

# ***INVESTOR CALL FCE BANK PLC***

***2011 FINANCIAL RESULTS  
March 29, 2012***

**Paul Kiernan -- FCE Executive Director, Finance  
Sam Smith -- FCE Treasurer**

# **FCE BANK PLC**

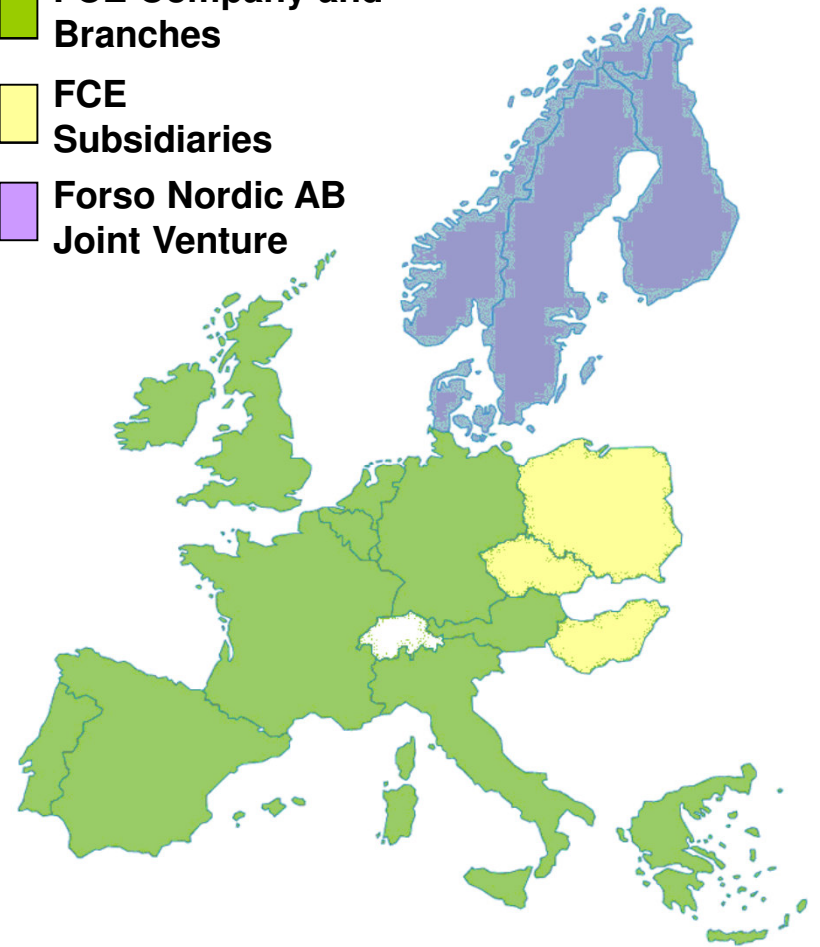
## **WHO WE ARE**



- **FCE is a public limited company incorporated in the UK, wholly owned by Ford Credit International**
- **FCE operates as a licensed bank regulated by the UK Financial Services Authority (FSA)**
- **FCE's Board of Directors has 11 members, including 4 independent non-executive members**
- **FCE operates in 19 European countries through a network of branches, subsidiaries, and joint ventures**

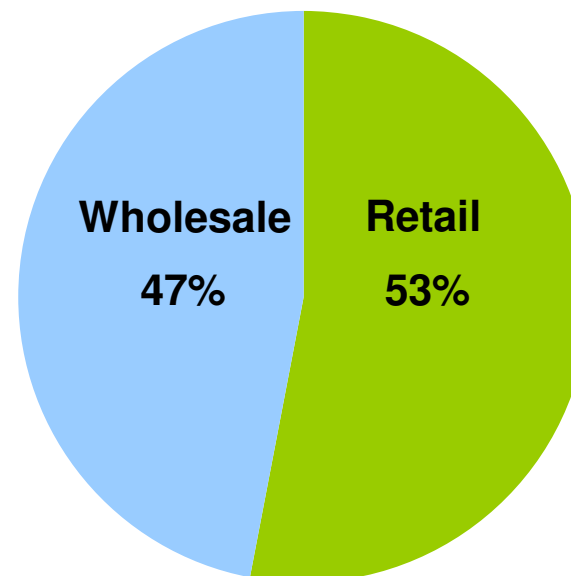
### **Markets Served By:**

-  **FCE Company and Branches**
-  **FCE Subsidiaries**
-  **Forso Nordic AB Joint Venture**



- **FCE's Aim:**
  - Support Ford sales
  - Consistently profitable
- **FCE's Core Customers:**
  - Ford's customers
  - Ford's dealers

**Net Loans and Advances by Product, December 2011**



**Substantially All FCE Lending Is Secured  
(The Security Is Typically The Related Motor Vehicle)**

# FCE BANK PLC FORD CREDIT'S VALUE PROPOSITION



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# **FCE BANK PLC**

## **STRATEGIC PRIORITIES**



- **FCE's strategic priorities include:**
  - **Managing risk effectively and consistently**
  - **Executing a funding strategy that balances liquidity and cost**
  - **Ensuring a competitive operating cost structure**
  - **Investing in customer-facing technology**
  - **Aligning closely with Ford's sales & marketing activities**

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# **FCE BANK PLC**

## **2011 PERFORMANCE SUMMARY**



- **£193 million adjusted profit before tax, down £71 million from 2010**
- **£179 million pre-tax profit in 2011, down £60 million from 2010**
- **Credit losses reduced to historical lows**
- **29.8% financing share, an increase of 3.4% from 2010**
- **Funding plan delivered**
- **Tier-1 capital ratio was about 21% at December 31, 2011**

Refer to 2011 Annual Report page 10 for the calculation of adjusted pre-tax profit

