UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2018

or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____________________ to ____________________
Commission file number 1-6368

Ford Motor Credit Company LLC

(Exact name of registrant as specified in its charter)

Delaware	**38-1612444**
(State of organization)	*(I.R.S. employer identification no.)*
One American Road, Dearborn, Michigan	**48126**
(Address of principal executive offices)	*(Zip code)*

(313) 322-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☑ No

All of the limited liability company interests in the registrant ("Shares") are held by an affiliate of the registrant. None of the Shares are publicly traded.

REDUCED DISCLOSURE FORMAT

The registrant meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this Form with the reduced disclosure format.

Exhibits begin on page 50

FORD MOTOR CREDIT COMPANY LLC
QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended September 30, 2018

PART I. FINANCIAL INFORMATION

ITEM 1. *Financial Statements*

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
(in millions)

	For the periods ended September 30,			
	2017	**2018**	2017	**2018**
	Third Quarter		First Nine Months	
	(unaudited)			
Financing revenue				
Operating leases	$ 1,394	**$ 1,463**	$ 4,141	**$ 4,321**
Retail financing	891	**983**	2,518	**2,890**
Dealer financing	462	**519**	1,389	**1,624**
Other	17	**20**	51	**62**
Total financing revenue	2,764	**2,985**	8,099	**8,897**
Depreciation on vehicles subject to operating leases	(989)	**(907)**	(3,090)	**(2,898)**
Interest expense	(810)	**(989)**	(2,308)	**(2,898)**
Net financing margin	965	**1,089**	2,701	**3,101**
Other revenue				
Insurance premiums earned	38	**39**	120	**123**
Fee based revenue and other	61	**57**	177	**180**
Total financing margin and other revenue	1,064	**1,185**	2,998	**3,404**
Expenses				
Operating expenses	324	**368**	930	**1,070**
Provision for credit losses (Note 6)	169	**156**	420	**367**
Insurance expenses	28	**19**	121	**77**
Total expenses	521	**543**	1,471	**1,514**
Other income, net (Note 13)	57	**36**	173	**74**
Income before income taxes	600	**678**	1,700	**1,964**
Provision for / (Benefit from) income taxes	186	**160**	507	**266**
Net income	$ 414	**$ 518**	$ 1,193	**$ 1,698**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	For the periods ended September 30,			
	2017	**2018**	2017	**2018**
	Third Quarter		First Nine Months	
	(unaudited)			
Net income	$ 414	**$ 518**	$ 1,193	**$ 1,698**
Other comprehensive income / (loss), net of tax (Note 12)				
Foreign currency translation	204	**(49)**	485	**(300)**
Comprehensive income / (loss)	$ 618	**$ 469**	$ 1,678	**$ 1,398**

The accompanying notes are part of the financial statements.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions)

	December 31, 2017	**September 30, 2018**
		(unaudited)
ASSETS		
Cash and cash equivalents (Note 3)	$ 9,558	**$ 10,997**
Marketable securities (Note 3)	2,881	**1,740**
Finance receivables, net (Note 4)	116,003	**116,044**
Net investment in operating leases (Note 5)	26,661	**27,570**
Notes and accounts receivable from affiliated companies	1,076	**971**
Derivative financial instruments (Note 9)	935	**607**
Other assets (Note 10)	3,329	**3,317**
Total assets	$ 160,443	**$ 161,246**
LIABILITIES		
Accounts payable		
Customer deposits, dealer reserves, and other	$ 1,171	**$ 1,140**
Affiliated companies	592	**1,013**
Total accounts payable	1,763	**2,153**
Debt (Note 11)	137,828	**138,230**
Deferred income taxes	2,386	**2,503**
Derivative financial instruments (Note 9)	310	**1,102**
Other liabilities and deferred income (Note 10)	2,272	**2,039**
Total liabilities	144,559	**146,027**
SHAREHOLDER'S INTEREST		
Shareholder's interest	5,227	**5,227**
Accumulated other comprehensive income / (loss) (Note 12)	(419)	**(719)**
Retained earnings	11,076	**10,711**
Total shareholder's interest	15,884	**15,219**
Total liabilities and shareholder's interest	$ 160,443	**$ 161,246**

The following table includes assets to be used to settle the liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheet above. See Notes 7 and 8 for additional information on our VIEs.

	December 31, 2017	**September 30, 2018**
		(unaudited)
ASSETS		
Cash and cash equivalents	$ 3,479	**$ 2,746**
Finance receivables, net	56,250	**56,412**
Net investment in operating leases	11,503	**12,441**
Derivative financial instruments	64	**55**
LIABILITIES		
Debt	$ 46,437	**$ 50,564**
Derivative financial instruments	2	**2**

The accompanying notes are part of the financial statements.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDER'S INTEREST
(in millions, unaudited)

	Shareholder's Interest	Accumulated Other Comprehensive Income / (Loss) (Note 12)	Retained Earnings	Total Shareholder's Interest
Balance at December 31, 2016	$ 5,227	$ (890)	$ 8,466	$ 12,803
Net income	—	—	1,193	1,193
Other comprehensive income / (loss), net of tax	—	485	—	485
Adoption of accounting standard	—	—	9	9
Distributions declared	—	—	(406)	(406)
Balance at September 30, 2017	$ 5,227	$ (405)	$ 9,262	$ 14,084
Balance at December 31, 2017	**$ 5,227**	**$ (419)**	**$ 11,076**	**$ 15,884**
Net income	**—**	**—**	**1,698**	**1,698**
Other comprehensive income / (loss), net of tax	**—**	**(300)**	**—**	**(300)**
Distributions declared	**—**	**—**	**(2,063)**	**(2,063)**
Balance at September 30, 2018	**$ 5,227**	**$ (719)**	**$ 10,711**	**$ 15,219**

The accompanying notes are part of the financial statements.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	For the periods ended September 30,	
	2017	**2018**
	First Nine Months	
	(unaudited)	
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	$ 4,451	**$ 4,594**
Cash flows from investing activities		
Purchases of finance receivables	(30,543)	**(33,751)**
Principal collections of finance receivables	27,254	**31,993**
Purchases of operating lease vehicles	(9,935)	**(11,015)**
Proceeds from termination of operating lease vehicles	6,623	**7,086**
Net change in wholesale receivables and other short-duration receivables	1,560	**686**
Purchases of marketable securities	(4,359)	**(3,401)**
Proceeds from sales and maturities of marketable securities	4,564	**4,504**
Settlements of derivatives	(48)	**228**
All other investing activities	(18)	**117**
Net cash provided by / (used in) investing activities	(4,902)	**(3,553)**
Cash flows from financing activities		
Proceeds from issuances of long-term debt	29,982	**37,035**
Principal payments on long-term debt	(30,291)	**(32,588)**
Change in short-term debt, net	1,709	**(1,677)**
Cash distributions to parent	(406)	**(2,063)**
All other financing activities	(74)	**(141)**
Net cash provided by / (used in) financing activities	920	**566**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	302	**(145)**
Net increase / (decrease) in cash, cash equivalents and restricted cash	$ 771	**$ 1,462**
Cash, cash equivalents and restricted cash at January 1 (Note 3)	$ 8,185	**$ 9,682**
Net increase / (decrease) in cash, cash equivalents and restricted cash	771	**1,462**
Cash, cash equivalents and restricted cash at September 30 (Note 3)	$ 8,956	**$ 11,144**

The accompanying notes are part of the financial statements.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

Table of Contents

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. PRESENTATION

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information, and instructions to the Quarterly Report on Form 10-Q and Rule 10-01 of Regulation S-X. In the opinion of management, these unaudited financial statements include all adjustments considered necessary for a fair statement of the results of operations and financial condition for interim periods for Ford Motor Credit Company LLC, its consolidated subsidiaries and consolidated VIEs in which Ford Motor Credit Company LLC is the primary beneficiary (collectively referred to herein as "Ford Credit," "we," "our," or "us"). Results for interim periods should not be considered indicative of results for any other interim period or for the full year. Reference should be made to the financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2017 ("2017 Form 10-K Report"). We are an indirect, wholly owned subsidiary of Ford Motor Company ("Ford"). We reclassify certain prior period amounts in our consolidated financial statements to conform to current year presentation.

In June 2018, Argentina was classified as having a highly inflationary economy due to the three-year cumulative consumer price index exceeding 100%. As a result, we changed the functional currency for our operations in Argentina from the Argentine peso to the U.S. dollar as of July 1, 2018.

NOTE 2. ACCOUNTING POLICIES

Provision for Income Taxes

For interim tax reporting we estimate one single effective tax rate, which is applied to the year-to-date ordinary income / (loss). Tax effects of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

For the third quarter and first nine months of 2018, our effective tax rates were 23.6% and 13.5%, respectively. During the first quarter of 2018, we recognized $235 million of benefit for non-U.S. capital loss carryforwards expected to be realized in the foreseeable future.

Adoption of New Accounting Standards

Accounting Standards Update ("ASU") 2017-12, Derivatives and Hedging. On January 1, 2018, we adopted the amendments to Accounting Standards Codification ("ASC") 815 which aligns hedge accounting with risk management activities and simplifies the requirements to qualify for hedge accounting. Adoption did not have a material impact on our financial statements. We continue to assess opportunities enabled by the new standard to expand our risk management strategies.

ASU 2016-01, Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities. On January 1, 2018, we adopted ASU 2016-01 and the related amendments. This standard amends various aspects of the recognition, measurement, presentation, and disclosure of financial instruments. We adopted the measurement alternative for equity investments without readily determinable fair values (often referred to as cost method investments) on a prospective basis. As a result, these investments will be revalued upon occurrence of an observable price change for similar investments and for impairments. We anticipate adoption may increase the volatility on our consolidated income statement.

We also adopted the following ASUs during 2018, none of which had a material impact to our financial statements or financial statement disclosures:

ASU		Effective Date
2017-08	Nonrefundable Fees and Other Costs - Premium Amortization on Purchased Callable Debt Securities	January 1, 2018
2016-18	Statement of Cash Flows - Restricted Cash	January 1, 2018
2016-16	Income Taxes - Intra-Entity Transfers of Assets Other Than Inventory	January 1, 2018
2016-15	Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments	January 1, 2018

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. ACCOUNTING POLICIES *(Continued)*

Accounting Standards Issued But Not Yet Adopted

The following represent the standards that will, or are expected to, result in a significant change in practice and / or have a significant financial impact to Ford Credit.

ASU 2016-13, Credit Losses - Measurement of Credit Losses on Financial Instruments. In June 2016, the Financial Accounting Standards Board ("FASB") issued a new accounting standard which replaces the current incurred loss impairment method with a method that reflects expected credit losses. We plan to adopt the new standard on its effective date of January 1, 2020 by recognizing the cumulative effect of initially applying the new standard as an adjustment to the opening balance of *Retained earnings*. We anticipate adoption will increase the amount of expected credit losses reported in *Finance receivables, net* on our consolidated balance sheet and do not expect a material impact to our income statement.

ASU 2016-02, Leases. In February 2016, the FASB issued a new accounting standard which provides guidance on the recognition, measurement, presentation, and disclosure of leases. The new standard supersedes the present U.S. GAAP standard on leases and requires substantially all leases to be reported on the balance sheet as right-of-use assets and lease obligations. We plan to adopt the new standard on its effective date of January 1, 2019. We anticipate adoption of the standard will add about $100 million of right-of-use assets and lease obligations to our consolidated balance sheet and will not significantly impact our income statement. We plan to elect the practical expedients upon transition that will retain the lease classification and initial direct costs for any leases that exist prior to adoption of the standard. We will not reassess whether any contracts entered into prior to adoption are leases. We are in the process of cataloging our existing lease contracts, assessing impact as a lessor, and implementing changes to our systems.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES

The following table categorizes the fair values of cash, cash equivalents, and marketable securities measured at fair value on a recurring basis (in millions):

	Fair Value Level	December 31, 2017	September 30, 2018
Cash and cash equivalents			
U.S. government	1	$ —	$ 569
U.S. government and agencies	2	300	422
Non-U.S. government and agencies	2	703	565
Corporate debt	2	25	889
Total marketable securities classified as cash equivalents		1,028	2,445
Cash, time deposits and money market funds		8,530	8,552
Total cash and cash equivalents		$ 9,558	$ 10,997
Marketable Securities			
U.S. government	1	$ 966	$ 257
U.S. government and agencies	2	384	139
Non-U.S. government and agencies	2	660	888
Corporate debt	2	848	305
Other marketable securities	2	23	151
Total marketable securities		$ 2,881	$ 1,740

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash as reported in the statement of cash flows are presented separately on our consolidated balance sheet as follows (in millions):

	December 31, 2017	September 30, 2018
Cash and cash equivalents	$ 9,558	$ 10,997
Restricted cash included in other assets (a)	124	147
Total cash, cash equivalents, and restricted cash	$ 9,682	$ 11,144

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(a) Restricted cash primarily includes cash held to meet certain local governmental and regulatory reserve requirements and cash held under the terms of certain contractual agreements. Restricted cash does not include required minimum balances or cash securing debt issued through securitization transactions.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. FINANCE RECEIVABLES

We manage finance receivables as "consumer" and "non-consumer" portfolios. The receivables are generally secured by the vehicles, inventory, or other property being financed.

Finance receivables, net were as follows (in millions):

	December 31, 2017	September 30, 2018
Consumer		
Retail financing, gross	$ 78,467	$ 80,269
Unearned interest supplements from Ford and affiliated companies	(3,280)	(3,442)
Consumer finance receivables	75,187	76,827
Non-Consumer		
Dealer financing	39,241	38,017
Other financing	2,172	1,786
Non-Consumer finance receivables	41,413	39,803
Total recorded investment	$ 116,600	$ 116,630
Recorded investment in finance receivables	$ 116,600	$ 116,630
Allowance for credit losses	(597)	(586)
Finance receivables, net	$ 116,003	$ 116,044
Net finance receivables subject to fair value (a)	$ 112,717	$ 112,367
Fair value	112,133	111,591

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(a) At December 31, 2017 and September 30, 2018, *Finance receivables, net* includes $3.3 billion and $3.7 billion, respectively, of direct financing leases that are not subject to fair value disclosure requirements. The fair value of finance receivables is categorized within Level 3 of the fair value hierarchy.

