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

for the quarter ended 31 March 2013

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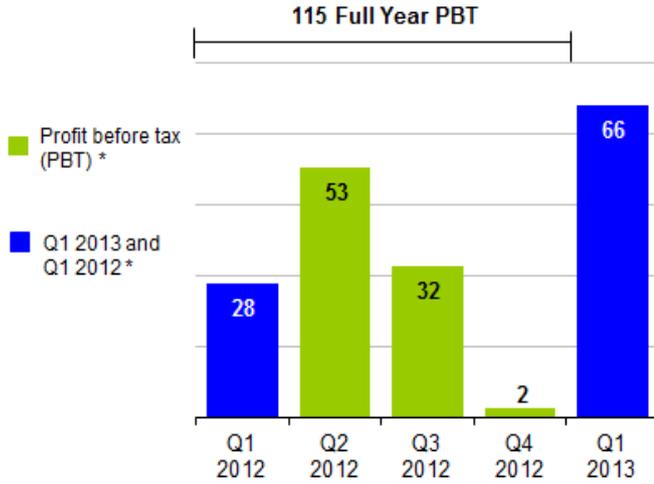
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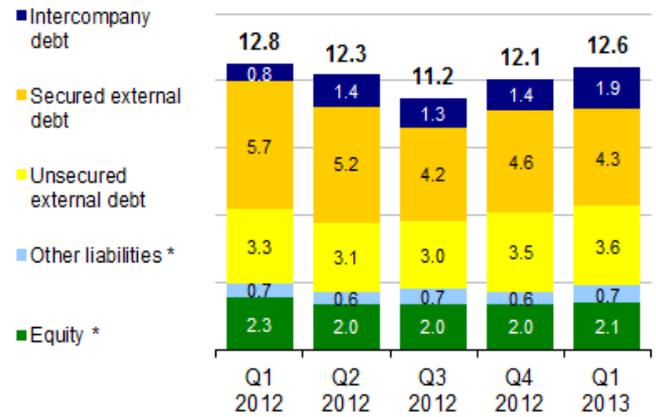
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# Highlights (unaudited)

