

# Ford




FORD CREDIT

## 1Q 2017 FORD CREDIT EARNINGS REVIEW

April 27, 2017



# FORD CREDIT STRATEGY



**ORIGINATE**

- Support Ford and Lincoln sales
- Strong dealer relationships
- Full spread of business
- Consistent underwriting
- Robust credit evaluation and verification
- Efficient use of capital



**SERVICE**

- High customer and dealer satisfaction
- World-class servicing
- Collections within portfolio loss expectations
- Cost efficiency



**FUND**

- Strong liquidity
- Diverse sources and channels
- Cost effective
- Credit availability through economic cycles

## Ford Credit Maintains A Relentless Focus On Business Fundamentals

FC2

- Ford Credit profitably supports Ford Motor Company, as well as supporting dealers and customers, around the world. Our focus is on creating value with strong risk management, consistent and disciplined originations, world-class servicing and a competitive, diverse funding structure to ensure credit is available throughout the cycles.

## 1Q 2017 HIGHLIGHTS

- Solid quarterly pre-tax profit; guidance on track
- Continued receivables growth globally
- Credit loss metrics remain strong
- Prudently managing lease portfolio to support sales, protect residuals and manage the trade cycle
- Ford Credit outlook incorporates industry trends, including lower residual values, higher credit losses and increasing interest rates

# U.S. FINANCING INDUSTRY TRENDS

	Included in Outlook	vs. Industry
▪ Plateauing sales	✓	Similar
▪ Increased supply of off-lease vehicles	✓	Similar
▪ Lower auction values	✓	Similar
▪ Increasing credit losses	✓	Better
▪ Rising interest rates	✓	Similar
▪ Subprime / Higher risk	✓ 5 - 6%	Better
▪ Extended term financing (≥73 months)	✓ < 5%	Better
▪ Negative equity	✓	Similar

**Ford and Ford Credit's outlook incorporates industry trends**

**Ford Credit on track for 2017 PBT of about \$1.5B**

**Higher PBT expected for 2018**

FC4

- On this slide, you can see the various industry trends that Ford and Ford Credit have incorporated into our outlook.
- Ford Credit continues to expect 2017 full year pre-tax profit to be about \$1.5 billion with improvement in 2018 as a result of less supplemental depreciation than in 2017.

# FINANCIAL REVIEW

# KEY FINANCIAL SUMMARY

	1Q	
	2017	B / (W) 2016
Total Contract Volumes (000)	508	28
Managed Receivables* (Bils)	\$ 140	\$ 8
Debt (Bils)	\$ 129	\$ 2
<b>Results (Mils)</b>		
Americas segment	\$ 358	\$ (65)
Europe segment	77	(4)
Asia Pacific segment	28	11
Total Segments	\$ 463	\$ (58)
Unallocated Other	18	25
Total Pre-Tax Results	\$ 481	\$ (33)
Provision for income taxes	(148)	8
Net income	\$ 333	\$ (25)
<b>Balance Sheet Highlights</b>		
Liquidity (Bils)	\$ 29	\$ (6)
Managed Leverage* (to 1)	9.1	0.3

**Managed receivables grew across all geographic segments**

**1Q Ford Credit PBT was solid, lower YoY as expected**

**Liquidity remains strong**

**Managed leverage continues trending lower toward target range**

\* See Appendix for reconciliation to GAAP and definitions

FC6

- This slide shows our key financial summary. Starting at the top, our first quarter contract volume was up 28,000 units and our managed receivables were up 6 percent.
- First quarter pre-tax profit was \$481 million, \$33 million lower than a year ago as expected.
- Net income in the quarter was \$333 million, \$25 million lower than a year ago reflecting lower pre-tax results.
- Liquidity at the end of the quarter was strong at \$29 billion; leverage continues to trend toward our target range.

# 1Q 2017 PRE-TAX RESULTS BY SEGMENT (MILS)



**Solidly profitable globally**  
**Unallocated Other**  
**primarily reflects market**  
**valuation adjustments to**  
**derivatives**

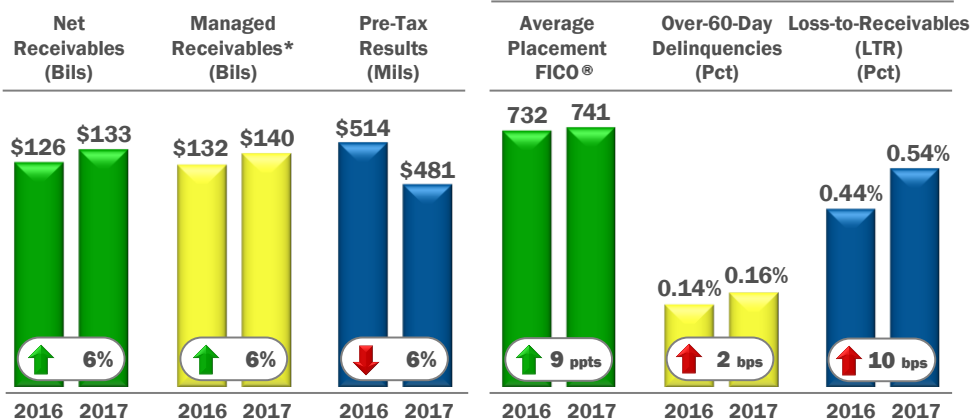
	Total	Americas	Europe	Asia Pacific	Unallocated Other*
B / (W)					
1Q 2016	\$(33)	\$(65)	\$(4)	\$11	\$25

\* See Appendix for definitions

- Ford Credit’s results reflect profits in every segment; results were largely driven by the Americas.
- As shown below the chart, results in the Americas were lower than a year ago as expected and Europe was largely unchanged. Asia Pacific was higher than a year ago. Unallocated Other was also higher than a year ago.

