



**Go Further**



# 2013 THIRD QUARTER FIXED INCOME PRESENTATION

OCTOBER 24, 2013  
(PRELIMINARY RESULTS)



## **FORD CREDIT OPERATING HIGHLIGHTS\***

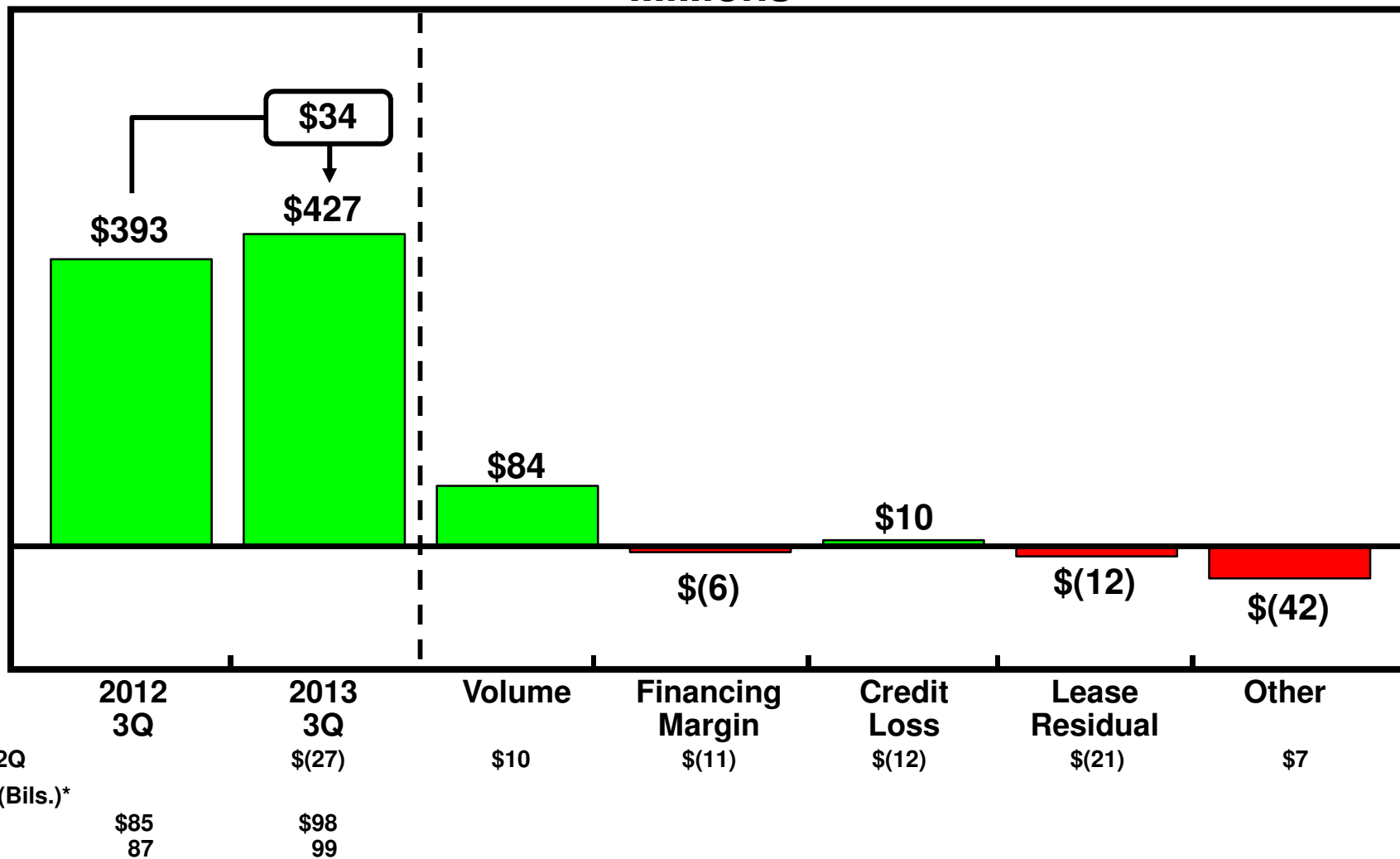
- **Another solid performance with Third Quarter pre-tax profit of \$427 million and net income of \$272 million**
- **Managed receivables of \$99 billion at Quarter End, up \$8 billion from Year-End 2012**
- **Charge-offs of \$47 million in the Third Quarter, up \$12 million from a year ago**
- **Loss-to-receivables ratio of 0.19% in the Third Quarter, up 2 basis points from a year ago**
- **Credit loss reserve of \$368 million, or 0.37% of receivables, at Quarter End**
- **Managed leverage of 8.2 to 1 at Quarter End**

\* See slide 2 and Appendix for reconciliation to GAAP

# FORD CREDIT

## 2013 THIRD QUARTER PRE-TAX RESULTS COMPARED WITH 2012

Millions



Memo:  
B / (W) 2013 2Q

Receivables (Bils.)\*

Total  
Managed

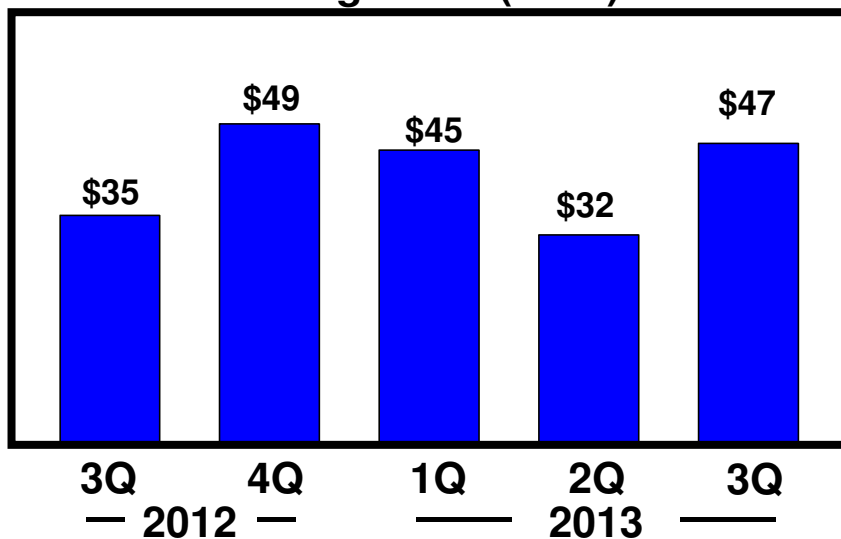
\* Total receivables reflect net finance receivables and net investment in operating leases reported on Ford Credit's balance sheet. Managed receivables equal total receivables, excluding unearned interest supplements of \$(2) billion at September 30, 2012 and \$(1) billion at September 30, 2013.

