



2015
ACURA TLX

*Investor Presentation
August 2014*

Caution with Respect to Forward-Looking Statements:

These slides may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “scheduled,” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such forward-looking statements are necessarily dependent on assumptions, data, or methods that may be incorrect or imprecise and that may be incapable of being realized. Factors such as declines in the financial condition or performance of Honda or AHFC or the sales of Honda or Acura products, changes in general business and economic conditions, and fluctuations in interest rates and currency exchange rates, among others, could cause actual results and other matters to differ materially from those in such forward-looking statements.

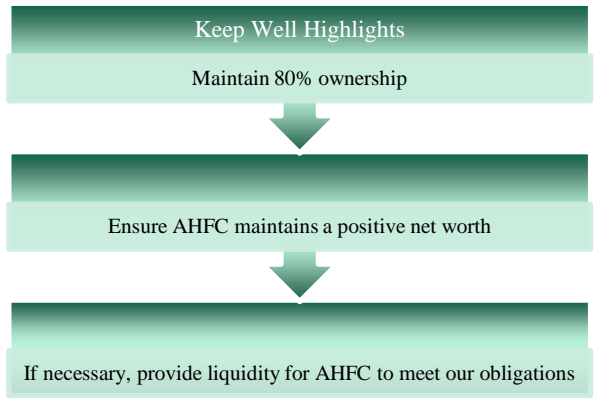
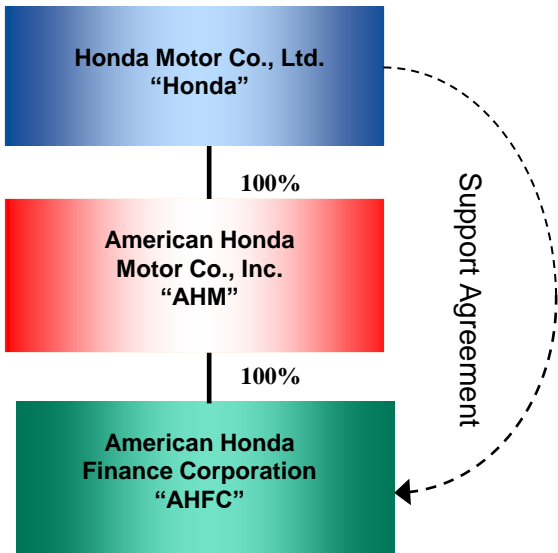
Accounting Standards:

Our consolidated financial information is prepared in conformity with U.S. generally accepted accounting principles.

This information is presented as of August 12, 2014 and does not purport to be accurate as of any other date. We undertake no obligation to update this information.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities. Any offer or sale of securities will be made only by means of an offering memorandum and related documents.