# 1Q 2017 KEY METRICS

## U.S. Retail and Lease



**Receivables grew globally, led by retail financing**

**PBT lower as expected**

**Portfolio performing as expected**

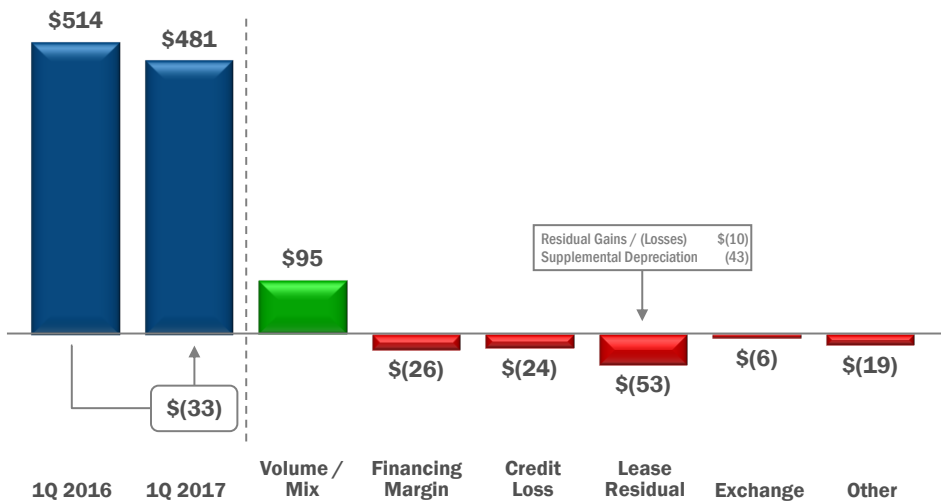
**Disciplined and consistent practices**

\* See Appendix for reconciliation to GAAP

- Receivables were higher than a year ago, while pre-tax profit was lower, as expected.
- Overall, the portfolio continued to perform as expected.
- FICO scores remained consistent.
- The over-60-day delinquency ratio of 16 basis points continued to be at the low end of Ford Credit's historical experience.
- The loss-to-receivables ratio of 54 basis points, up 10 basis points, was also below, but approaching, Ford Credit's historical experience.
- And origination, servicing and collection practices remained disciplined and consistent.



# 1Q 2017 PRE-TAX RESULTS (MILS)



**Higher supplemental depreciation for lease residuals the largest contributor to lower PBT**

**Volume and mix primarily growth in retail receivables globally**

FC9

- Shown above are the details of the decline of \$33 million in Ford Credit's first quarter pre-tax profit. It was driven by unfavorable lease residual performance in the U.S., mainly higher supplemental depreciation in response to expected lower auction values in the lease portfolio.
- The favorable volume and mix reflects primarily growth in retail receivables globally.

# AMERICAS FINANCING SHARES AND CONTRACT PLACEMENT VOLUME

	First Quarter	
	2016	2017
<b>Financing Shares</b>		
<u>Retail Installment and Lease Share of Ford Retail Sales (excl. Fleet)</u>		
United States	57 %	57 %
Canada	73	75
<u>Wholesale Share</u>		
United States	75 %	76 %
Canada	61	60
<u>Contract Placement Volume – New and Used Retail / Lease (000)</u>		
United States	266	264
Canada	36	36
Mexico	10	10
Total Americas Segment	<u>312</u>	<u>310</u>

**Financing shares and contract volume largely unchanged**

FC10

- Ford Credit's focus is on supporting Ford and Lincoln dealers and customers. This includes going to market with Ford and our dealers to support vehicle sales with financing products and marketing programs. Ford's marketing programs may encourage or require Ford Credit financing and influence the financing choices customers make. As a result, Ford Credit's financing share, volume and contract characteristics vary period to period as Ford's marketing programs change.
- First quarter 2017 share and total contract volume are largely unchanged.

# EUROPE FINANCING SHARES AND CONTRACT PLACEMENT VOLUME

	First Quarter		
	2016	2017	
<b>Financing Shares (incl. Fleet)</b>			
<b><u>Retail Installment and Lease Share of Total Ford Sales</u></b>			
U.K.	40 %	36 %	<b>Total segment financing shares unchanged</b>
Germany	43	47	
Total Europe Segment	35	35	
<b><u>Wholesale Share</u></b>			
U.K.	100 %	100 %	<b>Growth in contract volume reflects higher industry sales</b>
Germany	91	94	
Total Europe Segment	98	99	
<b><u>Contract Placement Volume – New and Used Retail / Lease (000)</u></b>			
U.K.	58	59	
Germany	33	39	
All Other	44	53	
Total Europe Segment	<u>135</u>	<u>151</u>	

FC11

- Total segment financing shares are unchanged.
- Growth in first quarter 2017 total contract volume reflects higher industry sales.

# ASIA PACIFIC FINANCING SHARES AND CONTRACT PLACEMENT VOLUME

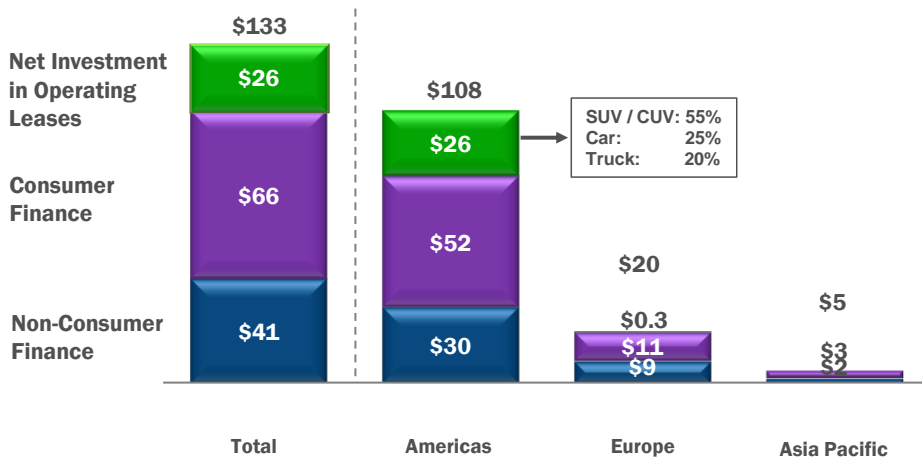
	First Quarter	
	2016	2017
<b>Financing Shares (incl. Fleet)</b>		
<b><u>Retail Installment Share of Total Ford Sales</u></b>		
China	13 %	24 %
India	3	9
<b><u>Wholesale Share</u></b>		
China	53 %	51 %
India	24	34
<b><u>Contract Placement Volume – New and Used Retail (000)</u></b>		
China	33	45
India	-	2
Total Asia Pacific Segment	<u>33</u>	<u>47</u>

**Volume growth primarily reflects improved retail financing share in China**

FC12

- The increase in first quarter 2017 total contract volume was a result of higher retail installment financing share.

