



Go Further

3Q 2015

**FIXED
INCOME
REVIEW**

OCTOBER 27, 2015

FORD CREDIT

3Q 2015 OPERATING HIGHLIGHTS*

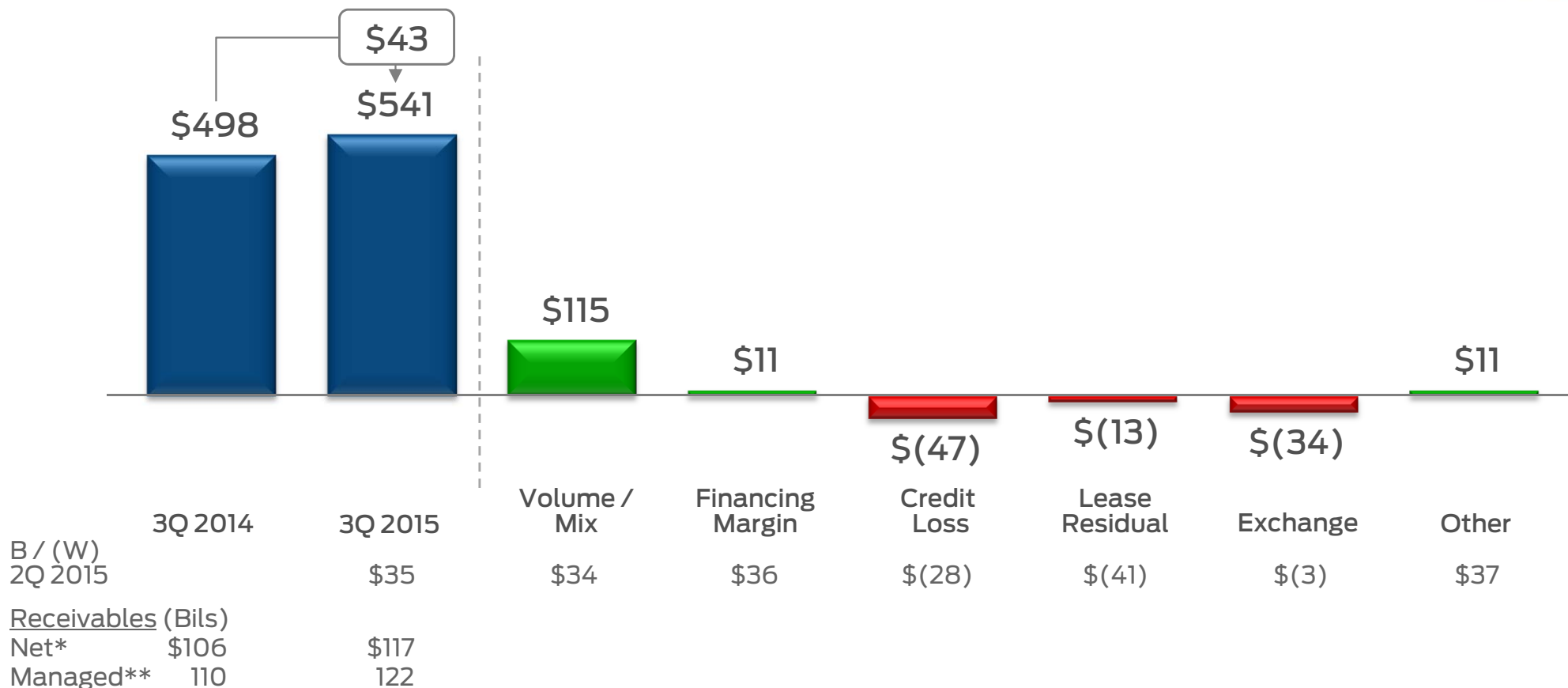


- Another strong performance with pre-tax profit of \$541 million and net income of \$365 million
- Managed receivables of \$122 billion, up \$12 billion from a year ago and up \$9 billion from year-end 2014
- Loss-to-receivables ratio of 0.24%, remains at the low end of our historical performance
- Credit loss reserve of \$403 million, or 0.33% of receivables
- Managed leverage of 9.1 to 1

* See slide 2 and Appendix for reconciliation to GAAP

SLIDE 1

FORD CREDIT 3Q 2015 PRE-TAX RESULTS COMPARED WITH 2014 (MILS)



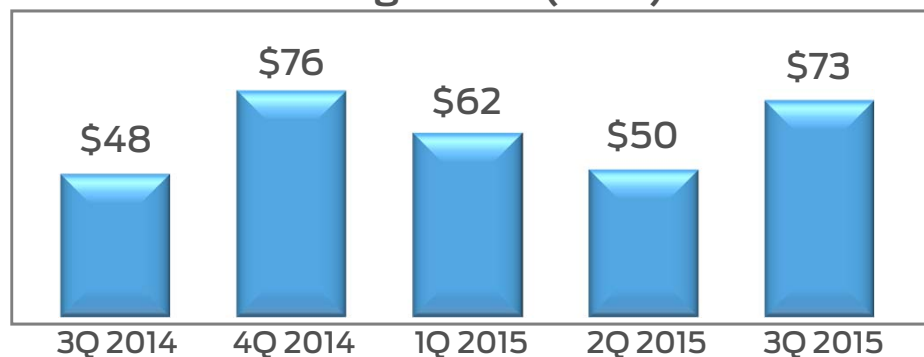
* Net receivables reflect net finance receivables and net investment in operating leases reported on Ford Credit's balance sheet

