

BARCLAYS BANK IRELAND PLC

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

BARCLAYS BANK IRELAND PLC

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BARCLAYS BANK IRELAND PLC

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

Helen Keelan	Irish	Independent Non-Executive Director
David Farrow	British	Group Non-Executive Director
James Kelly	Irish	Chief Risk Officer
David Martin	Irish	Independent Non-Executive Director
Eoin O'Driscoll	Irish	Independent Non-Executive Director
Sasha Wiggins	British	Chief Executive Officer
Sinead Mahon	Irish	Chief Operating Officer

SECRETARY

Fiona O'Donovan

AUDIT COMMITTEE MEMBERS

David Martin	Chairman
Eoin O'Driscoll	
David Farrow	

COMPANY NUMBER

396330

REGISTERED OFFICE AND BUSINESS ADDRESS

Two Park Place, Hatch Street, Dublin 2

SOLICITORS

Matheson	70 Sir John Rogerson's Quay, Dublin 2
Arthur Cox	Earlsfort Court, Earlsfort Terrace, Dublin 2

INDEPENDENT AUDITORS

PricewaterhouseCoopers	One Spencer Dock, North Wall Quay, Dublin 1
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BARCLAYS BANK IRELAND PLC

DIRECTOR'S REPORT

The Directors present the annual report and audited financial statements for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the Bank is the provision of wholesale banking services to corporate entities and wealth management advisory services.

The Bank advises, leads, underwrites and participates in debt transactions and also provides operational banking, trade and treasury services. The Bank also introduces Irish companies to the debt and equity capital-raising and risk management structuring capability of Barclays Investment Bank, a leader in the global investment banking market.

The Bank continues to pursue the right opportunities to grow the business and to provide a wide range of banking services to corporate entities and advisory services to wealth management clients.

With effect from 1 January 2015, the Bank extended its services to include cross-border merchant acquiring services provided to the card acquiring division of Barclays Bank PLC, via the industry standard Payment Facilitator model under which Barclaycard is the sole merchant acquiring customer of the Bank.

The Bank is licensed by the Central Bank of Ireland and received its banking licence on 7th March 2005.

BUSINESS REVIEW

The Bank's profit after tax for the year to 31 December 2015 was €25.0 million, an increase of 37% over the prior year (2014: €18.3 million), primarily driven by a 26% increase in total operating income.

The Bank's common equity tier one ratio remains strong at 12.7% as at 31 December 2015 (2014: 16.4%), a ratio that is well in excess of the minimum 4.5% regulatory capital requirement. The ratio decrease in the year is due to an increase in the level of loan facilities provided to customers and the inclusion of merchant acquiring exposures. The Bank's total capital ratio was 14.7% as at 31 December 2015 (2014: 19.1%), in excess of the minimum 8% regulatory capital requirement, giving sufficient capacity to conservatively expand the balance sheet.

Profit before tax for the financial year ended 31 December 2015 was 37% up on prior year, primarily due to a 29% increase in net interest income as a result of higher customer deposit and loan balances. Fee income in 2015 of €11.8 million was up 11% from 2014, driven by the inclusion of €1.3m in fees from merchant acquiring services, and foreign exchange income increased in 2015 by 57% to €4.0 million.

There was a 5% increase in 2015 operating costs. The rise in costs was driven by an increase in staff costs due to higher staff numbers. The cost income ratio fell from 43% in 2014 to 38% in 2015, continuing a downward trend in this ratio which was 49% in 2013.

Customer deposits rose by 25% in 2015 to €2.0 billion and drawn customer loans increased by 10% to €1.0 billion resulting in the loan to deposit ratio falling from 54% in 2014 to 48% as at the end of 2015. A ratio of 48% reflects a position where the Bank was fully able to fund loans from deposits without the need to access its parent bank or the wholesale interbank market for its day to day liquidity requirements.

The Bank, in conjunction with Barclays Assurance and Barclays Insurance in Dublin, operates a joint defined benefit pension scheme. This scheme was closed to future accrual in May 2013. At the end of 2015, the Bank had a net liability of €11.4 million between the fair value of the scheme assets and the present value of the schemes liabilities versus a prior year liability of €13.5 million.

The Bank has a proactive approach to customers showing early signs of financial distress and utilises the advice of Barclays' group experts to help manage such situations. The Bank incurred impairment charges of €0.8 million in the financial year ended 31 December 2015 (financial year ended 31 December 2014: €0.2 million). The total balance sheet impairment provision of €2.1 million at the end of 2015 is made up of specific provisions of €0.8 million and model driven provisions of €1.3 million.

The Bank forecasts its liquidity position on a daily basis as the balance sheet asset and liability maturity profile changes with each new asset or liability booked. The Bank has sufficient buffers over the required minimum levels of daily liquidity necessary to meet its regulatory liquidity requirements. In addition, the Bank has the ability to borrow from Barclays Group Treasury should the need arise and has a detailed liquidity funding plan in place and, if required, access to the Barclays Group liquidity contingency plan and expert personnel.

BARCLAYS BANK IRELAND PLC

DIRECTOR'S REPORT

The Bank holds additional liquidity in the form of €521 million placed with the Central Bank as at 31 December 2015 (2014: €23 million). In the prior year additional liquidity was held in Barclays Bank PLC's certificates of deposit (€450m as at 31 December 2014).

The Bank prepared a Recovery Plan in August 2015, in compliance with the Bank Recovery and Resolution Directive, identifying a range of potential options available to restore the Bank's capital, liquidity and balance sheet position during times of stress if necessary.

RESULTS AND DIVIDENDS

The Bank's profit after tax for the financial year ended 31 December 2015 was €25.0 million (financial year ended 31 December 2014: €18.3 million). No interim dividend was paid in 2015 (2014: € nil). The Directors do not propose to make a final dividend payment for the financial year ended 31 December 2015 (financial year ended 31 December 2014: € nil).

DIRECTORS

The names of persons who were Directors at any time during the financial year ended 31st December 2015, or who have been appointed since that date, are set out below.

David Farrow	
Andrew Stewart Hastings	resigned 27 February 2015
Helen Keelan	
James Kelly	
David Martin	
Eoin O'Driscoll	
Sasha Wiggins	appointed 27 February 2015
Sinead Mahon	appointed 4 August 2015

DIRECTORS' AND SECRETARY'S INTERESTS

The Directors and Secretary had no interests in the shares of the company or any other group company that are required by the Companies Act 2014 to be recorded in the register of interests or disclosed in the Directors' Report.

FINANCIAL RISK MANAGEMENT

In the ordinary course of business, the Directors and management of the Bank manage a variety of risks with credit, operational, conduct, market, liquidity, interest and foreign currency risks being the most significant. These risks are identified, measured and monitored through various control mechanisms across the Bank in order to price facilities and products on a risk adjusted basis and to highlight risk concentrations which require management attention. Independent checks on risk issues and key processes are undertaken by the Barclays Bank PLC internal audit function.

Credit risk

Credit risk arises because the Bank's customers, clients or counterparties may not be able or willing to fulfil their contractual obligations under loan agreements or other credit facilities. The objective of credit risk management is to create value by ensuring that the income generated by each exposure individually and in aggregate is commensurate with the risk taken.

The Bank closely monitors the credit risk of the portfolio on a number of bases including sector, geography, credit grade and security and has a range of control mechanisms in place to manage the risk.

Credit approvals are rigorously reviewed by expert credit staff and approved by a senior sub-committee of the Board of Directors under delegated authority.

Operational risk

Operational risk, which is inherent in all business activities, is the potential for financial and reputational loss arising from failures in internal controls, operational processes or the systems that support them. The Bank manages this risk through appropriate risk controls and loss mitigation actions. These actions include a balance of policies, procedures, internal controls and business continuity arrangements, including taking into account cyber security considerations.

BARCLAYS BANK IRELAND PLC

DIRECTOR'S REPORT

Conduct risk

Conduct risk is the risk that detriment is caused to our customers, clients, counterparties or Barclays because of inappropriate judgement in the execution of our business activities. The Bank continues to improve conduct risk management across governance structures, management information, culture change initiatives, risk management processes and enterprise-wide risk management. There will also be further enhancements to how conduct risk is considered in strategy setting.

Funding and liquidity risk

The objective of liquidity management is to ensure the availability, at all times, of sufficient funds to meet the demand of customers for additional borrowings or to repay existing deposits as they mature or are withdrawn. The Bank holds clients deposits and cash reserves in excess of client advances and maintains a balance of high quality liquid assets with the Central Bank of Ireland in order to ensure availability of funds and to support the liquidity position. All additional excess funds held are placed on overnight deposit with Barclays Bank plc.

Interest rate risk

Interest rate risk is the risk of loss arising on the cost of funding the balance sheet from adverse movements in market rates. The interest rate re-pricing mismatch in the balance sheet of the Bank is short-term with the majority of loans and deposits re-pricing within three months. The risk of loss is considered low and within accepted risk appetite.

Foreign exchange risk

Foreign exchange risk is the risk of loss arising on currency exposures in the balance sheet from adverse movements in market rates. The Bank provides foreign exchange capability to customers, with most FX deals undertaken at spot value. Forward foreign exchange deals undertaken on behalf of clients are matched by corresponding trades to close out the Bank's position with Barclays Bank PLC. FX positions on spot and forward activity are closely monitored with positions being closed out within accepted risk tolerance levels. Material incomes in currencies other than Euro are converted to Euro each month as part of the month-end process.

CODE OF CORPORATE GOVERNANCE

The Bank is subject to the Central Bank of Ireland's Corporate Governance Code for Credit Institutions and Insurance Undertakings. The Bank does not have to comply with the additional requirements in Annex 1 of the Code for Major Institutions.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Bank since the year end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law.

Irish 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 International Financial Reporting Standards as adopted by the European Union (IFRS).

Under Irish law the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BARCLAYS BANK IRELAND PLC

DIRECTOR'S REPORT

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors 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.

ACCOUNTING RECORDS

The measures taken by the Directors to secure compliance with the company's obligation to keep adequate accounting records are the appointment of professionally qualified accounting personnel with appropriate expertise and the provision of adequate resources to the finance function. The accounting records are kept at the Bank's registered office at Two Park Place, Hatch Street, Dublin 2.

GOING CONCERN

The Directors are satisfied that the Bank has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparation of the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

On behalf of the Board



Sasha Wiggins
Director



James Kelly
Director



David Martin
Director

24 March 2016



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS BANK IRELAND PLC

Report on the financial statements

Our opinion

In our opinion, Barclays Bank Ireland plc's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2015 and of its profit and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014.
-

What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows 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 Irish law and IFRSs as adopted by the European Union.

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.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
 - In our opinion the information given in the directors' report is consistent with the financial statements.
-

Matters on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

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Chartered Accountants



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS BANK IRELAND PLC – continued

Responsibilities for the financial statements and the audit -

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 4, 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 Irish law and International Standards on Auditing (UK and 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 section 391 of the Companies Act 2014 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 International Standards on Auditing (UK and 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 directors' report and financial statements 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.