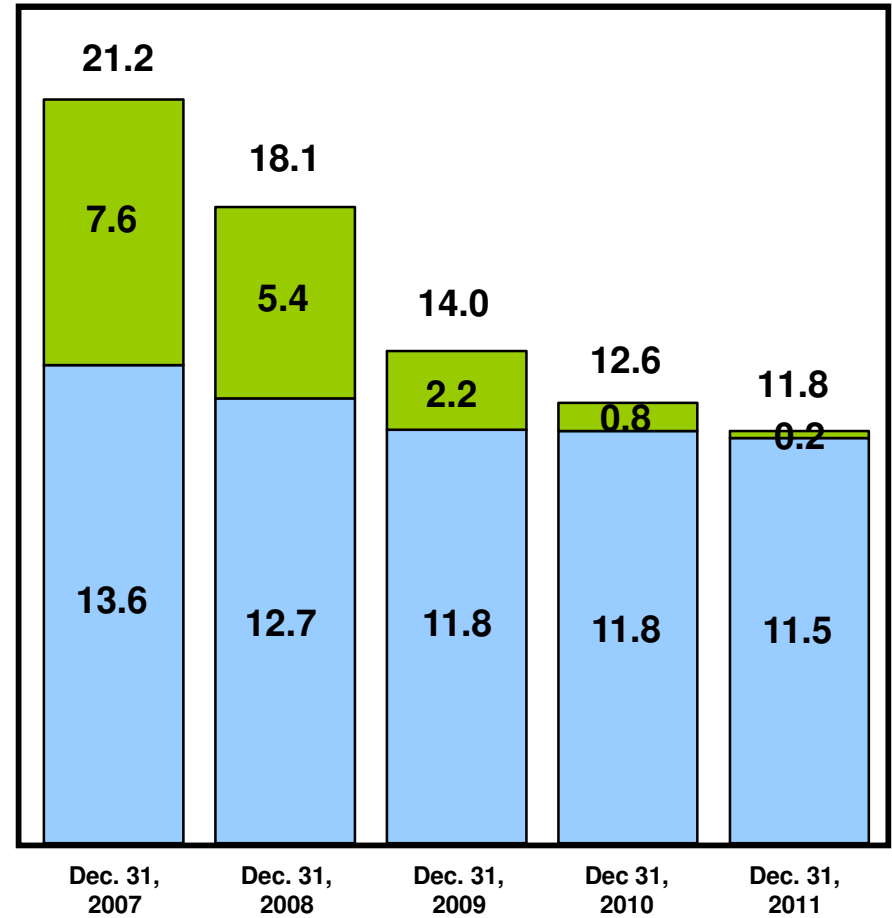
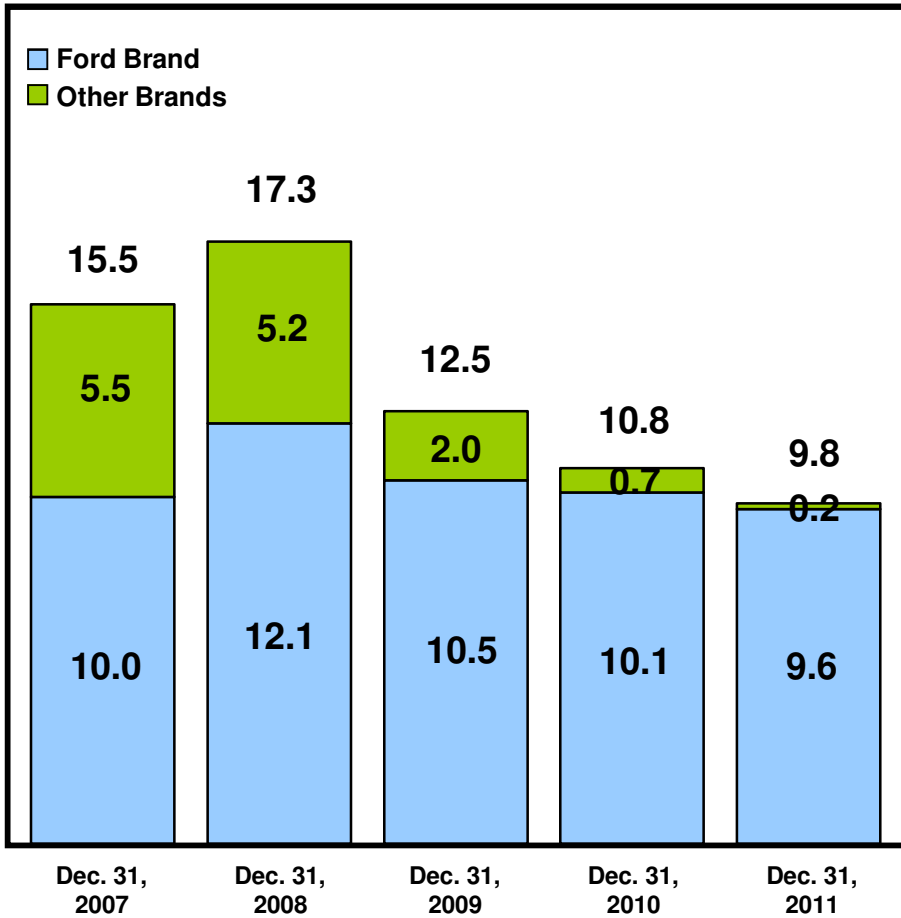
# FCE BANK PLC

## TOTAL NET LOANS AND ADVANCES TO CUSTOMERS BY BRAND



Reported in Sterling (£ Bils.)

Translated into Euros (€ Bils.)



Memo:  
GBP / EUR

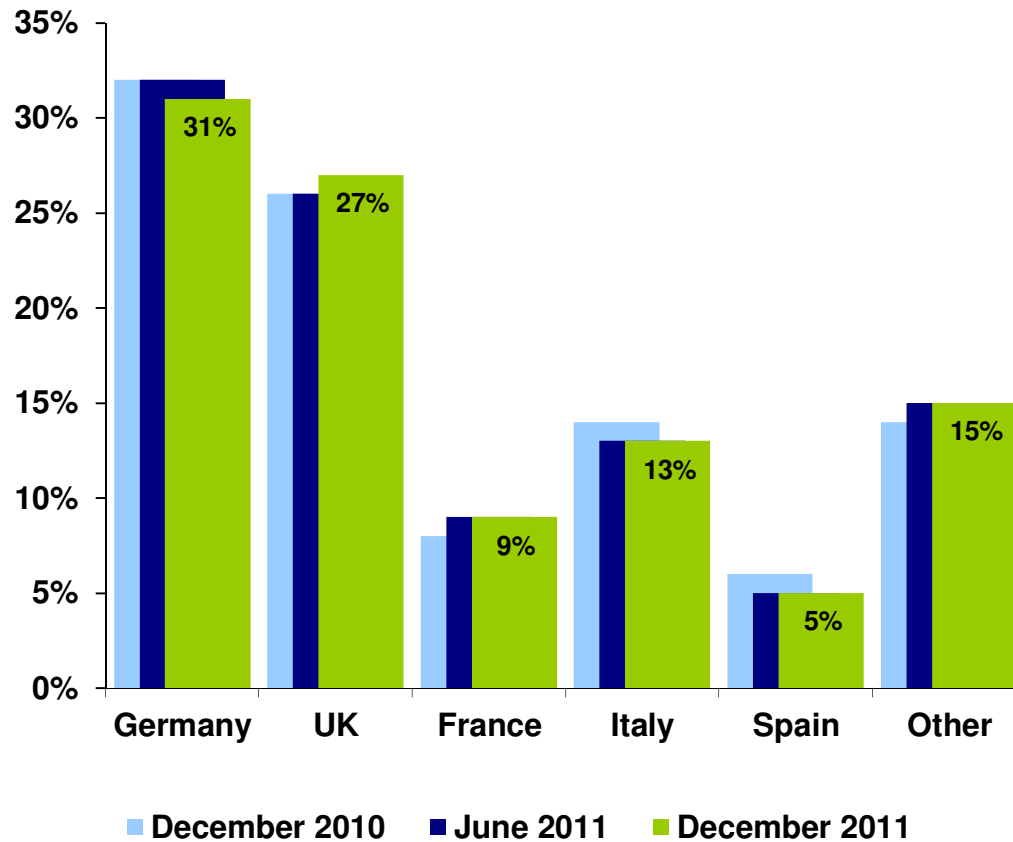
0.73      0.96      0.89      0.86      0.83