Honda Corporate Structure





Financial
Services



Financial
Services



Total receivable increase 3.6 bil over prior year

Underwriting remains consistent

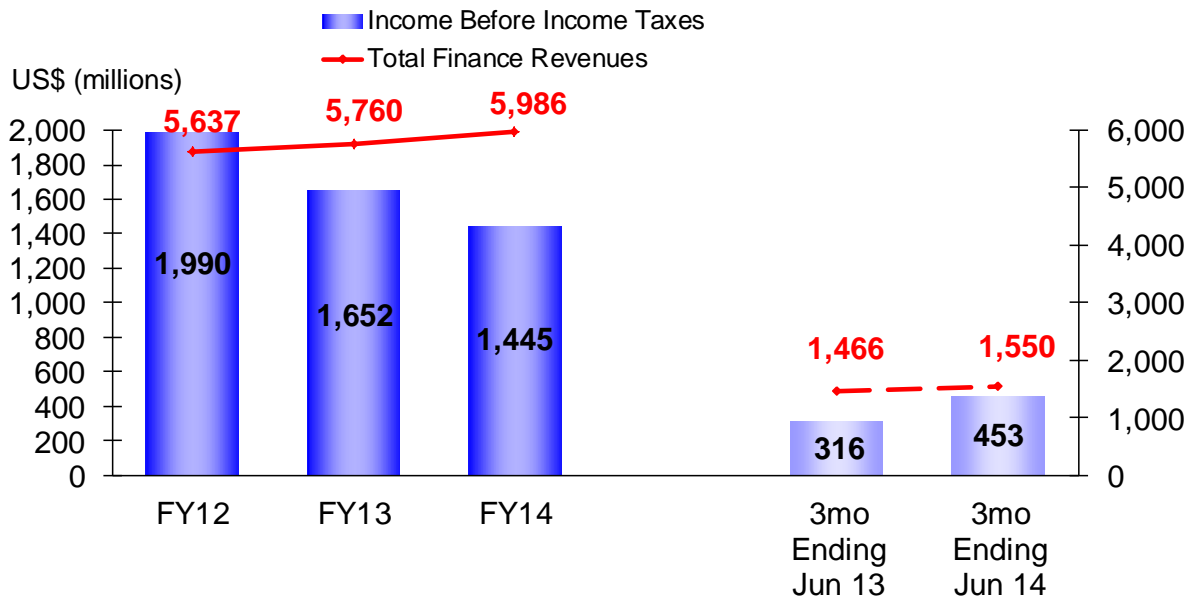
Premier customer service

Low charge-offs continue

Strong residual values continue

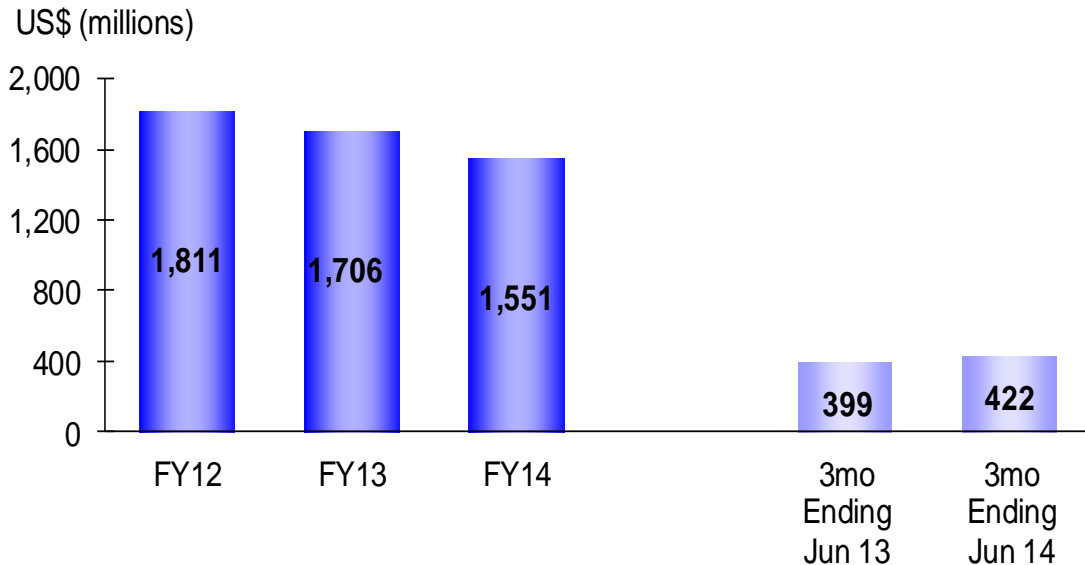
Strong credit ratings

AHFC Income Before Income Taxes

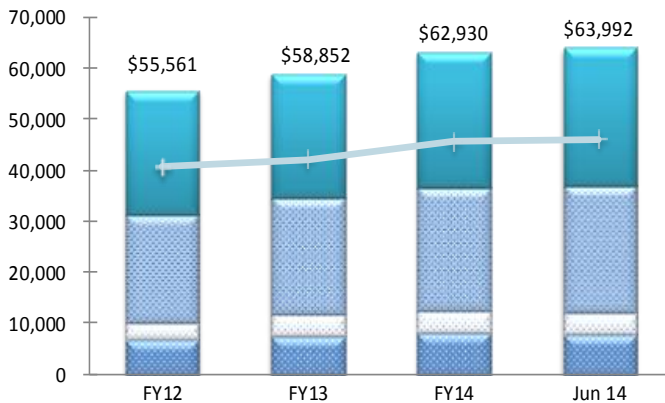


AHFC Income Before Income Taxes

Excludes valuation adjustments and reclassifications



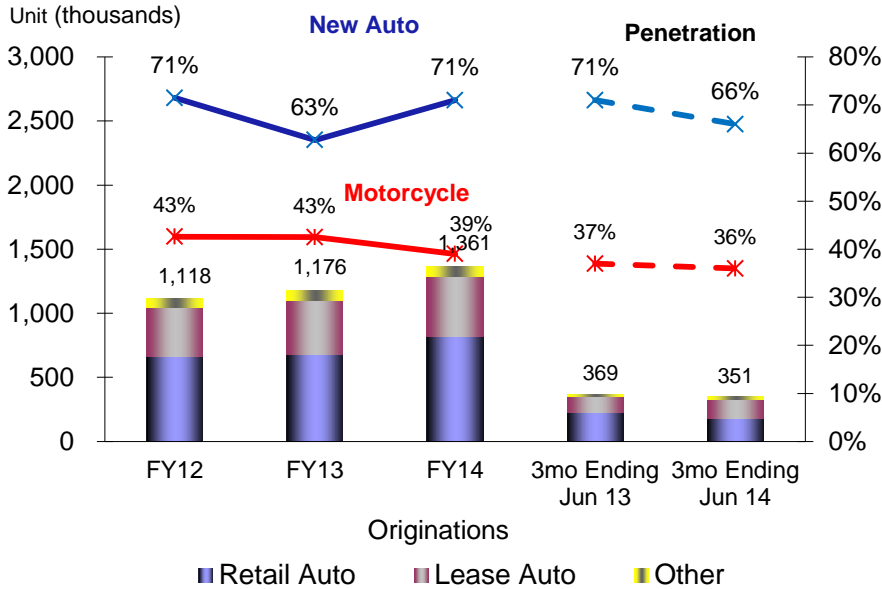
US\$ (millions)



As of June 30, 2014:
Retail Loans are approx. 54% of outstanding receivables (including ABS assets)
Leases are 39% of outstanding receivables
Securitized Assets are Retail Loans. We do not currently securitize other asset classes.
Dealer Loans
 Flooring 30% of the Honda/Acura Auto dealers
 Flooring 97% of the Honda/Acura Motorcycle dealers

Lease includes both direct finance leases and operating leases.
Retail excludes securitized assets

AHFC CFS Originations, Penetration & Outstanding



Penetration
FY12, FY14 and the period ending June 2013 show higher new auto penetration as a result of higher incentive programs sponsored by our parent, American Honda Motor Co., Inc.

Outstanding 3,440 3,491 3,660 3,523 3,713

AHFC's underwriting standards are reflected in our low charge-off and delinquency numbers.

	<u>Fiscal Year Ending</u>			<u>3 mo Ending</u>	