# 1Q 2017 RECEIVABLES MIX (BILS)



**Ford Credit's portfolio managed with an enterprise view**

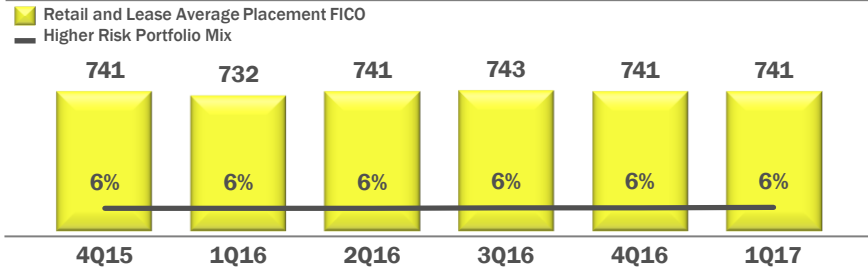
**Lease portfolio smaller versus major competitors**

FC13

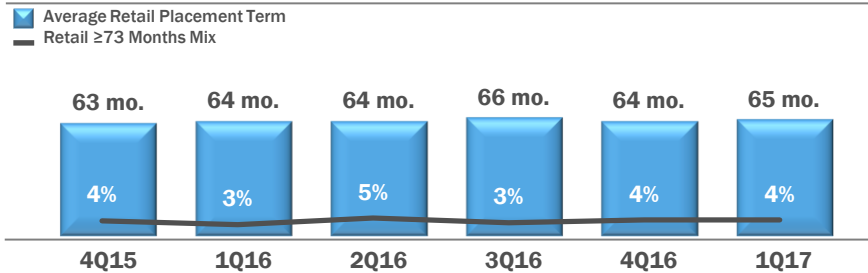
- Ford Credit's portfolio is managed with an enterprise view.
- As shown above, Ford Credit's lease portfolio is about 20% of total receivables, which is lower than most other captives.
- Leasing is an important product, but we must remain balanced. Our leasing strategy balances sales, share, residuals, and long-term profitability. We do this with diversification across vehicle segments, series, and geography.
- 99% of our operating leases are in the U.S. and Canada.

# U.S. ORIGATION METRICS

**FICO and Higher Risk Mix**



**Retail Contract Terms**



**Disciplined and consistent underwriting practices for many years**

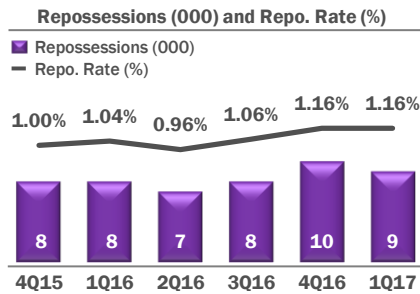
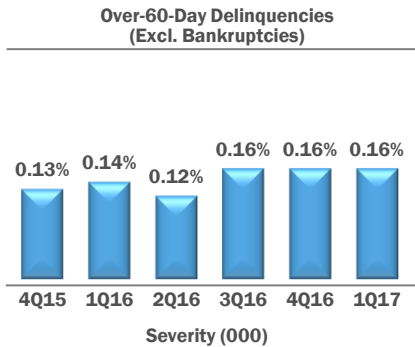
**Portfolio quality evidenced by FICO scores and steady risk mix**

**Extended-term contracts relatively small part of our business**

FC14

- Ford Credit uses proprietary credit scoring models, and our underwriting practices have been consistent for years. Our models measure credit quality using factors such as credit bureau information and contract characteristics.
- While FICO is a part of our scoring system, our models enable us to more effectively determine the probability a customer will pay than using FICO scores alone.
- The first quarter average placement FICO score remained consistent.
- We support customers across the credit spectrum. Our higher risk business, as classified at contract inception, consistently represents 5%-6% of our portfolio and has been stable for over 10 years.
- Our average retail term remains largely unchanged from last year, and retail contracts of 73 months and longer continued to be a relatively small part of our business.
- Ford Credit remains focused on managing the trade cycle – building customer relationships and loyalty while offering financing products and terms customers want.
- Ford Credit’s origination and risk management processes deliver robust portfolio performance.

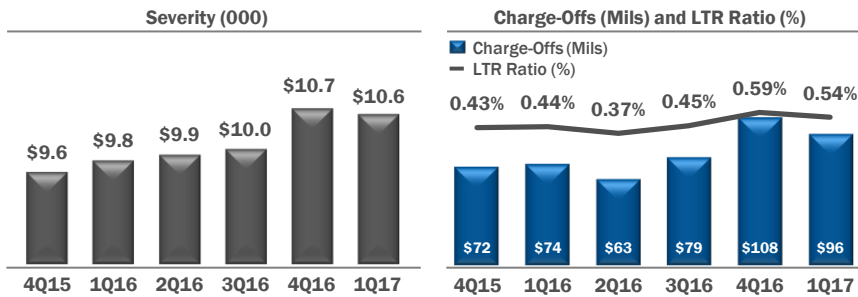
# U.S. RETAIL AND LEASE CREDIT LOSS DRIVERS



**Delinquencies and repossessions remain low**

**Higher severities reflect lower auction values and other factors**

**Charge-offs and LTR continue to be within our placement expectations**

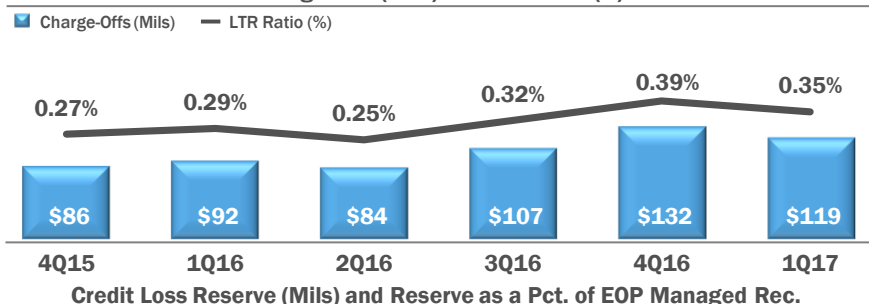


FC15

- Credit losses are a normal part of a financing business. At Ford Credit, we manage credit risk using our consistent underwriting standards, effective proprietary scoring models and world-class servicing.
- When we originate business, our models project expected losses, and we price accordingly. We ensure the business fits our risk appetite.
- Credit losses have been at historically low levels for quite some time, and we continue to see credit losses increase toward more normal levels.
- Delinquencies and the repossession ratio were up from last year.
- Severities have increased over the last number of years. These increases include factors such as higher average amount financed, longer-term financing, shorter average time to repossession, lower auction values, and higher principal outstanding at repossession.
- Severity increased in first quarter 2017 compared to the prior year, primarily driven by lower auction values.
- Charge-offs and the LTR ratio were up year-over-year, primarily reflecting higher defaults and higher severities. The higher defaults reflect an increased default frequency as well as growth in receivables.

