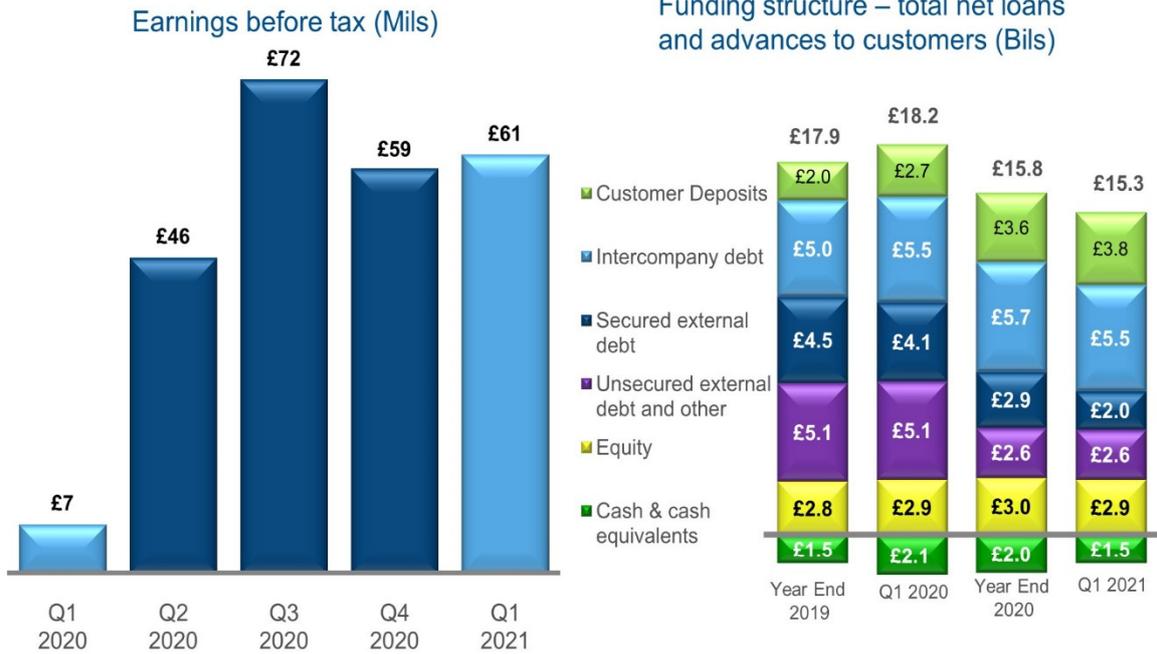

FCE Bank plc

Q1 MANAGEMENT STATEMENT

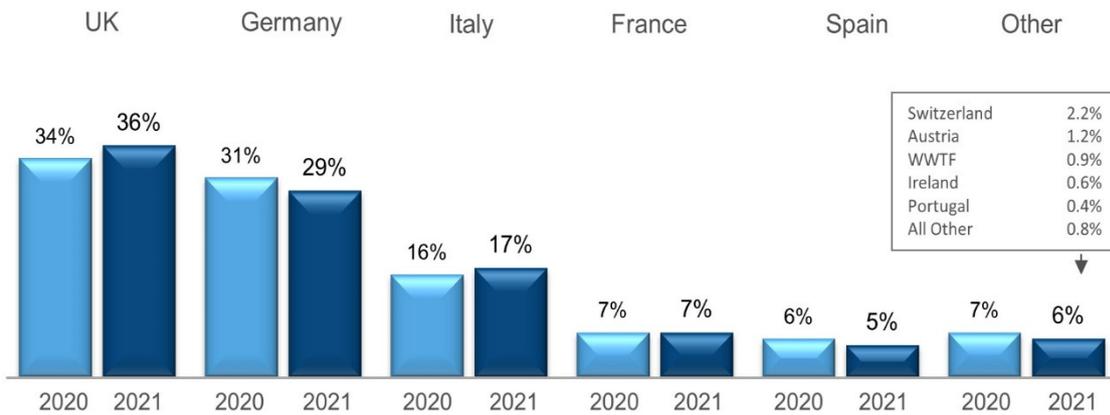
For the quarter ended 31 March 2021

2021

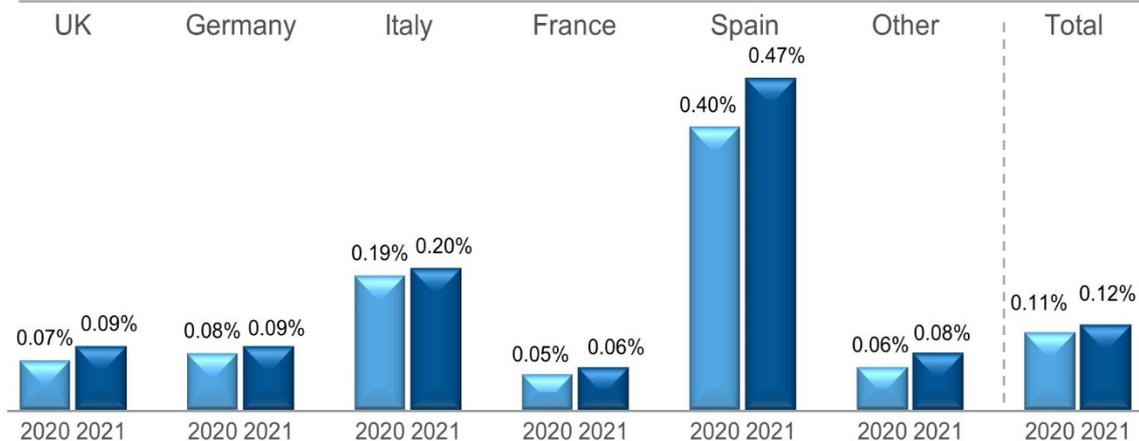
Highlights (unaudited)