# FORD CREDIT

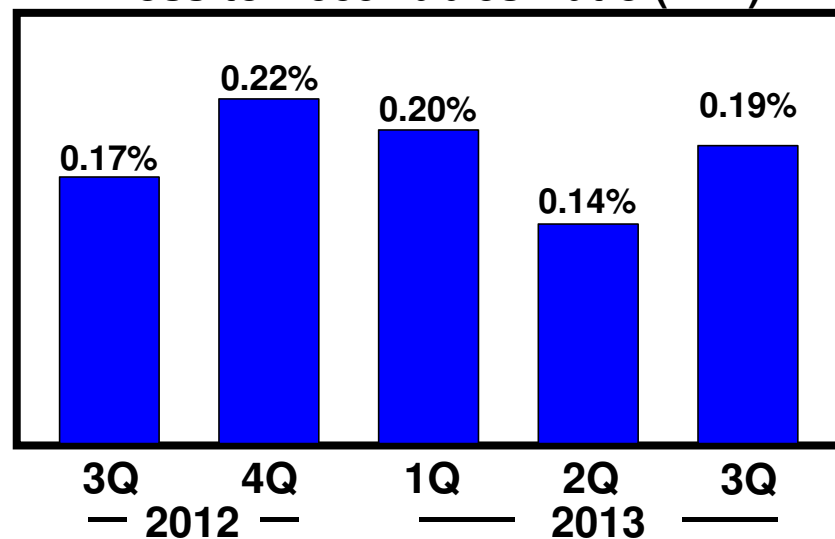


## WORLDWIDE CREDIT LOSS METRICS

Charge-Offs (Mils.)



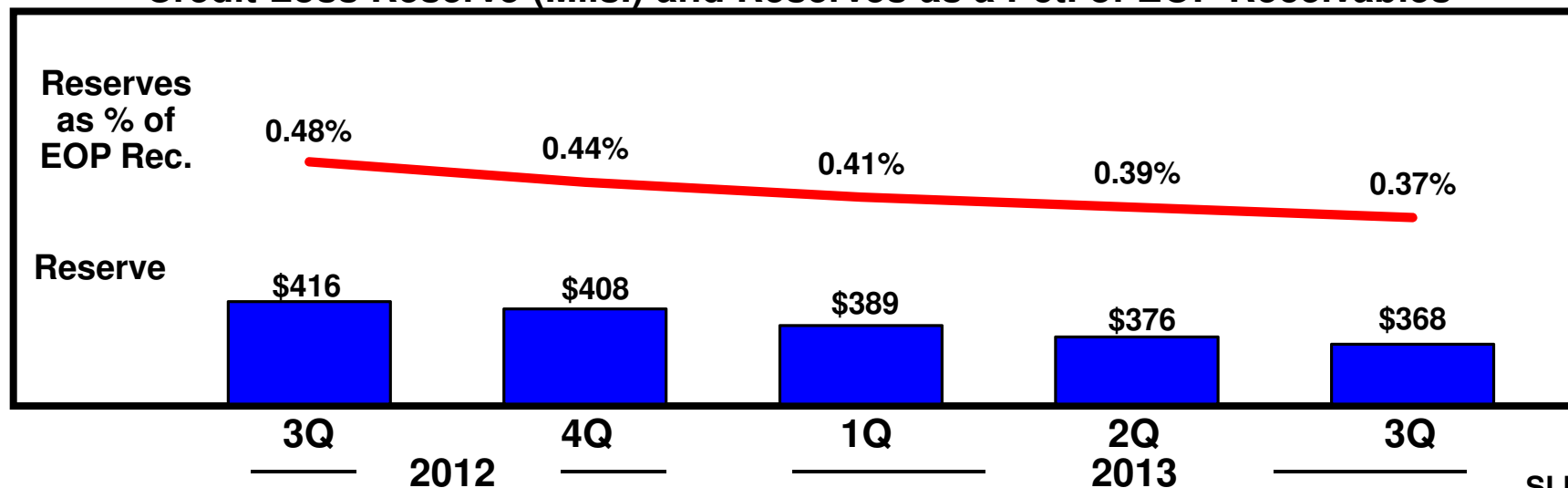
Loss-to-Receivables Ratio (LTR)



Memo: Retail & Lease

\$37      \$51      \$45      \$25      \$45

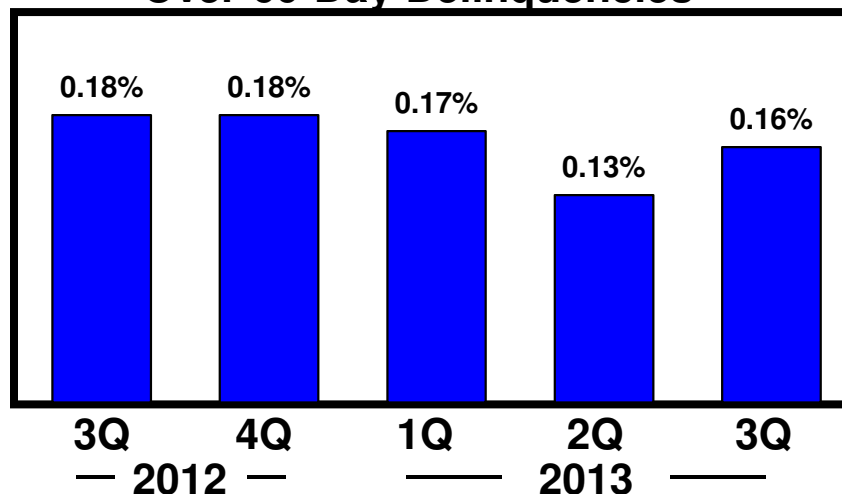
Credit Loss Reserve (Mils.) and Reserves as a Pct. of EOP Receivables



