

# 4Q 2017 And Full Year Earnings Review And 2018 Outlook

January 24, 2018

(Preliminary Results)



| **FORD CREDIT**

# Ford Credit Strategy



## ORIGINATE

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



## SERVICE

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- High customer and dealer satisfaction
- World-class servicing
- Credit losses within expectations
- Operationally fit with lean cost structure



## FUND

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

**Ford Credit Maintains A Relentless Focus On Business Fundamentals**

# 4Q 2017 Highlights

- Strong fourth quarter pre-tax profit across all segments
- Receivables grew globally led by retail
- Significant benefit resulted from Tax Cuts and Jobs Act in the U.S.
- Launched Canvas vehicle subscription service in Los Angeles, in addition to San Francisco
- Ford Credit and Lincoln Automotive Financial Services ranked highest in J.D. Power U.S. Customer Satisfaction Study for mass market and luxury brands

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# Financial Review



# Key Financial Summary

	4Q		FY	
	2017	H / (L) 2016	2017	H / (L) 2016
Total contract volumes (000)	576	57	2,149	38
<b>Results (Mils)</b>				
Americas segment	\$ 487	\$ 144	\$ 1,795	\$ 284
Europe segment	106	125	329	91
Asia Pacific segment	16	1	85	24
Total segments	\$ 609	\$ 270	\$ 2,209	\$ 399
Unallocated other	1	(58)	101	32
Total pre-tax results	\$ 610	\$ 212	\$ 2,310	\$ 431
(Provision for) / Benefit from income taxes	1,204	1,269	697	1,203
Net income	\$ 1,814	\$ 1,481	\$ 3,007	\$ 1,634
<b>Balance Sheet Highlights</b>				
Liquidity (Bils)	\$ 30	\$ 3		
Debt (Bils)	138	11		
Managed receivables* (Bils)	151	14		
Managed leverage* (to 1)	8.0	(1.2)		

Pre-tax results higher YoY

Managed receivables grew across all segments

Liquidity remains strong

Managed leverage at low end of target range reflecting impact of tax reform

\* See Appendix for detail, reconciliation to GAAP and definitions

# Tax Cuts and Jobs Act – Impact to Ford Credit (Mils)

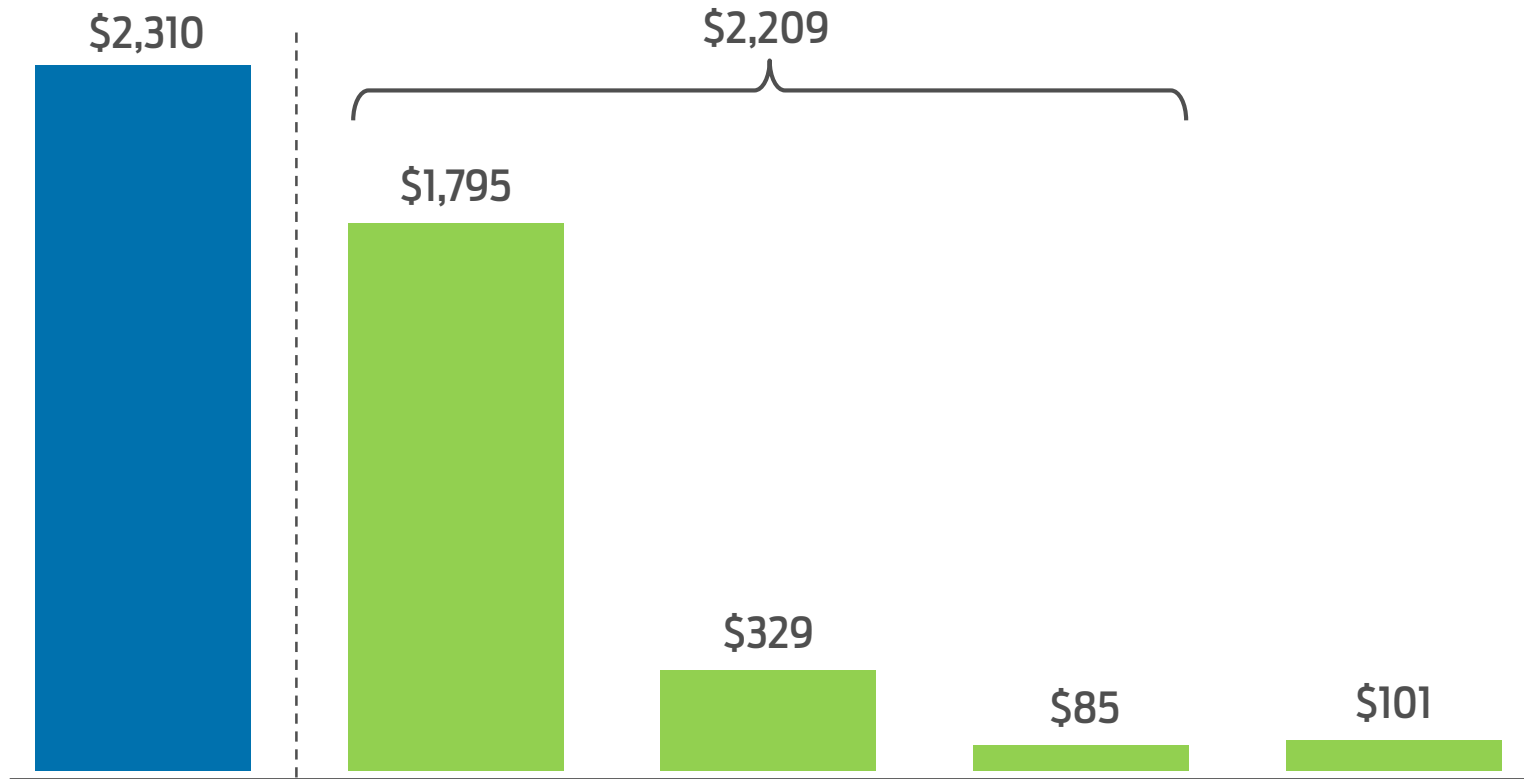
	4Q 2017	FY 2017	FY 2017 Effective Tax Rate
Pre-tax results	\$ 610	\$ 2,310	
(Provision for) / Benefit from income taxes, before adjustments	(202)	(733)	32%
<u>Tax Cuts And Jobs Act</u>			
Mandatory repatriation	\$ (399)	\$ (375)	
Deferred tax liability revaluation	1,805	1,805	
Total adjustments	\$ 1,406	\$ 1,430	
(Provision for) / Benefit from income taxes	\$ 1,204	\$ 697	(30)%
Net income	<u>\$ 1,814</u>	<u>\$ 3,007</u>	

Tax reform resulted in \$1.4 billion of favorable benefits

Ford Credit's effective tax rate in 2018 is expected to be about 15%

Ongoing, Ford Credit's effective tax rate is expected to be about 25%

# FY 2017 Pre-Tax Results By Segment (Mils)



Solidly profitable globally  
Improved YoY in all segments

B / (W)  
FY 2016

Total  
\$ 431

Americas  
\$284

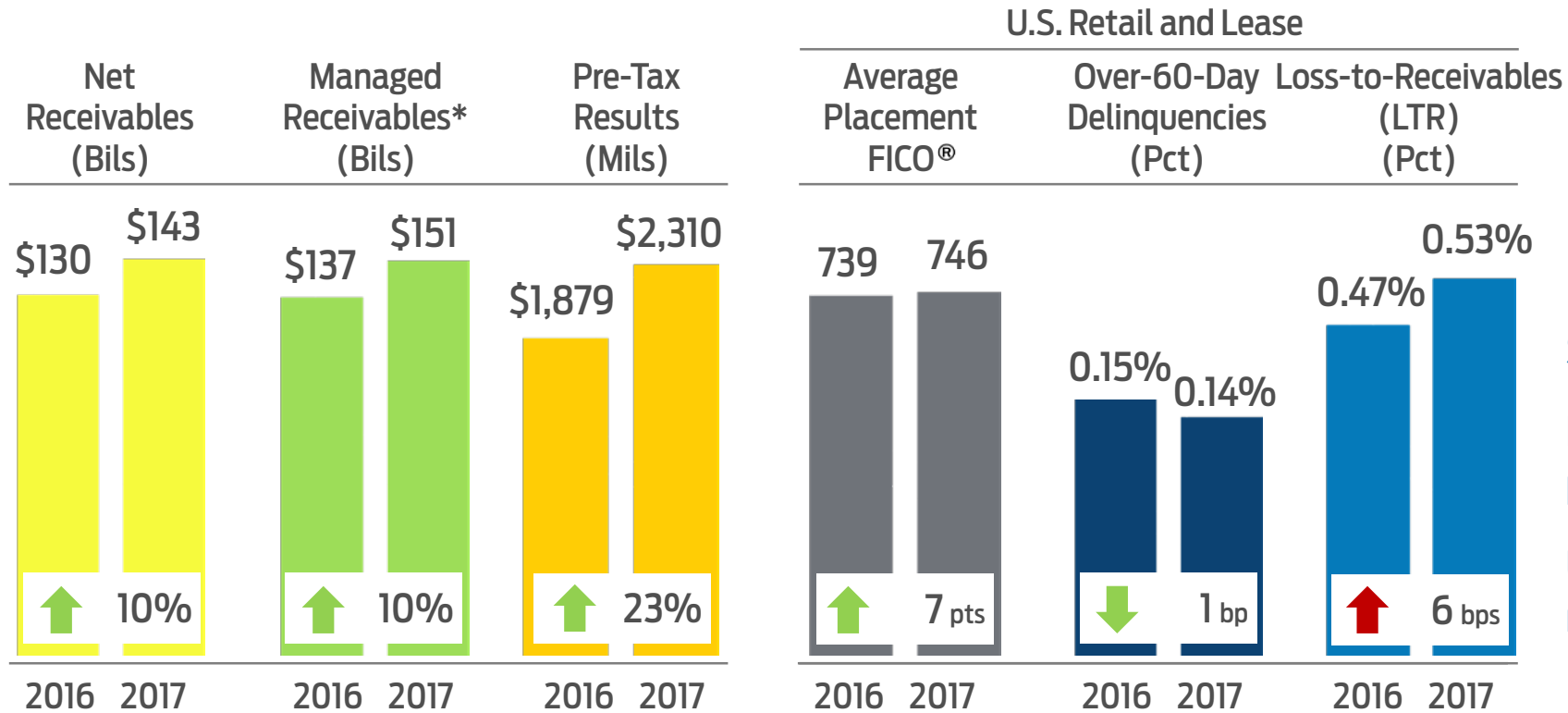
Europe  
\$91

Asia Pacific  
\$24

Unallocated Other\*  
\$32

\* See Appendix for definitions

# FY 2017 Key Metrics



Strong and improved YoY PBT

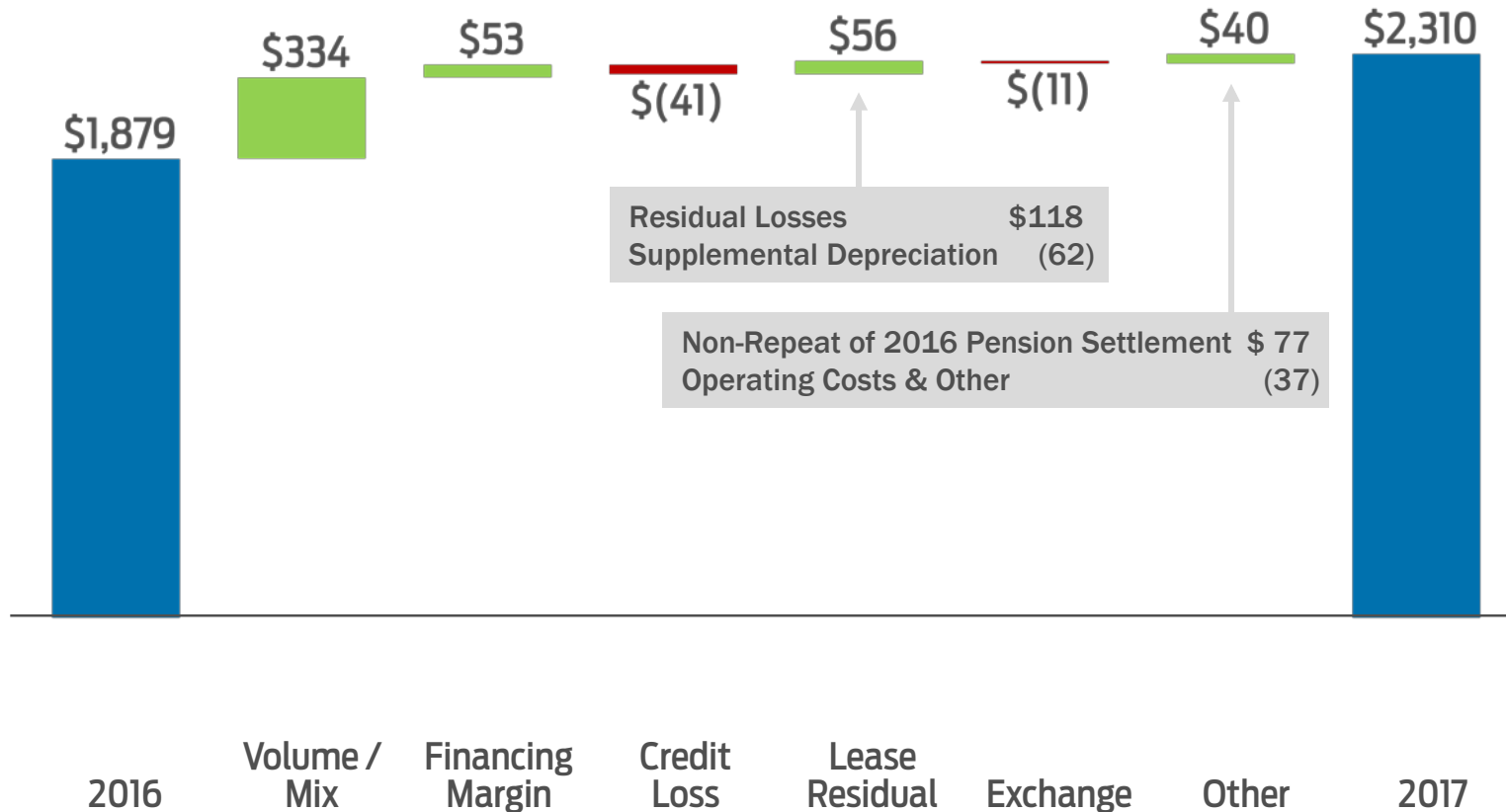
Business and portfolio continue to perform well

