

In addition, the following definitions and calculations apply to Ford Credit when used in this Report:

- **Cash** (as shown in the Funding Structure and Liquidity tables) – Cash, cash equivalents, and marketable securities, excluding amounts related to insurance activities
- **Debt** (as shown in the Key Metrics and Leverage tables) – Debt on Ford Credit's balance sheets. Includes debt issued in securitizations and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions
- **Earnings Before Taxes ("EBT")** – Reflects Ford Credit's income before income taxes
- **Loss-to-Receiveables ("LTR") Ratio** – LTR ratio is calculated using net charge-offs divided by average finance receivables, excluding unearned interest supplements and the allowance for credit losses
- **Return on Equity ("ROE")** (as shown in the Key Metrics table) – Reflects return on equity calculated by annualizing net income for the period and dividing by monthly average equity for the period
- **Securitization and Restricted Cash** (as shown in the Liquidity table) – Securitization cash is held for the benefit of the securitization investors (for example, a reserve fund). 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
- **Securitizations** (as shown in the Public Term Funding Plan table) – Public securitization transactions, Rule 144A offerings sponsored by Ford Credit, and widely distributed offerings by Ford Credit Canada
- **Term Asset-Backed Securities** (as shown in the Funding Structure table) – Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements
- **Total Net Receivables** (as shown in the Key Metrics table) – Includes finance receivables (retail financing and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheets and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

Corporate Other

Corporate Other primarily includes corporate governance expenses, interest income (excluding interest earned on our extended service contract portfolio that is included in our Automotive segment) and gains and losses from our cash, cash equivalents, and marketable securities (excluding gains and losses on investments in equity securities), and foreign exchange derivatives gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, that are not allocated to operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship, and promoting the Company's interests. For full year 2022, Corporate Other had a \$1,008 million loss, compared with a \$1,084 million loss in 2021. The improvement was driven by higher Automotive interest income due to higher interest rates (primarily Fed Funds).

Interest on Debt

Interest on Debt consists of interest expense on Company debt excluding Ford Credit. Our full year 2022 interest expense on Company debt excluding Ford Credit was \$1,259 million, \$544 million lower than in 2021, primarily explained by U.S. debt restructuring actions taken in the fourth quarter of 2021 and during 2022.