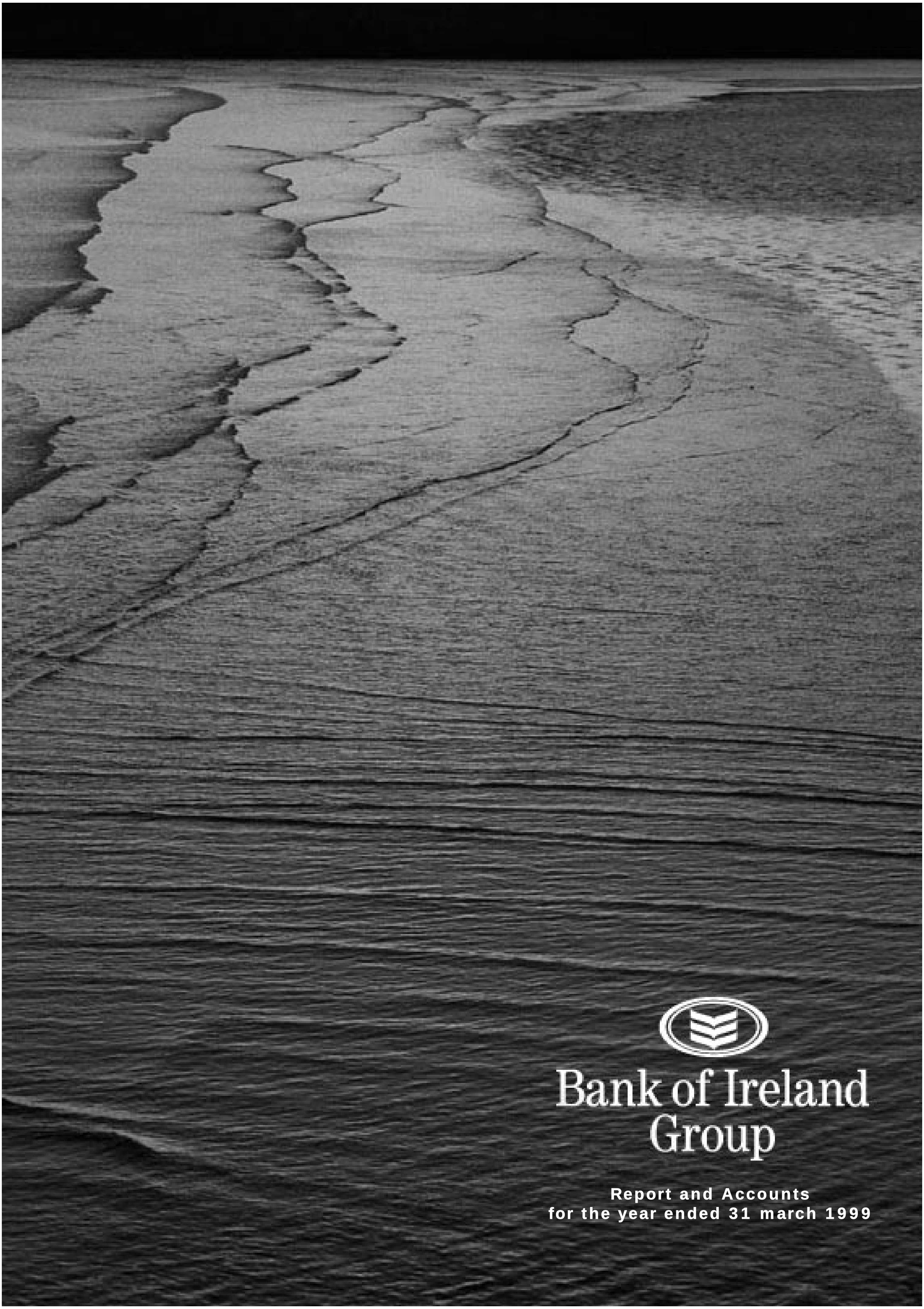


Bank of Ireland Group

Report and Accounts
for the year ended 31 march 1999

Contents

Bank of Ireland
Group

Anthony D Barry ✕▲

Deputy Governor

Appointed to the Court in 1993. Appointed Deputy Governor in October 1997. Former Chief Executive of CRH plc. Chairman of CRH plc, a Director of Greencore Group plc, DCC plc and Ivernia West plc. (Age 64)