# WORLDWIDE CREDIT LOSS METRICS

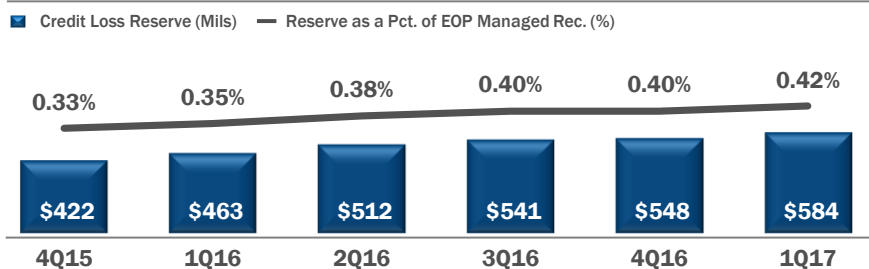
Charge-Offs (Mils) and LTR Ratio (%)



**Worldwide credit loss metrics remain strong**

**Credit loss reserve based on historical losses, portfolio quality and receivables level**

**Reserve growth reflects credit loss trends and growth in receivables**



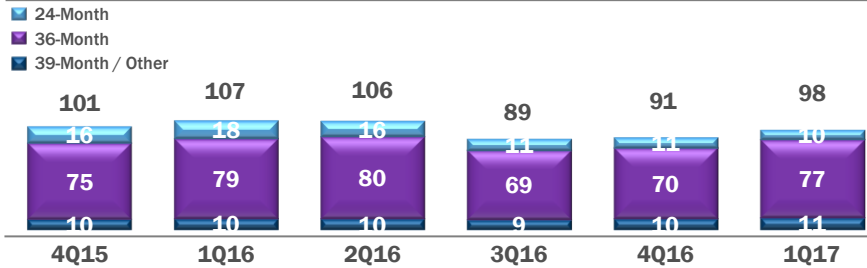
FC16

- Our worldwide credit loss metrics remain strong.
- The worldwide LTR ratio is higher than last year, primarily reflecting the U.S. retail and lease business as covered on the prior slide.
- Our credit loss reserve is based on such factors as historical loss performance, portfolio quality and receivable levels.
- The credit loss reserve was higher at March 31, 2017, compared to March 31, 2016, reflecting credit loss performance trends and growth in receivables.
- The reserve as a percent of managed receivables was up from the first quarter of 2016.



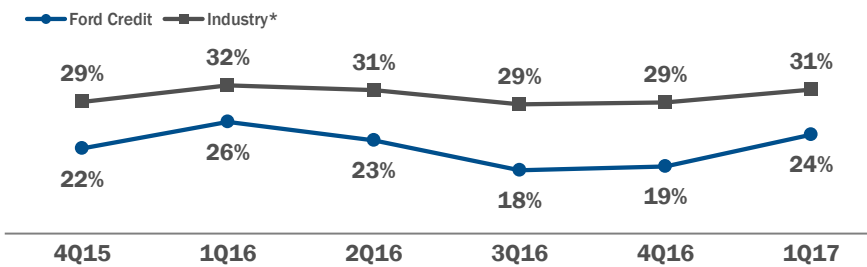
# U.S. LEASE ORIGINATION METRICS

Lease Placement Volume (000)



**Lease placement volume lower YoY, reflecting reduced lease share**

Lease Share of Retail Sales (%)



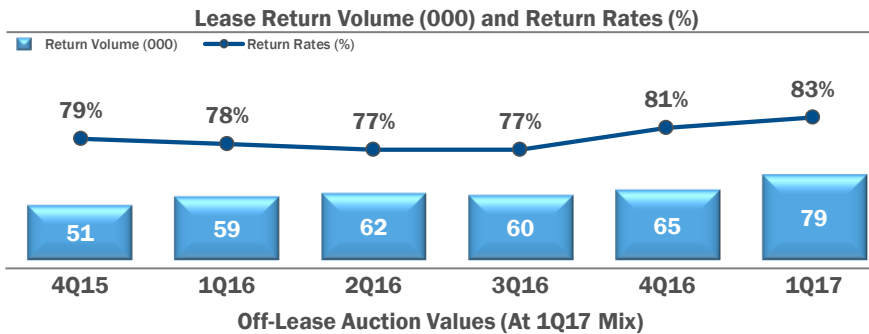
**Lease share continues to be below industry reflecting our leasing strategy**

\* Source: JD Power PIN

FC17

- Leasing is an important product that many customers want and value. Lease customers also are more likely to buy or lease another Ford or Lincoln vehicle.
- Ford and Ford Credit manage lease share with an enterprise view to support sales, protect residual values, and manage the trade cycle. Our leasing strategy considers share, term, model mix, geography and other factors.
- First quarter 2017 lease placement volume was down compared to last year reflecting Ford's lower lease mix.
- Industry lease share is largely unchanged compared to a year ago. Ford Credit's first quarter 2017 lease share was down compared to the prior year and remains below the industry, reflecting the parameters of our leasing strategy.