Excluded from finance receivables at both December 31, 2017 and September 30, 2018 was $241 million of accrued uncollected interest, which we report in *Other assets* on our balance sheet.

Included in recorded investment in finance receivables at December 31, 2017 and September 30, 2018, were consumer receivables of $38.9 billion and $38.8 billion, respectively, and non-consumer receivables of $24.5 billion and $23.3 billion, respectively, that have been sold for legal purposes in securitization transactions but continue to be reported in our consolidated financial statements. The receivables 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 or the claims of Ford Credit's other creditors. 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 (see Note 7 for additional information).

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. FINANCE RECEIVABLES *(Continued)*

Aging

For all finance receivables, we define "past due" as any payment, including principal and interest, that is at least 31 days past the contractual due date. The recorded investment of consumer receivables greater than 90 days past due and still accruing interest was $24 million and $21 million at December 31, 2017 and September 30, 2018, respectively. The recorded investment of non-consumer receivables greater than 90 days past due and still accruing interest was $1 million and de minimis at December 31, 2017 and September 30, 2018, respectively.

The aging analysis of finance receivables balances was as follows (in millions):

	December 31, 2017	September 30, 2018
Consumer		
31-60 days past due	$ 748	$ 691
61-90 days past due	113	109
91-120 days past due	36	42
Greater than 120 days past due	37	40
Total past due	934	882
Current	74,253	75,945
Consumer finance receivables	75,187	76,827
Non-Consumer		
Total past due	122	77
Current	41,291	39,726
Non-Consumer finance receivables	41,413	39,803
Total recorded investment	$ 116,600	$ 116,630

Credit Quality

Consumer Portfolio.

Credit quality ratings for consumer receivables are based on our aging analysis. Refer to the aging table above.

Consumer receivables credit quality ratings are as follows:

- *Pass* – current to 60 days past due;
- *Special Mention* – 61 to 120 days past due and in intensified collection status; and
- *Substandard* – greater than 120 days past due and for which the uncollectible portion of the receivables has already been charged off, as measured using the fair value of collateral less costs to sell.

Non-Consumer Portfolio.

Dealers are assigned to one of four groups according to risk ratings as follows:

- *Group I* – strong to superior financial metrics;
- *Group II* – fair to favorable financial metrics;
- *Group III* – marginal to weak financial metrics; and
- *Group IV* – poor financial metrics, including dealers classified as uncollectible.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. FINANCE RECEIVABLES *(Continued)*

The credit quality analysis of our dealer financing receivables was as follows (in millions):

	December 31, 2017	September 30, 2018
Dealer financing		
Group I	$ 31,551	$ 30,704
Group II	5,912	5,532
Group III	1,640	1,616
Group IV	138	165
Total recorded investment	$ 39,241	$ 38,017

Impaired Receivables

Impaired consumer receivables include accounts that have been rewritten or modified in reorganization proceedings pursuant to the U.S. Bankruptcy Code that are considered to be Troubled Debt Restructurings ("TDRs"), as well as all accounts greater than 120 days past due. Impaired non-consumer receivables represent accounts with dealers that have weak or poor financial metrics or dealer financing that has been modified in TDRs. The recorded investment of consumer receivables that were impaired at December 31, 2017 and September 30, 2018 was $386 million and $379 million, or 0.5% and 0.5% of consumer receivables, respectively. The recorded investment of non-consumer receivables that were impaired at December 31, 2017 and September 30, 2018 was $138 million and $165 million, or 0.3% and 0.4% of non-consumer receivables, respectively. Impaired finance receivables are evaluated both collectively and specifically.

The accrual of revenue is discontinued at the time a receivable is determined to be uncollectible. Accounts may be restored to accrual status only when a customer settles all past-due deficiency balances and future payments are reasonably assured. For receivables in non-accrual status, subsequent financing revenue is recognized only to the extent a payment is received. Payments are generally applied first to outstanding interest and then to the unpaid principal balance.

A restructuring of debt constitutes a TDR if we grant a concession to a debtor for economic or legal reasons related to the debtor's financial difficulties that we otherwise would not consider. Consumer and non-consumer receivables that have a modified interest rate below market rate or that were modified in reorganization proceedings pursuant to the U.S. Bankruptcy Code, except non-consumer receivables that are current with minimal risk of loss, are considered to be TDRs. We do not grant concessions on the principal balance of our receivables. If a receivable is modified in a reorganization proceeding, all payment requirements of the reorganization plan need to be met before remaining balances are forgiven. Finance receivables involved in TDRs are specifically assessed for impairment.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. NET INVESTMENT IN OPERATING LEASES

Net investment in operating leases consist primarily of lease contracts for vehicles with retail customers, daily rental companies, and fleet customers with terms of 60 months or less.

Net investment in operating leases were as follows (in millions):

	December 31, 2017	September 30, 2018
Vehicles, at cost (a)	$ 32,659	$ 33,703
Accumulated depreciation	(5,927)	(6,056)
Net investment in operating leases before allowance for credit losses	26,732	27,647
Allowance for credit losses	(71)	(77)
Net investment in operating leases	$ 26,661	$ 27,570

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(a) Includes interest supplements and residual support payments we receive on certain leasing transactions under agreements with Ford and affiliated companies, and other vehicle acquisition costs.

At December 31, 2017 and September 30, 2018, net investment in operating leases before allowance for credit losses includes $11.5 billion and $12.4 billion, respectively, of net investment in operating leases that have been included in securitization transactions but continue to be reported in our consolidated financial statements. These net investments in operating leases 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 our other obligations or the claims of our other creditors. We hold 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 (see Note 7 for additional information).

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. ALLOWANCE FOR CREDIT LOSSES

An analysis of the allowance for credit losses related to finance receivables and net investment in operating leases for the periods ended September 30 was as follows (in millions):

	Third Quarter 2017				
	Finance Receivables			Net Investment in Operating Leases	Total Allowance
	Consumer	Non-Consumer	Total		
Allowance for credit losses					
Beginning balance	$ 507	$ 15	$ 522	$ 66	$ 588
Charge-offs	(132)	—	(132)	(51)	(183)
Recoveries	36	4	40	25	65
Provision for credit losses	146	(6)	140	29	169
Other (a)	5	—	5	—	5
Ending balance	$ 562	$ 13	$ 575	$ 69	$ 644

	First Nine Months 2017				
	Finance Receivables			Net Investment in Operating Leases	Total Allowance
	Consumer	Non-Consumer	Total		
Allowance for credit losses					
Beginning balance	$ 469	$ 15	$ 484	$ 64	$ 548
Charge-offs	(366)	(3)	(369)	(155)	(524)
Recoveries	105	8	113	73	186
Provision for credit losses	341	(7)	334	86	420
Other (a)	13	—	13	1	14
Ending balance	$ 562	$ 13	$ 575	$ 69	$ 644
Analysis of ending balance of allowance for credit losses					
Collective impairment allowance	$ 541	$ 13	$ 554	$ 69	$ 623
Specific impairment allowance	21	—	21	—	21
Ending balance	562	13	575	69	$ 644
Analysis of ending balance of finance receivables and net investment in operating leases					
Collectively evaluated for impairment	72,069	38,564	110,633	27,000	
Specifically evaluated for impairment	387	152	539	—	
Recorded investment	72,456	38,716	111,172	27,000	
Ending balance, net of allowance for credit losses	$ 71,894	$ 38,703	$ 110,597	$ 26,931	

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(a) Primarily represents amounts related to translation adjustments.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. ALLOWANCE FOR CREDIT LOSSES *(Continued)*

	Third Quarter 2018				
	Finance Receivables			Net Investment in Operating Leases	Total Allowance
	Consumer	Non-Consumer	Total		
Allowance for credit losses					
Beginning balance	$ 573	$ 14	$ 587	$ 72	$ 659
Charge-offs (a)	(128)	(43)	(171)	(51)	(222)
Recoveries	40	4	44	26	70
Provision for credit losses	73	52	125	31	156
Other (b)	1	—	1	(1)	—
Ending balance	$ 559	$ 27	$ 586	$ 77	$ 663

	First Nine Months 2018				
	Finance Receivables			Net Investment in Operating Leases	Total Allowance
	Consumer	Non-Consumer	Total		
Allowance for credit losses					
Beginning balance	$ 582	$ 15	$ 597	$ 71	$ 668
Charge-offs (a)	(382)	(46)	(428)	(149)	(577)
Recoveries	126	6	132	78	210
Provision for credit losses	237	52	289	78	367
Other (b)	(4)	—	(4)	(1)	(5)
Ending balance	$ 559	$ 27	$ 586	$ 77	$ 663
Analysis of ending balance of allowance for credit losses					
Collective impairment allowance	$ 538	$ 14	$ 552	$ 77	$ 629
Specific impairment allowance	21	13	34	—	34
Ending balance	559	27	586	77	$ 663
Analysis of ending balance of finance receivables and net investment in operating leases					
Collectively evaluated for impairment	76,448	39,638	116,086	27,647	
Specifically evaluated for impairment	379	165	544	—	
Recorded investment	76,827	39,803	116,630	27,647	
Ending balance, net of allowance for credit losses	$ 76,268	$ 39,776	$ 116,044	$ 27,570	

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(a) The charge-off of non-consumer (dealer financing) receivables primarily reflects a specific U.S. dealer's wholesale vehicle inventory and dealer loan determined to be uncollectible.
(b) Primarily represents amounts related to translation adjustments.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. TRANSFERS OF RECEIVABLES

We securitize finance receivables and net investment in operating leases through a variety of programs using amortizing, variable funding, and revolving structures. We also sell finance receivables in structured financing transactions. Due to the similarities between securitization and structured financing, we refer to structured financings as securitization transactions. Our securitization programs are targeted to institutional investors in both public and private transactions in capital markets including the United States, Canada, several European countries, Mexico, and China.

We engage in securitization transactions to fund operations and to maintain liquidity. Our securitization transactions are recorded as asset-backed debt and the associated assets are not derecognized and continue to be included in our financial statements.

The finance receivables sold for legal purposes and net investment in operating leases included in securitization transactions 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 our other obligations or the claims of our other creditors. We hold 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. The debt is the obligation of our consolidated securitization entities and not the obligation of Ford Credit or our other subsidiaries.

Most of these securitization transactions utilize VIEs. See Note 8 for additional information concerning VIEs. The following tables show the assets and debt related to our securitization transactions that were included in our financial statements (in billions):

	December 31, 2017				
		Finance Receivables and Net Investment in Operating Leases (a)			
	Cash and Cash Equivalents	Before Allowance for Credit Losses	Allowance for Credit Losses	After Allowance for Credit Losses	Related Debt (c)
VIE (b)					
Retail financing	$ 1.8	$ 32.6	$ 0.2	$ 32.4	$ 27.7
Wholesale financing	1.2	23.9	—	23.9	11.5
Finance receivables	3.0	56.5	0.2	56.3	39.2
Net investment in operating leases	0.5	11.5	—	11.5	7.2
Total VIE	$ 3.5	$ 68.0	$ 0.2	$ 67.8	$ 46.4
Non-VIE					
Retail financing	$ 0.3	$ 6.3	$ —	$ 6.3	$ 5.7
Wholesale financing	—	0.6	—	0.6	0.5
Finance receivables	0.3	6.9	—	6.9	6.2
Net investment in operating leases	—	—	—	—	—
Total Non-VIE	$ 0.3	$ 6.9	$ —	$ 6.9	$ 6.2
Total securitization transactions					
Retail financing	$ 2.1	$ 38.9	$ 0.2	$ 38.7	$ 33.4
Wholesale financing	1.2	24.5	—	24.5	12.0
Finance receivables	3.3	63.4	0.2	63.2	45.4
Net investment in operating leases	0.5	11.5	—	11.5	7.2
Total securitization transactions	$ 3.8	$ 74.9	$ 0.2	$ 74.7	$ 52.6

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(a) Unearned interest supplements and residual support are excluded from securitization transactions.
(b) Includes assets to be used to settle the liabilities of the consolidated VIEs.
(c) Includes unamortized discount and debt issuance costs.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. TRANSFERS OF RECEIVABLES *(Continued)*

	September 30, 2018				
		Finance Receivables and Net Investment in Operating Leases (a)			
	Cash and Cash Equivalents	Before Allowance for Credit Losses	Allowance for Credit Losses	After Allowance for Credit Losses	Related Debt (c)
VIE (b)					
Retail financing	$ 1.9	$ 33.9	$ 0.2	$ 33.7	$ 29.4
Wholesale financing	0.3	22.7	—	22.7	13.5
Finance receivables	2.2	56.6	0.2	56.4	42.9
Net investment in operating leases	0.5	12.4	—	12.4	7.7
Total VIE	$ 2.7	$ 69.0	$ 0.2	$ 68.8	$ 50.6
Non-VIE					
Retail financing	$ 0.3	$ 4.9	$ —	$ 4.9	$ 4.3
Wholesale financing	—	0.6	—	0.6	0.5
Finance receivables	0.3	5.5	—	5.5	4.8
Net investment in operating leases	—	—	—	—	—
Total Non-VIE	$ 0.3	$ 5.5	$ —	$ 5.5	$ 4.8
Total securitization transactions					
Retail financing	$ 2.2	$ 38.8	$ 0.2	$ 38.6	$ 33.7
Wholesale financing	0.3	23.3	—	23.3	14.0
Finance receivables	2.5	62.1	0.2	61.9	47.7
Net investment in operating leases	0.5	12.4	—	12.4	7.7
Total securitization transactions	$ 3.0	$ 74.5	$ 0.2	$ 74.3	$ 55.4

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(a) Unearned interest supplements and residual support are excluded from securitization transactions.
(b) Includes assets to be used to settle the liabilities of the consolidated VIEs.
(c) Includes unamortized discount and debt issuance cost.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. VARIABLE INTEREST ENTITIES

We use special purpose entities to issue asset-backed securities in transactions to public and private investors. We have deemed most of these special purpose entities to be VIEs of which we are the primary beneficiary. The asset-backed securities are backed by finance receivables and interests in net investments in operating leases. The assets continue to be consolidated by us. We retain interests in our securitization VIEs, including subordinated securities issued by the VIEs, rights to cash held for the benefit of the securitization investors, and rights 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.