Ronan Doyle
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
24 March 2016

BARCLAYS BANK IRELAND PLC

INCOME STATEMENT

for the financial year ended

	Note	2015 €'000	2014 €'000
Interest and similar income	5	46,925	39,341
Interest and similar expenses	6	(15,027)	(14,651)
Net interest income		31,898	24,690
Fee and commission income	7	11,758	10,588
Trading and foreign exchange income	8	4,043	2,573
Other expense		(255)	(180)
Total operating income		47,444	37,671
General and administrative expenses	9	(16,977)	(16,121)
Depreciation and amortisation expense	10	(874)	(328)
Operating profit before impairment		29,593	21,222
Loan impairment charge	11	(774)	(159)
Operating profit		28,819	21,063
Profit before income tax		28,819	21,063
Income tax expense	12	(3,784)	(2,749)
Profit for the financial year		25,035	18,314

The notes on pages 13 to 46 are an integral part of these financial statements.

BARCLAYS BANK IRELAND PLC

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended

	Note	2015 €'000	2014 €'000
Profit for the financial year		25,035	18,314
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations	23	1,704	(7,879)
		1,704	(7,879)
Items that may be subsequently reclassified to profit or loss			
Change in value of available-for-sale financial assets	12	(195)	(200)
		(195)	(200)
Other comprehensive income for the financial year, net of tax		1,509	(8,079)
Total comprehensive income for the financial year		26,544	10,235

Items in the statement above are disclosed net of tax. The deferred tax relating to each component of other comprehensive income is disclosed in note 19.

The notes on pages 13 to 46 are an integral part of these financial statements.

BARCLAYS BANK IRELAND PLC

BALANCE SHEET

as at 31 December

	Note	2015 €'000	2014 €'000
Assets			
Cash and balances at central bank		520,746	22,685
Loans and advances to banks	13	1,013,334	1,150,928
Loans and advances to customers	14	980,012	892,494
Available for sale financial assets	15	-	450,296
Derivative financial instruments	16	20,468	35,864
Property, plant and equipment	17	226	447
Intangible assets	18	895	956
Deferred income tax assets	19	1,420	1,687
Other assets	20	31,002	3,576
Total assets		2,568,103	2,558,933
Liabilities			
Deposits from banks	21	76,231	510,127
Deposits from customers	22	2,046,786	1,639,135
Derivative financial instruments	16	20,330	35,744
Retirement benefit obligations	23	11,362	13,492
Current income tax liabilities		649	254
Deferred income tax liabilities	19	-	25
Other liabilities	24	32,528	6,478
Subordinated debt	25	50,060	50,065
Total liabilities		2,237,946	2,255,320
Equity			
Share capital	26	138,446	138,446
Capital contribution	27	121,000	121,000
Available for sale reserve	28	-	195
Retained earnings		70,711	43,972
Total equity		330,157	303,613
Total equity and liabilities		2,568,103	2,558,933

The notes on pages 13 to 46 are an integral part of these financial statements.

On behalf of the Board



Sasha Wiggins
Director



David Martin
Director



James Kelly
Director



Fiona O'Donovan
Company Secretary

24 March 2016

BARCLAYS BANK IRELAND PLC

STATEMENT OF CHANGES IN EQUITY for the financial year ended 31 December

	Share capital	Capital contribution	Available for sale reserve	Retained earnings	Total equity
	€'000	€'000	€'000	€'000	€'000
Balance as at 1 January 2014	12,446	121,000	395	33,537	167,378
Profit for the financial year	-	-	-	18,314	18,314
Other comprehensive income for the financial year	-	-	(200)	(7,879)	(8,079)
Total comprehensive income for the financial year	-	-	(200)	10,435	10,235
Issuance of share capital	126,000	-	-	-	126,000
Total transactions with owners recognised in equity	126,000	-	-	-	126,000
Balance as at 31 December 2014	138,446	121,000	195	43,972	303,613
Balance as at 1 January 2015	138,446	121,000	195	43,972	303,613
Profit for the financial year	-	-	-	25,035	25,035
Other comprehensive loss for the financial year	-	-	(195)	1,704	1,509
Total comprehensive loss for the financial year	-	-	(195)	26,739	26,544
Balance as at 31 December 2015	138,446	121,000	-	70,711	330,157

The notes on pages 13 to 46 are an integral part of these financial statements.

BARCLAYS BANK IRELAND PLC

STATEMENT OF CASH FLOWS

for the financial year ended 31 December

	2015 €'000	2014 €'000
Reconciliation of profit before tax to net cash flows from operating activities:		
Profit before tax	28,819	21,063
<i>Adjustment for non-cash items:</i>		
Impairment charge	774	159
Depreciation and amortisation	874	328
Other provisions, including pensions	(84)	679
<i>Changes in operating assets and liabilities</i>		
Net increase / (decrease) in loans and advances	7,604	(294,278)
Net (decrease) / increase in deposits	(26,245)	461,267
Net (increase) / decrease in derivative financial instruments	(18)	40
Net increase in other assets	(27,425)	(1,413)
Net increase in other liabilities	26,045	3,586
Corporate income tax paid	(3,389)	(2,523)
Net cash from operating activities	6,955	188,908
Purchase of available for sale financial instruments	-	(1,445,335)
Proceeds from redemption of available for sale financial instruments	450,000	1,501,088
Purchase of property, plant and equipment	-	(521)
Proceeds from sale of property, plant and equipment	9	-
Expenditure on intangible assets	(601)	(1,138)
Net cash from investing activities	449,408	54,094
Proceeds from issuance of share capital	-	126,000
Net cash from financing activities	-	126,000
Effects of exchange rates on cash and cash equivalents	-	(25,944)
Net increase in cash and cash equivalents	456,363	343,058
Cash and cash equivalents at beginning of the financial year	942,753	599,695
Cash and cash equivalents at end of financial year	1,399,116	942,753
Cash and cash equivalents comprise:		
Cash and balances at central banks	520,746	22,685
Loans and advances to banks with original maturity less than three months	878,370	920,068
	1,399,116	942,753

For the purposes of the cash flow statement, cash comprises cash on hand and demand deposits and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

The notes on pages 13 to 46 are an integral part of these financial statements.

BARCLAYS BANK IRELAND PLC

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Barclays Bank Ireland PLC ('the Bank') provides wholesale banking services to corporate entities and wealth management advisory services. The Bank is a public limited company and is incorporated and tax resident in Ireland. The address of its registered office is Two Park Place, Hatch Street, Dublin 2, Ireland. The Bank is a wholly owned subsidiary of Barclays Bank PLC, a company incorporated and domiciled in England and Wales.

The Financial Statements for the financial year ended 31 December 2015 were authorised for issue by order of the Board of Directors on 24 March 2016.

2. Summary of significant accounting policies

Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations (IFRICs) issued by the Interpretations Committee, issued by the International Accounting Standards Board ('IASB') and adopted by the European Union ('EU'); and, in accordance with Irish law. IFRS adopted by the EU differ in certain respects from IFRS issued by the IASB. References to IFRS hereafter refer to IFRS adopted by the EU.

Basis of preparation

From 1 January 2015 the financial statements have been prepared in accordance with IFRS and IFRICs adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS. Prior to this the Bank prepared its financial statements in accordance with accounting standards generally accepted in Ireland (Irish GAAP) and Irish Statute comprising the Companies Acts 1963 to 2013.

The Financial Statements are presented in euro rounded to the nearest thousand. They have been prepared under historical cost convention except for the following which are recognised at fair value: derivative financial instruments; available-for-sale financial assets; share-based payments; and pension plan assets. Pension obligations are measured at the present value of the future estimated cash flows of benefits earned.

The preparation of financial statements in accordance with IFRS and Irish law requires the use of accounting judgements, estimates and assumptions that affect the reported amounts of assets, income and expenses. The areas involving a higher degree of judgement and areas where assumptions and estimates are significant are discussed in the 'Significant accounting judgements, estimates and assumptions' note.

IFRS1 applies when an entity adopts IFRSs and provides certain transition provisions upon first time adoption.

Adoption of new accounting standards

The following interpretation and amendments to standards have been adopted by the Bank during the financial year ended 31 December 2015:

Recently adopted accounting pronouncements

- Amendments to IAS 32, 'Financial Instruments' on asset and liability offsetting'; and
- Amendments to IAS 19 'Defined benefit plans employee contribution'.

The nature and the impact of each new standard / amendment are described below:

Amendments to IAS 32, 'Financial Instruments' on asset and liability offsetting

These amendments give additional application guidance to address inconsistencies identified in applying the offsetting criteria used in the standard. Some gross settlement systems may qualify for offsetting where they exhibit certain characteristics akin to net settlement.

Amendments to IAS 19 'Defined benefit plans employee contributions'

The amendments apply to contributions from employees or third parties to defined benefit plans. It simplifies the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Future accounting developments

There have been and are expected to be a number of significant changes to the Bank's financial reporting after 2015 as a result of amended or new accounting standards that have been or will be issued by the IASB. The most significant of these are as follows:

In 2014, the IASB issued IFRS 9, Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. It will lead to significant changes in the accounting for financial instruments. The key changes relate to:

BARCLAYS BANK IRELAND PLC

NOTES TO THE FINANCIAL STATEMENTS

- Financial assets: Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;
- Financial liabilities: Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the income statement and instead taken to other comprehensive income;
- Impairment: Credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss will be reflected in impairment allowances; and
- Hedge accounting: Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1 January 2018. The standard has not been endorsed by the EU. The Bank is considering the impact and is part of a group wide team responsible for implementation of the standard.

In 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which will replace IAS 18 Revenue and IAS 11 Construction Contracts. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard will establish a more systematic approach for revenue measurement and recognition. Adoption is not mandatory until periods beginning on or after 1 January 2018. The standard has not been endorsed by the EU. Adoption of the standard is not expected to have a significant impact.

In January 2016, the IASB issued IFRS 16 Leases, which will replace IAS 17 Leases. Under the new requirements, lessees would be required to recognise assets and liabilities arising from both operating and finance leases on the balance sheet. The expected effective date is 1 January 2019. The standard has not yet been endorsed by the EU.

Foreign currency translation

The Bank applies IAS 21 The Effects of Changes in Foreign Exchange Rates. Transactions and balances in foreign currencies are translated into euro at the rate ruling on the date of the transaction. Foreign currency balances are translated into euro at the period end exchange rates. Exchange gains and losses on such balances are taken to the income statement.

Financial assets and liabilities

The Bank applies IAS 39 Financial Instruments: Recognition and Measurement for the recognition, classification and measurement and de-recognition of financial assets and financial liabilities, for the impairment of financial assets.

Recognition

The Bank recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the trade date or the settlement date.

Classification and measurement

Financial assets and liabilities are initially recognised at fair value and may be held at fair value or amortised cost depending on the Bank's intention towards the assets and the nature of the assets and liabilities, mainly determined by their contractual terms.

The Bank's policies for determining the fair values of the assets and liabilities are set out in note 31.

De-recognition

The Bank derecognises a financial asset, or a portion of a financial asset, from its balance sheet where the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset. Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished.

BARCLAYS BANK IRELAND PLC

NOTES TO THE FINANCIAL STATEMENTS

Impairment

In accordance with IAS 39, the Bank assesses at each balance sheet date whether there is objective evidence that loan assets or available for sale financial assets will not be recovered in full and, wherever necessary, recognises an impairment loss in the income statement.

An impairment loss is recognised if there is objective evidence of impairment as a result of events that have occurred and these have adversely impacted the estimated future cash flows from the assets. These events include:

- becoming aware of significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Bank, for economic or legal reasons relating to the borrowers' financial difficulty, grants a concession that it would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; and
- observable data at a portfolio level indicating that there is a measurable decrease in the estimated future cash flows, although the decrease cannot yet be ascribed to individual financial assets in the portfolio – such as adverse changes in the payment status of borrowers in the portfolio or national or local economic conditions that correlate with defaults on the assets in the portfolio.

