
MBNA EUROPE HOLDINGS LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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COMPANIES HOUSE

MBNA EUROPE HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

J. Metcalfe
D. Walker
J. West

COMPANY SECRETARY

A. Mulholland

REGISTERED NUMBER

2898169

REGISTERED OFFICE

Stansfield House
Chester Business Park
Chester
Cheshire
CH4 9QQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

MBNA EUROPE HOLDINGS LIMITED

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MBNA EUROPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

The directors present their report and the audited financial statements for the year ended December 31, 2016.

PRINCIPAL ACTIVITY

MBNA Europe Holdings Limited ("the company") is a private company limited by shares and incorporated in England. The principal activity of the company is that of an investment holding company for companies providing funding for the activities of MBNA Limited ("MBNA").

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £571 thousand (2015: £770 thousand). The directors do not recommend the payment of a dividend for the year (2015: *£nil*).

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J. Metcalfe
D. Walker
J. West

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the MBNA Limited group ("the group") and are not managed separately. Accordingly, the principal risks and uncertainties of the group, which include those of the company, are discussed within the group's annual report which does not form part of this report.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the company's directors are of the opinion that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

FUTURE OUTLOOK

The directors consider that the company continues to be a going concern, and consider the level of business, the results and future prospects of the company to be satisfactory.

MBNA EUROPE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

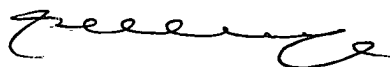
Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The financial statements on pages 1 to 13 were approved by the board of directors on April 26, 2017 and signed on its behalf.



J. Metcalfe
Director

MBNA EUROPE HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

The directors are responsible for preparing the Directors' report and the financial statements (the "financial statements") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MBNA EUROPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBNA EUROPE HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, MBNA Europe Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at December 31, 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report, comprise:

- the Balance sheet as at December 31, 2016;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

MBNA EUROPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBNA EUROPE HOLDINGS LIMITED

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' report, we consider whether this report includes the disclosures required by applicable legal requirements.



Iwan Griffiths (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
April 26, 2017

MBNA EUROPE HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Note	2016 £000	2015 £000
Interest receivable and similar income		715	771
Administrative expenses		(1)	(1)
Operating profit		714	770
Profit on ordinary activities before taxation		714	770
Taxation on profit on ordinary activities	4	(143)	-
Profit for the year		571	770

There was no other comprehensive income for 2016 (2015: *£nil*) other than that included in the profit and loss account.

The notes on pages 9 to 13 form part of these financial statements.

All amounts relate to continuing operations.

MBNA EUROPE HOLDINGS LIMITED
REGISTERED NUMBER: 2898169

BALANCE SHEET
AS AT DECEMBER 31, 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Investment in subsidiary undertakings	5		13,030		13,030
			<u>13,030</u>		<u>13,030</u>
Current assets					
Debtors: amounts falling due within one year	6	121,619		120,904	
		<u>121,619</u>		<u>120,904</u>	
Creditors: amounts falling due within one year	7	(149)		(5)	
Net current assets			<u>121,470</u>		<u>120,899</u>
Total assets less current liabilities			<u>134,500</u>		<u>133,929</u>
Net assets			<u><u>134,500</u></u>		<u><u>133,929</u></u>
Capital and reserves					
Called up share capital	8		12,300		12,300
Profit and loss account	9		<u>122,200</u>		<u>121,629</u>
Total equity			<u><u>134,500</u></u>		<u><u>133,929</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on April 26, 2017.



J. Metcalfe
Director

MBNA EUROPE HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At January 1, 2016	12,300	121,629	133,929
Comprehensive income for the year			
Profit for the financial year	-	571	571
Total comprehensive income for the year	-	571	571
At December 31, 2016	12,300	122,200	134,500

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At January 1, 2015	12,300	120,859	133,159
Comprehensive income for the year			
Profit for the financial year	-	770	770
Total comprehensive income for the year	-	770	770
At December 31, 2015	12,300	121,629	133,929

The notes on pages 9 to 13 form part of these financial statements.

MBNA EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

MBNA Europe Holdings Limited is a limited company incorporated in England. The registered office is Stansfield House, Chester Business Park, Chester, Cheshire, CH4 9QQ.

