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 March 31, 2013

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 and posted on its Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). ☑ Yes ☐ No

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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.

Exhibit Index begins on page 51

FORD MOTOR CREDIT COMPANY LLC
QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended March 31, 2013

PART I. FINANCIAL INFORMATION

ITEM 1. *FINANCIAL STATEMENTS*

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
For the Periods Ended March 31, 2013 and 2012
(in millions)

	First Quarter	
	2013	**2012**
Financing revenue	**(unaudited)**	
Operating leases	$ 731	$ 601
Retail	446	487
Interest supplements and other support costs earned from affiliated companies	583	628
Wholesale	240	247
Other	15	13
Total financing revenue	2,015	1,976
Depreciation on vehicles subject to operating leases	(642)	(585)
Interest expense	(683)	(803)
Net financing margin	690	588
Other revenue		
Insurance premiums earned	29	26
Other income, net (Note 11)	77	65
Total financing margin and other revenue	796	679
Expenses		
Operating expenses	250	243
Provision for credit losses (Note 4)	29	(24)
Insurance expenses	10	8
Total expenses	289	227
Income before income taxes	507	452
Provision for income taxes (Note 1)	143	157
Net income	$ 364	$ 295

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Periods Ended March 31, 2013 and 2012
(in millions)

	First Quarter	
	2013	**2012**
	(unaudited)	
Net income	$ 364	$ 295
Other comprehensive income/(loss), net of tax (Note 10)		
Foreign currency translation	(187)	208
Total other comprehensive income/(loss), net of tax	(187)	208
Comprehensive income	$ 177	$ 503

The accompanying notes are part of the financial statements.

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

	March 31, 2013	December 31, 2012
ASSETS	(unaudited)	
Cash and cash equivalents	$ 7,613	$ 9,189
Marketable securities	2,331	2,106
Finance receivables, net (Note 2)	76,632	75,063
Net investment in operating leases (Note 3)	15,898	14,701
Notes and accounts receivable from affiliated companies	1,083	1,173
Derivative financial instruments (Note 7)	1,275	1,256
Other assets (Note 8)	2,308	2,256
Total assets	$ 107,140	$ 105,744
LIABILITIES		
Accounts payable		
Customer deposits, dealer reserves, and other	$ 1,207	$ 1,072
Affiliated companies	834	234
Total accounts payable	2,041	1,306
Debt (Note 9)	90,118	89,258
Deferred income taxes	1,637	1,669
Derivative financial instruments (Note 7)	251	400
Other liabilities and deferred income (Note 8)	3,291	3,458
Total liabilities	97,338	96,091
SHAREHOLDER'S INTEREST		
Shareholder's interest	5,274	5,274
Accumulated other comprehensive income (Note 10)	556	743
Retained earnings	3,972	3,636
Total shareholder's interest	9,802	9,653
Total liabilities and shareholder's interest	$ 107,140	$ 105,744

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 5 and 6 for additional information on our VIEs.

	March 31, 2013	December 31, 2012
ASSETS	(unaudited)	
Cash and cash equivalents	$ 2,977	$ 2,877
Finance receivables, net	47,426	47,190
Net investment in operating leases	6,557	6,308
Derivative financial instruments	47	4
LIABILITIES		
Debt	$ 40,527	$ 40,245
Derivative financial instruments	60	134

The accompanying notes are part of the financial statements.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDER'S INTEREST
For the Periods Ended March 31, 2013 and 2012
(in millions, unaudited)

	Shareholder's Interest	Accumulated Other Comprehensive Income (Note 10)	Retained Earnings	Total
Balance at December 31, 2012	$ 5,274	$ 743	$ 3,636	$ 9,653
Net income	—	—	364	364
Other comprehensive income/(loss), net of tax	—	(187)	—	(187)
Distributions	—	—	(28)	(28)
Balance at March 31, 2013	$ 5,274	$ 556	$ 3,972	$ 9,802
Balance at December 31, 2011	$ 5,274	$ 600	$ 3,022	$ 8,896
Net income	—	—	295	295
Other comprehensive income/(loss), net of tax	—	208	—	208
Distributions	—	—	(200)	(200)
Balance at March 31, 2012	$ 5,274	$ 808	$ 3,117	$ 9,199

The accompanying notes are part of the financial statements.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Periods Ended March 31, 2013 and 2012
(in millions)

	First Quarter	
	2013	2012
	(unaudited)	
Cash flows from operating activities		
Net income	$ 364	$ 295
Adjustments to reconcile net income to net cash provided by operations		
Provision for credit losses	29	(24)
Depreciation and amortization	863	803
Amortization of upfront interest supplements	(436)	(458)
Net change in deferred income taxes	(21)	135
Net change in other assets	86	199
Net change in other liabilities	879	546
All other operating activities	(170)	(88)
Net cash provided by/(used in) operating activities	1,594	1,408
Cash flows from investing activities		
Purchases of finance receivables (other than wholesale)	(7,544)	(6,609)
Collections of finance receivables (other than wholesale)	7,096	6,828
Purchases of operating lease vehicles	(2,887)	(2,265)
Liquidations of operating lease vehicles	924	851
Net change in wholesale receivables	(1,934)	(90)
Net change in notes receivable from affiliated companies	6	139
Purchases of marketable securities	(9,256)	(5,514)
Proceeds from sales and maturities of marketable securities	9,021	4,380
Settlements of derivatives	(42)	(27)
All other investing activities	6	(52)
Net cash provided by/(used in) investing activities	(4,610)	(2,359)
Cash flows from financing activities		
Proceeds from issuances of long-term debt	9,183	9,704
Principal payments on long-term debt	(6,630)	(8,214)
Change in short-term debt, net	(988)	(1,500)
Cash distributions to parent	(28)	(200)
All other financing activities	59	76
Net cash provided by/(used in) financing activities	1,596	(134)
Effect of exchange rate changes on cash and cash equivalents	(156)	119
Net increase/(decrease) in cash and cash equivalents	$ (1,576)	$ (966)
Cash and cash equivalents at January 1	$ 9,189	$ 8,713
Net increase/(decrease) in cash and cash equivalents	(1,576)	(966)
Cash and cash equivalents at March 31	$ 7,613	$ 7,747

The accompanying notes are part of the financial statements.

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

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

NOTE 1. ACCOUNTING POLICIES

Principles of Consolidation

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, 2012. We are an indirect, wholly owned subsidiary of Ford Motor Company ("Ford").

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 extraordinary items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

The American Taxpayer Relief Act of 2012 (the “Act”) was signed into law on January 2, 2013. The Act reinstated U.S. tax deferral of certain foreign source income, retroactive to January 1, 2012. As a result, the tax provision for the period ended March 31, 2013 reflects a $64 million tax benefit related to the retroactive provisions of the Act.

Adoption of New Accounting Standards

Balance Sheet - Offsetting. On January 1, 2013, we adopted the new accounting standard that requires disclosures about offsetting and related arrangements for derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions. See Note 7 and Note 12 for further disclosure regarding balance sheet offsetting.

Comprehensive Income - Reporting of Reclassification Adjustments. During 2012, we early adopted the new accounting standard that requires us to disclose significant amounts reclassified out of each component of accumulated other comprehensive income (“AOCI”) and the affected income statement line item only if the item reclassified is required to be reclassified to net income in its entirety. We did not reclassify any amounts out of AOCI during the first quarter of 2013 or 2012.

Accounting Standards Issued But Not Yet Adopted

Foreign Currency Matters - Parent's Accounting for Cumulative Translation Adjustment. In March 2013, the Financial Accounting Standards Board (“FASB”) issued a new accounting standard that clarifies the applicable guidance for a parent company's accounting for the release of the cumulative translation adjustment into net income upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. The new accounting standard is effective for us as of January 1, 2014 and we do not expect this standard to have a material impact on our financial condition, results of operations, or financial statement disclosures.

Liabilities - Obligations Resulting from Joint and Several Liability Arrangements. In February 2013, the FASB issued a new accounting standard that provides guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements. This new accounting standard is effective for us as of January 1, 2014 and we do not expect this standard to have a material impact on our financial condition, results of operations, or financial statement disclosures.

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

NOTE 2. FINANCE RECEIVABLES

We segment our North America and International portfolio of finance receivables into "consumer" and "non-consumer" receivables. The receivables are generally secured by the vehicles, inventory, or other property being financed.

Consumer Segment. Receivables in this portfolio segment include products offered to individuals and businesses that finance the acquisition of Ford and Lincoln vehicles from dealers for personal or commercial use. Retail financing includes retail installment contracts for new and used vehicles and direct financing leases with retail customers, government entities, daily rental companies, and fleet customers.

Non-Consumer Segment. Receivables in this portfolio segment include products offered to automotive dealers and receivables purchased from Ford and its affiliates. The products include:

- *Dealer financing* – wholesale loans to dealers to finance the purchase of vehicle inventory, also known as floorplan financing, and loans to dealers to finance working capital and improvements to dealership facilities, finance the purchase of dealership real estate and other dealer vehicle program financing. Wholesale is approximately 95% of our dealer financing.

- *Other financing* – purchased receivables from Ford and its affiliates, primarily related to the sale of parts and accessories to dealers, receivables from Ford related loans, and certain used vehicles from daily rental fleet companies. These receivables are excluded from our credit quality reporting since the performance of this group of receivables is generally guaranteed by Ford and there are no amounts past due.

Notes and accounts receivable from affiliated companies are presented separately on the balance sheet. These receivables are based on intercompany relationships and the balances are settled regularly. We do not assess these receivables for potential credit losses, nor are they subjected to aging analysis, credit quality reviews, or other formal assessments. As a result, *Notes and accounts receivable from affiliated companies* are not subject to the following disclosures contained herein.

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

NOTE 2. FINANCE RECEIVABLES *(Continued)*

Finance Receivables, Net

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

	March 31, 2013			December 31, 2012		
	North America	International	Total Finance Receivables	North America	International	Total Finance Receivables
Consumer						
Retail financing, gross (a)	$ 39,369	$ 8,769	$ 48,138	$ 39,504	$ 8,964	$ 48,468
Less: Unearned interest supplements (b)	(1,172)	(213)	(1,385)	(1,264)	(222)	(1,486)
Consumer finance receivables	$ 38,197	$ 8,556	$ 46,753	$ 38,240	$ 8,742	$ 46,982
Non-Consumer						
Dealer financing (a)(c)	$ 20,654	$ 8,014	$ 28,668	$ 19,494	$ 7,496	$ 26,990
Other	1,152	426	1,578	1,072	404	1,476
Non-Consumer finance receivables	21,806	8,440	30,246	20,566	7,900	28,466
Total recorded investment (d)	$ 60,003	$ 16,996	$ 76,999	$ 58,806	$ 16,642	$ 75,448
Recorded investment in finance receivables (d)	$ 60,003	$ 16,996	$ 76,999	$ 58,806	$ 16,642	$ 75,448
Less: Allowance for credit losses (e)	(292)	(75)	(367)	(309)	(76)	(385)
Finance receivables, net	$ 59,711	$ 16,921	$ 76,632	$ 58,497	$ 16,566	$ 75,063
Net finance receivables subject to fair value (f)			$ 75,746			$ 74,171
Fair value			77,634			76,171

____
(a) At March 31, 2013 and December 31, 2012, includes North America consumer receivables of $22.5 billion and $23.0 billion and non-consumer receivables of $17.4 billion and $17.1 billion, respectively, and International consumer receivables of $5.8 billion and $6.3 billion and non-consumer receivables of $4.9 billion and $4.5 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 and other obligations issued or arising in the 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 and other obligations issued or arising in securitization transactions. See Note 5 for additional information.
(b) Ford-sponsored special-rate financing attributable to retail financing.
(c) At March 31, 2013 and December 31, 2012, includes $59 million and $50 million, respectively, of North America wholesale receivables and $15 million and $15 million, respectively, of North America dealer loans with entities (primarily dealers) that are reported as consolidated subsidiaries of Ford. At March 31, 2013 and December 31, 2012, includes $427 million and $346 million, respectively, of International wholesale receivables with entities (primarily dealers) that are reported as consolidated subsidiaries of Ford. The associated vehicles that are being financed by us are reported as inventory on Ford's balance sheet.
(d) At March 31, 2013 and December 31, 2012, excludes $185 million and $183 million, respectively, of accrued uncollected interest receivables, which we report in *Other assets* on our balance sheet.
(e) See Note 4 for additional information related to our allowance for credit losses.
(f) At March 31, 2013 and December 31, 2012, excludes $886 million and $892 million, respectively, of certain receivables (primarily direct financing leases) that are not subject to fair value disclosure requirements. All finance receivables are categorized within Level 3 of the fair value hierarchy. See Note 12 for additional information.

