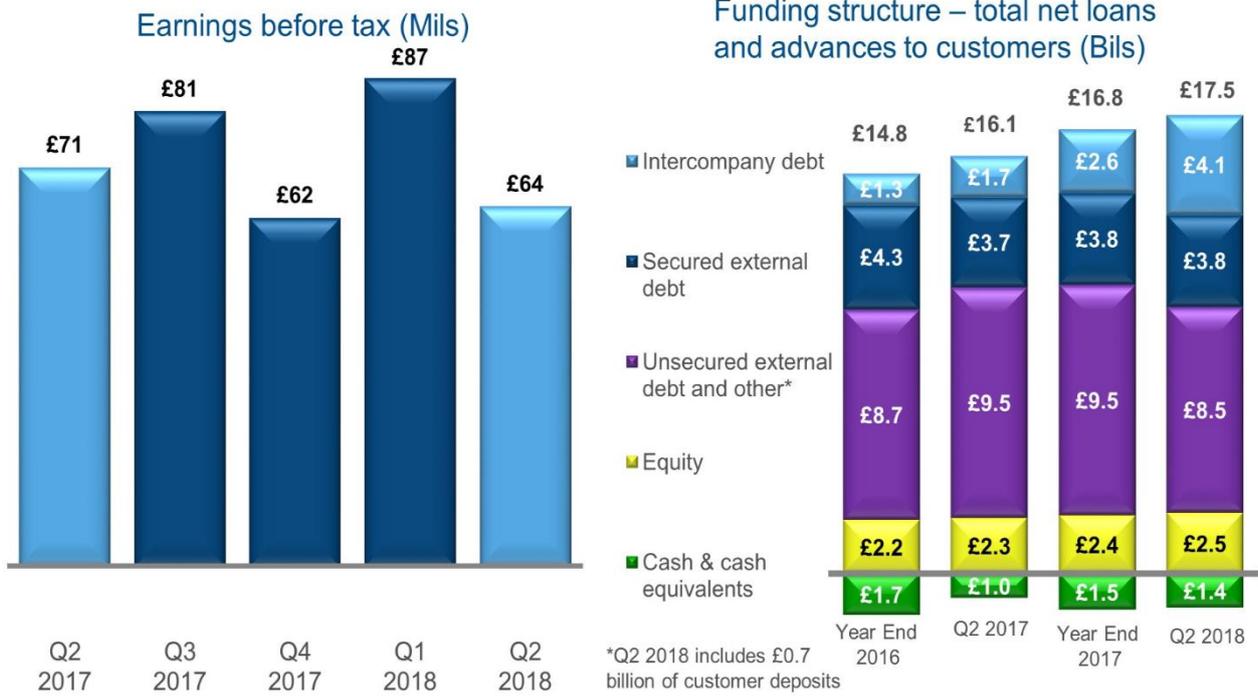

FCE Bank plc

Q2 MANAGEMENT STATEMENT

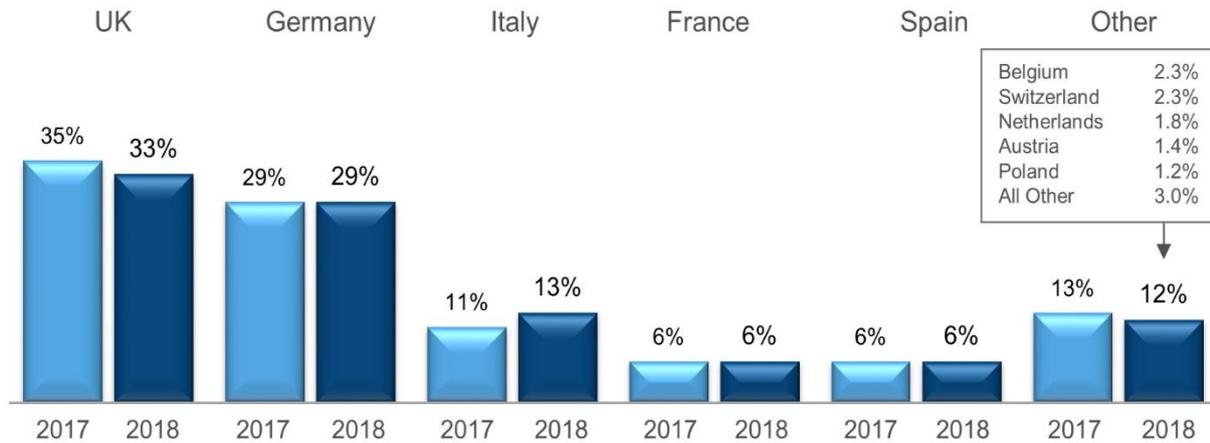
For the quarter ended 30 June 2018

2018

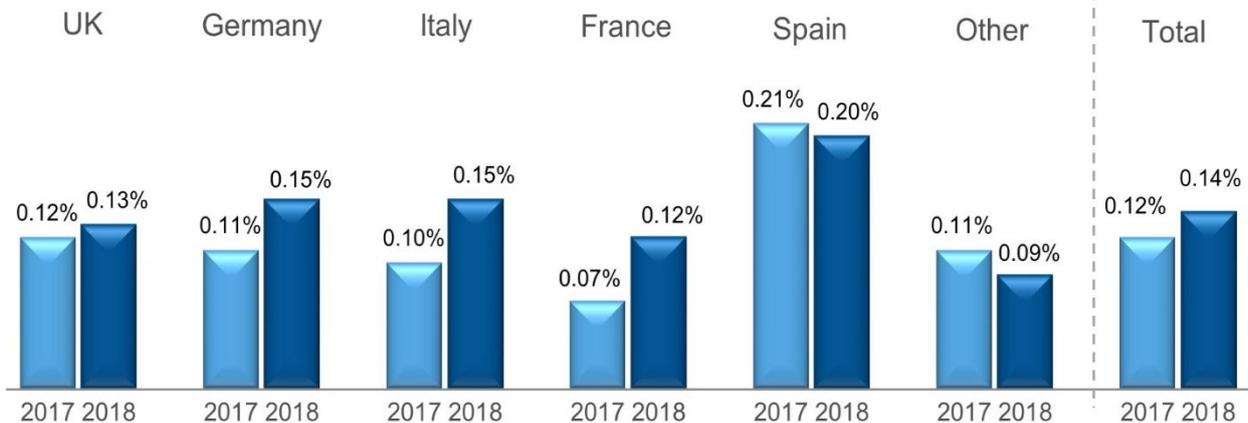
Highlights (unaudited)



Net loans and advances to customers at 30 June 2018 compared to 30 June 2017



Annualised Q2 net credit losses / average net loans and advances to customers



Management Statement

Key financial data (unaudited)	Q2 2018	Q2 2017
	(Mils)	(Mils)
Quarterly income statement data		
Net interest income	£ 131	£ 114
Net fees and commissions income	19	14
Other operating income	86	70
Total income	£ 236	£ 198
Net credit losses	£ (6)	£ (5)
Impairment loss reserve adjustment	-	(1)
Impairment reversal / (losses) on loans and advances	£ (6)	£ (6)
Operating expenses	£ (78)	£ (65)
Depreciation on property and equipment	(76)	(67)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	(12)	10
Share of profit of a jointly controlled entity	-	1
Profit before tax	£ 64	£ 71
Asset data		
Net loans and advances to customers	£ 17,480	£ 16,065
Total assets	20,418	18,355
Average net loans and advances for the second quarter	17,540	15,698
Regulatory capital data		
Common equity tier 1 (CET1) capital	£ 2,375	£ 2,189
Own funds / Total capital	2,708	2,531
Common equity tier 1 (CET1) capital ratio	14.2%	14.0%
Total capital ratio	16.2%	16.1%

Business Highlights

In Q2 2018 FCE Bank plc (FCE) recorded earnings before tax of £64 million. Earnings for the quarter were £7 million lower than Q2 2017 with increased income being offset by losses on foreign exchange and higher operating costs driven by Brexit.

FCE's 'Net loans and advances to customers' were £17.5 billion, approximately £1.4 billion higher than Q2 2017, reflecting increases in the retail and wholesale loan portfolios. At year-end 2018, FCE anticipates 'Net loans and advances to customers' to be in the range of £17 billion to £18 billion.