U.S. consumer credit metrics remain healthy

\* See Appendix for reconciliation to GAAP



# FY 2017 Pre-Tax Results (Mils)

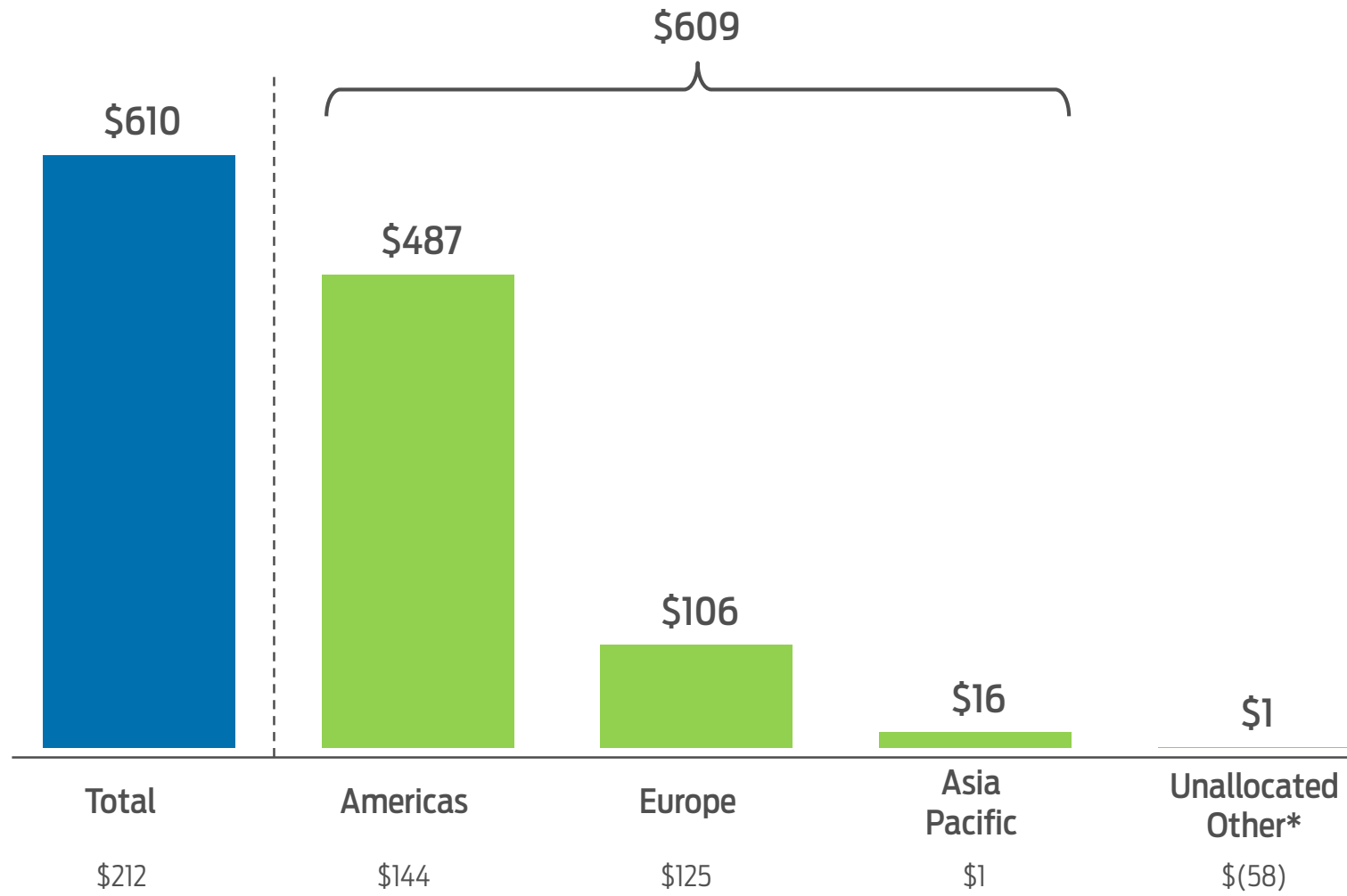


PBT improved \$431M YoY reflecting favorable volume and mix, lease residual improvement and financing margin

Volume and mix up due to global receivables growth

Lease residual improvement driven by higher than expected auction values

# 4Q 2017 Pre-Tax Results By Segment (Mils)



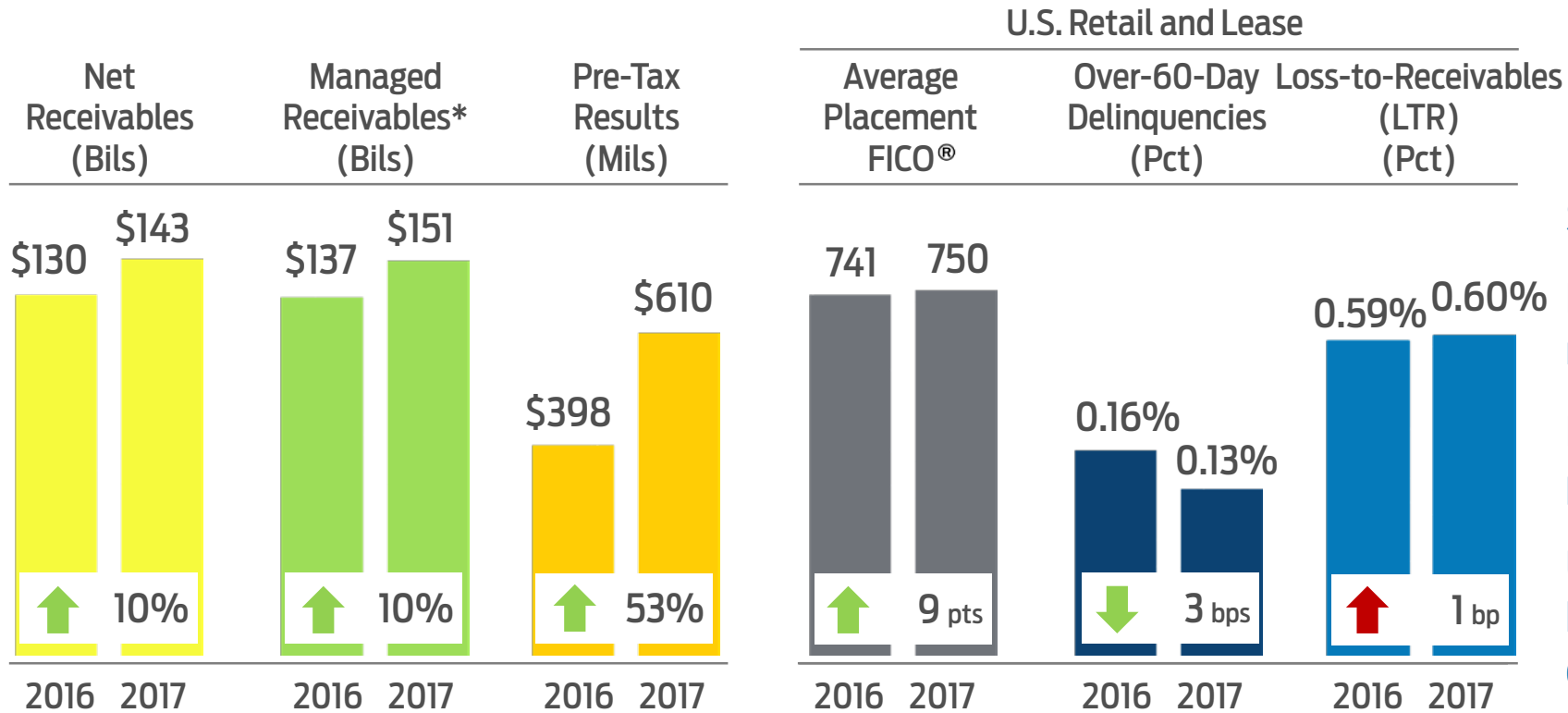
B / (W)  
4Q 2016

Total	Americas	Europe	Asia Pacific	Unallocated Other*
\$212	\$144	\$125	\$1	\$(58)

Solidly profitable globally  
Improved YoY in all segments

\* See Appendix for definitions

# 4Q 2017 Key Metrics



Strong 4Q PBT up sharply YoY

Receivables grew globally, led by retail financing in all segments

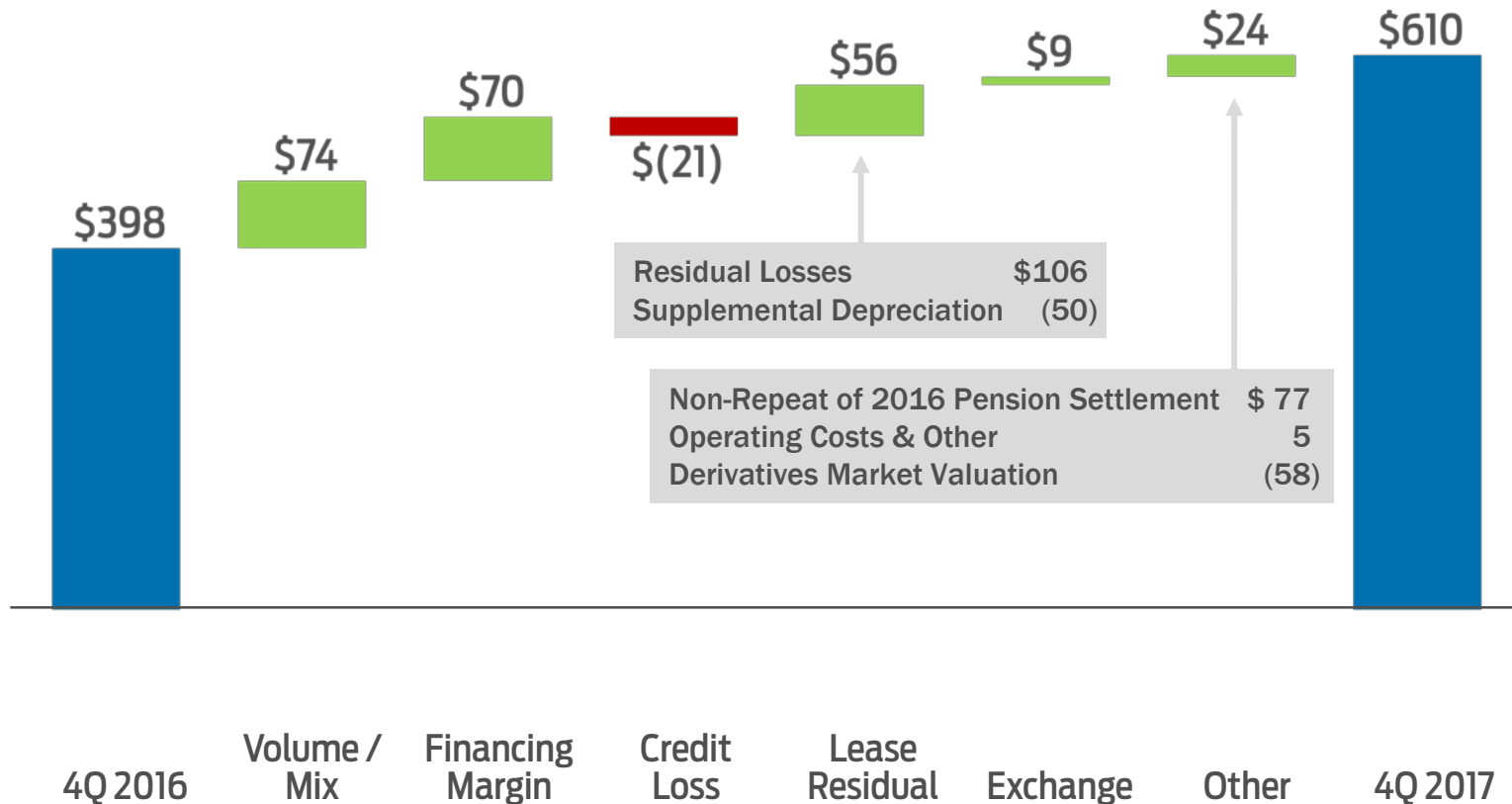
Business and portfolio continue to perform well