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

NOTE 2. FINANCE RECEIVABLES *(Continued)*

Aging

For all classes of finance receivables, we define "past due" as any payment, including principal and interest, that has not been collected and is at least 31 days past the contractual due date. Recorded investment of consumer accounts greater than 90 days past due and still accruing interest was $11 million and $13 million at March 31, 2013 and December 31, 2012, respectively. The recorded investment of non-consumer accounts that are 90 days past due and still accruing interest was de minimis and $5 million at March 31, 2013 and December 31, 2012, respectively.

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

	March 31, 2013			December 31, 2012		
	North America	International	Total	North America	International	Total
Consumer						
31-60 Days past due	$ 447	$ 47	$ 494	$ 783	$ 46	$ 829
61-90 Days past due	50	15	65	97	17	114
91-120 Days past due	16	8	24	21	9	30
Greater than 120 days past due	44	27	71	52	29	81
Total past due	557	97	654	953	101	1,054
Current	37,640	8,459	46,099	37,287	8,641	45,928
Consumer finance receivables	$ 38,197	$ 8,556	$ 46,753	$ 38,240	$ 8,742	$ 46,982
Non-Consumer						
Total past due	$ 37	$ 11	$ 48	$ 29	$ 11	$ 40
Current	21,769	8,429	30,198	20,537	7,889	28,426
Non-Consumer finance receivables	21,806	8,440	30,246	20,566	7,900	28,466
Total recorded investment	$ 60,003	$ 16,996	$ 76,999	$ 58,806	$ 16,642	$ 75,448

Credit Quality

Consumer. When originating all classes of consumer receivables, we use a proprietary scoring system that measures the credit quality of the receivables using several factors, such as credit bureau information, consumer credit risk scores (e.g., FICO score), and contract characteristics. In addition to our proprietary scoring system, we consider other individual consumer factors, such as employment history, financial stability, and capacity to pay.

Subsequent to origination, we review the credit quality of our retail and direct financing lease receivables based on customer payment activity. As each customer develops a payment history, we use an internally-developed behavioral scoring model to assist in determining the best collection strategies. Based on data from this scoring model, contracts are categorized by collection risk. Our collection models evaluate several factors, including origination characteristics, updated credit bureau data, and payment patterns. These models allow for more focused collection activity on higher-risk accounts and are used to refine our risk-based staffing model to ensure collection resources are aligned with portfolio risk.

Credit quality ratings for our consumer receivables are based on our aging analysis. Refer to 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
- *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

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

NOTE 2. FINANCE RECEIVABLES *(Continued)*

Non-Consumer. We extend credit to dealers primarily in the form of lines of credit to purchase new Ford and Lincoln vehicles as well as used vehicles. Each non-consumer lending request is evaluated by taking into consideration the borrower's financial condition and the underlying collateral securing the loan. We use a proprietary model to assign each dealer a risk rating. This model uses historical performance data to identify key factors about a dealer that we consider significant in predicting a dealer's ability to meet its financial obligations. We also consider numerous other financial and qualitative factors of the dealer's operations including capitalization and leverage, liquidity and cash flow, profitability, and credit history with Ford Credit and other creditors. A dealer's risk rating does not reflect any guarantees or a dealer owner's net worth.

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
- *Group IV* – poor financial metrics, including dealers classified as uncollectible

We suspend credit lines and extend no further funding to dealers classified in Group IV.

We regularly review our model to confirm the continued business significance and statistical predictability of the factors and update the model to incorporate new factors or other information that improves its statistical predictability. In addition, we verify the existence of the assets collateralizing the receivables by physical audits of vehicle inventories, which are performed with increased frequency for higher-risk (i.e., Group III and Group IV) dealers. We perform a credit review of each dealer at least annually and adjust the dealer's risk rating, if necessary.

Performance of non-consumer receivables is evaluated based on our internal dealer risk rating analysis, as payment for wholesale receivables generally is not required until the dealer has sold the vehicle. A dealer has the same risk rating for all of its dealer financing regardless of the type of financing.

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

	March 31, 2013			December 31, 2012		
	North America	International	Total	North America	International	Total
Dealer financing						
Group I	$ 17,471	$ 5,214	$ 22,685	$ 16,591	$ 4,822	$ 21,413
Group II	2,836	1,542	4,378	2,608	1,390	3,998
Group III	307	1,251	1,558	277	1,277	1,554
Group IV	40	7	47	18	7	25
Total recorded investment	$ 20,654	$ 8,014	$ 28,668	$ 19,494	$ 7,496	$ 26,990

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

NOTE 2. FINANCE RECEIVABLES *(Continued)*

Impaired Receivables

Impaired consumer receivables include accounts that have been re-written 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 March 31, 2013 and December 31, 2012 was $418 million, or 0.9% of consumer receivables, and $422 million, or 0.9% of consumer receivables, respectively. The recorded investment of non-consumer receivables that were impaired at March 31, 2013 and December 31, 2012 was $66 million, or 0.2% of non-consumer receivables, and $47 million, or 0.2% of non-consumer receivables, respectively. Impaired finance receivables are evaluated both collectively and specifically. See Note 4 for additional information related to the development of our allowance for credit losses.

Non-Accrual Receivables

The accrual of revenue is discontinued at the earlier of the time a receivable is determined to be uncollectible, at bankruptcy status notification, or greater than 120 days past due. 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.

The recorded investment of consumer receivables in non-accrual status was $275 million, or 0.6% of our consumer receivables, at March 31, 2013, and $304 million, or 0.6% of our consumer receivables, at December 31, 2012. The recorded investment of non-consumer receivables in non-accrual status was $35 million, or 0.1% of our non-consumer receivables, at March 31, 2013, and $29 million, or 0.1% of our non-consumer receivables, at December 31, 2012.

Troubled Debt Restructurings

A restructuring of debt constitutes a TDR if we grant a concession to a borrower for economic or legal reasons related to the debtor's financial difficulties that we otherwise would not consider. Consumer contracts that have a modified interest rate that is below the market rate and those modified in reorganization proceedings pursuant to the U.S. Bankruptcy Code are considered to be TDRs. Non-consumer receivables subject to forbearance, moratoriums, extension agreements, or other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral are classified as TDRs. We do not grant concessions on the principal balance of our loans. If a contract is modified in reorganization proceeding, all payment requirements of the reorganization plan need to be met before remaining balances are forgiven. The outstanding recorded investment at time of modification for consumer receivables that are considered to be TDRs were $55 million, or 0.1% and $63 million, or 0.1% of our consumer receivables, during the periods ended March 31, 2013 and 2012, respectively. The annualized subsequent default rate of TDRs that were previously modified in TDRs within the last twelve months and resulted in repossession for consumer contracts was 6.3% and 6.1% of TDRs at March 31, 2013 and 2012, respectively. There were no non-consumer loans involved in TDRs during the period ended March 31, 2013 and the outstanding recorded investment of non-consumer loans involved in TDRs was de minimis during the period ended March 31, 2012.

Finance receivables involved in TDRs are specifically assessed for impairment. An impairment charge is recorded as part of the provision to the allowance for credit losses for the amount that the recorded investment of the receivable exceeds its estimated fair value. Estimated fair value is based on either the present value of the expected future cash flows of the receivable discounted at the loan's original effective interest rate, or for loans where foreclosure is probable, the fair value of the collateral adjusted for estimated costs to sell. The allowance for credit losses related to all active consumer TDRs was $22 million and $17 million at March 31, 2013 and 2012, respectively. The allowance for credit losses related to all active non-consumer TDRs was de minimis during the periods ended March 31, 2013 and 2012.

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

NOTE 3. NET INVESTMENT IN OPERATING LEASES

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

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

	March 31, 2013	December 31, 2012
Vehicles, at cost, including initial direct costs	$ 18,845	$ 17,510
Less: Accumulated depreciation	(2,925)	(2,786)
Net investment in operating leases before allowance for credit losses (a)	15,920	14,724
Less: Allowance for credit losses	(22)	(23)
Net investment in operating leases	$ 15,898	$ 14,701

(a) Includes net investment in operating leases of $6.6 billion and $6.3 billion at March 31, 2013 and December 31, 2012, respectively, that have been included in securitization transactions but continue to be included in our consolidated financial statements. These net investment in operating leases are available only for payment of the debt and other obligations issued or arising in the 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 and other obligations issued or arising in securitization transactions. See Note 5 for additional information.

NOTE 4. ALLOWANCE FOR CREDIT LOSSES

Following is an analysis of the allowance for credit losses related to finance receivables and net investment in operating leases for the periods ended March 31 (in millions):

	First Quarter 2013				
	Finance Receivables			Net Investment in Operating Leases	Total Allowance
	Consumer	Non-Consumer	Total		
Allowance for credit losses					
Beginning balance	$ 356	$ 29	$ 385	$ 23	$ 408
Charge-offs	(79)	(1)	(80)	(15)	(95)
Recoveries	38	1	39	11	50
Provision for credit losses	28	(2)	26	3	29
Other (a)	(3)	—	(3)	—	(3)
Ending balance	$ 340	$ 27	$ 367	$ 22	$ 389
Analysis of ending balance of allowance for credit losses					
Collective impairment allowance	$ 318	$ 26	$ 344	$ 22	$ 366
Specific impairment allowance	22	1	23	—	23
Ending balance	$ 340	$ 27	$ 367	$ 22	$ 389
Analysis of ending balance of finance receivables and net investment in operating leases					
Collectively evaluated for impairment	$ 46,335	$ 30,180	$ 76,515	$ 15,920	
Specifically evaluated for impairment	418	66	484	—	
Recorded investment (b)	$ 46,753	$ 30,246	$ 76,999	$ 15,920	
Ending balance, net of allowance for credit losses	$ 46,413	$ 30,219	$ 76,632	$ 15,898	

(a) Represents amounts related to translation adjustments.
(b) Represents finance receivables and net investment in operating leases before allowance for credit losses.

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

NOTE 4. ALLOWANCE FOR CREDIT LOSSES *(Continued)*

	First Quarter 2012				
	Finance Receivables				
	Consumer	Non-Consumer	Total	Net Investment in Operating Leases	Total Allowance
Allowance for credit losses					
Beginning balance	$ 451	$ 43	$ 494	$ 40	$ 534
Charge-offs	(84)	(4)	(88)	(13)	(101)
Recoveries	47	5	52	14	66
Provision for credit losses	1	(17)	(16)	(8)	(24)
Other (a)	3	1	4	—	4
Ending balance	$ 418	$ 28	$ 446	$ 33	$ 479
Analysis of ending balance of allowance for credit losses					
Collective impairment allowance	$ 401	$ 21	$ 422	$ 33	$ 455
Specific impairment allowance	17	7	24	—	24
Ending balance	$ 418	$ 28	$ 446	$ 33	$ 479
Analysis of ending balance of finance receivables and net investment in operating leases					
Collectively evaluated for impairment	$ 45,587	$ 26,978	$ 72,565	$ 11,978	
Specifically evaluated for impairment	394	70	464	—	
Recorded investment (b)	$ 45,981	$ 27,048	$ 73,029	$ 11,978	
Ending balance, net of allowance for credit losses	$ 45,563	$ 27,020	$ 72,583	$ 11,945	

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(a) Represents amounts related to translation adjustments.
(b) Represents finance receivables and net investment in operating leases before allowance for credit losses.