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Jun 13</u>	<u>Jun 14</u>
Delinquency (60 or more days) ^{(1),(3)}	0.10%	0.10%	0.10%	0.14%	0.13%
Allowance for Credit Losses ^{(1),(3)}	0.42%	0.23%	0.24%	0.24%	0.23%
Charge-Offs (Net of Recoveries) ^{(2),(3),(4)}	0.30%	0.28%	0.27%	0.18%	0.18%

(1) Percentages based on ending receivable balances for respective periods.

(2) Percentages based on average receivable balances for respective periods.

(3) Ending and average receivable balances exclude the allowance for credit losses, write-down of lease residual values, unearned subvention income related to our incentive financing programs and deferred origination costs. Average receivable balances are calculated based on the average of each month's ending receivables balance for that fiscal period.

(4) Percentages for the three months ended June 30, 2013 and 2014 have been annualized.

- *Conservative approach to markets*
- *Access to various domestic and international markets*
- *Recognize windows of opportunity*
- *Maintain prudent maturity profile*

Sept. 5, 2013
Shelf Registration
(S-3)

Sept. 25, 2013
MTN Program
Active

Oct. 3, 2013
Inaugural
Transaction

Inaugural transaction details

\$ 750 mil 3 year Floater
\$1.0 bil 3 year Fixed
\$1.0 bil 5 year Fixed



American Honda Finance raised \$2.75bn by issuing three-year floaters, three-year fixed and five-year fixed that attracted an order book of slightly over \$9bn.

