BANK OF IRELAND UK HOLDINGS PLC

INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2016

REGISTERED IN NORTHERN IRELAND NUMBER NI 006941

The Directors present their Interim Management Report and the unaudited condensed consolidated interim financial statements (the 'interim financial statements') of Bank of Ireland UK Holdings plc (the 'Company') and its subsidiaries (together the 'Group') for the six months ended 30 June 2016.

Business commentary

The primary functions of the Group are to raise capital funding for The Governor and Company of the Bank of Ireland (the 'Ultimate Parent') and its subsidiaries (together the 'Bank of Ireland Group') through the issuance of subordinated liabilities, to provide finance to certain other Bank of Ireland Group companies and to engage in lending in the United Kingdom. The loan book is declining as older debts get repaid which are not being replaced with new business lending.

The Group made a loss before taxation of £0.1 million in the six months ended 30 June 2016 (six months ended 30 June 2015: £0.9 million profit). The loss before taxation arises mainly due to professional fees of £0.9 million in the period. Further details are set out below.

There were no dividends proposed or paid during the six months ended 30 June 2016 by the Company (year ended 31 December 2015: £nil).

On 27 April 2016, a court judgment was issued in favour of Her Majesty's Revenue and Customs (HMRC) in respect of an appeal that an entity within the Group had taken against an adverse court judgment issued in 2013 in relation to a tax dispute involving the entity. As the full tax liability under dispute had been paid to HMRC in earlier years, and potential interest had already been provided for, this judgment has not resulted in any additional tax or interest liability for the six months ended 30 June 2016. Professional fees of £0.9 million associated with the dispute have been accrued in the period.

Principal risks and uncertainties

The Group considers its strategic, operational and financial risks and identifies actions to mitigate these risks and uncertainties. There has been no significant change to the principal risks and uncertainties faced by the Group since 31 December 2015. Details of the Group's risk management strategy are set out on pages 5 and 6 of the Group's Annual Report for the year ended 31 December 2015. Details of the Group's risk profile are set out on pages 40 to 50 of the Group's Annual Report for the year ended 31 December 2015.

Arising from the risk identification process, the key risk that the Group faces over the next six months is the inability to access funds in order to settle its liabilities as they fall due. Secure funding arrangements are in place to mitigate against this risk. The Governor and Company of the Bank of Ireland has confirmed that it will continue to fund and support the Group for a period of thirteen months from the date of approval of these interim financial statements by the Directors (see note 1.2).

The operational dependence on the Bank of Ireland Group from a going concern perspective has been considered on pages 11 and 12.

The Group's risk management objectives and policies and the principal risk exposures facing the business are set out in notes 16, 17 and 18.

In addition to the above, the Group is subject to income taxation where the ultimate taxation determination may be uncertain, in particular if taken to litigation, the outcome of which can be unpredictable. The Group recognises provisions for taxation based on estimates of the taxes that are likely to fall due, taking into account statutory, judicial and regulatory guidance and, where appropriate, external advice. There is a risk that the final taxation outcome could be different from the amounts that are currently recorded.

IFRS 9 is a new accounting standard to be implemented in 2018. It introduces a forward looking expected credit loss model which will lead to changes in the timing of recognition of impairment provisions. The Group expects that IFRS 9 is likely to have an impact on its reported financial position and the Group is currently assessing the nature and extent of those impacts. Further detail on the Group's IFRS 9 Programme as managed by the Ultimate Parent is set out in the Risk Management Report of the Bank of Ireland Group's Annual Report for the year ended 31 December 2015.

Related parties

Related party disclosures are set out in note 21.

Directors and secretary

The names of the persons who were Directors of the Company at any time during the six months ended 30 June 2016 and up to the date of the approval of the financial statements are set out below. Except where indicated, they served as directors for the entire period.

Desmond E Crowley	
Jim Hickey	Resigned 24 June 2016
Andrew Keating	
Mark Spain	Appointed 10 August 2016

Company Secretary
Hill Wilson Secretarial Limited

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules ('DTR') of the United Kingdom's Financial Conduct Authority and with International Accounting Standard 34 on Interim Financial Reporting ('IAS 34').

The Directors confirm that to the best of each Director's knowledge and belief the condensed set of interim financial statements have been prepared in accordance with IAS 34 and that they give a true and fair view of the assets, liabilities, financial position and profit of the Group and that as required by DTR 4.2.4 and DTR 4.2.7, the Interim Report includes a fair review of:

- important events that have occurred during the first six months of the year;
- the impact of those events on the condensed financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- details of any related party transactions that have materially affected the Group's financial position or performance in the six months ended 30 June 2016 or material changes to related party transactions described in the Annual Report for the year ended 31 December 2015.

The Directors are responsible for the maintenance and integrity of the financial information relating to the Company and the Group on the Bank of Ireland Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board:

Desmond E Crowley
Director
7 September 2016

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Interest income	3	2.6	2.6	5.0
Interest expense	3	(1.8)	(1.7)	(3.5)
Net interest income		**0.8**	**0.9**	**1.5**
Fee and commission expense	4	-	(0.1)	(0.1)
Other operating income	5	-	0.1	-
Total operating income		**0.8**	**0.9**	**1.4**
Operating expenses	6	**(0.9)**	-	-
Operating (loss)/profit before impairment charges		**(0.1)**	**0.9**	**1.4**
Impairment reversals on loans and advances	9	-	-	-
(Loss)/profit before taxation		**(0.1)**	**0.9**	**1.4**
Taxation charge	7	(0.4)	(0.2)	(0.9)
(Loss)/profit for the year and total comprehensive income		**(0.5)**	**0.7**	**0.5**

The notes on pages 10 to 31 are an integral part of the interim financial statements.

CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT 30 JUNE 2016

	Note	30 June 2016 £m	31 December 2015 £m
Assets			
Loans and advances to banks	8	191.4	187.5
Loans and advances to customers	9	2.7	2.9
Deferred taxation	12	1.4	1.8
Available for sale of financial assets		0.1	0.1
Total assets		**195.6**	**192.3**
Liabilities			
Liabilities to banks	10	76.8	76.7
Other liabilities	11	11.2	10.5
Current taxation liabilities		1.8	1.8
Subordinated liabilities	13	26.5	23.5
Other borrowed funds	14	32.6	32.6
Total liabilities		**148.9**	**145.1**
Equity			
Share capital	15	2.5	2.5
Retained earnings		44.2	44.7
Total equity		**46.7**	**47.2**
Total equity and liabilities		**195.6**	**192.3**

The notes on pages 10 to 31 are an integral part of the interim financial statements.

The interim financial statements were approved by the Board of Directors on 7 September 2016 and signed on its behalf by:

Desmond E Crowley
Director
7 September 2016

BANK OF IRELAND UK HOLDINGS PLC

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Share capital			
Balance at the beginning and at the end of the period	2.5	2.5	2.5
Retained earnings			
Balance at the beginning of the period	44.7	44.1	44.1
Comprehensive income			
(Loss)/profit for the period	(0.5)	0.7	0.5
Total comprehensive income	(0.5)	0.7	0.5
Other movements	-	-	0.1
Balance at the end of the period	44.2	44.8	44.7
Total equity	46.7	47.3	47.2

The notes on pages 10 to 31 form an integral part of the interim financial statements.

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Cash flows from operating activities				
(Loss)/profit before taxation		(0.1)	0.9	1.4
Interest expense on subordinated liabilities	3	0.4	0.4	0.8
Interest expense on other borrowed funds	3	1.3	1.2	2.5
Cash flows from operating activities before changes in operating assets and liabilities		**1.6**	**2.5**	**4.7**
Net change in loans and advances to banks	8	(2.0)	2.6	366.2
Net change in loans and advances to customers	9	0.2	0.5	1.1
Net change in liabilities to banks	10	0.1	3.9	(358.8)
Net change in other liabilities	11	0.7	(3.6)	(3.6)
Net change in subordinated liabilities	13	3.0	(2.1)	(1.4)
Net cash inflow from operating assets and liabilities		**2.0**	**1.3**	**3.5**
Net cash inflow from operating activities before taxation		**3.6**	**3.8**	**8.2**
Taxation paid		-	(3.6)	(3.3)
Net cash inflow from operating activities		**3.6**	**0.2**	**4.9**
Financing activities (section A)		(1.7)	(1.7)	(3.4)
Net change in cash and cash equivalents		**1.9**	**(1.5)**	**1.5**
Opening cash and cash equivalents		61.5	60.0	60.0
Closing cash and cash equivalents		**63.4**	**58.5**	**61.5**
(A) Financing activities				
Interest paid on subordinated liabilities		(0.4)	(0.4)	(0.8)
Interest paid on preference shares		(1.3)	(1.3)	(2.6)
Cash outflow from financing activities		**(1.7)**	**(1.7)**	**(3.4)**

The notes on pages 10 to 31 form an integral part of the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 Basis of preparation

The interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with the Disclosure and Transparency Rules ('DTR') of the United Kingdom's Financial Conduct Authority and with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board and as adopted by the European Union. These interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') and IFRS Interpretations Committee ('IFRIC') interpretations as adopted by by the European Union and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS.

Statutory accounts
These interim financial statements do not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2015 were approved by the Board of Directors on 19 April 2016, contained an unqualified audit report and were filed with the Registrar of Companies.

Interim financial statements
The interim financial statements comprise the consolidated condensed statement of comprehensive income, consolidated balance sheet, consolidated condensed statement of changes in equity, consolidated condensed cash flow statement and the notes to the interim consolidated financial statements on pages 10 to 31.

1.2 Going concern

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the interim financial statements for the six months ended 30 June 2016 is a period of twelve months from the date of approval of these interim financial statements ('the period of assessment').

The Group is a direct subsidiary of BOI European Holdings SARL incorporated as a "société à responsibilité limitée" under the laws of the Grand Duchy of Luxembourg, an intermediate holding company within the Governor and Company of the Bank of Ireland (the 'Ultimate Parent') and its subsidiaries (together the 'Bank of Ireland Group'). BOI European Holdings SARL is a direct subsidiary of The Governor and Company of the Bank of Ireland.

The primary functions of the Group are to raise capital funding for the Bank of Ireland Group through the issuance of subordinated liabilities, to provide finance to certain other Bank of Ireland Group companies and to engage in lending in the UK.

In making their assessment of the Group's ability to continue as a going concern, the Directors have evaluated projections of the profitability, capital, liquidity and funding position of the Group for the period of assessment as well as the going concern assessment made by the Bank of Ireland Group.

Profitability
The Group has a number of wholly-owned subsidiary undertakings. Financial projections for trading entities have been prepared which show that these companies will continue to generate sufficient income to at least cover their costs for the period of assessment.

Capital
At 30 June 2016, the Group had total equity of £46.7 million, comprising share capital of £2.5 million and consolidated retained earnings of £44.2 million. The Directors do not currently anticipate that the Group has any further capital requirements during the period of assessment. However should any requirement arise The Governor and Company of the Bank of Ireland has confirmed that it will continue to support the Group for a period of thirteen months from the date of approval of these interim financial statements by the Directors.

Liquidity and funding
At 30 June 2016, the Group had deposits with the Bank of Ireland Group of £191.4 million and borrowings from the Bank of Ireland Group of £76.8 million.

The Governor and Company of the Bank of Ireland has confirmed that it will continue to fund and support the Group for a period of thirteen months from the date of approval of these interim financial statements by the Directors.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

1.2 Going concern (continued)

Liquidity and funding (continued)
On the basis of the above the Directors of the Group believe that the funding and liquidity requirements will continue to be met for the period of assessment.

Going concern assessment of the Bank of Ireland Group
The Group is reliant on the Bank of Ireland Group for liquidity, funding and for the provision of operational services.

The Court of Directors of the Governor and Company of the Bank of Ireland has concluded that it is appropriate to prepare its interim financial statements for the six months ended 30 June 2016 on a going concern basis. Details of the going concern assessment of the Bank of Ireland Group are set out on page 82 of the Bank of Ireland Group's Interim Report for the six months ended 30 June 2016. Taking this into account, the Directors of the Group are satisfied that any risk attaching to the continued ability of the Bank of Ireland Group to support the Group is satisfactorily addressed.

