
FCE Bank plc
**Q3 MANAGEMENT
STATEMENT**

for the quarter ended 30 September 2011

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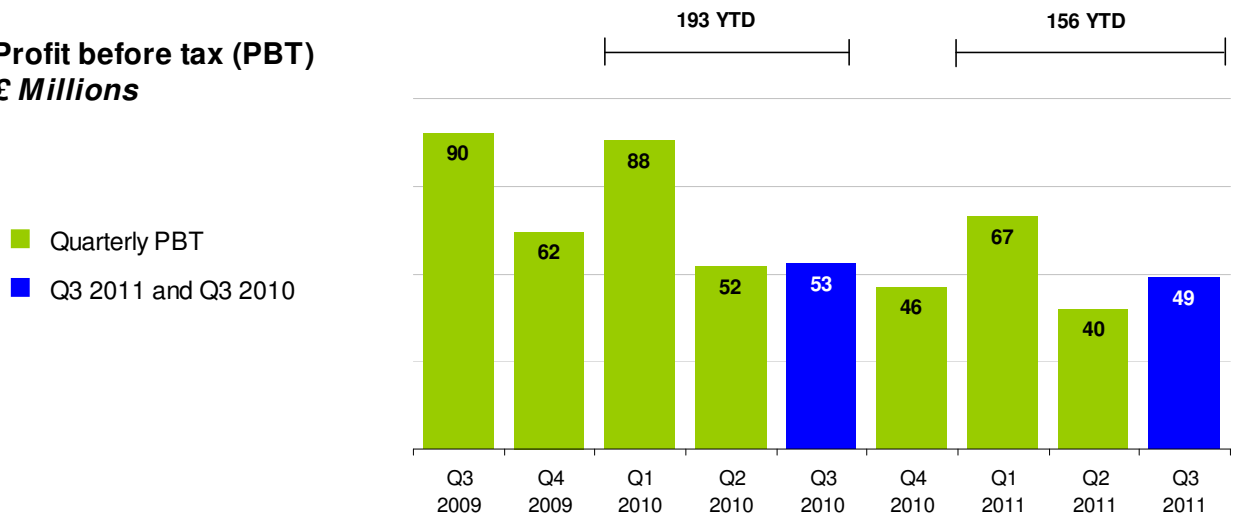
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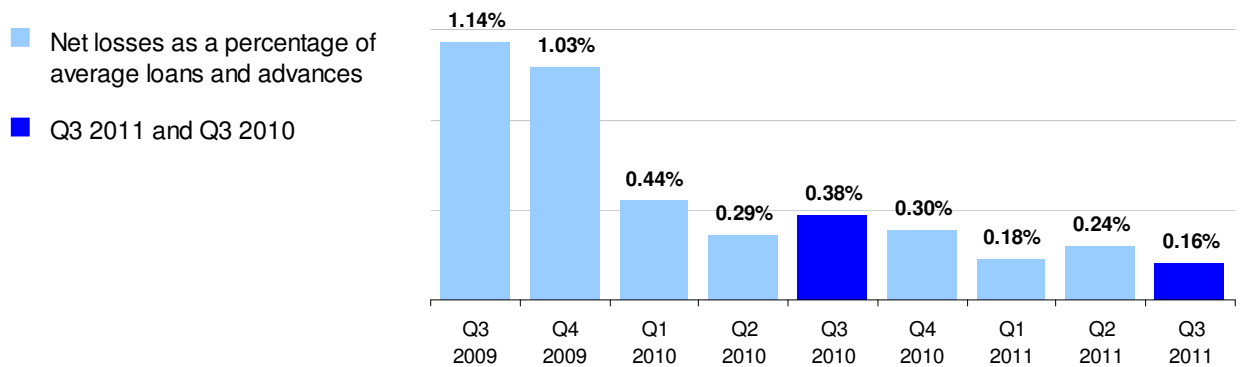
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Highlights (unaudited)*