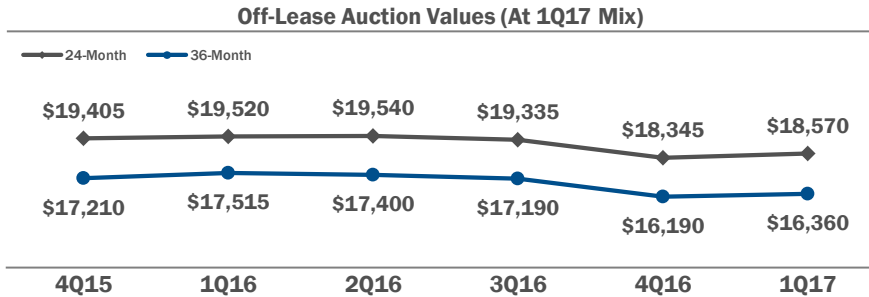
# U.S. LEASE RESIDUAL PERFORMANCE



**Return rates higher reflecting lower used vehicle values**

**Return volumes higher reflecting growth in leasing and higher return rates**

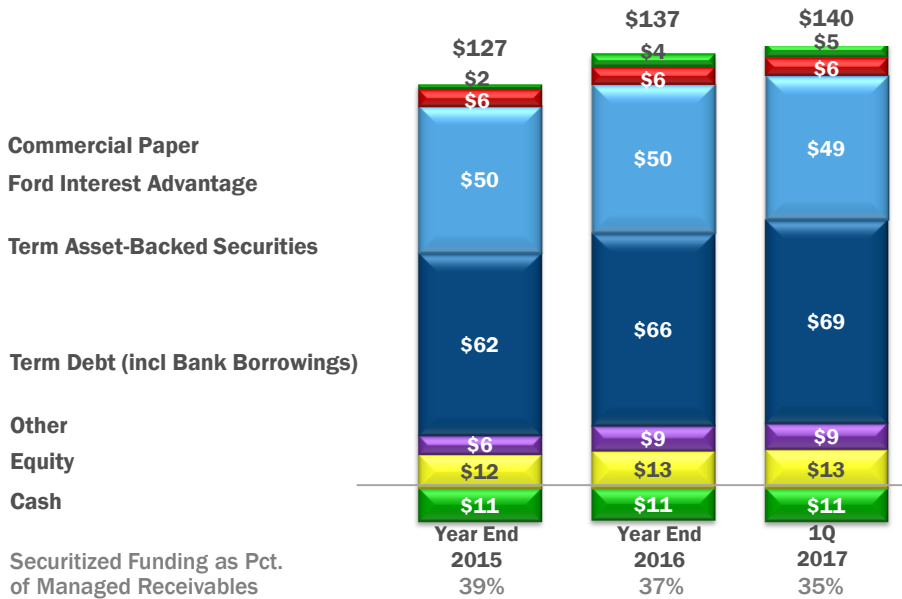
**1Q auction values were seasonally higher than 4Q16 but lower YoY; 36-month auction values down 7% YoY, as expected**



FC18

- Lease return volume in the first quarter was up from the prior year, reflecting higher lease placements in recent years and an increased return rate.
- Our used vehicle auction values in the first quarter of 2017 were lower than a year ago and seasonally higher than the prior quarter. Year over year, auction values are lower across the portfolio, consistent with the industry.
- Over the last several years, we have seen industry lease share grow with rising industry volumes. As a result, the supply of off-lease vehicles is higher and will continue to grow for the next several years. We expect the increased supply of used vehicles to continue to put downward pressure on auction values.

# FUNDING STRUCTURE – MANAGED RECEIVABLES\* (BILS)



**Funding is diversified across platforms**

**Well capitalized with strong investment grade balance sheet profile**

\* See Appendix for reconciliation to GAAP and definitions

- Funding is diversified across markets, channels, and investors.
- Managed receivables of \$140 billion as of March 31, 2017, were funded primarily with term debt and term asset-backed securities. Securitized funding as a percent of managed receivables was 35%.
- We expect the mix of securitized funding to trend lower over time. However, the calendarization of the funding plan may result in quarterly fluctuations of the securitized funding percentage.
- In April 2017, FCE launched Ford Money retail deposits for UK consumers, providing additional funding diversity.
- Ford Credit’s funding strategy is to be well capitalized with a strong investment grade balance sheet and ample liquidity to support our financing activities and growth under a variety of market conditions, including short-term and long-term market disruptions.

# PUBLIC TERM FUNDING PLAN\* (BILS)

	2015 Actual	2016 Actual	2017	
			Forecast	Through April 26
<b>Unsecured</b>				
Ford Motor Credit	\$ 11	\$ 10	\$ 8 - 10	\$ 5
Ford Credit Canada	1	1	1 - 2	1
FCE Bank	4	3	2 - 3	2
Rest of World	-	-	1	-
<b>Total Unsecured</b>	<b>\$ 17</b>	<b>\$ 14</b>	<b>\$ 12 - 16</b>	<b>\$ 7</b>
<b>Securitized</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ 12 - 14</b>	<b>\$ 4</b>
<b>Total Public</b>	<b>\$ 30</b>	<b>\$ 28</b>	<b>\$ 24 - 30</b>	<b>\$ 11</b>

**Issuance plans are consistent with prior years**

**Issuance remains diversified across platforms and markets**

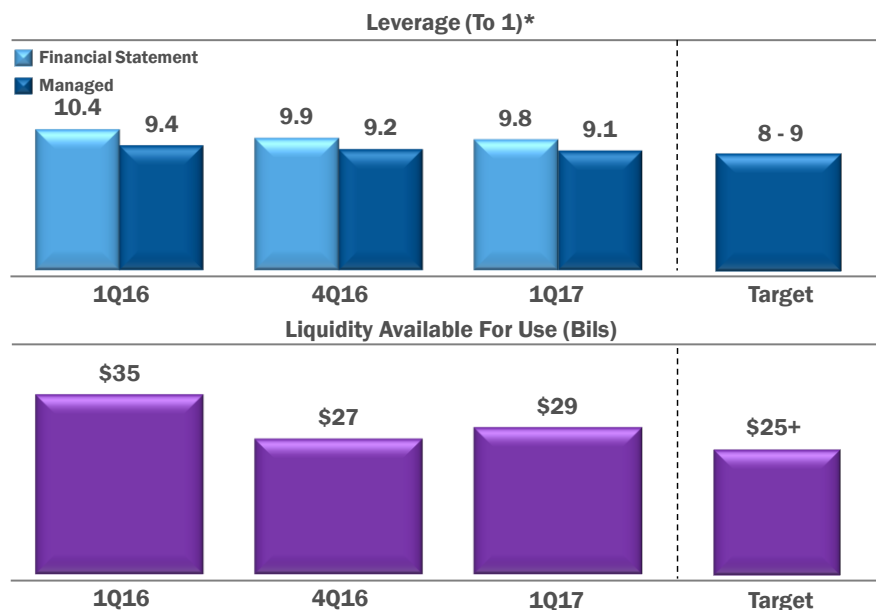
**First auto ABS issuance in China to receive AAA international rating, in April 2017**

\* Numbers may not sum due to rounding; see Appendix for definitions

FC20

- For 2017, our full-year forecast is unchanged with public term funding in the range of \$24 billion to \$30 billion. Through April 26, we have completed over \$11 billion of public term issuance.
- In April 2017, Ford Automotive Finance (China)'s securitization issuance earned the first auto-ABS international rating agency AAA rating in the market.