** Managed receivables equal net receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation)

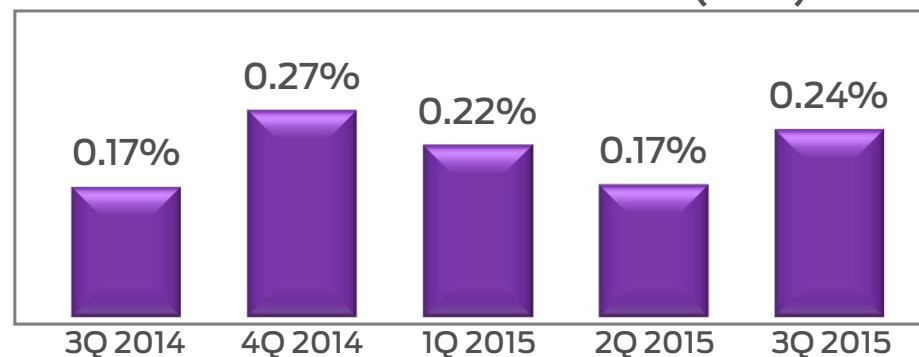
FORD CREDIT WORLDWIDE CREDIT LOSS METRICS



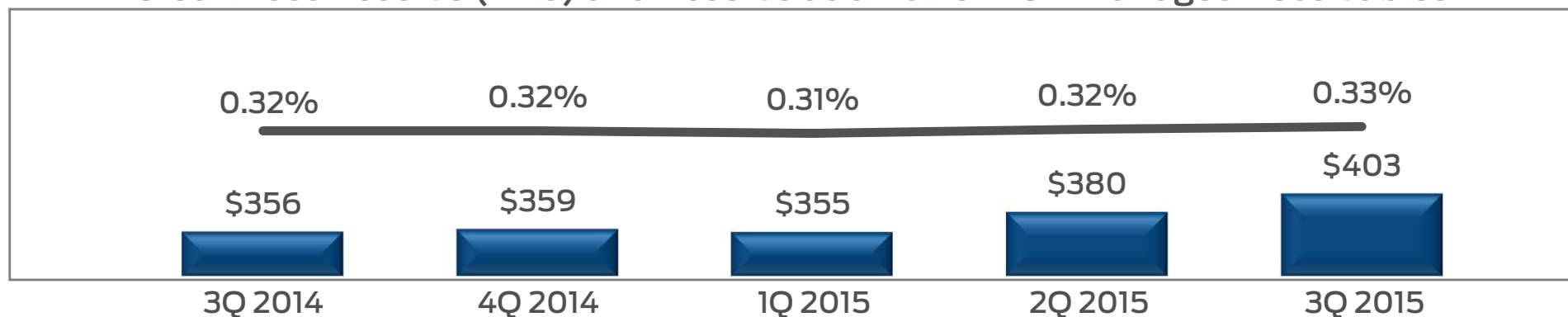
Charge-Offs (Mils)



Loss-to-Receivables Ratio (LTR)



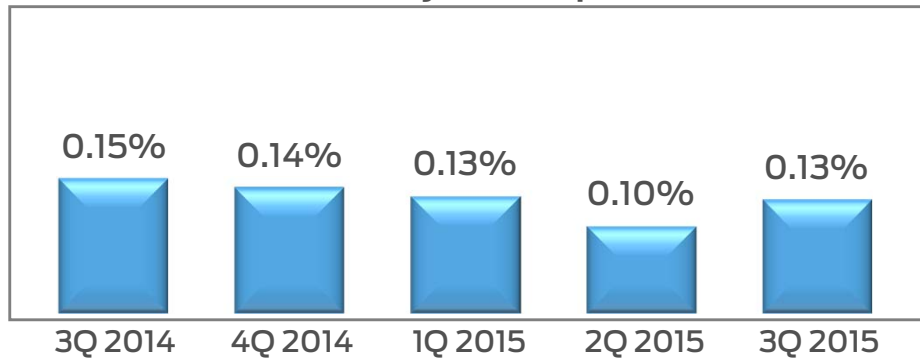
Credit Loss Reserve (Mils) and Reserve as a Pct. of EOP Managed Receivables



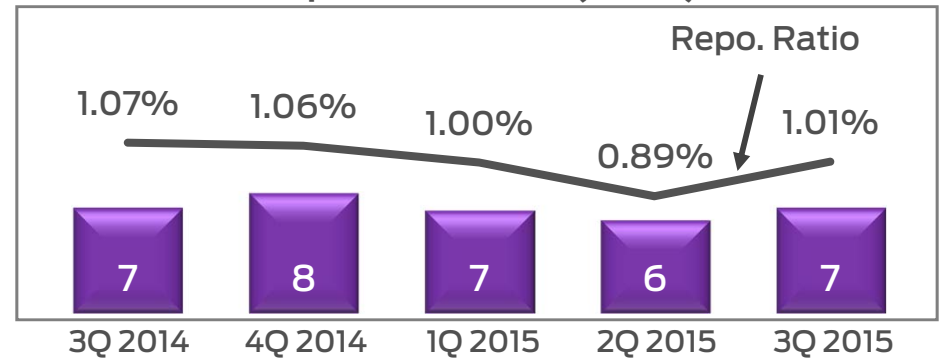
U.S. RETAIL AND LEASE CREDIT LOSS DRIVERS