# FCE BANK PLC

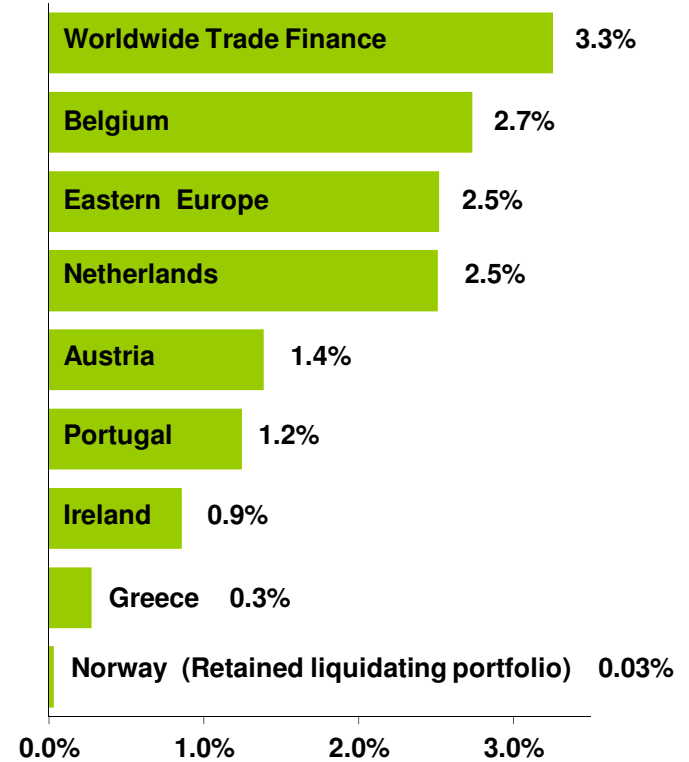
## NET LOANS AND ADVANCES TO CUSTOMERS BY MARKET



As a % of Total Net Loans and Advances



'Other' By Market Dec. 2011





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# **FCE BANK PLC**

## **FUNDING HIGHLIGHTS**



### **2011**

- **Completed £0.9 billion of new issuance in the public asset-backed and term debt markets**
- **Renewed or added £3.1 billion of private securitisation capacity**
- **Entered into a new 3-year £440 million syndicated unsecured multi-currency revolving bank credit facility**

### **2012 Q1**

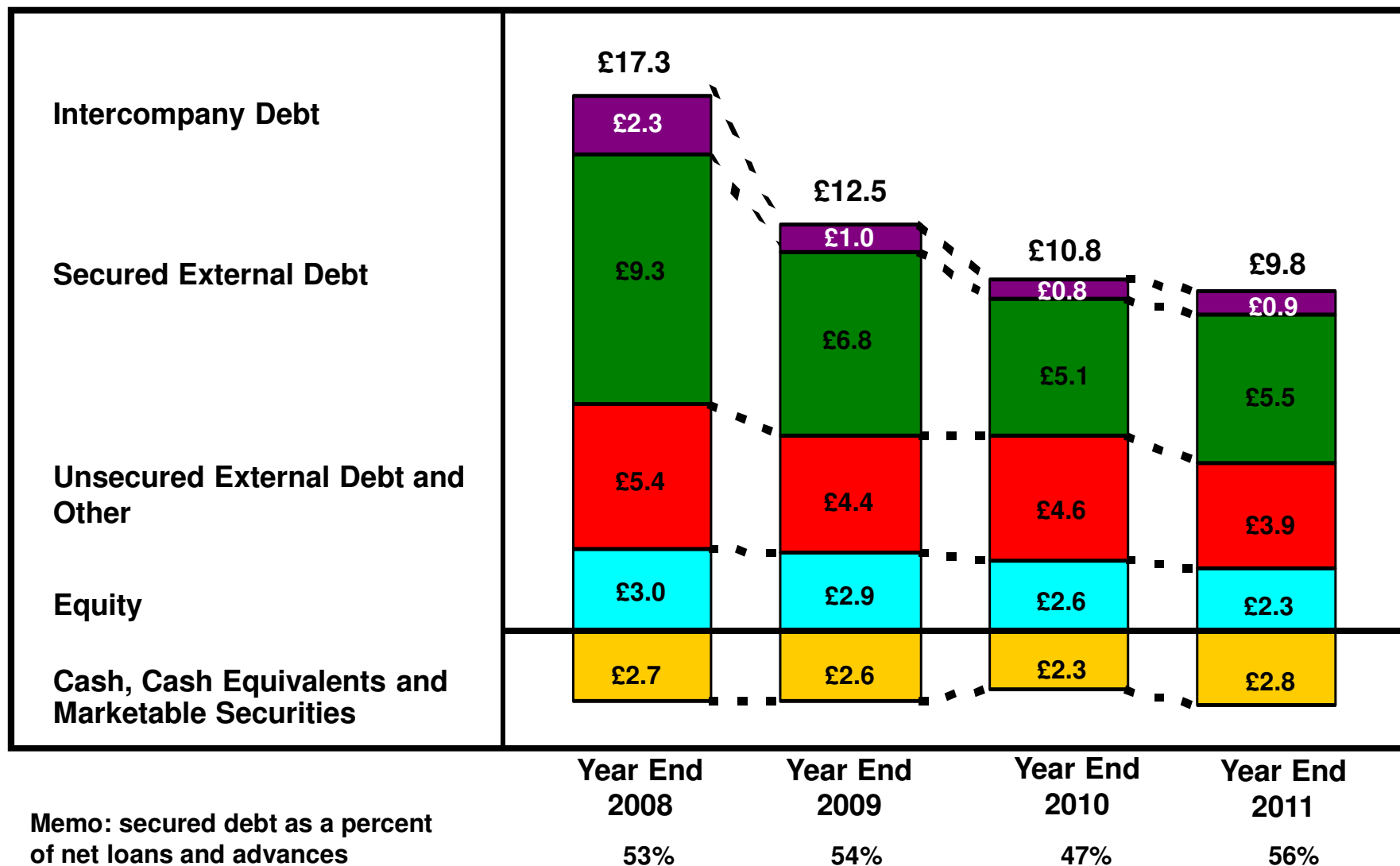
- **Completed £250 million of new issuance in the term debt markets**

