FCE Bank plc

Q1 MANAGEMENT STATEMENT

for the quarter ended 31 March 2012

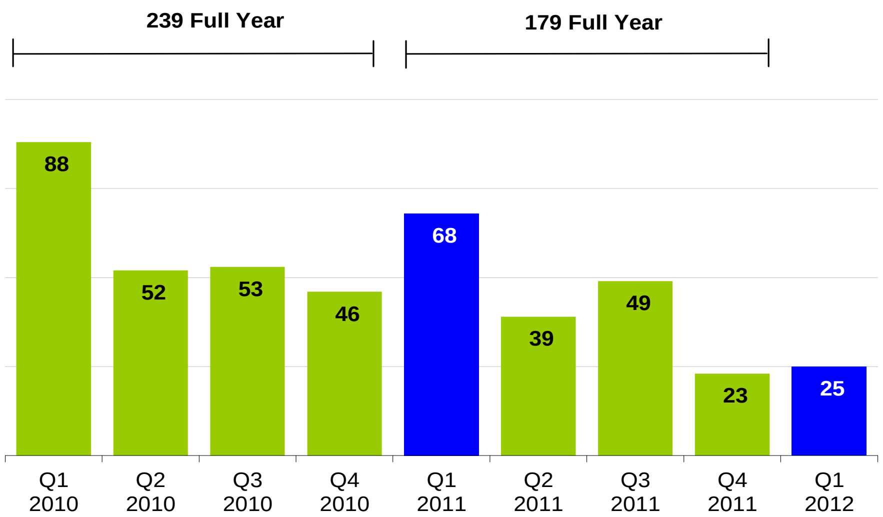
2012

Highlights (unaudited)*

Profit before tax (PBT)
£ Millions

Quarterly PBT

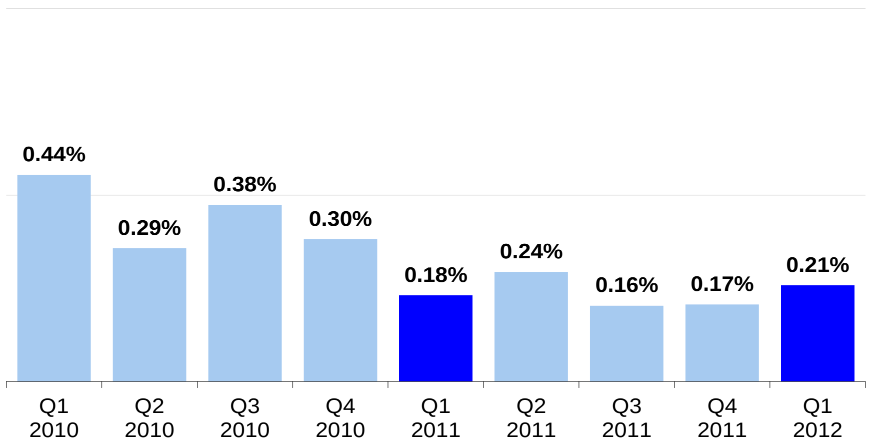
Q1 2011 and Q1 2012



Credit loss ratio

Net losses as a percentage of average loans and advances

Q1 2011 and Q1 2012



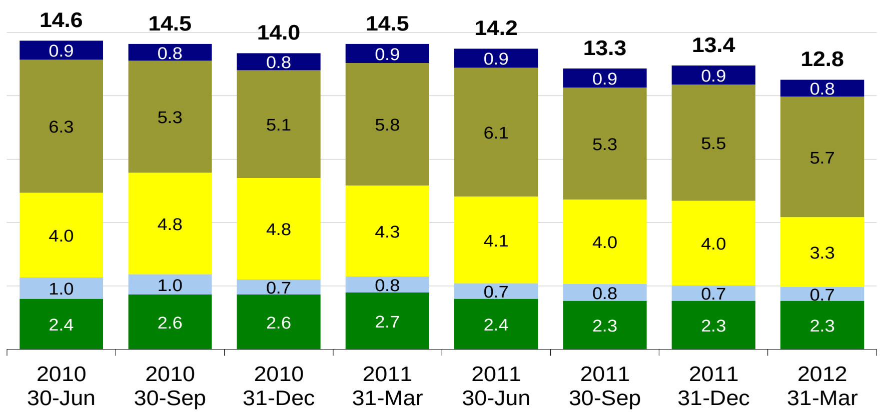
Intercompany debt

Secured external debt

Unsecured external debt

Other liabilities

Equity



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

Commentary

FCE recorded profit before tax (PBT) of £25 million in Q1 2012, £2 million higher than the previous period (Q4 2011). This primarily reflects a reduction in operating costs due to lower spending on restructuring costs.

Consistent with prior guidance, FCE's 'Loans and advances to customers' continued to reduce reflecting the liquidation of non-Ford brands and the impact of lower European vehicle industry volumes now forecast to be in the region of 14 million units. This continues to have a negative impact on FCE's PBT.

Although in Q1 2012 'Net interest income' remained stable compared to Q1 2011 due to the impact of reduced borrowing costs being largely offset by the effects of lower 'Loans and advances to customers', FCE's PBT in Q1 2012 was £43 million lower than Q1 2011. This decline was mainly due to the non-recurrence of a one-time gain of £11m recognised in Q1 2011 in 'Net fees and commission income', the impact of fair value adjustments to financial instruments, and reductions to the value of short term operating lease assets recorded within 'Depreciation on property and equipment'. Increases in operating lease rental income are included within 'Other operating income'.

During Q1 2012, credit losses in most markets remained stable and near historical lows, although Italian losses have increased slightly reflecting the economic slowdown.

During Q1 2012, FCE renewed or added £1.0 billion in private securitisation capacity including programmes funding Italian and Spanish retail receivables.

