

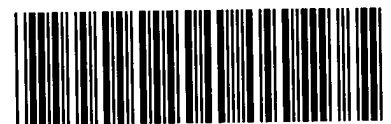
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**MBNA EUROPE HOLDINGS LIMITED**

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**Annual report**  
**for the year ended December 31, 2014**

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**MBNA EUROPE HOLDINGS LIMITED**

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**Company Information**

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**DIRECTORS**

C.Bradley  
J.West  
J.Metcalf

**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

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# **MBNA EUROPE HOLDINGS LIMITED**

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## **MBNA EUROPE HOLDINGS LIMITED**

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### **Directors' report for the year ended December 31, 2014**

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The directors present their report and the financial statements for the year ended December 31, 2014.

#### **PRINCIPAL ACTIVITIES**

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 £726,000 (2013: £679,000).

The directors do not recommend the payment of a dividend for the year (2013: £nil).

#### **DIRECTORS**

The directors who served during the year were:

C.Bradley  
J.West  
J.Metcalf

#### **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 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.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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:

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## MBNA EUROPE HOLDINGS LIMITED

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### Directors' report for the year ended December 31, 2014

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- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

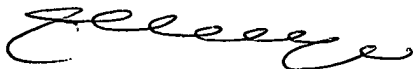
#### DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

This report was approved by the board on March 25, 2015 and signed on its behalf.



**J. Metcalfe**  
Director

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## **MBNA EUROPE HOLDINGS LIMITED**

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### **Independent auditors' report to the members of MBNA Europe Holdings Limited**

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#### **REPORT ON THE FINANCIAL STATEMENTS**

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 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

MBNA Europe Holdings Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- the reconciliation of movement in shareholders' funds/(deficit) 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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.

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.

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## MBNA EUROPE HOLDINGS LIMITED

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### Independent auditors' report to the members of MBNA Europe Holdings Limited

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#### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

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.



Iwan Griffiths (Senior statutory auditor)  
for and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

Manchester  
M2 3PW

March 25, 2015

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**MBNA EUROPE HOLDINGS LIMITED**

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**Profit and loss account  
for the year ended December 31, 2014**

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	<b>Note</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>1</b>	<b>727</b>	<b>680</b>
Administrative expenses		<u>(1)</u>	<u>(1)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>726</b>	<b>679</b>
Tax on profit on ordinary activities	<b>5</b>	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>10</b>	<u><b>726</b></u>	<u><b>679</b></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 10 form part of these financial statements.




**MBNA EUROPE HOLDINGS LIMITED**  
Registered number: 2898169

**Balance sheet  
as at December 31, 2014**

	Note	£000	2014 £000	£000	2013 £000
<b>FIXED ASSETS</b>					
Investments in subsidiary undertakings	6		13,030		13,030
<b>CURRENT ASSETS</b>					
Debtors	7	120,133		119,407	
<b>CREDITORS:</b> amounts falling due within one year	8	(4)		(4)	
<b>NET CURRENT ASSETS</b>			120,129		119,403
<b>NET ASSETS</b>			133,159		132,433
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		12,300		12,300
Profit and loss account	10		120,859		120,133
<b>SHAREHOLDERS' FUNDS</b>	11		133,159		132,433

The financial statements were approved and authorised for issue by the board and were signed on its behalf on March 25, 2015.

  
**J. Metcalfe**  
Director

The notes on pages 7 to 10 form part of these financial statements.

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## **MBNA EUROPE HOLDINGS LIMITED**

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### **Notes to the financial statements for the year ended December 31, 2014**

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#### **1. ACCOUNTING POLICIES**

A summary of principal group accounting policies which have been consistently applied is set out below:

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The financial statements have been prepared on a going concern basis.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

On January 1, 2015, the company will adopt FRS 102 as the new Financial Reporting Standard applicable in the UK. This will require changes to certain accounting policies, in particular Interest receivable will be accounted for under the Effective Interest Rate method.

##### **1.2 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.

##### **1.3 Interest receivable**

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 the amounts owed by group undertakings is considered to be part of the operating activities of the company and is recognised in the profit and loss account on an accruals basis.