U.S. consumer credit metrics healthy with improved delinquencies in 4Q

FY:	\$1,879	\$2,310	739	746	0.15%	0.14%	0.47%	0.53%
	↑	23%	↑	7 pts	↓	1 bp	↑	6 bps

\* See Appendix for reconciliation to GAAP

# 4Q 2017 Pre-Tax Results (Mils)



4Q Ford Credit PBT YoY improvement of \$212M broad-based as all factors favorable except credit losses

Volume and mix gain due to global receivables growth

Higher auction values YoY drove lease residual improvement

Pension improvement reflects non-repeat of 2016 Ford Credit Europe plan settlement (fully offset in Europe Automotive)

# Americas Financing Shares And Contract Placement Volume

	4Q		FY	
	2016	2017	2016	2017
<u>Financing Shares (%)</u>				
<u>Retail Installment and Lease Share of Ford Retail Sales (excl. Fleet)</u>				
United States	47 %	58 %	56 %	55 %
Canada	80	87	75	77
<u>Wholesale Share</u>				
United States	76 %	75 %	76 %	76 %
Canada	62	59	61	61
<u>Contract Placement Volume - New and Used Retail / Lease (000)</u>				
United States	251	307	1,159	1,119
Canada	43	44	181	184
Mexico	14	10	47	40
Total Americas Segment	<u>308</u>	<u>361</u>	<u>1,387</u>	<u>1,343</u>

# Europe Financing Shares And Contract Placement Volume

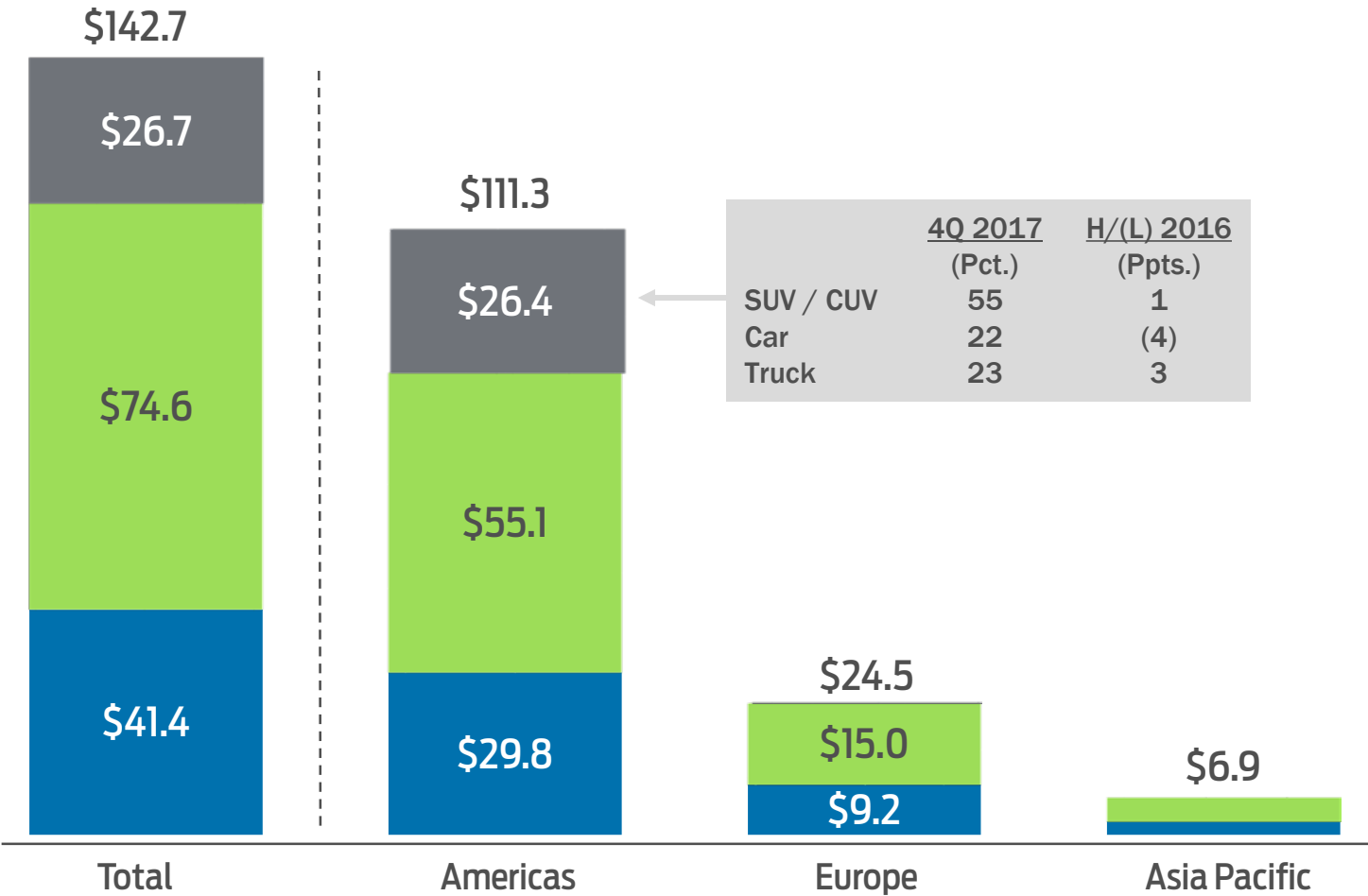
	4Q		FY	
	2016	2017	2016	2017
<u>Financing Shares (incl. Fleet) (%)</u>				
<u>Retail Installment and Lease Share of Total Ford Sales</u>				
U.K.	39 %	38 %	38 %	35 %
Germany	51	47	47	48
Total Europe Segment	39	38	37	37
<u>Wholesale Share</u>				
U.K.	100 %	100 %	100 %	100 %
Germany	96	93	93	94
Total Europe Segment	99	97	98	98
<u>Contract Placement Volume - New and Used Retail / Lease (000)</u>				
U.K.	43	35	201	174
Germany	39	39	149	155
All Other	45	56	177	212
Total Europe Segment	<u>127</u>	<u>130</u>	<u>527</u>	<u>541</u>

# Asia Pacific Financing Shares And Contract Placement Volume

	4Q		FY	
	2016	2017	2016	2017
<u>Financing Shares (incl. Fleet) (%)</u>				
<u>Retail Installment Share of Total Ford Sales</u>				
China	26 %	29 %	19 %	28 %
India	11	10	5	10
<u>Wholesale Share</u>				
China	60 %	60 %	58 %	57 %
India	34	36	29	36
<u>Contract Placement Volume - New and Used Retail (000)</u>				
China	81	82	192	256
India	3	3	5	9
Total Asia Pacific Segment	<u>84</u>	<u>85</u>	<u>197</u>	<u>265</u>

# 4Q 2017 Net Receivables Mix (Bils)

- Net Investment in Operating Leases
- Consumer Financing
- Non-Consumer Financing



Prudent management of lease mix

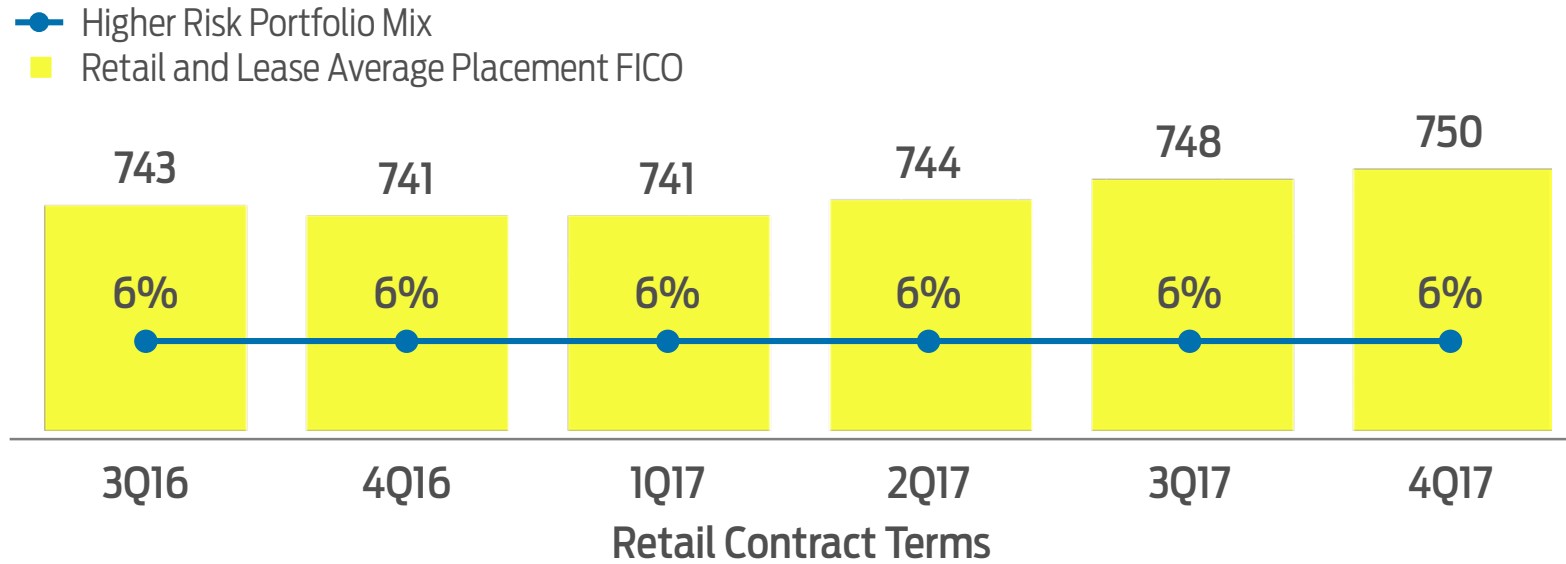
Operating lease portfolio was 19% of total net receivables

U.S. and Canada represent 99% of operating lease portfolio



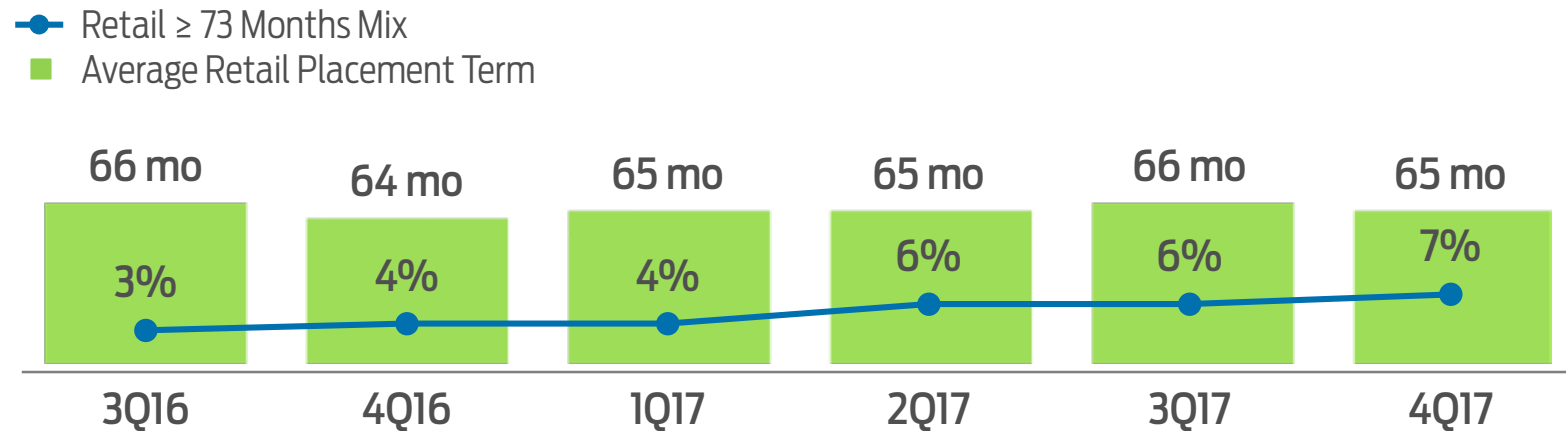
# U.S. Origination Metrics

FICO and Higher Risk Mix (Pct)



