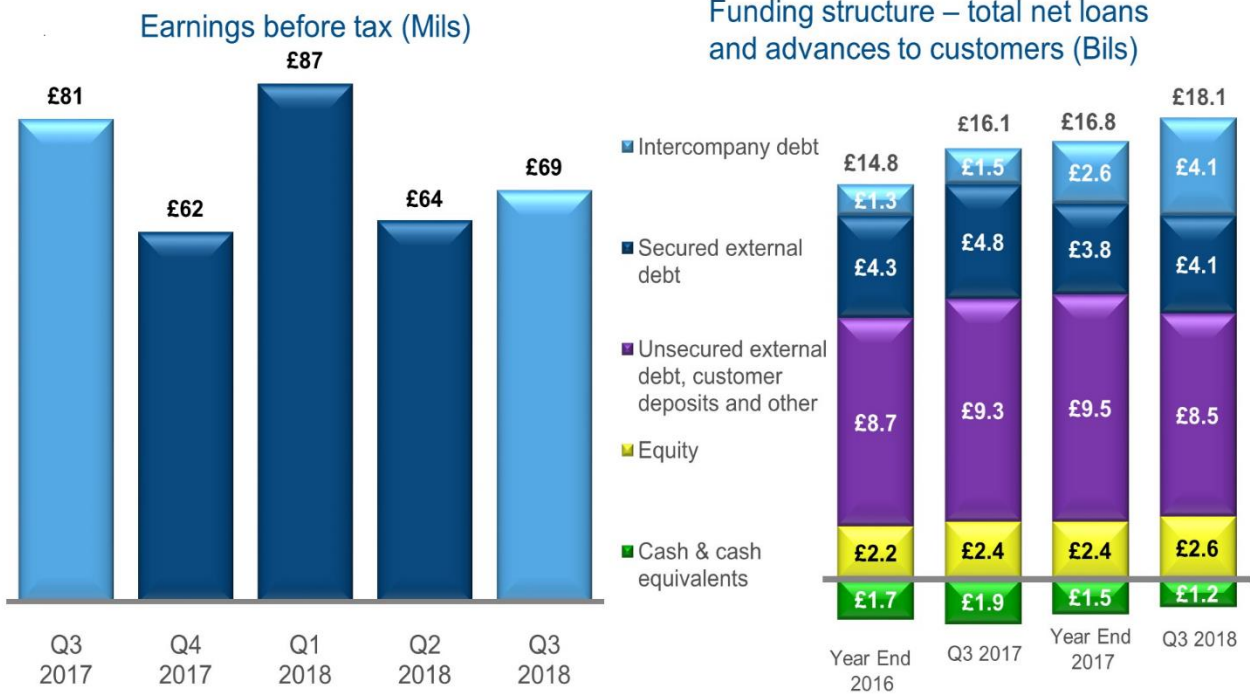

FCE Bank plc

Q3 MANAGEMENT STATEMENT

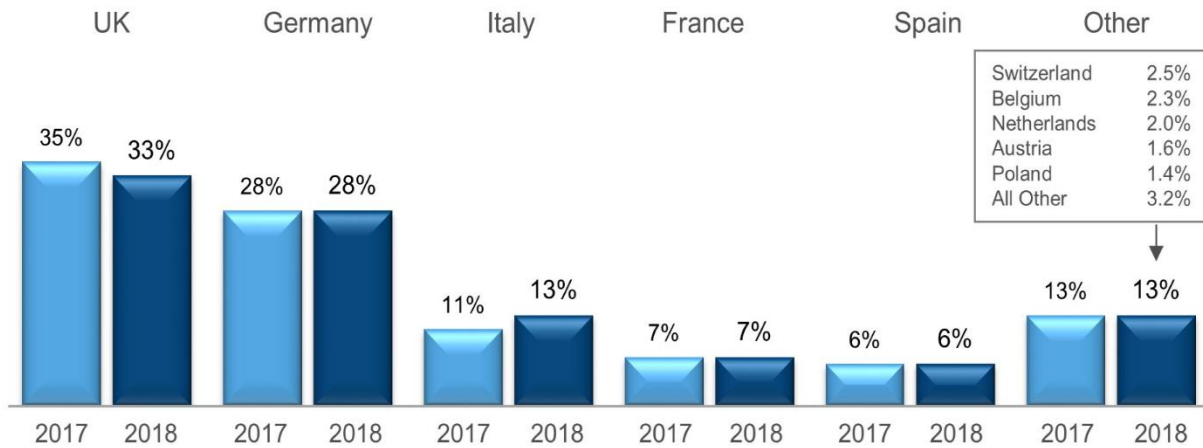
For the quarter ended 30 September 2018

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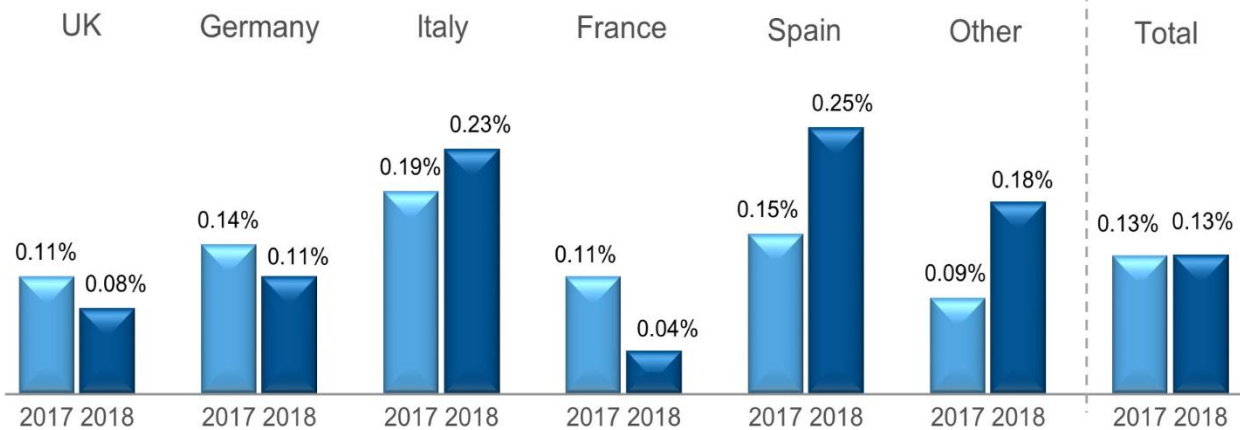
Highlights (unaudited)



Net loans and advances to customers at 30 Sept 2018 compared to 30 Sept 2017



Annualised Q3 net credit losses / average net loans and advances to customers



Management Statement

Key financial data (unaudited)	Q3 2018	Q3 2017
	(Mils)	(Mils)
Quarterly income statement data		
Net interest income	£ 137	£ 112
Net fees and commissions income	11	23
Other operating income	101	98
Total income	£ 249	£ 233
Impairment reversal / (losses) on loans and advances	£ (5)	£ (5)
Operating expenses	£ (82)	£ (63)
Depreciation on property and equipment	(96)	(94)
Translation adjustment on the sale of jointly controlled entity	-	9
Fair value adjustments to financial instruments and gain or loss on foreign exchange	3	-
Share of profit of a jointly controlled entity	-	1
Profit before tax	£ 69	£ 81
Asset data		
Net loans and advances to customers	£ 18,098	£ 16,122
Total assets	20,547	19,347
Average net loans and advances for the third quarter	17,770	16,042
Regulatory capital data		
Common equity tier 1 (CET1) capital	£ 2,380	£ 2,288
Own funds / Total capital	2,689	2,628
Common equity tier 1 (CET1) capital ratio	14.0%	13.5%
Total capital ratio	15.8%	15.5%

Business Highlights

In Q3 2018 FCE Bank plc (FCE) recorded earnings before tax of £69 million. Earnings for the quarter were £12 million lower than Q3 2017, with growth in income more than offset by the increase in operating costs reflecting FCE's preparations for Brexit including the formation of a new, wholly owned subsidiary Ford Bank GmbH (Ford Bank), which was launched in Germany on 1 July 2018.

