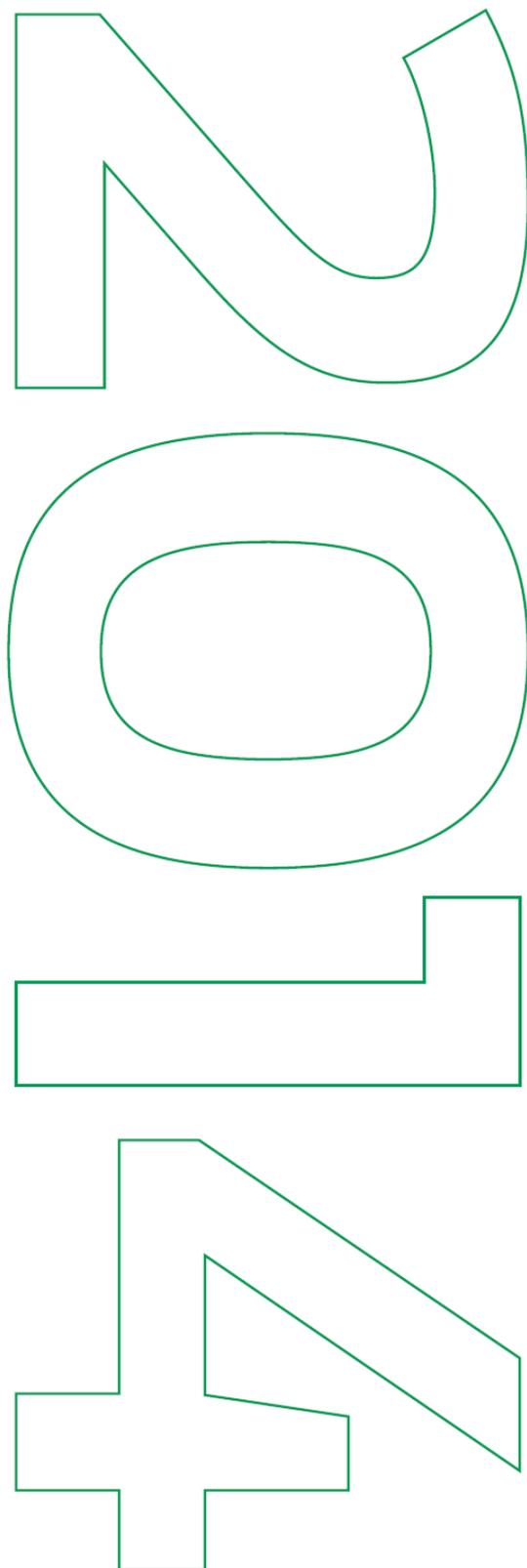


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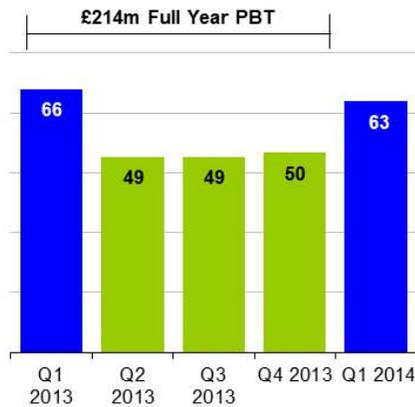
**FCE Bank plc**  
**Q1 MANAGEMENT**  
**STATEMENT**