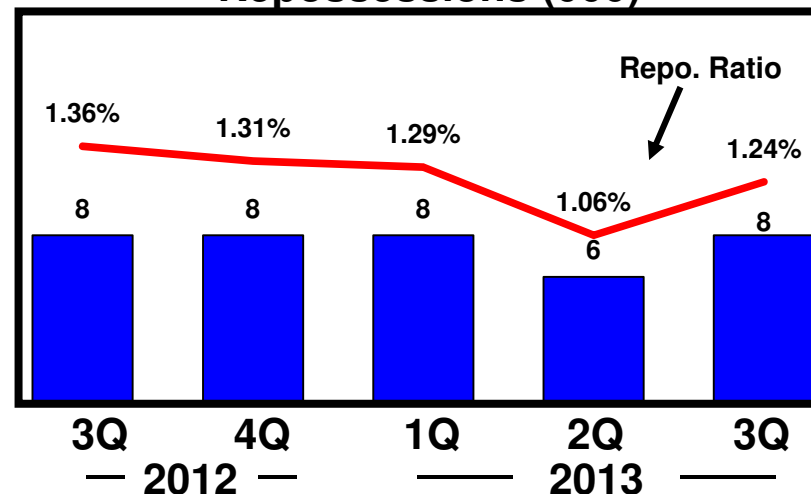
# FORD CREDIT

## U.S. RETAIL AND LEASE CREDIT LOSS DRIVERS

### Over-60-Day Delinquencies \*



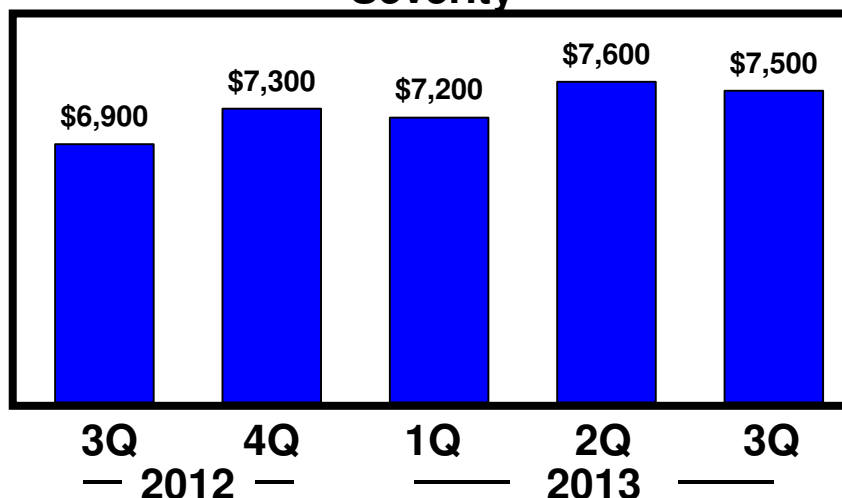
### Repossessions (000)



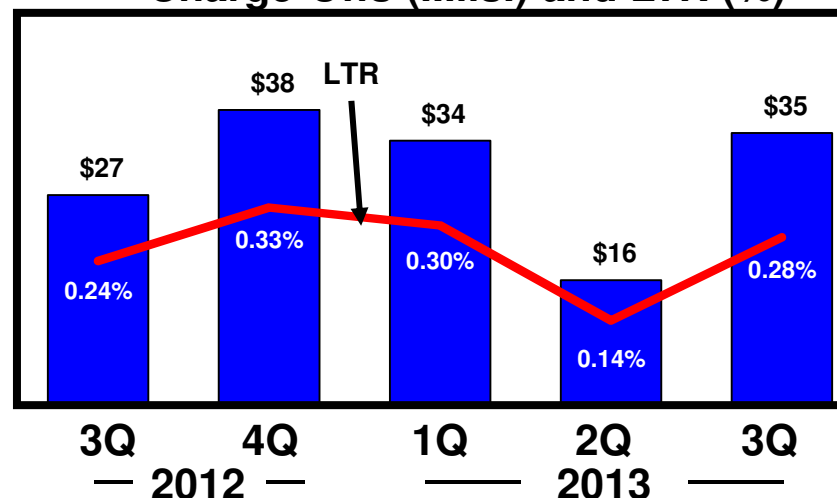
Memo:  
New Bankruptcy  
Filings (000)