Disciplined and consistent underwriting practices

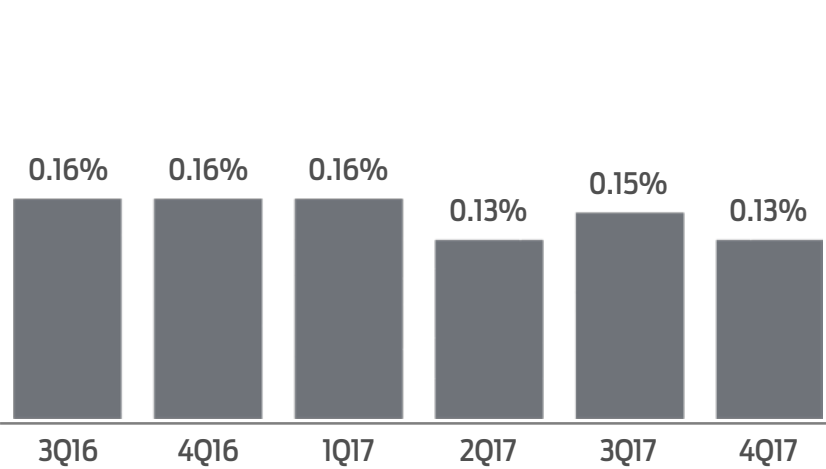
Portfolio quality evidenced by FICO scores and steady risk mix



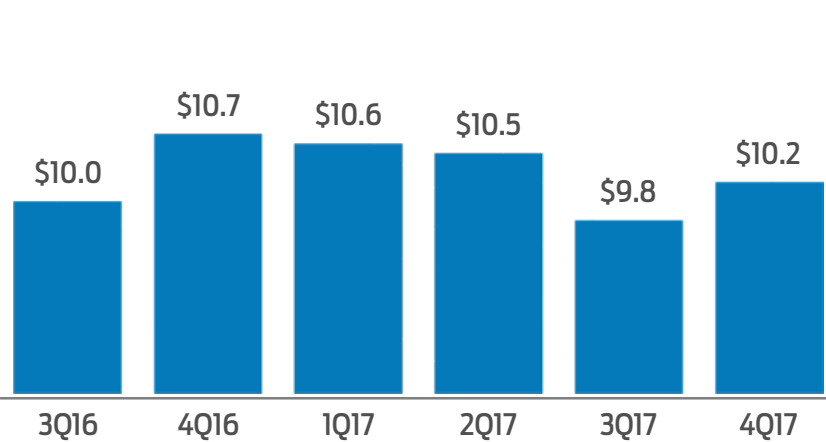
Extended-term contracts relatively small part of our business

# U.S. Retail And Lease Credit Loss Drivers

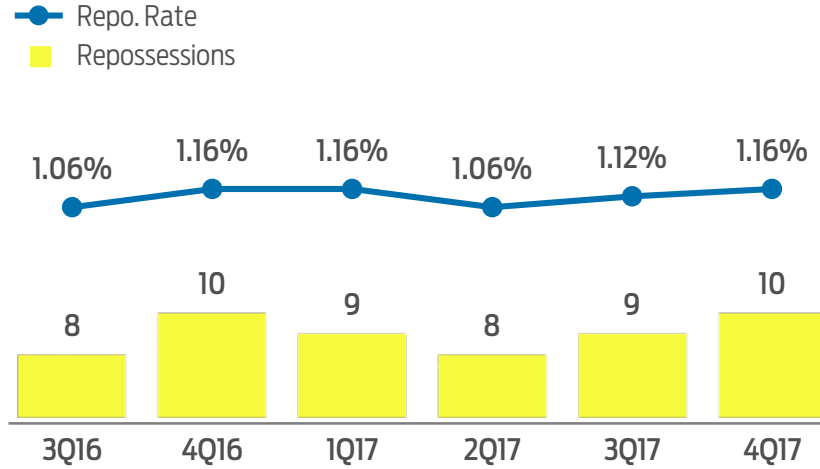
Over-60-Day Delinquencies (excl. Bankruptcies)



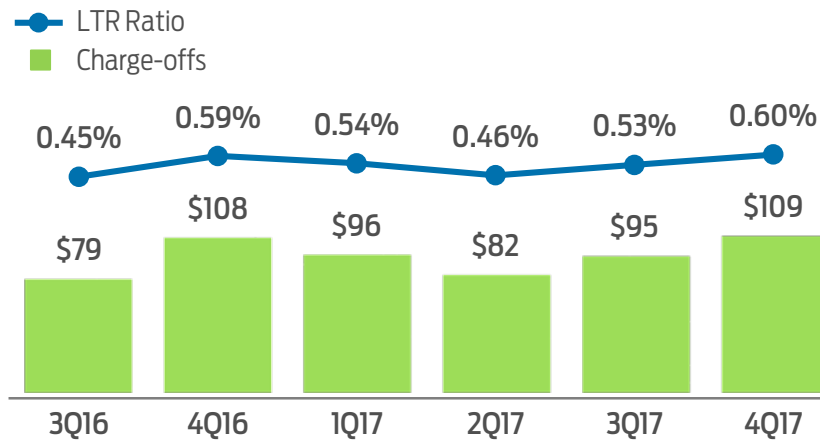
Severity (000)



Repossessions (000) and Repo. Rate (Pct)



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



Delinquencies and repossessions remain low

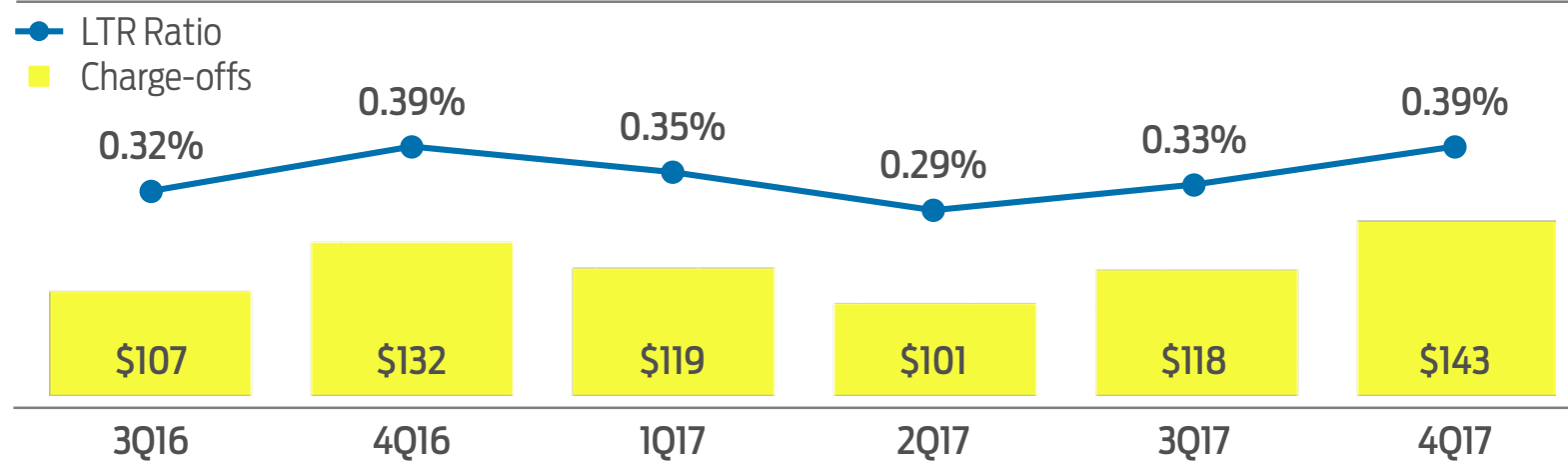
Severity trended favorably reflecting improved auction market

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

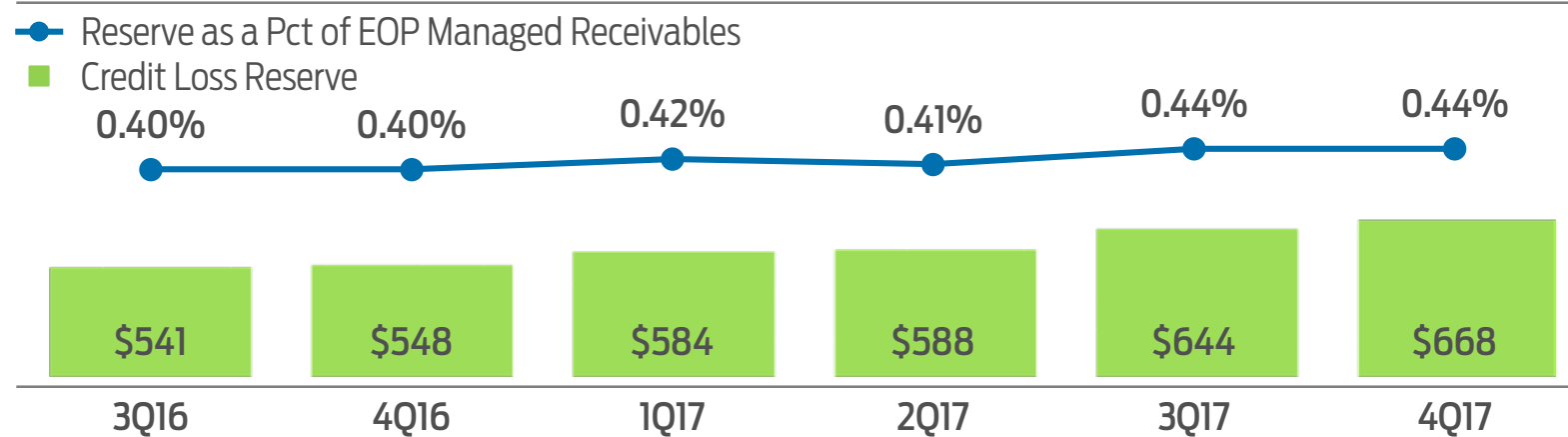
Strong loss metrics reflect healthy consumer credit conditions

# Worldwide Credit Loss Metrics

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



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



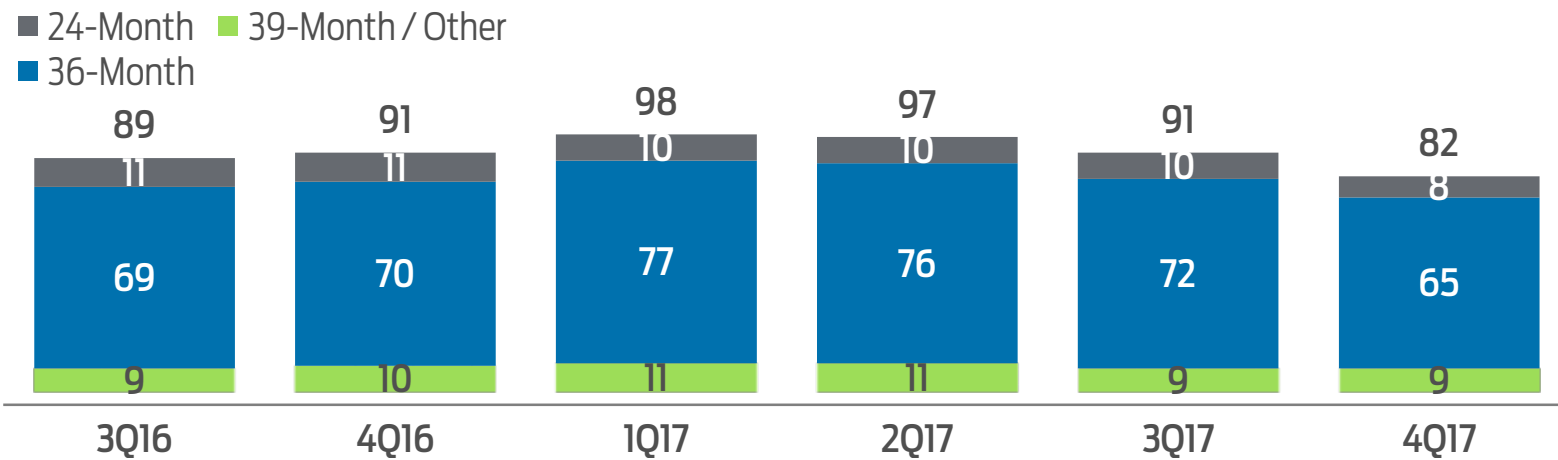
Worldwide credit loss metrics remain strong