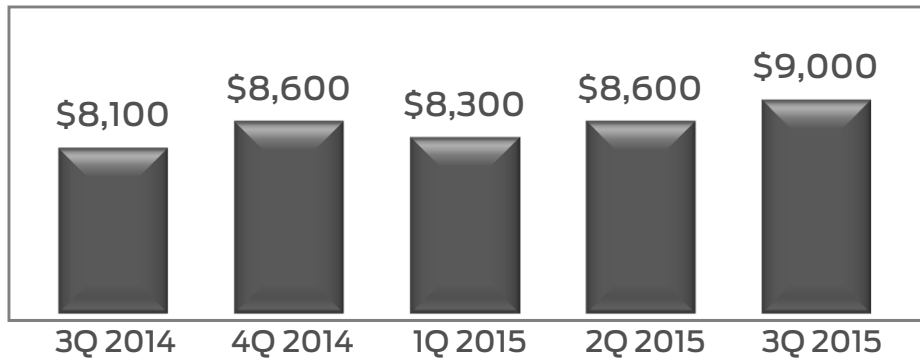
Over-60-Day Delinquencies*



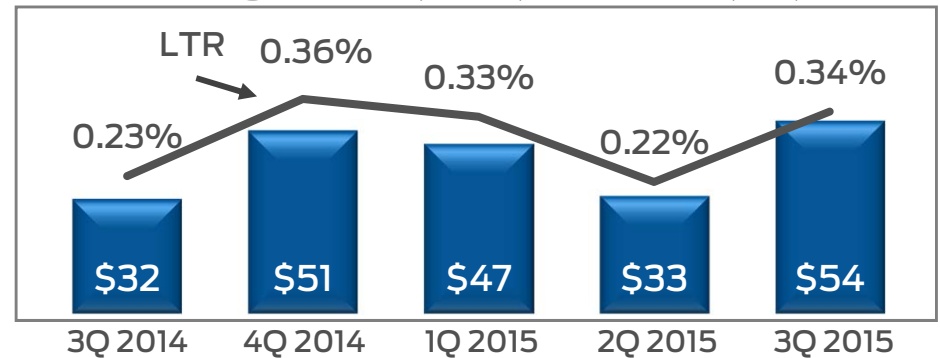
Repossessions (000)



Severity**



Charge-Offs (Mils) and LTR (%)