Conclusion
On the basis of the above, the Directors consider it appropriate to prepare the interim financial statements on a going concern basis having concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment.

1.3 Accounting policies

The accounting policies and methods of computation and presentation applied by the Group in the preparation of these interim financial statements are consistent with those set out on pages 19 to 28 of the Group's Annual Report for the year ended 31 December 2015 except as set out below:

New accounting pronouncements
The following amendments to standards have been adopted by the Group during the six months ended 30 June 2016:

- IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception
- IFRS 11 - Accounting for the Acquisition of Interests in Joint Operations
- IAS 1 - Disclosure Initiative
- IAS 27 - Equity Method in Separate Financial Statements
- Annual Improvements 2012 - 2014

None of the above amendments or interpretations has had a significant impact on the Group.

Critical accounting estimates and judgements
The preparation of interim financial statements requires the Group to make estimates and judgements that impact the reported amounts of assets and liabilities, income and expense. There have been no significant changes to the Group's approach to, and methods of, making critical accounting estimates and judgements compared to those applied at 31 December 2015, as set out on page 29 of the Group's Annual Report for the year ended 31 December 2015.

2. OPERATING SEGMENTS

The Group has two operating segments as detailed below. These segments reflect the internal financial and management reporting structure and are organised as follows:

Lending
The lending business provided a variety of lending services ranging from banking advances, leasing and term loans for consumer and commercial customers.

Divisional centre (including funding)
Divisional centre mainly acts as an intermediate holding and capital management unit.

The analysis of results by operating segment is based on the information used by the chief operating decision maker to allocate resources and assess performance. Transactions between the operating segments are on normal commercial terms and conditions. Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue sharing agreements are used to allocate external customer revenues to operating segments on a reasonable basis.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in note 1 of the Group’s Annual Report for the year ended 31 December 2015. Segment profitability is measured by deducting operating expenses and impairment charges from total operating income.

All income is generated in the United Kingdom.

Revenues derived from transactions with the Bank of Ireland Group are as set out in note 21 Related Party Transactions.

Gross external revenue comprises interest income, fee and commission income and other operating income and is generated by the business with external retail customers and related financial assets and liabilities.

Revenues deriving from transactions with the Ultimate Parent amounted to 10% or more of the Group’s revenues. See notes 3 and 4 for details of income from the Ultimate Parent which is across both operating segments.

External assets and external liabilities are external to the Group, but include balances with other entities of the Bank of Ireland Group.

2. OPERATING SEGMENTS (continued)

6 months ended 30 June 2016	Lending £m	Divisional Centre (including funding) £m	Eliminations £m	Group totals £m
Interest income	0.2	2.4	-	2.6
Interest expense	(0.1)	(1.7)	-	(1.8)
Net interest income	**0.1**	**0.7**	**-**	**0.8**
Other net income/(expense)	-	-	-	-
Total operating income	**0.1**	**0.7**	**-**	**0.8**
Operating expenses	-	(0.9)	-	(0.9)
Operating expenses	**0.1**	**(0.2)**	**-**	**(0.1)**
Impairment reversals on loans and advances to customers	-	-	-	-
Profit/(loss) before taxation	**0.1**	**(0.2)**	**-**	**(0.1)**
Capital expenditure	-	-	-	-
External assets	11.1	184.5	-	195.6
Inter segment assets	-	-	-	-
Total assets	**11.1**	**184.5**	**-**	**195.6**
External liabilities	9.0	139.9	-	148.9
Inter segment liabilities	-	-	-	-
Total liabilities	**9.0**	**139.9**	**-**	**148.9**
Gross revenue by operating segment				
External customers	0.2	2.4	-	2.6
Total gross external revenue	**0.2**	**2.4**	**-**	**2.6**

Other net income/expense above comprises fee and commission income and expense and other operating income and expense.

2. OPERATING SEGMENTS (continued)

6 months ended 30 June 2015	Lending £m	Divisional Centre (including funding) £m	Eliminations £m	Group totals £m
Interest income	0.2	2.4	-	2.6
Interest expense	(0.1)	(1.6)	-	(1.7)
Net interest income	**0.1**	**0.8**	**-**	**0.9**
Other net income/(expense)	-	-	-	-
Total operating income	**0.1**	**0.8**	**-**	**0.9**
Operating expenses	-	-	-	-
Operating expenses	**-**	**-**	**-**	**-**
Impairment reversals on loans and advances to customers	-	-	-	-
Profit before taxation	**0.1**	**0.8**	**-**	**0.9**
Capital expenditure	-	-	-	-
External assets	11.6	542.4	-	554.0
Inter segment assets	-	-	-	-
Total assets	**11.6**	**542.4**	**-**	**554.0**
External liabilities	9.2	497.5	-	506.7
Inter segment liabilities	-	-	-	-
Total liabilities	**9.2**	**497.5**	**-**	**506.7**
Gross revenue by operating segment				
External customers	0.2	2.5	-	2.7
Total gross external revenue	**0.2**	**2.5**	**-**	**2.7**

2. OPERATING SEGMENTS (continued)

Year ended 31 December 2015	Lending £m	Divisional Centre (including funding) £m	Eliminations £m	Group totals £m
Interest income	0.3	4.7	-	5.0
Interest expense	(0.2)	(3.3)	-	(3.5)
Net interest income	**0.1**	**1.4**	**-**	**1.5**
Other net expense	(0.1)	-	-	(0.1)
Total operating income	**-**	**1.4**	**-**	**1.4**
Operating expenses	-	-	-	-
Operating expenses	**-**	**-**	**-**	**-**
Impairment reversals on loans and advances to customers	-	-	-	-
Profit before taxation	**-**	**1.4**	**-**	**1.4**
Capital expenditure	-	-	-	-
External assets	10.5	181.8	-	192.3
Inter segment assets	-	-	-	-
Total assets	**10.5**	**181.8**	**-**	**192.3**
External liabilities	8.5	136.6	-	145.1
Inter segment liabilities	-	-	-	-
Total liabilities	**8.5**	**136.6**	**-**	**145.1**
Gross revenue by operating segment				
External customers	0.3	4.7	-	5.0
Total gross external revenue	**0.3**	**4.7**	**-**	**5.0**