5      6      5      4      4

### Severity



### Charge-Offs (Mils.) and LTR (%)



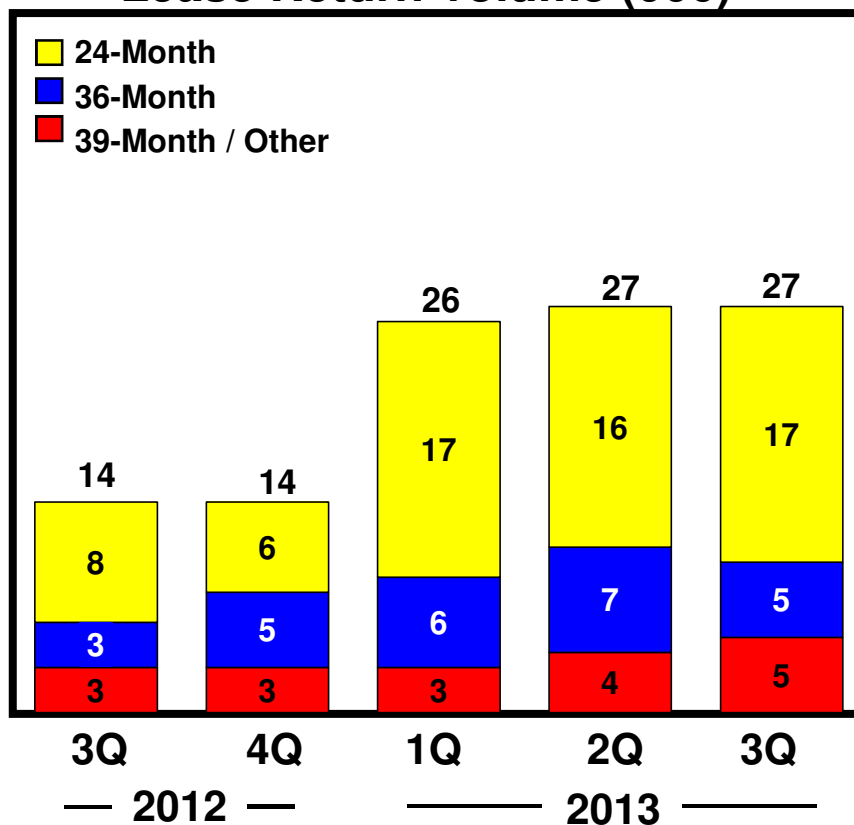
\* Excluding bankruptcies

# FORD CREDIT

## U.S. LEASE RESIDUAL PERFORMANCE



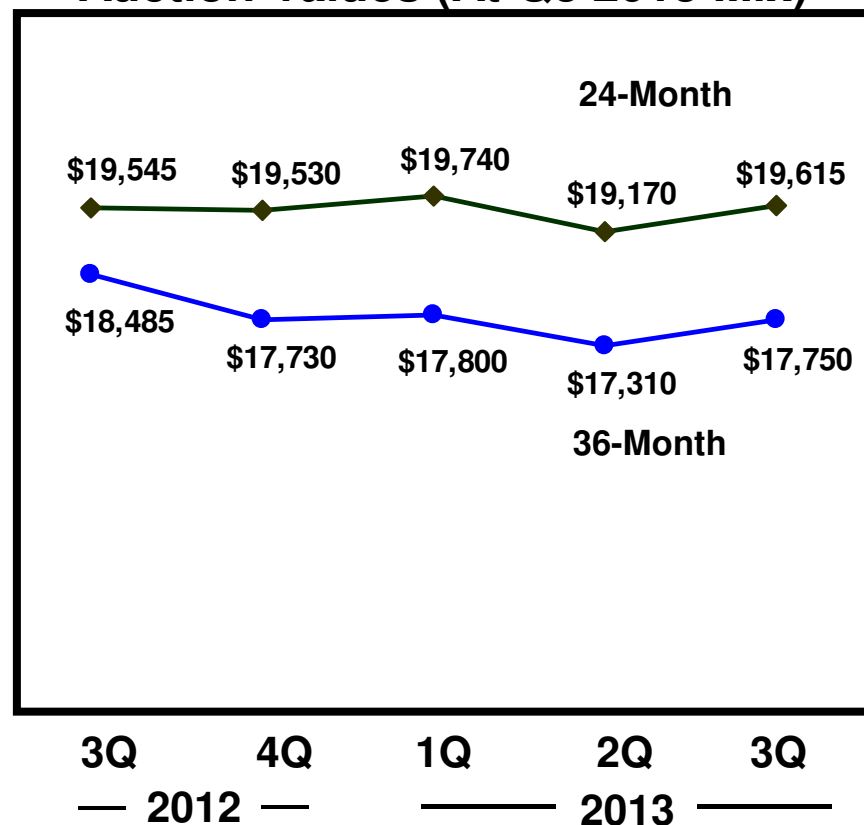
Lease Return Volume (000)



Memo: U.S. Return Rates

61%      62%      69%      68%      69%

Auction Values (At Q3 2013 Mix)



Memo: Worldwide Net Investment in Operating Leases (Bils.)