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

YoY reserve growth reflects credit loss trends and growth in receivables

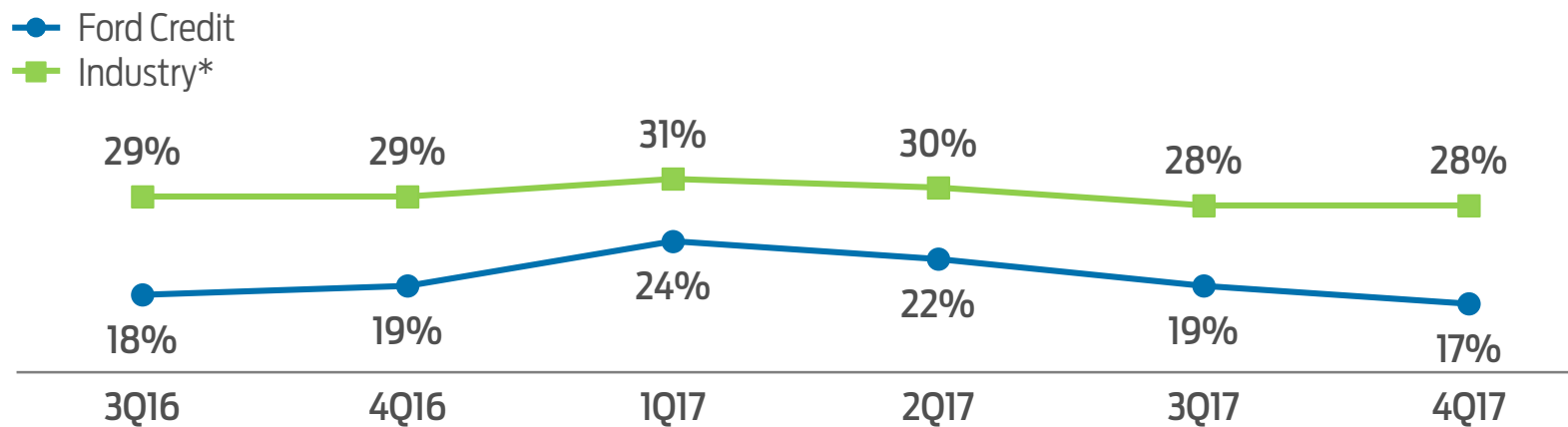
# U.S. Lease Origination Metrics

Lease Placement Volume (000)



Lease share continues to be below industry reflecting Ford sales mix

Lease Share of Retail Sales (Pct)

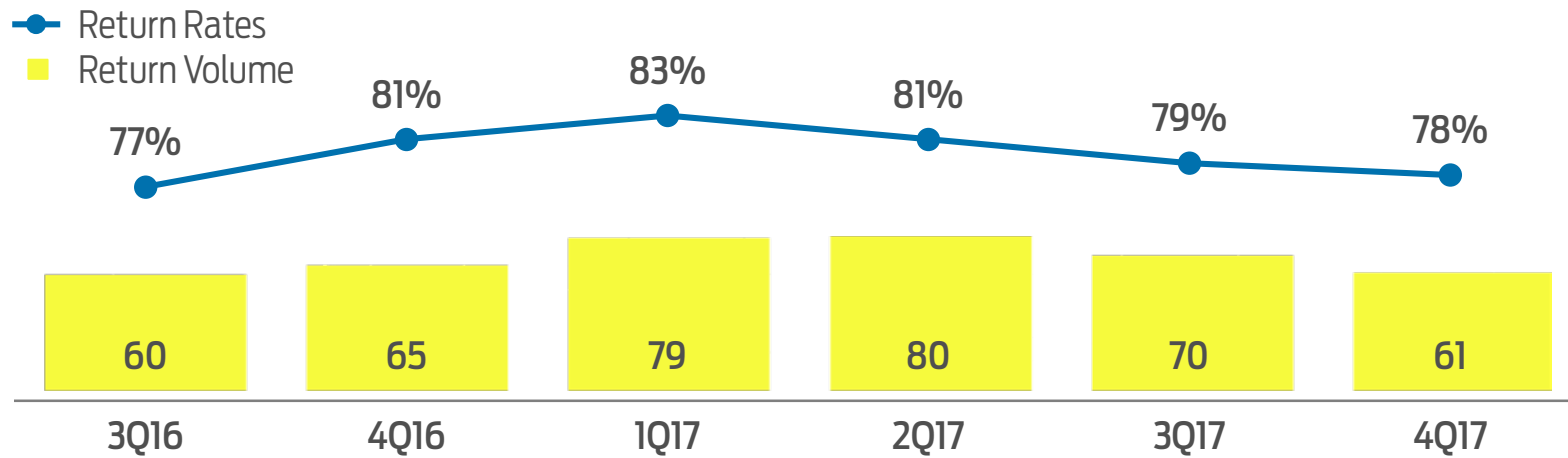


Lower Ford mix reflects reductions in certain vehicle lines

\* Source: JD Power PIN

# U.S. Lease Residual Performance

Lease Return Volume (000) and Return Rates (Pct)

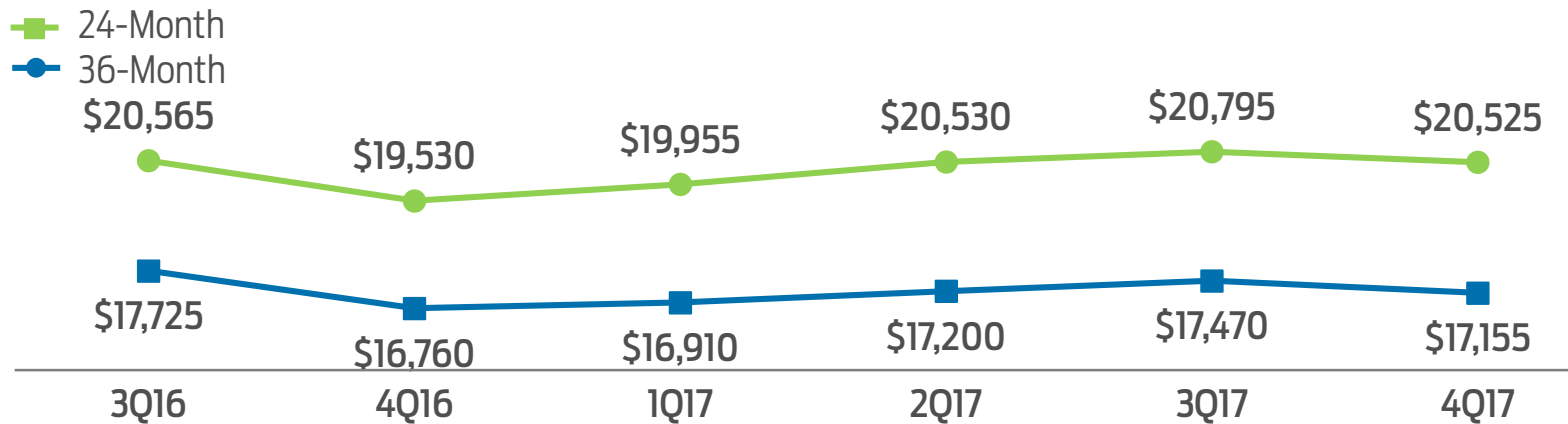


Healthy used car market supporting lease residual and credit loss performance

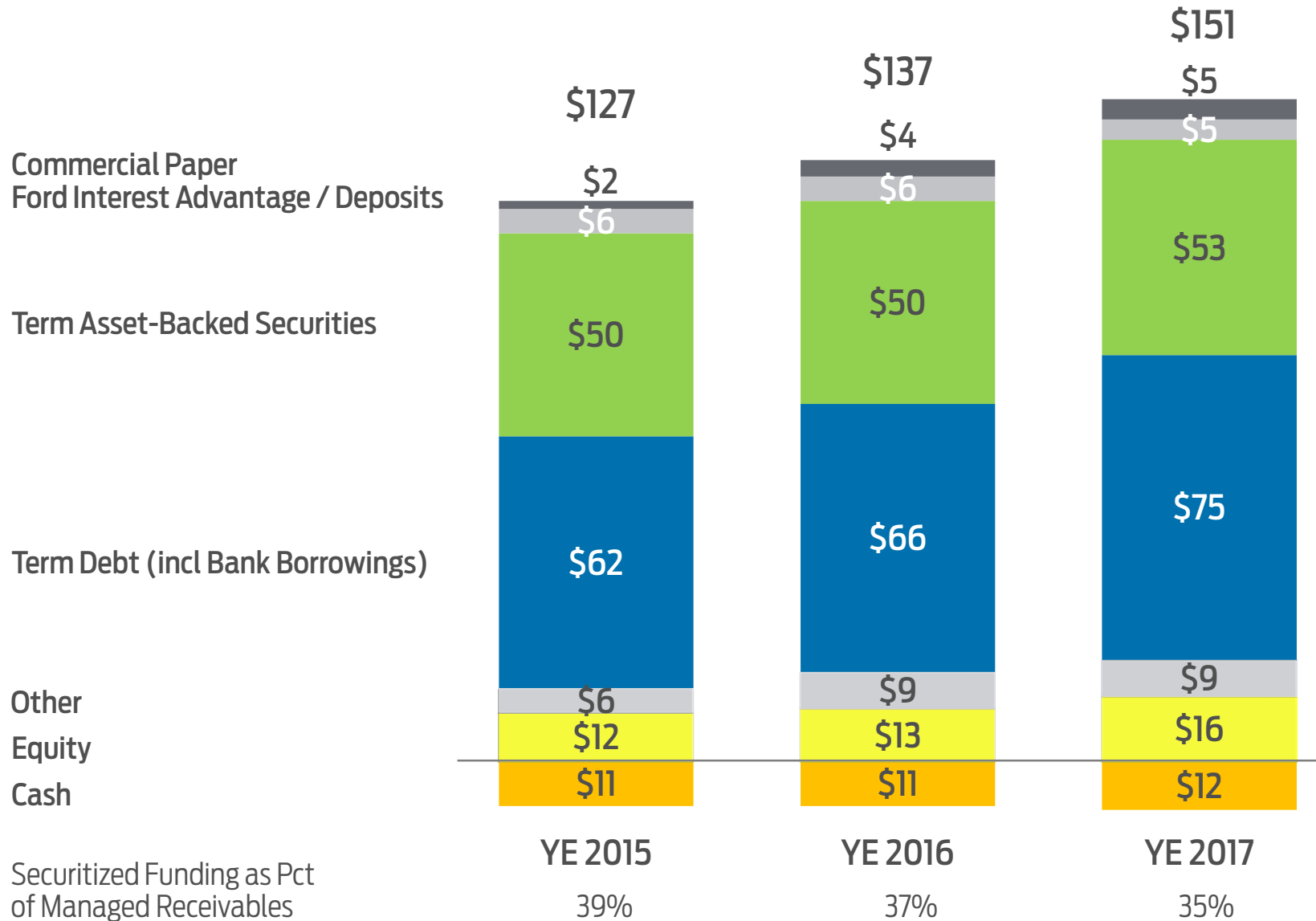
Auction values higher YoY

Continue to plan for lower auction values -- about 4% at constant mix in 2018

Off-Lease Auction Values (at 4Q17 Mix)



# Funding Structure – Managed Receivables\* (Bils)



Funding is diversified across platforms and markets

Well capitalized with strong investment grade balance sheet profile

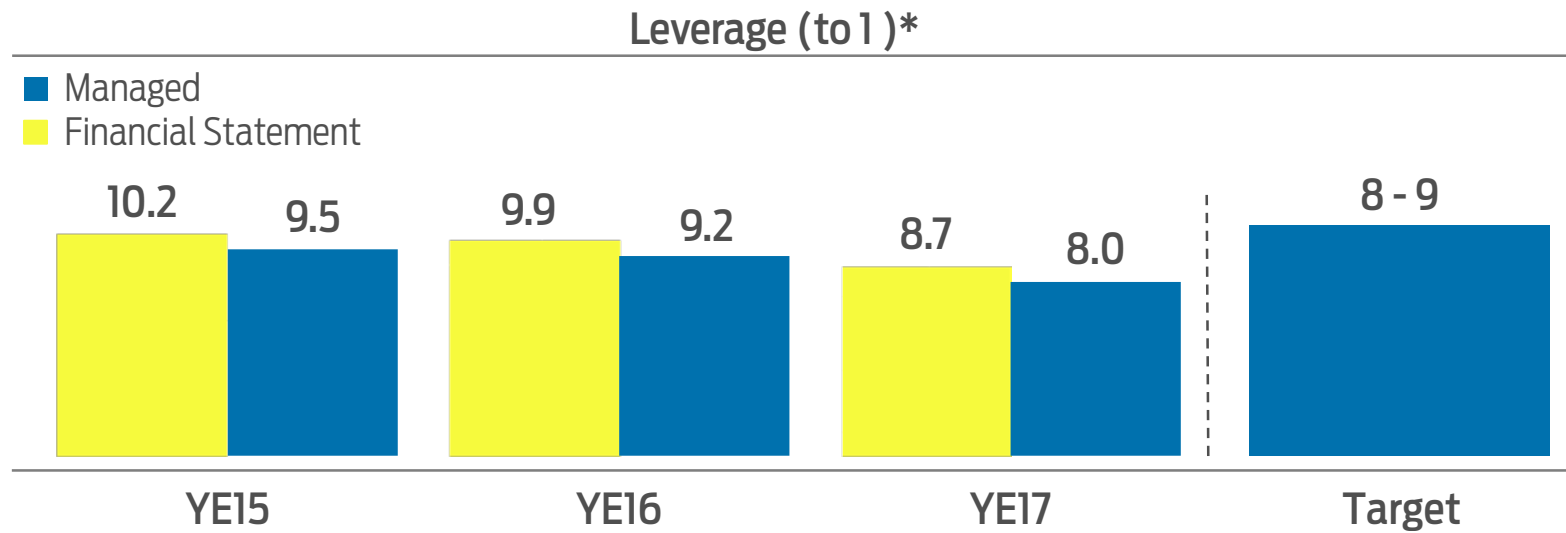
\* See Appendix for reconciliation to GAAP and definitions