Impairment assessments are conducted individually for significant assets. For the purposes of the assessment, loans with similar credit risk characteristics are grouped together generally on the basis of their product type, industry, geographical location, collateral type, past due status and other factors relevant to the evaluation of expected future cash flows.

The impairment assessment includes estimating the expected future cash flows from the asset or the group of assets, which are then discounted using the original effective interest rate calculated for the asset. If this is lower than the carrying value of the asset or the portfolio, an impairment allowance is raised.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Following impairment, interest income continues to be recognised at the original effective interest rate on the restated carrying amount.

Uncollectable loans are written off against the related allowance for loan impairment on completion of the Bank's internal processes and all recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement.

Interest income and expense

The Bank applies IAS 39 Financial Instruments: Recognition and Measurement. Interest income on loans and advances at amortised cost, available for sale financial assets, and interest expense on financial liabilities held at amortised cost, are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

The effective interest method requires the Bank to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities.

Fee and commission income and expense

The Bank applies IAS 18 Revenue. Fees and commissions charged for services provided or received by the Bank are recognised as the services are provided, for example on completion of the underlying transaction.

Trading income

In accordance with IAS 39, trading positions are held at fair value and the resulting gains and losses are included in the income statement, together with interest and dividends arising from long and short positions and funding costs relating to trading activities.

Income arises from both the sale and purchase of trading positions, margins which are achieved through market-making and customer business and from changes in fair value caused by movements in interest and exchange rates, equity prices and other market variables.

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Income tax

The Bank applies IAS 12 Income Taxes in accounting for taxes on income. Income tax payable on taxable profits ('current tax') is recognised as an expense in the period in which the profits arise. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Derivative financial instruments

The Bank applies IAS 39 for derivative financial instruments. All financial instruments are initially recognised at fair value on the date of recognition and, depending on the classification of the asset, may continue to be held at fair value either through profit or loss or other comprehensive income. The fair value of a financial instrument is 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.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

The Bank's derivative financial instruments are primarily forward foreign exchange contracts. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency, usually on a specified future date at an agreed rate. All derivative instruments are held at fair value through profit or loss.

Property, plant and equipment

The Bank applies IAS 16 Property Plant and Equipment. Property, plant and equipment is stated at cost, which includes direct and incremental acquisition costs less accumulated depreciation and provisions for impairment, if required. Subsequent costs are capitalised if these result in an enhancement to the asset.

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances. The Bank uses the following annual rates in calculating depreciation:

<i>Annual rates in calculating depreciation</i>	<i>Depreciation rate</i>
Motor vehicles	20%
Fixtures, plant & equipment	10-20%

Where a leasehold property has a remaining useful life of less than 15 years, costs of adaptation and installed equipment are depreciated over the remaining life of the lease.

Intangible assets

The accounting standard that the Bank applies in accounting for intangible assets is IAS 38. Intangible assets comprise internally generated software, other software and licences. They are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and where it is probable that future economic benefits attributable to the assets will flow from their use.

Intangible assets are stated at cost less amortisation and provisions for impairment, if any, and are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows, generally over 4-5 years. Intangible assets are reviewed for impairment when there are indications that impairment may have occurred.

Operating leases

The Bank applies IAS 17 Leases, for operating leases. An operating lease is a lease where substantially all of the risks and rewards of the leased assets remain with the lessor. Rentals payable are recognised as an expense in the income statement on a straight-line basis over the lease term.

Provisions

The Bank applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for non-financial liabilities. Provisions are recognised for present obligations arising as consequences of past events where it is

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more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated.

Provision is made for undrawn loan commitments if it is probable that the facility will be drawn and result in the recognition of an asset at an amount less than the amount advanced.

Subordinated debt

Subordinated debt is measured at amortised cost using the effective interest method under IAS 39.

Share based payments

The Bank applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares. Employee incentives include awards in the form of shares and share options, as well as offering employees the opportunity to purchase shares on favourable terms.

The cost of the employee services received in respect of the shares or share options granted is recognised in the income statement over the period that employees provide services, generally the period in which the award is granted or notified and the vesting date of the shares or options. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.

The number of shares and options expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a cancellation, resulting in an acceleration of recognition of the cost of the employee services.

The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The fair value of options granted is determined using option pricing models to estimate the numbers of shares likely to vest. These take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Market conditions that must be met in order for the award to vest are also reflected in the fair value of the award, as are any other non-vesting conditions - such as continuing to make payments into a share based savings scheme.

Retirement benefit obligations

The Bank operates a defined contribution scheme and a defined benefit scheme.

Defined contribution schemes – the Bank recognises contributions due in respect of the accounting period in the income statement. Any contributions unpaid at the balance sheet date are included as a liability.

Defined benefit schemes – the Bank recognises its obligation to members of the scheme at the period end, less the fair value of the scheme assets. Actuarial gains and losses are recognised in other comprehensive income in the reporting period in which they occur. Each scheme's obligations are calculated using the projected unit credit method on the assumptions set out in the note below. Scheme assets are stated at fair value as at the period end.

The expected return on assets assumption is replaced by an assumed return on assets in line with the discount rate. Changes in pension scheme liabilities or assets ('re-measurements') that do not arise from regular pension cost, interest on net defined benefit liabilities or assets, past service costs, plan amendment, settlements or contributions to the plan, are recognised in other comprehensive income. A plan amendment occurs when the Bank introduces, or withdraws, a defined benefit plan, or changes the benefits payable under an existing plan.

Re-measurements comprise experience adjustments (differences between previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the outflow of economic resources is remote.

3. Significant accounting judgements, estimates and assumptions

Impairment of financial assets

The calculation of the impairment allowance involves the use of judgement, based on the Bank's experience of managing credit risk.

For individually significant assets, impairment allowances are calculated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows are taken into account (for example, the

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business prospects for the customer, the realisable value of collateral, the Bank's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work-out process).

The level of the impairment allowance is the difference between the value of the discounted expected future cash flows (discounted at the loan's original effective interest rate), and its carrying amount. Subjective judgements are made in the calculation of future cash flows. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

Further information on impairment allowances and related credit information is set out in note 31.

Retirement benefit obligations

The Bank operates a defined benefit pension scheme. In determining the actual pension cost, the actuarial values of the liabilities of the scheme are calculated by external actuaries. This involves modelling their future growth and requires management to make assumptions as to discount rates, price inflation, salary and pensions increases, employee mortality and other demographic assumptions. There are acceptable ranges in which these estimates can validly fall. The impact on the results for the period and financial position could be materially different if alternative assumptions were used. An analysis of the sensitivity of the defined benefit pension liability to changes in the key assumptions is set out in note 23 on retirement benefit obligations.

4. Transition to IFRS

As set out in the basis of preparation, the financial information has been prepared in accordance with IFRS as endorsed by the E.U. A description of the differences between Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law) ("Irish GAAP") and IFRS accounting policies is set out in note 33.

A reconciliation of balance sheets prepared under Irish GAAP and IFRS at 31 December 2013 and 1 January 2014, a reconciliation of the profit and loss account prepared in accordance with Irish GAAP and prepared in accordance with IFRS for the period ending 31 December 2014 and a reconciliation of the amount of shareholder's' equity at 1 January 2014 is included in the note, and is summarised below.

There are no transition adjustments required to present a restatement of the Bank's balance sheets at 31 December 2013 from Irish GAAP to IFRS at 1 January 2014. See further details set out in note 33.

5. Interest and similar income

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Cash and balances with central banks	-	33
Loans and advances to banks	19,365	10,116
Loans and advances to customers	27,439	25,953
Available for sale financial assets	121	3,239
Interest and similar income	46,925	39,341

6. Interest and similar expenses

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Cash and balances with central banks	133	-
Deposits from banks	11,508	11,315
Deposits from customers	1,946	1,788
Subordinated debt	1,440	1,548
Interest and similar expenses	15,027	14,651

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7. Fee and commission income

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Loan related fee income	3,495	3,236
Transactional banking fee income	1,002	1,110
Barclays Wealth fee income	3,994	3,959
Trade finance & guarantee fee income	1,715	1,766
Other fee income	220	517
Merchant acquiring fee income	1,332	-
Fee and commission income	11,758	10,588

8. Trading and foreign exchange income

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Trading income	3,971	2,583
Foreign exchange on balance sheet re-translation	72	(10)
Net foreign exchange income	4,043	2,573

Trading income represents the net margin earned on spot and forward foreign exchange transactions.

9. General and administrative expenses

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Staff costs	13,160	11,949
Other administrative expenses	3,817	4,172
Administrative expenses	16,977	16,121

Total staff costs are analysed as follows:

Wages and salaries	11,160	10,099
Social insurance costs	1,179	957
Retirement benefit costs (defined benefit plan)	77	77
Retirement benefit costs (defined contribution plan)	744	816
Total staff costs including retirement benefit	13,160	11,949

At 31 December 2015, the number of staff was 104 (31 December 2014: 102). The average number of staff during the financial year was 108 (financial year ended 31 December 2014: 105). Other administrative expenses includes an amount of €480 thousand (financial year ended 31 December 2014: €480 thousand) relating to operating lease payments.

Auditors' remuneration (including expenses and excluding VAT):

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Statutory audit	100	99
Other assurance services	20	-
Taxation services	-	-
Other non-audit services	-	-
Auditors' remuneration	120	99

The figures in the above table relate to fees paid to PricewaterhouseCoopers (PwC).

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10. Depreciation and amortisation expense

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Depreciation of property, plant & equipment (note 17)	212	146
Amortisation of intangible assets (note 18)	662	182
Depreciation and amortisation expense	874	328

11. Loan impairment charge

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Loans and advances to customers charge	802	159
Loans and advances to customers recoveries	(28)	-
Loan impairment charge	774	159

An analysis of impairment charges for the financial year are included in note 14.

12. Income tax expense

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Current tax – Irish corporation tax:		
- Current year	3,989	843
- Adjustment in respect of prior years	(205)	-
- Amounts payable to a group company in respect of group relief	-	1,906
Taxation charge	3,784	2,749

The Bank claimed group relief of €1.9m in 2014 in respect to the 2012 and 2013 taxable losses of another group company, Barclays Equities Trading (Ireland) Limited. The subsequent refund that was received from Revenue was paid to Barclays Equities Trading (Ireland) Limited.

The reconciliation of tax on the profit before taxation at the standard Irish corporation tax rate to the Bank's actual tax charge for the financial years ended 31 December 2015 and 31 December 2014 is as follows:

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Profit before tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2014: 12.5%)	3,602	2,633
Effects of:		
Adjustments in respect of prior years	(205)	(82)
Other adjustments for tax purposes	387	198
Taxation charge	3,784	2,749

The effective taxation rate on a statutory profit basis for the financial year ended 31 December 2015 is 13.1% (financial year ended 31 December 2014: 13.1%).

The tax effects relating to each component of other comprehensive income are as follows:

	Year ended 31 December 2015			Year ended 31 December 2014		
	Pre-tax €'000	Tax €'000	Net of tax €'000	Pre-tax €'000	Tax €'000	Net of tax €'000
Change in available for sale reserve	(220)	25	(195)	(228)	28	(200)
Re-measurement of retirement benefit obligation	1,971	(267)	1,704	(8,871)	992	(7,879)
Other comprehensive income / (loss) for the financial year	1,751	(242)	1,509	(9,099)	1,020	(8,079)

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13. Loans and advances to banks

	31 December 2015 €'000	31 December 2014 €'000
Placements with other banks	1,010,893	1,148,501
Mandatory deposits with Central Bank of Ireland	2,441	2,427
Loans and advances to banks	1,013,334	1,150,928

Mandatory deposits with Central Bank of Ireland include €2,441 thousand relating to the Bank's deposit protection requirement (31 December 2014: €2,427 thousand).