3. INTEREST INCOME AND INTEREST EXPENSE

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Interest income			
Loans and advances to customers	0.2	0.2	0.3
Amounts due from the Ultimate Parent and fellow Bank of Ireland Group companies	2.4	2.4	4.7
	2.6	**2.6**	**5.0**

Included within interest income is £nil (six months ended 30 June 2015: £nil; year ended 31 December 2015: £0.01 million) of interest on impaired loans and advances to customers on which specific provisions have been recognised. Included within interest income is finance lease income of £0.1 million (six months ended 30 June 2015: £0.1 million; year ended 31 December 2015: £0.1 million).

3. INTEREST INCOME AND INTEREST EXPENSE (continued)

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Interest expense			
Amounts due to the Ultimate Parent and fellow Bank of Ireland Group companies	0.1	0.1	0.2
Subordinated liabilities	0.4	0.4	0.8
Preference share dividends net of unclaimed dividends	1.3	1.2	2.5
	1.8	**1.7**	**3.5**

4. FEE AND COMMISSION EXPENSE

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Fee and commission expense			
Fee and commission expense to the Ultimate Parent	-	0.1	0.1
Total fee and commission expense	**-**	**0.1**	**0.1**

Fee and commission expense above includes £nil (six months ended 30 June 2015: £0.1 million; year ended 31 December 2015: £nil) for the reimbursement of income earned by the Group in its role as a funding intermediary for the Ultimate Parent.

5. OTHER OPERATING INCOME

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Foreign currency translation gain	-	0.1	-
	-	**0.1**	**-**

Foreign exchange
The foreign currency translation gain includes above £nil (six months ended 30 June 2015: £0.1 million; year ended 31 December 2015: £nil) relating to currency positions undertaken on behalf of the Bank of Ireland Group. Such gains are refunded to the Ultimate Parent and are included in fee and commission expense in note 4 above.

6. OPERATING EXPENSES

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Staff costs	-	-	-
Depreciation	-	-	-
Other administrative expenses	0.9	-	-
	0.9	-	-

Other administrative expenses of £0.9 million consist of professional fees relating to the legal case with HMRC (six months ended 30 June 2015: £nil; year ended 31 December 2015: £nil).

There were no employees of the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: nil; year ended 31 December 2015: nil).

7. TAXATION

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Current tax:			
Current year	-	0.2	0.3
Adjustments in respect of prior years	-	(0.1)	(0.1)
	-	**0.1**	**0.2**
Deferred tax:			
Current year	0.4	-	0.5
Impact of corporation tax rate change	-	-	0.2
Adjustments in respect of prior years	-	0.1	-
	0.4	**0.1**	**0.7**
Taxation charge	**0.4**	**0.2**	**0.9**

The reconciliation of tax on profits at the standard UK corporation tax rate to the Group's actual tax charge is as follows:

	6 months ended 30 June 2016 £m	6 months ended 30 June 2015 £m	Year ended 31 December 2015 £m
(Loss)/profit before taxation	(0.1)	0.9	1.4
Tax calculated at a rate of 20% (30 June 2015: 20.5%; 31 December 2015: 20.25%)	-	0.2	0.3
Expenses not deductible for tax purposes	0.4	0.2	0.5
Impact of corporation tax rate change	-	-	0.2
Adjustments in respect of prior years	-	-	(0.1)
Other adjustments	-	(0.2)	-
Taxation charge	0.4	**0.2**	**0.9**

8. LOANS AND ADVANCES TO BANKS

	30 June 2016 £m	31 December 2015 £m
Due from the Ultimate Parent and fellow Group undertakings:		
- Balances with less than 3 months original maturity included in cash equivalents	63.4	61.5
- Balances with over 3 months original maturity	128.0	126.0
	191.4	**187.5**

Loans and advances to banks with a contractual maturity date of less than twelve months from the balance sheet date total £63.4 million (year ended 31 December 2015: £85.9 million).

9. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2016 £m	31 December 2015 £m
Loans and advances to customers	0.1	0.2
Finance lease and hire purchase receivables	2.7	2.8
Gross loans and advances to customers	**2.8**	**3.0**
Less: allowance for impairment on loans and advances to customers	(0.1)	(0.1)
	2.7	**2.9**

A further analysis of loans and advances to customers is disclosed in note 16 Credit Risk.

Finance lease and hire purchase receivable

The loans and advances to customers include finance lease receivable (including hire purchase agreements), which may be analysed as follows:

	30 June 2016 £m	31 December 2015 £m
Gross investment in finance leases:		
Not later than 1 year	0.5	0.7
Later than 1 year and not later than 5 years	0.9	0.9
Later than 5 years	2.0	2.0
	3.4	3.6
Unearned future finance income on finance leases	(0.7)	(0.8)
Net investment in finance leases	**2.7**	**2.8**
The net investment in finance leases may be analysed as follows:		
Not later than 1 year	0.5	0.6
Later than 1 year and not later than 5 years	0.7	0.7
Later than 5 years	1.5	1.5
	2.7	**2.8**

9. LOANS AND ADVANCES TO CUSTOMERS (continued)

Allowances for impairment on loans and advances to customers

	30 June 2016 £m	31 December 2015 £m
At beginning of year	0.1	0.1
Impairment reversals	-	-
Provisions utilised	-	-
Recoveries	-	-
At end of year	**0.1**	**0.1**

Loans and advances to customers with a remaining period to contractual maturity of less than twelve months as at the balance sheet date is £0.5 million (31 December 2015: £0.6 million).

The Group’s material leasing arrangements include the provision of instalment credit and leasing finance for both consumer and commercial customers.

At 30 June 2016, the accumulated allowance for uncollectible minimum lease payments receivable was £nil (31 December 2015: £nil). At 30 June 2016 and 31 December 2015, there was no unguaranteed residual value accruing to the benefit of the lessor.