This was the first time the issuer was issuing in the SEC-registered format and investors charged into the different tranches even as the company tightened pricing from IPT levels. The three-year fixed tranche saw most of the demand, followed by the five-year fixed and three-year floater. IFR Markets Reuters

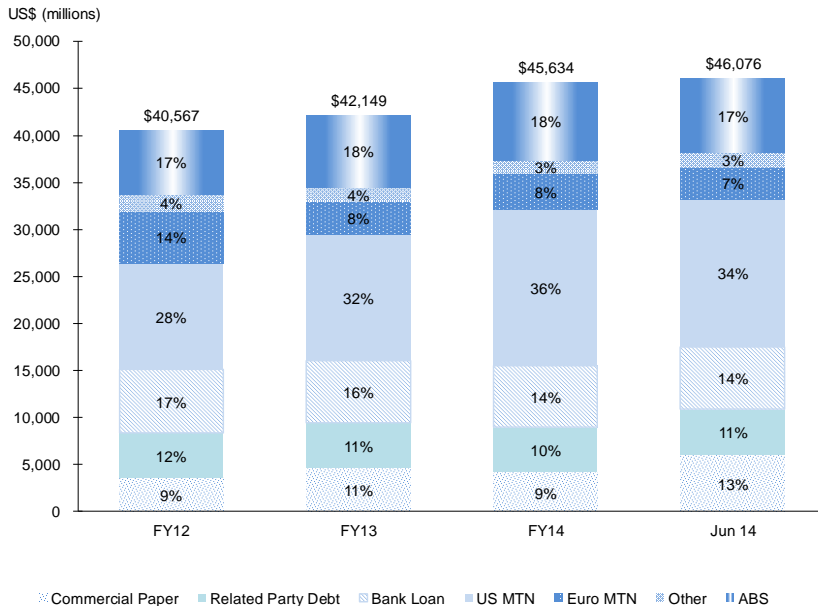


Investor Comments

- Appreciate transparency a public program offers
- SEC registration is helpful especially being index eligible
- Registered programs offer ability to allocate to many more of our funds
- Will buy bigger/larger orders of a transaction with registered programs