We have no obligation to repurchase or replace any securitized asset that subsequently becomes delinquent in payment or otherwise is in default, except when representations and warranties about the eligibility of the securitized assets are breached, or when certain changes are made to the underlying asset contracts. Securitization investors have no recourse to us or our other assets and have no right to require us to repurchase the investments. We generally have no obligation to provide liquidity or contribute cash or additional assets to the VIEs and do not guarantee any asset-backed securities. We may be required to support the performance of certain securitization transactions, however, by increasing cash reserves.

See Note 7 for additional information on the financial position and financial performance of our VIEs and Note 9 for additional information regarding derivatives.

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, our operations are exposed to global market risks, including the effect of changes in interest rates and foreign currency exchange rates. To manage these risks, we enter into highly effective derivative contracts. We have elected to apply hedge accounting to certain derivatives. Derivatives that are designated in hedging relationships are evaluated for effectiveness using regression analysis at the time they are designated and throughout the hedge period. Some derivatives do not qualify for hedge accounting; for others, we elect not to apply hedge accounting.

Income Effect of Derivative Financial Instruments

The gains / (losses), by hedge designation, recorded in income for the periods ended September 30 were as follows (in millions):

	Third Quarter		First Nine Months	
	2017	2018	2017	2018
Fair value hedges				
Interest rate contracts				
Net interest settlements and accruals on hedging instruments	$ 50	$ (5)	182	$ 19
Fair value changes on hedging instruments (a)	(40)	(102)	(95)	(531)
Fair value changes on hedged debt (a)	40	110	95	521
Derivatives not designated as hedging instruments				
Interest rate contracts	20	9	57	(28)
Foreign currency exchange contracts (b)	(61)	6	(151)	104
Cross-currency interest rate swap contracts	5	(75)	$ 79	(258)
Total	$ 14	$ (57)	$ 167	$ (173)

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(a) For 2017, the fair value changes on hedging instruments and on hedged debt were recorded in *Other income, net*; effective 2018, these amounts were reported in *Interest expense.*
(b) Reflects forward contracts between Ford Credit and an affiliated company.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES *(Continued)*

Balance Sheet Effect of Derivative Financial Instruments

Derivative assets and liabilities are recorded on the balance sheet at fair value and are presented on a gross basis. The notional amounts of the derivative instruments do not necessarily represent amounts exchanged by the parties and are not a direct measure of our financial exposure. We also enter into master agreements with counterparties that may allow for netting of exposure in the event of default or breach of the counterparty agreement. Collateral represents cash received or paid under reciprocal arrangements that we have entered into with our derivative counterparties which we do not use to offset our derivative assets and liabilities.

The fair value of our derivative instruments and the associated notional amounts, presented gross, were as follows (in millions):

	December 31, 2017			September 30, 2018		
	Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
Fair value hedges						
Interest rate contracts	$ 28,008	$ 248	$ 135	$ 27,769	$ 112	$ 632
Derivatives not designated as hedging instruments						
Interest rate contracts	60,504	276	137	68,226	250	298
Foreign currency exchange contracts	2,406	3	10	3,510	39	6
Cross-currency interest rate swap contracts	4,006	408	28	5,649	206	166
Total derivative financial instruments, gross (a) (b)	$ 94,924	$ 935	$ 310	$ 105,154	$ 607	$ 1,102

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(a) At December 31, 2017 and September 30, 2018, we held collateral of $15 million and $16 million, respectively, and we posted collateral of $38 million and $59 million, respectively.
(b) At December 31, 2017 and September 30, 2018, the fair value of assets and liabilities available for counterparty netting was $162 million and $146 million, respectively. All derivatives are categorized within Level 2 of the fair value hierarchy.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER ASSETS AND OTHER LIABILITIES AND DEFERRED REVENUE

Other assets and other liabilities and deferred revenue consist of various balance sheet items that are combined for financial statement presentation due to their respective materiality compared with other individual asset and liability items.

Other assets were as follows (in millions):

	December 31, 2017	September 30, 2018
Accrued interest and other non-finance receivables	$ 1,117	$ 1,075
Collateral held for resale, at net realizable value, and other inventory	780	740
Prepaid reinsurance premiums and other reinsurance recoverables	611	651
Deferred charges – income taxes	247	225
Property and equipment, net of accumulated depreciation (a)	177	187
Restricted cash	124	147
Investment in non-consolidated affiliates	107	117
Deferred charges	127	95
Other	39	80
Total other assets	$ 3,329	$ 3,317

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(a) Accumulated depreciation was $354 million and $361 million at December 31, 2017 and September 30, 2018, respectively.

Other liabilities and deferred revenue were as follows (in millions):

	December 31, 2017	September 30, 2018
Unearned insurance premiums and fees	$ 723	$ 769
Interest payable	722	572
Income tax and related interest (a)	301	290
Deferred revenue	148	103
Payroll and employee benefits	68	70
Other	310	235
Total other liabilities and deferred income	$ 2,272	$ 2,039

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(a) Includes tax and interest payable to affiliated companies of $99 million and $94 million at December 31, 2017 and September 30, 2018, respectively.

We have investments in entities for which we do not have the ability to exercise significant influence and fair values are not readily available. We have elected to record these investments at cost (less impairment, if any), adjusted for changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. We report the carrying value of these investments in *Other assets* in our consolidated balance sheet. These investments were $7 million and $9 million at December 31, 2017 and September 30, 2018, respectively. There were no material adjustments to the fair values of these investments during the period ending September 30, 2018.

Deferred revenue balances presented above include amounts from contracts with customers primarily related to admission fee revenue on group financing products available in Argentina and were $124 million and $76 million at December 31, 2017 and September 30, 2018, respectively.

Admission fee revenue on group financing products is generally recognized evenly over the term of the agreement, which is up to 84 months. Increases in the admission fee deferred revenue balance are the result of payments due during the current period in advance of satisfying our performance under the contract and decreases are a result of revenue recognized during the current period that was previously deferred.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. DEBT AND COMMITMENTS

Debt outstanding and interest rates were as follows (in millions):

	Debt		Interest Rates			
			Average Contractual		Average Effective	
	December 31, 2017	September 30, 2018	2017	2018	2017	2018
Short-term debt						
Unsecured debt						
Floating rate demand notes	$ 5,660	$ 5,939				
Commercial paper	4,889	4,175				
Other short-term debt	5,890	3,698				
Asset-backed debt	786	1,564				
Total short-term debt	17,225	15,376	3.0%	3.1%	3.0%	3.1%
Long-term debt						
Unsecured debt						
Notes payable within one year	13,298	13,123				
Notes payable after one year	55,687	56,591				
Asset-backed debt (a)						
Notes payable within one year	17,817	19,139				
Notes payable after one year	34,051	34,784				
Unamortized discount	(1)	—				
Unamortized issuance costs	(228)	(224)				
Fair value adjustments (b)	(21)	(559)				
Total long-term debt	120,603	122,854	2.5%	2.7%	2.6%	2.8%
Total debt	$ 137,828	$ 138,230	2.6%	2.8%	2.6%	2.8%
Fair value of debt (c)	$ 139,677	$ 138,374				

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(a) Asset-backed debt issued in securitizations is the obligation of the consolidated securitization entity that issued the debt and is payable only out of collections on the underlying securitized assets and related enhancements. This asset-backed debt is not the obligation of Ford Credit or our other subsidiaries.
(b) These adjustments relate to designated fair value hedges. The carrying value of hedged debt was $39.0 billion and $39.1 billion at December 31, 2017 and September 30, 2018, respectively.
(c) The fair value of debt includes $16.4 billion and $13.8 billion of short-term debt at December 31, 2017 and September 30, 2018, respectively, carried at cost, which approximates fair value. All other debt is categorized within Level 2 of the fair value hierarchy.

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE INCOME / (LOSS)

The changes in the balance of *Accumulated Other Comprehensive Income / (Loss)* ("AOCI") attributable to Ford Credit for the periods ended September 30 were as follows (in millions):

	Third Quarter		First Nine Months	
	2017	2018	2017	2018
Beginning AOCI balance	$ (609)	$ (670)	$ (890)	$ (419)
Net gain / (loss) on foreign currency translation	204	(49)	485	(300)
Ending AOCI balance	$ (405)	$ (719)	$ (405)	$ (719)

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. OTHER INCOME, NET

Other income consists of various line items that are combined on the income statement due to their respective materiality compared with other individual income and expense items.

The amounts included in *Other income, net* for the periods ended September 30 were as follows (in millions):

	Third Quarter		First Nine Months	
	2017	2018	2017	2018
Gains / (Losses) on derivatives	$ (36)	$ (60)	$ (15)	$ (182)
Currency revaluation gains / (losses)	51	36	73	80
Interest and investment income	33	49	80	140
Other	9	11	35	36
Total other income, net	$ 57	$ 36	$ 173	$ 74

NOTE 14. SEGMENT INFORMATION

We conduct our financing operations directly and indirectly through our subsidiaries and affiliates. We offer substantially similar products and services throughout many different regions, subject to local legal restrictions and market conditions. We segment our business based on geographic regions: the Americas, Europe, and Asia Pacific. 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, are reflected in Unallocated Other. The following is a brief description of our segments:

- Americas Segment – United States, Canada, Mexico, Brazil, and Argentina
- Europe Segment – European region and South Africa
- Asia Pacific Segment – China and India

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. SEGMENT INFORMATION *(Continued)*

Key financial information for our business segments for the periods ended or at September 30 were as follows (in millions):

	Americas	Europe	Asia Pacific	Total Segments	Unallocated Other (a)	Total
Third Quarter 2017						
Total revenue	$ 2,493	$ 247	$ 123	$ 2,863	$ —	$ 2,863
Income before income taxes	485	72	23	580	20	600
Other disclosures:						
Depreciation on vehicles subject to operating leases	975	14	—	989	—	989
Interest expense	669	65	76	810	—	810
Provision for credit losses	159	7	3	169	—	169
Third Quarter 2018						
Total revenue	$ 2,677	$ 284	$ 120	$ 3,081	$ —	$ 3,081
Income before income taxes	556	89	13	658	20	678
Other disclosures:						
Depreciation on vehicles subject to operating leases	895	12	—	907	—	907
Interest expense	848	68	75	991	(2)	989
Provision for credit losses	145	1	10	156	—	156
First Nine Months 2017						
Total revenue	$ 7,359	$ 709	$ 328	$ 8,396	$ —	$ 8,396
Income before income taxes	1,308	223	69	1,600	100	1,700
Other disclosures:						
Depreciation on vehicles subject to operating leases	3,055	35	—	3,090	—	3,090
Interest expense	1,930	187	191	2,308	—	2,308
Provision for credit losses	389	21	10	420	—	420
Net finance receivables and net investment in operating leases	115,331	23,855	5,921	145,107	(7,579)	137,528
Total assets	120,398	27,323	6,757	154,478	—	154,478
First Nine Months 2018						
Total revenue	$ 7,918	$ 878	$ 404	$ 9,200	$ —	$ 9,200
Income before income taxes	1,619	303	86	2,008	(44)	1,964
Other disclosures:						
Depreciation on vehicles subject to operating leases	2,878	20	—	2,898	—	2,898
Interest expense	2,430	216	256	2,902	(4)	2,898
Provision for credit losses	340	14	13	367	—	367
Net finance receivables and net investment in operating leases	120,425	25,995	5,720	152,140	(8,526)	143,614
Total assets	128,103	27,120	6,023	161,246	—	161,246

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(a) *Net finance receivables* and *Net investment in operating leases* include unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation).

NOTE 15. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies primarily consist of lease commitments, guarantees and indemnifications, and litigation and claims.

Guarantees and Indemnifications

Guarantees and indemnifications are recorded at fair value at their inception. We regularly review our performance risk under these arrangements, and in the event it becomes probable we will be required to perform under a guarantee or indemnity, the amount of probable payment is recorded.

In some cases, we have guaranteed debt and other financial obligations of outside third parties and unconsolidated affiliates, including Ford. Expiration dates vary, and guarantees will terminate on payment and/or cancellation of the underlying obligation. A payment by us would be triggered by failure of the guaranteed party to fulfill its obligation covered by the guarantee. In some circumstances, we are entitled to recover from a third party amounts paid by us under the guarantee. However, our ability to enforce these rights is sometimes stayed until the guaranteed party is paid in full, and may be limited in the event of insolvency of the third party or other circumstances.

In the ordinary course of business, we execute contracts involving indemnifications standard in the industry and indemnifications specific to a transaction. These indemnifications might include and are not limited to claims relating to any of the following: environmental, tax, and shareholder matters; intellectual property rights; governmental regulations and employment-related matters; dealer and other commercial contractual relationships; and financial matters, such as securitizations. Performance under these indemnities generally would be triggered by a breach of terms of the contract or by a third-party claim. While some of these indemnifications are limited in nature, many of them do not limit potential payment. Therefore, we are unable to estimate a maximum amount of future payments that could result from claims made under these unlimited indemnities.

The maximum potential payments under these guarantees and limited indemnities totaled $52 million and $55 million at December 31, 2017 and September 30, 2018, respectively. Of these values, $44 million at both December 31, 2017 and September 30, 2018, respectively, were counter-guaranteed by Ford to us. There were no recorded liabilities related to guarantees and limited indemnities at December 31, 2017 or September 30, 2018.