10. LIABILITIES TO BANKS

	30 June 2016 £m	31 December 2015 £m
Due to Ultimate Parent and fellow Bank of Ireland Group undertakings	76.8	76.7
	76.8	**76.7**

Liabilities to banks with a contractual maturity of less than twelve months from the balance sheet date total £75.7 million (31 December 2015: £75.4 million).

11. OTHER LIABILITIES

	30 June 2016 £m	31 December 2015 £m
Accruals and deferred income	0.4	0.4
Other sundry payables	10.8	10.1
	11.2	**10.5**

Included in other sundry payables is accrued interest payable of £9.1 million (31 December 2015: £9.1 million) relating to non trading interest payable to a third party creditor.

Other liabilities of the Group with a remaining period to contractual maturity of less than 12 months as at the balance sheet date are £11.2 million (31 December 2015: £10.5 million).

12. DEFERRED TAXATION

The deferred tax assets of £1.4 million (31 December 2015: £1.8 million) relate to leased assets.

In presenting the deferred tax balances above, under IAS 12, the Group offsets tax assets and liabilities where:

- an entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to taxation levied by the same taxation authority on the same taxable entity.

The deferred tax asset has been recognised on the basis that it is probable it will be recovered as the Directors are satisfied that it is probable that the Group will have sufficient future taxable profits against which the deferred tax asset can be utilised. The Directors do not expect the deferred tax asset to reverse within the next twelve months.

The UK Government has announced that the main rate of corporation tax will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. A further change to UK corporation tax rates was announced in the Chancellor's Budget on 16 March 2016 which amended the reduction in the main rate of corporation tax to 17% from 1 April 2020. As this change to 17% had not been substantively enacted at the balance sheet date, its impact has not been recognised in the financial statements. The estimated overall effect of this change if it had applied to the deferred tax balance at the balance sheet date would be to reduce the deferred tax asset by £0.1 million.

13. SUBORDINATED LIABILITIES

	30 June 2016	31 December 2015
Undated Loan Capital	**£m**	**£m**
Bank of Ireland UK Holdings plc		
€600m 7.4% Guaranteed Step-up Callable Perpetual Preferred Securities [(1)]	26.5	23.5
	26.5	**23.5**

[(1)] Listed on the Luxembourg Stock Exchange.

Subordinated liabilities are expected to be settled more than 12 months after the balance sheet date.

The Group has €32.01 million nominal (31 December 2015: €32.01 million) of the €600 million 7.4% Guaranteed Step-up Callable Perpetual Preferred Securities in issue.

14. OTHER BORROWED FUNDS

	Rate	30 June 2016	31 December 2015
	%	**£m**	**£m**
Preference shares	8.125	32.6	32.6

Other borrowed funds represent the interest of third parties in the preference shares of Bristol & West plc and are non-current liabilities with no fixed date of maturity. These preference shares, which are non-redeemable, non-equity shares, rank equally amongst themselves as regards participation in profits and in priority to the ordinary shares of Bristol & West plc.

15. SHARE CAPITAL

	30 June 2016 £m	31 December 2015 £m
Authorised		
100,000,000 units (2015: 100,000,000 units) of ordinary shares of £1 each	100.0	100.0
Allotted and fully paid		
2,477,841 units (2015: 2,477,841 units) of ordinary shares of £1 each	2.5	2.5

All units of ordinary shares in issue carry the same voting right.

16. CREDIT RISK

Credit risk

The Bank of Ireland Group's approach to risk is set out in its Group Risk Framework which identifies the Bank of Ireland Group's formal governance process ('Risk Governance Framework'), its framework for setting Risk Appetite and its approach to risk identification, assessment, measurement, management and reporting.

Credit risk is defined as the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Group in respect of loans or other financial transactions. Credit exposure arising from loans and advances to banks relates to amounts placed with the Bank of Ireland Group. Bank of Ireland Group's senior unsecured credit rating is set out as follows:

	30 June 2016	31 December 2015
Rating Agency		
Moody's	Baa2	Baa2
Standard & Poor's	BBB-	BBB-

Apart from exposures to entities within the Bank of Ireland Group, credit exposures arise from lending to customers.

The Group is in the process of winding down its residual loan portfolio in an orderly manner to minimise any potential loss that the Group might incur from such a strategy. The credit risk management of the residual loan portfolio is outsourced to the Bank of Ireland Group, and is managed by it in line with its established Risk Governance Framework, and subject to the Bank of Ireland Group Credit Policy and Group Credit Framework (which is approved by the Bank of Ireland Group's Court of Directors) and other relevant Bank of Ireland business unit and sector/product credit policies.

Credit risk in Bank of Ireland Group is controlled within the Risk Governance Framework which incorporates the Court of Directors, risk committees appointed by the Court of Directors (e.g. Court Risk Committee, Group Audit Committee), and also the Group Risk Policy Committee and its appointed committees (i.e. Group Credit Committee, Risk Measurement Committee, Portfolio Review Committee).

The Risk Governance Framework is supported by the Bank of Ireland Group's management body, with credit risk responsibilities extending throughout the organisation based on the three lines of defence approach.

The organisational structure for credit risk management is designed to facilitate reporting and escalation of credit risk concerns from business units and credit risk functions upwards to Group Risk Policy Committee ('GRPC'), the Court Risk Committee ('CRC'), the Group Audit Committee ('GAC') and the Court of Directors ('Court'), and conveying approved credit risk management policies and decisions to business units.

Impairment criteria and provisions

Loan loss provisioning or impairment allowances required under IAS 39 are based on losses that have been incurred at the balance sheet date and requires that there is objective evidence of impairment and that the loss has been incurred.

16. CREDIT RISK (continued)

The standard does not permit the recognition of expected losses, no matter how likely these expected losses may appear.

For further information on the Group's policy on impairment provisions see the Group's Annual Report for the year ended 31 December 2015 (section 1.13 on page 23 and 24 in the summary of significant accounting policies).

The Group's primary market is the UK and all exposures are originated and managed in the UK.