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

NOTE 5. 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 many different institutional investors in both public and private transactions in capital markets primarily in North America and Europe.

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 and net investment in operating leases that have been included in securitization transactions are available only for payment of the debt and other obligations issued or arising in the securitization transactions. They are not available to pay our other obligations or the claims of our other creditors. We hold the right to the excess cash flows not needed to pay the debt and other obligations issued or arising in the 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 6 for more 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):

	March 31, 2013				
		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
VIE (b)					
Retail (c)	$ 2.3	$ 26.5	$ 0.2	$ 26.3	$ 23.0
Wholesale	0.3	21.1	—	21.1	12.8
Finance receivables	2.6	47.6	0.2	47.4	35.8
Net investment in operating leases	0.4	6.6	—	6.6	4.7
Total VIE	$ 3.0	$ 54.2	$ 0.2	$ 54.0	$ 40.5
Non-VIE					
Retail (c)	$ 0.1	$ 1.8	$ —	$ 1.8	$ 1.7
Wholesale	—	1.2	—	1.2	1.0
Finance receivables	0.1	3.0	—	3.0	2.7
Net investment in operating leases	—	—	—	—	—
Total Non-VIE	$ 0.1	$ 3.0	$ —	$ 3.0	$ 2.7
Total securitization transactions					
Retail (c)	$ 2.4	$ 28.3	$ 0.2	$ 28.1	$ 24.7
Wholesale	0.3	22.3	—	22.3	13.8
Finance receivables	2.7	50.6	0.2	50.4	38.5
Net investment in operating leases	0.4	6.6	—	6.6	4.7
Total securitization transactions	$ 3.1	$ 57.2	$ 0.2	$ 57.0	$ 43.2

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(a) Unearned interest supplements are excluded from securitization transactions.
(b) Includes assets to be used to settle the liabilities of the consolidated VIEs.
(c) Includes direct financing leases.

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

NOTE 5. TRANSFERS OF RECEIVABLES *(Continued)*

	December 31, 2012				
		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
VIE (b)					
Retail (c)	$ 2.2	$ 26.9	$ 0.2	$ 26.7	$ 23.2
Wholesale	0.3	20.5	—	20.5	12.8
Finance receivables	2.5	47.4	0.2	47.2	36.0
Net investment in operating leases	0.4	6.3	—	6.3	4.2
Total VIE	$ 2.9	$ 53.7	$ 0.2	$ 53.5	$ 40.2
Non-VIE					
Retail (c)	$ 0.1	$ 2.4	$ —	$ 2.4	$ 2.2
Wholesale	—	1.1	—	1.1	1.0
Finance receivables	0.1	3.5	—	3.5	3.2
Net investment in operating leases	—	—	—	—	—
Total Non-VIE	$ 0.1	$ 3.5	$ —	$ 3.5	$ 3.2
Total securitization transactions					
Retail (c)	$ 2.3	$ 29.3	$ 0.2	$ 29.1	$ 25.4
Wholesale	0.3	21.6	—	21.6	13.8
Finance receivables	2.6	50.9	0.2	50.7	39.2
Net investment in operating leases	0.4	6.3	—	6.3	4.2
Total securitization transactions	$ 3.0	$ 57.2	$ 0.2	$ 57.0	$ 43.4

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(a) Unearned interest supplements are excluded from securitization transactions.
(b) Includes assets to be used to settle the liabilities of the consolidated VIEs.
(c) Includes direct financing leases.

Interest expense related to securitization debt for the periods ended March 31 was as follows (in millions):

	First Quarter	
	2013	2012
VIE	$ 151	$ 227
Non-VIE	17	27
Total securitization transactions	$ 168	$ 254

Certain of our securitization entities enter into derivative transactions to mitigate interest rate exposure, primarily resulting from fixed-rate assets securing floating-rate debt and, in certain instances, currency exposure resulting from assets in one currency and debt in another currency. In many instances, the counterparty enters into offsetting derivative transactions with us to mitigate their interest rate risk resulting from derivatives with our securitization entities. See Note 7 for additional information regarding the accounting for derivatives. Our exposures based on the fair value of derivative instruments with external counterparties related to securitization programs were as follows (in millions):

	March 31, 2013		December 31, 2012	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Derivatives of the VIEs	$ 47	$ 60	$ 4	$ 134
Derivatives related to the VIEs	52	47	74	63
Other securitization related derivatives	6	11	11	22
Total exposures related to securitization	$ 105	$ 118	$ 89	$ 219

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

NOTE 5. TRANSFERS OF RECEIVABLES *(Continued)*

Derivative expense/(income) related to our securitization transactions for the periods ended March 31 was as follows (in millions):

	First Quarter	
	2013	2012
VIEs	$ (92)	$ 95
Related to the VIEs	3	12
Other securitization related derivatives	1	6
Total derivative expense/(income) related to securitization	$ (88)	$ 113

NOTE 6. VARIABLE INTEREST ENTITIES

A VIE is an entity that either (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) has equity investors who lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary. The primary beneficiary has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. Nearly all of our VIEs are special purpose entities used for our securitizations.

We have the power to direct the activities of our special purpose entities when we have the ability to exercise discretion in the servicing of financial assets, issue additional debt, exercise a unilateral call option, add assets to revolving structures, or control investment decisions.

Assets recognized as a result of consolidating these VIEs do not represent additional assets that could be used to satisfy claims against our general assets. Conversely, liabilities recognized as a result of consolidating these VIEs do not represent additional claims on our general assets; rather, they represent claims against the specific assets of the consolidated VIEs.

VIEs of Which We are the Primary Beneficiary

We use special purpose entities to issue asset-backed securities in transactions to public and private investors, bank conduits, and government-sponsored entities or others who obtain funding from government programs. We have deemed most of these special purpose entities to be VIEs. The asset-backed securities are secured 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 the excess cash flows not needed to pay the debt and other obligations issued or arising in the securitization transactions.

The transactions create and pass along risks to the variable interest holders, depending on the assets securing the debt and the specific terms of the transactions. We aggregate and analyze the asset-backed securitization transactions based on the risk profile of the product and the type of funding structure, including:

- Retail – consumer credit risk and pre-payment risk
- Wholesale – dealer credit risk and Ford risk, as the receivables owned by the VIEs primarily arise from the financing provided by us to Ford-franchised dealers; therefore, the collections depend upon the sale of Ford vehicles
- Net investment in operating leases – vehicle residual value risk, consumer credit risk, and pre-payment risk

As residual interest holder, we are exposed to the underlying residual and credit risk of the collateral, and are exposed to interest rate risk in some transactions. The amount of risk absorbed by our residual interests generally is represented by and limited to the amount of overcollateralization of the assets securing the debt and any cash reserves.

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

NOTE 6. VARIABLE INTEREST ENTITIES *(Continued)*

We have no obligation to repurchase or replace any securitized asset that subsequently becomes delinquent in payment or otherwise is in default, except under standard representations and warranties such as good and marketable title to the assets, 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.

VIEs that are exposed to interest rate or currency risk have reduced their risks by entering into derivative transactions. In certain instances, we have entered into offsetting derivative transactions with the VIE to protect the VIE from the risks that are not mitigated through the derivative transactions between the VIE and its external counterparty. In other instances, we have entered into derivative transactions with the counterparty to protect the counterparty from risks absorbed through their derivative transactions with the VIEs.

Although not contractually required, we regularly support our wholesale securitization programs by repurchasing receivables of a dealer from a VIE when the dealer's performance is at risk, which transfers the corresponding risk of loss from the VIE to us. In order to continue to fund the wholesale receivables, we also may contribute additional cash or wholesale receivables if the collateral falls below the required levels. The balances of cash related to these contributions were $0 at March 31, 2013 and December 31, 2012, and ranged from $0 to $69 million during the first quarter of 2013. In addition, while not contractually required, we may purchase the commercial paper issued by our FCAR Owner Trust asset-backed commercial paper program.

See Note 5 for information on the financial position and financial performance of our VIEs and Notes 7 and 12 for additional information regarding derivatives.

VIEs of Which We are Not the Primary Beneficiary

We have an investment in Forso Nordic AB, a joint venture determined to be a VIE of which we are not the primary beneficiary. The joint venture provides consumer and dealer financing in its local markets and is financed by external debt and additional subordinated debt provided by the joint venture partner. The operating agreement indicates that the power to direct economically significant activities is shared with the joint venture partner, and the obligation to absorb losses or right to receive benefits resides primarily with the joint venture partner. Our investment in the joint venture is accounted for as an equity method investment and is included in *Other assets.* Our maximum exposure to any potential losses associated with this VIE is limited to our equity investment and amounted to $70 million and $71 million at March 31, 2013 and December 31, 2012.

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

NOTE 7. 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 various derivative contracts:

- Interest rate contracts including swaps, caps and floors that are used to manage the effects of interest rate fluctuations;
- Foreign currency exchange contracts that are used to manage foreign exchange exposure; and
- Cross-currency interest rate swap contracts that are used to manage foreign currency and interest rate exposures on foreign-denominated debt.

Our derivatives are over-the-counter customized derivative transactions and are not exchange traded. We review our hedging program, derivative positions, and overall risk management strategy on a regular basis.

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. Cash flows and the profit impact associated with designated hedges are reported in the same category as the underlying hedged item.

Some derivatives do not qualify for hedge accounting; for others, we elect not to apply hedge accounting. Regardless, we only enter into transactions that we believe will be highly effective at offsetting the underlying economic risk. We report net interest settlements and accruals and changes in the fair value of derivatives not designated as hedging instruments through *Other income, net*. Cash flows associated with non-designated or de-designated derivatives are reported in *Net cash provided by/(used in) investing activities* in our statement of cash flows.

Fair Value Hedges. We use derivatives to reduce the risk of changes in the fair value of debt. We have designated certain receive-fixed, pay-float interest rate swaps as fair value hedges of fixed-rate debt. The risk being hedged is the risk of changes in the fair value of the hedged debt attributable to changes in the benchmark interest rate. If the hedge relationship is deemed to be highly effective, we record the changes in the fair value of the hedged debt related to the risk being hedged in *Debt* with the offset in *Other income, net*. The change in fair value of the related derivative (excluding accrued interest) also is recorded in *Other income, net*.

Net interest settlements and accruals on fair value hedges are excluded from the assessment of hedge effectiveness. We report net interest settlements and accruals in *Interest expense*. We report foreign currency revaluation on accrued interest in *Other income, net.* The cash flows associated with fair value hedges are reported in *Net cash provided by/(used in) operating activities* in our statement of cash flows.

When a fair value hedge is de-designated, or when the derivative is terminated before maturity, the fair value adjustment to the hedged debt continues to be reported as part of the carrying value of the debt and is amortized over its remaining life.

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

NOTE 7. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES *(Continued)*

Income Effect of Derivative Financial Instruments

The following table summarizes by hedge designation the pre-tax gains/(losses) recognized in income for the periods ended March 31 (in millions):

	First Quarter	
	2013	2012
Fair value hedges		
Interest rate contracts		
Net interest settlements and accruals excluded from the assessment of hedge effectiveness	$ 61	$ 41
Ineffectiveness (a)	(6)	1
Total	$ 55	$ 42
Derivatives not designated as hedging instruments		
Interest rate contracts	$ 2	$ (9)
Foreign currency exchange contracts (b)	75	(62)
Cross-currency interest rate swap contracts (b)	138	(48)
Other (c)	—	(38)
Total	$ 215	$ (157)

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(a) For the first quarter of 2013 and 2012, hedge ineffectiveness reflects change in fair value on derivatives of $91 million loss and $80 million loss, respectively, and change in value on hedged debt attributable to the change in benchmark interest rate of $85 million gain and $81 million gain, respectively.
(b) Gains/(Losses) related to foreign currency derivatives were mostly offset by net revaluation impacts on foreign denominated debt, which were also recorded in *Other income, net*.
(c) Reflects gains/(losses) for derivative features included in the Ford Upgrade Exchange Linked ("FUEL") notes (see Note 12).