Litigation and Claims

Various legal actions, proceedings, and claims (generally, “matters”) are pending or may be instituted or asserted against us. These include but are not limited to matters arising out of governmental regulations; tax matters; alleged illegal acts resulting in fines or penalties; financial services; employment-related matters; dealer and other contractual relationships; personal injury matters; investor matters; and financial reporting matters. Certain of the pending legal actions are, or purport to be, class actions. Some of the matters involve or may involve claims for compensatory, punitive, or antitrust or other treble damages in very large amounts, sanctions, assessments, or other relief, which, if granted, would require very large expenditures.

The extent of our financial exposure to these matters is difficult to estimate. Many matters do not specify a dollar amount for damages, and many others specify only a jurisdictional minimum. To the extent an amount is asserted, our historical experience suggests that in most instances the amount asserted is not a reliable indicator of the ultimate outcome.

We accrue for matters when losses are deemed probable and reasonably estimable. In evaluating matters for accrual and disclosure purposes, we take into consideration factors such as our historical experience with matters of a similar nature, the specific facts and circumstances asserted, the likelihood that we will prevail, and the severity of any potential loss. We reevaluate and update our accruals as matters progress over time.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES *(Continued)*

For nearly all of our matters, where our historical experience with similar matters is of limited value (i.e., "non-pattern matters"), we evaluate the matters primarily based on the individual facts and circumstances. For non-pattern matters, we evaluate whether there is a reasonable possibility of a material loss in excess of any accrual that can be estimated. It is reasonably possible that some of the matters for which accruals have not been established could be decided unfavorably and could require us to pay damages or make other expenditures. On October 5, 2018, FCE Bank plc received a notice from the Italian Competition Authority (the "ICA") concerning an alleged violation of Article 101 of the Treaty on the Functioning of the European Union. While we have determined that an adverse outcome is not probable, the reasonably possible loss could be up to $300 million. If the matter results in an adverse outcome at the administrative phase of the proceedings, based on our understanding of the facts we have grounds to challenge and would appeal to the administrative court based in Rome. We could be required to pay a fine during the appellate process, with the ultimate resolution of the matter potentially taking several years.

As noted, the litigation process is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Our assessments are based on our knowledge and experience, but the ultimate outcome of any matter could require payment substantially in excess of the amount that we have accrued and/or disclosed.

ITEM 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

Results of Operations

Overview

In general, we measure year-over-year changes in EBT using the causal factors listed below:

- *Volume and Mix* – Volume and Mix are primarily reflected within *Net financing margin* on the income statement.
  - Volume primarily measures changes in net financing margin driven by changes in average managed receivables at prior period financing margin yield (defined below in financing margin) at prior period exchange rates. Volume changes are primarily driven by the volume of new and used vehicle sales and leases, the extent to which we purchase retail installment sale and lease contracts, the extent to which we provide wholesale financing, the sales price of the vehicles financed, the level of dealer inventories, Ford-sponsored special financing programs available exclusively through us, and the availability of cost-effective funding for the purchase of retail installment sale and lease contracts and to provide wholesale financing.
  - Mix primarily measures changes in net financing margin driven by period over period changes in the composition of our average managed receivables by product and by country or region.

- *Financing Margin* – Financing Margin is reflected within *Net financing margin* on the income statement.
  - Financing margin variance is the period-to-period change in financing margin yield multiplied by the present period average managed receivables at prior period exchange rates. This calculation is performed at the product and country level and then aggregated. Financing margin yield equals revenue, less interest expense and scheduled depreciation for the period, divided by average managed receivables for the same period.
  - Financing margin changes are driven by changes in revenue and interest expense. Changes in revenue are primarily driven by the level of market interest rates, cost assumptions in pricing, mix of business, and competitive environment. Changes in interest expense are primarily driven by the level of market interest rates, borrowing spreads, and asset-liability management.

- *Credit Loss* – Credit Loss is reflected within the *Provision for credit losses* on the income statement.
  - Credit loss is the change in the provision for credit losses at prior period exchange rates. For analysis purposes, management splits the provision for credit losses into net charge-offs and the change in the allowance for credit losses.
  - Net charge-off changes are primarily driven by the number of repossessions, severity per repossession, and recoveries. Changes in the allowance for credit losses are primarily driven by changes in historical trends in credit losses and recoveries, changes in the composition and size of our present portfolio, changes in trends in historical used vehicle values, and changes in economic conditions. For additional information, refer to the "Critical Accounting Estimates – Allowance for Credit Losses" section of Item 7 of Part II of our 2017 Form 10-K Report.

- *Lease Residual* – Lease Residual is reflected within *Depreciation on vehicles subject to operating leases* on the income statement.
  - Lease residual measures changes to residual performance at prior period exchange rates. For analysis purposes, management splits residual performance primarily into residual gains and losses, and the change in accumulated supplemental depreciation.
  - Residual gain and loss changes are primarily driven by the number of vehicles returned to us and sold, and the difference between the auction value and the depreciated value (which includes both base and accumulated supplemental depreciation) of the vehicles sold. Changes in accumulated supplemental depreciation are primarily driven by changes in our estimate of the expected auction value at the end of the lease term, and changes in our estimate of the number of vehicles that will be returned to us and sold. For additional information, refer to the "Critical Accounting Estimates" section of Item 7 of Part II of our 2017 Form 10-K Report.

- *Exchange* – Reflects changes in EBT driven by the effects of converting functional currency income to U.S. dollars.

- *Other* – Primarily includes *Operating expenses*, *Other revenue*, *Insurance expenses,* and *Other income, net* on the income statement at prior period exchange rates.
  - Changes in operating expenses are primarily driven by salaried personnel costs, facilities costs, and costs associated with the origination and servicing of customer contracts.
  - In general, other income changes are primarily driven by changes in earnings related to market valuation adjustments to derivatives (primarily related to movements in interest rates), which are included in unallocated risk management, and other miscellaneous items.

In addition, the following definitions and calculations apply to the charts contained in Item 2 of this report:

- *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

- *Earnings Before Taxes (EBT)* – Reflects *Income before income taxes* as reported on Ford Credit's income statement

- *Return on Equity* (*ROE)* (as shown on the Key Metrics chart) – Reflects return on equity calculated by annualizing net income for the period and dividing by monthly average equity for the period

- *Securitizations* (as shown on the Public Term Funding Plan chart) – Public securitization transactions, Rule 144A offerings sponsored by Ford Credit, and widely distributed offerings by Ford Credit Canada

- *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 EBT 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

Third Quarter 2018 Compared with Third Quarter 2017

The following chart shows our key metrics:

Key Metrics

	THIRD QUARTER 2017	THIRD QUARTER 2018	THIRD QUARTER H / (L)	YEAR TO DATE 2017	YEAR TO DATE 2018	YEAR TO DATE H / (L)
Net Receivables (Bils)	$ 138	$ 144	4 %	$ 138	$ 144	4 %
Managed Receivables* (Bils)	$ 145	$ 152	5 %	$ 145	$ 152	5 %
Loss-to-Receivables** (LTR)	53 bps	44 bps	(9) bps	51 bps	43 bps	(8) bps
Auction Values***	$ 17,795	$ 18,760	5 %	$ 17,520	$ 18,160	4 %
Earnings Before Taxes (EBT) (Mils)	$ 600	$ 678	$ 78	$ 1,700	$ 1,964	$ 264
ROE (Pct)	12 %	13 %	1 ppt	12 %	14 %	2 ppts

Other Balance Sheet Metrics

	THIRD QUARTER 2017	THIRD QUARTER 2018	THIRD QUARTER H / (L)
Debt (Bils)	$ 132	$ 138	5 %
Liquidity (Bils)	$ 30	$ 29	(3) %
Financial Statement Leverage (to 1)	9.4	9.1	(0.3)
Managed Leverage* (to 1)	8.7	8.4	(0.3)

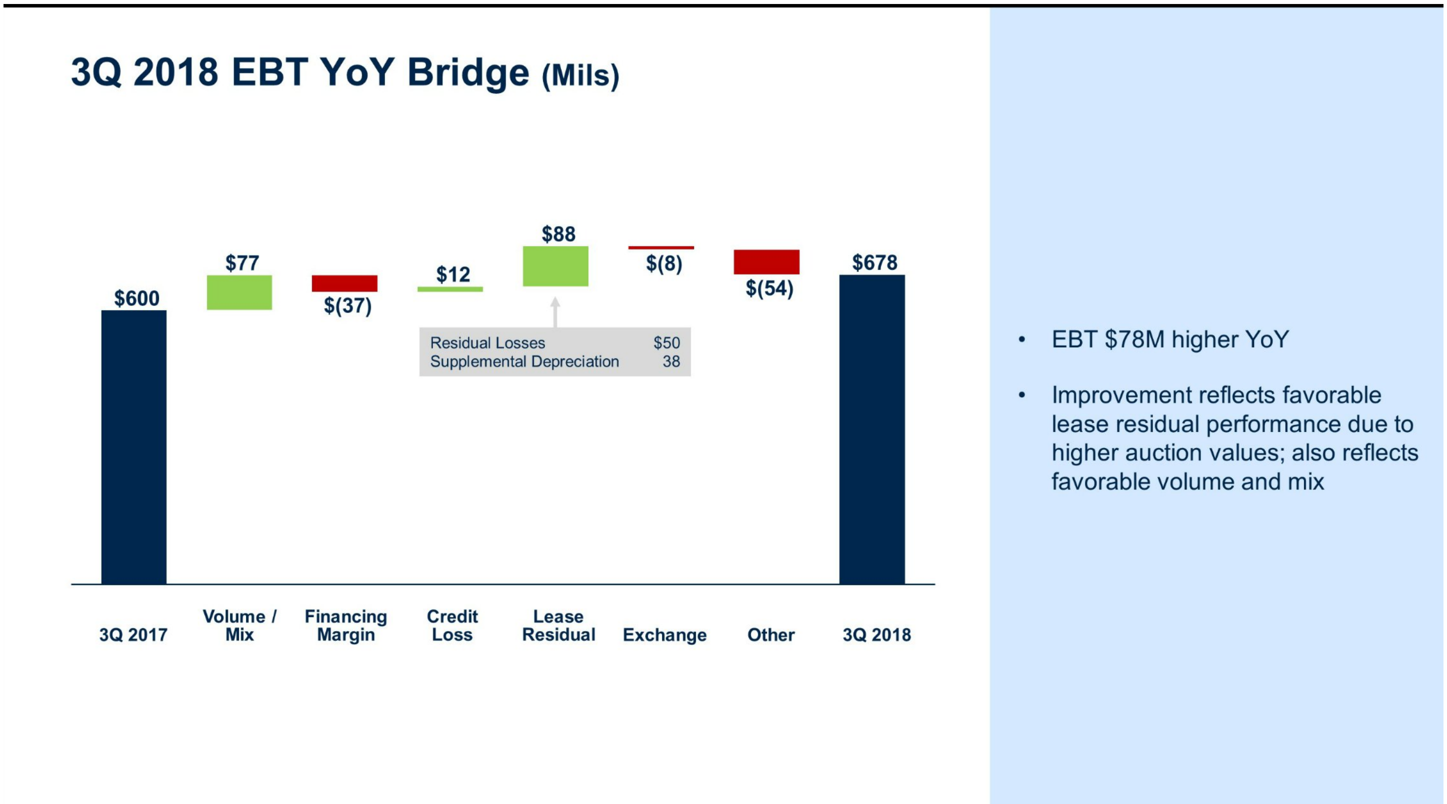
* Reconciliation to GAAP provided in the Financial Condition section
** U.S. retail and lease
*** U.S. 36-month off-lease at 3Q 2018 mix

- Strong 3Q EBT
- U.S. consumer credit metrics healthy with improved LTR
- Balance sheet and liquidity remain strong; managed leverage within target range of 8:1 to 9:1

In the third quarter of 2018, EBT was $678 million, $78 million higher compared with the prior year. Net receivables were 4% higher and managed receivables were 5% higher compared with a year ago, led by growth in retail financing in all regions. U.S. consumer credit metrics were healthy, with the loss-to-receivables ratio at 0.44%, which improved 9 basis points from a year ago. U.S. auction values were up 5% compared with third quarter 2017.

ROE was 13%, one percentage point higher compared with a year ago. Our balance sheet remains strong with managed leverage within our target range of 8:1 to 9:1.

The following chart shows the factors that contributed to the strong third quarter EBT:



Our third quarter EBT was $78 million higher than a year ago, led by favorable lease residual performance, receivables growth, and solid credit loss performance. This was offset in part by higher operating costs and lower financing margin reflecting the impact of higher borrowing costs.

We have three reportable segments in our consolidated financial statements that align with our management reporting structure and reflect the manner in which our Chief Operating Decision Maker manages our business, including resource allocation and performance assessment. These segments are: the Americas, Europe, and Asia Pacific. Items excluded in assessing segment performance, because they are managed at the corporate level, are reflected in Unallocated Other. Results of operations by segment and Unallocated Other for the period ended September 30 are shown below (in millions). For additional information, see Note 14 of our Notes to the Financial Statements.

3Q 2018 EBT By Segment

	3Q		YTD	
	2018	H / (L) 2017	2018	H / (L) 2017
Results (Mils)				
Americas segment	$ 556	$ 71	$ 1,619	$ 311
Europe segment	89	17	303	80
Asia Pacific segment	13	(10)	86	17
Total segments	$ 658	$ 78	$ 2,008	$ 408
Unallocated other*	20	-	(44)	(144)
Earnings before taxes	$ 678	$ 78	$ 1,964	$ 264
(Provision for) / Benefit from income taxes	(160)	26	(266)	(241)
Net income	$ 518	$ 104	$ 1,698	$ 505
Contract placement volumes (000)	527	(25)	1,586	13

Americas Segment

The Americas Segment third quarter EBT of $556 million is $71 million higher compared with third quarter 2017, explained primarily by improved lease residual performance driven by higher auction values on the lease portfolio, favorable volume and mix, and solid credit loss performance. This was partially offset by increased borrowing and operating costs. The Americas Segment EBT of $1.6 billion for the first nine months of 2018 is $311 million higher compared with a year ago, more than explained by improved residual performance, favorable volume and mix, and credit loss performance. This was partially offset by increased operating costs.