14. Loans and advances to customers

	31 December 2015 €'000	31 December 2014 €'000
Loans and advances to customers	982,128	894,632
Less allowance for impairment charges on loans and advances to customers	(2,116)	(2,138)
Loans and advances to customers	980,012	892,494

The following tables show the movement in the impairment provisions on total loans and advances to customers during the financial year ended 31 December 2015 and 31 December 2014.

31 December 2015	Financial services €'000	Construction & property €'000	Wholesale & retail trade €'000	Transport, postal & other €'000	Energy & water €'000	Total €'000
Provision at 1 January 2015	42	1,415	203	54	424	2,138
Charge in income statement	15	13	62	92	620	802
Amounts written off	-	(824)	-	-	-	(824)
Provision at 31 December 2015	57	604	265	146	1,044	2,116

31 December 2014	Financial services €'000	Construction & property €'000	Wholesale & retail trade €'000	Transport, postal & other €'000	Energy & water €'000	Total €'000
Provision at 1 January 2014	36	1,322	86	238	8,947	10,629
Charge / (reversal) in income statement	6	93	117	(184)	127	159
Amounts written off	-	-	-	-	(8,650)	(8,650)
Provision at 31 December 2014	42	1,415	203	54	424	2,138

Provisions include specific and 'incurred but not reported' (IBNR) provisions. IBNR provisions are recognised on all categories of loans for incurred losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment.

Provisions utilised reflect impairment provisions which have been utilised against the related loan balance; the utilisation of a provision does not, of itself, alter a customer's obligations nor does it impact on the Bank's rights to take relevant enforcement action.

15. Available for sale financial assets

	31 December 2015 €'000	31 December 2014 €'000
Unlisted debt securities	-	450,296
Available for sale financial assets	-	450,296

In 2015 the Bank disposed of its available for sale financial instruments which comprised of certificates of deposit purchased from Barclays Bank PLC.

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16. Derivative financial instruments

The Bank's use of objectives and policies on managing the risks that arise in connection with derivatives are included in the financial risk management section of note 31. The notional amounts of certain types of derivatives do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit risk. The derivative instruments give rise to assets or liabilities as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on and, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.

The notional amounts and fair values of derivative instruments held by the Bank are set out in the following tables:

31 December 2015	Contract / Notional amount €'000	Fair values	
		Assets €'000	Liabilities €'000
<u>Derivatives held for trading</u>			
Foreign exchange forward contracts	499,406	20,468	(20,330)
Total derivative assets / liabilities held for trading	499,406	20,468	(20,330)
<hr/>			
31 December 2014	Contract / Notional amount €'000	Fair values	
		Assets €'000	Liabilities €'000
<u>Derivatives held for trading</u>			
Foreign exchange forward contracts	840,433	35,864	(35,744)
Equity options	26,183	-	-
Total derivative assets / liabilities held for trading	866,616	35,864	(35,744)

Derivatives held for trading above comprise derivatives entered into with economic hedging intent to which the Bank does not apply hedge accounting.

17. Property, plant and equipment

	Fixtures, plant & equipment €'000	Motor vehicles €'000	Total €'000
At 1 January 2015	594	30	624
Additions	1	-	1
Disposals / write-offs	-	(10)	(10)
At 31 December 2015	595	20	615
<hr/>			
<u>Accumulated depreciation</u>			
At 1 January 2015	157	20	177
Charge in the year	212	-	212
At 31 December 2015	369	20	389
Net book value at 31 December 2015	226	-	226

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	Fixtures, plant & equipment €'000	Motor vehicles €'000	Total €'000
<u>Cost</u>			
At 1 January 2014	73	30	103
Additions	521	-	521
At 31 December 2014	594	30	624
<u>Accumulated depreciation</u>			
At 1 January 2014	21	10	31
Charge in the year	136	10	146
At 31 December 2014	157	20	177
Net book value at 31 December 2014	437	10	447

Operating leases

The Bank leases an office premises to carry out its business. Minimum future rentals are the rentals payable under operating leases up to the next available break option where this exists or to expiry date of the lease. Both the required break option notice period and the amount of any penalty rent have been included in the amounts payable below. The Bank has a break option on its current lease on 16 November 2016, if the Bank wishes to utilise this option it must issue six months' notice to the landlord.

Minimum future rentals under non-cancellable operating leases are as follows:

	31 December 2015 €'000	31 December 2014 €'000
Not later than 1 year	422	480
Later than 1 year and not later than 5 years	-	422

18. Intangible assets

	Internally generated software €'000	Total €'000
<u>Cost</u>		
At 1 January 2015	1,138	1,138
Additions	601	601
At 31 December 2015	1,739	1,739
<u>Accumulated depreciation</u>		
At 1 January 2015	182	182
Charge in the year	662	662
At 31 December 2015	844	844
Net book value at 31 December 2015	895	895

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	Internally generated software €'000	Total €'000
<u>Cost</u>		
At 1 January 2014	-	-
Additions	1,138	1,138
At 31 December 2014	<u>1,138</u>	<u>1,138</u>
<u>Accumulated depreciation</u>		
At 1 January 2014	-	-
Charge in the year	182	182
At 31 December 2014	<u>182</u>	<u>182</u>
Net book value at 31 December 2014	<u>956</u>	<u>956</u>

Intangible assets predominantly comprise computer software that is developed internally by the Bank and purchased computer software.

Impairment review – intangible assets

Intangible assets have been reviewed for any indication that impairment may have occurred. Where any such indication exists impairment has been measured by comparing the carrying value of the intangible asset to its recoverable amount. There was no impairment identified in the financial year ended 31 December 2015 and 31 December 2014.

19. Deferred tax assets and liabilities

	31 December 2015 €'000	31 December 2014 €'000
The movement on the deferred tax account is as follows:		
At beginning of financial year	1,662	640
Income statement credit / (charge) for financial year	-	-
Pension and other retirement benefits	(267)	992
Available for sale financial assets	25	30
At end of financial year	<u>1,420</u>	<u>1,662</u>

Deferred tax assets and liabilities are attributable to the following items:

Deferred tax assets

Pension and other post-retirement benefits	1,420	1,687
Deferred tax assets	<u>1,420</u>	<u>1,687</u>

Deferred tax liabilities

Available for sale reserve	-	25
Deferred tax liabilities	<u>-</u>	<u>25</u>

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20. Other assets

	31 December 2015 €'000	31 December 2014 €'000
Credit related fees receivable	1,502	1,163
Amounts receivable from group companies	1,474	1,568
Amounts receivable from Visa	25,412	-
Other debtors and prepaid expenses	2,614	845
Other assets	31,002	3,576

Amounts receivable from VISA of €25,412 thousand relates to the pending settlement of non-domestic merchant acquiring transactions.

21. Deposits from banks

	31 December 2015 €'000	31 December 2014 €'000
Deposits from banks	76,231	510,127
Deposits from banks	76,231	510,127

An analysis of the contractual maturity profile of deposits by banks is set out in note 31.

22. Deposits from customers

	31 December 2015 €'000	31 December 2014 €'000
Term deposits	759,050	975,774
Demand deposits	62,786	55,194
Current accounts	1,224,950	608,167
Deposits from customers	2,046,786	1,639,135

An analysis of the contractual maturity profile of deposits by customer is set out in note 31.

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23. Retirement benefit obligations

The Bank operated a defined benefit scheme under which pension entitlements of certain employees arise. Contributions are made annually by the Bank to a separately administered pension fund. The cost to the Bank for the financial year ended 31 December 2015 was €77 thousand (financial year ended 31 December 2014: €77 thousand).

Barclays Bank Irish Retirement and Life Assurance Plan

The Bank operates a defined benefit ("DB") scheme in conjunction with Barclays Insurance Dublin ("BID"). The scheme was closed to new entrants and future accrual on 31 May 2013. The scheme is funded and provides retirement benefits on the basis of the members' salary as at the time of closure and are determined by an independent actuary, Willis Towers Watson ("WTW"), on the basis of triennial valuations. The latest full actuarial valuation of the DB scheme was carried out as at 31 December 2014. The assets recorded in the Bank's balance sheet are based on its share of future scheme obligations. At 31 December 2015, the Bank has recorded 78% of the scheme's assets and future obligations (31 December 2014: 77%).

Amounts recognised

The following tables include amounts recognised in the income statement and an analysis of benefit obligations and scheme assets for the DB scheme. The net position is recognised on the balance sheet.

Income statement charge	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Current service cost	77	77
Net finance cost	255	180
Past service cost – plan amendments	689	-
Total charge	1,021	257

The pension levy paid in the financial year ended 31 December 2015 was €62 thousand (financial year ended 31 December 2014: €282 thousand).

Statement of other comprehensive income	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Impact of re-measurement, gross of tax (see note 12)	(1,971)	8,871
Total	(1,971)	8,871

Balance sheet reconciliation	31 December 2015 €'000	31 December 2014 €'000
Benefit obligation at beginning of the financial year	(43,161)	(31,927)
Current service cost	(77)	(77)
Interest costs on scheme liabilities	(980)	(1,133)
Re-measurement – experience gain / (loss)	572	(596)
Past service cost – plan amendments	(689)	-
Changes in assumptions	1,131	(10,351)
Benefits paid	655	923
Benefit obligation at end of the financial year	(42,549)	(43,161)
Fair value of scheme assets at beginning of the financial year	29,669	26,368
Interest income on scheme assets	725	953
Employer contribution	1,180	1,195
Re-measurement – return on plan assets greater than discount rate	268	2,076
Benefits paid	(655)	(923)
Fair value of scheme assets at the end of the financial year	31,187	29,669
Net deficit	(11,362)	(13,492)

All figures above are shown before deferred tax.

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Assets

A long-term investment strategy has been set for the DB scheme, with its asset allocation comprising a mixture of equities, bonds, property and other appropriate assets. This recognises that different asset classes are likely to produce different long-term returns and some asset classes may be more volatile than others. The long-term investment strategy ensures, amongst other aims, that investments are adequately diversified.

The value of the assets of the schemes and their percentage in relation to total scheme assets were as follows:

	31 December 2015 €'000	% of assets	31 December 2014 €'000	% of assets
Equity	13,566	43.5%	13,586	45.8%
Fixed interest	13,629	43.7%	12,503	42.1%
Property	1,123	3.6%	911	3.1%
Other (including cash)	2,869	9.2%	2,669	9.0%
	31,187	100%	29,669	100%

Included within the fair value of scheme assets were: €20 thousand (31 December 2014: €Nil) relating to shares in Barclays plc. Scheme assets do not include any of Bank's own financial instruments, or any property occupied by the Bank.

Assumptions

Actuarial valuation of the schemes' obligation is dependent upon a series of assumptions, below is a summary of the main financial and demographic assumptions adopted for the DB scheme.

	2015 % p.a.	2014 % p.a.
Discount rate	2.4%	2.2%
Inflation rate	1.9%	1.8%
Rate of increase for pensions	1.9%	1.8%

The discount rate assumption for 2015 and 2014 are taken based on the single equivalent discount rate implied by the Willis Towers Watson RATE Link model.