Niall W A FitzGerald ▲

Appointed to the Court in 1990. Executive Chairman of Unilever plc, Vice Chairman of Unilever NV and a Director of Prudential Corporation plc. Chairman of Confederation of British Industry (CBI) Europe Committee. (Age 53)

Howard E Kilroy ★

Governor

Appointed to the Court in 1991 and Governor following the 1991 Annual General Court. Former President and Chief Operations Director of Jefferson Smurfit Group plc. A Director of the Jefferson Smurfit Group plc and CRH plc. (Age 63)

E Patrick Galvin ✕▲

Appointed to the Court in 1994. Former Chairman and Chief Executive of Waterford Crystal Ltd. A Director of Gallaher (Dublin) Ltd, Chairman of PV Doyle Holdings Ltd, a Director of Greencore Group plc and Irish Shell Ltd. (Age 66)

Maurice A Keane ❖

Group Chief Executive

Joined the Bank in 1958. Appointed an Assistant General Manager in 1973 and General Manager Financial Control in 1978. Appointed to the Court as a Managing Director in 1983. Appointed Deputy Group Chief Executive in March 1991 and Group Chief Executive in February 1998. Director of Bristol & West plc. (Age 58)

Lord Armstrong of Ilminster, GCB CVO ✕

Appointed to the Court in 1997. A Director of The Bristol & West Building Society (now Bristol & West plc) from 1988 until his retirement in December 1997 and its Chairman from 1993 to December 1997 and a director of a number of other companies. (Age 72)

Mary P Redmond ✕

Appointed to the Court in 1994. A solicitor specialising in labour law. In her professional capacity as a solicitor acts for the Group in relation to aspects of labour law. A member of the Labour Relations Commission and a former member of the Employment Equality Agency and the Higher Education Authority. A Director of Jefferson Smurfit Group plc and founder of the Irish Hospice Foundation. (Age 48)

Patrick W McDowell ❖

Deputy Group Chief Executive

Joined the Bank in 1970. Appointed Head of Information Technology in 1978, Deputy Chief Executive Retail Division in 1988 and its Chief Executive in 1991. Appointed to the Court in 1994. Appointed Deputy Group Chief Executive in February 1998. (Age 59)

Margaret Downes ◆

Appointed to the Court in 1986 and Deputy Governor from 1993 to 1995. A past president of the Institute of Chartered Accountants in Ireland and The Federation of European Accountants. Chairman of BUPA Ireland Ltd and Gallaher (Dublin) Ltd, a Director of Ardagh plc, BUPA in the UK and a number of other companies. (Age 66)

Patrick J A Molloy

Appointed to the Court in 1983 as an Executive Director. Group Chief Executive from 1991 until he retired from that position in January 1998, remaining as a Non-Executive Director. Chairman of Bristol & West plc, Enterprise Ireland and Blackrock Clinic. A Director of Bord Telecom Eireann plc, CRH plc and Kingspan Group plc. (Age 61)

❖ Executive Director
◆ Chairman of the Group Audit Committee
✕ Member of the Group Audit Committee
★ Chairman of the Group Remuneration and the Group Nominations Committees
▲ Member of the Group Remuneration and the Group Nominations Committees

John J Burke

Appointed to the Court in 1997. Joined the staff of The Bristol and West Building Society (now Bristol & West plc) in 1964, undertook a wide range of roles and became its Managing Director and Chief Executive in 1993, a position he held until 1 April 1999 when he stepped down to become a Vice Chairman of Bristol & West plc. (Age 56)

Roy E Bailie, OBE

Appointed to the Court in January 1999. Chairman of W&G Baird Holdings Ltd and of the Northern Ireland Tourist Board. A Director of the Bank of England and UTV plc and formerly a member of the Northern Ireland Advisory Board of the Bank of Ireland. (Age 55)

Raymond Mac Sharry ▲

Appointed to the Court in 1993. A former EU Commissioner for Agriculture, Chairman of Bord Telecom Eireann plc and London City Airport Ltd. A Director of Jefferson Smurfit Group plc, Green Property plc and Ryanair Holdings plc. (Age 61)

Laurence G Crowley

Appointed to the Court in 1990 and Deputy Governor from 1995 to 1997. Chairman of PJ Carroll and Co. Ltd, a Director of Rothmans International BV, Elan Corporation PLC, J Rothschild International Assurance PLC and a number of other companies. Executive Chairman of the Michael Smurfit Graduate School of Business at University College, Dublin. (Age 62)

Governor's Statement

Bank of Ireland Group has again delivered strong growth in earnings for its stockholders. The success of the business has been built upon aggressive organic growth in our principal markets, a sound acquisitions and disposals policy and a specific focus on those business lines at which we have shown ourselves to be particularly adept. In the domestic market, we have achieved solid market share gains in crucial product areas such as mortgages, investment products, consumer lending and deposits. Bristol & West plc again performed very strongly in growing its mortgage market share. There were also excellent performances in Corporate Banking, Group Treasury and Asset Management.