\$14.0      \$14.7      \$15.9      \$17.6      \$18.8

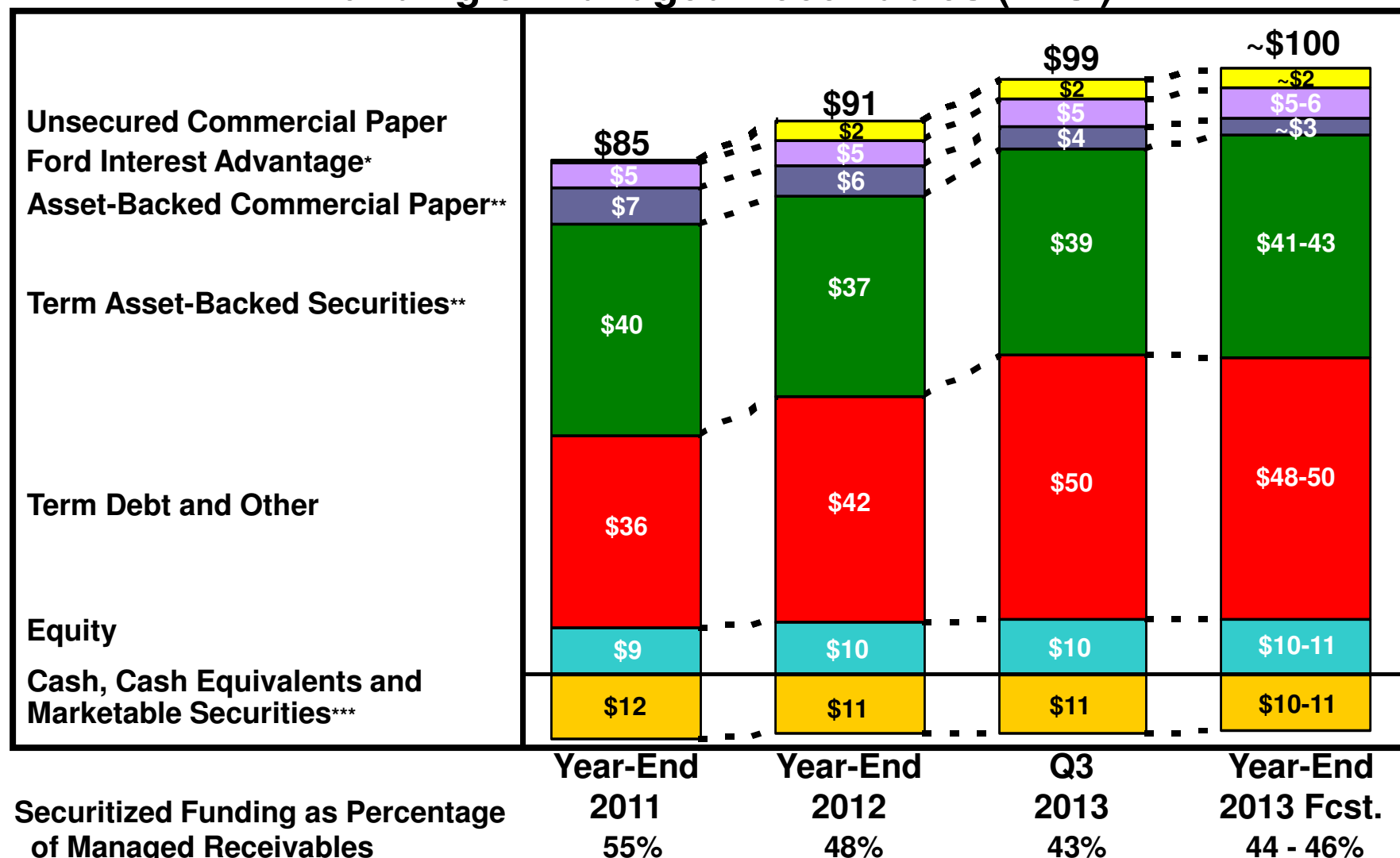
## ***FORD CREDIT FUNDING HIGHLIGHTS***

- **Rating upgrade to BBB- by S&P, now investment grade by four major rating agencies**
- **Issued about \$5 billion of public term funding in the Third Quarter and an additional \$2 billion in October, including:**
  - **U.S., Canada and European unsecured debt transactions totaling over \$3 billion**
  - **U.S. and Canada public asset-backed transactions totaling about \$4 billion**
- **Ended the quarter with \$33 billion of committed capacity**
  - **In October, established new two-year syndicated asset-backed liquidity facility**
- **Key elements of our funding strategy remain unchanged and our liquidity remains strong**

# FORD CREDIT

## FUNDING STRUCTURE

### Funding of Managed Receivables (Bils.)



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

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

\*\*\* Excludes marketable securities related to insurance activities



# **FORD CREDIT**

## **GLOBAL PUBLIC TERM FUNDING PLAN**



			<u>2013</u>	
	<u>2011</u>	<u>2012</u>	<u>Forecast</u>	<u>YTD</u>
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Actual*</u>
	<u>(Bils.)</u>	<u>(Bils.)</u>	<u>(Bils.)</u>	<u>(Bils.)</u>
Unsecured	\$ 8	\$ 9	\$ 9 – 11	\$ 9
Securitizations**	<u>11</u>	<u>14</u>	<u>12 – 14</u>	<u>11</u>
Total	\$19	\$23	\$21 – 25	\$20

\* Includes transactions scheduled to settle through October 24, 2013

\*\* Includes Rule 144A offerings

# FORD CREDIT

## 2013 LIQUIDITY PROGRAMS



	<u>June 30</u> (Bils.)	<u>Sep. 30</u> (Bils.)	
<b><u>Liquidity Sources*</u></b>			
Cash**	\$ 10.0	\$ 11.0	
Unsecured Credit Facilities	1.4	1.5	} Committed Capacity \$32.6 billion
FCAR Bank Lines	5.8	5.0	
Conduit / Bank ABS	<u>25.1</u>	<u>26.1</u>	
Total Liquidity Sources	\$ 42.3	\$ 43.6	
<b><u>Utilization of Liquidity</u></b>			
Securitization Cash***	\$ (3.0)	\$ (2.9)	
Unsecured Credit Facilities	(0.2)	(0.4)	
FCAR Bank Lines	(4.8)	(4.0)	
Conduit / Bank ABS	<u>(10.2)</u>	<u>(12.6)</u>	
Total Utilization of Liquidity	\$ (18.2)	\$ (19.9)	
	<hr/>	<hr/>	
Gross Liquidity	\$ 24.1	\$ 23.7	
	<hr/>	<hr/>	
Capacity in Excess of Eligible Receivables	(1.2)	(1.1)	
	<hr/>	<hr/>	
Liquidity Available For Use	<u>\$ 22.9</u>	<u>\$ 22.6</u>	

\* FCAR and Conduits subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk; FCAR commercial paper must be supported by bank lines equal to at least 100% of the principal amount; conduits include committed securitization programs

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

\*\*\* Securitization cash is to be used only to support on-balance sheet securitization transactions



## **AUTOMOTIVE SECTOR**

# **2013 AUTOMOTIVE FINANCIAL RESOURCES**

	<u>June 30</u> (Bils.)	<u>Sep. 30</u> (Bils.)
<b>Automotive Gross Cash*</b>	<b>\$ 25.7</b>	<b>\$ 26.1</b>
<b>Less:</b>		
<b>Long-Term Debt</b>	<b>\$(14.6)</b>	<b>\$ (14.5)</b>
<b>Debt Payable Within One Year</b>	<u><b>(1.2)</b></u>	<u><b>(1.3)</b></u>
<b>Total Debt</b>	<b>\$(15.8)</b>	<b>\$ (15.8)</b>
<b>Net Cash**</b>	<u><u><b>\$ 9.9</b></u></u>	<u><u><b>\$ 10.3</b></u></u>
<b>Memo: Liquidity***</b>	<b>\$ 37.1</b>	<b>\$ 37.5</b>

\* See Appendix for reconciliation to GAAP

\*\* Net cash is calculated as Automotive gross cash net of Automotive debt

\*\*\* Total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$11.4 billion at June 30, 2013 and \$11.4 billion at September 30, 2013

# **2013 THIRD QUARTER SUMMARY**

## **Ford\***

- **Record Third Quarter pre-tax profit and 17<sup>th</sup> consecutive quarterly profit; record Third Quarter Automotive operating-related cash flow**
- **Record Third Quarter pre-tax profit for Automotive Sector reflecting continued strong results in North America and a combined profit for regions outside North America for first time since Second Quarter 2011**
- **Ended the quarter with Automotive net cash of about \$10 billion and liquidity of about \$37 billion**