Assumptions regarding future mortality are set based on advice from published statistics and represent the Bank's best estimate of future experience. The table below shows the assumed life expectancy at 60, for members of the DB scheme:

Assumed life expectancy	2015 years	2014 years
Life expectancy at 60 for current pensioners		
- Males	25.7	27.1
- Females	28.4	28.7
Life expectancy at 60 for future pensioners currently aged 40		
- Males	28.3	28.7
- Females	30.6	30.9

Sensitivity analysis on actuarial assumptions

The sensitivity analysis has been calculated by valuing the liabilities using the amended assumptions shown in the table below and keeping the remaining assumptions the same as disclosed in the assumptions table above:

	2015 €'000	2014 €'000
0.5% increase in discount rate	(4,566)	(5,643)
0.5% increase in inflation rate	5,225	5,371

Funding

The latest triennial funding valuation of the DB scheme was carried out with an effective date of 31 December 2014. This was completed in 2015 and showed a deficit of €5,400 thousand and a funding level of 88%. The Bank and trustee agreed a scheme-specific plan to fund the deficit.

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Defined benefit contributions paid with respect to the DB scheme were as follows:

	€'000
2015	1,180
2014	1,195

The Bank's expected contribution in respect of the DB scheme in 2016 is €1,170 thousand (2015: €1,180 thousand). An escrow account was set up in 2013 which may be used to provide further resources to meet obligations in certain circumstances. The expected value of contributions by the Bank to the escrow account in 2016 is €390 thousand (2015: €385 thousand).

24. Other liabilities

	31 December 2015 €'000	31 December 2014 €'000
Amounts payable to group companies	27,028	1,451
Staff costs payable	3,214	1,903
Other creditors and accrued expenses	2,286	3,124
Other liabilities	32,528	6,478

Included in the amount payable to group companies is €25,478 thousand for the VISA acquiring payable to Barclays Bank PLC.

25. Subordinated debt

	31 December 2015 €'000	31 December 2014 €'000
Dated loan capital		
€50 million Floating Rate Notes 2023	50,060	50,065

On 16 December 2013 the Bank availed of €50m Tier 2 Subordinated debt from its parent Barclays Bank PLC, as part of optimising its Tier 1 and Tier 2 capital mix and to provide the Bank with sufficient capital to support business growth. This debt re-prices on a three monthly basis, based on the 3 month Euribor rate plus 2.84%. The Bank may, with the prior approval of the Central Bank of Ireland, elect to prepay the debt in whole or in part after 16 December 2018, or with the prior approval of the Central Bank of Ireland at any period before this date if there has been a change in the regulatory classification or applicable tax treatment which was not reasonably foreseeable at the time of issuance.

26. Share capital

Authorised	31 December 2015 €'000	31 December 2014 €'000
5 billion units of ordinary stock of €1 each	5,000,000	5,000,000
Allotted, called up and fully paid	31 December 2015 €'000	31 December 2014 €'000
138,446,218 units (2014: 138,446,218) of ordinary stock at €1 each	138,446	138,446

27. Capital contribution

	31 December 2015 €'000	31 December 2014 €'000
Capital contribution	121,000	121,000

On 24 June 2005, the Bank received a capital contribution of €121 million from its parent, Barclays Bank PLC, for ongoing use in its operations. The Bank has no repayment obligation in respect of this contribution.

28. Reserves

During the year the Bank disposed of its available for sale financial assets and as a result unwound the unrealised fair value of the asset recognised as available for sale reserve (31 December 2014: € 195 thousand).

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29. Share based payments

The Bank, as part of Barclays PLC, engages in equity settled share-based payment transactions in respect of services received from certain of its employees. The cost of all share based payments to the Bank for the financial year ended 31 December 2015 was €132 thousand (financial year ended 31 December 2014: €157 thousand).

The terms of the main current plans are as follows:

Sharesave

Under this scheme, eligible employees may enter into contracts to save up to €300 per month and, at the expiry of a fixed term of three, five or seven years, have the option to use these savings to acquire shares in Barclays PLC at a discount, calculated in accordance with the rules of the scheme. The discount is currently 20% of the market price at the date the options are granted. Participants in the scheme have six months from the date of vest in which the option can be exercised.

Share Value Plan (SVP)

The SVP was introduced in March 2010 and approved by shareholders (for Executive Director participation and use of new issue shares) at the AGM in April 2011. SVP awards are granted to participants in the form of a conditional right to receive Barclays PLC shares or provisional allocations of Barclays PLC shares which vest or are considered for release over a period of three years in equal annual tranches. Participants do not pay to receive an award or to receive a release of shares. The grantor may also make a dividend equivalent payment to participants on release of a SVP award. SVP awards are also made to eligible employees for recruitment purposes. All awards are subject to potential forfeiture in certain leaver scenarios.

Other schemes

In addition to the Sharesave scheme and SVP, the Group operates a number of other schemes, none of which are individually or in aggregate material in relation to the charge for the financial year. Included within other schemes are the Barclays Long Term Incentive Plan and the Executive Share Award Scheme.

Share option and award plans

The weighted average fair value per award granted and weighted average share price at the date of exercise / release of shares during the financial year was:

	Weighted average fair value per award granted in year		Weighted average share price at exercise / release during year	
	2015	2014	2015	2014
	£	£	£	£
SVP	2.54	2.33	2.53	2.31
Other	0.49 – 2.54	0.52 – 2.39	2.37 – 2.67	2.23 – 2.56

SVP are nil cost awards on which the performance conditions are substantially completed at the date of grant. Consequently the fair value of these awards is based on the market value at that date.

Movements in options and awards

The movement in the number of options and awards for the major schemes and the weighted average exercise price of options was:

	SVP ¹		Sharesave				Other schemes			
	Number		Number		Weighted avg. ex. price (£)		Number		Weighted avg. ex. price (£)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Outstanding at start of year	42,745	66,154	208,777	346,395	1.69	1.54	-	24,452	-	-
Granted in the year	15,642	21,990	69,069	48,824	2.04	1.81	-	-	-	-
Exercised in the year	(22,067)	(46,752)	(47,047)	(129,350)	1.69	1.32	-	-	-	-
Transferred in the year	-	1,353	11,275	(10,767)	-	-	-	-	-	-
Less: forfeited in the year	-	-	(10,985)	(30,940)	1.69	1.88	-	-	-	-
Less: expired in the year	-	-	-	(15,385)	-	1.38	-	(24,452)	-	-
Outstanding at end of year	36,320	42,745	231,089	208,777	1.80	1.71	-	-	-	-

¹ Nil cost award and therefore the weighted average exercise price was nil.

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30. Contingent liabilities and commitments

The table below gives the contract amounts of contingent liabilities and commitments. The maximum exposure to credit loss under contingent liabilities and commitments is the contractual amount of the instrument in the event of non-performance by the other party where all counter claims, collateral or security prove worthless.

	31 December 2015 Contract amount €'000	31 December 2014 Contract amount €'000
Contingent liabilities		
Guarantees and irrevocable letters of credit	137,117	120,102
Other contingent liabilities	101,547	37,070
	238,664	157,172
Commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend	1,337,706	908,031

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities primarily include performance bonds and are generally short term commitments to third parties which are not directly dependent on the customers' credit worthiness.

Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions.

31. Financial risk management

Responsibility for risk management policies and limits on the level of risk assumed by the Bank lies with the Board of Directors. The Bank's approach to risk management is derived from that of its holding company, which has a separate function dedicated to risk management. The risk management framework is designed to provide a reasonable degree of assurance that no single event, or combination of events, will materially affect the financial well-being of the Bank.

The Bank has a formal structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures. The principal risks faced by the bank are credit risk, market risk, liquidity risk and operational risk.

(a) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk exists as a result of the Bank providing commercial loans, advances and loan commitments arising from such lending activities and from credit enhancements provided by the Bank such as financial guarantees, letters of credit, endorsements and acceptances.

The granting of credit is one of the Bank's major sources of income and the Bank dedicates considerable resources to its control. The sanctioning of individual exposures is performed either by the Bank's Chief Credit Officer, Associate Credit Director or the Bank's Credit Committee (in accordance with sanctioning discretions).

The subsequent control of exposures is performed by the Bank's Lending Middle Office which report to the Bank's Operations Team who in turn report to the Bank's Chief Operating Officer. The Associate Credit Director reports to the Bank's Chief Credit Officer who reports to the Chief Risk Officer, a member of the Board.

The Bank's Sanctioning Committee is the Ireland Credit Committee which is the highest level credit sanctioning forum in the Bank. The permanent members are the Chief Credit Officer and Associate Credit Director. Responsibility for oversight of this Committee lies with the Credit Risk Management Committee which is chaired by the Chief Executive Officer.

The Bank's Credit Risk Management Committee exercises oversight through regular review of the Bank's credit portfolio examining, inter alia, the constitution of the portfolio in terms of sectorial and individual exposures against the Bank's overall Risk appetite. The Chief Credit Officer, who is a member of Bank's Credit Risk Management Committee, reports the views of this Committee to the Board Risk Committee as a standard agenda item.

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Corporate loans which are identified as showing signs of credit stress / deterioration are recorded on graded problem exposure lists known as watch lists. These lists are updated monthly and circulated to the relevant Management Committees. Once listing has taken place, exposures are closely monitored and, where appropriate, reduced and/or cancelled.

Watch list exposures are categorised in line with the perceived degree of the risk attached to the lending, and its probability of default. In line with Barclays Group policy, the Bank works to four watch list categories based on the degree of concern. By the time an account becomes impaired it will normally have passed through all four categories, each of which reflect the need for ever-increasing caution and control.

Where a customer's financial health gives grounds for concern, it is placed into the appropriate category. All customers, regardless of financial health, are subject to a full review of all facilities on, at least, an annual basis. More frequent interim reviews may be undertaken should circumstances dictate.

Asset credit quality

All loans and advances are categorised as either 'neither past due nor impaired', 'past due but not impaired', or 'past due and impaired', which includes restructured loans. For the purposes of the credit risk disclosures:

- A loan is considered past due when the borrower has failed to make a payment when due under the terms of the loan contract.
- The impairment allowance includes allowances against financial assets that have been individually impaired. Loans neither past due nor impaired consist of corporate loans that are performing. These loans, although unimpaired, may carry an unidentified impairment provision.
- Impaired loans that are individually assessed consist of corporate loans that are past due and for which an individual allowance has been raised.

The Bank uses the following internal measures to determine credit quality for loans that are performing:

Default Grade	Credit Quality Description	Probability of Default
1-3	Strong	0.0% – 0.05%
4-5		0.05% – 0.15%
6-8		0.15% – 0.30%
9-11		0.30% – 0.60%
12-14	Satisfactory	0.60% – 2.15%
15-19		2.15% – 11.35%
20-21	Higher risk	11.35%+

For loans that are performing, these descriptions can be summarised as follows:

Strong: there is a very high likelihood of the asset being recovered in full.

Satisfactory: while there is a high likelihood that the asset will be recovered and therefore, of no cause for concern to the Bank, the asset may not be collateralised, regardless of the fact that the output of internal grading models may have indicated a higher classification. At the lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of some deterioration.

Higher risk: there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be concerns over the value of collateral or security provided. However, the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

Loans that are past due are monitored closely, with impairment allowances raised as appropriate and in line with the Bank's impairment policies. These loans are all considered higher risk for the purpose of this analysis of credit quality.

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Balance sheet credit quality

The following tables present the credit quality of the Bank's financial assets exposed to credit risk.