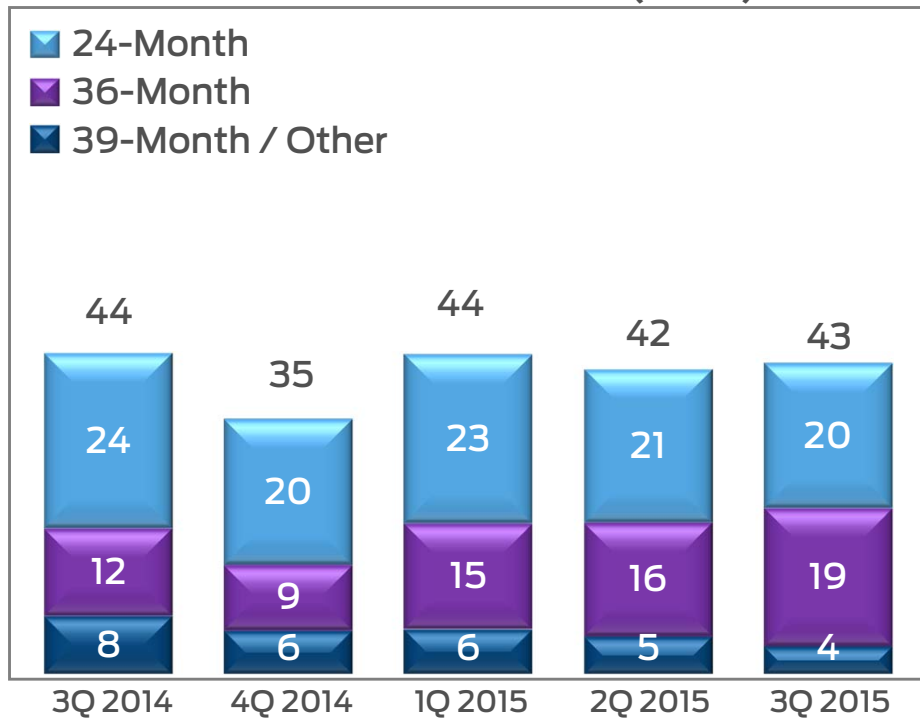
* Excluding bankruptcies

** In 2015, reflects a change to include certain repossession expenses in charge-offs

FORD CREDIT U.S. LEASE RESIDUAL PERFORMANCE



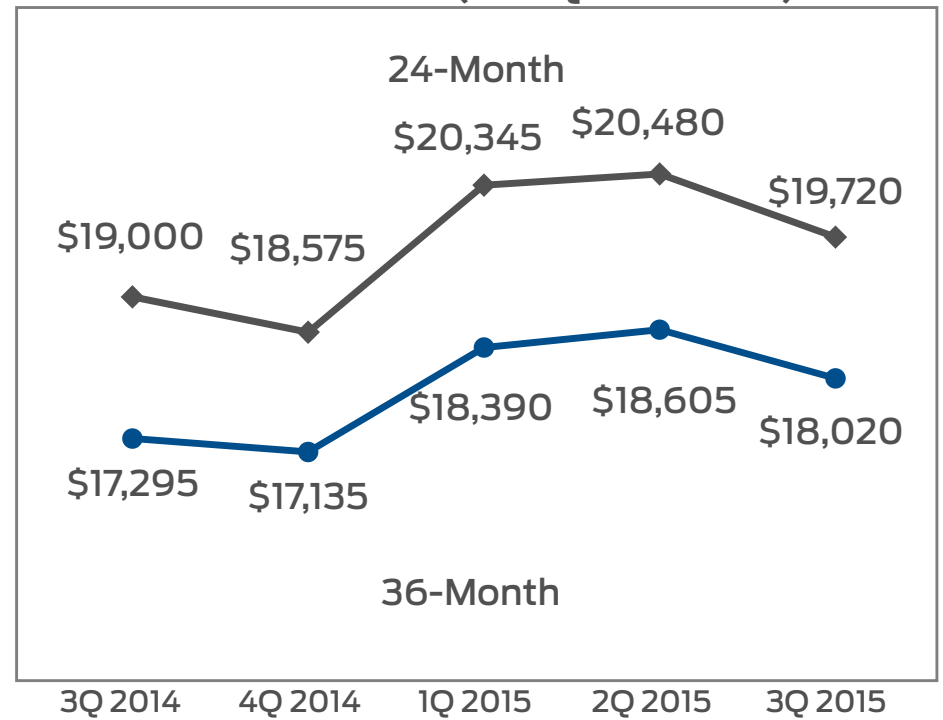
Lease Return Volume (000)



U.S. Return Rates

75% 77% 77% 70% 71%

Auction Values (At 3Q 2015 Mix)



Worldwide Net Investment in Operating Leases (Bils)

\$20.9 \$21.5 \$22.0 \$23.4 \$24.5

FORD CREDIT

3Q 2015 FUNDING HIGHLIGHTS



- Funding plan on track with about \$25 billion of public term funding completed year-to-date, including about \$7 billion in the Third Quarter
 - Unsecured debt totaling about \$4 billion
 - ABS transactions totaling about \$3 billion
- Issued our first Reg AB II compliant securitization transaction of \$1 Billion
- Completed our first unsecured financial bond in China for RMB 2 Billion
- Ended the quarter with net liquidity of about \$25 billion
- Key elements of our funding strategy remain unchanged, and our liquidity remains strong

FORD CREDIT PUBLIC TERM FUNDING PLAN



	2013 <u>Actual</u> (Bils)	2014 <u>Actual</u> (Bils)	2015	
			<u>Forecast</u> (Bils)	<u>YTD Actual*</u> (Bils)
Unsecured	\$ 11	\$ 13	\$ 15 - 16	\$ 14
Securitizedizations**	14	15	13 - 15	11
Total Public	<u>\$ 25</u>	<u>\$ 28</u>	<u>\$ 28 - 31</u>	<u>\$ 25</u>

