,000,000	996,589
Medium Term Note	USD	5.100%	2028	900,000	896,756
Medium Term Note	USD	4.300%	2029	500,000	498,380
Medium Term Note	USD	3.100%	2029	500,000	497,890
Medium Term Note	USD	2.625%	2030	450,000	447,852
Bond	USD	8.500%	2031	1,500,000	1,489,387
Medium Term Note	USD	2.450%	2031	500,000	498,622
Medium Term Note	USD	5.050%	2033	750,000	744,470
Total				**19,575,000**	**19,519,231**

(c) Commercial paper

In February 2011, MBFNA entered into a $3,000,000 private placement of a commercial paper program. The commercial paper balance was $838,262 at December 31, 2024 compared to $3,389,509 at December 31, 2023. Fixed interest rates ranged from 4.63% to 4.76% and maturity dates ranged from January 3, 2025 to January 17, 2025. MBFNA's obligations under the commercial paper program are fully and unconditionally guaranteed by its ultimate parent company, MBGAG.

8. Management of financial risks

(a) Introduction

The global nature of the Mercedes-Benz Group businesses in the US exposes MBFNA indirectly to the risks listed below:

- credit risk
- liquidity risk
- finance market risks

However, the resulting effects of these risks on the Company's financial position, cash flows and profitability are all offset by the existing reimbursement agreements between MBFNA and MBNAC as well as the unconditional guarantee issued by MBGAG for MBFNA's outstanding notes and bonds and commercial paper. As a result, the Company is exposed to MBNAC's, and indirectly to its ultimate parent MBGAG's, intent and ability to affect the repayment of these receivables and honor the unconditional guarantee.

This note presents information about the Company's exposure to each of the above risks, and the objectives, policies and processes for measuring and managing risk. As part of its policies and processes for managing and measuring, if necessary, these risks, the Company monitors MBGAG's liquidity position. MBGAG's financial statements are publicly available.

Debt ratings are an assessment by the rating agencies of the credit risk associated with MBGAG and are based on information provided by MBGAG or other sources. Lower ratings generally result in higher borrowing costs and reduced access to capital markets.

In the year 2024, the credit rating of Mercedes-Benz Group AG remained unchanged with all the agencies we have engaged to provide ratings as of December 31, 2024. In the course of the year, S&P Global Ratings (S&P), Moody's Ratings (Moody's) and Morningstar DBRS (DBRS) confirmed their long-term and short-term ratings for the Group. At the end of 2024, therefore, the outlook for Mercedes-Benz Group was assessed as "stable" by the three agencies.

MBGAG's ratings as of December 31, 2024 were as follows:

	S&P	**Moody's**	**DBRS**
Short-term debt	A-1	P-1	R-1(low)
Long-term debt	A	A2	A

MBGAG's ratings as of December 31, 2023 were as follows:

	S&P	**Moody's**	**DBRS**
Short-term debt	A-1	P-1	R-1(low)
Long-term debt	A	A2	A

(b) General information on financial risks

MBFNA applies the guidelines established by its ultimate parent company, MBGAG, and when necessary, establishes its own guidelines unique to the transactions of the Company. The guidelines are established for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to operating financial activities, settlement, accounting and controlling of financial instruments. The guidelines upon which the Company's risk management processes are based are designed to identify and analyze these risks, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products.

(c) Credit risk

Credit risk is the risk of economic loss arising from counterparty's failure to repay or service debt in accordance with the contractual terms. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness as well as concentration risks.

The Company's assets consist primarily of receivables from MBNAC. As a result, the Company is exposed to MBNAC's, and indirectly to its ultimate parent MBGAG's, intent and ability to affect the repayment of these receivables. The maximum exposure to credit risk at the reporting date from receivables is equal to the carrying amount, which is equal to the total assets of the Company. As part of its policies and processes for managing and measuring, if necessary, the Company's exposure to credit risk, the Company monitors MBGAG's liquidity position.

