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**FCE Bank plc**  
**Q3 MANAGEMENT**  
**STATEMENT**

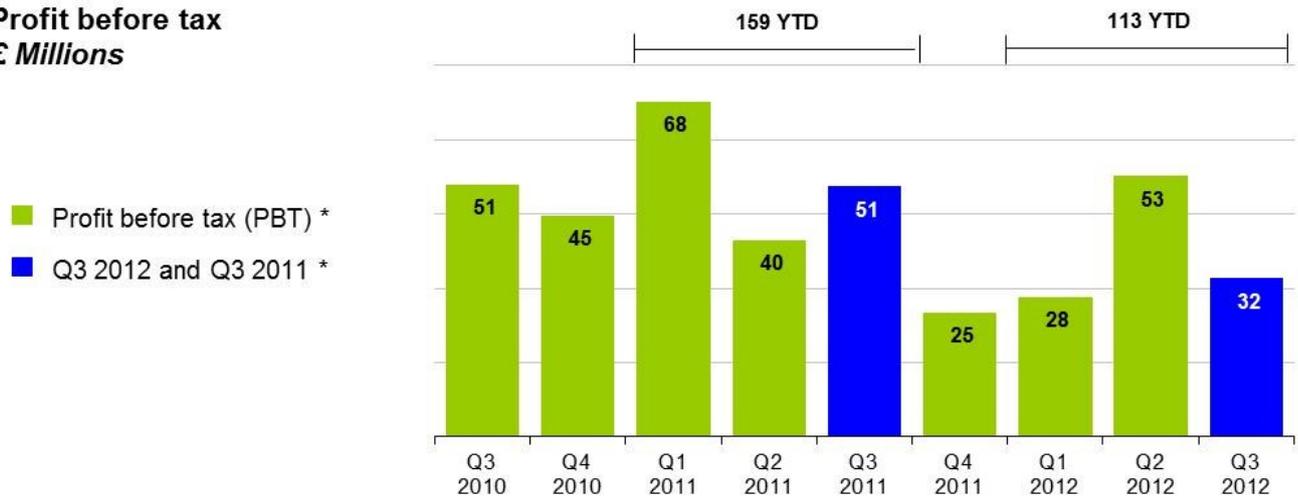
for the quarter ended 30 September 2012

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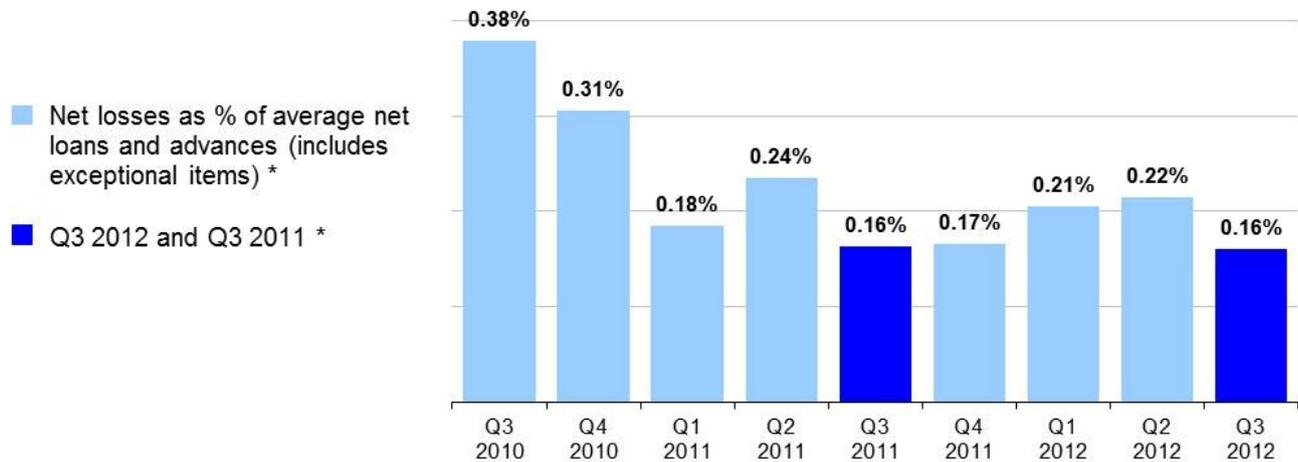
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# Highlights (unaudited)