for the quarter ended 31 March 2014

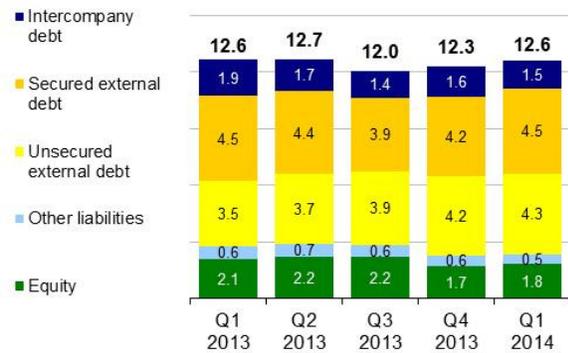


# Highlights (unaudited)

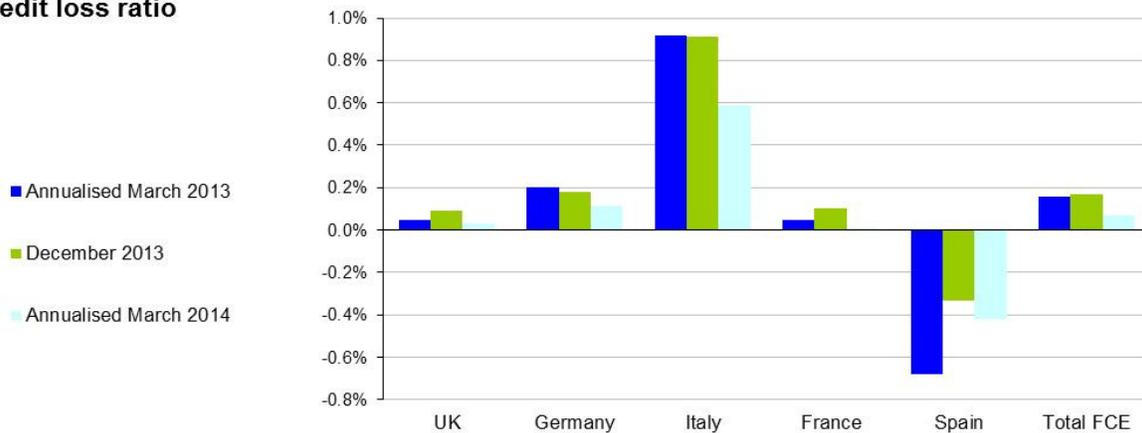
## Profit before tax £ Millions



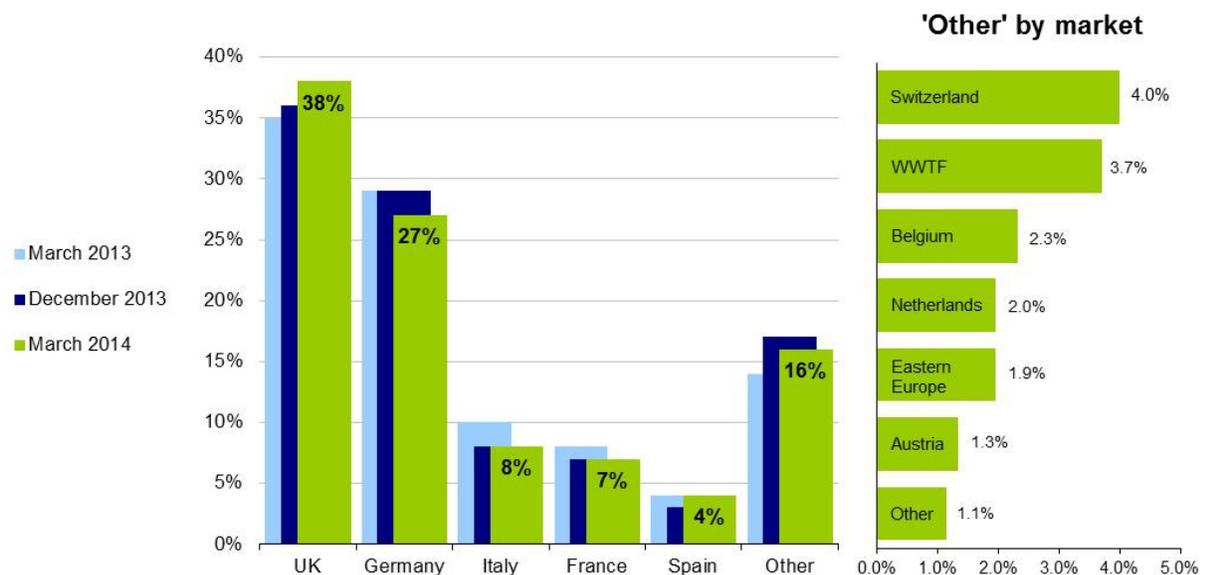
## Liabilities and shareholder's equity £ Billions



## Credit loss ratio



## Analysis of net loans and advances to customers by market



This management statement is based on unaudited preliminary data. Final data will be included in FCE's 2014 Annual Report and Accounts.

# Management Statement

## Commentary

FCE Bank plc. (FCE) recorded profit before tax (PBT) of £63 million in Q1 2014, £3 million lower than the same period last year (Q1 2013).

The reduction in PBT is primarily driven by unfavourable fair value adjustments and foreign exchange effects. This is partially offset by an increase in 'Total income' as a result of portfolio growth and a pull ahead of insurance related commission income.

FCE's 'Net loans and advances to customers' were higher than in 2013, primarily reflecting the acquisition of Ford Credit (Switzerland) GmbH and portfolio growth in the UK. At year-end 2014, FCE anticipates 'Net loans and advances to customers' to be higher than year-end 2013 and in the range of £9.5 billion to £11.0 billion.

In the first quarter there was a reduction in impairment losses in most markets compared to the first quarter last year.

FCE's 2014 funding plan includes public term funding issuance in the range of £1.7 billion to £2.7 billion, including public unsecured term debt of £1.1 billion to £1.7 billion and public term securitisation of £0.6 billion to £1.0 billion.

Liquidity available for use as at 31 March 2014 totalled £1.9 billion, consisting of cash and marketable securities of £1.1 billion, committed securitisation capacity of £0.2 billion, and committed unsecured credit facilities of £0.6 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. Gross liquidity as at 31 March 2014 totalled £5.0 billion.

Excluding fair value adjustments and foreign exchange effects FCE continues to expect an improvement to its underlying PBT in 2014 compared to 2013 provided that economic conditions do not deteriorate significantly. This will be driven by anticipated reductions in borrowing costs and continued portfolio growth.

FCE does not expect to make a dividend payment in 2014.

As at 28 April 2014, FCE's long term debt credit ratings/outlook are BBB-/Positive from Fitch, Baa3/Stable from Moody's and BBB/Negative from Standard and Poor's (S&P). The negative outlook assigned to FCE by S&P reflects their view of a negative trend in UK banking industry risk.

Key financial data (unaudited)	Q1 2014	Q1 2013
Quarterly income statement data	£ mil	£ mil
Net interest income	£ 102	£ 97
Net fees and commissions income	13	5
Other operating income	36	41
<b>Total income</b>	<b>£ 151</b>	<b>£ 143</b>
Net credit losses	£ (2)	£ (4)
Impairment loss reserve adjustment	2	(1)
<b>Impairment reversal / (losses) on loans and advances</b>	<b>£ -</b>	<b>£ (5)</b>
Operating expenses	(48)	(49)
Depreciation on property and equipment	(35)	(34)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	(6)	10
Share of profit of a jointly controlled entity	1	1
<b>Profit before tax</b>	<b>£ 63</b>	<b>£ 66</b>
<b>Asset data</b>		
Net loans and advances to customers	£ 10,167	£ 9,606
Total assets	12,620	12,625
Risk weighted exposures*	10,190	9,921
Average net loans and advances for the first quarter	9,830	9,547
<b>Capital data*</b>		
Tier 1 capital	£ 1,701	£ 2,058
Total Regulatory Capital	1,905	2,282
Tier 1 ratio (percentage)	16.7%	20.7%

\* Calculated under the BIPRU convention.