# BALANCE SHEET METRICS



**Managed Leverage continues trending lower toward target range**

**Liquidity remains strong and above target**

\* See Appendix for reconciliation to GAAP

- As of March 31, 2017, financial statement leverage was 9.8 to 1, and managed leverage was 9.1 to 1.
- We target managed leverage in the range of 8:1 to 9:1.
- Managed leverage continues to trend toward our target range.
- Ford Credit's sources of liquidity include cash, committed asset-backed facilities, unsecured credit facilities, and the Ford corporate credit facility allocation.
- Our liquidity available for use will fluctuate quarterly based on factors including near-term debt maturities, receivable growth, and timing of funding transactions. We target liquidity of at least \$25 billion.

## 2017 GUIDANCE (MIL\$)

	2016 FY	2017 FY	
	Results	Plan	Outlook
<b>Pre-Tax Profit</b>	<b>\$1,879</b>	<b>~\$1,500</b>	<b>On Track</b>
<b>Distributions</b>	<b>\$ -</b>	<b>Resuming with Leverage in Target Range</b>	<b>On Track</b>

FC22

- We continue to expect full year pre-tax profit to be about \$1.5 billion, which is lower compared with 2016 due to the impact of increased accumulated depreciation driven by expected lower residual values for our lease portfolio in the Americas segment.
- Distributions to our parent are resuming in 2017, as managed leverage returns to target range.
- We continue to expect 2018 pre-tax profits to improve.

# SUMMARY

Solid quarterly pre-tax profit

Guidance on track

Strategic asset to Ford, delivering profitable growth globally

Consistent originations, servicing, and collections; robust portfolio performance

Funding plan well-positioned for business cycles

Ford Credit outlook incorporates industry trends

# RISK FACTORS

Statements included or incorporated by reference herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Decline in industry sales volume, particularly in the United States, Europe, or China, due to financial crisis, recession, geopolitical events, or other factors;
- Lower-than-anticipated market acceptance of Ford's new or existing products or services, or failure to achieve expected growth;
- Market shift away from sales of larger, more profitable vehicles beyond Ford's current planning assumption, particularly in the United States;
- Continued or increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- Adverse effects resulting from economic, geopolitical, protectionist trade policies, or other events;
- Work stoppages at Ford or supplier facilities or other limitations on production (whether as a result of labor disputes, natural or man-made disasters, tight credit markets or other financial distress, production constraints or difficulties, or other factors);
- Single-source supply of components or materials;
- Labor or other constraints on Ford's ability to maintain competitive cost structure;
- Substantial pension and other postretirement liabilities impairing liquidity or financial condition;
- Worse-than-assumed economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns);
- Restriction on use of tax attributes from tax law "ownership change;"
- The discovery of defects in vehicles resulting in delays in new model launches, recall campaigns, or increased warranty costs;
- Increased safety, emissions, fuel economy, or other regulations resulting in higher costs, cash expenditures, and/or sales restrictions;
- Unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Adverse effects on results from a decrease in or cessation or claw back of government incentives related to investments;
- Cybersecurity risks to operational systems, security systems, or infrastructure owned by Ford, Ford Credit, or a third party vendor or supplier;
- Failure of financial institutions to fulfill commitments under committed credit and liquidity facilities;
- Inability of Ford Credit to access debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts, due to credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Increased competition from banks, financial institutions, or other third parties seeking to increase their share of financing Ford vehicles; and
- New or increased credit regulations, consumer or data protection regulations, or other regulations resulting in higher costs and/or additional financing restrictions.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



# **FORD CREDIT APPENDIX**

## Ford Credit Appendix

Credit Ratings	FCA1
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Americas Financing Shares and Contract Placement Volume	FCA3
Europe Financing Shares and Contract Placement Volume	FCA4
Asia Pacific Financing Shares and Contract Placement Volume	FCA5
Total Net Receivables Reconciliation to Managed Receivables - Quarterly	FCA6
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Non-GAAP Financial Measures that Supplement GAAP Measures	FCA10
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# CREDIT RATINGS

	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
<b><u>Issuer Ratings</u></b>				
Ford Motor	BBB	N/A	BBB	BBB
Ford Credit	BBB	N/A	BBB	BBB
FCE Bank plc	BBB	N/A	BBB	NR
<b><u>Long-Term Senior Unsecured</u></b>				
Ford Motor	BBB	Baa2	BBB	BBB
Ford Credit	BBB	Baa2	BBB	BBB
FCE Bank plc	BBB	Baa2	BBB	NR
<b><u>Short-Term Unsecured</u></b>				
Ford Credit	A-2	P-2	F2	R-2M
<b><u>Outlook</u></b>	Stable	Stable	Stable	Stable

# KEY FINANCIAL SUMMARY – RESULTS HISTORY

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Contract Volumes (000s)	1,974	2,141	2,111
Managed Receivables* (Bils)	\$ 113	\$ 127	\$ 137
Debt (Bils)	\$ 105	\$ 120	\$ 126
 <b>Results (Mils)</b>			
Americas segment	\$ 1,509	\$ 1,763	\$ 1,511
Europe segment	338	297	238
Asia Pacific segment	13	27	61
Total Segments	<u>\$ 1,860</u>	<u>\$ 2,087</u>	<u>\$ 1,810</u>
Unallocated Other	(6)	(1)	69
Total Pre-Tax Results	<u>\$ 1,854</u>	<u>\$ 2,086</u>	<u>\$ 1,879</u>
Provision for income taxes	(149)	(723)	(506)
Net income	<u>\$ 1,705</u>	<u>\$ 1,363</u>	<u>\$ 1,373</u>
 <b>Balance Sheet Highlights</b>			
Liquidity (Bils)	\$ 27	\$ 24	\$ 27
Managed Leverage* (to 1)	8.7	9.5	9.2