Source: Honda

AHFC Funding Flexibility

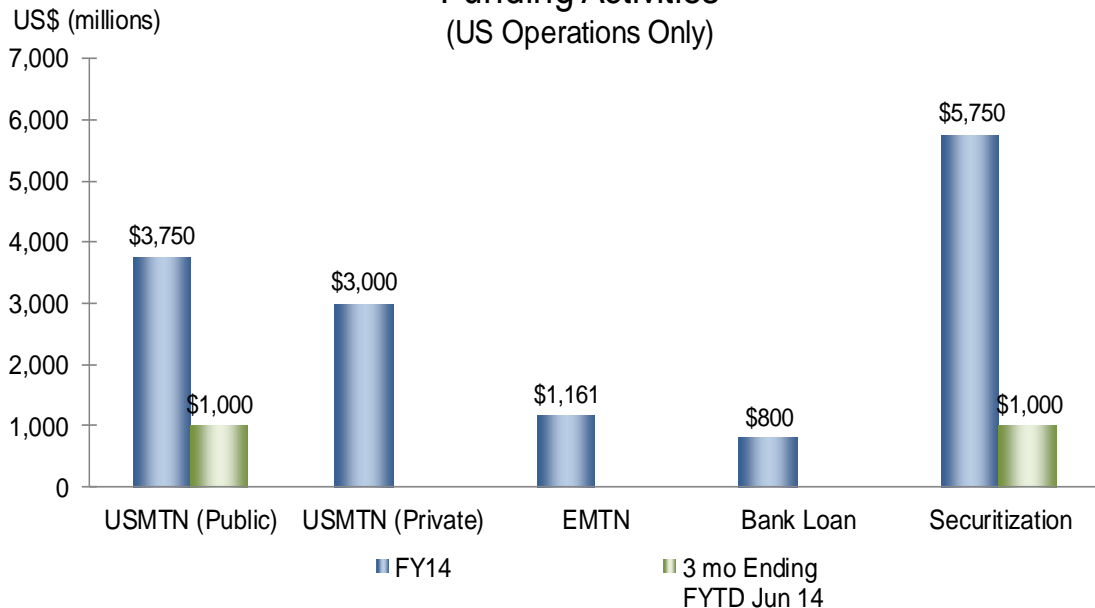


Diversified AHFC Funding Programs

- Commercial Paper Program
US \$7 billion, CAD \$2 billion (HCFI)
(supported by US \$7 billion and CAD \$1.6 billion (HCFI) Bank Credit Facilities)
- Related Party Debt
- Bank Loans
- US \$16 billion Shelf USMTN Public Program
- US \$25 billion USMTN Private 144a Program (Inactive)
- US \$11 billion EMTN Program (Inactive)
- Private Placement Issuance (HCFI)
- Public & Private Securitization (AHFC & HCFI)

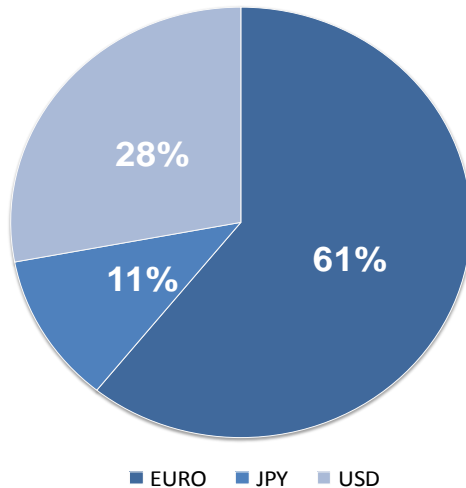
FY14 & FYTD15 Debt Issuance

Funding Activities (US Operations Only)



As of June 30, 2014

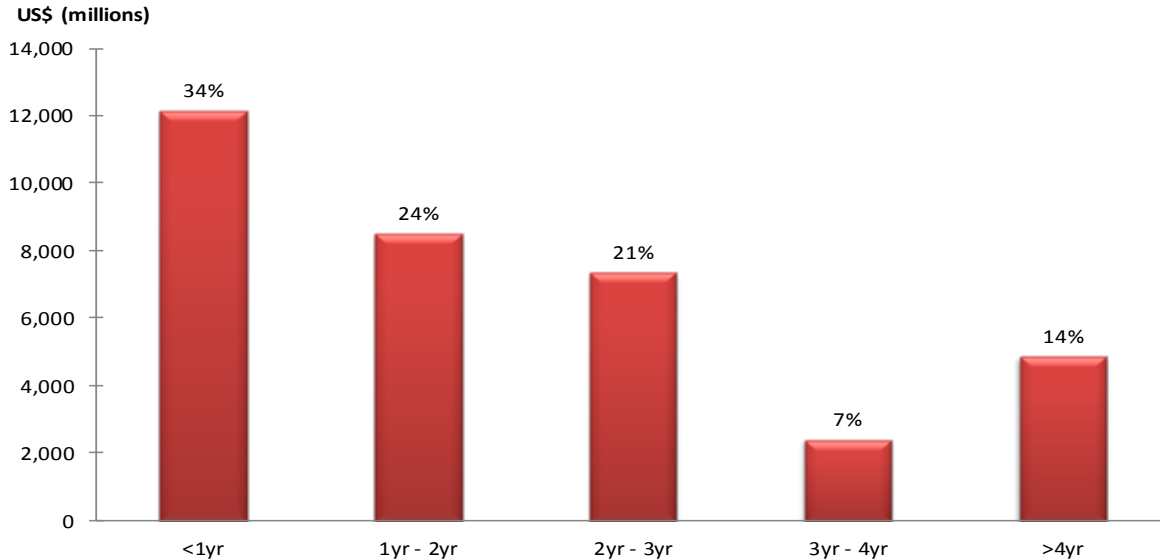
EMTN by Currency



Excludes unamortized discount and fees

Term Debt Maturity Profile

As of June 30, 2014



Excludes Commercial Paper and Related Party Debt

Does not include unamortized discounts and fees

Foreign debt based on exchange rates as of June 30, 2014

Repayment schedule of secured debt reflects payment performance assumptions on underlying receivables

HONDA
The Power of Dreams