

**Leverage.** Ford Credit uses leverage, or the debt-to-equity ratio, to make various business decisions, including evaluating and establishing pricing for finance receivable and operating lease financing, and assessing its capital structure.

The table below shows the calculation of Ford Credit's financial statement leverage (in billions):

	December 31, 2020	December 31, 2021	December 31, 2022
<b>Leverage Calculation</b>			
Debt	\$ 137.7	\$ 117.7	\$ 119.0
Equity (a)	15.6	12.4	11.9
Financial statement leverage (to 1)	8.8	9.5	10.0

(a) Total shareholder's interest reported on Ford Credit's balance sheets.

Ford Credit plans its leverage by considering market conditions and the risk characteristics of its business. At December 31, 2022, Ford Credit's financial statement leverage was 10:1. Ford Credit targets financial statement leverage in the range of 9:1 to 10:1.