## **Ford Credit**

- **Another solid quarter for Ford Credit with pre-tax profit of \$427 million**
- **Managed receivables continue to grow – reaching \$99 billion**
- **Loss-to-receivables ratio of 0.19% continues at historic lows**
- **Full Year funding plan on track with \$20 billion of public term funding completed**
- **Ended the quarter with strong liquidity of over \$22 billion**

\* See Appendix for reconciliation to GAAP

# 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 or Europe, 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 or other financial institutions 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, 2012, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

# ***APPENDIX***



# ***2013 THIRD QUARTER FIXED INCOME -- APPENDIX INDEX***

	<b><u>Slide</u></b>
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# TOTAL COMPANY

## 2013 INCOME FROM CONTINUING OPERATIONS

	Third Quarter		First Nine Months	
	2012	2013	2012	2013
	(Mils.)	(Mils.)	(Mils.)	(Mils.)
<b><u>Automotive</u></b>				
North America	\$ 2,328	\$ 2,308	\$ 6,471	\$ 7,079
South America	9	159	68	92
Europe	(468)	(228)	(1,021)	(1,038)
Asia Pacific Africa	45	126	(116)	309
Other Automotive	(139)	(139)	(408)	(469)
Total Automotive (excl. special items)	\$ 1,775	\$ 2,226	\$ 4,994	\$ 5,973
Special items -- Automotive	83	(498)	(406)	(1,257)
Total Automotive	\$ 1,858	\$ 1,728	\$ 4,588	\$ 4,716
<b><u>Financial Services</u></b>				
Ford Credit	\$ 393	\$ 427	\$ 1,283	\$ 1,388
Other Financial Services	(5)	(64)	8	(71)
Total Financial Services	\$ 388	\$ 363	\$ 1,291	\$ 1,317
<b><u>Total Company</u></b>				
Pre-tax results	\$ 2,246	\$ 2,091	\$ 5,879	\$ 6,033
(Provision for) / Benefit from income taxes	(613)	(818)	(1,810)	(1,914)
Net income	\$ 1,633	\$ 1,273	\$ 4,069	\$ 4,119
Less: Income attributable to non-controlling interests	2	1	2	3
Net income attributable to Ford	<u>\$ 1,631</u>	<u>\$ 1,272</u>	<u>\$ 4,067</u>	<u>\$ 4,116</u>
<b>Memo: Excluding special items</b>				
Pre-tax results	\$ 2,163	\$ 2,589	\$ 6,285	\$ 7,290
(Provision for) / Benefit from income taxes	(587)	(767)	(1,928)	(1,991)
Less: Income attributable to non-controlling interests	2	1	2	3
After-tax results	<u>\$ 1,574</u>	<u>\$ 1,821</u>	<u>\$ 4,355</u>	<u>\$ 5,296</u>



# TOTAL COMPANY DEBT 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 (low)
Ford Credit	BBB-	N/A	BBB-	BBB (low)
FCE Bank plc *	BBB	N/A	BBB-	NR
<b><u>Senior Long-Term Unsecured</u></b>				
Ford Motor	BBB-	Baa3	BBB-	BBB (low)
Ford Credit	BBB-	Baa3	BBB-	BBB (low)
FCE Bank plc *	BBB	Baa3	BBB-	NR
<b><u>Short-Term Unsecured</u></b>				
Ford Credit	NR	P-3	F3	R-3
<b><u>Outlook</u></b>	Stable	Stable	Stable	Stable

\* S&P assigns FCE a long-term senior unsecured credit rating one notch higher than Ford Credit with a negative outlook. The negative outlook reflects the negative trend S&P has assigned to UK banking industry risk.



# **AUTOMOTIVE SECTOR**

## **GROSS CASH RECONCILIATION TO GAAP**

	2012		2013		
	Sep. 30	Dec. 31	Mar. 31	June 30	Sep. 30
	(Bils.)	(Bils.)	(Bils.)	(Bils.)	(Bils.)
Cash and cash equivalents	\$ 6.2	\$ 6.2	\$ 6.0	\$ 5.5	\$ 5.7
Marketable securities	<u>17.9</u>	<u>18.2</u>	<u>18.2</u>	<u>20.2</u>	<u>20.4</u>
Total cash and marketable securities (GAAP)	\$ 24.1	\$ 24.4	\$ 24.2	\$ 25.7	\$ 26.1
Securities in transit*	<u>-</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross cash	<u>\$ 24.1</u>	<u>\$ 24.3</u>	<u>\$ 24.2</u>	<u>\$ 25.7</u>	<u>\$ 26.1</u>

\* The purchase or sale of marketable securities for which the cash settlement was not made by period end and for which there was a payable or receivable recorded on the balance sheet at period end



## ***AUTOMOTIVE SECTOR AUTOMOTIVE DEBT***

	<b>Dec. 31, 2012 <u>(Bils.)</u></b>	<b>2013 <u>June 30</u> <u>(Bils.)</u></b>	<b><u>Sep. 30</u> <u>(Bils.)</u></b>
<b>Public unsecured debt</b>	<b>\$ 5.3</b>	<b>\$ 6.7</b>	<b>\$ 6.7</b>
<b>Convertible notes</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>U.S. Dept. of Energy Loans / Ex-Im</b>	<b>5.9</b>	<b>5.6</b>	<b>5.5</b>
<b>Other Debt (including International)</b>	<b><u>2.3</u></b>	<b><u>2.7</u></b>	<b><u>2.8</u></b>
<b>Total Automotive Debt</b>	<b><u>\$ 14.3</u></b>	<b><u>\$ 15.8</u></b>	<b><u>\$ 15.8</u></b>
<b>Memo:</b>			
<b>Automotive Debt payable within one year</b>	<b>\$ 1.4</b>	<b>\$ 1.2</b>	<b>\$ 1.3</b>

