

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 23. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The changes in the balances for each component of accumulated other comprehensive income/(loss) attributable to Ford Motor Company for the years ended December 31 were as follows (in millions):

	2020	2021	2022
Foreign currency translation			
Beginning balance	\$ (4,626)	\$ (5,526)	\$ (5,487)
Gains/(Losses) on foreign currency translation	(1,107)	200	(1,199)
Less: Tax/(Tax benefit) (a)	(206)	143	(2)
Net gains/(losses) on foreign currency translation	(901)	57	(1,197)
(Gains)/Losses reclassified from AOCI to net income (b)	1	(18)	268
Other comprehensive income/(loss), net of tax (c)	(900)	39	(929)
Ending balance	\$ (5,526)	\$ (5,487)	\$ (6,416)
Marketable securities			
Beginning balance	\$ 71	\$ 156	\$ (19)
Gains/(Losses) on available for sale securities	155	(209)	(576)
Less: Tax/(Tax benefit)	37	(52)	(139)
Net gains/(losses) on available for sale securities	118	(157)	(437)
(Gains)/Losses reclassified from AOCI to net income	(45)	(23)	19
Less: Tax/(Tax benefit)	(12)	(5)	5
Net (gains)/losses reclassified from AOCI to net income	(33)	(18)	14
Other comprehensive income/(loss), net of tax	85	(175)	(423)
Ending balance	\$ 156	\$ (19)	\$ (442)
Derivative instruments			
Beginning balance	\$ (488)	\$ (266)	\$ (193)
Gains/(Losses) on derivative instruments	207	(169)	346
Less: Tax/(Tax benefit)	39	(20)	83
Net gains/(losses) on derivative instruments	168	(149)	263
(Gains)/Losses reclassified from AOCI to net income	66	280	80
Less: Tax/(Tax benefit)	12	58	21
Net (gains)/losses reclassified from AOCI to net income (d)	54	222	59
Other comprehensive income/(loss), net of tax	222	73	322
Ending balance	\$ (266)	\$ (193)	\$ 129
Pension and other postretirement benefits			
Beginning balance	\$ (2,685)	\$ (2,658)	\$ (2,640)
Prior service (costs)/credits arising during the period	(21)	—	—
Less: Tax/(Tax benefit)	(6)	—	—
Net prior service (costs)/credits arising during the period	(15)	—	—
Amortization and recognition of prior service costs/(credits) (e)	63	27	21
Less: Tax/(Tax benefit)	10	6	4
Net prior service costs/(credits) reclassified from AOCI to net income	53	21	17
Translation impact on non-U.S. plans	(11)	(3)	13
Other comprehensive income/(loss), net of tax	27	18	30
Ending balance	\$ (2,658)	\$ (2,640)	\$ (2,610)
Total AOCI ending balance at December 31	\$ (8,294)	\$ (8,339)	\$ (9,339)

- (a) We do not recognize deferred taxes for a majority of the foreign currency translation gains and losses because we do not anticipate reversal in the foreseeable future. However, we have made elections to tax certain non-U.S. operations simultaneously in U.S. tax returns, and have recorded deferred taxes for temporary differences that will reverse, independent of repatriation plans, in U.S. tax returns. Taxes or tax benefits resulting from foreign currency translation of the temporary differences are recorded in *Other comprehensive income/(loss), net of tax*.
- (b) Reclassified to *Other income/(loss), net*.
- (c) Excludes a loss of \$ 1 million, a gain of \$ 4 million, and a loss of \$ 4 million related to noncontrolling interests in 2020, 2021, and 2022, respectively.
- (d) Reclassified to *Cost of sales*. During the next twelve months we expect to reclassify existing net losses on cash flow hedges of \$ 160 million. See Note 20 for additional information.
- (e) *Amortization and recognition of prior service costs/(credits)* is included in the computation of net periodic pension cost/(income). See Note 17 for additional information.