

Ford Credit Segment

Ford Credit ended 2022 with \$21 billion of liquidity. During the year, Ford Credit completed \$16 billion of public term funding.

Key elements of Ford Credit's funding strategy include:

- Maintain strong liquidity and funding diversity
- Prudently access public markets
- Continue growth of retail deposits in Europe
- Flexibility to increase ABS mix as needed; preserving assets and committed capacity
- Target financial statement leverage of 9:1 to 10:1
- Maintain self-liquidating balance sheet

Ford Credit's liquidity profile continues to be diverse, robust, and focused on maintaining liquidity levels that meet its business and funding requirements. Ford Credit regularly stress tests its balance sheet and liquidity to ensure that it can continue to meet its financial obligations through economic cycles.

Funding Sources. Ford Credit's funding sources include primarily unsecured debt and securitization transactions (including other structured financings). Ford Credit issues both short-term and long-term debt that is held by both institutional and retail investors, with long-term debt having an original maturity of more than 12 months. Ford Credit sponsors a number of securitization programs that can be structured to provide both short-term and long-term funding through institutional investors and other financial institutions in the United States and international capital markets.

Ford Credit obtains unsecured funding from the sale of demand notes under its Ford Interest Advantage program and through the retail deposit programs at FCE Bank plc ("FCE") and Ford Bank GmbH ("Ford Bank"). At December 31, 2022, the principal amount outstanding of Ford Interest Advantage notes, which may be redeemed at any time at the option of the holders thereof without restriction, and FCE and Ford Bank deposits was \$14.3 billion. Ford Credit maintains multiple sources of readily available liquidity to fund the payment of its unsecured short-term debt obligations.

The following table shows funding for Ford Credit's net receivables (in billions):

	December 31, 2020	December 31, 2021	December 31, 2022
Funding Structure			
Term unsecured debt	\$ 73.3	\$ 59.4	\$ 48.3
Term asset-backed securities	54.6	45.4	56.4
Ford Interest Advantage / Retail Deposits	9.8	12.9	14.3
Other	(3.1)	(0.2)	2.6
Equity	15.6	12.4	11.9
Adjustments for cash	(18.5)	(12.4)	(11.2)
Total Net Receivables	\$ 131.7	\$ 117.5	\$ 122.3
Securitized Funding as Percent of Total Debt	39.6 %	38.5 %	47.4 %

Net receivables of \$122.3 billion at December 31, 2022 were funded primarily with term debt and term asset-backed securities. Securitized funding as a percent of total debt was 47.4%.