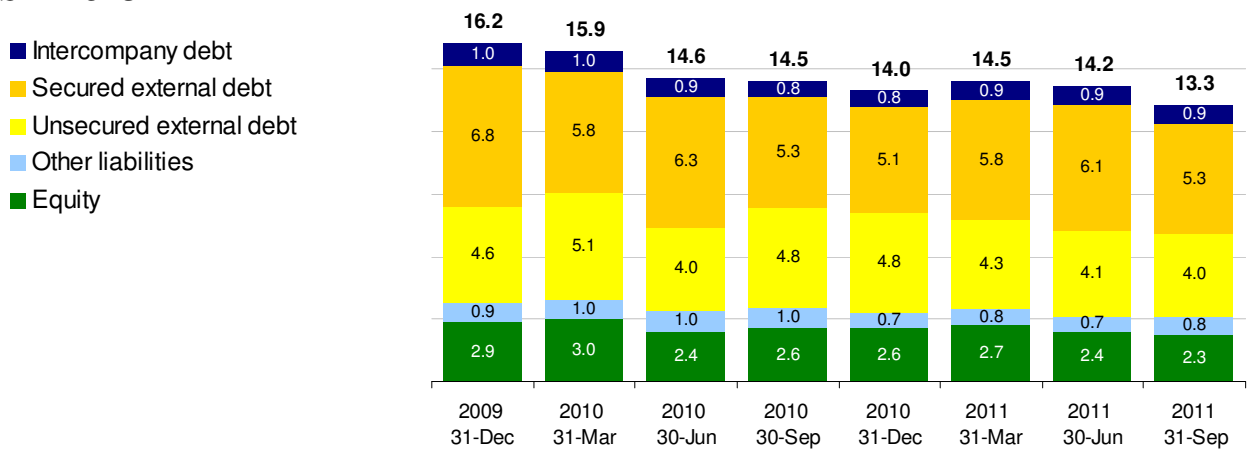
Profit before tax (PBT) £ Millions



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 2011 Annual Report and Accounts.

Management Statement

Commentary

FCE recorded profit before tax (PBT) of £156 million year-to-date, £37 million lower than the same period in 2010. In the third quarter, FCE recorded PBT of £49 million, a decrease of £4 million from the same period last year.

In the quarter, FCE's credit losses as a percentage of average receivables continued to improve with net credit losses reduced by £6 million compared to the same period last year.

The lower PBT compared to Q3 2010 however, mainly reflects the non-recurrence of prior-year residual value gains on operating leases. This is recognised within 'Depreciation on property and equipment'. The remaining increased depreciation charge relates to higher operating lease volumes, with the associated increased income recognised in 'Other operating income'.

FCE's total assets decreased by £0.9bn during the third quarter. This primarily reflects the impact of foreign exchange and a reduction in the high level of vehicle inventory financing experienced in the first half of the year as FCE supported new Ford product launches.

During the third quarter of 2011, FCE renewed or added £0.9 billion in private securitisation capacity.

FCE's full year 2011 public term funding plan includes public unsecured term debt issuance in the range of £0.4 - £0.9 billion (year to date: £0.4 billion) and public term securitisation issuance of £0.4 billion (year to date: £0.4 billion). Any further issuance in 2011 will be opportunistic, depending upon market conditions.

FCE's liquidity available for use as at 30 September 2011 totalled £2.6 billion, consisting of unsecured credit facilities of £0.4 billion, committed securitisation capacity of £0.7 billion, and cash and marketable securities of £1.5 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.

As at 26 October 2011, FCE's long term debt credit ratings/outlook are BB+/Positive from Fitch, Ba2/Positive from Moody's and BBB-/Stable from Standard and Poor's.

Key financial data (unaudited)	Q3 2011	Q3 2010
	£ mil	Restated* £ mil
Quarterly income statement data		
Net interest income	£ 82	£ 80
Net fees and commissions income	13	13
Other operating income	53	45
Total income	£ 148	£ 138
Net credit losses	£ (4)	£ (10)
Impairment loss reserve adjustment	5	8
Impairment reversal / (losses) on loans and advances	£ 1	£ (2)
Operating expenses	(49)	(47)
Depreciation on property and equipment	(50)	(30)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	(3)	(7)
Share of profit of a jointly controlled entity	2	1
Profit before tax	£ 49	£ 53
Interims	107	140
Memo: Profit before tax - year to date	£ 156	£ 193
Asset data		
Loans and advances to customers	£ 10,175	£ 10,996
Total assets	13,294	14,457
Risk weighted exposures	10,831	12,042
Average loans and advances for the third quarter	10,313	10,718
Capital data		
Tier 1 capital	£ 2,253	£ 2,457
Total Regulatory Capital	2,489	2,743
Tier 1 ratio (percentage)	20.8%	20.4%

*Restated as per Page 23 of FCE's Interim Report and Financial Statements for the half year ended 30 June 2011