CHALLENGES AND OPPORTUNITIES

The Group has a strong presence in the Republic of Ireland which, in the year under review, generated 55% of Group profits before tax and exceptional item. Despite the growing scale of our business abroad, we have maintained our focus on domestic operations and continue to develop and implement strategies for organic growth and in-market diversification. This focus has been rewarded by the continued success of our various businesses in the Republic.

The era we live in is characterised by rapid change – driven by information technology, new communication systems and a global media. The markets in which we operate have changed substantially over the past number of years and change on the same scale must be anticipated for the future. Competition intensifies each year, barriers to entry are falling and the introduction of the euro will change the way financial services are provided in Europe over the coming decade.
These will be challenges facing all established financial services organisations over the coming years.

Howard E Kilroy
Governor


Withstanding Challeng

However, in such an environment of change, the Group has a clear track record of competing effectively and in growing its profits in the process. We have grown market share in both the Republic of Ireland and in our chosen markets in the UK. We have comprehensive distribution systems in Ireland and in the mortgage market in the UK. We have invested in new channels, have improved our customer satisfaction ratings and we will continue to refine our products to meet the changing needs to our customers. At the same time, in order to be effective competitors in the euro environment, we are dedicated to achieving further measurable improvements in operating efficiency.

ACQUISITIONS AND DISPOSALS

Results from our mortgage and savings business in Great Britain and life assurance and pensions business in Ireland provide evidence of the success of our acquisitions strategy. Both Bristol & West and New Ireland Assurance have completed their first full year as part of the Group and their returns indicate a significant enhancement of stockholder value. The disposal of the Group's 23.5% shareholding in Citizens Financial Group in September 1998 was equally significant. We had concluded that a long-term minority shareholding in Citizens did not fit well with the Group's core strategy. The sale of the Citizens stake brought to a successful end the Group's involvement in retail banking in the United States and further enhanced the Group's capital base.

MILLENNIUM CHANGE

This report contains a detailed statement of the Group's preparations for the Millennium – or that aspect which represents a threat to the business. We have worked assiduously to prepare our business for the Year 2000 and we believe that our preparations will achieve the desired results. However, in common with all other businesses, we must be conscious of the wider environment and our inter-dependency with a range of suppliers, any one of which might have an adverse impact on our operations. Extensive testing has already been carried out on critical relationships and it is our objective to deliver an uninterrupted service before, during and after the millennium date change.

There are many positive, if less tangible, aspects of the Millennium. It provides businesses and individuals with an incentive to take stock and to set a new and more positive course. The Bank considered how it could acknowledge its successes over the years and how to further share them. The Bank of Ireland Millennium Scholars Trust, which we announced during May 1999, is our gesture to mark the millennium. Under this initiative, IR£10 million will be allocated to provide scholarships for people throughout Ireland who are prevented from reaching their full potential because of economic restrictions or other barriers, such as disability.
The fund will be allocated during the first decade of the new millennium and is expected to facilitate some 600 awards. We feel certain that the Millennium Scholars Trust will be welcomed by our Stockholders, who have benefited significantly from the success of the Bank in the last years of the old millennium.

Group Policy Committee

From left to right

Brian Goggin
Chief Executive Corporate and Treasury

Jeff Warren
Managing Director and Chief Executive, Bristol & West

Maurice A Keane
Group Chief Executive

Paul D'Alton
Group Chief Financial Officer

Patrick W McDowell
Deputy Group Chief Executive and Chief Executive Retail

Denis Hanrahan
Head of Group Corporate Development

THE COURT

My colleagues on the Court were diligent in their service to the Group throughout the year and I thank each of them for their assistance to me and for their courtesy and professionalism. The Court has presided over wide-ranging change and development of the Group and has been scrupulous in overseeing the delivery of value to our Stockholders and in maintaining the high level of integrity for which the Group is renowned.