# FCE BANK PLC

## FUNDING STRATEGY



### Funding of Net Loans and Advances (Bils.)



# **FCE BANK PLC FUNDING PLAN**



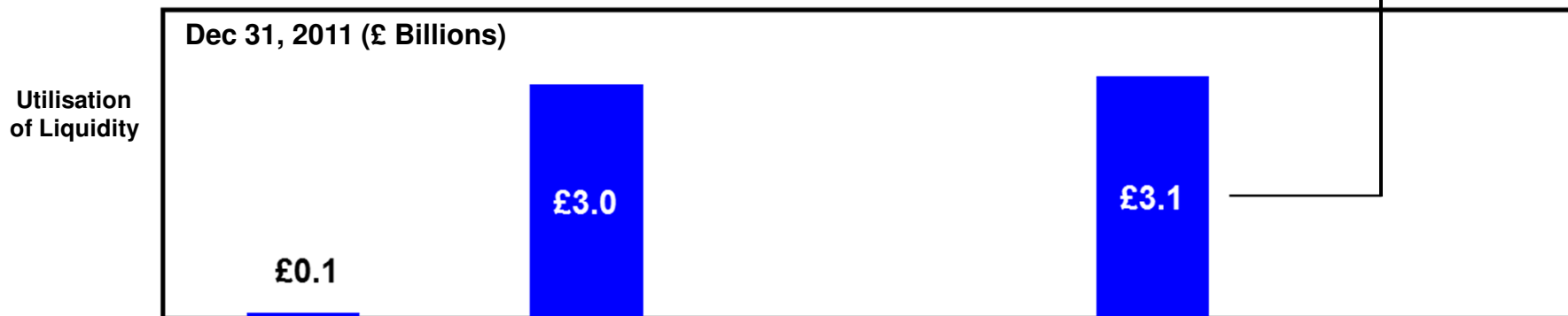
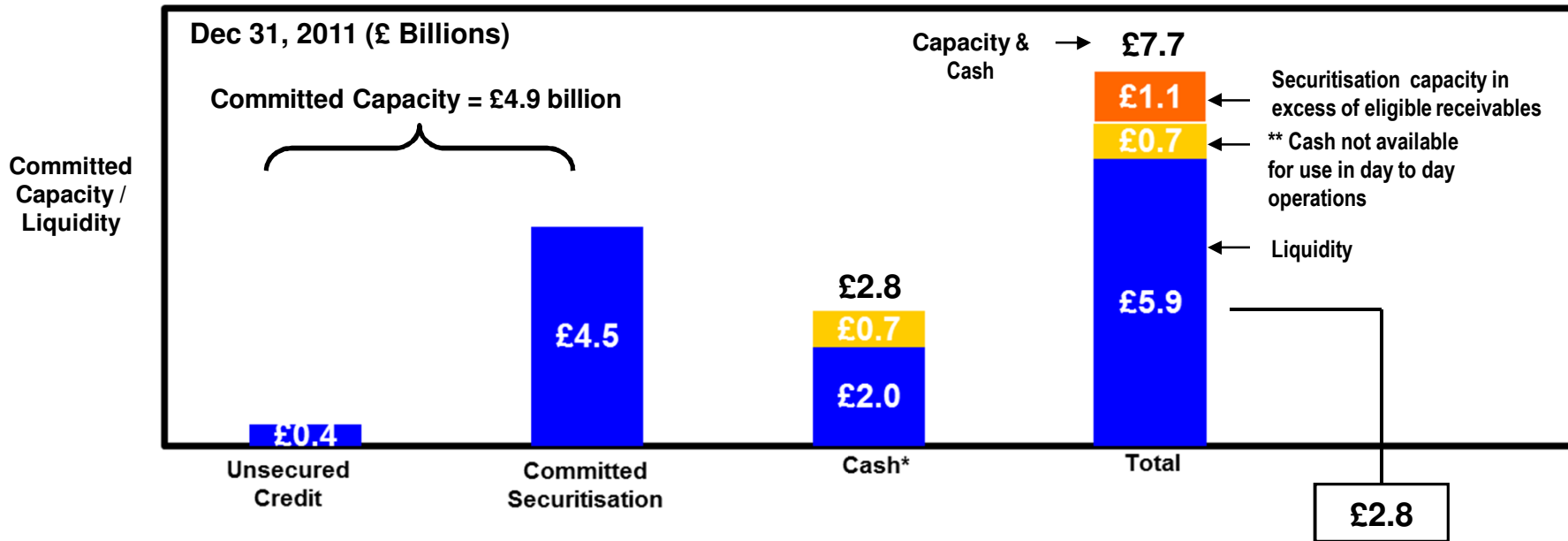
## **Public Term Funding Plan**

|                       | <b>2011<br/>Actual<br/>(Bils.)</b> | <b>2012<br/>Forecast<br/>(Bils.)</b> |
|-----------------------|------------------------------------|--------------------------------------|
| <b>Unsecured Debt</b> | <b>£ 0.4</b>                       | <b>£ 0.7 - 1.4</b>                   |
| <b>Securitisation</b> | <b>0.4</b>                         | <b>0.3 - 0.7</b>                     |
| <b>Total*</b>         | <b>£ 0.9</b>                       | <b>£ 1.0 - 2.1</b>                   |

\* 2011 total includes a €500 million (approximately £446 million) Euro Medium Term Note issuance in May and a €508 million (approximately £440 million) securitisation issuance in June

# FCE BANK PLC

## LIQUIDITY SOURCES



**Liquidity Available For Use Is About £2.8 Billion**

\* Cash, cash equivalents, and marketable securities

\*\* Cash not available for use in day to day operations includes cash associated with securitisation transactions and central bank deposits that FCE is required to maintain.