Balance Sheet Effect of Derivative Financial Instruments

The following table summarizes the notional amount and estimated fair value of our derivative financial instruments (in millions):

	March 31, 2013			December 31, 2012		
	Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
Fair value hedges						
Interest rate contracts	$ 18,144	$ 723	$ 28	$ 16,754	$ 787	$ 8
Derivatives not designated as hedging instruments						
Interest rate contracts	65,203	458	187	68,622	460	248
Foreign currency exchange contracts (a)	1,971	49	10	1,987	9	27
Cross-currency interest rate swap contracts	3,349	45	26	3,006	—	117
Total derivatives not designated as hedging instruments	70,523	552	223	73,615	469	392
Total derivative financial instruments	$ 88,667	$ 1,275	$ 251	$ 90,369	$ 1,256	$ 400

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(a) Includes forward contracts between Ford Credit and an affiliated company.

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

NOTE 7. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES *(Continued)*

We report derivative assets and derivative liabilities in *Derivative financial instruments* in our balance sheet at fair value. We do not net our derivative position by counterparty for purposes of balance sheet presentation and disclosure. We do, however, consider our net position for determining fair value.

The notional amounts of the derivative financial instruments do not represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure to the financial risks described above. Notional amounts are presented on a gross basis with no netting of offsetting exposure positions. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates or foreign currency exchange rates.

Counterparty Risk

The use of derivatives exposes us to the risk that a counterparty may default on a derivative contract. We establish exposure limits for each counterparty to minimize this risk and provide counterparty diversification. Substantially all of our derivative exposures are with counterparties that have an investment grade rating. The aggregate fair value of derivative instruments in asset positions at March 31, 2013 was $1.3 billion, representing the maximum loss we would recognize at that date if all counterparties failed to perform as contracted. We enter into master agreements with counterparties that may allow for netting of exposures in the event of default or termination of the counterparty agreement due to breach of contract.

The gross and net amounts of derivative assets and liabilities were as follows (in millions):

	March 31, 2013		December 31, 2012	
	Fair Value of Assets	**Fair Value of Liabilities**	**Fair Value of Assets**	**Fair Value of Liabilities**
Gross derivative amounts recognized in the balance sheet	$ 1,275	$ 251	$ 1,256	$ 400
Gross amounts not offset in the balance sheet that are eligible for offsetting				
Derivatives	(174)	(174)	(225)	(225)
Cash collateral received or pledged	—	—	—	—
Net amount	$ 1,101	$ 77	$ 1,031	$ 175

We include an adjustment for non-performance risk in the measurement of fair value of derivative instruments. Our adjustment for non-performance risk relative to a measure based on an unadjusted inter-bank deposit rate (e.g., LIBOR) decreased our derivative assets by $14 million at March 31, 2013 and December 31, 2012, and decreased our derivative liabilities by $9 million and $5 million at March 31, 2013 and December 31, 2012, respectively. See Note 12 for additional information regarding valuation methodologies.

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

NOTE 8. OTHER ASSETS AND OTHER LIABILITIES AND DEFERRED INCOME

Other assets and other liabilities and deferred income 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):

	March 31, 2013	December 31, 2012
Accrued interest and other non-finance receivables	$ 815	$ 719
Collateral held for resale, at net realizable value	315	332
Restricted cash (a)	137	148
Deferred charges	257	261
Deferred charges – income taxes	178	184
Prepaid reinsurance premiums and other reinsurance receivables	300	288
Investment in non-consolidated affiliates	131	140
Property and equipment, net of accumulated depreciation (b)	121	125
Other	54	59
Total other assets	$ 2,308	$ 2,256

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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.
(b) Accumulated depreciation was $333 million and $331 million at March 31, 2013 and December 31, 2012, respectively.

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

	March 31, 2013	December 31, 2012
Interest payable	$ 618	$ 706
Deferred interest supplements and residual support payments on net investment in operating leases	1,205	1,147
Income taxes payable to Ford and affiliated companies	652	549
Unrecognized tax benefits	188	462
Unearned insurance premiums	310	299
Other	318	295
Total other liabilities and deferred income	$ 3,291	$ 3,458

In the first quarter of 2013 and 2012, we paid $288 million and $99 million, respectively, to Ford in accordance with our intercompany tax sharing agreement which were reflected in *Other liabilities and deferred income*. The payment in the first quarter of 2013 reduced the liability for unrecognized tax benefits reflecting the settlement of tax deficiencies related to the 2008 and 2009 tax years.

NOTE 9. DEBT

We have a commercial paper program with qualified institutional investors. We also obtain other short-term funding from the issuance of demand notes to retail investors through our floating rate demand notes program. We have certain asset-backed securitization programs that issue short-term debt securities that are sold to institutional investors. Bank borrowings by several of our international affiliates in the ordinary course of business are an additional source of short-term funding.

We obtain long-term debt funding through the issuance of a variety of unsecured and asset-backed debt securities in the U.S. and international capital markets. Obligations issued in securitizations are payable only out of collections on the underlying securitized assets and related enhancements.

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

NOTE 9. DEBT *(Continued)*

Interest rates and debt outstanding were as follows (in millions):

	Interest Rates				Debt	
	Average Contractual		Average Effective			
	2013	2012	2013	2012	March 31, 2013	December 31, 2012
Short-term debt						
Asset-backed commercial paper	0.3%	0.4%			$ 5,736	$ 5,752
Floating rate demand notes	1.1%	1.1%			5,079	4,890
Other asset-backed short-term debt	0.9%	1.1%			2,042	3,616
Commercial paper	1.1%	1.2%			1,685	1,686
Other short-term debt	3.9%	4.7%			1,772	1,434
Total short-term debt	1.1%	1.1%	1.1%	1.1%	16,314	17,378
Long-term debt						
Senior indebtedness						
Notes payable within one year					4,771	5,557
Notes payable after one year					33,069	31,656
Asset-backed debt						
Notes payable within one year					16,760	13,788
Notes payable after one year					18,640	20,216
Unamortized discount					(119)	(128)
Fair value adjustments					683	791
Total long-term debt	3.5%	3.8%	3.7%	4.1%	73,804	71,880
Total debt	3.1%	3.3%	3.2%	3.5%	$ 90,118	$ 89,258
Fair value					$ 93,338	$ 92,799

With the exception of commercial paper, which is issued at a discount, the average contractual rates reflect the stated contractual interest rate. Average effective rates reflect the average contractual interest rate plus amortization of discounts, premiums, and issuance fees. Fair value adjustments relate to designated fair value hedges of unsecured debt.

The fair value of debt reflects interest accrued but not yet paid of $619 million and $708 million at March 31, 2013 and December 31, 2012, respectively. Interest accrued is reported in *Other liabilities and deferred income* for outside debt and *Accounts payable - affiliated companies* for debt with affiliated companies. The fair value of debt also includes $8.5 billion and $8.0 billion of short-term debt at March 31, 2013 and December 31, 2012, respectively, carried at cost which approximates fair value. All debt is categorized within Level 2 of the fair value hierarchy. See Note 12 for additional information.

Debt with affiliated companies included in the above table was as follows (in millions):

	March 31, 2013	December 31, 2012
Other short-term debt	$ 156	$ 28
Notes payable within one year	—	4
Notes payable after one year	364	340
Total debt with affiliated companies	$ 520	$ 372

Debt Repurchases and Calls. From time to time and based on market conditions, we may repurchase or call some of our outstanding unsecured and asset-backed debt. If we have excess liquidity and it is an economically favorable use of our available cash, we may repurchase or call debt at a price lower or higher than its carrying value, resulting in a gain or loss on extinguishment.

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

NOTE 9. DEBT *(Continued)*

In the first quarter of 2013, through market transactions, we called an aggregate principal amount of $33 million (of which none were maturing in 2013) of our unsecured debt. As a result, we recorded a de minimis pre-tax loss, net of unamortized premiums, discounts, and fees in *Other income, net*. There were no repurchase or call transactions for asset-backed debt during the first quarter of 2013.

In the first quarter of 2012, through market transactions, we repurchased an aggregate principal amount of $50 million (including $6 million maturing in 2012) of our unsecured debt. As a result, we recorded a pre-tax loss of $3 million, net of unamortized premiums, discounts, and fees in *Other income, net*. There were no repurchase or call transactions for asset-backed debt during the first quarter of 2012.

Debt Maturities. Short-term and long-term debt matures at various dates through 2048. At March 31, 2013, maturities were as follows (in millions):

	2013 (a)	2014 (b)	2015	2016	2017	Thereafter (c)	Total
Unsecured debt	$ 11,583	$ 4,902	$ 9,178	$ 5,587	$ 6,152	$ 8,974	$ 46,376
Asset-backed debt	18,818	13,978	5,399	3,186	1,597	200	43,178
Total	30,401	18,880	14,577	8,773	7,749	9,174	89,554
Unamortized discount							(119)
Fair value adjustments							683
Total debt							$ 90,118

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(a) Includes $15,733 million for short-term and $14,668 million for long-term debt.
(b) Includes $581 million for short-term and $18,299 million for long-term debt.
(c) Includes $8,966 million of unsecured debt maturing between 2018 and 2023 with the remaining balance maturing after 2031.

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

NOTE 10. ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes in the accumulated balance of AOCI for the periods ended March 31 were as follows (in millions):

	First Quarter	
	2013	2012
Foreign currency translation		
Beginning balance	$ 743	$ 600
Net gain/(loss) on foreign currency translation	(187)	208
Other comprehensive income/(loss), net of tax	(187)	208
Ending balance	$ 556	$ 808
Total AOCI ending balance at March 31	$ 556	$ 808

NOTE 11. OTHER INCOME

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* are as follows for the periods ended March 31 (in millions):

	First Quarter	
	2013	2012
Gains/(Losses) on extinguishment of debt	$ —	$ (3)
Gains/(Losses) on derivatives (a)	209	(156)
Currency revaluation gains/(losses) (a)	(208)	95
Interest and investment income	15	30
Insurance fee income	16	16
Other	45	83
Total other income, net	$ 77	$ 65

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(a) Currency revaluation gains/(losses) primarily related to foreign denominated debt were mostly offset by gains/(losses) on derivatives. See Note 7 for detail by derivative instrument and risk type.

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

NOTE 12. FAIR VALUE MEASUREMENTS

Cash equivalents, marketable securities, and derivative financial instruments are presented in our financial statements on a recurring basis at fair value, while other assets and liabilities are measured at fair value on a nonrecurring basis such as when we have an asset impairment.

Fair Value Measurements

In measuring fair value, we use various valuation methodologies and prioritize the use of observable inputs. The use of observable and unobservable inputs and their significance in measuring fair value are reflected in our fair value hierarchy assessment.

- Level 1 – inputs include quoted prices for identical instruments and are the most observable
- Level 2 – inputs include quoted prices for similar instruments and observable inputs such as interest rates, currency exchange rates, and yield curves
- Level 3 – inputs include data not observable in the market and reflect management judgment about the assumptions market participants would use in pricing the instruments

We review the inputs to the fair value measurements to ensure they are appropriately categorized within the fair value hierarchy. Transfers into and transfers out of the hierarchy levels are recognized as if they had taken place at the end of the reporting period.

Valuation Methodologies

Cash and Cash Equivalents. Included in *Cash and cash equivalents* are highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value due to interest rate, quoted price, or penalty on withdrawal. A debt security is classified as a cash equivalent if it meets these criteria and if it has a remaining time to maturity of 90 days or less from the date of acquisition. Amounts on deposit and available upon demand, or negotiated to provide for daily liquidity without penalty, are classified as *Cash and cash equivalents*. Time deposits, certificates of deposit, and money market accounts that meet the above criteria are reported at par value on our balance sheet and are excluded from the tables below.