\* See Appendix for reconciliation to GAAP and definitions

FCA2

# AMERICAS FINANCING SHARES AND CONTRACT PLACEMENT VOLUME

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Financing Shares</u></b>					
<b><u>Retail Installment and Lease Share of Ford Retail Sales (excl. Fleet)</u></b>					
United States	54 %	56 %	63 %	65 %	56 %
Canada	55	65	67	73	75
<b><u>Wholesale Share</u></b>					
United States	78 %	77 %	77 %	76 %	76 %
Canada	66	65	64	64	61
<b><u>Contract Placement Volume – New and Used Retail / Lease (000)</u></b>					
United States	978	1,122	1,231	1,342	1,159
Canada	114	140	149	160	181
Mexico	-	4	25	26	47
<b>Total Americas Segment</b>	<b><u>1,092</u></b>	<b><u>1,266</u></b>	<b><u>1,405</u></b>	<b><u>1,528</u></b>	<b><u>1,387</u></b>

FCA3

# EUROPE FINANCING SHARES AND CONTRACT PLACEMENT VOLUME

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Financing Shares (incl. Fleet)</u></b>					
<b><u>Retail Installment and Lease Share of Total Ford Sales</u></b>					
U.K.	32 %	38 %	40 %	40 %	38 %
Germany	46	45	48	48	47
Total Europe Segment	32	34	36	37	37
<b><u>Wholesale Share</u></b>					
U.K.	100 %	100 %	100 %	100 %	100 %
Germany	92	92	92	93	93
Total Europe Segment	98	98	98	98	98
<b><u>Contract Placement Volume – New and Used Retail / Lease (000)</u></b>					
U.K.	136	171	195	207	201
Germany	130	127	135	140	149
All Other	126	106	130	158	177
Total Europe Segment	<u>392</u>	<u>404</u>	<u>460</u>	<u>505</u>	<u>527</u>

FCA4

# ASIA PACIFIC FINANCING SHARES AND CONTRACT PLACEMENT VOLUME

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Financing Shares (incl. Fleet)</u></b>					
<b><u>Retail Installment Share of Total Ford Sales</u></b>					
China	14 %	13 %	13 %	12 %	19 %
India	-	-	-	1	5
<b><u>Wholesale Share</u></b>					
China	58 %	59 %	62 %	56 %	58 %
India	-	-	-	14	29
<b><u>Contract Placement Volume – New and Used Retail (000)</u></b>					
China	58	92	109	108	192
India	-	-	-	-	5
<b>Total Asia Pacific Segment</b>	<b>58</b>	<b>92</b>	<b>109</b>	<b>108</b>	<b>197</b>

FCA5

# TOTAL NET RECEIVABLES RECONCILIATION TO MANAGED RECEIVABLES

(Bils)

	2016 Mar 31	2016 Dec 31	2017 Mar 31
<b>Net Receivables *</b>			
Finance receivables - Americas			
Consumer retail financing	\$ 49.9	\$ 54.1	\$ 54.4
Non-consumer: Dealer financing	27.8	27.9	28.4
Non-consumer: Other	0.9	1.1	1.8
Total finance receivables - Americas	\$ 78.6	\$ 83.1	\$ 84.6
Finance receivables - Europe			
Consumer retail financing	\$ 11.2	\$ 11.1	\$ 11.9
Non-consumer: Dealer financing	8.8	7.3	8.5
Non-consumer: Other	0.3	0.1	0.1
Total finance receivables - Europe	\$ 20.3	\$ 18.5	\$ 20.5
Finance receivables - Asia Pacific			
Consumer retail financing	\$ 2.1	\$ 2.9	\$ 3.0
Non-consumer: Dealer financing	1.9	1.8	1.9
Non-consumer: Other	-	-	-
Total finance receivables - Asia Pacific	\$ 4.0	\$ 4.7	\$ 4.9
Unearned interest supplements	(2.2)	(2.8)	(2.9)
Allowance for credit losses	(0.4)	(0.5)	(0.5)
Finance receivables, net	\$ 100.3	\$ 103.0	\$ 106.6
Net investment in operating leases	25.9	27.2	26.4
<b>Total net receivables</b>	<b>\$ 126.2</b>	<b>\$ 130.2</b>	<b>\$ 133.0</b>
<b>Managed Receivables</b>			
<b>Total net receivables (GAAP)</b>	<b>\$ 126.2</b>	<b>\$ 130.2</b>	<b>\$ 133.0</b>
Unearned interest supplements and residual support	4.6	5.3	5.5
Allowance for credit losses	0.5	0.5	0.6
Other, primarily accumulated supplemental depreciation	0.5	0.9	0.9
<b>Total managed receivables (Non-GAAP)</b>	<b>\$ 131.8</b>	<b>\$ 136.9</b>	<b>\$ 140.0</b>

\* See Appendix for definition. Includes finance receivables (retail and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheet and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

FCA6



# TOTAL NET RECEIVABLES RECONCILIATION TO MANAGED RECEIVABLES – ANNUALLY

	2014	2015	2016
	Dec 31	Dec 31	Dec 31
<i>(Bils)</i>			
<b>Net Receivables *</b>			
Finance receivables – Americas			
Consumer retail financing	\$ 44.4	\$ 49.6	\$ 54.1
Non-consumer: Dealer financing	23.7	26.3	27.9
Non-consumer: Other	1.0	0.9	1.1
Total finance receivables – Americas	\$ 69.1	\$ 76.8	\$ 83.1
Finance receivables – Europe			
Consumer retail financing	\$ 9.7	\$ 10.5	\$ 11.1
Non-consumer: Dealer financing	6.7	7.9	7.3
Non-consumer: Other	0.2	0.3	0.1
Total finance receivables – Europe	\$ 16.6	\$ 18.7	\$ 18.5
Finance receivables – Asia Pacific			
Consumer retail financing	\$ 1.8	\$ 2.0	\$ 2.9
Non-consumer: Dealer financing	1.5	1.8	1.8
Non-consumer: Other	-	-	-
Total finance receivables – Asia Pacific	\$ 3.3	\$ 3.8	\$ 4.7
Unearned interest supplements	(1.8)	(2.1)	(2.8)
Allowance for credit losses	(0.3)	(0.4)	(0.5)
Finance receivables, net	\$ 86.9	\$ 96.8	\$ 103.0
Net investment in operating leases	21.5	25.1	27.2
<b>Total net receivables</b>	<b>\$ 108.4</b>	<b>\$ 121.9</b>	<b>\$ 130.2</b>
<b>Managed Receivables</b>			
<b>Total net receivables (GAAP)</b>	\$ 108.4	\$ 121.9	\$ 130.2
Unearned interest supplements and residual support	3.9	4.5	5.3
Allowance for credit losses	0.4	0.4	0.5
Other, primarily accumulated supplemental depreciation	0.1	0.4	0.9
<b>Total managed receivables (Non-GAAP)</b>	<b>\$ 112.8</b>	<b>\$ 127.2</b>	<b>\$ 136.9</b>