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# **FCE BANK PLC**

## **CAPITAL**



- **FCE's Tier-1 capital ratio was about 21% at December 31, 2011**
- **FCE's plan is to gradually align its capital base with the reduced scale of its business while taking into account the funding and liquidity environment**
  - **In June 2010 FCE paid a dividend of £390 million**
  - **In May 2011 FCE paid a dividend of £370 million**
  - **Based on present assumptions, FCE expects to pay a dividend in 2012 that is marginally smaller than those paid in 2010 and 2011**

# **FCE BANK PLC**

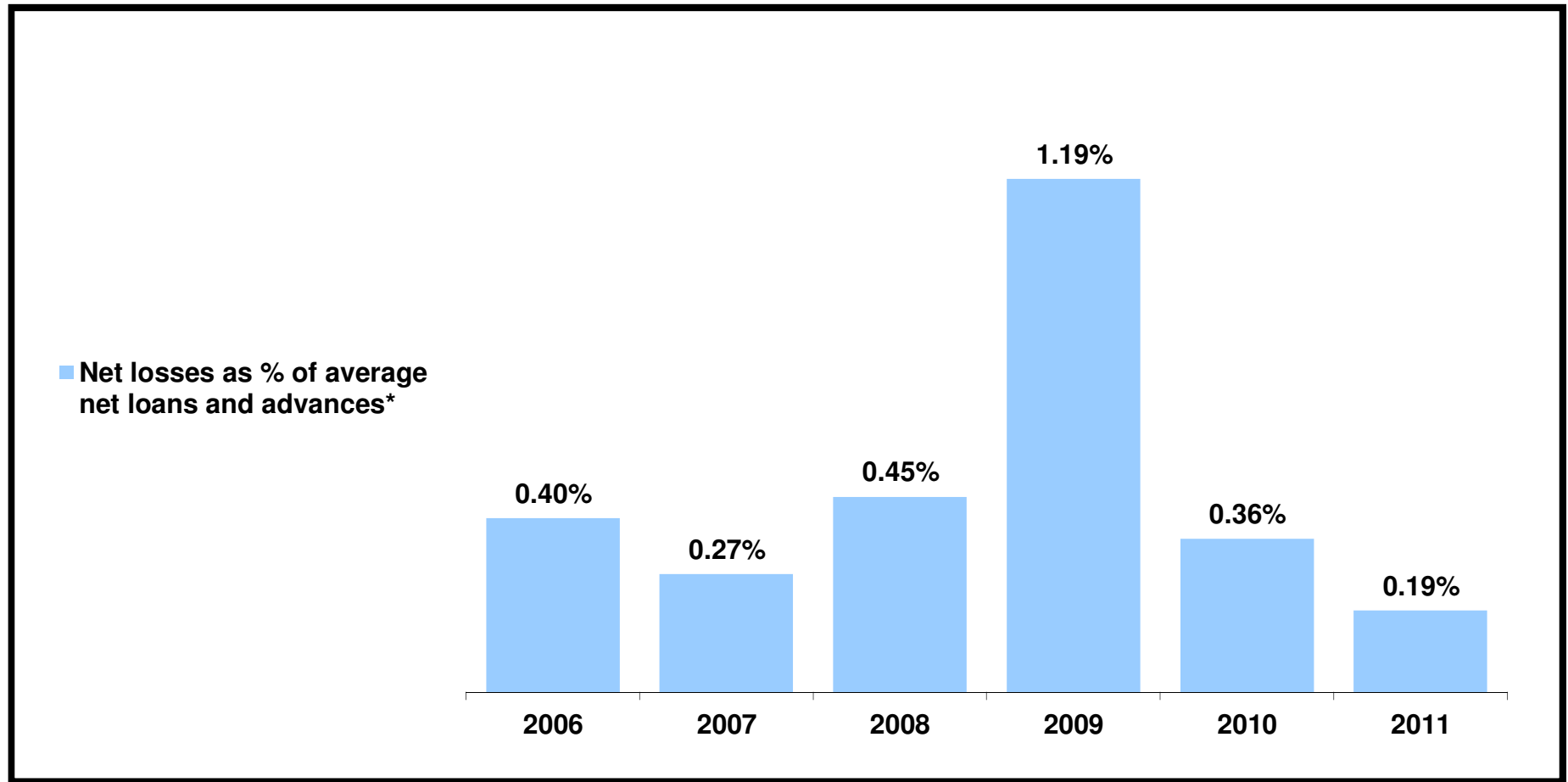
## **LONG-TERM DEBT CREDIT RATINGS**



|                | <u><b>December 2010</b></u> | <u><b>December 2011</b></u> | <u><b>March 2012</b></u> |
|----------------|-----------------------------|-----------------------------|--------------------------|
| <b>Fitch</b>   | <b>BB- / Stable</b>         | <b>BB+ / Positive</b>       | <b>BB+ / Positive</b>    |
| <b>Moody's</b> | <b>Ba2 / Stable</b>         | <b>Ba1 / Positive</b>       | <b>Ba1 / Positive</b>    |
| <b>S&amp;P</b> | <b>BB- / Positive</b>       | <b>BBB- / Stable</b>        | <b>BBB- / Stable</b>     |

# FCE BANK PLC

## CREDIT LOSS RATIO



\* Includes exceptional items (refer to 2011 Annual Report Note 9: 'Profit before tax')