Marketable Securities. Investments in securities with a maturity date greater than 90 days at the date of purchase and other securities for which there is a more than an insignificant risk of change in value due to interest rate, quoted price, or penalty on withdrawal are classified as *Marketable securities*. We generally measure fair value using prices obtained from pricing services. Pricing methodologies and inputs to valuation models used by the pricing services depend on the security type (i.e., asset class). Where possible, fair values are generated using market inputs including quoted prices (the closing price in an exchange market), bid prices (the price at which a buyer stands ready to purchase), and other market information. For fixed income securities that are not actively traded, the pricing services use alternative methods to determine fair value for the securities, including: quotes for similar fixed-income securities, matrix pricing, discounted cash flow using benchmark curves, or other factors to determine fair value. In certain cases, when market data are not available, we may use broker quotes to determine fair value.

A review is performed on the security prices received from our pricing services, which includes discussion and analysis of the inputs used by the pricing services to value our securities. We also compare the price of certain securities sold close to the quarter end to the price of the same security at the balance sheet date to ensure the reported fair value is reasonable.

We have entered into repurchase agreements with certain counterparties where we are the transferee, and we account for these agreements as an asset along with a liability to resell the asset to the transferor at a future date. These agreements allow us to offset our entire gross exposure in the event of default or termination of the counterparty agreement due to breach of contract. The gross value of these assets and liabilities reflected on our balance sheet at March 31, 2013 and December 31, 2012 was $70 million and $25 million, respectively.

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

NOTE 12. FAIR VALUE MEASUREMENTS *(Continued)*

Derivative Financial Instruments. Our derivatives are over-the-counter customized derivative transactions and are not exchange traded. We estimate the fair value of these instruments using industry-standard valuation models such as a discounted cash flow. These models project future cash flows and discount the future amounts to a present value using market-based expectations for interest rates, foreign exchange rates, and the contractual terms of the derivative instruments. The discount rate used is the relevant interbank deposit rate (e.g., LIBOR) plus an adjustment for non-performance risk. The adjustment reflects the full credit default swap ("CDS") spread applied to a net exposure, by counterparty, considering the master netting agreements. We use our counterparty's CDS spread when we are in a net asset position and our own CDS spread when we are in a net liability position.

Our two FUEL securitization transactions had derivative features which included a mandatory exchange to our unsecured notes when our senior unsecured debt received two investment grade credit ratings among Fitch, Moody's, and S&P, and a make-whole provision. We estimated the fair value of these features by comparing the fair value of the FUEL notes to the value of a hypothetical debt instrument without these features.

In the second quarter of 2012, we received two investment grade credit ratings thereby triggering the mandatory exchange feature and the FUEL derivatives were extinguished.

Finance Receivables. We measure finance receivables at fair value for purposes of disclosure using internal valuation models (see Note 2). These models project future cash flows of financing contracts based on scheduled contract payments (including principal and interest). The projected cash flows are discounted to present value based on assumptions regarding credit losses, pre-payment speed, and applicable spreads to approximate current rates. Our assumptions regarding pre-payment speed and credit losses are based on historical performance. The fair value of finance receivables is categorized within Level 3 of the hierarchy.

On a nonrecurring basis, when retail contracts are greater than 120 days past due or deemed to be uncollectible, or if individual dealer loans are probable of foreclosure, we use the fair value of collateral, adjusted for estimated costs to sell, to determine the fair value adjustment to our receivables. The collateral for retail receivables is the vehicle financed, and for dealer loans is real estate or other property.

The non-recurring fair value measurements for retail receivables are based on the number of contracts multiplied by the loss severity and the probability of default ("POD") percentage, or the outstanding receivable balances multiplied by the average recovery value ("ARV") percentage to determine the fair value adjustment.

The non-recurring fair value measurements for dealer loans are based on an assessment of the estimated fair value of collateral. The assessment is performed by reviewing various appraisals, which include total adjusted appraised value of land and improvements, alternate use appraised value, broker's opinion of value, and purchase offers. The fair value adjustment is determined by comparing the net carrying value of the dealer loan and the estimated fair value of collateral.

Debt. We measure debt at fair value for purposes of disclosure (see Note 9) using quoted prices for our own debt with approximately the same remaining maturities, where possible. Where quoted prices are not available, we estimate fair value using discounted cash flows and market-based expectations for interest rates, credit risk, and the contractual terms of the debt instruments. For certain short-term debt with an original maturity date of one year or less, we assume that book value is a reasonable approximation of debt's fair value. The fair value of debt is categorized within Level 2 of the hierarchy.

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

NOTE 12. FAIR VALUE MEASUREMENTS *(Continued)*

Input Hierarchy of Items Measured at Fair Value on a Recurring Basis

The following table categorizes the fair values of items measured at fair value on a recurring basis on our balance sheet (in millions):

	March 31, 2013				December 31, 2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents-financial instruments								
U.S. government	$ 2	$ —	$ —	$ 2	$ 200	$ —	$ —	$ 200
U.S. government-sponsored enterprises	—	136	—	136	—	20	—	20
Corporate debt	—	3	—	3	—	1	—	1
Non-U.S. government	—	42	—	42	—	103	—	103
Total cash equivalents-financial instruments(a)	2	181	—	183	200	124	—	324
Marketable securities								
U.S. government	629	—	—	629	620	—	—	620
U.S. government-sponsored enterprises	—	297	—	297	—	12	—	12
Non-U.S. government agencies (b)	—	182	—	182	—	95	—	95
Corporate debt	—	1,120	—	1,120	—	1,155	—	1,155
Mortgage-backed and other asset-backed	—	54	—	54	—	67	—	67
Non-U.S. government	—	39	—	39	—	142	—	142
Other liquid investments (c)	—	10	—	10	—	15	—	15
Total marketable securities	629	1,702	—	2,331	620	1,486	—	2,106
Derivative financial instruments								
Interest rate contracts	—	1,181	—	1,181	—	1,247	—	1,247
Foreign currency exchange contracts	—	49	—	49	—	9	—	9
Cross-currency interest rate swap contracts	—	45	—	45	—	—	—	—
Total derivative financial instruments	—	1,275	—	1,275	—	1,256	—	1,256
Total assets at fair value	$ 631	$ 3,158	$ —	$ 3,789	$ 820	$ 2,866	$ —	$ 3,686
Liabilities								
Derivative financial instruments								
Interest rate contracts	$ —	$ 215	$ —	$ 215	$ —	$ 256	$ —	$ 256
Foreign currency exchange contracts	—	10	—	10	—	27	—	27
Cross-currency interest rate swap contracts	—	26	—	26	—	117	—	117
Total derivative financial instruments	—	251	—	251	—	400	—	400
Total liabilities at fair value	$ —	$ 251	$ —	$ 251	$ —	$ 400	$ —	$ 400

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(a) Excludes time deposits, certificates of deposit, and money market accounts reported at par value on our balance sheet totaling $5.3 billion and $6.3 billion at March 31, 2013 and December 31, 2012, respectively. In addition to these cash equivalents, we also had cash on hand totaling $2.1 billion and $2.6 billion at March 31, 2013 and December 31, 2012, respectively.
(b) Includes notes issued by non-U.S. government agencies, as well as notes issued by supranational institutions.
(c) Includes certificates of deposit and time deposits subject to changes in value.

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

NOTE 12. FAIR VALUE MEASUREMENTS *(Continued)*

Reconciliation of Changes in Level 3 Balances

We did not have any Level 3 items measured at fair value for the period ended March 31, 2013. The following table summarizes Level 3 changes for the derivative features included in the FUEL notes which were measured at fair value and reported on our balance sheet for the period ended March 31, 2012 (in millions):

	First Quarter 2012
Beginning balance	$ 137
Realized/unrealized gains/(losses) (a)	(38)
Settlements	—
Ending balance	$ 99
Unrealized gains/(losses) on instruments still held	$ (38)

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(a) Reported in *Other income, net.*

Input Hierarchy of Items Measured at Fair Value on a Nonrecurring Basis

The following table summarizes the items measured at fair value subsequent to initial recognition on a nonrecurring basis, all of which are Level 3 (in millions):

	March 31, 2013	December 31, 2012
North America		
Retail receivables	$ 44	$ 52
Dealer loans	1	2
Total North America	$ 45	$ 54
International		
Retail receivables	$ 24	$ 26

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

NOTE 12. FAIR VALUE MEASUREMENTS *(Continued)*

Nonrecurring Fair Value Changes

The following table summarizes the total change in value of items for which a nonrecurring fair value adjustment has been included in our income statement for the periods ended March 31, related to items still held on our balance sheet at those dates (in millions):

	Total Gains/(Losses)	
	First Quarter	
	2013	2012
North America		
Retail receivables	$ (21)	$ (11)
Dealer loans	(1)	—
Total North America	$ (22)	$ (11)
International		
Retail receivables	$ (3)	$ (5)

Fair value changes related to retail and dealer loan finance receivables that have been written down based on the fair value of collateral adjusted for estimated costs to sell are recorded in *Provision for credit losses*.

Information About Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

The following table summarizes significant unobservable inputs and the variability of those inputs to alternate methodologies (in millions):

			March 31, 2013		December 31, 2012	
	Valuation Technique	Unobservable Input	Fair Value	Fair Value Range	Fair Value	Fair Value Range
Nonrecurring basis						
Retail receivables						
North America	Income Approach	POD percentage	$44	$30 - $44	$52	$38 - $52
International	Income Approach	ARV percentage	$24	$23 - $26	$26	$25 - $27
Dealer loans	Income Approach	Estimated fair value	$1	$1 - $3	$2	$1 - $3

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

NOTE 13. 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 divide our business segments based on geographic regions: the North America Segment (includes operations in the United States and Canada) and the International Segment (includes operations in all other countries).

We measure the performance of our segments primarily on an income before income taxes basis, after excluding the impact to earnings from gains and losses related to market valuation adjustments to derivatives primarily related to movements in interest rates. These adjustments are included in unallocated risk management and are excluded in assessing our North America and International segment performance, because our risk management activities are carried out on a centralized basis at the corporate level, with only certain elements allocated to these segments. We also adjust segment performance to re-allocate interest expense between the North America and International segments reflecting debt and equity levels proportionate to their product risk. The North America and International segments are presented on a managed basis. Managed basis includes *Finance receivables, net* and *Net investment in operating leases* on our balance sheet, and excludes unearned interest supplements related to finance receivables.

Key operating data for our business segments for the periods ended or at March 31 were as follows (in millions):

			Unallocated/Eliminations			
	North America Segment	International Segment	Unallocated Risk Management	Effect of Unearned Interest Supplements	Total Unallocated/ Eliminations	Total
First Quarter 2013						
Total revenue (a)	$ 1,690	$ 422	$ 9	$ —	$ 9	$ 2,121
Income before income taxes	407	91	9	—	9	507
Other disclosures						
Depreciation on vehicles subject to operating leases	585	57	—	—	—	642
Interest expense	517	166	—	—	—	683
Provision for credit losses	22	7	—	—	—	29
Net finance receivables and net investment in operating leases	76,497	17,418	—	(1,385)	(1,385)	92,530
Total assets	85,855	22,670	—	(1,385)	(1,385)	107,140
First Quarter 2012						
Total revenue (a)	$ 1,612	$ 502	$ (47)	$ —	$ (47)	$ 2,067
Income before income taxes	404	91	(43)	—	(43)	452
Other disclosures						
Depreciation on vehicles subject to operating leases	495	90	—	—	—	585
Interest expense	576	230	(3)	—	(3)	803
Provision for credit losses	(23)	(1)	—	—	—	(24)
Net finance receivables and net investment in operating leases	67,416	18,679	—	(1,567)	(1,567)	84,528
Total assets	79,741	23,508	—	(1,567)	(1,567)	101,682

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(a) Represents *Total financing revenue, Insurance premiums earned*, and *Other income, net*.