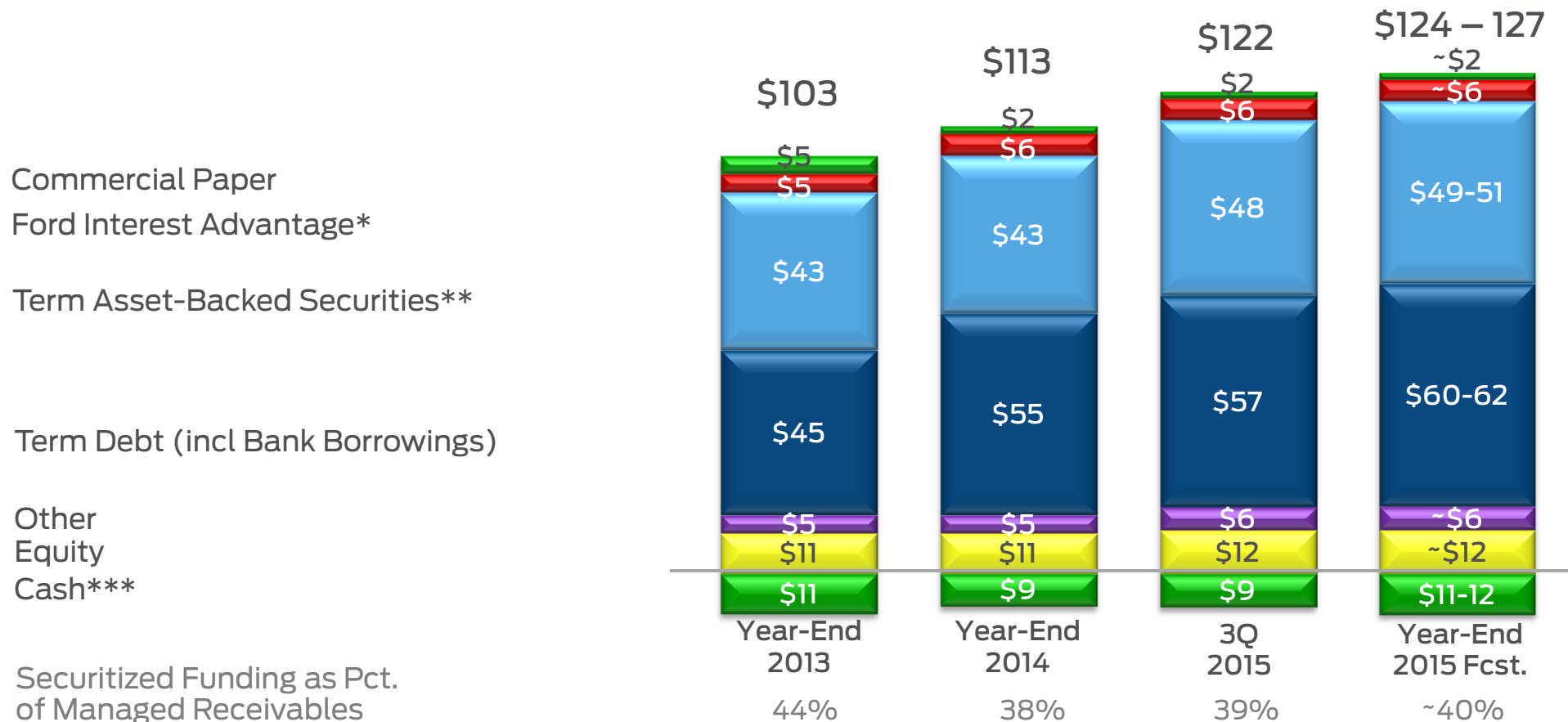


Mustang

* Includes transactions settled through October 26, 2015

** Includes Rule 144A offerings

FORD CREDIT FUNDING STRUCTURE – MANAGED RECEIVABLES (BILS)



* The Ford Interest Advantage program consists of floating rate demand notes

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

*** Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities)

FORD CREDIT LIQUIDITY SOURCES



	June 30, 2015 <u>(Bils)</u>	Sept. 30, 2015 <u>(Bils)</u>	
<u>Liquidity Sources</u>			
Cash *	\$ 10.0	\$ 9.2	
Committed ABS lines **	31.8	32.1	} Committed Capacity \$37.1 billion
FCE / Other unsecured credit facilities	2.0	2.0	
Ford revolving credit facility allocation	<u>3.0</u>	<u>3.0</u>	
Total liquidity sources	<u>\$ 46.8</u>	<u>\$ 46.3</u>	
<u>Utilization of Liquidity</u>			
Securitization cash ***	\$ (2.7)	\$ (2.8)	
Committed ABS lines	(16.5)	(17.5)	
FCE / Other unsecured credit facilities	(0.5)	(0.3)	
Ford revolving credit facility allocation	<u>-</u>	<u>-</u>	
Total utilization of liquidity	<u>\$ (19.7)</u>	<u>\$ (20.6)</u>	
Gross liquidity	<u>\$ 27.1</u>	<u>\$ 25.7</u>	
Adjustments ****	<u>(0.5)</u>	<u>(0.4)</u>	
Net liquidity available for use	<u><u>\$ 26.6</u></u>	<u><u>\$ 25.3</u></u>	

* Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities)

** Committed ABS lines are subject to availability of sufficient assets, ability to obtain derivatives to manage interest rate risk, and exclude FCE access to the Bank of England's Discount Window Facility

*** Used only to support on-balance sheet securitization transactions

**** Adjustments include other committed ABS lines in excess of eligible receivables and certain cash within FordREV available through future sales of receivables

AUTOMOTIVE SECTOR AUTOMOTIVE FINANCIAL RESOURCES



	June 30, 2015	Sept. 30, 2015
	(Bils)	(Bils)
Automotive gross cash*	\$ 20.7	\$ 22.2
Less:		
Long-term debt	\$ (11.5)	\$ (11.2)
Debt payable within one year	<u>(2.2)</u>	<u>(1.6)</u>
Total debt	\$ (13.7)	\$ (12.8)
Net cash	<u>\$ 7.0</u>	<u>\$ 9.4</u>
Memo: Liquidity**	\$ 31.7	\$ 33.2



F-650 / F-750

* See Appendix for reconciliation to GAAP

** Total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$11 billion at September 30, 2015

3Q 2015 SUMMARY*



Ford

- Outstanding quarter for Ford; on track for breakthrough year
- 14 of 16 global new product launches completed
- Net income of \$1.9 billion -- more than doubled from year ago; record Third Quarter Company pre-tax profit of \$2.7 billion; Automotive operating margin of 6.5% and operating-related cash flow a Third Quarter record of \$2.8 billion
- Automotive quarterly profit tripled, driven by record quarterly profit in North America; Asia Pacific and Middle East & Africa about breakeven; Europe and South America improved; strong profit at Ford Credit
- Ended the quarter with Automotive gross cash of \$22.2 billion and liquidity of \$33.2 billion
- Reconfirming Company guidance for Full Year

Ford Credit

- Another strong quarter, with receivables up \$9 billion from year-end 2014
- Portfolio continues to perform well; losses remain at historical lows
- Diversified funding plan on track and strong liquidity of \$25 billion at quarter end
- Strategic asset to Ford, delivering profitable, sustainable growth

* Company pre-tax profit and operating-related cash flow exclude special items; see Appendix for detail and reconciliation to Generally Accepted Accounting Principles (GAAP); Business Unit records are since at least 2000 when Ford began reporting specific Business Unit results

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;
- Decline in Ford's market share or failure to achieve growth;
- Lower-than-anticipated market acceptance of Ford's new or existing products;
- Market shift away from sales of larger, more profitable vehicles beyond Ford's current planning assumption, particularly in the United States;
- An increase in or continued volatility of fuel prices, or reduced availability of fuel;
- 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, or other events;
- Economic distress of suppliers that may require Ford to provide substantial financial support or take other measures to ensure supplies of components or materials and could increase costs, affect liquidity, or cause production constraints or disruptions;
- 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 postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Worse-than-assumed economic and demographic experience for 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;
- A change in requirements under long-term supply arrangements committing Ford to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller ("take-or-pay" contracts);
- Adverse effects on results from a decrease in or cessation or clawback of government incentives related to investments;
- Inherent limitations of internal controls impacting financial statements and safeguarding of assets;
- 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, consumer, or data protection 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, 2014, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