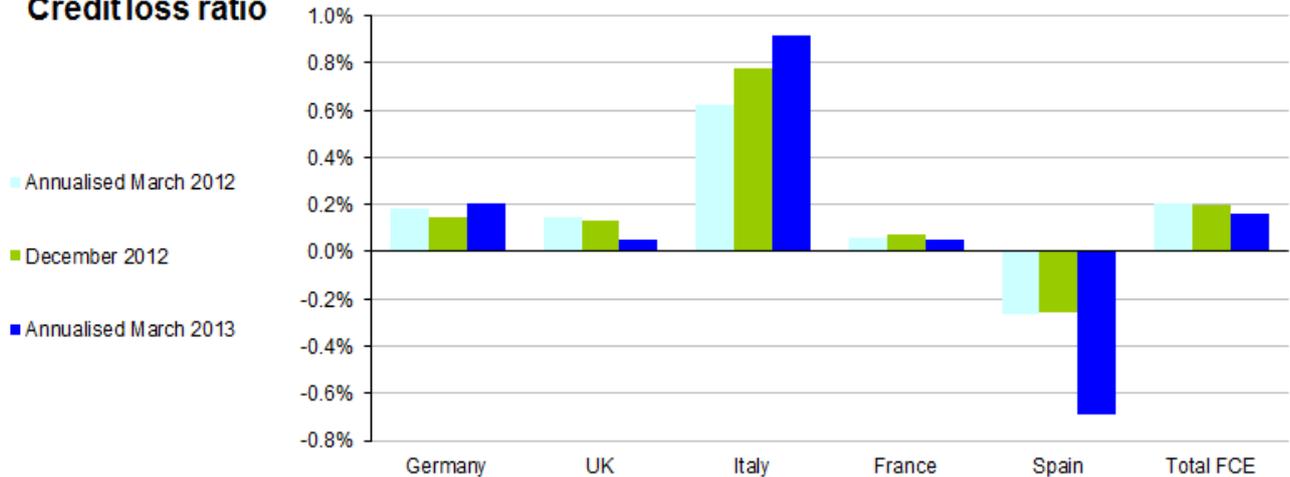
## Profit before tax £ Millions



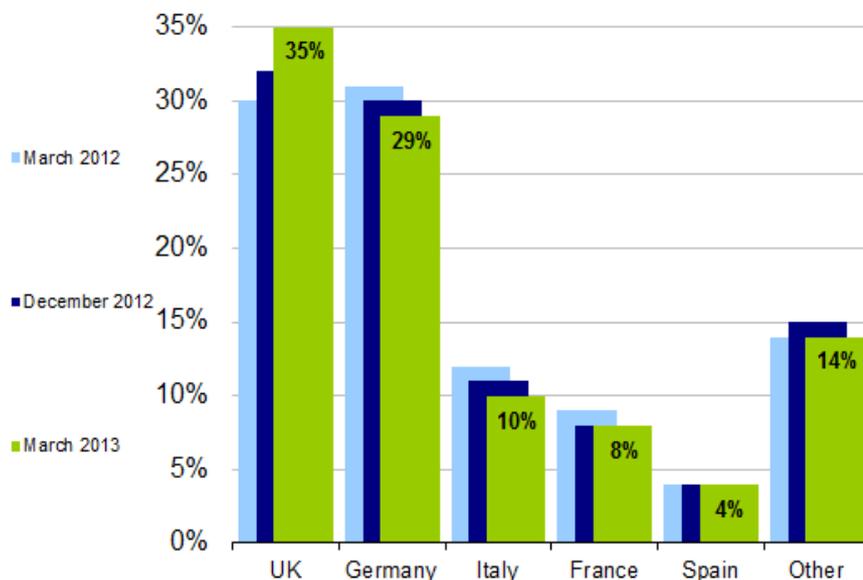
## Liabilities and shareholder's equity £ Billions



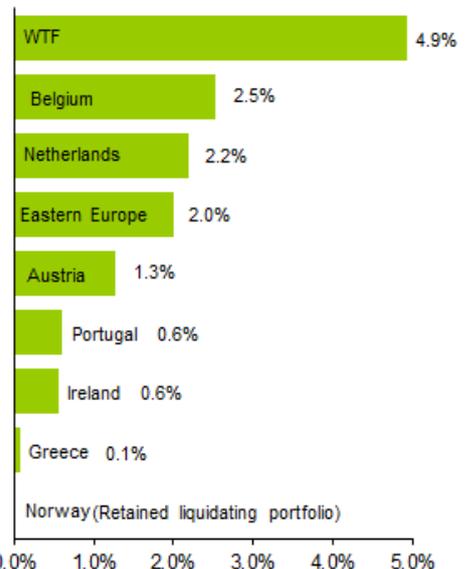
## Credit loss ratio



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



## 'Other' by market



# Management Statement

## Commentary

FCE recorded profit before tax (PBT) of £66 million in Q1 2013, £38 million more than the same period last year (Q1 2012).

The improvement in PBT compared to the same period last year reflects stronger margins as FCE benefits from its return to investment grade in 2012. In addition, FCE has been able to reduce the depreciation charges associated with its operating lease portfolio as well as benefiting from favourable mark-to-market adjustments.

Consistent with prior guidance, FCE's 'Net loans and advances to customers' were lower than in 2012, reflecting the impact of lower European vehicle industry volumes and reduced Ford vehicle stocks. At year-end 2013, FCE continues to anticipate 'Net loans and advances to customers' to be in the range of £8.5 billion to £10.5 billion.

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

FCE's 2013 funding plan includes unsecured term funding (including inter-company term funding) in the range of £1.6 billion to £2.2 billion, of which public unsecured term debt issuance is between £1.0 billion to £1.6 billion and a range of £0.3 billion to £0.7 billion in public term securitisation issuance.

Liquidity available for use as at 31 March 2013 totalled £2.1 billion, consisting of cash and marketable securities of £1.4 billion, committed securitisation capacity of £0.5 billion, and committed unsecured credit facilities of £0.2 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. Gross liquidity as at 31 March 2013 totalled £4.3 billion.

FCE is planning to improve its underlying PBT in 2013, which excludes exceptional items and adjustments to fair value and foreign exchange, versus that experienced in 2012 provided economic conditions do not deteriorate significantly. This will be driven by continued reductions in borrowing costs, improvements to FCE's cost structure, and increased penetration into Ford sales partially offsetting lower vehicle stocks.

As at 31 March 2013, 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>Q1 2013</b>	<b>Q1 2012</b>
<b>Quarterly income statement data</b>	<b>£ mil</b>	<b>Restated*</b>
		<b>£ mil</b>
Net interest income	£ 97	£ 88
Net fees and commissions income	5	7
Other operating income	41	48
<b>Total income</b>	<b>£ 143</b>	<b>£ 143</b>
Net credit losses	£ (4)	£ (5)
Impairment loss reserve adjustment	(1)	4
<b>Impairment reversal / (losses) on loans and advances</b>	<b>£ (5)</b>	<b>£ (1)</b>
Operating expenses	(49)	(45)
Depreciation on property and equipment	(34)	(57)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	10	(13)
Share of profit of a jointly controlled entity	1	1
<b>Profit before tax</b>	<b>£ 66</b>	<b>£ 28</b>
<b>Asset data</b>		
Net loans and advances to customers	£ 9,606	£ 9,976
Total assets	12,625	12,764
Risk weighted exposures	9,921	10,607
Average net loans and advances for the first quarter	9,547	9,917
<b>Capital data</b>		
Tier 1 capital	£ 2,058	£ 2,248
Total Regulatory Capital	2,282	2,475
Tier 1 ratio (percentage)	20.7%	21.2%

\* For details of restatement refer to FCE's Annual Report and Accounts for the year ended 31 December 2012.