# Public Term Funding Plan\* (Bils)

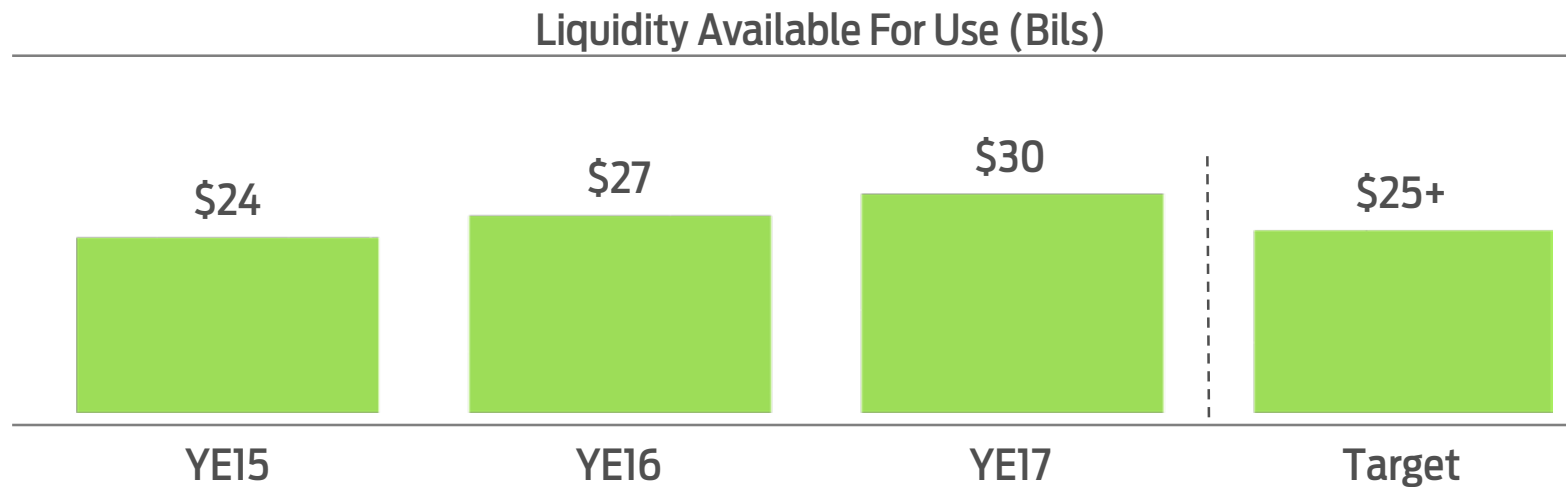
	<u>2015 Actual</u>	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Forecast</u>
<b><u>Unsecured – Currency of issuance</u></b> <b>(USD Equivalent)</b>				
USD	\$ 11	\$ 9	\$ 10	\$ 10 - 12
CAD	1	1	2	1 - 2
EUR / GBP	4	3	3	2 - 3
Other	1	1	1	1
<b>Total unsecured</b>	<u>\$ 17</u>	<u>\$ 14</u>	<u>\$ 16</u>	<u>\$ 14 - 18</u>
<b>Securitizations</b>	\$ 13	\$ 13	\$ 15	\$ 13 - 15
<b>Total public</b>	<u>\$ 30</u>	<u>\$ 28</u>	<u>\$ 32</u>	<u>\$ 27 - 33</u>

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

# Balance Sheet Metrics



Managed leverage at low end of target range reflecting favorable one-time tax adjustment



Liquidity remains strong and above target

\* See Appendix for reconciliation to GAAP



# 2018 Guidance (Mils)

	<u>2016 FY Results</u>	<u>2017 FY Results</u>	<u>2018 FY Plan</u>
Pre-Tax Profit	\$ 1,879	\$ 2,310	< 2017 FY
Distributions	\$ -	\$ 406	~ \$2,000

Expect 2018 pre-tax profit to be strong but lower than 2017

Distributions are planned to maintain leverage within target range

Expect distributions of about \$2 billion primarily reflecting one-time favorable tax benefit

# Key Takeaways

- Full year 2017 pre-tax profit \$2.3 billion; up 23% YoY
- Receivables grew globally
- Consistent originations, servicing, and collections
- Funding plan well-positioned for business cycles
- Expect strong profitability in 2018 and about \$2 billion in distributions
- Strategic asset to Ford, supporting sales and delivering profits

# Cautionary Note on Forward-Looking Statements

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.

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# Appendix

# Appendix

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# Credit Ratings

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

# Americas Financing Shares And Contract Placement Volume

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Financing Shares (%)</u>					
<u>Retail Installment and Lease Share of Ford Retail Sales (excl. Fleet)</u>					
United States	56 %	63 %	65 %	56 %	55
Canada	65	67	73	75	77
<u>Wholesale Share</u>					
United States	77 %	77 %	76 %	76 %	76
Canada	65	64	64	61	61
<u>Contract Placement Volume - New and Used Retail / Lease (000)</u>					
United States	1,122	1,231	1,342	1,159	1,119
Canada	140	149	160	181	184
Mexico	4	25	26	47	40
Total Americas Segment	<u>1,266</u>	<u>1,405</u>	<u>1,528</u>	<u>1,387</u>	<u>1,343</u>

# Europe Financing Shares And Contract Placement Volume

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Financing Shares (incl. Fleet) (%)</u>					
<u>Retail Installment and Lease Share of Total Ford Sales</u>					
U.K.	38 %	40 %	40 %	38 %	35
Germany	45	48	48	47	48
Total Europe Segment	34	36	37	37	37
<u>Wholesale Share</u>					
U.K.	100 %	100 %	100 %	100 %	100
Germany	92	92	93	93	94
Total Europe Segment	98	98	98	98	98
<u>Contract Placement Volume - New and Used Retail / Lease (000)</u>					
U.K.	171	195	207	201	174
Germany	127	135	140	149	155
All Other	106	130	158	177	212
Total Europe Segment	<u>404</u>	<u>460</u>	<u>505</u>	<u>527</u>	<u>541</u>

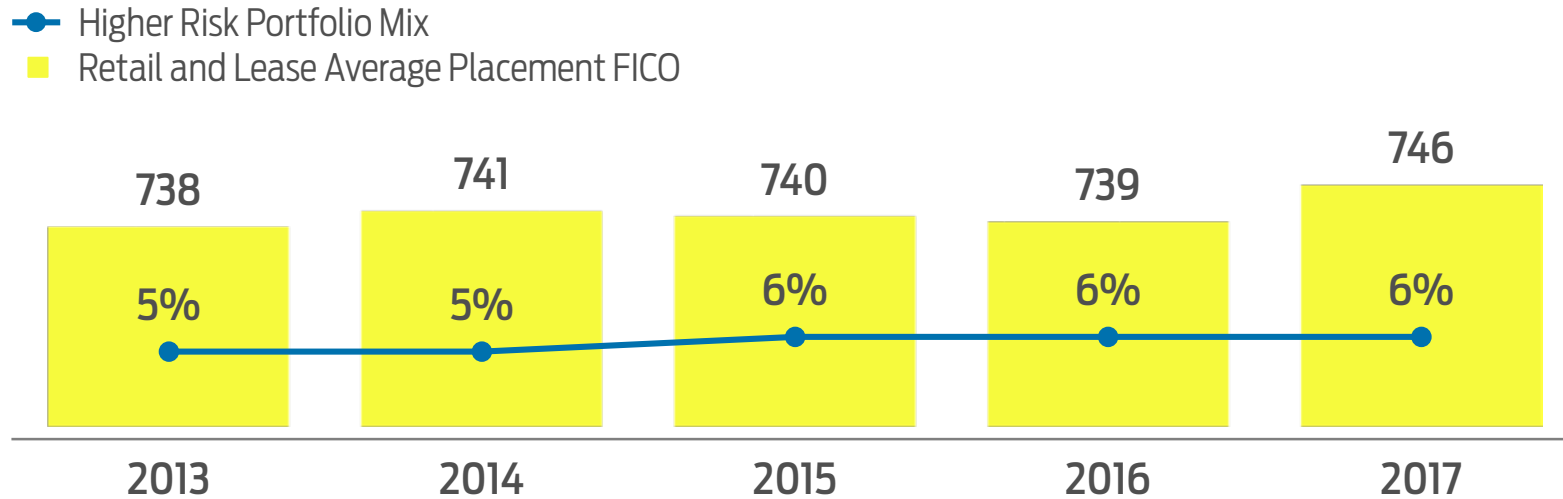


# Asia Pacific Financing Shares And Contract Placement Volume

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Financing Shares (incl. Fleet) (%)</u>					
<u>Retail Installment Share of Total Ford Sales</u>					
China	13 %	13 %	12 %	19 %	28 %
India	-	-	1	5	10
<u>Wholesale Share</u>					
China	59 %	62 %	56 %	58 %	57 %
India	-	-	14	29	36
<u>Contract Placement Volume - New and Used Retail (000)</u>					
China	92	109	108	192	256
India	-	-	-	5	9
Total Asia Pacific Segment	<u>92</u>	<u>109</u>	<u>108</u>	<u>197</u>	<u>265</u>

# U.S. Origination Metrics

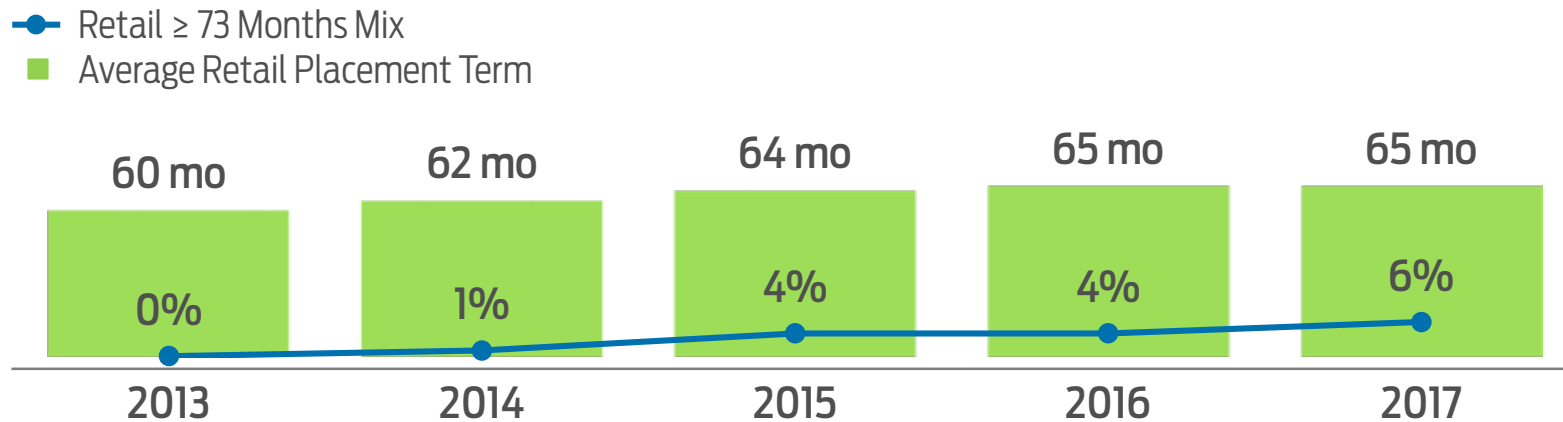
FICO and Higher Risk Mix (Pct)



Disciplined and consistent underwriting practices

Portfolio quality evidenced by FICO scores and steady risk mix

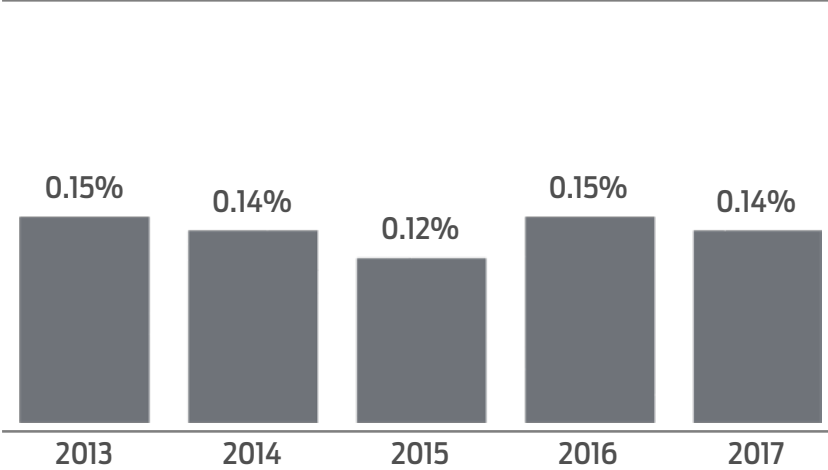
Retail Contract Terms



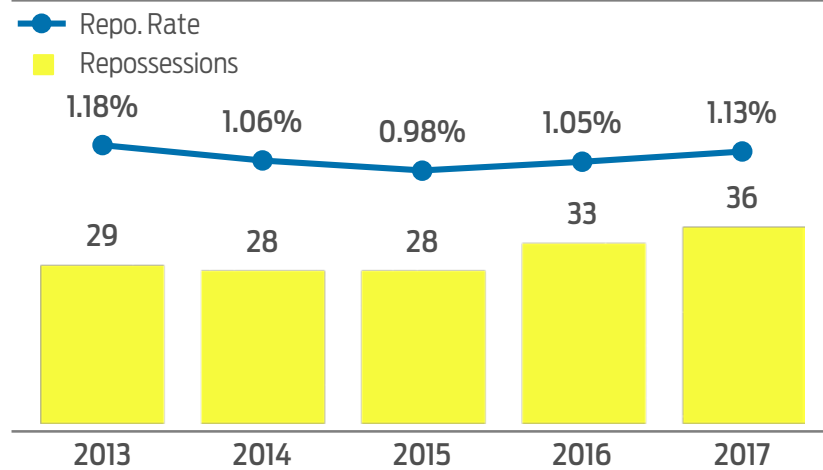
Extended-term contracts relatively small part of our business

