
FCE Bank plc

Q1 MANAGEMENT STATEMENT

For the quarter ended 31 March 2016



| FORD CREDIT

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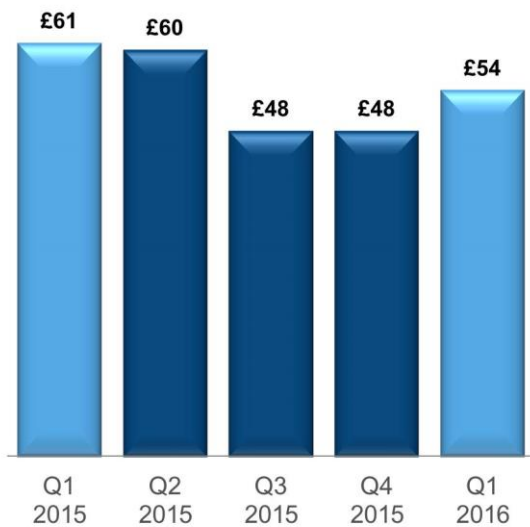
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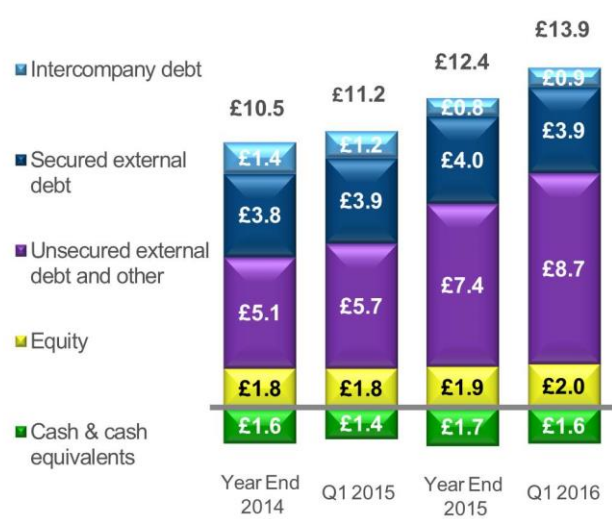
Q1

Highlights (unaudited)

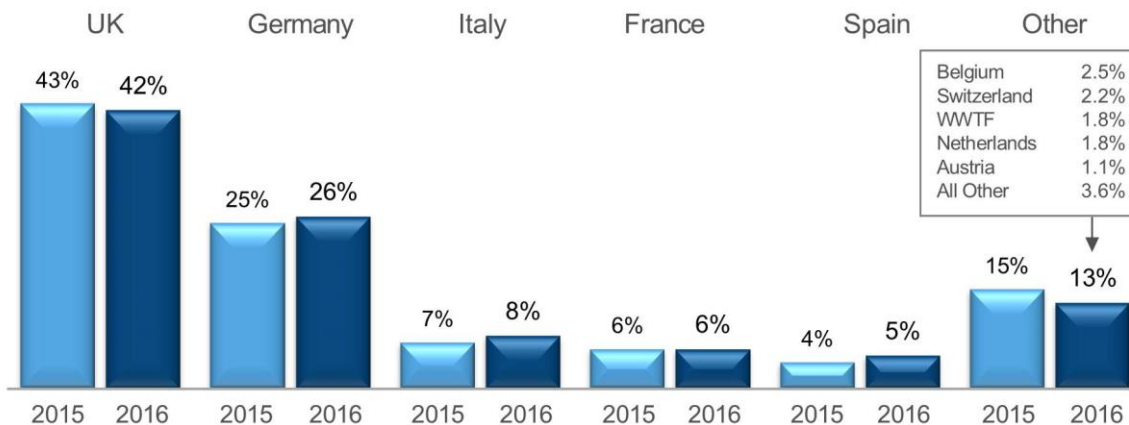
Profit before tax (Mils)



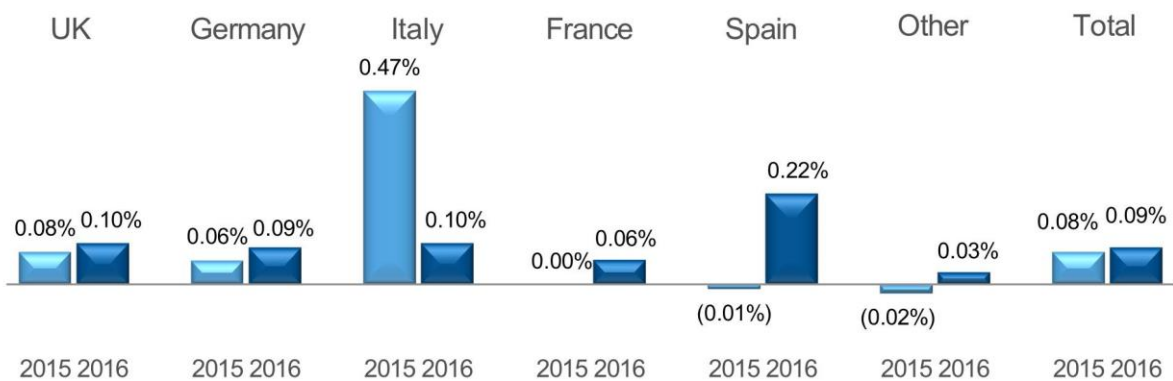
Funding structure – total net loans and advances to customers (Bils)



Net loans and advances to customers at 31 March 2016 compared to 31 March 2015



Annualised Q1 net credit losses / average net loans and advances to customers



This management statement is based on unaudited preliminary data. Final data will be included in FCE's 2016 Annual Report.