Industry analysis (breakdown of total loans before impairment provisions)	**30 June 2016 £m**	**31 December 2015 £m**
Business and other services	2.8	2.9
Transport	-	0.1
Gross loans and advances to customers	**2.8**	**3.0**

The tables below and on the next page summarise the Group's financial assets over the following categories: neither past due nor impaired, past due but not impaired and impaired. Exposures are based on the gross amount, before provisions for impairment. Other financial instruments are loans and advances to banks.

Total financial assets

30 June 2016	**Commercial £m**	**Other financial instruments £m**	**Total £m**
Financial assets neither past due nor impaired	2.7	191.5	194.2
Financial assets past due but not impaired	-	-	-
Impaired financial assets	0.1	-	0.1
Total	**2.8**	**191.5**	**194.3**

31 December 2015	**Commercial £m**	**Other financial instruments £m**	**Total £m**
Financial assets neither past due nor impaired	2.9	187.6	190.5
Financial assets past due but not impaired	-	-	-
Impaired financial assets	0.1	-	0.1
Total	**3.0**	**187.6**	**190.6**

16. CREDIT RISK (continued)

Financial assets neither past due nor impaired

30 June 2016	Commercial £m	Other financial instruments £m	Total £m
High quality	2.7	191.5	194.2
Satisfactory quality	-	-	-
Acceptable quality	-	-	-
Total	**2.7**	**191.5**	**194.2**

31 December 2015	Commercial £m	Other financial instruments £m	Total £m
High quality	2.9	187.6	190.5
Satisfactory quality	-	-	-
Acceptable quality	-	-	-
Total	**2.9**	**187.6**	**190.5**

Financial assets past due but not impaired

The Group has no financial assets past due but not impaired at 30 June 2016 or 31 December 2015.

Impaired financial assets

30 June 2016	Commercial £m	Total £m
Impaired financial assets	0.1	0.1
Allowance at the beginning of the year	0.1	0.1
Provisions utilised	-	-
Impairment reversal	-	-
Recoveries	-	-
Transfer to other Group units	-	-
Unwind of discount	-	-
Allowance at the end of the period	**0.1**	**0.1**

Allowances include specific and ‘incurred but not reported’ (‘IBNR’) allowances. IBNR allowances can be recognised on all categories of loans for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment.

31 December 2015	Commercial £m	Total £m
Impaired financial assets	0.1	0.1
Allowance at the beginning of the year	0.1	0.1
Provisions utilised	-	-
Impairment reversal	-	-
Recoveries	-	-
Transfer to other Group units	-	-
Unwind of discount	-	-
Allowance at the end of the year	**0.1**	**0.1**

16. CREDIT RISK (continued)

Repossessed collateral

During the period ended 30 June 2016 the Group took possession of collateral held as security of £nil (year ended 31 December 2015: £nil). Repossessed assets are sold as soon as practicable, with the proceeds applied against outstanding indebtedness.

Maximum exposure to credit risk before collateral held or other credit enhancements

The table below represents a worst case scenario of credit risk exposure to the Group and Company, without taking account of any collateral held or other credit enhancements attached. The exposures set out above are based on net carrying amounts, net of provisions, as reported in the balance sheet, adjusted for deferred acquisition costs.

	30 June 2016 £m	31 December 2015 £m
Loans and advances to banks	191.4	187.5
Loans and advances to customers	2.8	2.9
Available for sale financial assets	0.1	0.1
	194.3	**190.5**

The loans and advances to banks relate to Bank of Ireland Group entities which have been approved by the Board of Directors in conjunction with recommendations by Bank of Ireland Group Risk Policy Committee. The loans and advances to customers in the table above relate to leasing.

17. LIQUIDITY RISK

Liquidity risk is the risk that the Group will experience difficulty in financing its assets and/or meeting its contractual payment obligations as they fall due, or will only be able to do so at substantially above the prevailing market cost of funds. Liquidity risk arises from differences in timing between cash inflows and outflows. Cash inflows are driven, among other things, by the maturity structure of loans and investments held by the Group, while cash outflows are driven, inter alia, by the term of the debt issued by the Group and the outflows from deposit accounts held for customers. Liquidity risk can increase due to the unexpected lengthening of maturities or non-repayment of assets, a sudden withdrawal of deposits or the inability to refinance maturing debt. These factors are often associated with times of distress or adverse events such as a credit rating downgrade(s) or economic or financial turmoil.

The Group's exposure to liquidity risk is governed by the Bank of Ireland Group's Risk Appetite Statement and associated limits and the Bank of Ireland Group's Funding and Liquidity policy, both of which are approved by the Bank of Ireland Court of Directors on the recommendation of the GRPC and the Court Risk Committee. The operation of this policy is delegated to the Bank of Ireland Group Asset and Liability Committee ('ALCO'). The Bank of Ireland Group Treasury, on behalf of ALCO, is responsible for monitoring liquidity risk and for the development and monitoring of liquidity policy. In addition to its internal liquidity risk management processes, the Group complies with the requirements of the Financial Services Authority in respect of liquidity management.

The table below summarises the maturity profile of the Group's financial instrument liabilities at 30 June 2016 and 31 December 2015 based on contractual undiscounted repayment obligations. The Group does not manage liquidity risk on the basis of contractual maturity. Instead the Group manages liquidity risk based on expected cash flows. In the event that the liabilities to banks would become callable, they may be settled using loans and advances to banks which are also held within the Bank of Ireland Group. The balances will not agree directly to the balances in the balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal and interest payments.

17. LIQUIDITY RISK (continued)

30 June 2016	Demand £m	Up to 3 months £m	3-12 months £m	1-5 years £m	Over 5 years £m	Total £m
Liabilities to banks [1]	75.2	0.1	0.5	0.5	0.8	77.1
Subordinated liabilities and other capital instruments [2]	-	0.2	0.6	2.9	27.1	30.8
Other borrowed funds [3]	-	-	2.6	10.6	32.6	45.8
Total	**75.2**	**0.3**	**3.7**	**14.0**	**60.5**	**153.7**

As part of the Bank of Ireland Group's capital management activities, the Group may repurchase certain of its subordinated liabilities earlier than the maturity dates listed in the above table. The Group matches the maturity of subordinated liabilities with the maturity of its placements with other Bank of Ireland entities. Therefore any such capital management activities would not impact the liquidity position of the Group.