# U.S. Retail And Lease Credit Loss Drivers

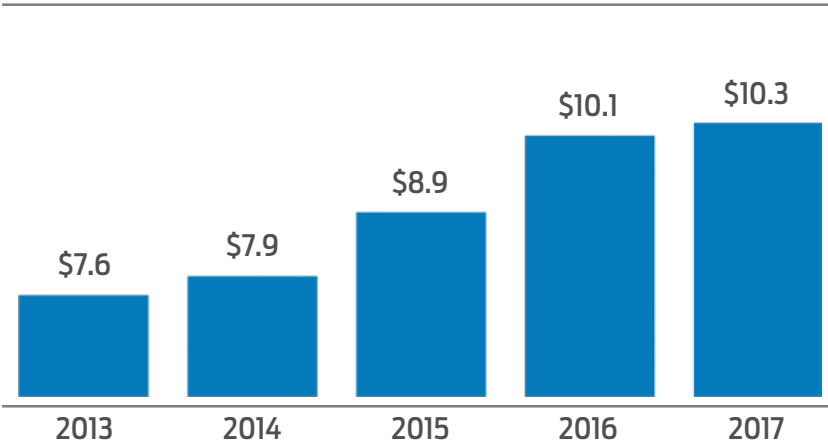
Over-60-Day Delinquencies (excl. Bankruptcies)



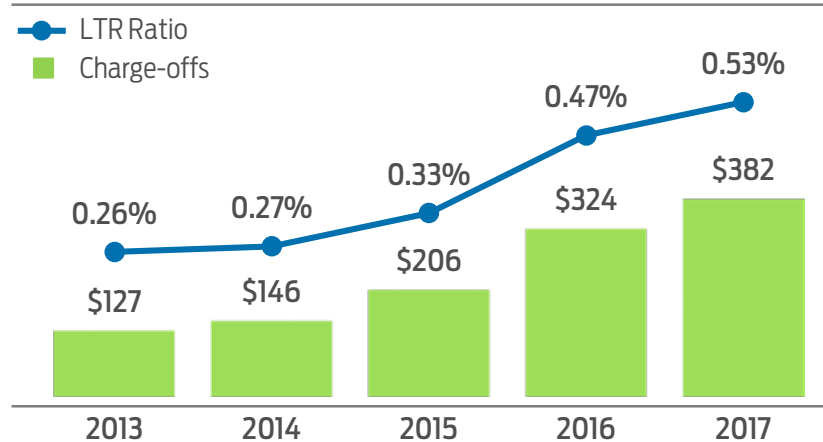
Repossessions (000) and Repo. Rate (Pct)



Severity (000)



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



Delinquencies and repossessions remain low

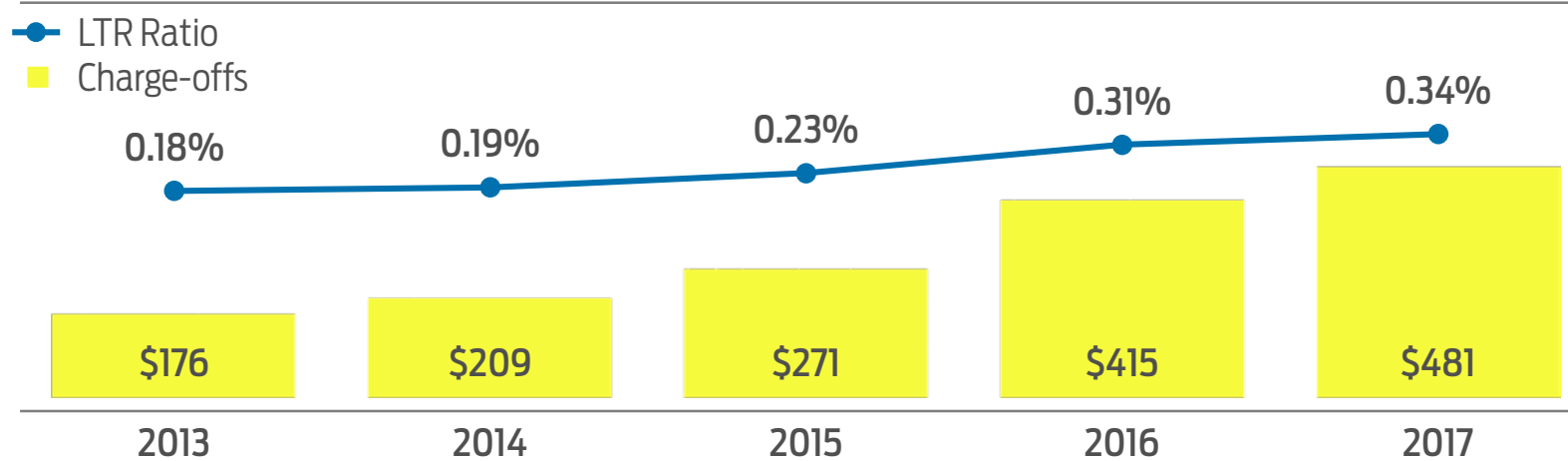
Severity increased reflecting longer term financing and lower auction values

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

Strong loss metrics reflect healthy consumer credit conditions

# Worldwide Credit Loss Metrics

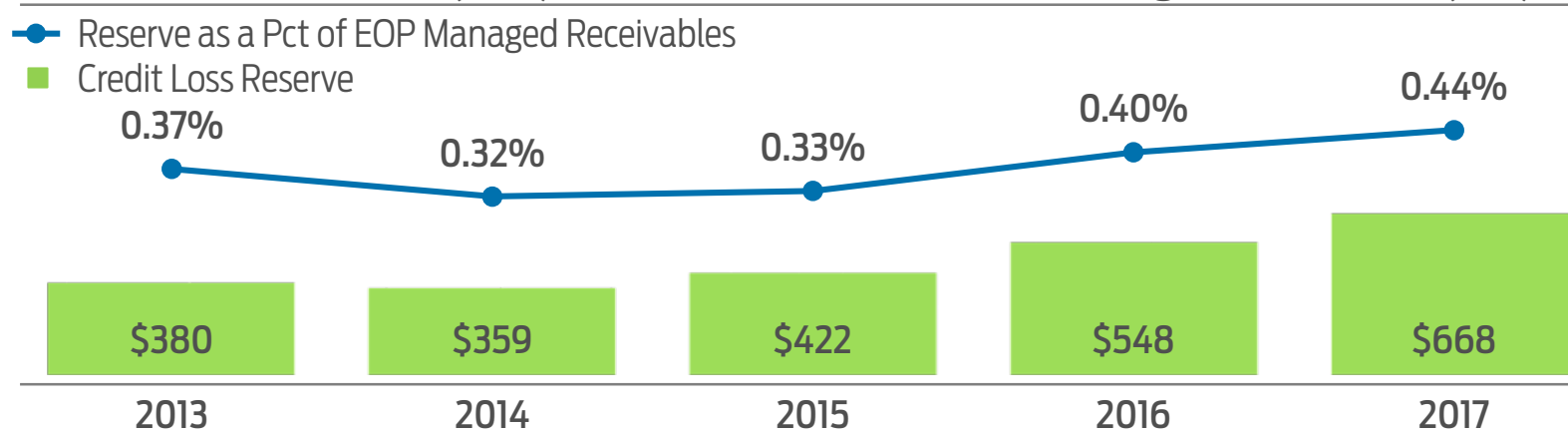
Charge-Offs (Mils) and LTR Ratio (Pct)



Worldwide credit loss metrics remain strong

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

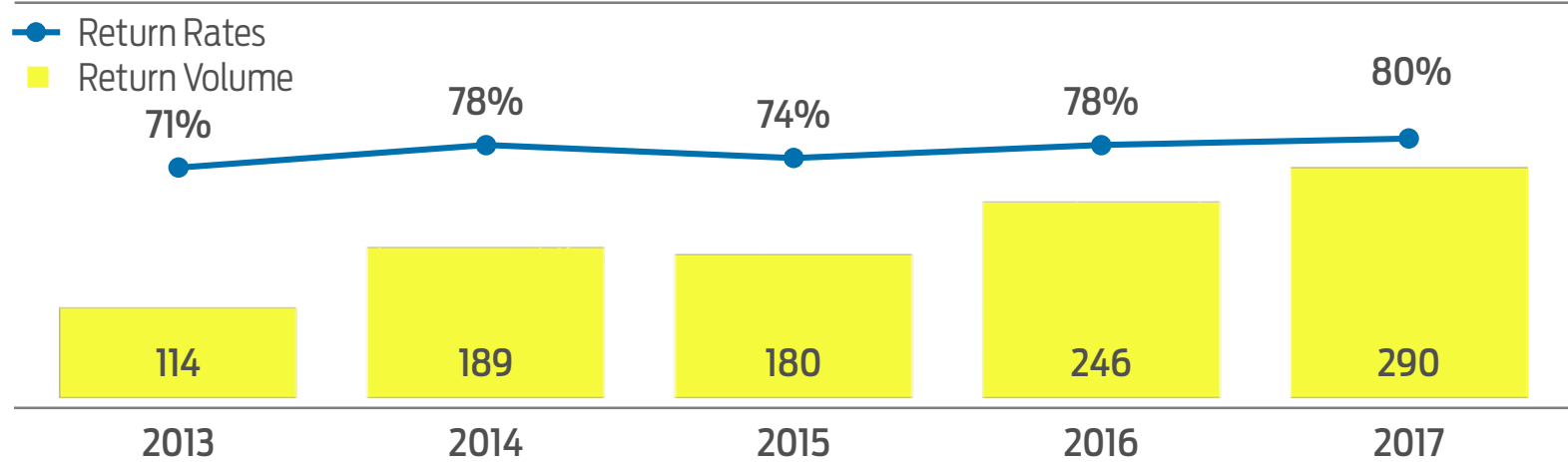
Credit Loss Reserve (Mils) and Reserve as a Pct of EOP Managed Receivables (Pct)



YoY reserve growth reflects credit loss trends and growth in receivables

# U.S. Lease Residual Performance

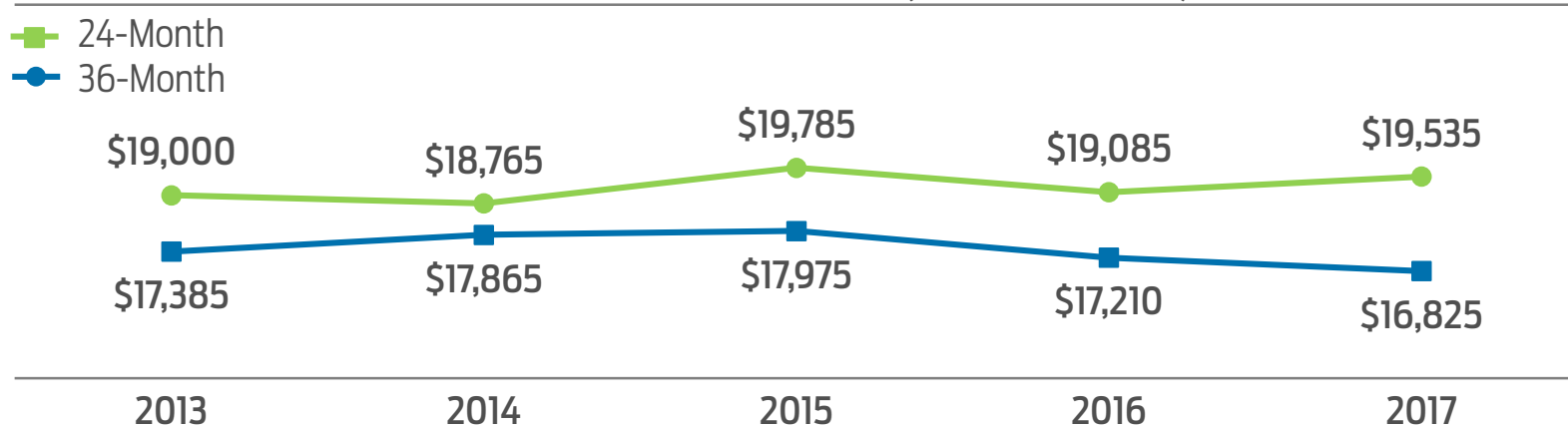
Lease Return Volume (000) and Return Rates (Pct)