Management Statement

Key financial data (unaudited)	Q1 2016	Q1 2015
	£ mil	£ mil
Quarterly income statement data		
Net interest income	£ 111	£ 101
Net fees and commissions income	9	6
Other operating income	37	43
Total income	£ 157	£ 150
Net credit losses	£ (3)	£ (2)
Impairment loss reserve adjustment	(4)	-
Impairment reversal / (losses) on loans and advances	£ (7)	£ (2)
Operating expenses	£ (55)	£ (45)
Depreciation on property and equipment	(34)	(39)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	(8)	(4)
Share of profit of a jointly controlled entity	1	1
Profit before tax	£ 54	£ 61
Asset data		
Net loans and advances to customers	£ 13,937	£ 11,208
Total assets	16,489	13,401
Average net loans and advances for the first quarter	13,688	11,005
Regulatory capital data		
Common equity tier 1 (CET1) capital	£ 1,955	£ 1,700
Own funds / Total capital	2,213	1,948
Common equity tier 1 (CET1) capital ratio	14.5%	15.4%
Total capital ratio	16.4%	17.7%

Business Highlights

In Q1 2016 FCE Bank plc (FCE) continued to deliver its plan of controlled growth demonstrated by strong profits, continued growth in receivables and low credit losses.

FCE recorded profit before tax of £54 million in Q1 2016. The reduction from the Q1 2015 profit before tax of £61 million primarily reflects higher operating expenses driven by portfolio growth and the continuing transition of operations to FCE's Manchester Business Centre.

FCE's 'Net loans and advances to customers' were approximately £2.7 billion higher than Q1 2015 due to increased Ford sales. At year-end 2016, FCE anticipates 'Net loans and advances to customers' to be higher than year-end 2015 and in the range of £14 billion to £15 billion.

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

Funding and Liquidity

FCE's 2016 funding plan includes public term funding issuance of £3.2 billion to £4.0 billion, including public unsecured term debt of £2.3 billion to £2.7 billion (which includes planned issuances of publicly listed non-syndicated debt) and public term securitisation of £0.9 billion to £1.3 billion.

At 31 March 2016, FCE had total liquidity sources of £5.4 billion compared with total liquidity sources of £5.3 billion at

31 March 2015. FCE's liquidity sources of committed capacity and cash are diversified across a variety of markets and platforms. The utilisation of liquidity totalled £2.6 billion at 31 March 2016 compared with £3.1 billion at 31 March 2015. The decrease of £0.5 billion reflects lower usage of committed ABS facilities. Total liquidity available for use continues to remain strong at £2.7 billion at Q1 2016, £0.9 billion higher than Q1 2015.

FCE's 2016 dividend planning will consider future receivables levels, profits and currency movements while maintaining a capital ratio that exceeds regulatory requirements and internal targets.

As at 28 April 2016, FCE's long term debt credit ratings/outlook are Baa2/Stable from Moody's, BBB/Stable from Standard and Poor's (S&P) and BBB-/Positive from Fitch.

Full Year Outlook

Excluding fair value adjustments and foreign exchange effects, FCE expects to report another strong year in 2016 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 will publish a Q2 Management Statement, similar to this statement, in place of Interim Financial Statements from this year onwards.

Management Statement

Public Term Funding Plan	2016	2016	2015	2014
	Forecast £ bils	YTD Actual* £ bils	Actual £ bils	Actual £ bils
- Unsecured Debt	£ 2.3 - 2.7	£ 1.0	£ 2.7	£ 1.9
- Securitisation	0.9 - 1.3	0.5	0.4	0.8
Total	£ 3.2 - 4.0	£ 1.5	£ 3.1	£ 2.7

* Includes transactions settled up to 28 April 2016

	Mar 2016 £ bil	Dec 2015 £ bil	Mar 2015 £ bil
Liquidity Sources			
Cash and cash equivalents	£ 1.6	£ 1.7	£ 1.4
Unsecured credit facilities	1.1	0.9	0.8
Committed securitisation capacity*	2.7	2.8	3.1
Total Liquidity Sources	£ 5.4	£ 5.4	£ 5.3
Utilisation of liquidity			
Cash not available for use in day to day operations**	£ (0.3)	£ (0.3)	£ (0.3)
Unsecured credit facilities	(0.4)	(0.5)	(0.3)
Committed securitisation capacity*	(1.9)	(2.5)	(2.5)
Total utilisation of liquidity	£ (2.6)	£ (3.3)	£ (3.1)
Gross liquidity	£ 2.8	£ 2.1	£ 2.2
Securitisation capacity in excess of eligible receivables	£ (0.1)	£ (0.1)	£ (0.4)
Liquidity available for use	£ 2.7	£ 2.0	£ 1.8

* 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 includes cash associated with securitisation transactions and central bank deposits