As at 31 December 2015	Neither Past due nor individually Impaired €'000	Past due but not individually impaired €'000	Individually Impaired €'000	Total €'000	Impairment allowance €'000	Total carrying value €'000
Cash and balances at central bank	520,746	-	-	520,746	-	520,746
Loans and advances to banks	1,013,334	-	-	1,013,334	-	1,013,334
Loans and advances to customers	917,498	61,697	2,933	982,128	(2,116)	980,012
Derivative financial instruments	20,468	-	-	20,468	-	20,468
Other assets	31,002	-	-	31,002	-	31,002
Total	2,503,048	61,697	2,933	2,567,678	(2,116)	2,565,562

As at 31 December 2014	Neither Past due nor individually Impaired €'000	Past due but not individually impaired €'000	Individually Impaired €'000	Total €'000	Impairment allowance €'000	Total carrying value €'000
Cash and balances at central bank	22,685	-	-	22,685	-	22,685
Loans and advances to banks	1,150,928	-	-	1,150,928	-	1,150,928
Loans and advances to customers	890,678	-	3,954	894,632	(2,138)	892,494
Available for sale financial assets	450,296	-	-	450,296	-	450,296
Derivative financial instruments	35,864	-	-	35,864	-	35,864
Other assets	3,576	-	-	3,576	-	3,576
Total	2,554,027	-	3,954	2,557,981	(2,138)	2,555,843

The impairment allowance above includes allowances against financial assets that have been individually impaired and those that are subject to collective impairment. Assets subject to a collective impairment allowance are included in financial assets neither past due nor individually impaired or financial assets past due but not individually impaired, as appropriate.

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Credit quality of financial assets neither past due nor individually impaired

As at 31 December 2015	Strong €'000	Satisfactory €'000	Higher risk €'000	Maximum exposure to credit risk €'000
Cash and balances at central bank	520,746	-	-	520,746
Loans and advances to banks	1,013,334	-	-	1,013,334
Loans and advances to customers	780,979	107,553	28,966	917,498
Derivative financial instruments	20,468	-	-	20,468
Other assets	31,002	-	-	31,002
Total	2,366,529	107,553	28,966	2,503,048

As at 31 December 2014	Strong €'000	Satisfactory €'000	Higher risk €'000	Maximum exposure to credit risk €'000
Cash and balances at central banks	22,685	-	-	22,685
Loans and advances to banks	1,150,928	-	-	1,150,928
Loans and advances to customers	688,928	201,750	-	890,678
Available for sale financial assets	450,296	-	-	450,296
Derivative financial instruments	35,864	-	-	35,864
Other assets	3,576	-	-	3,576
Total	2,352,277	201,750	-	2,554,027

Whilst the Bank's maximum exposure to credit risk is the carrying value of the assets, the likely exposure is far less due to collateral, credit enhancements and other actions taken to mitigate the Bank's exposure.

Credit risk mitigation, collateral and security

The Bank uses a wide variety of techniques to reduce credit risk on its lending. The most important of these is performing an assessment of the ability of a borrower to service the proposed level of borrowing. The Bank's policy is to establish that loans are within the customer's capacity to repay, rather than to rely excessively on security.

The Bank actively manages its credit exposures. When weakness in exposures is detected – either in individual exposures or in groups of exposures – the Bank takes action to mitigate the risks. Such actions may, for example, include; reducing the amounts outstanding (in discussion with the customers, clients or counterparties, if appropriate) and/or, on occasion, selling the financial asset which constitutes the exposure.

The Bank looks to maintain the diversification of its portfolio to avoid unwanted credit risk concentrations. Maximum exposure guidelines are in place relating to the exposures to any individual counterparty. These permit higher exposures to higher-rated borrowers than to lower-rated borrowers. They also distinguish between types of counterparty, for example, between sovereign governments, banks and corporations. Excesses are considered individually through the credit function as they arise and are reviewed regularly.

Collateral, security and parental guarantees provided by Barclays Bank PLC are an important mitigation of credit risk. The Bank routinely obtains non tangible collateral and security typically by way of intergroup and / or third party guarantees, where possible supported by negative pledges which prohibit the granting of tangible security to other lenders/creditors. The Bank ensures that any collateral held is sufficiently liquid, legally effective, enforceable and regularly reassessed. All exposures afforded to the property sector are fully secured by property collateral.

Valuation of the collateral and security taken is within set Bank parameters which are reviewed for appropriateness on a regular basis. Before reliance is placed on third party protection, a credit assessment is undertaken of the proposed protection.

Security structures and legal covenants are subject to regular review, at least annually, to ensure that they remain fit for purpose and remain consistent with accepted local market practice.

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Industrial concentration of credit risk

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Bank implements limits on concentrations in order to mitigate the risk. An analysis of the Bank's credit risk concentration by industrial sector is set out below.

As at 31 December 2015	Government & central banks €'000	Financial services €'000	Construction & property €'000	Agriculture, Manufacturing & wholesale & retail trade €'000	Transport, postal & communications and business & other services €'000	Energy & water €'000	Total €'000
<i>On balance sheet:</i>							
Cash and balances at central bank	520,746	-	-	-	-	-	520,746
Loans and advances to banks	-	1,013,334	-	-	-	-	1,013,334
Loans and advances to customers	-	11,051	154,338	473,769	208,092	132,762	980,012
Derivative financial instruments	-	19,805	-	474	189	-	20,468
Other Assets	-	27,680	226	2,641	116	339	31,002
<i>Off balance sheet:</i>							
Guarantees and letters of credit	-	67,144	-	15,833	53,852	288	137,117
Other contingent liabilities	-	50	-	95,407	6,057	33	101,547
Undrawn commitments	-	65,766	275,247	569,188	183,857	243,648	1,337,706
Total	520,746	1,204,830	429,811	1,157,312	452,163	377,070	4,141,932

As at 31 December 2014	Government & central banks €'000	Financial services €'000	Construction & property €'000	Agriculture, Manufacturing & wholesale & retail trade €'000	Transport, postal & communications and business & other services €'000	Energy & water €'000	Total €'000
<i>On balance sheet:</i>							
Cash and balances at central bank	22,685	-	-	-	-	-	22,685
Loans and advances to banks	-	1,150,928	-	-	-	-	1,150,928
Loans and advances to customers	-	12,193	246,692	357,843	146,769	128,997	892,494
Available for sale financial assets	-	450,296	-	-	-	-	450,296
Derivative financial instruments	-	35,554	-	303	7	-	35,864
Other Assets	-	2,459	69	608	48	392	3,576
<i>Off balance sheet:</i>							
Guarantees and letters of credit	-	72,082	-	31,660	7,274	9,086	120,102
Other contingent liabilities	-	-	-	34,638	2,399	33	37,070
Undrawn commitments	-	23,632	141,941	543,962	113,577	84,919	908,031
Total	22,685	1,747,144	388,702	969,014	270,074	223,427	3,621,046

Analysis of problem loans

Loans and advances past due but not impaired

The following tables present an age analysis of loans and advances that are past due but not impaired and loans that are assessed as impaired. These loans are reflected in the balance sheet credit quality tables as being Higher Risk.

As at 31 December 2015	Past due up to 1 month €'000	Past due 1-2 months €'000	Past due 2-3 months €'000	Past due 3-6 Months €'000	Past due 6 months and over €'000
Loans and advances to customers					
- Corporate loans	61,697	-	-	-	-
Total	61,697	-	-	-	-

As at 31 December 2014 there were no financial assets past due and not individually impaired.

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Loans and advances assessed as impaired

The following tables present an age analysis of loans and advances collectively impaired, total individually impaired loans, and total impairment allowance.

As at 31 December 2015	Past due up to 1 month €'000	Past due 1-2 months €'000	Past due 2-3 months €'000	Past due 3-6 Months €'000	Past due 6 months and over €'000	Individually assessed for impairment €'000	Total assessed for impairment €'000
Loans and advances to customers							
- Corporate loans	-	-	-	-	-	2,933	2,933
Total	-	-	-	-	-	2,933	2,933

As at 31 December 2014	Past due up to 1 month €'000	Past due 1-2 months €'000	Past due 2-3 months €'000	Past due 3-6 Months €'000	Past due 6 months and over €'000	Individually assessed for impairment €'000	Total assessed for impairment €'000
Loans and advances to customers							
- Corporate loans	-	-	-	-	-	3,954	3,954
Total	-	-	-	-	-	3,954	3,954

Impairment allowance

2015	At beginning of year €'000	Amounts written off €'000	Amounts charged / reversed €'000	Balance at 31 December €'000
Loans and advances to customers				
- Corporate loans	2,138	(824)	802	2,116
Total	2,138	(824)	802	2,116

2014	At beginning of year €'000	Amounts written off €'000	Amounts charged / (reversed) €'000	Balance at 31 December €'000
Loans and advances to customers				
- Corporate loans	10,629	(8,650)	159	2,138
Total	10,629	(8,650)	159	2,138

(b) Market risk

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatility. The market risk appetite of the Bank is determined by the Board of Directors in conjunction with the Group Market Risk function.

Daily Value at Risk (DVaR)

The measurement technique used to measure and control market risk is daily value at risk. DVaR is an estimate of the potential loss which might arise from unfavourable market movements, if the current positions were to be held unchanged for one business day, measured to a confidence level of 95%. Daily losses exceeding the DVaR figure are likely to occur, on average five times in every 100 business days. DVaR is calculated by Barclays Group using the historical simulation method with a historical sample of two years.

Interest rate risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specific period. Part of the Bank's return on financial instruments is obtained from controlled mismatching of the dates on which its financial instruments mature or, if earlier, the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates.

Interest rate risk arises primarily from the Bank's fixed rate money market deposits and loan book. Fluctuations in interest rates are reflected in interest margins and earnings.

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The following table summarise the interest rate re-pricing gap as at 31st December 2015 and as at 31st December 2014. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

31 December 2015	Less than 3 months €'000	3-6 Months €'000	6 months to 1 year €'000	1-5 years €'000	Greater than 5 years €'000	Non-interest bearing €'000	Total €'000
Assets							
Cash and balances at central bank	520,746	-	-	-	-	-	520,746
Loans and advances to banks	1,013,334	-	-	-	-	-	1,013,334
Loans and advances to customers	883,494	96,518	-	-	-	-	980,012
Derivative financial instruments	-	-	-	-	-	20,468	20,468
Property, plant and equipment	-	-	-	-	-	226	226
Intangible assets	-	-	-	-	-	895	895
Deferred income tax assets	-	-	-	-	-	1,420	1,420
Other assets	-	-	-	-	-	31,002	31,002
Total assets	2,417,574	96,518	-	-	-	54,011	2,568,103
Liabilities							
Deposits from banks	(51,723)	(24,508)	-	-	-	-	(76,231)
Deposits from customers	(826,138)	(63,894)	(155,022)	-	-	(1,001,732)	(2,046,786)
Derivative financial instruments	-	-	-	-	-	(20,330)	(20,330)
Retirement benefit obligations	-	-	-	-	-	(11,362)	(11,362)
Current income tax liabilities	-	-	-	-	-	(649)	(649)
Other liabilities	-	-	-	-	-	(32,528)	(32,528)
Subordinated debt	(50,060)	-	-	-	-	-	(50,060)
Total liabilities	(927,921)	(88,402)	(155,022)	-	-	(1,066,601)	(2,237,946)
Equity	-	-	-	-	-	(330,157)	(330,157)
Total equity and liabilities	(927,921)	(88,402)	(155,022)	-	-	(1,396,758)	(2,568,103)
Interest rate repricing gap	1,489,653	8,116	(155,022)	-	-	(1,342,747)	-
Cumulative gap	1,489,653	1,497,769	1,342,747	1,342,747	1,342,747	-	-