Healthy used car market supporting lease residual and credit loss performance

Auction values stronger than expected

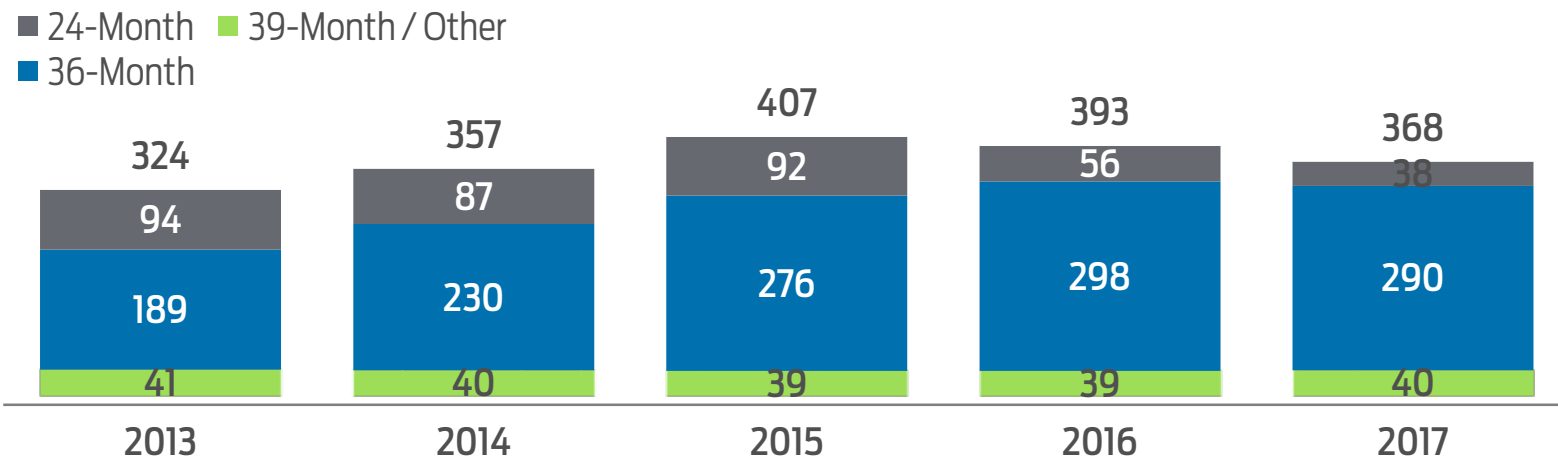
Off-Lease Auction Values (at incurred Mix)



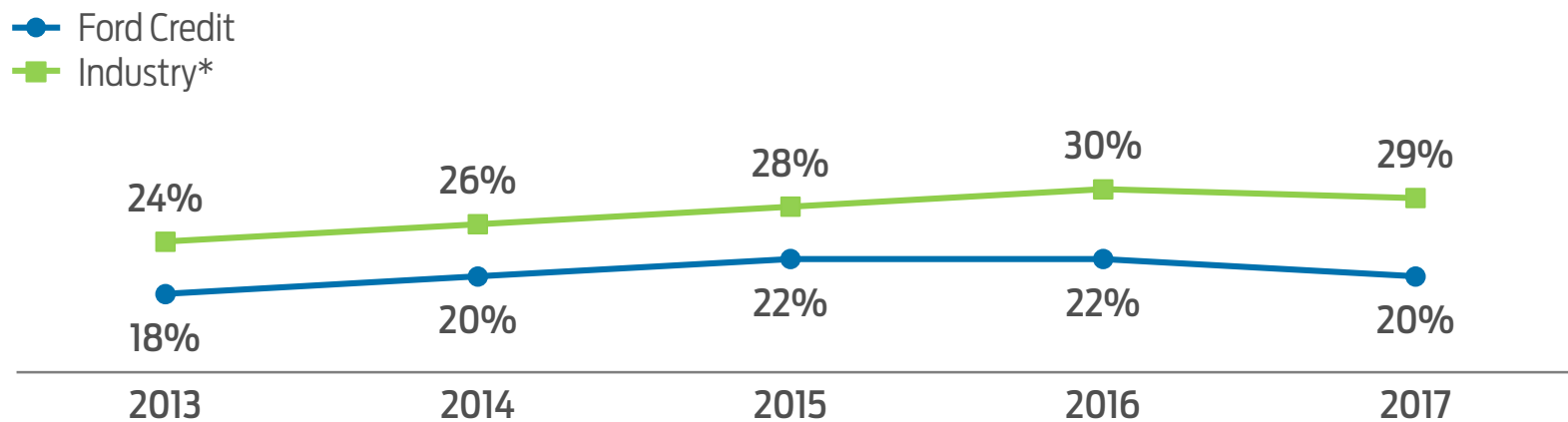
Continue to plan for lower auction values -- about 4% at constant mix in 2018

# U.S. Lease Origination Metrics

Lease Placement Volume (000)



Lease Share of Retail Sales (Pct)



Lease share continues to be below industry reflecting Ford sales mix

\* Source: JD Power PIN

# Total Net Receivables Reconciliation To Managed Receivables\* (Bils)

	2015 Dec 31	2016 Dec 31	2017 Dec 31
<b>Americas Segment</b>			
Consumer financing	\$ 47.3	\$ 51.2	\$ 55.1
Non-Consumer financing	27.2	28.9	29.8
Net investment In operating leases	24.9	26.9	26.4
<b>Total Americas Segment</b>	<b>\$ 99.4</b>	<b>\$ 107.0</b>	<b>\$ 111.3</b>
<b>Europe Segment</b>			
Consumer financing	\$ 10.3	\$ 10.8	\$ 15.0
Non-Consumer financing	8.2	7.4	9.2
Net investment In operating leases	0.2	0.3	0.3
<b>Total Europe Segment</b>	<b>\$ 18.7</b>	<b>\$ 18.5</b>	<b>\$ 24.5</b>
<b>Asia Pacific Segment</b>			
Consumer financing	\$ 2.0	\$ 2.9	\$ 4.5
Non-Consumer financing	1.8	1.8	2.4
Net investment In operating leases	-	-	-
<b>Total Asia Pacific Segment</b>	<b>\$ 3.8</b>	<b>\$ 4.7</b>	<b>\$ 6.9</b>
<b>Total net receivables</b>	<b>\$ 121.9</b>	<b>\$ 130.2</b>	<b>\$ 142.7</b>
<b><u>Managed Receivables</u></b>			
Consumer financing	\$ 59.6	\$ 64.9	\$ 74.6
Non-Consumer financing	37.2	38.1	41.4
Finance receivables, net (GAAP)	\$ 96.8	\$ 103.0	\$ 116.0
Net investment In operating leases (GAAP)	25.1	27.2	26.7
<b>Total net receivables</b>	<b>\$ 121.9</b>	<b>\$ 130.2</b>	<b>\$ 142.7</b>
Unearned interest supplements and residual support	4.5	5.3	6.1
Allowance for credit losses	0.4	0.5	0.7
Other, primarily accumulated supplemental depreciation	0.4	0.9	1.0
<b>Total managed receivables (Non-GAAP)</b>	<b>\$ 127.2</b>	<b>\$ 136.9</b>	<b>\$ 150.5</b>

\* See Appendix for definitions

# Financial Statement Leverage Reconciliation To Managed Leverage\* (Bils)

	2015 <u>Dec 31</u>	2016 <u>Dec 31</u>	2017 <u>Dec 31</u>
<u>Leverage Calculation</u>			
Total debt	\$ 119.6	\$ 126.5	\$ 137.8
Adjustments for cash	(11.2)	(10.8)	(11.8)
Adjustments for derivative accounting	(0.5)	(0.3)	-
Total adjusted debt	<u>\$ 107.9</u>	<u>\$ 115.4</u>	<u>\$ 126.0</u>
Equity	\$ 11.7	\$ 12.8	\$ 15.9
Adjustments for derivative accounting	(0.3)	(0.3)	(0.1)
Total adjusted equity	<u>\$ 11.4</u>	<u>\$ 12.5</u>	<u>\$ 15.8</u>
Financial statement leverage (to 1) (GAAP)	10.2	9.9	8.7
Managed leverage (to 1) (Non-GAAP)	9.5	9.2	8.0

\* See Appendix for definitions



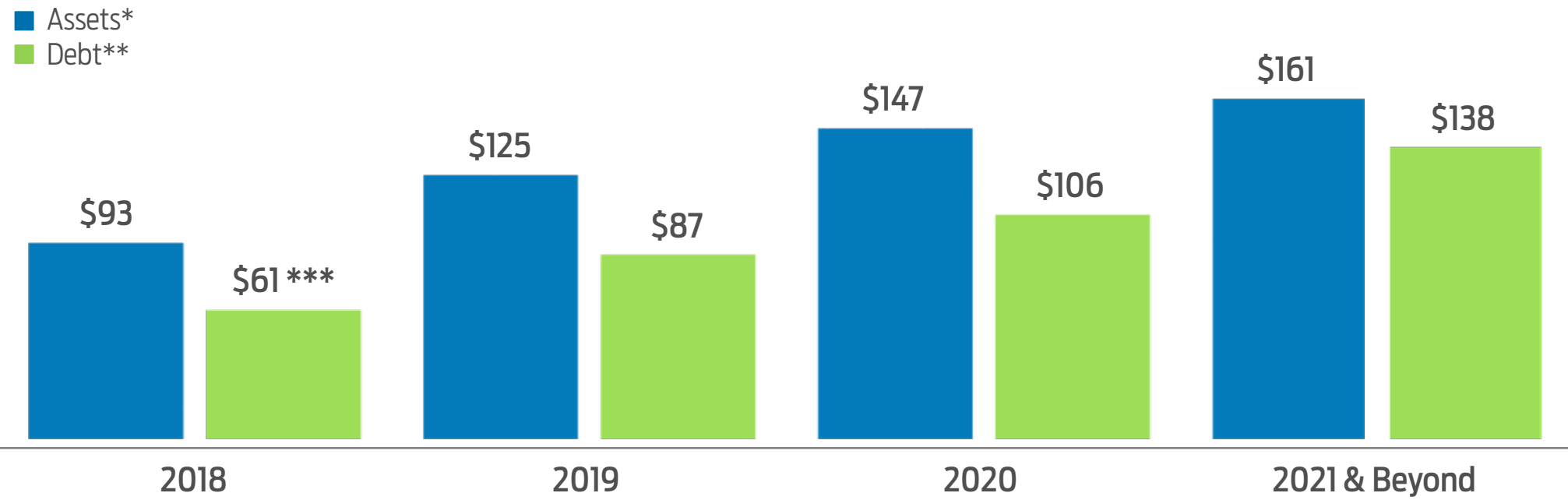
# Liquidity Sources\* (Bils)

	2015 Dec 31	2016 Dec 31	2017 Dec 31
<u>Liquidity Sources</u>			
Cash	\$ 11.2	\$ 10.8	\$ 11.8
Committed ABS facilities	33.2	34.6	33.4
Other unsecured credit facilities	2.3	2.5	3.3
Ford corporate credit facility allocation	3.0	3.0	3.0
Total liquidity sources	\$ 49.7	\$ 50.9	\$ 51.5
<u>Utilization of Liquidity</u>			
Securitization cash	\$ (4.3)	\$ (3.4)	\$ (3.8)
Committed ABS facilities	(20.6)	(19.9)	(17.2)
Other unsecured credit facilities	(0.8)	(0.7)	(1.1)
Ford corporate credit facility allocation	-	-	-
Total utilization of liquidity	\$ (25.7)	\$ (24.0)	\$ (22.1)
Gross liquidity	\$ 24.0	\$ 26.9	\$ 29.4
Adjustments	(0.5)	0.1	0.1
Net liquidity available for use	\$ 23.5	\$ 27.0	\$ 29.5

\* See Appendix for definitions

# Balance Sheet Liquidity Profile (Bils)

Cumulative Maturities at December 31, 2017



Unsecured Long-Term  
Debt Maturities

\$13.3

\$13.4

\$13.8

\$28.4

\* Includes finance receivables net of unearned income, investment in operating leases net of accumulated depreciation, cash and cash equivalents, and marketable securities (excluding amounts related to insurance activities)

\*\* Retail and lease ABS are treated as amortizing to match the underlying assets

\*\*\* Includes all of the wholesale ABS term maturities of \$9.9 billion that otherwise contractually extend to 2019 and beyond

# 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

## Securitizations (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 Leverage 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

## Total Net Receivables (as shown on the Total Net Receivables Reconciliation To Managed Receivables chart)

- 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

## Unallocated Other (as shown on the Pre-Tax Results by Segment chart)

- 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