# FORD CREDIT OPERATING HIGHLIGHTS



	Third Quarter		First Nine Months	
	2012	2013	2012	2013
<b>Financing Shares</b>				
<b>United States</b>				
Financing share				
Retail installment and lease	42 %	44 %	39 %	39 %
Wholesale	77	77	78	77
<b>Europe</b>				
Financing share				
Retail installment and lease	34 %	34 %	31 %	34 %
Wholesale	98	98	98	98
<b>Contract Placement Volume -- New and used retail / lease (000)</b>				
<b>North America Segment</b>				
United States	259	294	740	834
Canada	29	42	86	107
Total North America Segment	288	336	826	941
<b>International Segment</b>				
Europe	94	98	295	310
Other international	15	24	40	60
Total International Segment	109	122	335	370
Total Contract Placement Volume	397	458	1,161	1,311



# FORD CREDIT

## NET FINANCE RECEIVABLES AND OPERATING LEASES

	Dec. 31 2012 (Bils.)	Sep. 30 2013 (Bils.)
<b>Receivables *</b>		
Finance Receivables – North America Segment		
<u>Consumer</u>		
Retail financing	\$ 39.5	\$ 40.5
<u>Non-Consumer</u>		
Dealer financing **	19.5	20.4
Other	1.1	0.9
Total North America Segment – finance receivables	\$ 60.1	\$ 61.8
Finance Receivables – International Segment		
<u>Consumer</u>		
Retail financing	\$ 9.0	\$ 10.3
<u>Non-Consumer</u>		
Dealer financing **	7.5	8.1
Other	0.4	0.4
Total International Segment – finance receivables	\$ 16.9	\$ 18.8
Unearned interest supplements	(1.5)	(1.5)
Allowance for credit losses	(0.4)	(0.4)
Finance receivables, net	\$ 75.1	\$ 78.7
Net investment in operating leases	14.7	18.8
Total receivables	\$ 89.8	\$ 97.5
<b>Memo: Total managed receivables ***</b>	\$ 91.3	\$ 99.0

\* 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.

\*\*\* Equals total receivables, excluding unearned interest supplements of \$(1.5) billion at December 31, 2012 and September 30, 2013.

# **FORD CREDIT**

## **RECONCILIATION OF MANAGED LEVERAGE TO FINANCIAL STATEMENT LEVERAGE**

	Dec. 31 2012 (Bils.)	Sep. 30 2013 (Bils.)
<b><u>Leverage Calculation</u></b>		
Total Debt *	\$ 89.3	\$ 94.5
Adjustments for Cash, Cash Equivalents, and Marketable Securities**	(10.9)	(11.0)
Adjustments for Derivative Accounting***	<u>(0.8)</u>	<u>(0.2)</u>
Total Adjusted Debt	<u>\$ 77.6</u>	<u>\$ 83.3</u>
 Equity****	 \$ 9.7	 \$ 10.4
Adjustments for Derivative Accounting***	<u>(0.3)</u>	<u>(0.3)</u>
Total Adjusted Equity	<u>\$ 9.4</u>	<u>\$ 10.1</u>
 Financial Statement Leverage (to 1)	 9.2	 9.0
Managed Leverage (to 1)*****	8.3	8.2

\* 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.

\*\* Excludes marketable securities related to insurance activities.

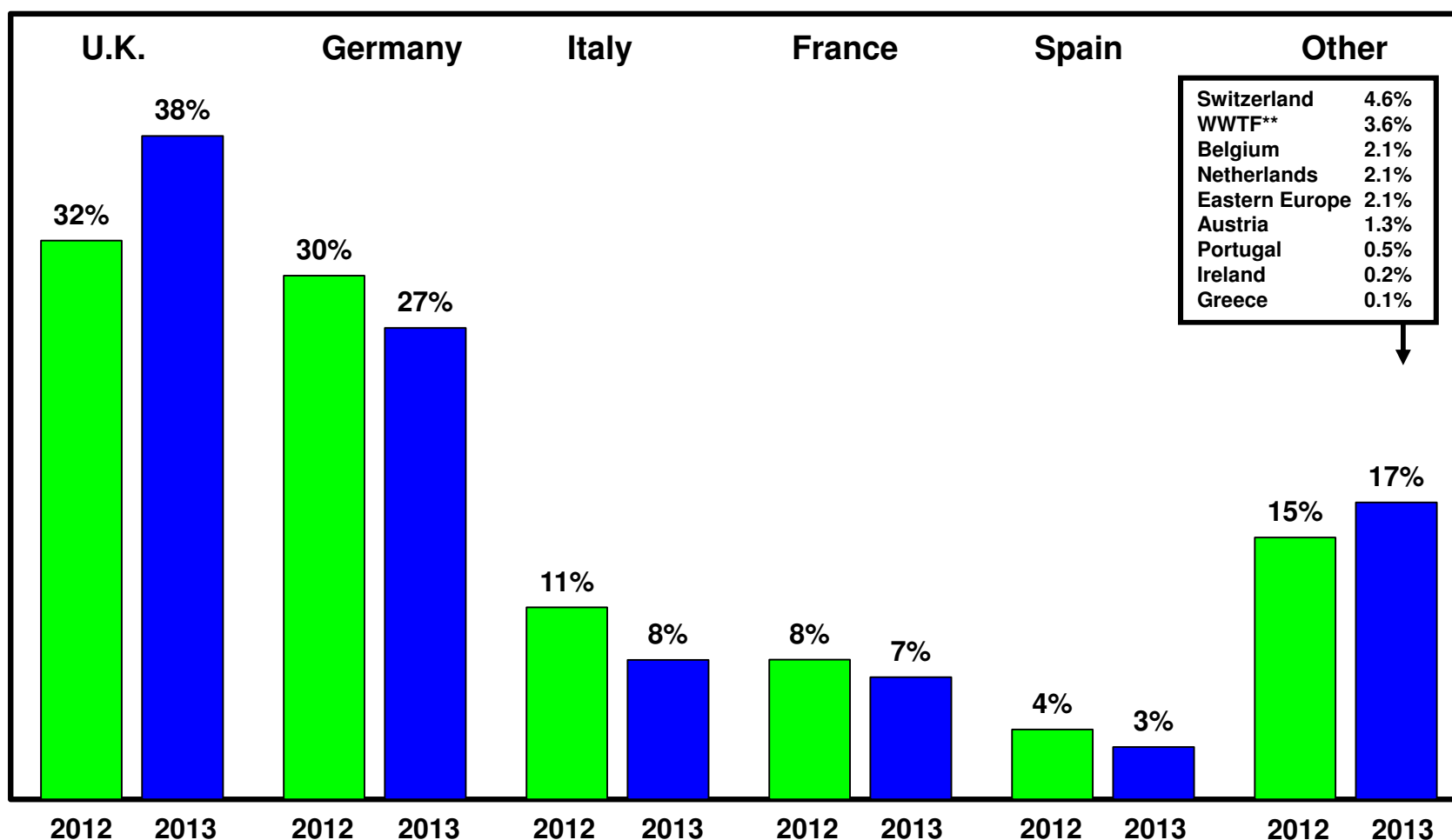
\*\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings.