Q&A



APPENDIX

3Q 2015 FIXED INCOME – APPENDIX INDEX



	No.
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TOTAL COMPANY INCOME FROM CONTINUING OPERATIONS



	3Q		YTD		Memo: FY 2014
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)	2014 (Mils)
<u>Automotive</u>					
North America	\$ 1,410	\$ 2,670	\$ 5,350	\$ 6,607	\$ 6,898
South America	(170)	(163)	(975)	(537)	(1,162)
Europe	(439)	(182)	(619)	(381)	(1,062)
Middle East & Africa	(15)	(15)	62	18	(20)
Asia Pacific	44	20	494	315	589
Other Automotive	(144)	(163)	(537)	(542)	(755)
Total Automotive (excl. special items)	\$ 686	\$ 2,167	\$ 3,775	\$ 5,480	\$ 4,488
Special items -- Automotive	(160)	166	(763)	166	(1,940)
Total Automotive	\$ 526	\$ 2,333	\$ 3,012	\$ 5,646	\$ 2,548
<u>Financial Services</u>					
Ford Credit	\$ 498	\$ 541	\$ 1,431	\$ 1,530	\$ 1,854
Other	(3)	(15)	(45)	(44)	(60)
Total Financial Services	\$ 495	\$ 526	\$ 1,386	\$ 1,486	\$ 1,794
<u>Company</u>					
Pre-tax results	\$ 1,021	\$ 2,859	\$ 4,398	\$ 7,132	\$ 4,342
(Provision for) / Benefit from income taxes	(188)	(950)	(1,261)	(2,412)	(1,156)
Net income	\$ 833	\$ 1,909	\$ 3,137	\$ 4,720	\$ 3,186
Less: Income / (Loss) attributable to non-controlling interests	(2)	-	2	2	(1)
Net income attributable to Ford	\$ 835	\$ 1,909	\$ 3,135	\$ 4,718	\$ 3,187
Memo: Excluding special items					
Pre-tax results	\$ 1,181	\$ 2,693	\$ 5,161	\$ 6,966	\$ 6,282
(Provision for) / Benefit from income taxes	(247)	(892)	(1,574)	(2,354)	(1,650)
Less: Income / (Loss) attributable to non-controlling interests	(2)	-	2	2	(1)
After-tax results	\$ 936	\$ 1,801	\$ 3,585	\$ 4,610	\$ 4,633

APPENDIX 1

TOTAL COMPANY DEBT RATINGS



	<u>S&P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
<u>Issuer Ratings</u>				
Ford Motor	BBB-	N/A	BBB-	BBB (low)
Ford Credit	BBB-	N/A	BBB-	BBB (low)
FCE Bank plc	BBB	N/A	BBB-	NR
<u>Long-Term Senior Unsecured</u>				
Ford Motor	BBB-	Baa3	BBB-	BBB (low)
Ford Credit	BBB-	Baa3	BBB-	BBB (low)
FCE Bank plc	BBB	Baa3	BBB-	NR
<u>Short-Term Unsecured</u>				
Ford Credit	A-3	P-3	F3	R-3
<u>Outlook</u>	Stable	Stable	Positive	Positive

AUTOMOTIVE SECTOR GROSS CASH RECONCILIATION TO GAAP



	2014		2015	
	<u>Sept. 30</u> (Bils)	<u>Dec. 31</u> (Bils)	<u>June 30</u> (Bils)	<u>Sept. 30</u> (Bils)
Cash and cash equivalents	\$ 6.0	\$ 4.6	\$ 6.1	\$ 7.8
Marketable securities	<u>16.9</u>	<u>17.1</u>	<u>14.6</u>	<u>14.4</u>
Total cash and marketable securities (GAAP)	\$ 22.9	\$ 21.7	\$ 20.7	\$ 22.2
Securities in transit*	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross cash	<u>\$ 22.8</u>	<u>\$ 21.7</u>	<u>\$ 20.7</u>	<u>\$ 22.2</u>

* The purchase or sale of marketable securities for which the cash settlement was not made by period end and the related payable or receivable remained on the balance sheet

AUTOMOTIVE SECTOR AUTOMOTIVE DEBT



GT350 Manual Transmission

	Dec. 31, 2014	2015	
	(Bils)	June 30	Sept. 30
		(Bils)	(Bils)
Public unsecured debt	\$ 6.6	\$ 6.5	\$ 6.5
U.S. Department of Energy	4.4	4.1	4.0
Other debt (including International)	<u>2.8</u>	<u>3.1</u>	<u>2.3</u>
Total Automotive debt	<u>\$ 13.8</u>	<u>\$ 13.7</u>	<u>\$ 12.8</u>
Memo:			
Automotive debt payable within one year	\$ 2.5	\$ 2.2	\$ 1.6