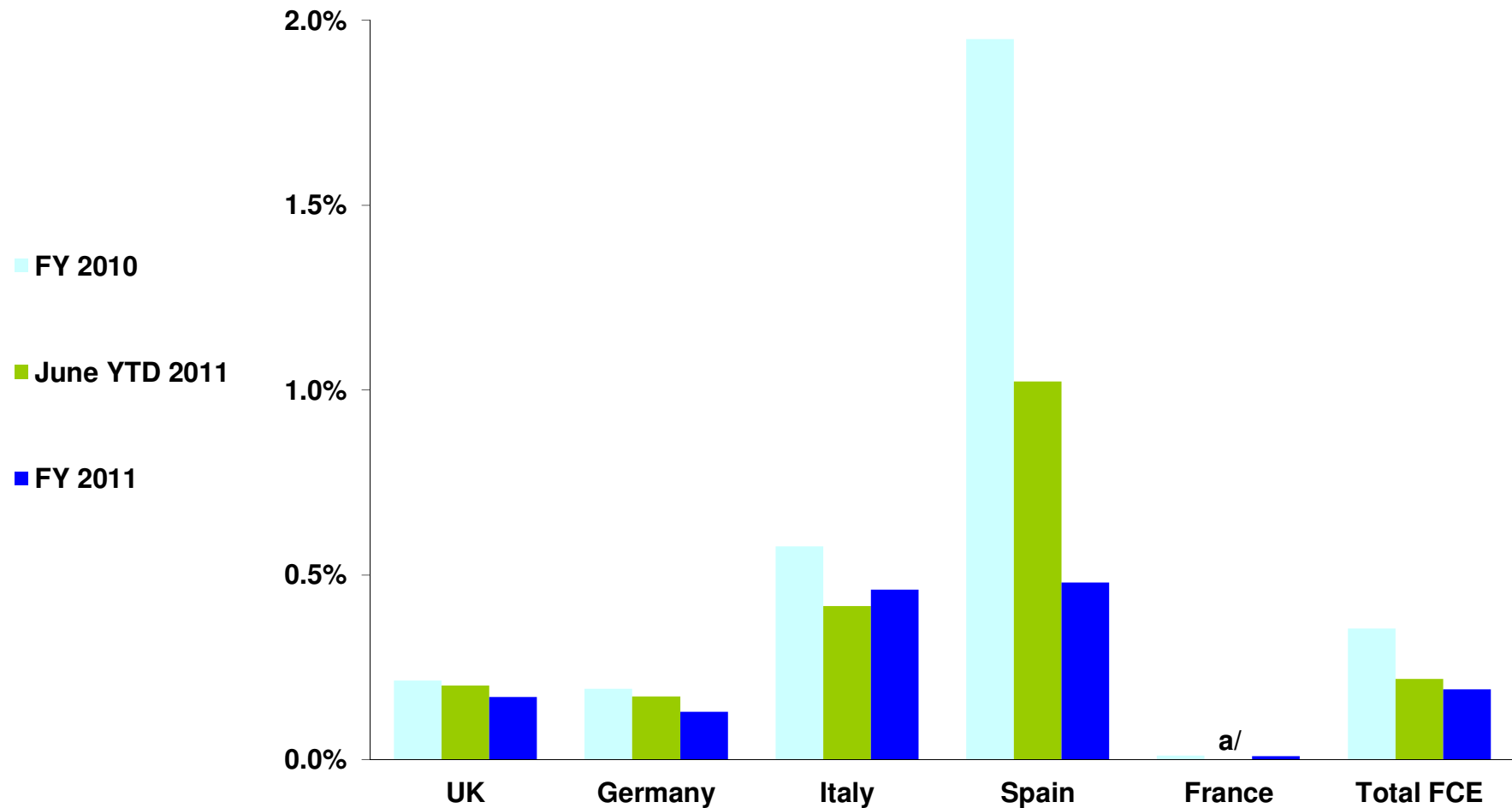
**Continued Favourable Credit Losses Falling To Historical Lows**