During the year, Brian Williamson stepped down from the Court following his appointment to a demanding executive post at the head of the London International Financial Futures and Options Exchange (LIFFE). He has been a most valued member of the Court since 1990 and his skills and contribution will be missed by all of his colleagues.

John Burke also announced that he was to relinquish his position as Chief Executive and Managing Director of Bristol & West plc to become a Vice Chairman of the company and that he would step down from the Court at the 1999 Annual General Court. His stay with us was relatively short but his contribution was significant and I want to acknowledge, in particular, the very important role he played in the successful integration of Bristol & West into the Group.

I am delighted to welcome Roy Bailie to the Court. He is a distinguished member of the Northern Ireland business community and served on the Bank's Northern Ireland Advisory Board for a number of years.

THE STAFF

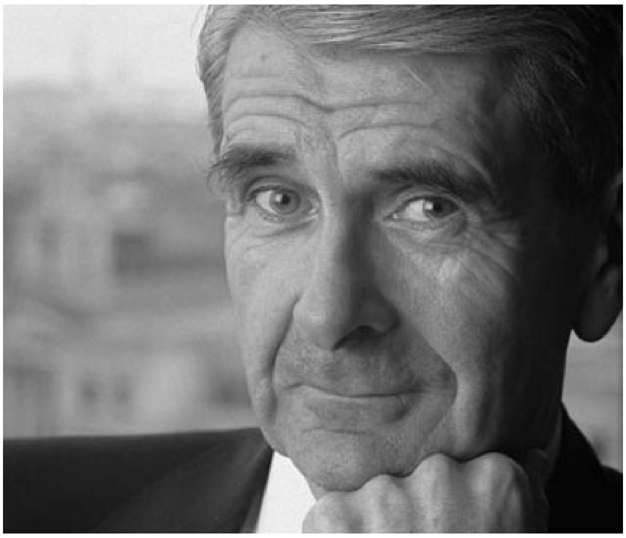
On behalf of my colleagues on the Court, I want to acknowledge the contributions of staff in each of the Group's businesses to our commercial success and profitability. We see continuing evidence of the skill and professionalism of staff at every level – in the manner in which we compete in our various markets, in our progress with the customer service initiatives which have been a focus of much attention in recent times and in the spirit of initiative which keeps us at the forefront of the financial services market. The successful transition to the Single Currency was a case in point. Meticulous preparation resulted in a smooth and trouble-free introduction of the euro and I am certain that we will cope equally well with the next stages of Monetary Union which, for banks, are arguably even more challenging.

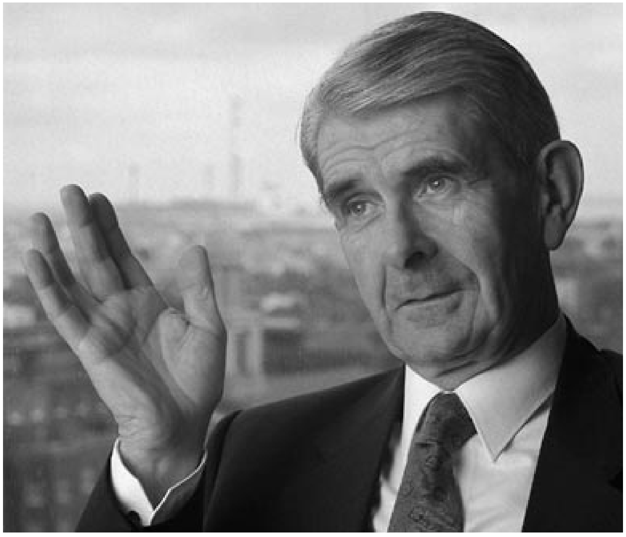
We are fortunate indeed to have such quality people working in our businesses and ensuring that the Group's strategies for growth are brought to fruition.