FCE's 'Net loans and advances to customers' were £18.1 billion, approximately £2 billion higher than Q3 2017, reflecting increases in the retail and wholesale loan portfolios. At year-end 2018, FCE anticipates 'Net loans and advances to customers' to be in the range of £18 billion to £19 billion.

FCE has continued to deliver strong credit loss performance, and the results remain within plan.

Funding and Liquidity

To support Brexit contingency planning, Ford Motor Credit Company LLC will continue to issue its debt from the United States and on-lend to FCE. FCE's 2018 funding plan includes public term securitisation issuances of £1.0 billion.

As at 30 September 2018, customer deposits represented £0.8 billion of funding.

FCE's sources of liquidity include cash and cash equivalents, committed unsecured credit facilities and committed securitisation capacity. Liquidity available for use will fluctuate based on factors which include changes in receivables levels and execution and maturity of capital market transactions. At 30 September 2018, FCE had £1.9 billion of liquidity available for use.

Total liquidity sources were £4.3 billion, £0.3 billion higher than the prior quarter, in line with planned actions to support the Ford Bank. The utilisation of liquidity totalled £2.3 billion, and securitisation capacity not available for use was £0.1 billion at 30 September 2018.

FCE's 2018 dividend planning will consider future receivables levels and profits while maintaining a capital ratio that exceeds regulatory requirements and internal targets.

As at 30 September 2018, FCE's long term debt credit ratings/outlook were Baa3/Negative with Moody's (from Baa2/Stable), BBB/Negative from S&P (from BBB/Stable) and BBB/Stable from Fitch (unchanged).

Full Year Outlook

In addition to the new Ford Bank, FCE continues to implement its strategy to protect for potential risks associated with Brexit, including establishing finance companies or third country branches subject to FCE Board approval.

On 5 October 2018, FCE received a notice from the Italian Competition Authority (the ICA), concerning an alleged violation of Article 101 of the Treaty of the Functioning of the European Union. The ICA alleges that FCE Bank plc and other parties engaged in anti-competitive practices in relation to the automotive financial market in Italy. If a violation is found at the initial stage, we would appeal as based upon FCE's understanding of the facts we have grounds to challenge. While not probable, the reasonably possible loss could be up to £230 million. To avoid penalties, FCE could be required to pay a fine and then seek reimbursement of the payment through the appellate process.

Excluding the item above and providing economic conditions remain in line with expectations, FCE expects to report another strong annual profit for 2018.

Management Statement

Public Term Funding Plan	2018		2017		2016	
	Forecast (Bils)	YTD Actual* (Bils)	Actual (Bils)		Actual (Bils)	
- Unsecured Debt	£ -	-	£ 1.3		£ 2.0	
- Securitisation	1.0	1.0	1.0		1.4	
Total	£ 1.0	£ 1.0	£ 2.3		£ 3.4	

* Includes transactions settled up to and including 24 October 2018

	Sep 2018 (Bils)	Jun 2018 (Bils)	Dec 2017 (Bils)
Liquidity Sources			
Cash and cash equivalents	£ 1.2	£ 1.5	£ 1.5
Committed unsecured credit facilities	1.1	0.9	1.3
Committed securitisation capacity*	2.0	1.6	2.2
Total Liquidity Sources	£ 4.3	£ 4.0	£ 5.0
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	(0.4)	(0.1)	(0.5)
Committed securitisation capacity*	(1.6)	(1.2)	(1.0)
Total Utilisation of Liquidity	£ (2.3)	£ (1.6)	£ (1.8)
Gross Liquidity	£ 2.0	£ 2.4	£ 3.2
Securitisation capacity in excess of eligible receivables	£ (0.1)	£ (0.1)	£ (0.1)
Liquidity Available for Use	£ 1.9	£ 2.3	£ 3.1

* 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 which primarily includes cash associated with securitisation transactions