\* See Appendix for definition. Includes finance receivables (retail and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheet and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

FCA7

# FINANCIAL STATEMENT LEVERAGE RECONCILIATION TO MANAGED LEVERAGE\*

<i>(Bils)</i>	2016 Mar 31	2016 Dec 31	2017 Mar 31
<b><u>Leverage Calculation</u></b>			
<b>Total debt</b>	\$ 127.4	\$ 126.5	\$ 129.2
<b>Adjustments for cash</b>	(14.9)	(10.8)	(11.3)
<b>Adjustments for derivative accounting</b>	(1.0)	(0.3)	(0.2)
<b>Total adjusted debt</b>	<u>\$ 111.5</u>	<u>\$ 115.4</u>	<u>\$ 117.7</u>
<b>Equity</b>	\$ 12.2	\$ 12.8	\$ 13.2
<b>Adjustments for derivative accounting</b>	(0.3)	(0.3)	(0.3)
<b>Total adjusted equity</b>	<u>\$ 11.9</u>	<u>\$ 12.5</u>	<u>\$ 12.9</u>
<b>Financial statement leverage (to 1) (GAAP)</b>	10.4	9.9	9.8
<b>Managed leverage (to 1) (Non-GAAP)</b>	9.4	9.2	9.1

\* See Appendix for definitions

FCA8

# LIQUIDITY SOURCES\*

<i>(Bils)</i>	2016 Mar 31	2016 Dec 31	2017 Mar 31	
<b>Liquidity Sources</b>				
Cash	\$ 14.9	\$ 10.8	\$ 11.3	
Committed ABS facilities	36.4	34.6	34.8	} Committed Capacity \$40.4 billion
Other Unsecured Credit Facilities	2.5	2.5	2.6	
Ford Corporate Credit Facility Allocation	3.0	3.0	3.0	
<b>Total Liquidity Sources</b>	<b>\$ 56.8</b>	<b>\$ 50.9</b>	<b>\$ 51.7</b>	
<b>Utilization of Liquidity</b>				
Securitization Cash	\$ (3.0)	\$ (3.4)	\$ (3.0)	
Committed ABS facilities	(18.2)	(19.9)	(18.4)	
Other Unsecured Credit Facilities	(0.5)	(0.7)	(1.3)	
Ford Corporate Credit Facility Allocation	-	-	-	
<b>Total Utilization of Liquidity</b>	<b>\$ (21.7)</b>	<b>\$ (24.0)</b>	<b>\$ (22.7)</b>	
<b>Gross Liquidity</b>	<b>\$ 35.1</b>	<b>\$ 26.9</b>	<b>\$ 29.0</b>	
<b>Adjustments</b>	<b>-</b>	<b>0.1</b>	<b>0.3</b>	
<b>Net Liquidity Available For Use</b>	<b>\$ 35.1</b>	<b>\$ 27.0</b>	<b>\$ 29.3</b>	

\* See Appendix for definitions

FCA9

# NON-GAAP FINANCIAL MEASURES THAT SUPPLEMENT GAAP MEASURES

We use both GAAP and non-GAAP financial measures for operational and financial decision making, and to assess Company and segment business performance. The non-GAAP measures listed below are intended to be considered by users as supplemental information to their equivalent GAAP measures, to aid investors in better understanding our financial results. We believe that these non-GAAP measures provide useful perspective on underlying business results and trends, and a means to assess our period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

Ford Credit Managed Receivables – (Most Comparable GAAP Measure: Net Finance Receivables plus Net Investment in Operating Leases) – Measure of Ford Credit’s Total net receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The measure is useful to management and investors as it closely approximates the customer’s outstanding balance on the receivables, which is the basis for earning revenue.

Ford Credit Managed Leverage (Most Comparable GAAP Measure: Financial Statement Leverage) – Ford Credit’s debt-to-equity ratio adjusted (i) to exclude cash, cash equivalents, and marketable securities (other than amounts related to insurance activities), and (ii) for derivative accounting. The measure is useful to investors because it reflects the way Ford Credit manages its business. Cash, cash equivalents, and marketable securities are deducted because they generally correspond to excess debt beyond the amount required to support operations and on-balance sheet securitization transactions. Derivative accounting adjustments are made to asset, debt, and equity positions to reflect the impact of interest rate instruments used with Ford Credit’s term-debt issuances and securitization transactions. Ford Credit generally repays its debt obligations as they mature, so the interim effects of changes in market interest rates are excluded in the calculation of managed leverage.

# DEFINITIONS AND CALCULATIONS

Adjustments (as shown on the Liquidity Sources chart)

- Include certain adjustments for asset-backed capacity in excess of eligible receivables and cash related to the Ford Credit Revolving Extended Variable-utilization program (“FordREV”), which can be accessed through future sales of receivables

Cash (as shown on the Funding Structure, Liquidity Sources and Leverage charts)

- *Cash and cash equivalents* and *Marketable securities* reported on Ford Credit’s balance sheet, excluding amounts related to insurance activities

Committed Asset-Backed Security (“ABS”) Facilities (as shown on the Liquidity Sources chart)

- Committed ABS facilities are subject to availability of sufficient assets, ability to obtain derivatives to manage interest rate risk, and exclude FCE Bank plc (“FCE”) access to the Bank of England’s Discount Window Facility

Securitized (as shown on the Public Term Funding Plan chart)

- Public securitization transactions, Rule 144A offerings sponsored by Ford Motor Credit, and widely distributed offerings by Ford Credit Canada

Securitization Cash (as shown on the Liquidity Sources chart)

- Securitization cash is cash held for the benefit of the securitization investors (for example, a reserve fund)

Term Asset-Backed Securities (as shown on the Funding Structure chart)

- Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements

Total Debt (as shown on the Liquidity Sources chart)

- *Debt* on Ford Credit’s balance sheet. Includes debt issued in securitizations and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions

Unallocated Other (as shown on the Key Financial Summary and Pre-Tax Results by Segment charts)

- Items excluded in assessing segment performance because they are managed at the corporate level, including market valuation adjustments to derivatives and exchange-rate fluctuations on foreign currency-denominated transactions

FCA11