FCE's full year 2012 public term funding plan includes public unsecured term debt issuance in the range of £0.7 - £1.4 billion (year to date: £0.3 billion) and public term securitisation issuance in the range of £0.3 - £0.7 billion.

FCE's liquidity available for use as at 31 March 2012 totalled £1.9 billion, consisting of committed unsecured credit facilities of £0.3 billion, committed securitisation capacity of £0.4 billion, and cash and marketable securities of £1.2 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', the costs of maintaining higher levels of liquidity, and the impact of the economic slowdown. 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.

Consistent with prior guidance, FCE has declared and plans to pay a dividend of £315 million during 2012.

As at 27 April 2012, FCE's long term debt credit ratings/outlook are BBB-/Stable from Fitch, Ba1/Positive from Moody's and BBB-/Stable from Standard and Poor's. FCE is now rated investment grade from two of the three credit rating agencies that rate its debt.

Key financial data (unaudited)		**Q1 2012**		**Q1 2011**
Quarterly income statement data		**£ mil**		**£ mil**
Net interest income	£	85	£	84
Net fees and commissions income		7		27
Other operating income		48		31
Total income	**£**	**140**	**£**	**142**
Net credit losses	£	(5)	£	(5)
Impairment loss reserve adjustment		4		6
Impairment reversal / (losses) on loans and advances	**£**	**(1)**	**£**	**1**
Operating expenses		(45)		(44)
Depreciation on property and equipment		(57)		(29)
Fair value adjustments to financial instruments and gain or loss on foreign exchange		(13)		(4)
Share of profit of a jointly controlled entity		1		2
Profit before tax	**£**	**25**	**£**	**68**
Asset data				
Loans and advances to customers	£	9,976	£	11,432
Total assets		12,764		14,455
Risk weighted exposures		10,607		12,313
Average loans and advances for the first quarter		9,925		10,903
Capital data				
Tier 1 capital	£	2,248	£	2,581
Total regulatory capital		2,475		2,831
Tier 1 ratio (percentage)		21.2%		21.0%