# FCE BANK PLC

## NET CREDIT LOSSES



Net credit losses as percentage of average net loans and advances to customers



a/ France credit losses in December 2010 and June 2011 less than 0.1%



# **FCE BANK PLC**

## **2011 FULL YEAR RESULTS --**

### **KEY FINANCIAL PERFORMANCE DATA**

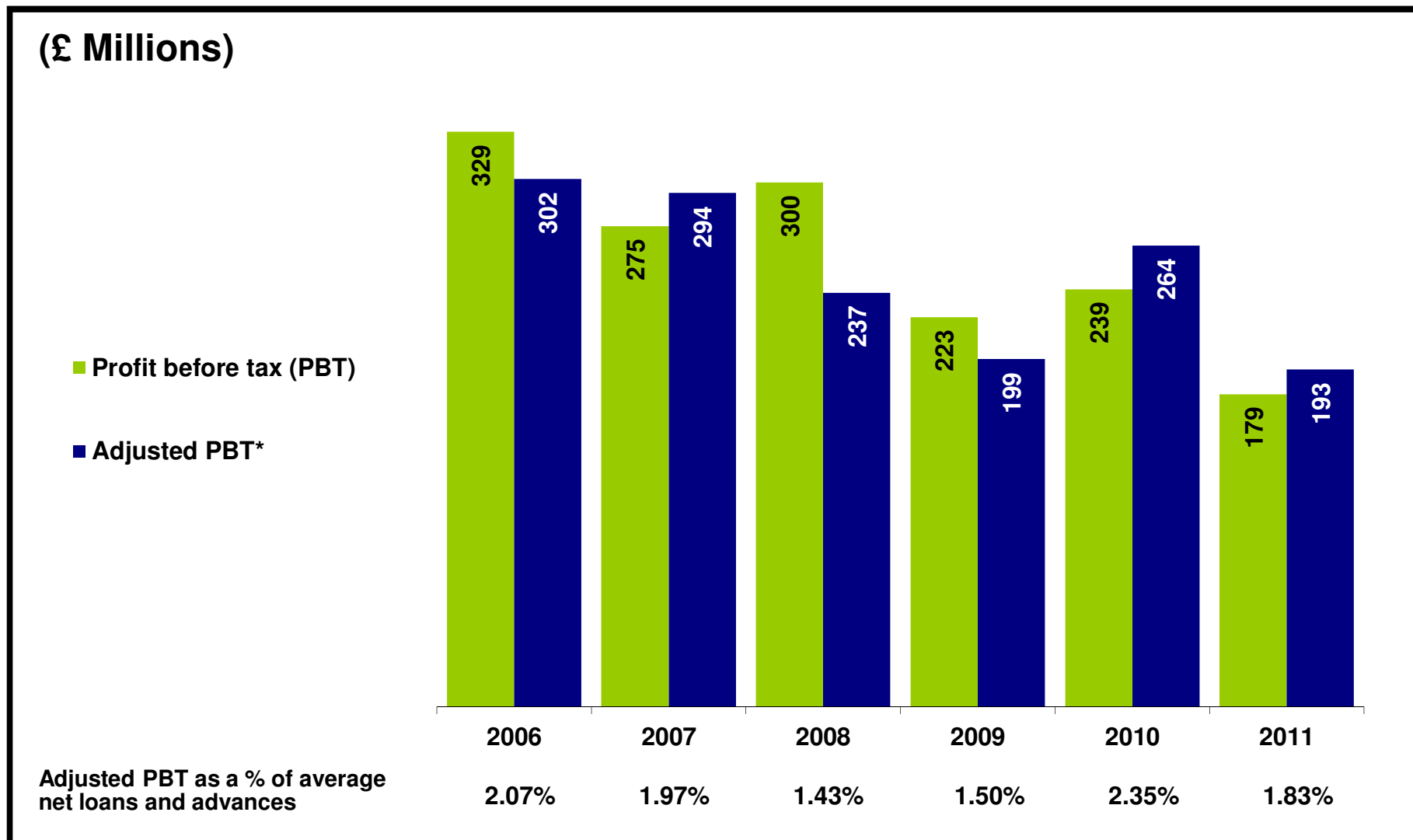


| <u>Key Financial Ratios</u>              | <u>2011</u> | <u>2010</u> |
|--|-------------|-------------|
| Margin (Net Income/Receivables)          | 3.7%        | 4.1%        |
| Cost efficiency ratio (Cost/Receivables) | 1.9%        | 1.7%        |
| Credit loss ratio                        | 0.19%       | 0.33%       |
| Return on equity                         | 5.0%        | 5.9%        |

The ratios above exclude exceptional items in order to show the underlying or 'normalised' performance.

# FCE BANK PLC

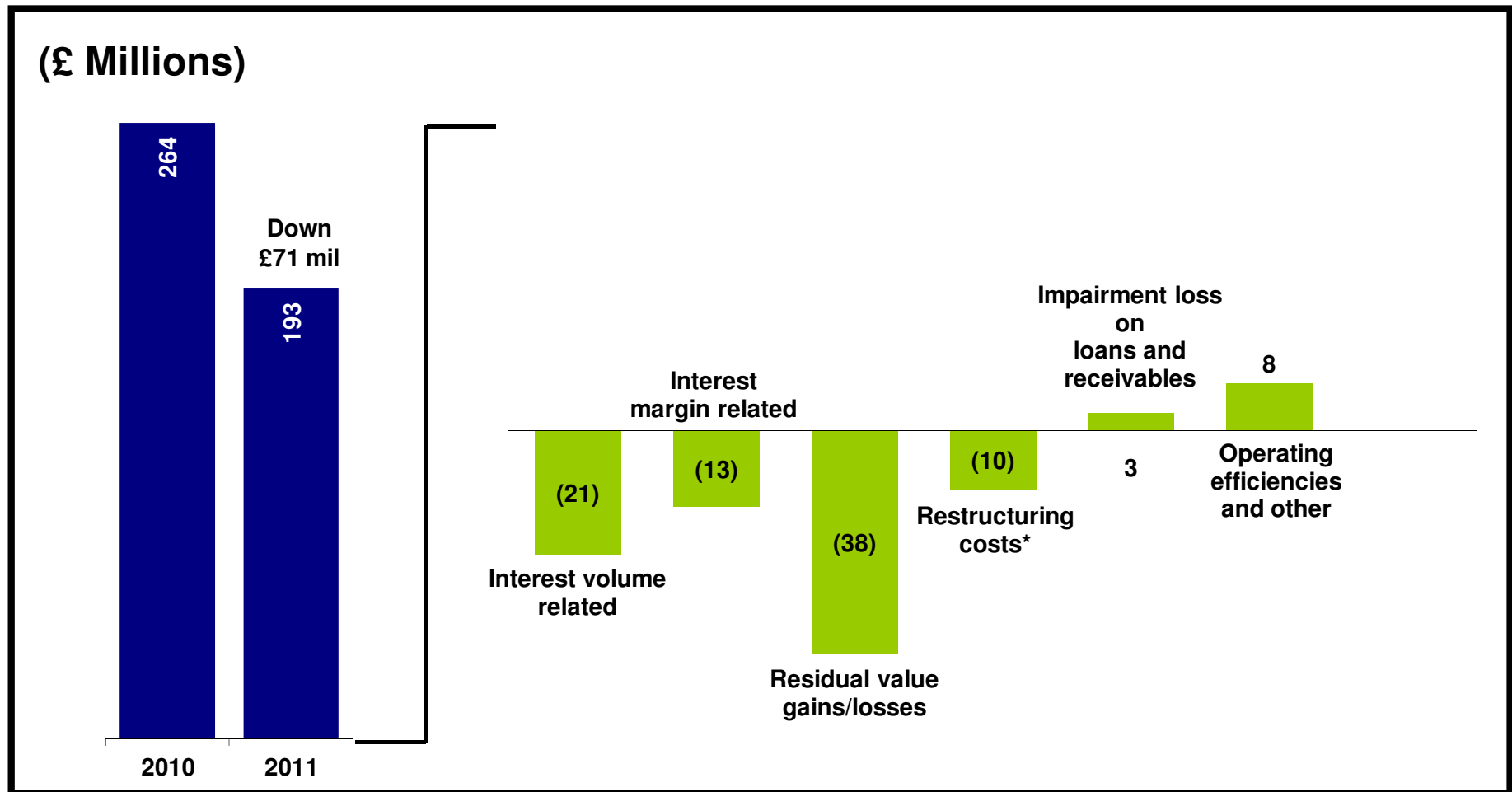
## PROFIT TREND



\* Refer to 2011 Annual Report page 10 for the calculation of Adjusted PBT

# FCE BANK PLC

## 2011 ADJUSTED PROFIT BEFORE TAX COMPARED WITH 2010



\* In 2010, 'Restructuring costs' were included as 'Exceptional items'. Due to their incidence of occurrence and size, FCE considers that the ongoing costs relating to restructuring actions do not currently meet the definition of an exceptional item. FCE continually seeks opportunities to align its structure to the changing business environment.

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# ***FCE BANK PLC***

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# SAFE HARBOR



Statements included herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause Actual results to differ materially from those stated, including, without limitation:

- . Decline in industry sales volume, particularly in the United States or Europe, due to financial crisis, recession, geopolitical events, or other factors;
- . Decline in market share or failure to achieve growth;
- . Lower-than-anticipated market acceptance of new or existing products;
- . Market shift away from sales of larger, more profitable vehicles beyond our current planning assumption, particularly in the United States;
- . An increase in fuel prices, continued volatility of fuel prices, or reduced availability of fuel;
- . Continued or increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- . Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- . Adverse effects on our operations resulting from economic, geopolitical, or other events;
- . Economic distress of suppliers that may require us to provide substantial financial support or take other measures to ensure supplies of components or materials and could increase our costs, affect our liquidity, or cause production constraints or disruptions;
- . Work stoppages at Ford or supplier facilities or other limitations on production (whether as a result of labor disputes, natural or man-made disasters, tight credit markets or other financial distress, information technology issues, production constraints or difficulties, or other factors);
- . Single-source supply of components or materials;
- . Labor or other constraints on our ability to maintain competitive cost structure;
- . Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- . Worse-than-assumed economic and demographic experience for our postretirement benefit plans (e.g., discount rates or investment returns);
- . Restriction on use of tax attributes from tax law "ownership change;"
- . The discovery of defects in vehicles resulting in delays in new model launches, recall campaigns, reputational damage, or increased warranty costs;
- . Increased safety, emissions, fuel economy, or other regulations resulting in higher costs, cash expenditures, and/or sales restrictions;
- . Unusual or significant litigation, governmental investigations or adverse publicity arising out of alleged defects in our products, perceived environmental impacts, or otherwise;
- . A change in our requirements where we have long-term supply arrangements committing us to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller ("take-or-pay" contracts);
- . Adverse effects on our results from a decrease in or cessation or clawback of government incentives related to investments;
- . Inherent limitations of internal controls impacting financial statements and safeguarding of assets;
- . Cybersecurity risks to operational systems, security systems, or infrastructure owned by us or a third-party vendor, or at a supplier facility;
- . Failure of financial institutions to fulfill commitments under committed credit facilities;
- . Inability of Ford Credit to access debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts, due to credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- . Higher-than-expected credit losses, lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles;
- . Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles; and
- . New or increased credit, consumer, or data protection or other regulations resulting in higher costs and/or additional financing restrictions.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. For additional discussion of these risks, see Item 1A of Part I of Ford Credit's Annual Report on Form 10-K and Item 1A of Part I of Ford's Annual Report on Form 10-K for the year ended December 31, 2011.

# ***APPENDIX***

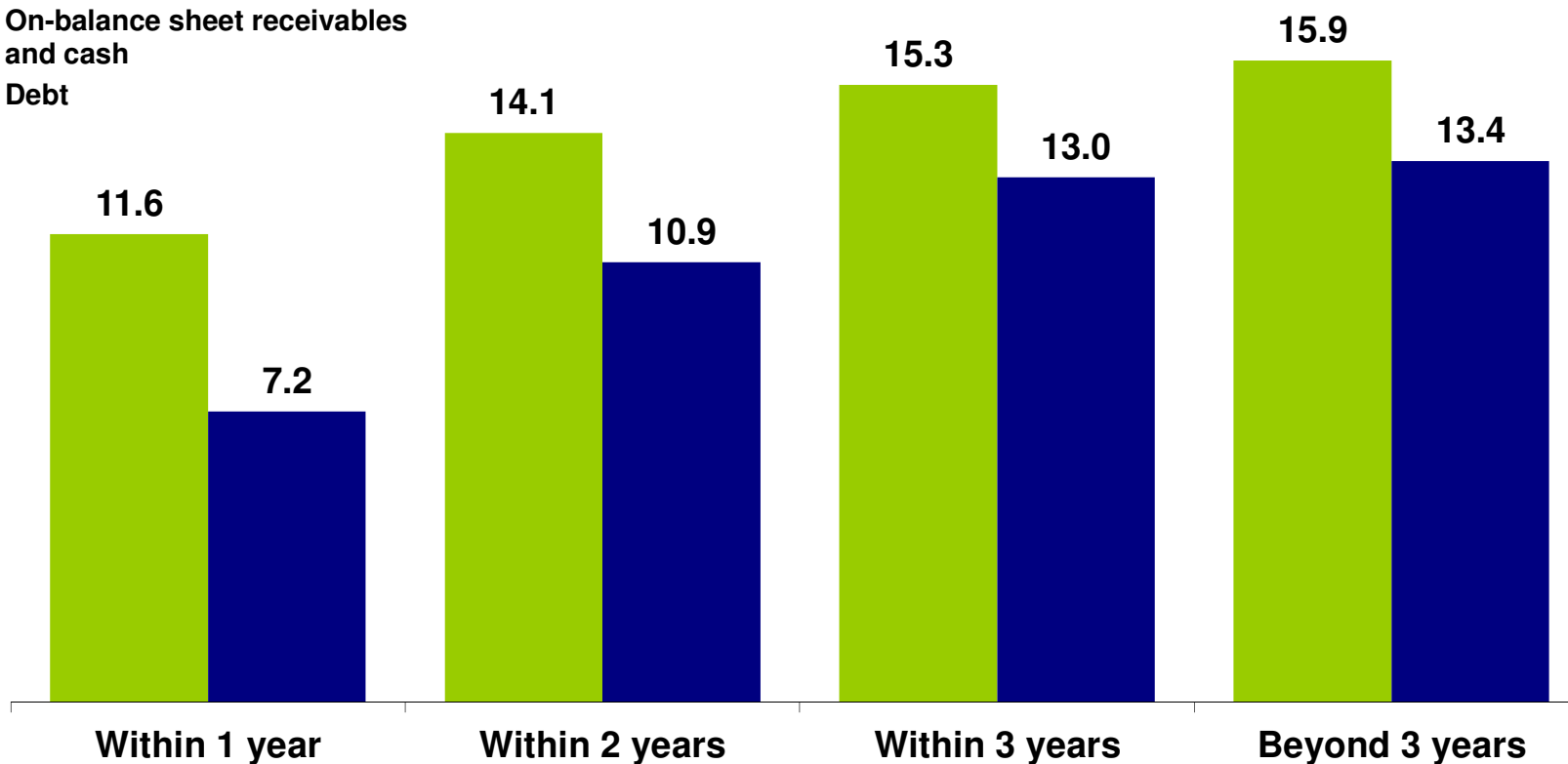
# FCE BANK PLC

## LIQUIDITY PROFILE



### Cumulative Contractual Maturities as at 31 December 2011 £ Billions

- On-balance sheet receivables and cash
- Debt



**FCE's Balance Sheet Is Inherently Liquid**

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**FCE BANK PLC**

**APPENDIX -- FURTHER INFORMATION ON FCE**



**Detailed information on FCE:**

**[www.fcebank.com](http://www.fcebank.com)**

- **FCE Bank plc Annual Accounts**
- **FCE Bank plc Interim Reports**
- **Basel II Pillar 3 Disclosure Documents**
- **2011 Q1 and Q3 Management Statements**

**Detailed Information on Ford Motor Credit Company:**

**[www.fordcredit.com/investorcenter](http://www.fordcredit.com/investorcenter)**

- **10-K Annual Filings**
- **10-Q Quarterly Filings**
- **8-K Information Updates**





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