Europe Segment

The Europe Segment third quarter EBT of $89 million is $17 million higher compared with third quarter 2017, explained primarily by favorable volume and mix and the non-repeat of a loss upon consolidation of our Forso joint venture in 2017, partially offset by higher operating costs due to Brexit. The Europe Segment EBT of $303 million for the first nine months of 2018 is $80 million higher compared with a year ago, explained primarily by favorable volume and mix, exchange rate changes in European currencies, and the non-repeat of a loss upon consolidation of our Forso joint venture in 2017, partially offset by higher operating costs due to Brexit.

Asia Pacific Segment

The Asia Pacific Segment third quarter EBT of $13 million is $10 million lower compared with third quarter 2017, explained primarily by unfavorable credit loss performance and lower financing margin, partially offset by favorable volume and mix. The Asia Pacific Segment EBT of $86 million for the first nine months of 2018 is $17 million higher compared with a year ago, explained primarily by favorable volume and mix and tax incentives, partially offset by lower financing margin.

Unallocated Other

Unallocated Other third quarter 2018 gain of $20 million is equal to third quarter 2017. Unallocated Other loss of $44 million for the first nine months of 2018 is a $144 million deterioration compared with a year ago, reflecting primarily the non-recurrence of favorable performance a year ago in market valuation adjustments to derivatives.

Financing Shares and Contract Placement Volume

Our 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, our financing share, volume, and contract characteristics vary from period to period as Ford's marketing programs change.

The following chart shows our United States and Canada retail installment and lease share of new Ford and Lincoln brand vehicle retail sales and wholesale financing share of new Ford and Lincoln brand vehicles acquired by dealers. Also shown is the Americas segment consumer financing contract placement volume for new and used vehicles. All data is for the periods ended September 30:

Americas Financing Shares And Contract Placement Volume

	3Q		YTD	
	2017	2018	2017	2018
Financing Shares (%)				
Retail Installment and Lease Share of Ford Retail Sales (excl. Fleet)				
United States	53 %	59 %	53 %	59 %
Canada	74	69	75	73
Wholesale Share				
United States	76 %	76 %	76 %	76 %
Canada	60	57	61	59
Contract Placement Volume - New and Used Retail / Lease (000)				
United States	290	302	812	873
Canada	53	46	140	130
Mexico	11	8	30	25
Total Americas Segment	354	356	982	1,028

In the third quarter of 2018, Americas Segment total contract placement volume was about equal to a year ago.

The following chart shows Europe's retail installment and lease share of new Ford brand vehicles sold and wholesale financing share of new Ford brand vehicles acquired by dealers. Also shown is Europe's consumer financing contract placement volume for new and used vehicles. All data is for the periods ended September 30:

Europe Financing Shares And Contract Placement Volume

	3Q		YTD	
	2017	2018	2017	2018
Financing Shares (incl. Fleet) (%)				
Retail Installment and Lease Share of Total Ford Sales				
U.K.	32 %	36 %	34 %	37 %
Germany	50	47	48	50
Total Europe Segment	38	38	36	37
Wholesale Share				
U.K.	100 %	100 %	100 %	100 %
Germany	94	94	94	93
Total Europe Segment	99	99	98	98
Contract Placement Volume - New and Used Retail / Lease (000)				
U.K.	40	36	139	121
Germany	37	35	116	122
All Other	48	53	156	176
Total Europe Segment	125	124	411	419

In the third quarter of 2018, Europe Segment retail and lease share and total contract placement volume were about equal to a year ago.

The following chart shows Asia Pacific's retail installment share of new Ford and Lincoln brand vehicles sold by dealers and wholesale financing share of new Ford and Lincoln brand vehicles acquired by dealers. Also shown is Asia Pacific's consumer financing contract placement volume for new and used vehicles. All data is for the periods ended September 30:

Asia Pacific Financing Shares And Contract Placement Volume

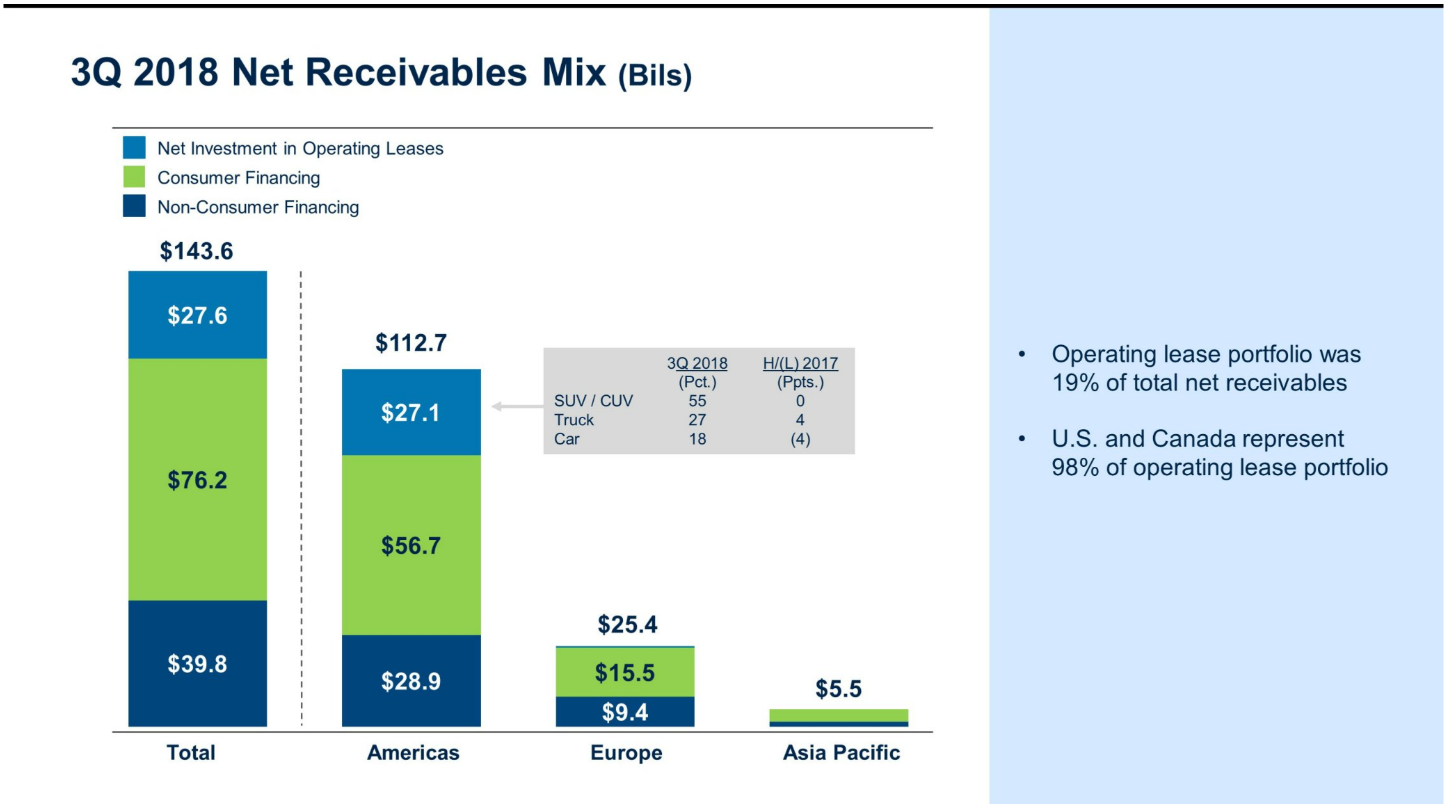
	3Q		YTD	
	2017	2018	2017	2018
Financing Shares (incl. Fleet) (%)				
Retail Installment Share of Total Ford Sales				
China	31 %	37 %	28 %	34 %
India	9	7	9	9
Wholesale Share				
China	55 %	64 %	56 %	61 %
India	36	37	36	38
Contract Placement Volume - New and Used Retail (000)				
China	71	45	174	133
India	2	2	6	6
Total Asia Pacific Segment	73	47	180	139

In the third quarter of 2018, Asia Pacific Segment total contract placement volume was down compared with a year ago driven primarily by lower Ford sales volume in China.

Financial Condition

Finance Receivables and Operating Leases

Our receivables, including finance receivables and operating leases, were as follows:



Our operating lease portfolio is prudently managed and was 19% of total net receivables in the third quarter. Leasing is an important product, and our leasing strategy balances sales, share, residuals, and long-term profitability. Operating leases in the U.S. and Canada represent 98% of our total operating lease portfolio.

The following chart shows our reconciliation for our non-GAAP financial measure, managed receivables:

Total Net Receivables Reconciliation To Managed Receivables (Bils)

	2016 Dec 31	2017 Sep 30	2017 Dec 31	2018 Sep 30
Finance receivables, net (GAAP)	$ 103.0	$ 110.6	$ 116.0	$ 116.0
Net investment in operating leases (GAAP)	27.2	26.9	26.7	27.6
Total net receivables*	$ 130.2	$ 137.5	$ 142.7	$ 143.6
Unearned interest supplements and residual support	5.3	5.9	6.1	6.7
Allowance for credit losses	0.5	0.6	0.7	0.7
Other, primarily accumulated supplemental depreciation	0.9	1.1	1.0	1.1
Total managed receivables (Non-GAAP)	$ 136.9	$ 145.1	$ 150.5	$ 152.1

* See Appendix for definitions

At December 31, 2016, September 30, 2017, December 31, 2017, and September 30, 2018, total net receivables includes consumer receivables before allowance for credit losses of $32.5 billion, $35.2 billion, $38.9 billion, and $38.8 billion, respectively, and non-consumer receivables before allowance for credit losses of $26.0 billion, $23.6 billion, $24.5 billion, and $23.3 billion, respectively, that have been sold for legal purposes in securitization transactions but continue to be reported in our consolidated financial statements. In addition, at December 31, 2016, September 30, 2017, December 31, 2017, and September 30, 2018, total net receivables includes net investment in operating leases before allowance for credit losses of $11.8 billion, $9.9 billion, $11.5 billion, and $12.4 billion, respectively, that have been included in securitization transactions but continue to be reported in our consolidated financial statements. The receivables and net investment in operating leases 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 or the claims of Ford Credit's other creditors. 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. For additional information on our securitization transactions, refer to the "Securitization Transactions" and "On-Balance Sheet Arrangements" sections of Item 7 of Part II of our 2017 Form 10-K Report and Note 7 of our Notes to the Financial Statements for the period ended September 30, 2018.

Credit Risk

Credit risk is the possibility of loss from a customer's or dealer's failure to make payments according to contract terms. Credit losses are a normal part of a lending business, and credit risk has a significant impact on our business. We actively manage the credit risk of our consumer (retail financing and operating lease) and non-consumer (dealer financing) receivables to balance our level of risk and return using our consistent underwriting standards, effective proprietary scoring system (discussed below), and world-class servicing. The allowance for credit losses (also referred to as the credit loss reserve) represents our estimate of the probable credit losses inherent in our finance receivables and operating leases as of the balance sheet date. The allowance for credit losses is estimated using a combination of models and management judgment, and is based on such factors as historical loss performance, portfolio quality, and receivable levels. The adequacy of our allowance for credit losses is assessed quarterly and the assumptions and models used in establishing the allowance are evaluated regularly. A description of our allowance setting process is provided in the "Critical Accounting Estimates - Allowance for Credit Losses" section of Item 7 of Part II to our 2017 Form 10-K Report.