31 December 2015	Demand £m	Up to 3 months £m	3-12 months £m	1-5 years £m	Over 5 years £m	Total £m
Liabilities to banks [1]	74.2	0.5	0.9	0.4	1.0	77.0
Subordinated liabilities and other capital instruments [2]	-	0.2	0.6	2.9	27.1	30.8
Other borrowed funds [3]	-	-	2.6	10.6	32.6	45.8
Total	**74.2**	**0.7**	**4.1**	**13.9**	**60.7**	**153.6**

[1] Liabilities to banks primarily relates to non-interest bearing loans.
[2] Interest cash flows included for 10 years as the instruments are undated, after this time it is assumed the instruments are repaid.
[3] Interest cash flows included for 5 years as the instruments are undated, after this time it is assumed the instruments are repaid.

18. FINANCIAL RISK MANAGEMENT

Measurement basis of financial assets and liabilities

The table below analyses the carrying amounts of financial assets and liabilities by accounting treatment and by balance sheet heading:

	30 June 2016 £m	31 December 2015 £m
Financial assets held at amortised cost		
Loans and advances to banks	191.4	187.5
Loans and advances to customers	2.7	2.9
	194.1	**190.4**
Financial liabilities held at amortised cost		
Liabilities to banks	76.8	76.7
Subordinated liabilities	26.5	23.5
Other borrowed funds	32.6	32.6
	135.9	**132.8**

There are no held to maturity investments or financial assets and liabilities at fair value through profit and loss at 30 June 2016 and 31 December 2015.

18. FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial assets and liabilities

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where possible, the Group calculates fair value using observable market prices. Where market prices are not available, fair values are determined using valuation techniques which may include discounted cash flow models or comparisons to instruments with characteristics either identical or similar to those of the instruments held by the Group or at recent arm's length market transactions. These fair values are classified within a three-level fair value hierarchy, based on the inputs used to value the instrument. Where the inputs might be categorised within different levels of the fair value hierarchy, the fair value measurement in its entirety is categorised in the same level of the hierarchy as the lowest level input that is significant to the entire measurement. The levels are defined as:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Transfers between different levels are assessed at the end of all reporting periods. During the period ended 30 June 2016 and the year ended 31 December 2015 there were no transfers between different levels.

(a) Financial assets and liabilities recognised and subsequently measured at fair value
All financial instruments are initially recognised at fair value. The Group does not have any financial assets and liabilities subsequently measured at fair value at 30 June 2016 or 31 December 2015.

(b) Financial assets and liabilities not subsequently measured at fair value
For financial assets and liabilities which are not subsequently measured at fair value on the balance sheet, the Group discloses their fair value in a way that permits them to be compared to their carrying amounts.

A description of the methods, assumptions and processes used to calculate fair values of these assets and liabilities is set out on page 46 of the Group's Annual Report for the year ended 31 December 2015. At 30 June 2016, there has been no significant change to those methods, assumptions or processes.

Exclusion from fair value disclosure
Items where the carrying amount is a reasonable approximation of fair value are not included as permitted by IFRS 7.

18. FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial assets and liabilities (continued)

30 June 2016	Quoted prices in active market Level 1 £m	Valuation techniques observable inputs Level 2 £m	Valuation techniques unobservable inputs Level 3 £m	Total £m
Fair value of financial assets held at amortised cost				
Loans and advances to banks	-	214.2	-	214.2
Loans and advances to customers	-	-	2.8	2.8
	-	**214.2**	**2.8**	**217.0**
Fair value of financial liabilities held at amortised cost				
Liabilities to banks	-	76.7	-	76.7
Subordinated liabilities	-	18.1	-	18.1
Other borrowed funds	41.1	-	-	41.1
	41.1	**94.8**	**-**	**135.9**

31 December 2015	Quoted prices in active market Level 1 £m	Valuation techniques observable inputs Level 2 £m	Valuation techniques unobservable inputs Level 3 £m	Total £m
Fair value of financial assets held at amortised cost				
Loans and advances to banks	-	211.7	-	211.7
Loans and advances to customers	-	-	3.0	3.0
	-	**211.7**	**3.0**	**214.7**
Fair value of financial liabilities held at amortised cost				
Liabilities to banks	-	76.9	-	76.9
Subordinated liabilities	-	16.7	-	16.7
Other borrowed funds	40.1	-	-	40.1
	40.1	**93.6**	**-**	**133.7**

The table below analyses the carrying amounts and fair values of financial assets and liabilities by balance sheet heading:

	30 June 2016		31 December 2015	
	Carrying amount £m	Fair values £m	Carrying amount £m	Fair values £m
Assets				
Loans and advances to banks	191.4	214.2	187.5	211.7
Loans and advances to customers	2.7	2.8	2.9	3.0
Total assets	**194.1**	**217.0**	**190.4**	**214.7**
Liabilities				
Liabilities to banks	76.8	76.7	76.7	76.9
Subordinated liabilities	26.5	18.1	23.5	16.7
Other borrowed funds	32.6	41.1	32.6	40.1
Total liabilities	**135.9**	**135.9**	**132.8**	**133.7**

18. FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial assets and liabilities (continued)

The fair value of floating rate loans and advances to banks is estimated to be their carrying amount in line with the Bank of Ireland Group approach. The fair value disclosures for current and prior year reflect this approach.

The Group's financial instruments comprise of lending that arose in the course of the Group's ordinary activities, supported by wholesale financial instruments for funding and investment purposes; these instruments included deposits and debt and capital instruments. In addition, when required derivative financial instruments are held for non-trading activities to manage market and credit risks.

The principal risks and uncertainties arising from the Group's operations were credit risk (note 16), liquidity risk (note 17), market risk and operational risk. The Group had minimal residual foreign currency exposure.