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

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

Guarantees and Indemnifications

The carrying value of recorded liabilities related to guarantees was de minimis at March 31, 2013 and December 31, 2012. The following guarantees and indemnifications were issued and outstanding at March 31, 2013 and December 31, 2012:

Guarantees of Certain Obligations of Unconsolidated and Other Affiliates. In some cases, we have guaranteed debt and other financial obligations of unconsolidated affiliates, including Ford. Expiration dates vary, and guarantees will terminate on payment and/or cancellation of the 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 Ford or an affiliate of Ford 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. The maximum potential payments under these guarantees totaled $70 million and $78 million at March 31, 2013 and December 31, 2012, respectively. Of these values, $62 million and $70 million at March 31, 2013 and December 31, 2012, respectively, were counter-guaranteed by Ford to us.

Indemnifications. 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; dealers 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. We also are party to numerous indemnifications which do not limit potential payment; therefore, we are unable to estimate a maximum amount of potential future payments that could result from claims made under these indemnities.

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 relating to other matters; tax matters; alleged illegal acts; financial services; employment-related matters; dealers 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 treble damages in very large amounts, sanctions, assessments, fines, penalties, 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.

In evaluating for accrual and disclosure purposes matters filed against us, we take into consideration factors such as our historical experience with matters of a similar nature, the specific facts and circumstances asserted, the likelihood of our prevailing, 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 14. 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 matters 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 to us and could require us to pay damages or make other expenditures in amounts or a range of amounts that cannot be estimated at March 31, 2013. We do not reasonably expect, based on our analysis, that such matters would have a material effect on future financial statements for a particular year, although such an outcome is possible.

As noted, the litigation process is subject to many uncertainties, and the outcome of individual litigated 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.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of
Ford Motor Credit Company LLC:

We have reviewed the accompanying consolidated balance sheet of Ford Motor Credit Company LLC and its subsidiaries (the "Company") as of March 31, 2013 and December 31, 2012, and the related consolidated statements of income and of comprehensive income for the three-month periods ended March 31, 2013 and 2012 and the consolidated statements of shareholder's interest and of cash flows for the three-month periods ended March 31, 2013 and 2012. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of income, of comprehensive income, of shareholder's interest, and of cash flows for the year then ended (not presented herein), and in our report dated February 18, 2013, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2012, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Detroit, Michigan
May 1, 2013

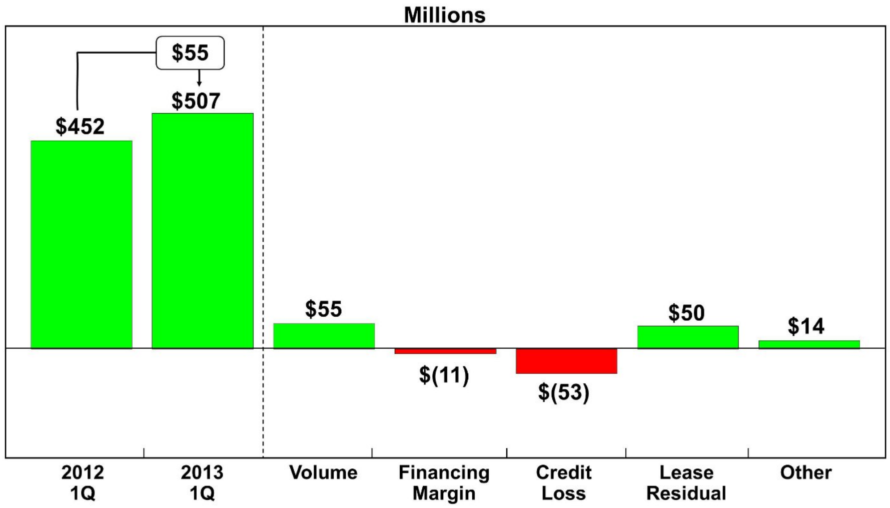
ITEM 2. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

Results of Operations

First Quarter 2013 Compared with 2012

On a pre-tax basis we earned $507 million in the first quarter of 2013, compared with $452 million in the first quarter of 2012. The following chart shows the increase in pre-tax profit by causal factor:

2013 FIRST QUARTER PRE-TAX RESULTS COMPARED WITH 2012



The increase is primarily explained by higher receivables and favorable residual performance, offset partially by lower credit loss reserve reductions. Other includes the non-recurrence of unfavorable market valuation adjustments to derivatives, offset partially by lower interest and investment income, and the non-recurrence of a one-time tax settlement.

Results of our operations by business segment and unallocated risk management for the quarters ending March 31 are shown below (in millions). For additional information, see Note 13 of our Notes to the Financial Statements.

	First Quarter		
	2013	2012	2013 Over/(Under) 2012
Income before income taxes			
North America Segment	$ 407	$ 404	$ 3
International Segment	91	91	—
Unallocated risk management	9	(43)	52
Income before income taxes	$ 507	$ 452	$ 55

North America Segment

The North America Segment pre-tax profit was about equal to the same period a year ago, with higher receivables and favorable residual performance, offset partially by lower credit loss reserve reductions.

International Segment

The International Segment pre-tax profit was about equal to the same period a year ago, with favorable residual performance and financing margin, offset partially by lower receivables, the non-recurrence of a one-time tax settlement, and the non-recurrence of 2012 credit loss reserve reductions.

Unallocated Risk Management

The change in unallocated risk management income reflects primarily the non-recurrence of unfavorable performance in market valuation adjustments to derivatives related to the Ford Upgrade Exchange Linked ("FUEL") notes. For additional information, see Notes 7 and 12 of our Notes to the Financial Statements.

Contract Placement Volume and Financing Share

Total worldwide consumer financing contract placement volumes for new and used vehicles for the quarters ending March 31 were as follows (in thousands):

	First Quarter	
	2013	**2012**
North America Segment		
United States	272	236
Canada	25	23
Total North America Segment	297	259
International Segment		
Europe	103	97
Other international	18	13
Total International Segment	121	110
Total contract placement volume	418	369

Shown below are our financing shares of new Ford- and Lincoln-brand vehicles sold by dealers in the United States and new Ford-brand vehicles sold by dealers in Europe for the quarters ending March 31. Also shown below are our wholesale financing shares of new Ford- and Lincoln-brand vehicles acquired by dealers in the United States, excluding fleet, and of new Ford-brand vehicles acquired by dealers in Europe for the quarters ending March 31:

	First Quarter	
	2013	**2012**
United States		
Financing share - Ford and Lincoln		
Retail installment and lease	40%	39%
Wholesale	77	79
Europe		
Financing share - Ford		
Retail installment and lease	34%	27%
Wholesale	98	98

North America Segment

The increase in total contract placement volumes primarily reflected higher Ford and Lincoln financing share and higher sales of new Ford and Lincoln vehicles. Higher Ford and Lincoln financing share was explained primarily by changes in Ford's marketing programs that favored us.

International Segment

In first quarter of 2013, our total contract placement volumes were up from a year ago, primarily reflecting higher volume in Europe and growth in China. The increase in financing share is primarily explained by changes in Ford's marketing programs that favored us.

Financial Condition

Finance Receivables and Operating Leases

Our receivables, including finance receivables and operating leases, at March 31, 2013 and December 31, 2012 are shown in the table below (in billions): Receivables at March 31, 2013, increased from year-end 2012, primarily driven by increases in wholesale receivables and net investment in operating leases.

	March 31, 2013	December 31, 2012
Receivables		
Finance receivables – North America Segment		
Consumer		
Retail financing	$ 39.4	$ 39.5
Non-Consumer		
Dealer financing	20.7	19.5
Other	1.1	1.1
Total North America Segment – finance receivables (a)	61.2	60.1
Finance receivables – International Segment		
Consumer		
Retail financing	8.8	9.0
Non-Consumer		
Dealer financing	8.0	7.5
Other	0.4	0.4
Total International Segment – finance receivables (a)	17.2	16.9
Unearned interest supplements	(1.4)	(1.5)
Allowance for credit losses	(0.4)	(0.4)
Finance receivables, net	76.6	75.1
Net investment in operating leases (a)	15.9	14.7
Total receivables (b)	$ 92.5	$ 89.8
Memo:		
Total managed receivables (c)	$ 93.9	$ 91.3

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(a) At March 31, 2013 and December 31, 2012, includes consumer receivables before allowance for credit losses of $28.3 billion and 29.3 billion respectively, and non-consumer receivables before allowance for credit losses of $22.3 billion and $21.6 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 March 31, 2013 and December 31, 2012 , includes net investment in operating leases before allowance for credit losses of $6.6 billion and $6.3 billion, respectively, that have been included in securitization transactions but continue to be reported in our financial statements. The receivables are available only for payment of the debt and other obligations issued or arising in the 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 and other obligations issued or arising in each of these 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 10-K Report and Note 6 of our Notes to the Financial Statements for the period ended December 31, 2012.
(b) Includes allowance for credit losses of $389 million and $408 million at March 31, 2013 and December 31, 2012, respectively.
(c) Excludes unearned interest supplements related to finance receivables.

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 risk has a significant impact on our business. We actively manage the credit risk of our consumer (retail installment and lease) and non-consumer (wholesale and dealer loan) segments to balance our level of risk and return. The allowance for credit losses (also referred to as the credit loss reserves) is our estimate of the probable credit losses inherent in receivables and leases at the date of our balance sheet. The allowance for credit losses is estimated using a combination of models and management judgment, and is based on such factors as portfolio quality, historical loss performance, and receivable levels. Consistent with our normal practices and policies, we assess the adequacy of our allowance for credit losses quarterly and regularly evaluate the assumptions and models used in establishing the allowance. 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 of our 10-K Report.

Most of our charge-offs are related to retail installment sale and lease contracts. Charge-offs result from 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 wholesale loans, but default rates for these receivables historically have been substantially lower than those for retail installment sale and lease contracts. For additional information on severity, refer to the "Critical Accounting Estimates - Allowance for Credit Losses" section of Item 7 of Part II of our 10-K Report.

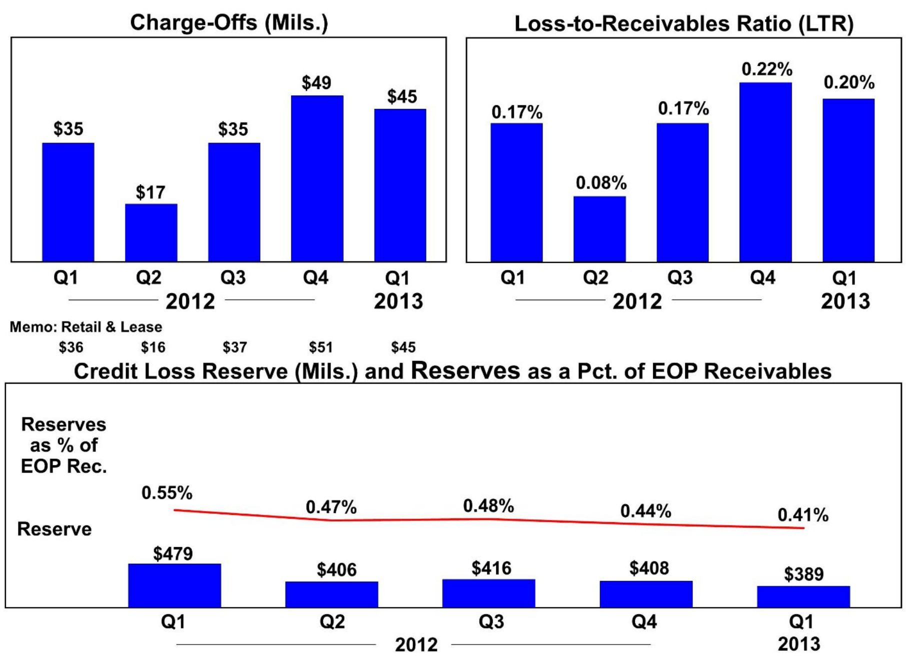
In purchasing retail finance and lease contracts, we use a proprietary scoring system that classifies contracts using several factors, such as credit bureau information, credit bureau scores (e.g., FICO score), and contract characteristics. In addition to our proprietary scoring system, we consider other factors, such as employment history, financial stability, and capacity to pay. At March 31, 2013 and December 31, 2012, between 5%-6% of the outstanding U.S. retail finance and lease contracts in our portfolio were classified by us as higher risk at contract inception. For additional information on the quality of our receivables, see Note 2 of our Notes to the Financial Statements.