FORD CREDIT OPERATING HIGHLIGHTS



	3Q		YTD	
	2014	2015	2014	2015
<u>Contract placement volume -- New and used retail / lease (000)</u>				
North America Segment				
United States	356	411	946	1,040
Canada	47	46	111	121
Total North America Segment	403	457	1,057	1,161
International Segment				
Europe	119	124	351	386
Asia Pacific	26	23	80	70
Latin America	7	7	19	17
Total International Segment	152	154	450	473
Total contract placement volume	555	611	1,507	1,634
<u>Financing Shares</u>				
United States				
Retail installment and lease	53 %	56 %	46 %	48 %
Wholesale	76	75	77	76
Europe				
Retail installment and lease	38 %	37 %	36 %	37 %
Wholesale	98	99	98	98

FORD CREDIT

NET FINANCE RECEIVABLES AND OPERATING LEASES



	<u>Dec. 31, 2014</u>	<u>Sept. 30, 2015</u>
	(Bils)	(Bils)
<u>Net Receivables*</u>		
Finance receivables -- North America Segment		
Consumer retail financing	\$ 44.1	\$ 48.6
Non-consumer: Dealer financing**	22.5	22.9
Non-consumer: Other	<u>1.0</u>	<u>0.9</u>
Total finance receivables -- North America Segment	\$ 67.6	\$ 72.4
Finance receivables -- International Segment		
Consumer retail financing	\$ 11.8	\$ 12.7
Non-consumer: Dealer financing**	9.3	9.8
Non-consumer: Other	<u>0.3</u>	<u>0.3</u>
Total finance receivables -- International Segment	\$ 21.4	\$ 22.8
Unearned interest supplements	(1.8)	(2.1)
Allowance for credit losses	<u>(0.3)</u>	<u>(0.4)</u>
Finance receivables, net	\$ 86.9	\$ 92.7
Net investment in operating leases	<u>21.5</u>	<u>24.5</u>
Total net receivables	<u>\$ 108.4</u>	<u>\$ 117.2</u>
<u>Managed Receivables</u>		
Total net receivables	\$ 108.4	\$ 117.2
Unearned interest supplements and residual support	3.9	4.5
Allowance for credit losses	0.4	0.4
Other, primarily accumulated supplemental depreciation	<u>0.1</u>	<u>0.3</u>
Total managed receivables	<u>\$ 112.8</u>	<u>\$ 122.4</u>

* 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

** Dealer financing primarily includes wholesale loans to dealers to finance the purchase of vehicle inventory

FORD CREDIT RECONCILIATION OF MANAGED LEVERAGE TO FINANCIAL STATEMENT LEVERAGE



	Dec. 31, 2014 <u>(Bils)</u>	Sept. 30, 2015 <u>(Bils)</u>
<u>Leverage Calculation</u>		
Total debt*	\$ 105.0	\$ 113.3
Adjustments for cash**	(8.9)	(9.2)
Adjustments for derivative accounting***	<u>(0.4)</u>	<u>(0.7)</u>
Total adjusted debt	<u>\$ 95.7</u>	<u>\$ 103.4</u>
Equity****	\$ 11.4	\$ 11.8
Adjustments for derivative accounting***	<u>(0.4)</u>	<u>(0.4)</u>
Total adjusted equity	<u>\$ 11.0</u>	<u>\$ 11.4</u>
Financial statement leverage (to 1)	9.2	9.6
Managed leverage (to 1)*****	8.7	9.1

* Includes debt reported on Ford Credit's balance sheet that is issued in securitization transactions 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

** Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities)

*** Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings

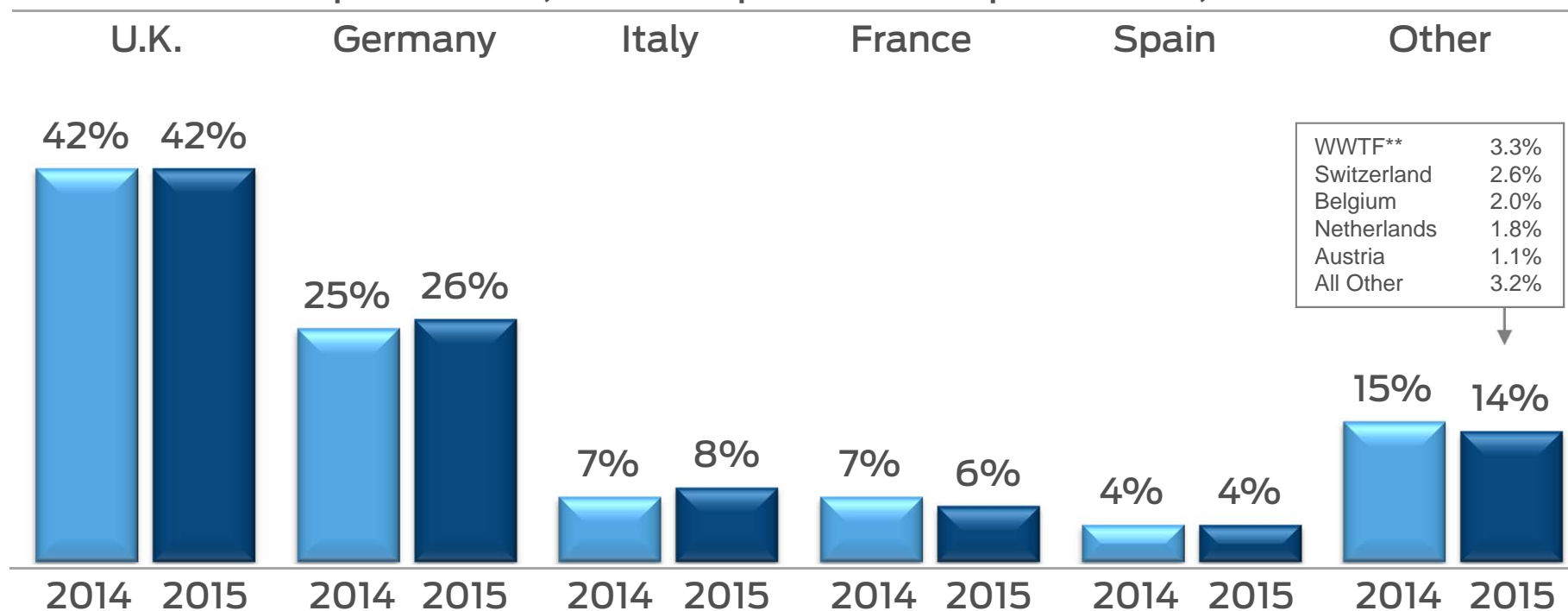
**** Shareholder's interest reported on Ford Credit's balance sheet