The financial statements have been prepared under the historical cost convention, unless otherwise stated, and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 as it applies to the financial statements of the company for the year ended December 31, 2016. The accounting policies have been applied consistently throughout the year under audit and have been updated for any additional policies needed to reflect the going concern basis if relevant.

1.2 INTEREST RECEIVABLE AND SIMILAR INCOME

Turnover and cost of sales do not have meaningful equivalents for the business of the company and are not used in these financial statements.

Interest income on amounts owed by the parent undertaking is calculated using the effective interest method which allocates interest, associated costs, and loan origination fees over the expected life of the assets. The effective interest method requires the company to estimate future cash flows, based on contractual terms of the financial instrument.

1.3 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiaries are measured at cost less accumulated impairment.

1.4 DEBTORS

Amounts owed by the parent undertaking are initially measured at transaction price and subsequently carried at amortised cost using the effective interest method. There was no significant difference between the accrued interest method and the effective interest rate for the financial year.

1.5 CREDITORS

Amounts due to the parent undertaking are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. There was no significant difference between the accrued interest method and the effective interest rate for the financial year.

1.6 TAXATION

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

MBNA EUROPE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

2. AUDITORS' REMUNERATION

Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements were £4 thousand (2015: £4 thousand). These were borne by the parent undertaking.

3. EMPLOYEES

The company had no employees during the year (2015: nil) and incurred no staff costs (2015: £nil).

4. TAXATION

	2016	2015
	£000	£000
CORPORATION TAX		
Current tax on profits for the year	143	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£000	£000
Profit on ordinary activities before taxation	714	770
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	143	156
EFFECTS OF:		
Group relief	-	(156)
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR	143	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate will further reduce to 19% at April 1, 2017 and to 17% at April 1, 2020. The changes were enacted on September 15, 2016.

MBNA EUROPE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

5. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£000
Cost or valuation	
At 1 January 2016	243,681
At December 31, 2016	243,681
Impairment	
At 1 January 2016	230,651
At December 31, 2016	230,651
Net book value	
At December 31, 2016	13,030
At December 31, 2015	13,030

The following are subsidiary undertakings of the company:

Company name	Registered Office	Percentage shareholding	Description
MBNA Europe Finance Limited	Glategny Court Po Box 140 Glategny Esplanade, St Peter Port, Guernsey, GY1 3HQ	100	Financing
MBNA Receivables Limited	26 New Street, St Helier, Jersey	100	Financing

MBNA EUROPE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

6. DEBTORS

	2016	2015
	£000	£000
Amounts owed by parent undertaking	121,619	120,904

Amounts owed by the parent undertaking are unsecured, interest bearing and repayable with 94 days notice.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£000	£000
Amounts owed to parent undertaking	6	5
Corporation tax	143	-
	149	5

Amounts owed by the parent undertaking are unsecured, non-interest bearing and repayable on demand.

8. CALLED UP SHARE CAPITAL

	2016	2015
	£000	£000
ALLOTTED, CALLED UP AND FULLY PAID		
12,300,002 (2015: 12,300,002) Ordinary shares of £1 each	12,300	12,300

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

MBNA EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

9. RESERVES

Profit and loss account

Profit and loss account represents accumulated profits for the year and prior years, net of dividends.

10. CONTROLLING PARTY

The immediate parent company and immediate controlling party of MBNA Europe Holdings Limited and the smallest group into which the company's financial statements are consolidated, is MBNA Limited, a company registered in England and Wales.

The ultimate parent company and controlling party is Bank of America Corporation ("BAC"), a company organised and existing under the laws of the State of Delaware in the United States of America. The parent company of the largest group that includes the company and for which group financial statements are prepared is BAC. Copies of the consolidated financial statements of BAC are available from the Investor Relations area of the Bank of America website at <http://investor.bankofamerica.com> or by contacting the Investor Relations Group by mail at Bank of America Corporate Center, 100 North Tryon Street, Charlotte, NC, 28255, USA.

11. FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of MBNA as at December 31, 2016 and these financial statements may be obtained from Stansfield House, Chester Business Park, Chester, CH4 9QQ.

12. GROUP FINANCIAL STATEMENTS

The company is a wholly owned subsidiary of MBNA, a company incorporated in the United Kingdom. Consolidated financial statements are produced by MBNA. Consequently, the company has not prepared consolidated financial statements as permitted by section 400 of the Companies Act 2006.