FCE has continued to deliver strong credit loss performance and the results remain within plan.

Funding and Liquidity

To support Brexit contingency planning, Ford Motor Credit Company LLC will continue to issue its debt from the United States and to on-lend to FCE. FCE's 2018 funding plan includes public term funding issuance of £0.7 billion to £1.3 billion, including public unsecured term debt issuance of up to £0.4 billion and public term securitisation of £0.7 billion to £0.9 billion.

As at 30 June 2018, customer deposits represented £0.7 billion of funding as the portfolio continues to grow in line with our strategy of controlled growth.

FCE's sources of liquidity include cash and cash equivalents, committed unsecured credit facilities and committed securitisation capacity. Liquidity available for use will fluctuate based on factors which include changes in receivables levels and execution and maturity of capital market transactions. At 30 June 2018, FCE had £2.3 billion of liquidity available for use. Total liquidity sources were £4.0 billion, £0.8 billion lower than prior quarter, in line with planned actions to support Ford Bank GmbH launch. The

utilisation of liquidity totalled £1.6 billion and securitisation capacity not available for use was £0.1 billion at 30 June 2018.

Effective June 28, 2018, FCE amended its syndicated credit facility (the "FCE Credit Agreement") and extended the maturity date from October 23, 2020 to October 22, 2021 with total commitments of £745 million. The reduction in commitments from £945 million was due to a reallocation of commitments to a new syndicated credit facility (the "Ford Bank Credit Agreement") for FCE's German subsidiary, Ford Bank GmbH ("Ford Bank"), which also became effective on June 28 with total commitments of €240 million (equivalent to £213 million at 30 June 2018).

FCE's 2018 dividend planning will consider future receivables levels and profits while maintaining a capital ratio that exceeds regulatory requirements and internal targets.

As at 30 June 2018, FCE's long term debt credit ratings/ outlook were Baa2/Negative from Moody's, BBB/Stable from S&P and BBB/Stable from Fitch.

Full Year Outlook

FCE continues to implement its strategy to protect for potential risks associated with Brexit. FCE's wholly owned subsidiary, Ford Bank GmbH was successfully launched on 1st July 2018. In other European markets in which FCE operates, contingency plans are under development which may involve establishing finance companies or third country branches subject to FCE Board approval.

Providing economic conditions remain in line with expectations, FCE expects to report another strong annual profit for 2018. FCE's performance will be driven by controlled growth and the continued performance of its portfolio.

Management Statement

Public Term Funding Plan	2018 Forecast (Bils)	2018 YTD Actual* (Bils)	2017 Actual (Bils)	2016 Actual (Bils)
- Unsecured Debt	£ 0.0 - 0.4	£ -	£ 1.3	£ 2.0
- Securitisation	0.7 - 0.9	0.3	1.0	1.4
Total	£ 0.7 - 1.3	£ 0.3	£ 2.3	£ 3.4

* Includes transactions settled up to and including 25th July 2018

	Jun 2018 (Bils)	Mar 2018 (Bils)	Dec 2017 (Bils)
Liquidity Sources			
Cash and cash equivalents	£ 1.5	£ 1.0	£ 1.5
Committed unsecured credit facilities	0.9	1.3	1.3
Committed securitisation capacity*	1.6	2.5	2.2
Total Liquidity Sources	£ 4.0	£ 4.8	£ 5.0
Utilisation of Liquidity			
Cash not available for use in FCE's day to day operations**	£ (0.3)	£ (0.3)	£ (0.3)
Committed unsecured credit facilities	(0.1)	(0.5)	(0.5)
Committed securitisation capacity*	(1.2)	(1.8)	(1.0)
Total Utilisation of Liquidity	£ (1.6)	£ (2.6)	£ (1.8)
Gross Liquidity	£ 2.4	£ 2.2	£ 3.2
Securitisation capacity in excess of eligible receivables	£ (0.1)	£ (0.1)	£ (0.1)
Liquidity Available for Use	£ 2.3	£ 2.1	£ 3.1

* Committed securitisation capacity excludes FCE's access to the Bank of England's Discount Window Facility

** Cash not available for use in day to day operations which primarily includes cash associated with securitisation transactions