(all amounts in thousands of U.S. dollars)

(d) Liquidity risk

Liquidity risk encompasses the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities in full when due. MBFNA's source of liquidity is its external borrowings. The funds are primarily used to finance working capital and capital expenditure requirements as well as the cash needs of the lease and financing business of the MBNAC subsidiaries.

Depending on its cash needs and market conditions, MBFNA issues bonds and notes and commercial paper in various currencies. Adverse changes in the capital markets could increase MBFNA's funding costs and limit the Company's financial flexibility.

In June 2024, the Mercedes-Benz Group has renewed its syndicated credit facility with a volume of €11 billion with a consortium of international banks. It grants the Mercedes-Benz Group additional financial flexibility until at least the year 2029. The syndicated credit line had not been utilized as of the reporting date.

The liquidity runoff shown in the following table provides an insight into how the liquidity situation of the Company is affected by the cash flows of financial liabilities as of December 31, 2024. It comprises a runoff of the undiscounted contractual principal and interest cash outflows of the financing liabilities and undiscounted payments from other financing liabilities.

	Total	**2025**	**2026**	**2027**	**2028**	**2029**	**> 2030**
Notes and bonds – principal	**25,075,000**	4,350,000	6,200,000	4,000,000	2,825,000	3,300,000	4,400,000
Notes and bonds – interest	**4,211,050**	1,125,488	898,859	680,477	486,869	368,263	651,094
Commercial paper	**839,350**	839,350	-	-	-	-	-
Payables to related parties	**22,609**	22,609	-	-	-	-	-
Total	**30,148,009**	**6,337,447**	**7,098,859**	**4,680,477**	**3,311,869**	**3,668,263**	**5,051,094**

The liquidity runoff as of December 31, 2023 is shown in the following table.

	Total	**2024**	**2025**	**2026**	**2027**	**2028**	**> 2029**
Notes and bonds – principal	**19,575,000**	4,200,000	4,350,000	2,750,000	1,250,000	2,825,000	4,200,000
Notes and bonds – interest	**3,209,617**	793,466	648,138	477,400	394,213	313,681	582,719
Commercial paper	**3,402,630**	3,402,630	-	-	-	-	-
Payables to related parties	**15,398**	15,398	-	-	-	-	-
Total	**26,202,645**	**8,411,494**	**4,998,138**	**3,227,400**	**1,644,213**	**3,138,681**	**4,782,719**

Future cash flows for variable rate instruments are estimated using forward rates.

(e) Finance market risks

Finance market risks are the risks that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its financial instruments. The objective of finance market risks management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The global nature of the Mercedes-Benz Group businesses in the US exposes MBFNA indirectly to market risks resulting from foreign currency exchange rates and changes in interest rates. However, the resulting effects of these market risks on the Company's financial position, cash flows and profitability are all offset by the existing reimbursement agreements between MBFNA and MBNAC. MBFNA maintains risk management control systems independent of Corporate Treasury.

The impact of current macroeconomic and geopolitical developments are further discussed in the Management Report under *Industry Risks*.

9. Related party relationships

For transactions and balances with other MBGAG subsidiaries, refer to Note 5.

The authority and responsibility for planning, directing, and controlling the activities of MBFNA resides within MBGAG's Corporate Treasury and Tax departments rather than with the directors of the entity. Accordingly, the Company does not have key management personnel.

10. Capital management

MBFNA is subject to the capital management at the MBGAG parent level. MBGAG uses net assets as its basis for capital management. Net assets are managed on a divisional level at MBGAG rather than at a regional or company level. Accordingly, the net assets of the Company are not subject to review for capital management, but rather are reviewed as part of the net assets of the MBGAG divisions to which the Company's net assets are allocated. Details regarding how MBGAG is meeting its objectives for managing capital can be found in Note 35 of the Mercedes-Benz Group 2024 Consolidated Financial Statements.

The Company is part of the worldwide financial management that is performed for all Mercedes-Benz Group entities by MBGAG's Corporate Treasury. Financial management operates within a framework of guidelines, limits and benchmarks; for MBFNA, these are described in more detail in Note 8.