Credit Loss Metrics

Worldwide

The charts below detail (i) quarterly trends of charge-offs (credit losses, net of recoveries), (ii) loss-to-receivables ratios (charge-offs on annualized basis divided by the average amount of receivables outstanding for the period, excluding credit loss reserve and unearned interest supplements related to finance receivables), (iii) credit loss reserve, and (iv) our credit loss reserve as a percentage of end-of-period ("EOP") receivables:

WORLDWIDE CREDIT LOSS METRICS



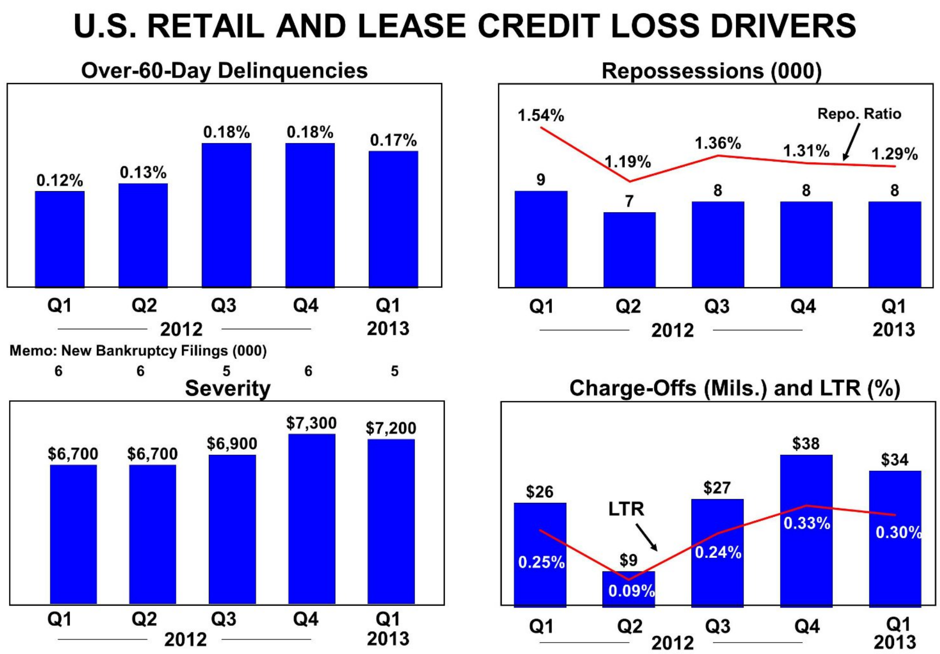
Our first quarter credit losses continued to be near historically low levels.

Year-over-year charge-offs were up $10 million, reflecting lower recoveries and higher severity in the United States. Quarter-over-quarter charge-offs were down $4 million, reflecting higher recoveries. The loss-to-receivables ratio was up three basis points versus the prior year.

The credit loss reserve was $389 million, down $90 million from a year ago and down $19 million from the fourth quarter, reflecting the continuation of the historically low losses.

U.S. Ford and Lincoln Brand Retail Installment and Operating Lease

The following charts show the credit loss metrics for our U.S. Ford- and Lincoln-brand retail installment sale and operating lease portfolio, which comprised approximately 75% of our worldwide consumer portfolio at March 31, 2013:



Over-60-day delinquencies excluding bankruptcies were up five basis points from the same period a year ago, down one basis point from the past two quarters and still below our historical average.

Repossessions in the first quarter were 8,000 units, or 1.29% of average accounts outstanding, down 25 basis points from the same period a year ago.

Severity was $7,200 in the first quarter, about flat from the fourth quarter. It was up $500 from the same period a year ago, primarily reflecting lower relative auction values.

U.S. year-over-year and quarter-over-quarter credit loss performance is consistent with the worldwide results discussed previously.

Residual Risk

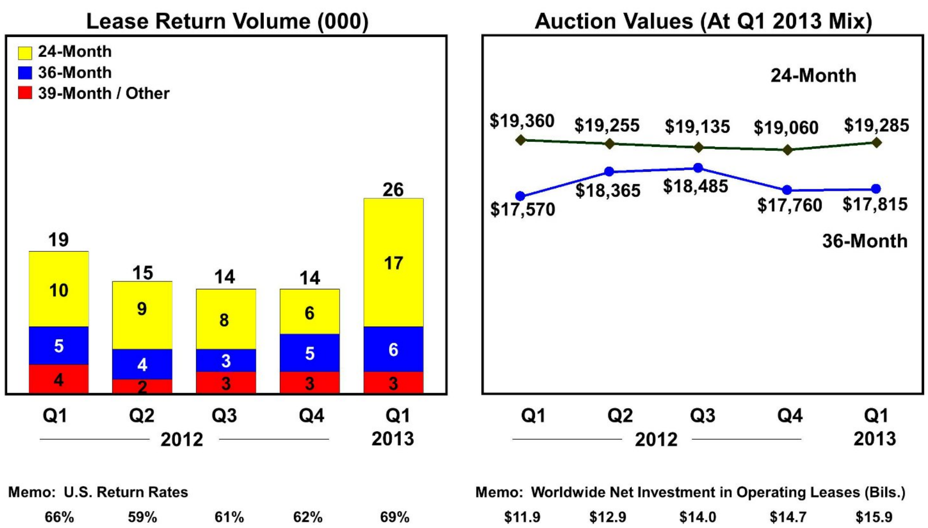
We are exposed to residual risk on operating leases and similar balloon payment products where the customer may return the financed vehicle to us. Residual risk is the possibility that the amount we obtain from returned vehicles will be less than our estimate of the expected residual value for the vehicle. We estimate the expected residual value by evaluating recent auction values, return volumes for our leased vehicles, industry-wide used vehicle prices, marketing incentive plans, and vehicle quality data.

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 10-K Report.

U.S. Ford and Lincoln Brand Operating Lease Experience

The following charts show return volumes and auction values at constant first quarter 2013 vehicle mix for vehicles returned in the respective periods. Our U.S. lease originations represented about 20% of total U.S. retail sales of Ford- and Lincoln-brand vehicles, and the U.S. operating lease portfolio accounted for about 89% of our total investment in operating leases at March 31, 2013.

U.S. LEASE RESIDUAL PERFORMANCE



Lease return volumes in the first quarter were 7,000 units higher than the same period last year, primarily reflecting higher lease placements in 2011, compared with prior years. The first quarter lease return rate was 69%, up three percentage points compared with the same period last year, reflecting a higher mix of 24-month contracts, which typically have higher return rates than longer term contracts.

In the first quarter, despite higher content on vehicles returned, our 24-month and 36-month average auction values have remained relatively flat when compared to both a year ago and the prior quarter.

Our worldwide net investment in operating leases was $15.9 billion at the end of the first quarter of 2013, up $1.2 billion from year end 2012.

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 SEC:

- DBRS Limited ("DBRS");
- Fitch, Inc. ("Fitch");
- Moody's Investors Service, Inc. ("Moody's"); and
- Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P").

The following chart summarizes changes in long-term senior unsecured credit ratings, short-term credit ratings, and the outlook assigned to us since January 2012 by these four NRSROs:

NRSRO RATINGS												
	DBRS			Fitch			Moody's			S&P		
Date	Long-Term	Short-Term	Trend	Long-Term	Short-Term	Outlook	Long-Term	Short-Term	Outlook	Long-Term	Short-Term	Outlook
Jan. 2012	BB (high)	R-4	Stable	BB+	B	Positive	Ba1	NP	Positive	BB+	NR	Stable
Apr. 2012	BB (high)	R-4	Stable	BBB-	F3	Stable	Ba1	NP	Positive	BB+	NR	Stable
May 2012	BB (high)	R-4	Positive	BBB-	F3	Stable	Baa3	P-3	Stable	BB+	NR	Stable
Aug. 2012	BB (high)	R-4	Positive	BBB-	F3	Stable	Baa3	P-3	Stable	BB+	NR	Positive
Sep. 2012	BBB (low)	R-3	Stable	BBB-	F3	Stable	Baa3	P-3	Stable	BB+ (a)	NR	Positive

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(a) S&P assigns FCE Bank plc ("FCE") a long-term senior unsecured credit rating of BBB-, maintaining a one-notch differential versus Ford Credit.

Funding

Overview

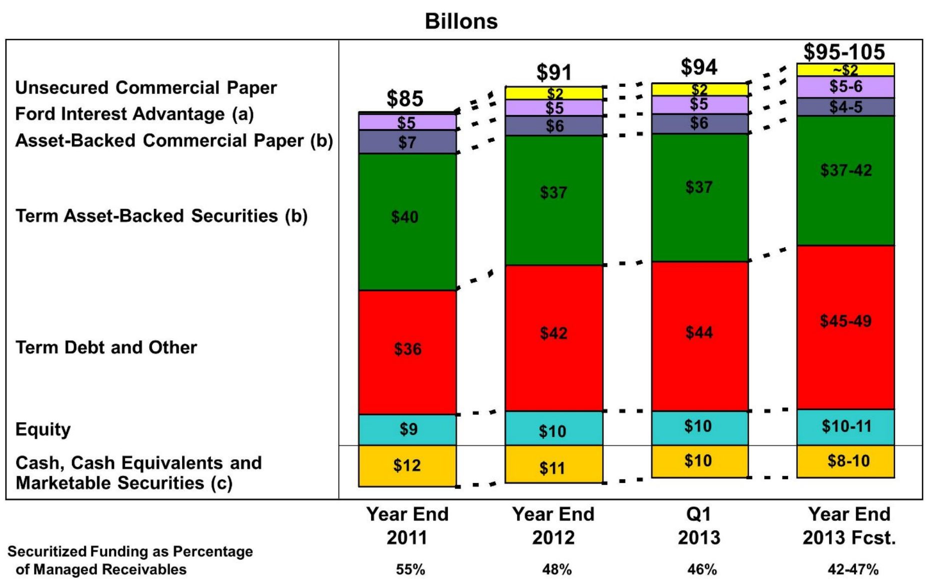
Our funding strategy remains focused on diversification and we plan to continue accessing a variety of markets, channels and investors. Through April 30, 2013, we completed about $8 billion of funding in the public term markets. Our public term issuances included about $3 billion of unsecured debt transactions in the U.S. and Europe and about $5 billion of public asset-backed transactions in the U.S. and Canada. Our asset-backed transactions included issuances in all three major asset classes (retail, lease and wholesale), and our first seven-year U.S. wholesale transaction.

Our liquidity remains strong and we ended the first quarter of 2013 with $20.2 billion of available liquidity and $31.2 billion of committed capacity, compared with about $19.7 billion and $31.5 billion at December 31, 2012, respectively. For additional information on our committed capacity programs, refer to the "Liquidity" section.

Funding Portfolio

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

FUNDING STRUCTURE



(a) The Ford Interest Advantage program consists of our floating rate demand notes.
(b) Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements.
(c) Excludes marketable securities related to insurance activities.

At the end of the first quarter of 2013, managed receivables were $93.9 billion and we ended the quarter with $9.6 billion in cash. Securitized funding was 46% of managed receivables, down from 48% at year-end 2012.