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

\*\*\*\*\* Equals total adjusted debt over total adjusted equity.

# FCE BANK PLC

## PERCENT OF NET LOANS & ADVANCES TO CUSTOMERS BY MARKET\*



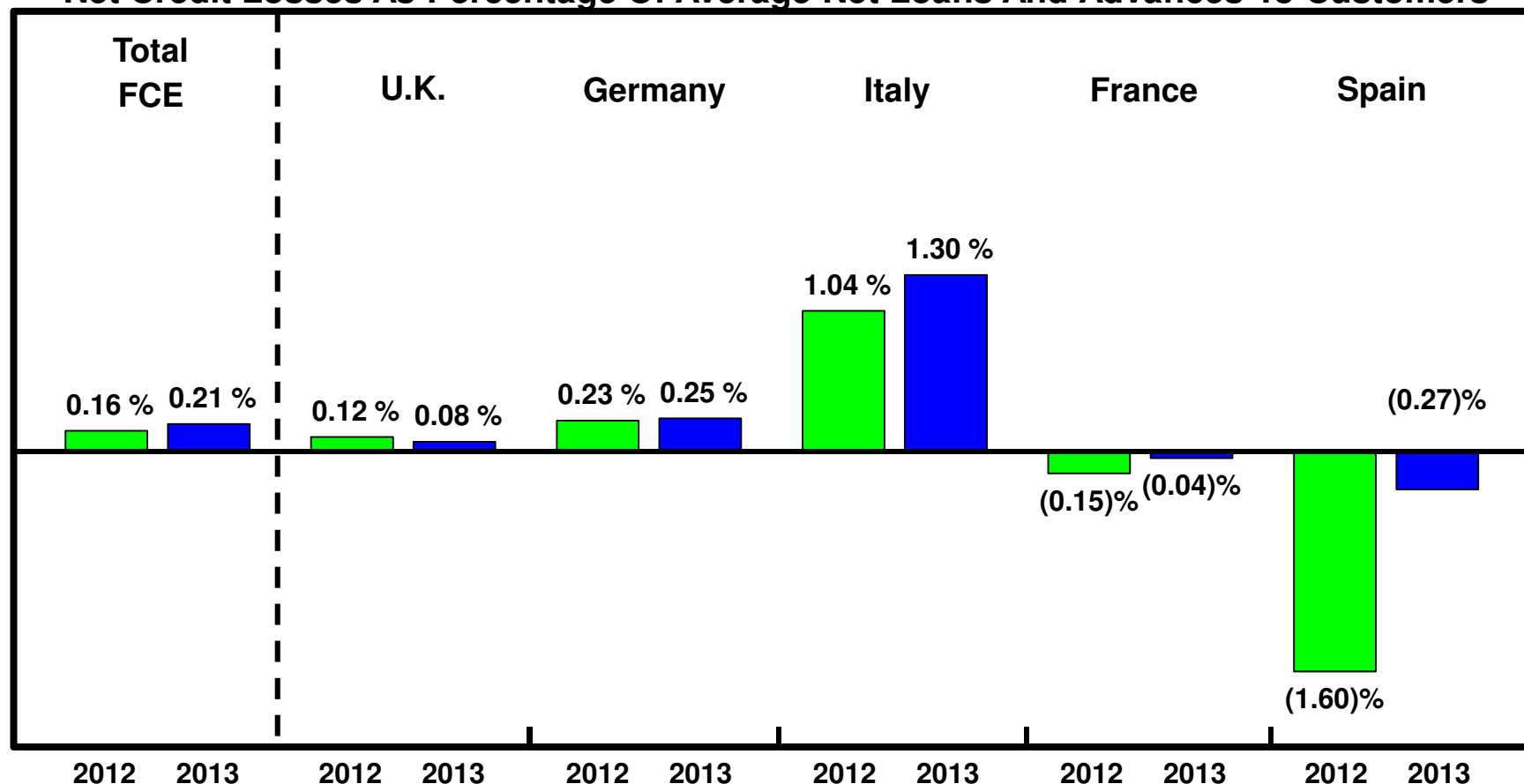
\* As percent of Net loans and advances to customers which were £8.7 billion and £9.6 billion at December 31, 2012 and September 30, 2013, respectively.

\*\* Worldwide Trade Finance (WWTF) provides offshore trade finance support to importers/dealers in about 65 countries.

# FCE BANK PLC

## 2013 THIRD QUARTER CREDIT LOSS RATIO COMPARED WITH 2012

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





# **FCE BANK PLC**

## **PUBLIC TERM FUNDING PLAN**



			<b>2013</b>	
	<b>2011</b>	<b>2012</b>		<b>YTD</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Forecast</u></b>	<b><u>Actual*</u></b>
	<b>(Bils.)</b>	<b>(Bils.)</b>	<b>(Bils.)</b>	<b>(Bils.)</b>
<b>Unsecured</b>	<b>£ 0.5</b>	<b>£ 0.7</b>	<b>£1.3 – 1.8</b>	<b>£ 1.3</b>
<b>Securitizations</b>	<b><u>0.4</u></b>	<b><u>0.4</u></b>	<b><u>0.4 – 0.6</u></b>	<b><u>-</u></b>
<b>Total</b>	<b><u>£ 0.9</u></b>	<b><u>£ 1.1</u></b>	<b><u>£1.7 – 2.4</u></b>	<b><u>£ 1.3</u></b>

\* Includes transactions settled through October 24, 2013