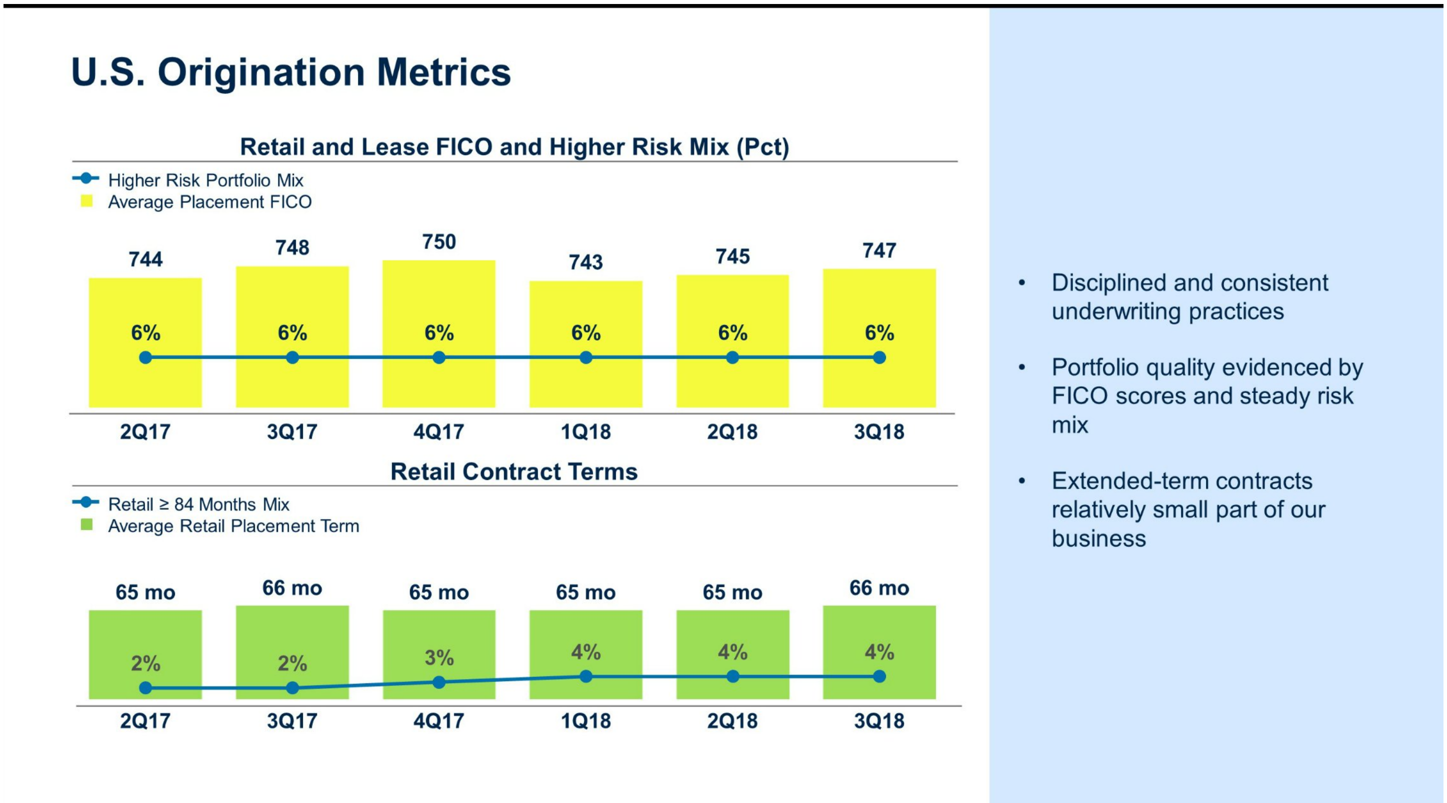
Most of our charge-offs are related to retail finance and operating lease contracts. Charge-offs are affected by the number of vehicle repossessions, the unpaid balance outstanding at the time of repossession, the auction price of repossessed vehicles, and other charge-offs. We also incur credit losses on our dealer financing, but default rates for these receivables historically have been substantially lower than those for retail finance and operating lease contracts. For additional information on severity, refer to the "Critical Accounting Estimates - Allowance for Credit Losses" section of Item 7 of Part II to our 2017 Form 10-K Report.

In purchasing retail finance and operating lease contracts, we use a proprietary scoring system that measures credit quality using information in the credit application, proposed contract terms, credit bureau data, and other information. After a proprietary risk score is generated, we decide whether to purchase a contract using a decision process based on a judgmental evaluation of the applicant, the credit application, the proposed contract terms, credit bureau information (e.g., FICO score), proprietary risk score, and other information. Our evaluation emphasizes the applicant's ability to pay and creditworthiness focusing on payment, affordability, applicant credit history, and stability as key considerations. While FICO is a part of our scoring system, our models enable us to more effectively determine the probability that a customer will pay than using credit scores alone. When we originate business, our models project expected losses and we price accordingly. We ensure the business fits our risk appetite. For additional information on the quality of our receivables, see Note 4 of our Notes to the Financial Statements.

U.S. Origination Metrics

We support customers across the credit spectrum. Our higher risk business, as classified at contract inception, consistently represents 6% of our portfolio and has been stable for over 10 years.

The following charts show annual trends for FICO and higher risk mix and retail contract terms:

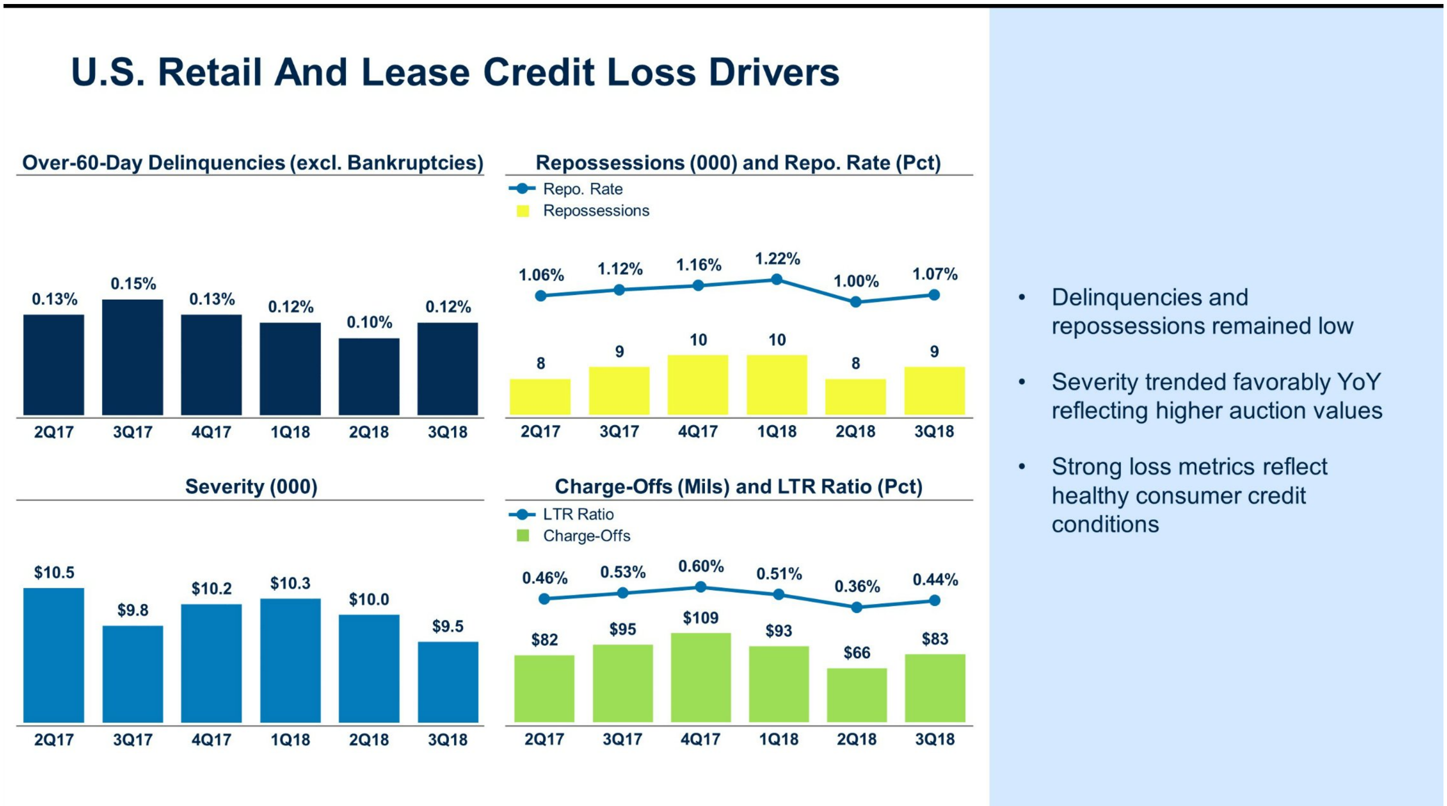


Third quarter average placement FICO score remained consistent.

Our average retail term was consistent from the prior year, and retail contracts of 84 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. Credit Losses

The following charts show the primary drivers of credit losses in the U.S. retail and lease business, which comprised 68% of our worldwide consumer portfolio at September 30, 2018. Loss-to-Receivables ("LTR") ratios are charge-offs divided by average managed receivables.



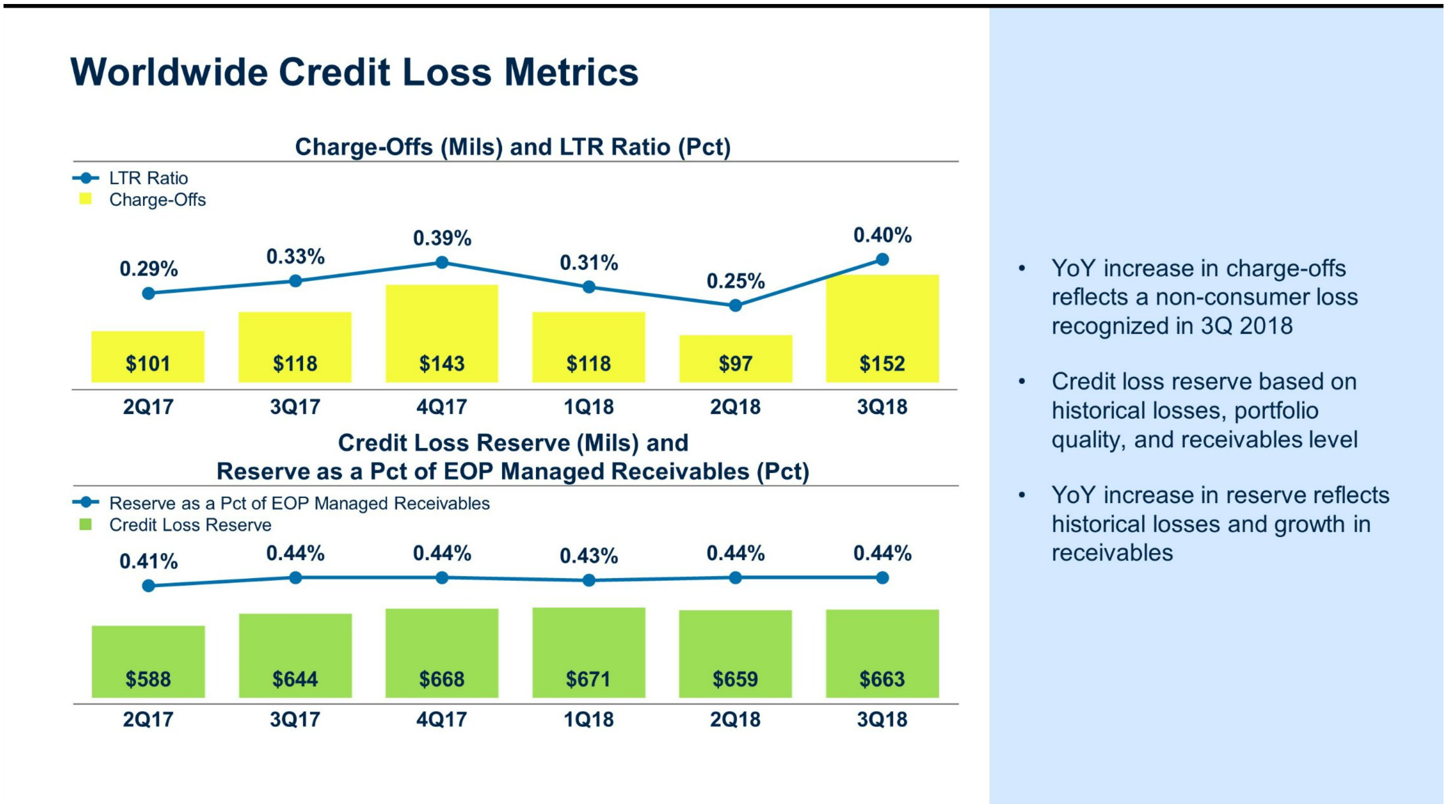
Third quarter 2018 charge-offs and LTR ratio improved from third quarter 2017.

Compared with a year ago, delinquencies showed improvement while repossessions were flat. Severity has improved year-over-year reflecting higher auction values.

Credit loss metrics remained strong reflecting a healthy business environment and consumer credit conditions.

Worldwide Credit Losses

The following charts show annual trends of charge-offs (credit losses, net of recoveries), LTR ratio, credit loss reserve, and our credit loss reserve as a percentage of end-of-period ("EOP") managed receivables:



Our worldwide credit loss metrics remain strong. The worldwide LTR ratio in the third quarter of 2018 is higher than a year ago, reflecting a non-consumer loss recognized in the third quarter of 2018.

Our credit loss reserve is based on such factors as historical loss performance, portfolio quality, and receivables level. The credit loss reserve was higher as of September 30, 2018, compared with September 30, 2017, reflecting historical losses and growth in receivables.

The reserve as a percent of managed receivables was equal to a year ago.

