Media Release:

Mercedes-Benz Financial Services Taiwan Downgraded To 'twAA/twA-1+' Following Similar Parent Action; Outlook Negative

November 9, 2026

Overview

- S&P Global Ratings has lowered its global scale issuer credit ratings on Mercedes Benz AG to 'A-/A-2' from 'A/A-1'. The rating outlook is negative.
- We view **Mercedes-Benz Financial Services Taiwan Ltd.** (MBFS Taiwan) as a highly strategic member of the parent Mercedes Benz AG group. As such, the ratings and outlook on MBFS Taiwan will move in tandem with the parent group credit profile.
- We have lowered our long-term issuer credit rating on MBFS Taiwan to 'twAA' from 'twAA+' and affirmed the short-term issuer credit rating at 'twA-1+'.
- The rating outlook is negative to reflect the outlook on the parent.

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Rating Action

Taiwan Ratings Corp. today lowered its long-term issuer credit rating on MBFS Taiwan to 'twAA' from 'twAA+' and affirmed the short-term issuer credit rating at 'twA-1+'. The outlook on the long-term rating is negative.

Rationale

On Nov. 6, 2026, S&P Global Ratings downgraded German auto manufacturer Mercedes-Benz AG to 'A-/A-2' from 'A/A-1'. The outlook on the long-term rating is negative. The ratings on MBFS Taiwan mainly reflect our view of a high likelihood of support from the company's ultimate parent, Mercedes-Benz (MB) Group, given the finance company's highly strategic status within the group. As such, the ratings and outlook on MBFS Taiwan will move in tandem with the group credit profile.

MBFS Taiwan is a mid-sized car finance and leasing company in Taiwan, providing financing and leasing services exclusively to Mercedes-Benz branded passenger vehicles. MBFS Taiwan's close ties with car dealers and satisfactory asset quality continue to underpin the company's business stability and profitable operating track record. This is despite our view that its business profile is less diversified than other finance companies in Taiwan and its business momentum fluctuates along with the parent group's sales momentum.

Outlook

The negative rating outlook on MBFS Taiwan reflects the outlook on S&P Global Ratings' long-term global scale rating on the parent. The ratings on MBFS Taiwan therefore move in tandem with the group credit profile, given our view of the company's highly strategic group status.

On a stand-alone basis, we anticipate MBFS Taiwan maintaining stable earnings, satisfactory asset quality, and a profitable track record over the next one to two years. This should strongly complement the group's business strategy to promote the Mercedes-Benz brand in Taiwan, in our view.

Downside scenario

We may lower the long-term rating on MBFS Taiwan if S&P Global Ratings revises downward its assessment of the group credit profile, or if we believe MBFS Taiwan's strategic importance to the group significantly and consistently weakens. Several factors could indicate this, including a reduction in the parent group's stake in MBFS Taiwan to below 50%, the removal of guarantee protection for the Taiwan entity's bank debts, or a substantial change in MBFS Taiwan's funding mix towards instruments not covered by the parent's guarantee.

Upside scenario

We could revise the outlook to stable if S&P Global Ratings revises its rating outlook on the parent to stable.

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - December 09, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology - December 09, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

Related Research

- German Carmaker Mercedes-Benz Downgraded To 'A-' On Toughening Premium Market Conditions; Outlook Negative, www.capitaliq.com, Nov. 6, 2026

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

Ratings List

Downgraded

	To	From
Mercedes-Benz Financial Services Taiwan Ltd.		
Issuer Credit Ratings	twAA/Negative/twA-1+	twAA+/Negative/twA-1+

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.taiwanratings.com for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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