
FCE Bank plc
**Q3 MANAGEMENT
STATEMENT**

for the quarter ended 30 September 2015

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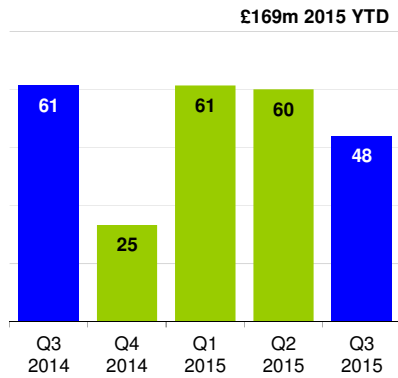
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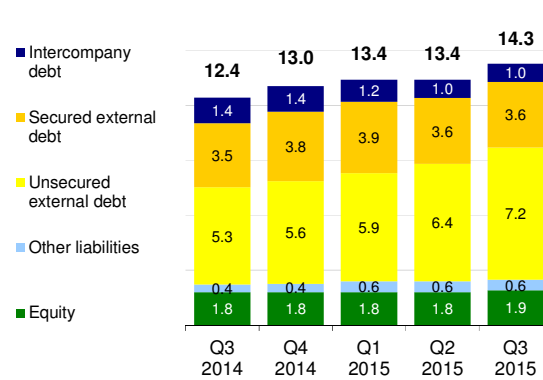
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Highlights (unaudited)

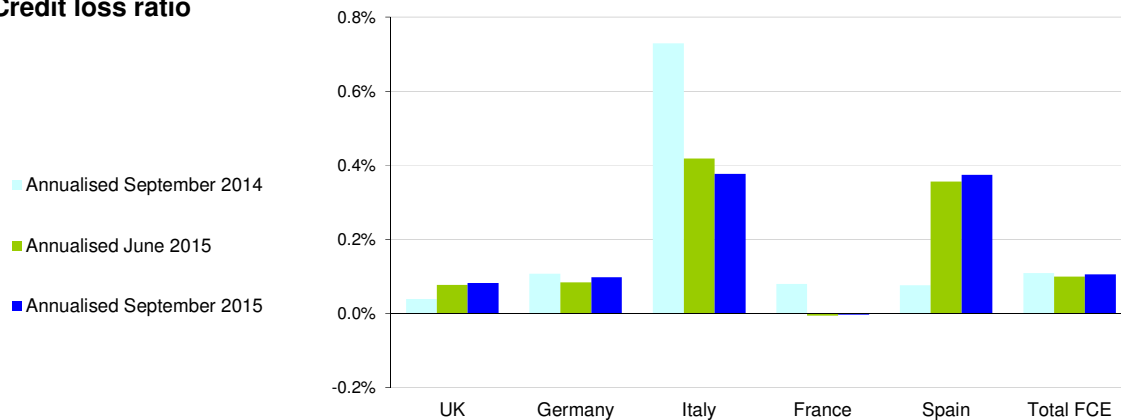
Profit before tax £ Millions



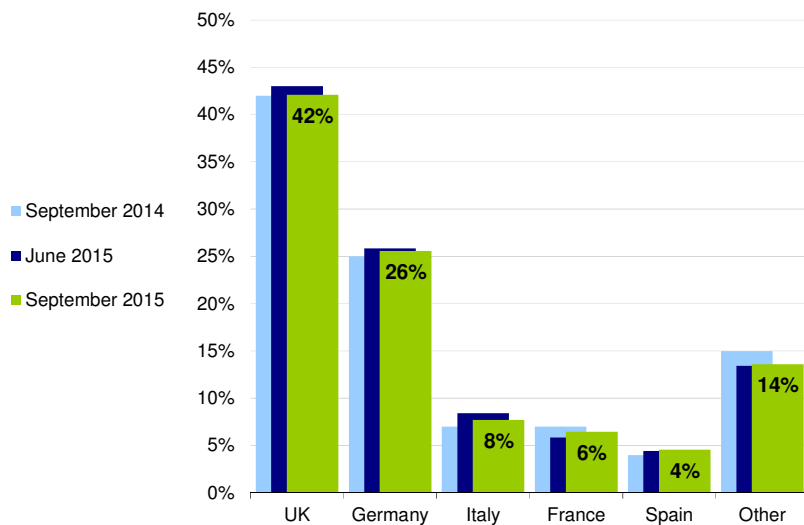
Liabilities and shareholder's equity £ Billions