Market Risk

Market risk is the risk of loss in the Group's income or net worth arising from adverse change in interest rates, exchange rates, or other market prices.

Market risk arises in customer facing banking units mainly on the asset side of the balance sheet through fixed rate lending.

Market risk also arises where variable rate assets and liabilities re-price at different frequencies (monthly, quarterly, semi-annually) and where lending reprices with changes in central bank rates but is funded at short dated market rates. The latter is termed basis risk and while it has always been a feature of retail and commercial banking, it is more material now as the volatility of spreads between central bank rates and short term market rates increased significantly.

The Group recognises that the effective management of market risk is essential to the maintenance of stable earnings, the preservation of shareholder value and the achievement of the Group's corporate objectives.

The Group considers that the two most significant aspects of market risk for the Group are interest rate risk and foreign currency risk. These are discussed in detail below.

The Group's exposure to market risk is governed by policy approved by the GRPC. This policy sets out the nature of risk that may be taken, the types of financial instrument that may be used to manage risk and the way in which risk is controlled.

The limit structure for controlling market risk is assigned by the GRPC. Compliance with this structure is monitored by the Bank of Ireland Group Asset and Liability Committee.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arising from the Group's funding activities is managed using fixed rate loans. Interest rate risk on the floating rate subordinated liabilities is managed with the use of floating rate loans. As a result, the impact of movement in interest rates is not significant and therefore a sensitivity analysis is not presented in the current period.

The Group employs a number of measures to quantify and control market risk. Because of the requirement of the Bank of Ireland Group that business units eliminate their interest rate risk with it, there is negligible interest rate risk in the Group. Details of Market Risk Measurement are set out on pages 110 to 113 of the Bank of Ireland Group's Annual Report for the year ended 31 December 2015. A copy of this report may be obtained from Bank of Ireland, 40 Mespil Rd, Dublin 4 or www.bankofireland.com.

18. FINANCIAL RISK MANAGEMENT (continued)

Market Risk (continued)

Currency risk

Group policy requires that all foreign currency exposure is hedged to de-minimis levels as it arises.

The Group has issued subordinated liabilities denominated in Euro that are hedged with Euro currency loans to Bank of Ireland Group. The Group's policy is to avoid general interest rate risk and to match fund all currency positions so as to ensure no material currency exposure exists therefore a sensitivity analysis is not presented in the current period.

Operational Risk

The Group outsources its key operations to the Bank of Ireland Group and, as a result, operational risk is managed by the Bank of Ireland Group. The Bank of Ireland Group manages regulatory and compliance risk under an overall framework, which is implemented by accountable executives, monitored by the GRPC, the Bank of Ireland Group Audit Committee, the Court Risk Committee and the Group Regulatory, Compliance and Operational Risk Committee and supported by the Group Regulatory, Compliance and Operational Risk function. The effective management of regulatory and compliance risk is primarily the responsibility of business management.

The Bank of Ireland Group has established a formal approach to the management of regulatory and compliance risk and the objective is the identification, assessment, monitoring and management of regulatory and compliance risks.

19. CAPITAL MANAGEMENT

Capital management objectives and policies

Capital management for the Group is carried out in the context of the Bank of Ireland Group's capital management policy.

The objectives of the Bank of Ireland Group's capital management policy are to at all times comply with regulatory capital requirements and to ensure that the Group has sufficient capital to cover the risks of its business and support its strategy. It seeks to minimise refinancing risk by managing the maturity profile of non equity capital whilst the currency mix of capital is managed to ensure that the sensitivity of capital ratios to currency movements is minimised.

The following table sets out the Group's capital resources (shareholders' equity and subordinated liabilities):

Shareholders' equity	**30 June 2016 £m**	**31 December 2015 £m**
Total shareholders' equity	46.7	47.2
Undated loan capital	26.5	23.5
Total capital resources	**73.2**	**70.7**

The Group is not regulated in its own right and does have its own regulatory capital requirements.

20. CONTINGENT LIABILITIES AND COMMITMENTS

There is no contingent liability or commitment as at 30 June 2016 or 31 December 2015.

21. RELATED PARTY TRANSACTIONS

Amounts included in the financial statements at 30 June 2016 in aggregate, by category of related party are as follows:

	Directors and key management personnel		Ultimate Parent		Fellow Group undertakings	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Assets	£m	£m	£m	£m	£m	£m
At the beginning of the year	-	-	181.0	543.4	6.5	8.5
Net amount advanced/(repaid)	-	-	3.1	(362.4)	0.8	(2.0)
At the end of the year	-	-	184.1	181.0	7.3	6.5
Interest income	-	-	2.4	4.7	-	-

	Directors and key management personnel		Ultimate Parent		Fellow Group undertakings	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Liabilities	£m	£m	£m	£m	£m	£m
At the beginning of the year	-	-	70.5	428.4	6.2	7.1
Net amount advanced/(repaid)	-	-	0.1	(357.9)	-	(0.9)
At the end of the year	-	-	70.6	70.5	6.2	6.2
Interest expense	-	-	0.1	0.2	-	-

Net fee and commission expense to the Ultimate Parent amounts to £nil (year ended 31 December 2015: £0.1 million).

22. POST BALANCE SHEET EVENTS

The Group holds 0.69% of Vocalink Holdings Limited. It was annonunced in July 2016 that MasterCard Incorporated has entered into a definitive agreement to acquire 92.4% of Vocalink Holdings Limited. This transaction is subject to regulatory approval and other customary closing conditions.

There were no other significant post balance sheet events identified requiring disclosure or adjustment in this interim report.

23. ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of BOI European Holdings SARL. The Governor and Company of the Bank of Ireland is the parent company of BOI European Holdings SARL, and therefore the Ultimate Parent of Bank of Ireland UK Holdings Plc.

Registered office of Bank of Ireland UK Holdings plc :
Bank of Ireland UK Holdings plc
1 Donegall Square South
Belfast
BT1 5LR
Northern Ireland

24. REVIEW OF INTERIM FINANCIAL STATEMENTS

The interim report has not been reviewed or audited by the independent auditors of the Group.

25. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Board of Directors approved the interim report on 7 September 2016.