##### **1.4 Investments in subsidiary undertakings**

Investments in subsidiary undertakings are recorded at the lower of the cost and net recoverable amount. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

##### **1.5 Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

##### **1.6 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

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**MBNA EUROPE HOLDINGS LIMITED**

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**Notes to the financial statements  
for the year ended December 31, 2014**

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**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Auditors' remuneration of £4,000 (2013: £4,000) was borne by a fellow group undertaking.

**3. STAFF COSTS**

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2014 No.</b>	<b>2013 No.</b>
Directors	<u>3</u>	<u>3</u>

**4. DIRECTORS' REMUNERATION**

	<b>2014 £000</b>	<b>2013 £000</b>
Remuneration	<u>1</u>	<u>1</u>

The remuneration of the directors is stated above in respect of their services to MBNA Europe Holdings Limited, as borne by another group undertaking.

**5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - *lower than*) the standard effective rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	<b>2014 £000</b>	<b>2013 £000</b>
Profit on ordinary activities before tax	<u>726</u>	<u>679</u>
Profit on ordinary activities multiplied by standard effective rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	<b>156</b>	<b>158</b>
<b>Effects of:</b>		
Group relief	<b>(156)</b>	<b>(158)</b>
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The standard rate of corporation tax in the United Kingdom changed from 23% to 21% with effect from April 1, 2014. Accordingly, the company's profit for the accounting period is taxed at a standard effective rate of 21.49%.

The UK corporation tax rate will further reduce to 20% at April 1, 2015.

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**MBNA EUROPE HOLDINGS LIMITED**

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**Notes to the financial statements  
for the year ended December 31, 2014**

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**6. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS**

	<b>Investments in Subsidiary Undertakings £000</b>
<b>Cost or valuation</b>	
At January 1, 2014 and December 31, 2014	<u>243,681</u>
<b>Amounts provided</b>	
At January 1, 2014 and December 31, 2014	<u>230,651</u>
<b>Net book value</b>	
At December 31, 2014	<u>13,030</u>
At December 31, 2013	<u>13,030</u>

The directors believe that the carrying value of the investment is supported by their underlying net assets.

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Company name</b>	<b>Country</b>	<b>Shareholding</b>	<b>Description</b>
MBNA Receivables Limited	Jersey	100%	Financing
MBNA Europe Finance Limited	Guernsey	100%	Financing

**7. DEBTORS**

	<b>2014 £000</b>	<b>2013 £000</b>
Amounts owed by group undertakings	<u>120,133</u>	<u>119,407</u>

Amounts owed by group undertakings are unsecured, interest bearing and repayable with 94 days notice.

**8. CREDITORS:  
Amounts falling due within one year**

	<b>2014 £000</b>	<b>2013 £000</b>
Amounts owed to group undertakings	<u>4</u>	<u>4</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

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**MBNA EUROPE HOLDINGS LIMITED**

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**Notes to the financial statements  
for the year ended December 31, 2014**

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**9. CALLED UP SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
12,300,002 (2013: 12,300,002) ordinary shares of £1 each	<b>12,300</b>	<b>12,300</b>

**10. RESERVES**

	<b>Profit and loss account £000</b>
At January 1, 2014	<b>120,133</b>
Profit for the financial year	<b>726</b>
At December 31, 2014	<b>120,859</b>

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Opening shareholders' funds	<b>132,433</b>	<b>131,754</b>
Profit for the financial year	<b>726</b>	<b>679</b>
Closing shareholders' funds	<b>133,159</b>	<b>132,433</b>

**12. RELATED PARTY TRANSACTIONS**

In accordance with the exemptions offered by FRS 8 "Related Party Disclosures" there is no disclosure in these financial statements of transactions with entities that are part of Bank of America Corporation and its subsidiaries (see note 13).

**13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At December 31, 2014 the directors regarded Bank of America Corporation, a company incorporated in the United States of America, as the ultimate parent company and controlling party. The largest group into which the company's financial statements are consolidated is that of Bank of America Corporation. Copies of the consolidated financial statements of Bank of America Corporation are available from Bank of America Corporate Center, 100 N. Tryon Street, Charlotte, North Carolina, 28255, USA or from the Securities and Exchange Commission ("SEC") in the United States or online at [www.sec.gov](http://www.sec.gov).

The immediate parent company 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.