Net loans and advances to customers at 31 Mar 2021 compared to 31 Mar 2020



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



Management Statement

Key financial data (unaudited)	Q1 2021	Q1 2020
Quarterly income statement data	(Mils)	(Mils)
Net interest income	£ 108	£ 125
Net fees and commissions income	9	13
Other operating income	59	59
Total income	£ 176	£ 197
Allowance for expected credit losses	£ 0	£ (39)
Operating expenses	£ (64)	£ (75)
Depreciation on property and equipment	(57)	(62)
Fair value adjustments to financial instruments and gain or loss on foreign exchange	6	(14)
Profit before tax	£ 61	£ 7
Asset data		
Net loans and advances to customers	£ 15,252	£ 18,232
Total assets	17,638	21,513
Average net loans and advances for the quarter	15,500	17,890
Regulatory capital data		
Common equity tier 1 (CET1) capital	£ 2,845	£ 2,788
Own funds / Total capital	3,171	3,129
Common equity tier 1 (CET1) capital ratio	20.0%	16.4%
Total capital ratio	22.3%	18.5%

Business Highlights

As a consequence of the on-going COVID-19 pandemic that continues to impact European markets, and also the global semiconductor shortage, Ford's vehicle sales and production continue to be below pre-COVID-19 levels. As a result, FCE Bank plc's (FCE's) 'Net loans and advances to customers' reduced to £15 billion, £3 billion lower than Q1 2020.

In Q1 2021, FCE recorded earnings before tax of £61 million, £54 million higher than Q1 2020. The improvement is explained primarily by non-recurrence of the first quarter 2020 increase to the credit loss reserve, partially offset by reduced interest income reflecting lower loans and advances.

FCE's credit loss reserves are aligned with its expectation that credit losses will trend higher as payment holidays and similar support provided to customers expire.

Funding and Liquidity

Our funding strategy remains focused on diversification, and we plan to continue accessing a variety of markets, channels, and investors, including government-sponsored funding programs. These diverse sources of liquidity will provide FCE with flexibility to adapt its plans as the impact of COVID-19 on investor behaviours and pricing continues to evolve.

As at 31 March 2021, customer deposits represented a total of £3.8 billion of funding, which includes both the UK Deposit, and the growing German Deposit programs. FCE's sources of liquidity include cash and cash equivalents, committed unsecured credit facilities, committed securitisation capacity and assets eligible as collateral in ECB monetary policy transactions. Liquidity available for use will fluctuate based on

factors which include changes in receivables levels and execution and maturity of capital market transactions. At 31 March 2021, total liquidity sources were £4.6 billion of which £3.8 billion were available for use.

In April 2021, FCE paid a dividend of £300 million, which equates to 48.83 pence per ordinary share, to its shareholder. This dividend payment is consistent with FCE's plan to align its capital base with the current scale of its business.

At 31 March 2021, FCE's long term debt credit ratings/outlooks were Ba2/Stable with Moody's (changed from Ba2/Negative), BBB-/Negative with S&P (unchanged) and BB+/Negative with Fitch (unchanged).

Full Year Outlook

FCE expects to be solidly profitable in 2021. However, our future results depend on the further developments of the COVID-19 pandemic, its impact on economic conditions and potential further reductions in vehicle production, as a result of semiconductor shortages.

From 1 April 2021, FCE has transferred operations to a new finance company in Italy and a new Austrian branch of Ford Bank GmbH as the final elements of its Brexit contingency plans.

Management Statement

Public Term Funding Plan	2021 Forecast (Bils)	2021 YTD Actual* (Bils)	2020 Actual (Bils)	2019 Actual (Bils)
- Unsecured Debt	£ -	-	£ -	£ -
- Securitisation	0.4 - 0.8	0.4	-	1.1
Total	£ 0.4 - 0.8	£ 0.4	£ -	£ 1.1

* includes transactions settled up to and including 28 April 2021

	Mar 2021 (Bils)	Dec 2020 (Bils)	Mar 2020 (Bils)
Liquidity Sources			
Cash and cash equivalents	£ 1.5	£ 2.0	£ 2.1
Committed unsecured credit facilities	1.1	1.1	1.0
Central Bank Eligible Assets*	0.1	0.1	-
Committed securitisation capacity	1.9	2.0	2.5
Total Liquidity Sources	£ 4.6	£ 5.2	£ 5.6
Utilisation of Liquidity			
Cash not available for use in FCE's day-to-day operations**	£ (0.3)	£ (0.3)	£ (0.3)
Committed unsecured credit facilities	(0.1)	(0.1)	(0.1)
Committed securitisation capacity	(0.1)	(1.1)	(1.8)
Total Utilisation of Liquidity	£ (0.5)	£ (1.5)	£ (2.2)
Gross Liquidity	£ 4.1	£ 3.7	£ 3.4
Securitisation capacity in excess of eligible receivables	£ (0.3)	£ (0.4)	£ (0.1)
Liquidity Available for Use	£ 3.8	£ 3.3	£ 3.3

* Central Bank eligible assets excludes FCE's access to the Bank of England's Discount Window Facility

** Cash not available for use in day to day operations which primarily includes cash associated with securitisation transactions