Residual Risk

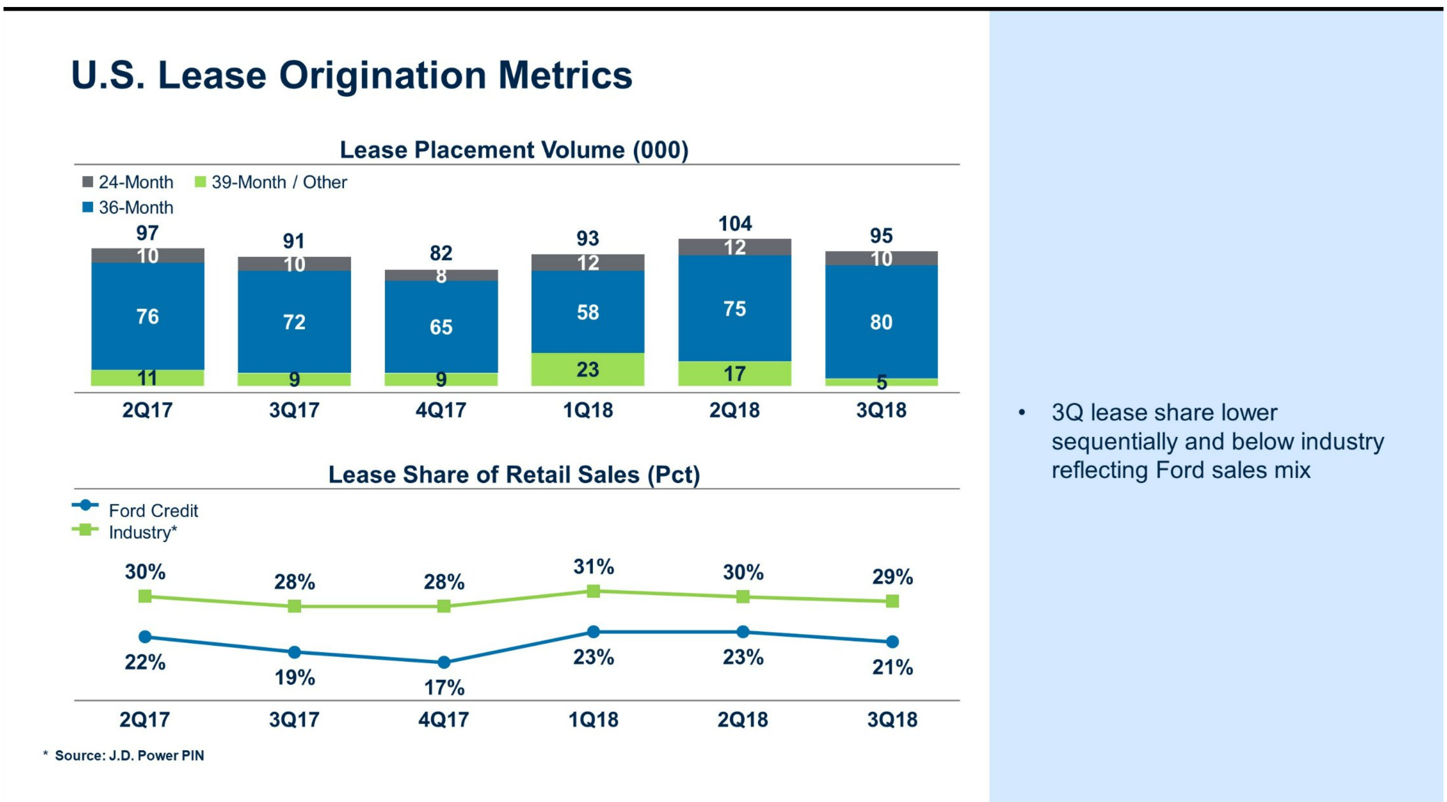
Leasing is an important product that many customers want and value, and lease customers also are more likely to buy or lease another Ford or Lincoln vehicle. We manage our lease share with an enterprise view to support sales, protect residual values, and manage the trade cycle. Ford Credit and Ford work together under a leasing strategy that considers share, term, model mix, geography, and other factors.

We are exposed to residual risk on operating leases and similar balloon payment products where the customer may return the financed vehicle to us. Residual risk is the possibility that the amount we obtain from returned vehicles will be less than our estimate of the expected residual value for the vehicle. We estimate the expected residual value by evaluating recent auction values, return volumes for our leased vehicles, industrywide used vehicle prices, marketing incentive plans, and vehicle quality data. For operating leases, changes in expected residual values impact depreciation expense, which is recognized on a straight-line basis over the life of the lease.

For additional information on our residual risk on operating leases, refer to the "Critical Accounting Estimates – Accumulated Depreciation on Vehicles Subject to Operating Leases" section of Item 7 of Part II of our 2017 Form 10-K Report.

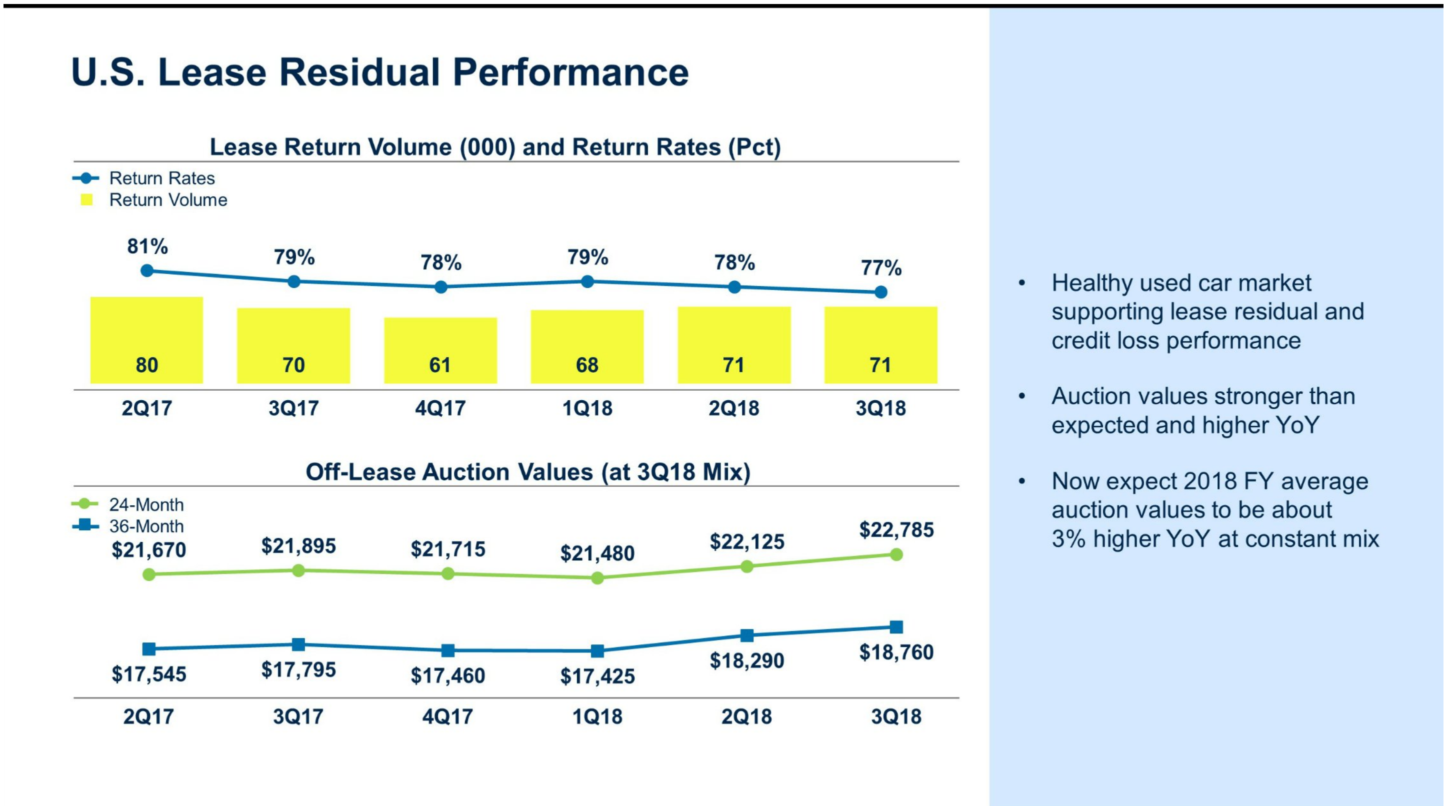
U.S. Ford and Lincoln Brand Operating Lease Experience

The following charts show lease placement volume and lease share of Ford and Lincoln brand retail sales for vehicles in the respective periods. The U.S. operating lease portfolio accounted for 86% of our total net investment in operating leases at September 30, 2018.



Third quarter 2018 lease placement volume was up compared with a year ago, reflecting Ford's marketing programs. Industry lease share in the third quarter of 2018 was up from the same period last year. Ford Credit's lease share was up compared with a year ago and remains below the industry, reflecting the Ford sales mix.

The following charts show lease return volumes, return rates, and off-lease auction values at constant third quarter 2018 vehicle mix in the respective periods:



Lease return volume was up slightly and the return rate was down in the third quarter of 2018 compared with a year ago. Our 24-month and 36-month third quarter off-lease auction values were higher compared with a year ago.

We now expect full-year 2018 auction values to be about three percent higher compared with 2017 at constant mix.

Credit Ratings

Our short-term and long-term debt is rated by four credit rating agencies designated as nationally recognized statistical rating organizations ("NRSROs") by the U.S. Securities and Exchange Commission: DBRS, Fitch, Moody's, and S&P.

In several markets, locally recognized rating agencies also rate us. A credit rating reflects an assessment by the rating agency of the credit risk associated with a corporate entity or particular securities issued by that entity. Rating agencies' ratings of us are based on information provided by us and other sources. Credit ratings assigned to us from all of the NRSROs are closely associated with their opinions on Ford. Credit ratings are not recommendations to buy, sell, or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Each rating agency may have different criteria for evaluating company risk and, therefore, ratings should be evaluated independently for each rating agency.

The following rating actions were taken by NRSROs since the filing of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.

- On July 27, 2018, S&P revised the outlook to negative from stable for Ford Credit and affirmed its ratings.
- On August 29, 2018, Moody's downgraded the credit rating for Ford Credit to Baa3 with a negative outlook from Baa2 with a negative outlook.

The following chart summarizes certain of the credit ratings and outlook presently assigned by these four NRSROs:

	NRSRO RATINGS			
	Ford Credit			NRSROs
	Long-Term Senior Unsecured	Short -Term Unsecured	Outlook/ Trend	Minimum Long-Term Investment Grade Rating
DBRS	BBB	R-2M	Stable	BBB (low)
Fitch	BBB	F2	Stable	BBB-
Moody's	Baa3	P-3	Negative	Baa3
S&P	BBB	A-2	Negative	BBB-

Funding and Liquidity

Our primary funding and liquidity objective is to be well capitalized with a strong 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.

Our funding strategy remains focused on diversification, and we plan to continue accessing a variety of markets, channels, and investors.

Our liquidity profile continues to be diverse, robust, and focused on maintaining liquidity levels that meet our business and funding requirements. We annually stress test our balance sheet and liquidity to ensure that we continue to meet our financial obligations through economic cycles.

Funding Portfolio

The following chart shows the trends in funding for our managed receivables:

Funding Structure – Managed Receivables*
(Bils)

	2016 Dec 31	2017 Dec 31	2018 Sep 30
Term Debt (incl. Bank Borrowings)	$ 66	$ 75	$ 73
Term Asset-Backed Securities	50	53	55
Commercial Paper	4	5	4
Ford Interest Advantage / Deposits	6	5	6
Other	9	9	11
Equity	13	16	15
Adjustments For Cash	(11)	(12)	(12)
Total Managed Receivables	$ 137	$ 151	$ 152
Securitized Funding as Pct of Managed Receivables	37%	35%	36%

* Reconciliation to GAAP provided in the Financial Condition Section

- Funding is diversified across platforms and markets
- Well capitalized with a strong balance sheet and ample liquidity

Managed receivables of $152 billion as of September 30, 2018, were funded primarily with term debt and term asset-backed securities. Securitized funding as a percent of managed receivables was 36%.

We expect the mix of securitized funding to remain at about 35%. The calendarization of the funding plan will result in quarterly fluctuations of the securitized funding percentage.

Public Term Funding Plan

The following chart shows our issuances for full year 2016 and 2017, planned issuances for full year 2018, and our global public term funding issuances through October 23, 2018, excluding short-term funding programs:

Public Term Funding Plan* (Bils)

	2016 Actual	2017 Actual	2018 Forecast	2018 Through Oct 23
Unsecured -- Currency of issuance				
(USD Equivalent)				
USD	$ 9	$ 10	$ 6 - 8	$ 6
CAD	1	2	1 - 2	1
EUR / GBP	3	3	4 - 5	4
Other	1	1	1	1
Total unsecured	$ 14	$ 16	$ 14 - 16	$ 13
Securitizations	$ 13	$ 15	$ 13 - 14	$ 13
Total public	$ 28	$ 32	$ 28 - 30	$ 25

* Numbers may not sum due to rounding

Our total unsecured public term funding plan is categorized by currency of issuance. We plan to continue issuing our European debt from Ford Credit U.S. For 2018, we now project full-year public term funding in the range of $28 billion to $30 billion. Within the unsecured term funding plan, we forecast higher full-year issuance in euros and pounds sterling, and lower full-year issuance in U.S. dollars compared with 2017. This reflects opportunistic issuances in euros completed in the first half of 2018, much of which supported our funding requirements in the United States. Through October 23, 2018, we have completed $25 billion of public term issuances.

Liquidity Sources

We define gross liquidity as cash, cash equivalents, and marketable securities (excluding amounts related to insurance activities) and committed capacity (which includes our credit and asset-backed facilities and bank lines), less utilization of liquidity. Utilization of liquidity is the amount funded under our liquidity sources and also includes the cash and cash equivalents required to support securitization transactions. Securitization cash is cash held for the benefit of the securitization investors (for example, a reserve fund). Net liquidity available for use is defined as gross liquidity less 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. While not included in available liquidity, these adjustments represent additional funding sources for future originations.

The following chart shows our liquidity sources and utilization:

Liquidity Sources (Bils)

	2017 Sep 30	2017 Dec 31	2018 Jun 30	2018 Sep 30
Liquidity Sources				
Cash	$ 11.3	$ 11.8	$ 10.7	$ 12.1
Committed ABS facilities	33.4	33.4	32.0	32.0
Other unsecured credit facilities	2.8	3.3	2.8	3.0
Ford corporate credit facility allocation	3.0	3.0	3.0	3.0
Total liquidity sources	$ 50.5	$ 51.5	$ 48.5	$ 50.1
Utilization of Liquidity				
Securitization cash	$ (2.8)	$ (3.8)	$ (3.3)	$ (3.0)
Committed ABS facilities	(17.0)	(17.2)	(17.7)	(17.7)
Other unsecured credit facilities	(1.0)	(1.1)	(0.3)	(0.7)
Ford corporate credit facility allocation	-	-	-	-
Total utilization of liquidity	$ (20.8)	$ (22.1)	$ (21.3)	$ (21.4)
Gross liquidity	$ 29.7	$ 29.4	$ 27.2	$ 28.7
Adjustments	0.2	0.1	0.2	0.3
Net liquidity available for use	$ 29.9	$ 29.5	$ 27.4	$ 29.0

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 about $25 billion.

At September 30, 2018, our liquidity available for use was $29.0 billion, $0.5 billion lower than year-end 2017 and $1.6 billion higher than at June 30, 2018. Our sources of liquidity include cash, committed asset-backed facilities, unsecured credit facilities, and the Ford corporate credit facility allocation. At September 30, 2018, our liquidity sources including cash totaled $50.1 billion, down $1.4 billion from year-end 2017.