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31 December 2014	Less than 3 months €'000	3-6 Months €'000	6 months to 1 year €'000	1-5 years €'000	Greater than 5 years €'000	Non-interest bearing €'000	Total €'000
Assets							
Cash and balances at central bank	22,685	-	-	-	-	-	22,685
Loans and advances to banks	1,063,262	30,811	56,855	-	-	-	1,150,928
Loans and advances to customers	838,950	53,544	-	-	-	-	892,494
Available for sale financial assets	-	450,296	-	-	-	-	450,296
Derivative financial instruments	-	-	-	-	-	35,864	35,864
Property, plant and equipment	-	-	-	-	-	447	447
Intangible assets	-	-	-	-	-	956	956
Deferred income tax assets	-	-	-	-	-	1,687	1,687
Other assets	-	-	-	-	-	3,576	3,576
Total assets	1,924,897	534,651	56,855	-	-	42,530	2,558,933
Liabilities							
Deposits from banks	(59,949)	(450,178)	-	-	-	-	(510,127)
Deposits from customers	(845,002)	(250,205)	(61,097)	-	-	(482,831)	(1,639,135)
Derivative financial instruments	-	-	-	-	-	(35,744)	(35,744)
Retirement benefit obligations	-	-	-	-	-	(13,492)	(13,492)
Current income tax liabilities	-	-	-	-	-	(254)	(254)
Deferred income tax liabilities	-	-	-	-	-	(25)	(25)
Other liabilities	-	-	-	-	-	(6,478)	(6,478)
Subordinated debt	(50,065)	-	-	-	-	-	(50,065)
Total liabilities	(955,016)	(700,383)	(61,097)	-	-	(538,824)	(2,255,320)
Equity	-	-	-	-	-	(303,613)	(303,613)
Total equity and liabilities	(955,016)	(700,383)	(61,097)	-	-	(842,437)	(2,558,933)
Interest rate repricing gap	969,881	(165,732)	(4,242)	-	-	(799,907)	-
Cumulative gap	969,881	804,149	799,907	799,907	799,907	-	-

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Foreign currency risk

The Bank is exposed to foreign exchange risk represented by exposures on assets and liabilities, denominated in currencies other than the functional currency of the Bank. The Bank's risk management policies prevent the holding of significant open positions in foreign currencies. The below tables summarises the Bank's exposure to foreign currencies at 31 December 2015 and 31 December 2014:

31 December 2015	Euro €'000	British pounds €'000	US dollars €'000	Other €'000	Total €'000
Assets					
Cash and balances at central banks	520,746	-	-	-	520,746
Loans and advances to banks	426,133	425,063	139,212	22,926	1,013,334
Loans and advances to customers	736,336	143,525	82,054	18,097	980,012
Derivative financial instruments	20,331	136	1	-	20,468
Other assets	6,060	25,641	1,775	67	33,543
Total financial assets	1,709,606	594,365	223,042	41,090	2,568,103

Liabilities					
Deposits from banks	58,037	7	230	17,957	76,231
Deposits from customers	1,232,952	568,178	222,591	23,065	2,046,786
Derivative financial instruments	20,193	136	1	-	20,330
Retirement benefit obligations	11,362	-	-	-	11,362
Current income tax liabilities	649	-	-	-	649
Other liabilities	6,923	25,537	36	32	32,528
Subordinated debt	50,060	-	-	-	50,060
Total financial liabilities	1,380,176	593,858	222,858	41,054	2,237,946
Equity	330,157	-	-	-	330,157
Total equity and financial liabilities	1,710,333	593,858	222,858	41,054	2,568,103

31 December 2014	Euro €'000	British pounds €'000	US dollars €'000	Other €'000	Total €'000
Assets					
Cash and balances at central bank	22,685	-	-	-	22,685
Loans and advances to banks	866,326	166,504	88,269	29,829	1,150,928
Loans and advances to customers	706,590	101,040	72,389	12,475	892,494
Available for sale financial assets	450,296	-	-	-	450,296
Derivative financial instruments	35,861	3	-	-	35,864
Other assets	6,245	358	21	42	6,666
Total financial assets	2,088,003	267,905	160,679	42,346	2,558,933

Liabilities					
Deposits from banks	503,197	277	-	6,653	510,127
Deposits from customers	1,176,142	267,131	160,386	35,476	1,639,135
Derivative financial instruments	35,742	2	-	-	35,744
Retirement benefit obligations	13,492	-	-	-	13,492
Current income tax liabilities	254	-	-	-	254
Other liabilities	6,385	-	66	52	6,503
Subordinated debt	50,065	-	-	-	50,065
Total financial liabilities	1,785,277	267,410	160,452	42,181	2,255,320
Equity	303,613	-	-	-	303,613
Total equity and financial liabilities	2,088,890	267,410	160,452	42,181	2,558,933

BARCLAYS BANK IRELAND PLC

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(c) Liquidity risk

Liquidity risk is the risk that the Bank, although solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure such resources only at excessive cost. This also results in the Bank's inability to meet regulatory liquidity requirements. This risk is inherent in all banking operations and can be affected by a range of Bank-specific and market-wide events.

The liquidity risk management process ensures that the Bank is able to honour all of its financial commitments as they fall due. Liquidity limits are set and are reported daily. The need to monitor, manage and control intraday liquidity is recognised by the Bank as a mission critical process: any failure to meet specific intraday commitments would have significant consequences. The liquidity position is monitored on a daily basis with the expected next day position also being reviewed.

The Bank holds high quality liquid assets that can be utilised against any unforeseen interruption to cash flow. An important source of structural liquidity is provided by our core corporate deposits, mainly current accounts and savings accounts. Although current accounts are repayable on demand and savings accounts at short notice, the Bank's broad base of corporate customers helps to protect against unexpected fluctuations. Such accounts help to form a stable funding base for the Bank's operations and liquidity needs.

Stress testing is undertaken to assess and plan for the impact of various scenarios which may put the Bank's liquidity at risk. The Bank performs a range of stress tests on the net funding position and projected cash flows. These stress scenarios include Bank-specific scenarios such as an unexpected rating downgrade, and external scenarios such as an economic recession. The output informs both the liquidity mismatch limits and the Bank's contingency funding plan.

The ability to raise funds is impacted by Barclays Group. The funding impact of a credit downgrade is regularly estimated. Whilst the impact of a single downgrade may affect the price at which funding is available, the effect on liquidity is not considered significant in overall terms.

The table below presents the cash flows payable by the Bank under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i.e. nominal values). The balances in the below table do 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 as well as those associated with all future coupon payments.

As at 31 December 2015	On demand €'000	Within 3 Months €'000	3 months to 1 year €'000	1-5 years €'000	Over 5 years €'000	Total €'000
<i>Financial liabilities:</i>						
Deposits from banks	(33,063)	(18,656)	(24,519)	-	-	(76,238)
Deposits from customers	(1,293,838)	(534,152)	(219,028)	-	-	(2,047,018)
Derivative financial instruments – pay leg	-	205,527	293,876	14,041	-	513,444
Derivative financial instruments – receive leg	-	(205,568)	(293,959)	(14,056)	-	(513,583)
Current income tax liabilities	-	-	(649)	-	-	(649)
Other liabilities	-	(32,528)	-	-	-	(32,528)
Subordinated debt	-	(342)	(1,034)	(5,493)	(54,061)	(60,930)
Total cash outflows	(1,326,901)	(585,719)	(245,313)	(5,508)	(54,061)	(2,217,502)

As at 31 December 2014	On demand €'000	Within 3 Months €'000	3 months to 1 year €'000	1-5 years €'000	Over 5 years €'000	Total €'000
<i>Financial liabilities:</i>						
Deposits from banks	(12,215)	(47,769)	(450,956)	-	-	(510,940)
Deposits from customers	(664,244)	(664,842)	(311,689)	-	-	(1,640,775)
Derivative financial instruments – pay leg	-	292,677	423,790	160,406	-	876,873
Derivative financial instruments – receive leg	-	(292,700)	(423,868)	(160,424)	-	(876,992)
Current income tax liabilities	-	-	(254)	-	-	(254)
Other liabilities	-	(6,478)	-	-	-	(6,478)
Subordinated debt	-	(365)	(1,115)	(5,921)	(55,860)	(63,261)
Total cash outflows	(676,459)	(719,477)	(764,092)	(5,939)	(55,860)	(2,221,827)

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Maturity analysis of off-balance sheet commitments given

The table below presents the maturity split of the Bank's off balance sheet commitments given at the balance sheet date. The amounts disclosed in the table are the undiscounted cash flows (i.e. nominal values) on the basis of earliest opportunity at which they are available.

As at 31 December 2015	On demand €'000	Within 3 Months €'000	3 months to 1 year €'000	1-5 years €'000	Over 5 years €'000	Total €'000
<i>Off balance sheet:</i>						
Guarantees and letters of credit	137,117	-	-	-	-	137,117
Other contingent liabilities	101,547	-	-	-	-	101,547
Commitments	1,259,039	44,000	34,667	-	-	1,337,706
Total cash outflows	1,497,703	44,000	34,667	-	-	1,576,370

As at 31 December 2014	On demand €'000	Within 3 Months €'000	3 months to 1 year €'000	1-5 years €'000	Over 5 years €'000	Total €'000
<i>Off balance sheet:</i>						
Guarantees and letters of credit	120,102	-	-	-	-	120,102
Other contingent liabilities	37,070	-	-	-	-	37,070
Commitments	864,031	-	-	44,000	-	908,031
Total cash outflows	1,021,203	-	-	44,000	-	1,065,203

(d) Operational risk

Operational risk, which is inherent in all business activities, is the potential for financial and reputational loss arising from failures in internal controls, operational processes or the systems that support them. The Bank manages this risk through appropriate risk controls and loss mitigation actions. These actions include a balance of policies, procedures, internal controls and business continuity arrangements, including taking into account cyber security considerations

(e) Fair value

Fair value refers to the price that would be received to sell an asset or the price that would be paid to transfer a liability in an arm's length transaction with a willing counterparty, which may be an observable market price or, where there is no quoted price for the instrument, may be an estimated based on available market data.

IFRS 13 Fair Value Measurement requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below:

Quoted market prices – Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs – Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

Valuation technique using significant unobservable inputs – Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price. Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

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The following tables show the Bank's assets and liabilities that are held at fair value disaggregated by valuation technique (fair value hierarchy) and balance sheet classification:

As at 31 December 2015	Quoted Market prices (Level 1) €'000	Observable inputs (Level 2) €'000	Significant unobservable inputs (Level 3) €'000	Total €'000
Assets				
Derivative financial instruments	-	20,468	-	20,468
Total assets	-	20,468	-	20,468
Liabilities				
Derivative financial instruments	-	20,330	-	20,330
Total liabilities	-	20,330	-	20,330

As at 31 December 2014	Quoted Market prices (Level 1) €'000	Observable inputs (Level 2) €'000	Significant unobservable inputs (Level 3) €'000	Total €'000
Assets				
Available for sale financial assets	-	450,296	-	450,296
Derivative financial instruments	-	35,864	-	35,864
Total assets	-	486,160	-	486,160
Liabilities				
Derivative financial instruments	-	35,744	-	35,744
Total liabilities	-	35,744	-	35,744

Derivative financial instruments

These are FX forward contracts linked to the foreign exchange (FX) market. The vast majority are traded as OTC derivatives and observable inputs to valuation are FX forward rates.