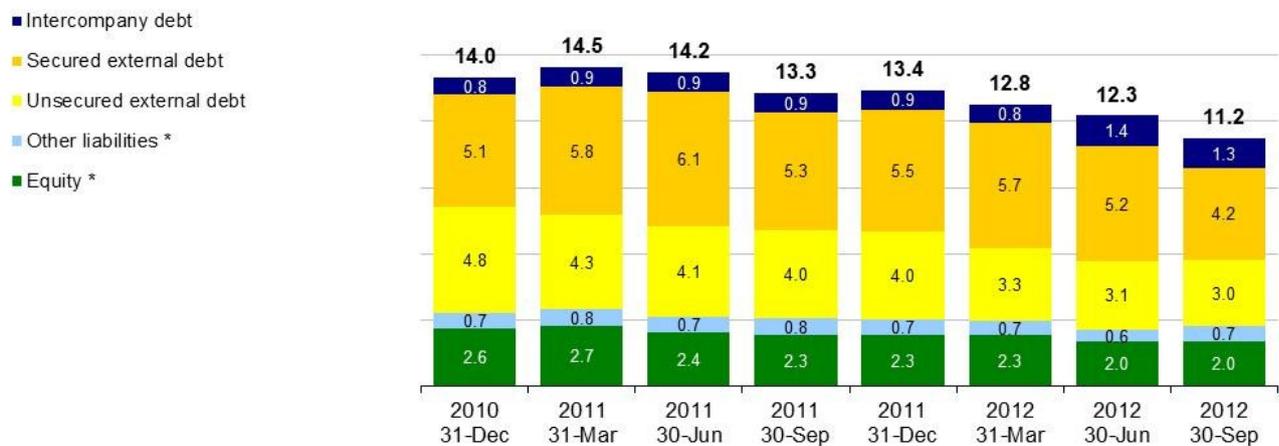
## Profit before tax £ Millions



## Credit loss ratio



## Liabilities and shareholder's equity £ Billions



This management statement is based on unaudited preliminary data. Final data will be included in FCE's 2012 Annual Report and Accounts.

# Management Statement

## Commentary

FCE recorded profit before tax (PBT) of £32 million in Q3 2012, £21 million less than the previous period (Q2 2012) and £19 million less than the same period last year (Q3 2011).

Consistent with prior guidance, FCE's 'Loans and advances to customers' continued to reduce, reflecting the impact of lower European vehicle industry volumes, unfavourable exchange movement, and the liquidation of non-Ford brands. This ongoing reduction in 'Loans and advances to customers' is the primary driver behind the reduction in profits compared to prior periods. At year-end 2012, FCE anticipates 'Net loans and advances to customers' to be in the range of £8 billion to £9 billion.

In the period, credit losses in most markets continued to be stable and near historical lows.

FCE's 2012 funding plan includes public term funding issuance in the range of £0.9 billion to £1.6 billion, including unsecured term debt of £0.6 billion to £0.9 billion and term securitisation of £0.3 billion to £0.7 billion.

During Q3 2012, FCE renewed or added £0.4 billion in private securitisation capacity.

FCE's gross liquidity as at 30 September 2012 totalled £5.9 billion. Liquidity available for use totalled £2.3 billion, consisting of cash and marketable securities of £1.2 billion, committed securitisation capacity of £0.7 billion, and committed unsecured credit facilities of £0.4 billion. These amounts are net of utilisation and adjusted for cash and marketable securities not available for use in day-to-day operations, and securitisation capacity in excess of eligible receivables.

FCE continues to anticipate PBT in 2012 to be lower than that experienced in 2011 due mainly to the continued effects of lower average 'Loans and advances to customers'. This trend will be partially offset by continued reductions in borrowing costs due to improvements in FCE's credit rating and improvements to FCE's cost structure.

As at 31 October 2012, FCE's long term debt credit ratings/outlook are BBB-/Stable from Fitch, Baa3/Stable from Moody's and BBB-/Positive from Standard and Poor's.

<b>Key financial data (unaudited)</b>	<b>Q3 2012</b>	<b>Q3 2011</b>
<b>Quarterly income statement data</b>	<b>£ mil</b>	<b>Restated*</b>
		<b>£ mil</b>
Net interest income	£ 76	£ 84
Net fees and commissions income	7	13
Other operating income	59	53
<b>Total income</b>	<b>£ 142</b>	<b>£ 150</b>
Net credit losses	£ (3)	£ (4)
Impairment loss reserve adjustment	1	5
<b>Impairment reversal / (losses) on loans and advances</b>	<b>£ (2)</b>	<b>£ 1</b>
Operating expenses	(45)	(49)
Depreciation on property and equipment	(56)	(50)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	(8)	(3)
Share of profit of a jointly controlled entity	1	2
<b>Profit before tax</b>	<b>£ 32</b>	<b>£ 51</b>
<b>Asset data</b>		
Loans and advances to customers	£ 8,655	£ 10,143
Total assets	11,212	13,269
Risk weighted exposures	9,102	10,831
Average loans and advances for the third quarter	8,471	10,303
<b>Capital data</b>		
Tier 1 capital	£ 1,921	£ 2,253
Total Regulatory Capital	2,132	2,489
Tier 1 ratio (percentage)	21.1%	20.8%

\* For details of restatement refer to FCE's Interim Report and Financial Statements for the half year ended 30 June 2012.