Cash, Cash Equivalents, and Marketable Securities. At September 30, 2018, our cash, cash equivalents, and marketable securities (excluding amounts related to insurance activities) totaled $12.1 billion, compared with $11.8 billion at year-end 2017. In the normal course of our funding activities, we may generate more proceeds than are required for our immediate funding needs. These excess amounts are held primarily in highly liquid investments, which provide liquidity for our anticipated and unanticipated cash needs and give us flexibility in the use of our other funding programs. Our cash, cash equivalents, and marketable securities (excluding amounts related to insurance activities) primarily include U.S. Department of Treasury obligations, federal agency securities, bank time deposits with investment-grade institutions, investment-grade commercial paper, debt obligations of a select group of non-U.S. governments, non-U.S. governmental agencies, supranational institutions, non-U.S. central banks, and money market funds that carry the highest possible ratings.

The average maturity of these investments ranges from approximately three to six months and is adjusted based on market conditions and liquidity needs. We monitor our cash levels and average maturity on a daily basis. Cash, cash equivalents, and marketable securities included amounts to be used only to support our securitization transactions of $3.8 billion and $3.0 billion at December 31, 2017 and September 30, 2018, respectively.

Committed Capacity. At September 30, 2018, our committed capacity totaled $38.0 billion, compared with $39.7 billion at December 31, 2017. Our committed capacity is primarily comprised of committed ABS facilities from bank-sponsored commercial paper conduits and other financial institutions, unsecured credit facilities with financial institutions, and allocated commitments under the Ford corporate credit facility.

Committed Asset-Backed Facilities. We and our subsidiaries have entered into agreements with a number of bank-sponsored asset-backed commercial paper conduits and other financial institutions. Such counterparties are contractually committed, at our option, to purchase from us eligible retail receivables or to purchase or make advances under asset-backed securities backed by retail or wholesale finance receivables or operating leases for proceeds of up to $32.0 billion ($16.7 billion of retail financing, $5.8 billion of wholesale financing, and $9.5 billion of operating leases) at September 30, 2018. These committed facilities have varying maturity dates, with $19.0 billion having maturities within the next twelve months and the remaining balance having maturities through 2020. We plan capacity renewals to protect our global funding needs, optimize capacity utilization, and maintain sufficient liquidity.

Our ability to obtain funding under these facilities is subject to having a sufficient amount of eligible assets as well as our ability to obtain interest rate hedging arrangements for certain facilities. At September 30, 2018, $17.7 billion of these commitments were in use. These programs are free of material adverse change clauses, restrictive financial covenants (for example, debt-to-equity limitations and minimum net worth requirements), and generally, credit rating triggers that could limit our ability to obtain funding. However, the unused portion of these commitments may be terminated if the performance of the underlying assets deteriorates beyond specified levels. Based on our experience and knowledge as servicer of the related assets, we do not expect any of these programs to be terminated due to such events.

FCE Bank plc ("FCE") has pre-positioned retail receivables with the Bank of England which supports access to the Discount Window Facility. Pre-positioned assets are neither pledged to nor held as collateral by the Bank of England unless the Discount Window Facility is accessed. FCE's eligibility to access the Discount Window Facility is not reflected in the Liquidity Sources table above.

Unsecured Credit Facilities. At September 30, 2018, we and our majority-owned subsidiaries had $6.0 billion of contractually committed unsecured credit facilities with financial institutions, including the FCE Credit Agreement (as defined below) and the allocation under Ford's corporate credit facility. At September 30, 2018, $5.3 billion was available for use.

FCE's £745 million (equivalent to $972 million at September 30, 2018) syndicated credit facility (the "FCE Credit Agreement") matures in 2021. At September 30, 2018, £545 million (equivalent to $711 million) was available for use. Ford Bank GmbH's €240 million (equivalent to $278 million at September 30, 2018) syndicated credit facility (the "Ford Bank Credit Agreement") matures in 2021. At September 30, 2018, €190 million (equivalent to $220 million) was available for use.

Both the FCE Credit Agreement and Ford Bank Credit Agreement contain certain covenants, including an obligation for FCE and Ford Bank to maintain their ratio of regulatory capital to risk-weighted assets at no less than the applicable regulatory minimum. The FCE Credit Agreement requires the support agreement between FCE and Ford Credit to remain in full force and effect (and enforced by FCE to ensure that its net worth is maintained at no less than $500 million). The Ford Bank Credit Agreement requires our guarantee of Ford Bank's obligations under the agreement to remain in full force and effect.

Lenders under the Ford corporate credit facility have commitments totaling $13.4 billion, with 25% of the commitments maturing on April 30, 2021 and 75% of the commitments maturing on April 30, 2023. Ford has allocated $3.0 billion of commitments, including commitments under a Chinese renminbi sub-facility, to us on an irrevocable and exclusive basis to support our liquidity. At September 30, 2018, all $3.0 billion was available for use.

Funding and Liquidity Risks

Refer to the "Funding and Liquidity Risks" section of Item 7 of Part II of our 2017 Form 10-K Report for a list of factors that could affect our liquidity and information on our stress testing.

Leverage

We use leverage, or the debt-to-equity ratio, to make various business decisions, including evaluating and establishing pricing for finance receivable and operating lease financing, and assessing our capital structure. We refer to our shareholder's interest as equity.

The following chart shows the calculation of our financial statement leverage and managed leverage:

Leverage (Bils)

	2017 Sep 30	2017 Dec 31	2018 Jun 30	2018 Sep 30
Leverage Calculation				
Total debt	$ 132.4	$ 137.8	$ 136.7	$ 138.2
Adjustments for cash	(11.3)	(11.8)	(10.7)	(12.1)
Adjustments for derivative accounting	(0.2)	-	0.5	0.6
Total adjusted debt	$ 120.9	$ 126.0	$ 126.5	$ 126.7
Equity	$ 14.1	$ 15.9	$ 15.3	$ 15.2
Adjustments for derivative accounting	(0.3)	(0.1)	(0.2)	(0.1)
Total adjusted equity	$ 13.8	$ 15.8	$ 15.1	$ 15.1
Financial statement leverage (to 1) (GAAP)	9.4	8.7	8.9	9.1
Managed leverage (to 1) (Non-GAAP)	8.7	8.0	8.3	8.4

We plan our managed leverage by considering prevailing market conditions and the risk characteristics of our business. At September 30, 2018, our financial statement leverage was 9.1:1, and managed leverage was 8.4:1. We target managed leverage in the range of 8:1 to 9:1. For information on our planned distributions, refer to the "Outlook" section.

Outlook

2018 Guidance (Mils)

Key Metric	2017 FY Results	2018 FY Plan	2018 FY Outlook	2018 YTD Results
EBT	$2,310	< 2017	> 2017	$1,964
Distributions	$406	~ $2,000	~ $2,500	$2,063

- Expect 2018 EBT to be improved from 2017
- Distributions are planned to maintain leverage within target range of 8:1 to 9:1
- Project distributions to be about $2.5 billion in 2018

We expect full-year 2018 EBT to be improved from 2017 as auction values and credit losses continue to trend better than originally expected, and for distributions to our parent to be about $2.5 billion in 2018.

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:

- Ford's long-term competitiveness depends on the successful execution of fitness actions;
- Industry sales volume, particularly in the United States, Europe, or China, could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford's new and existing products and mobility services are subject to market acceptance;
- Ford's results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- Ford may face increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, and interest rates can have a significant effect on results;
- With a global footprint, Ford's results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events;
- Ford's production, as well as Ford's suppliers' production, could be disrupted by labor disputes, natural or man-made disasters, financial distress, production difficulties, or other factors;
- Ford's ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Pension and other postretirement liabilities could adversely affect Ford's liquidity and financial condition;
- Economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Ford's vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Safety, emissions, fuel economy, and other regulations affecting Ford may become more stringent;
- Ford could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Ford's receipt of government incentives could be subject to reduction, termination, or clawback;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- Ford Credit's access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Ford Credit could face increased competition from banks, financial institutions, or other third parties seeking to increase their share of financing Ford vehicles; and
- Ford Credit could be subject to new or increased credit regulations, consumer or data protection regulations, or other regulations.

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 2017 Form 10-K Report, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Accounting Standards Issued But Not Yet Adopted

The Financial Accounting Standards Board ("FASB") has issued the following Accounting Standards Updates ("ASU"). ASU 2016-02 and ASU 2016-13 are expected to result in a significant change in practice and / or have a significant financial impact to Ford Credit. For additional information, see Note 2 of the Notes to the Financial Statements.

ASU		Effective Date (a)
2018-08	Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made	January 1, 2019
2018-02	Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	January 1, 2019
2016-02	Leases	January 1, 2019 (b)
2018-15	Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract	January 1, 2020
2016-13	Credit Losses - Measurement of Credit Losses on Financial Instruments	January 1, 2020

(a) Early adoption for each of the standards is permitted.
(b) The FASB has issued the following updates to the Leases standard: ASU 2018-01 (Land Easement Practical Expedient for Transition to Topic 842) and ASU 2018-11 (Leases Topic 842 - Targeted Improvements), which we will adopt with the new Leases standard effective January 1, 2019.

ITEM 3. *Quantitative and Qualitative Disclosures About Market Risk.*

In our 2017 Form 10-K Report, we discuss in greater detail our market risk, counterparty risk, credit risk, residual risk, liquidity risk, and operating risk.

To provide a quantitative measure of the sensitivity of our pre-tax cash flow to changes in interest rates, we use interest rate scenarios that assume a hypothetical, instantaneous increase or decrease of one percentage point in all interest rates across all maturities (a "parallel shift"), as well as a base case that assumes that all interest rates remain constant at existing levels. The differences in pre-tax cash flow between these scenarios and the base case over a twelve-month period represent an estimate of the sensitivity of our pre-tax cash flow. Under this model, we estimate that at September 30, 2018, all else constant, such an increase in interest rates would increase our pre-tax cash flow by $15 million over the next 12 months, compared with an increase of $14 million at December 31, 2017. In reality, interest rate changes are rarely instantaneous or parallel and rates could move more or less than the one percentage point assumed in our analysis. As a result, the actual impact to pre-tax cash flow could be higher or lower than the results detailed above.

ITEM 4. *Controls and Procedures.*

Evaluation of Disclosure Controls and Procedures. David W. McClelland, our President and Chief Executive Officer ("CEO"), and Brian E. Schaaf, our Chief Financial Officer ("CFO") and Treasurer, have performed an evaluation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), as of September 30, 2018, and each has concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by SEC rules and forms, and that such information is accumulated and communicated to the CEO and CFO to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting. There were no changes in internal control over financial reporting during the quarter ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. *Legal Proceedings.*

European Competition Law Matter. On October 5, 2018, FCE Bank plc received a notice from the Italian Competition Authority (the "ICA") concerning an alleged violation of Article 101 of the Treaty on the Functioning of the European Union. The ICA alleges that FCE Bank plc and other parties engaged in anti-competitive practices in relation to the automotive finance market in Italy. If a violation is found, a broad range of remedies is available to the ICA, including imposing a fine against FCE Bank plc that could be material. To avoid penalties, FCE Bank plc could be required to pay a fine and then seek reimbursement of the payment through the appellate process.

ITEM 5. *Other Information.*

None.

ITEM 6. *Exhibits.*

Designation	Description	Method of Filing
Exhibit 12	Calculation of Ratio of Earnings to Fixed Charges.	Filed with this Report.
Exhibit 31.1	Rule 15d-14(a) Certification of CEO.	Filed with this Report.
Exhibit 31.2	Rule 15d-14(a) Certification of CFO.	Filed with this Report.
Exhibit 32.1	Section 1350 Certification of CEO.	Furnished with this Report.
Exhibit 32.2	Section 1350 Certification of CFO.	Furnished with this Report.
Exhibit 101.INS	XBRL Instance Document.	*
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document.	*
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	*
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	*
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	*
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	*

* Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

Instruments defining the rights of holders of certain issues of long-term debt of Ford Credit have not been filed as exhibits to this Report because the authorized principal amount of any one of such issues does not exceed 10% of the total assets of Ford Credit. Ford Credit will furnish a copy of each such instrument to the SEC upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Ford Motor Credit Company LLC has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORD MOTOR CREDIT COMPANY LLC

By: /s/ Brian E. Schaaf

Brian E. Schaaf
Chief Financial Officer and Treasurer

Date: October 24, 2018

Exhibit 12

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES
(in millions)

	First Nine Months 2018
Earnings	
Income before income taxes	$ 1,964
Add/(Deduct):	
Equity in net income of affiliated companies	(20)
Dividends from affiliated companies	—
Fixed charges excluding capitalized interest	2,905
Earnings	$ 4,849
Fixed charges	
Interest expense	$ 2,898
Interest portion of rental expense	7
Capitalized interest	1
Total fixed charges	$ 2,906
Ratios	
Ratio of earnings to fixed charges	1.7

Exhibit 31.1

CERTIFICATION

I, David W. McClelland, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 of Ford Motor Credit Company LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 24, 2018

/s/ David W. McClelland
David W. McClelland
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Brian E. Schaaf, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 of Ford Motor Credit Company LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 24, 2018

/s/ Brian E. Schaaf
Brian E. Schaaf
Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, David W. McClelland, President and Chief Executive Officer of Ford Motor Credit Company LLC (the “Company”), hereby certify pursuant to Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, to which this statement is furnished as an exhibit (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 24, 2018

/s/ David W. McClelland
David W. McClelland
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Brian E. Schaaf, Chief Financial Officer and Treasurer of Ford Motor Credit Company LLC (the “Company”), hereby certify pursuant to Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, to which this statement is furnished as an exhibit (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 24, 2018

/s/ Brian E. Schaaf
Brian E. Schaaf
Chief Financial Officer and Treasurer