***** Equals total adjusted debt over total adjusted equity

NET LOANS & ADVANCES TO CUSTOMERS BY MARKET*



September 30, 2015 Compared With September 30, 2014



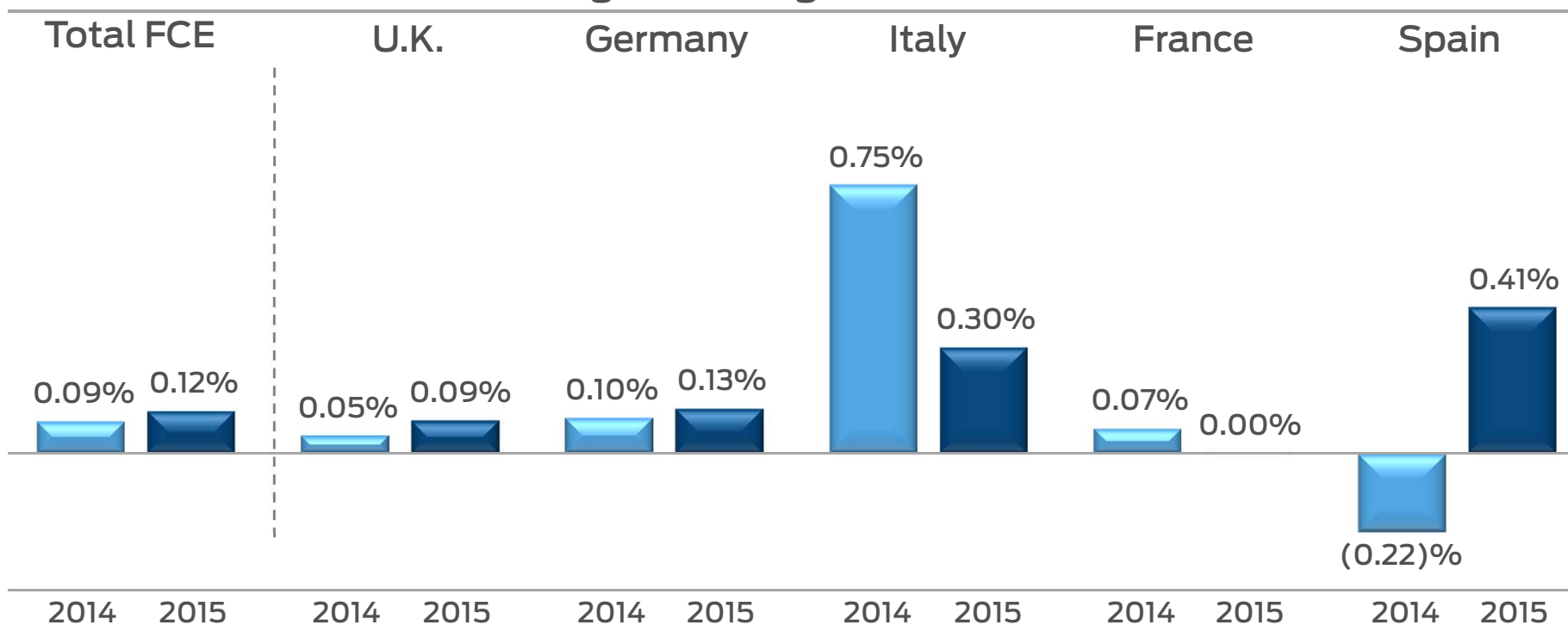
* As percent of net loans and advances to customers which were £10.4 billion and £12.0 billion at September 30, 2014 and September 30, 2015, respectively

** Worldwide Trade Finance (WWTF) provides financing to distributors and importers in about 60 countries where Ford has no National Sales Company presence

3Q 2015 CREDIT LOSS RATIO COMPARED WITH 3Q 2014



Net Credit Losses As Percentage Of Average Net Loans And Advances To Customers



FCE BANK PLC PUBLIC TERM FUNDING PLAN



	2013 <u>Actual</u> (Bils)	2014 <u>Actual</u> (Bils)	2015	
			<u>Forecast</u> (Bils)	<u>YTD Actual*</u> (Bils)
Unsecured	£ 1.6	£ 1.9	£ 2.2 - 2.9	£ 2.2
Securitized	0.4	0.8	0.4	0.4
Total Public	<u>£ 2.0</u>	<u>£ 2.7</u>	<u>£ 2.6 - 3.3</u>	<u>£ 2.6</u>

* Includes transactions settled through October 26, 2015