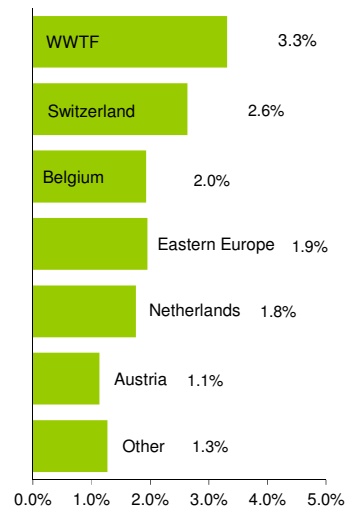
Credit loss ratio



Analysis of net loans and advances to customers by market



'Other' by market



This management statement is based on unaudited preliminary data. Final data will be included in FCE's 2015 Annual Report and Accounts.

Management Statement

Commentary

FCE Bank plc. (FCE) recorded profit before tax of £48 million in Q3 2015. The reduction from the Q3 2014 profit before tax of £61 million primarily reflects lower portfolio returns partially offset by portfolio growth. Profit is also impacted by the decline in the value of the euro versus sterling which has reduced FCE's euro-denominated income relative to Q3 2014.

FCE's 'Net loans and advances to customers' were approximately £1.6 billion higher than Q3 2014 due to increased Ford sales. At year-end 2015, FCE anticipates 'Net loans and advances to customers' to be higher than year-end 2014 and in the range of £11.5 billion to £12.5 billion.

FCE's credit loss ratio continues to run near historical lows reflecting strong performance of FCE's wholesale and retail portfolios.

FCE's 2015 funding plan includes public term funding issuance in the range of £2.6 billion to £3.3 billion, including public unsecured term debt of £2.2 billion to £2.9 billion and public term securitisation of £0.4 billion.

Liquidity available for use as at 30 September 2015 totalled £2.4 billion, consisting of cash and cash equivalents of £1.2 billion, committed securitisation capacity of £0.5 billion, and committed unsecured credit facilities of £0.7 billion. These amounts are net of utilisation and adjusted for cash and cash equivalents not available for use in day-to-day operations and securitisation capacity in excess of eligible receivables.

Excluding fair value adjustments and foreign exchange effects, FCE expects to report another strong year in 2015 for profits provided economic conditions do not deteriorate significantly. FCE's performance will be driven by controlled growth and the continued performance of its portfolio.

FCE has not paid a dividend to date in 2015. Any dividend payment this year will consider future receivables growth, profits and currency movements while maintaining a capital ratio that exceeds regulatory requirements and internal targets.

As at 27 October 2015, FCE's long term debt credit ratings/outlook are BBB-/Positive from Fitch, Baa3/Stable from Moody's and BBB/Stable from Standard and Poor's (S&P).

| Key financial data (unaudited) | Q3 2015 | Q3 2014 |
|--|--------------|--------------|
| | £ mil | £ mil |
| Quarterly income statement data | | |
| Net interest income | £ 91 | £ 108 |
| Net fees and commissions income | 10 | 5 |
| Other operating income | 47 | 52 |
| Total income | £ 148 | £ 165 |
| Net credit losses | £ (3) | £ (2) |
| Impairment loss reserve adjustment | - | 2 |
| Impairment reversal / (losses) on loans and advances | £ (3) | £ - |
| Operating expenses | £ (49) | £ (50) |
| Depreciation on property and equipment | (44) | (49) |
| Fair value adjustments to financial instruments and gain or loss on foreign exchange | (5) | (6) |
| Share of profit of a jointly controlled entity | 1 | 1 |
| Profit before tax | £ 48 | £ 61 |
| Asset data | | |
| Net loans and advances to customers | £ 11,998 | £ 10,442 |
| Total assets | 14,280 | 12,419 |
| Average net loans and advances for the third quarter | 11,403 | 10,509 |
| Regulatory capital data | | |
| Common equity tier 1 (CET1) capital | £ 1,713 | £ 1,686 |
| Own funds | 1,960 | 1,927 |