The following tables summarises the fair value of financial assets and liabilities measured at amortised cost on the Bank's balance sheet:

As at 31 December 2015	Carrying value €'000	Fair Value €'000	Quoted Market prices (Level 1) €'000	Observable inputs (Level 2) €'000	Significant unobservable inputs (Level 3) €'000
Assets					
Cash and balances at central bank	520,746	520,746	-	520,746	-
Loans and advances to banks	1,013,334	1,013,334	-	1,013,334	-
Loans and advances to customers	980,012	962,176	-	-	962,176
Other assets	31,002	31,002	-	31,002	-
Total assets	2,545,094	2,527,258	-	1,565,082	962,176
Liabilities					
Deposits from banks	76,231	76,231	-	76,231	-
Deposits from customers	2,046,786	2,046,786	-	2,046,786	-
Current income tax liabilities	649	649	-	649	-
Other liabilities	32,528	32,528	-	32,528	-
Subordinated debt	50,060	50,060	-	50,060	-
Total liabilities	2,206,254	2,206,254	-	2,206,254	-

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As at 31 December 2014

	Carrying value €'000	Fair Value €'000	Quoted Market prices (Level 1) €'000	Observable inputs (Level 2) €'000	Significant unobservable inputs (Level 3) €'000
Assets					
Cash and balances at central bank	22,685	22,685	-	22,685	-
Loans and advances to banks	1,150,928	1,150,928	-	1,150,928	-
Loans and advances to customers	892,494	857,954	-	-	857,954
Other assets	3,576	3,576	-	3,576	-
Total assets	2,069,683	2,035,143	-	1,177,189	857,954
Liabilities					
Deposits from banks	510,127	510,127	-	510,127	-
Deposits from customers	1,639,135	1,639,135	-	1,639,135	-
Current income tax liabilities	254	254	-	254	-
Other liabilities	6,478	6,478	-	6,478	-
Subordinated debt	50,065	50,065	-	50,065	-
Total liabilities	2,206,059	2,206,059	-	2,206,059	-

The fair value is an estimate of 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. As a wide range of valuation techniques are available, it may not be appropriate to directly compare this fair value information to independent market or other financial institutions. Different valuation methodologies and assumptions can have a significant impact on fair values which are based on unobservable inputs.

Loans and advances to banks

The fair value of loans and advances, for the purpose of this disclosure, is derived from discounting expected cash flows in a way that reflects the current market price for lending to issuers of similar credit quality. Where market data or credit information on the underlying borrowers is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate discount rates. There is minimal difference between the fair value and carrying amount due to the short term nature of the lending (i.e. predominantly overnight deposits) and the high credit quality of counterparties.

Loans and advances to customers

The fair value of loans and advances to customers, for the purpose of this disclosure, is derived from discounting expected cash flows in a way that reflects the current market price for lending to issuers of similar credit quality. The fair value of corporate loans is calculated by the use of discounted cash flow techniques where the gross loan values are discounted at a rate of difference between contractual margins and hurdle rates or spreads where Barclays charges a margin over LIBOR depending on credit quality and loss given default and years to maturity.

Deposits from banks and customers

In many cases, the fair value disclosed approximates carrying value because the instruments are short term in nature or have interest rates that reprice frequently such as customer accounts and other deposits and short term debt securities. The fair value for deposits with longer term maturities such as time deposits, are estimated using discounted cash flows applying either market rates or current rates for deposits of similar remaining maturities. Consequently the fair value discount is minimal.

Subordinated liabilities

Fair values for dated and undated convertible and non-convertible loan capital are based on quoted market rates for the issues with similar terms and conditions.

BARCLAYS BANK IRELAND PLC

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32. Related party disclosures

The holding company of the Bank is Barclays Bank PLC, which holds 100% of the issued ordinary shares of the Bank. The ultimate holding company of the Bank is Barclays PLC.

Related party transactions

Barclays Group

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one party controls both. The definition includes the holding and ultimate holding company and fellow subsidiaries, associates, joint ventures and pension schemes of the Barclays Group.

The Bank has a small number of large exposures which are in excess of 25% of its capital base relevant for limits to large exposures as detailed in Regulation (EU) No. 575/2013 ('The Capital Requirements Regulation'). On 31st July 2012 Barclays Bank PLC provided an irrevocable and unconditional pari-passu guarantee amount of €75 million to cover any excesses above the 25% limit. The guarantee remains in place and Barclays Bank PLC has provided a number of amended and restated guarantees to provide further credit risk mitigation for new and increased loan facilities. As at 31 December 2015 the guarantee limit was €270 million. This was further increased to €430 million on 18 February 2016.

Barclays Bank PLC provided an additional parental guarantee for GBP£1.6 billion on 1 January 2015 specifically to cover the receivable arising from its merchant acquiring business to ensure compliance with large exposures rules at all times.

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

	Parent company €'000	Other group companies €'000	Defined benefit scheme €'000	Total €'000
For the financial year ended and as at 31 December 2015				
Net interest income	5,534	(98)	-	5,436
Fee, commission & other income	6,060	124	-	6,184
General and administrative expenses	(2,725)	-	(77)	(2,802)
Other Expense	-	-	(255)	(255)
Loans and advances to banks	907,457	-	1,500	908,957
Derivative financial instruments	18,910	-	-	18,910
Other assets	1,387	87	-	1,474
Deposits by banks	(17,957)	-	-	(17,957)
Deposits by customers	-	(48,833)	(1,085)	(49,918)
Derivative financial instruments	(1,656)	-	-	(1,656)
Retirement benefit obligations	-	-	(11,362)	(11,362)
Other liabilities	(27,028)	-	-	(27,028)
Subordinated debt	(50,060)	-	-	(50,060)

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	Parent company €'000	Other group companies €'000	Defined benefit scheme €'000	Total €'000
For the financial year ended and as at 31 December 2014				
Net interest income	145	(164)	-	(19)
Fee, commission & other income	5,676	225	-	5,901
General and administrative expenses	(1,592)	-	(77)	(1,669)
Other Expense	-	-	(180)	(180)
Loans and advances to banks	1,080,127	-	1,000	1,081,127
Available for sale financial assets	450,296	-	-	450,296
Derivative financial instruments	34,654	-	-	34,654
Other assets	1,538	30	-	1,568
Deposits by banks	(456,831)	-	-	(456,831)
Deposits by customers	-	(47,412)	(1,806)	(49,218)
Derivative financial instruments	(4,012)	-	-	(4,012)
Retirement benefit obligations	-	-	(13,492)	(13,492)
Other liabilities	(1,451)	-	-	(1,451)
Subordinated debt	(50,065)	-	-	(50,065)

Key Management Personnel

The Bank's Key Management Personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank (directly or indirectly) and comprise the Directors of the Bank and certain direct reports of the Chief Executive.

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Short-term employee benefits	1,481	1,431
Post-employment benefits	87	67
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

There were no loans, deposits or commitments with Key Management Personnel during the financial year ended or as at 31 December 2015 (financial year ended or as at 31 December 2014: none).

Directors' remuneration

	Year ended 31 December 2015 €'000	Year ended 31 December 2014 €'000
Directors remuneration		
- For services as directors	-	-
- For other services	871	852
Gain on exercise of share options during the financial year	-	-
Benefits under long-term incentive schemes	-	-
Contributions to retirement benefits schemes:		
- Defined contribution	40	24
- Defined benefit	-	-
Compensation for loss of office paid by the Bank and other termination payments	-	-
Fees paid to non-executive directors	157	170

As at 31 December 2015, there were no Directors accruing benefits under a defined benefit scheme (2014: €nil).

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33. Reconciliation of Irish GAAP to IFRS

As stated in first time adoption of International Financial Reporting Standards ('IFRS') and in Note 1 to the accounts, these are the Bank's first financial statements prepared in accordance with IFRS. In order to prepare the IFRS opening balance sheet, it was necessary to adjust the amounts reported in the financial statements prepared in accordance with Irish GAAP to reflect the application of the International Financial Reporting Standards.

Reconciliations of the transition from Irish GAAP to IFRS are set out below, and explain how the transition has affected the financial position and performance of the Bank. There are no transition adjustments required to present a restatement of the Bank's shareholder's equity at 31 December 2013 from Irish GAAP to IFRS at 1 January 2014. As a result, no reconciliation of shareholder's equity at 1 January 2014 is presented. The income statement reconciliation presents for the Bank the restatement from Irish GAAP profit and loss account to IFRS income statement for the year ended 31 December 2014.

Summary IFRS Income Statement for the financial year ended 31 December 2014

	Total Irish GAAP €'000	IFRS Impact €'000	IFRS €'000
Interest and similar income	34,493	4,848	39,341
Interest and similar expenses	(14,651)	-	(14,651)
Net interest income	19,842	4,848	24,690
Fee and commission income	15,436	(4,848)	10,588
Trading and foreign exchange income	2,573	-	2,573
Other finance income (expense)	147	(327)	(180)
Total operating income	37,998	(327)	37,671
General and administrative expenses	(16,121)	-	(16,121)
Depreciation and amortisation expense	(328)	-	(328)
Operating profit before impairment	21,549	(327)	21,222
Loan impairment charges	(159)	-	(159)
Profit before income tax	21,390	(327)	21,063
Income tax expense	(2,749)	-	(2,749)
Profit for the financial year	18,641	(327)	18,314

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Balance Sheet at 1 January 2014

	Irish GAAP €'000	IFRS Impact €'000	IFRS €'000
Assets			
Cash and balances at central banks	17,565	(1,965)	15,600
Loans and advances to banks	781,199	2,210	783,409
Loans and advances to customers	633,579	(3,659)	629,920
Available for sale financial assets	480,260	1,696	481,956
Derivative financial instruments	19,234	-	19,234
Property, plant and equipment	72	-	72
Deferred income tax assets	-	695	695
Other assets	5,677	(3,514)	2,163
Total assets	1,937,586	(4,537)	1,933,049
Liabilities			
Deposits from banks	528,711	1,759	530,470
Deposits from customers	1,157,307	218	1,157,525
Derivative financial instruments	19,074	-	19,074
Retirement benefit obligations	4,864	695	5,559
Current income tax liabilities	-	27	27
Deferred income tax liabilities	55	-	55
Other liabilities	10,197	(7,305)	2,892
Subordinated debt	50,000	69	50,069
Total liabilities	1,770,208	(4,537)	1,765,671
Equity			
Share capital	12,446	-	12,446
Capital contribution	121,000	-	121,000
Available for sale reserve	395	-	395
Retained earnings	33,537	-	33,537
Total equity	167,378	-	167,378
Total equity and liabilities	1,937,586	(4,537)	1,933,049

Significant differences from Irish GAAP

The significant differences between the Bank's Irish GAAP accounting policies and IFRS accounting policies are summarised below.

Irish GAAP	IFRS
Under Irish GAAP, components of cost of the defined benefit plan were measured in profit and loss as the interest cost on plan liabilities and the expected return on plan assets, based on long-term expectations for the plan assets at the beginning of the period.	IAS 19 measures the cost of the net defined benefit plan as net interest cost, derived by multiplying the net benefit obligation by the discount rate.

34. Post balance sheet events

There have been no significant events affecting the Bank since the year end.

35. Approval of financial statements

The Board of Directors approved the financial statements on 24 March 2016.