We are projecting 2013 year-end managed receivables in the range of $95 billion to $105 billion and securitized funding is expected to represent about 42% to 47% of total managed receivables. It is our expectation that the securitized funding as a percent of managed receivables will decline over time.

Global Public Term Funding Plan

The following table shows our planned issuances for full-year 2013, and our public term funding issuances through April 30, 2013, as well as our funding issuances for full-years 2012 and 2011 (in billions):

	Global Public Term Funding Plan			
	2013			
	Full Year Forecast	Through April 30,	Full Year 2012	Full Year 2011
Unsecured	$ 7-10	$ 3	$ 9	$ 8
Securitizations (a)	10-14	5	14	11
Total	$ 17-24	$ 8	$ 23	$ 19

(a) Includes Rule 144A offerings.

Through April 30, 2013 we completed about $8 billion of public term funding in the United States, Canada and Europe, including about $3 billion of unsecured debt and about $5 billion of securitizations.

For 2013, we continue to project full-year public term funding in the range of $17 billion to $24 billion, consisting of $7 billion to $10 billion of unsecured debt and $10 billion to $14 billion of public securitizations.

Liquidity

We define gross liquidity as cash, cash equivalents, and marketable securities (excluding marketable securities related to insurance activities) and capacity (which includes our credit facilities, FCAR Owner Trust retail securitization program ("FCAR"), and asset-backed funding facilities), 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). Liquidity available for use is defined as gross liquidity less asset-backed capacity in excess of eligible receivables.

The following table illustrates our liquidity programs and utilization (in billions):

	March 31, 2013	December 31, 2012
Liquidity Sources (a)		
Cash (b)	$ 9.6	$ 10.9
Unsecured credit facilities	0.9	0.9
FCAR bank lines	6.3	6.3
Conduit/Bank Asset-Backed Securitizations ("ABS")	24.0	24.3
Total liquidity sources	40.8	42.4
Utilization of Liquidity		
Securitization cash (c)	(3.1)	(3.0)
Unsecured credit facilities	(0.6)	(0.1)
FCAR bank lines	(5.7)	(5.8)
Conduit/Bank ABS	(9.7)	(12.3)
Total utilization of liquidity	(19.1)	(21.2)
Gross liquidity	21.7	21.2
Capacity in excess of eligible receivables	(1.5)	(1.5)
Liquidity available for use	$ 20.2	$ 19.7

(a) FCAR and conduits subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk; FCAR commercial paper must be supported by bank lines equal to at least 100% of the principal amount; conduits include committed securitization programs.
(b) Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities).
(c) Securitization cash is to be used only to support on-balance sheet securitization transactions.

At March 31, 2013, we had $40.8 billion of committed capacity and cash diversified across a variety of markets and platforms. The utilization of our liquidity totaled $19.1 billion at quarter end, compared with $21.2 billion at year-end 2012. The decreased utilization primarily reflects lower usage of our private conduits.

We ended the quarter with gross liquidity of $21.7 billion. Capacity in excess of eligible receivables was $1.5 billion, same as year end. Total liquidity available for use continues to remain strong at $20.2 billion, up slightly from year-end 2012. We are focused on maintaining liquidity levels that meet our business and funding requirements through economic cycles.

Cash, Cash Equivalents, and Marketable Securities. At March 31, 2013, our cash, cash equivalents, and marketable securities (excluding marketable securities related to insurance activities) totaled $9.6 billion, compared with $10.9 billion at year-end 2012. The reduction in cash primarily reflects seasonality in first quarter debt maturities. 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 maintained primarily as highly liquid investments, which provide liquidity for our short-term funding needs and give us flexibility in the use of our other funding programs. Our cash, cash equivalents, and marketable securities are held primarily in highly liquid investments, which provide for anticipated and unanticipated cash needs. Our cash, cash equivalents, and marketable securities (excluding marketable securities related to insurance activities) primarily include U.S. Treasury obligations, federal agency securities, bank time deposits with investment-grade institutions and non-U.S. central banks, corporate investment-grade securities, A-1/P-1 (or higher) rated commercial paper, debt obligations of a select group of non-U.S. governments, non-U.S. government agencies, supranational institutions and money market funds that carry the highest possible ratings. We currently do not hold cash, cash equivalents, or marketable securities consisting of investments in government obligations of Greece, Ireland, Italy, Portugal, or Spain, nor did we hold any at March 31, 2013.

The average maturity of these investments ranges from 90 days to up to one year 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 include amounts to be used only to support our securitization transactions of $3.1 billion and $3.0 billion at March 31, 2013 and December 31, 2012, respectively.

Our substantial liquidity and cash balance have provided the opportunity to selectively call and repurchase our unsecured and asset-backed debt through market transactions. In the first quarter of 2013, we called an aggregate principal amount of $33 million of our unsecured debt.

Committed Liquidity Programs. We and our subsidiaries, including FCE Bank plc ("FCE"), have entered into agreements with a number of bank-sponsored asset-backed commercial paper conduits ("conduits") and other financial institutions. Such counterparties are contractually committed, at our option, to purchase from us eligible retail or wholesale assets or to purchase or make advances under asset-backed securities backed by retail, lease, or wholesale assets for proceeds of up to $24 billion ($12.7 billion of retail, $6.7 billion of wholesale, and $4.6 billion of lease assets) at March 31, 2013, of which about $4.7 billion are commitments to FCE. These committed liquidity programs have varying maturity dates, with $22.9 billion (of which $4.0 billion relates to FCE commitments) having maturities within the next 12 months and the remaining balance having maturities between April 2014 and January 2015. We plan to achieve capacity renewals to protect our global funding needs, optimize capacity utilization and maintain sufficient liquidity.

Our ability to obtain funding under these programs is subject to having a sufficient amount of assets eligible for these programs as well as our ability to obtain interest rate hedging arrangements for certain securitization transactions. Our capacity in excess of eligible receivables protects us against the risk of lower than planned renewal rates. At March 31, 2013, $9.7 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.

Credit Facilities. At March 31, 2013, we and our majority-owned subsidiaries had $858 million of contractually committed unsecured credit facilities with financial institutions, including FCE's £440 million (equivalent to $666 million at March 31,2013) syndicated credit facility. At March 31, 2013, $289 million was available for use. On April 30, 2013, FCE replaced its £440 million syndicated credit facility with a new £720 million syndicated credit facility (the "FCE Credit Agreement") and drew €405 million under the facility to repay loans outstanding under FCE's prior facility. The FCE Credit Agreement matures on April 25, 2016 and contains certain covenants, including an obligation for FCE to maintain its ratio of regulatory capital to risk weighted assets at no less than the applicable regulatory minimum, and for 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). In addition to customary payment, representation, bankruptcy, and judgment defaults, the FCE Credit Agreement contains cross-payment and cross-acceleration defaults with respect to other debt. At April 30, 2013, the FCE Credit Agreement included £95 million of commitments from financial institutions based in Italy. There were no commitments from financial institutions in Greece, Ireland, Portugal or Spain.

In addition, at March 31, 2013, we had about $6.3 billion of contractually committed liquidity facilities provided by banks to support our FCAR program, of which $3.3 billion expire in 2013 and $3.0 billion expire in 2014. Utilization of these facilities is subject to conditions specific to the FCAR program and our having a sufficient amount of eligible retail assets for securitization. The FCAR program must be supported by liquidity facilities equal to at least 100% of its outstanding balance. At March 31, 2013, about $6.3 billion of FCAR's bank liquidity facilities were available to support FCAR's asset-backed commercial paper, subordinated debt, or FCAR's purchase of our asset-backed securities. At March 31, 2013, the outstanding commercial paper balance for the FCAR program was $5.7 billion.

Liquidity Risks

Refer to the "Liquidity" section of Item 7 of Part II of our 10-K Report for a list of factors that could affect our liquidity.

Leverage

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

The following table shows the calculation of our financial statement leverage (in billions, except for ratios):

	March 31, 2013	December 31, 2012
Total debt	$ 90.1	$ 89.3
Equity	9.8	9.7
Financial statement leverage (to 1)	9.2	9.2

The following table shows the calculation of our managed leverage (in billions, except for ratios):

	March 31, 2013	December 31, 2012
Total debt	$ 90.1	$ 89.3
Adjustments for cash, cash equivalents, and marketable securities (a)	(9.6)	(10.9)
Adjustments for derivative accounting (b)	(0.6)	(0.8)
Total adjusted debt	$ 79.9	$ 77.6
Equity	$ 9.8	$ 9.7
Adjustments for derivative accounting (b)	(0.3)	(0.3)
Total adjusted equity	$ 9.5	$ 9.4
Managed leverage (to 1) (c)	8.4	8.3

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(a) Excludes marketable securities related to insurance activities.
(b) Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings.
(c) Equals total adjusted debt over total adjusted equity.

We plan our managed leverage by considering prevailing market conditions and the risk characteristics of our business. In March 31, 2013, our managed leverage was 8.4:1, compared with 8.3:1 at December 31, 2012. For information on our planned distributions, refer to "Outlook" section below.

Accounting Standards Issued But Not Yet Adopted

For information on accounting standards issued but not yet adopted, see Note 1 of our Notes to the Financial Statements.

Outlook

We continue to expect 2013 pre-tax profits to be about equal to 2012, year-end managed receivables of $95 billion to $105 billion, and distributions of about $200 million.

Cautionary Statement Regarding Forward Looking Statements

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

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

We cannot be certain that any expectations, forecasts, or assumptions made by management in preparing these forward-looking statements will prove accurate, or that any projections 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 statements, whether as a result of new information, future events, or otherwise. For additional discussion of these risk factors, see Item 1A of Part I of our 10-K Report.

Other Financial Information

With respect to the unaudited financial information of Ford Motor Credit Company LLC as of March 31, 2013, and for the three-month periods ended March 31, 2013 and 2012 included in this Form 10-Q, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated May 1, 2013 appearing herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

In our 2012 10-K Report, we discuss in greater detail our market risk, counter-party 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. These interest rate scenarios are purely hypothetical and do not represent our view of future interest rate movements. 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 March 31, 2013, all else constant, such an increase in interest rates would increase our pre-tax cash flow by $77 million over the next 12 months, which was the same at December 31, 2012. The sensitivity analysis presented above assumes a one percentage point rate change to the yield curve that is both instantaneous and parallel. 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

Bernard B. Silverstone, our Chairman of the Board and Chief Executive Officer ("CEO"), and Michael L. Seneski, 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 (the "Exchange Act"), as of March 31, 2013, 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 the SEC's rules and forms, and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

The following first quarter 2013 developments have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting:

- We launched a new financial consolidation system.
- We launched the first phase of a new treasury management system by replacing the legacy system for managing debt and interest rate swaps.

PART II. OTHER INFORMATION

ITEM 5. *OTHER INFORMATION*

We have none to report.

ITEM 6. *EXHIBITS*

Exhibits: please refer to the Exhibit Index on page 51.

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.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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/ Michael L. Seneski

Michael L. Seneski
Chief Financial Officer and Treasurer

Date: May 1, 2013

FORD MOTOR CREDIT COMPANY LLC

EXHIBIT INDEX

Exhibit 12	Ford Motor Credit Company LLC and Subsidiaries Calculation of Ratio of Earnings to Fixed Charges	Filed with this Report
Exhibit 15	Letter of PricewaterhouseCoopers LLP, dated May 1, 2013, relating to Unaudited Interim Financial Information	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 99	Items 2 - 4 of Part I and Items 1 and 2 of Part II of Ford Motor Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013	Incorporated herein by reference to Ford Motor Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013. File No. 1-3950
Exhibit 101.INS	XBRL Instance Document	Furnished with this Report (a)
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document	Furnished with this Report (a)
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Furnished with this Report (a)
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Furnished with this Report (a)
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Furnished with this Report (a)
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Furnished with this Report (a)

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(a) Submitted electronically with this Report.