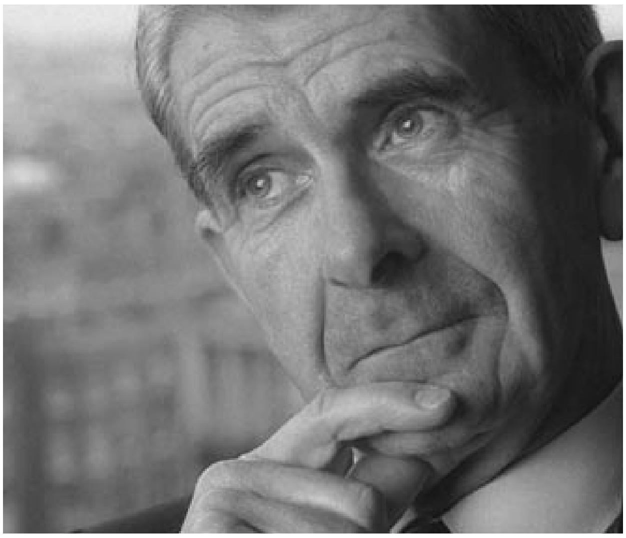
Howard E Kilroy
Governor

Supporting the Arts
The La Touche Amorino by Antonio Canova, lost for over a century, is returned to Ireland with the assistance of Bank of Ireland


Fostering Creativity







COMMENTARY ON RESULTS

Bank of Ireland Group reports profit before tax and exceptional item of IR£659 million (¤836 million) for the year ended 31 March 1999 (1998: IR£530 million), an increase of 24%. This excludes a gain of IR£172 million (¤218 million) from the sale of the Group's interest in Citizens Financial Group but includes the Groups share of profits for five months up to the date of sale. When this gain is included, pretax profits were IR£831 million (¤1,054 million) with earnings per share (EPS) of 117.3 pence (¤148.9 cents). Alternative EPS, computed excluding the Citizens gain, at 85.5 pence (¤108.6 cents) represents an increase of 21% on the prior year.

The results illustrate the Group's focus on stockholder value. Excluding the after tax gain of IR£164 million (¤208 million) on the Citizens sale, profit attributable to stockholders was IR£443 million (¤562 million), a 25% increase on the prior year and representing a return on average equity of almost 24%. The Group regards this result as most satisfactory, particularly given the low risk profile of the Group's assets and its strong capital base. Stockholders' funds totalled IR£2,248 million (¤2,854 million) at year-end and support a Tier 1 capital ratio of 9.0%.

Divisional Performance

	1998/99 IR£m	1997/98 IR£m
Retail	253	208
Life and Pensions	72	43
Bristol & West	151	92
Corporate and Treasury	109	84
Other Group Activities	78	64
Citizens Financial Group	25	55
Grossing Up	(29)	(16)
Profit before tax and exceptional item	659	530
Profit on disposal of associated undertaking	172	-
Profit before taxation	831	530

Maurice A Keane
Group Chief Executive

Encouraging Innovation

The Group achieved considerable success, reflected in the results, in managing risk during the period of volatility prior to the introduction of the single currency, taking full advantage of the buoyant domestic economy and achieving profitable growth both in a highly competitive UK market and in its chosen international businesses.

Total income increased by 25%. Excluding the effect of acquisitions made in 1997/98, income increased by 17%. Net interest income increased by 17% (12% excluding the effect of acquisitions). The growth in lending and resources more than offset further margin reduction.

Non funds based income grew a substantial 37% (25% excluding the effect of acquisitions in 1997/98), driven by volume increases in Bank of Ireland Asset Management, Life Assurance, Davy Stockbrokers, other fee based retail businesses and trading gains in Group Treasury. Such income now represents 42% of total income, compared to 38% last year.

Businesses that generate non-funds based income require proportionately lower equity than those based on advances and are primary drivers of stockholder value. Consequently, the development of non-funds based income streams is a key objective for the Group.
Total costs increased by 19%. Excluding the impact of acquisitions in 1997/98, costs grew by 12% with the cost income ratio improving from 58% to 55%. The Group intends to improve this ratio further over time.

The loan loss charge, at 16 basis points, remains very satisfactory and reflects effective credit procedures groupwide, a solid mortgage portfolio in the United Kingdom, as well as strong and stable economic conditions in Ireland. The charge for the current year includes a further non designated specific provision of almost IR£19 million (¤24 million).

The results reported by division, each of which achieved strong organic growth, are discussed below.

Operating Review

RETAIL DIVISION

The Retail Division made substantial progress in the implementation of its growth strategies and had a very successful year.

The Division's profit before tax of IR£253 million (€321 million) was IR£45 million (€57 million) or 22% ahead of the previous year and all key business units reported satisfactory profit performances. Total Divisional income rose by 14%, reflecting strong growth in both funds and non funds based income of 13% and 16% respectively. The strength of the economy in Ireland and market share gains in key product areas were important factors in the performance.

Average resources and advances volumes were up by 18% and 24% respectively. Business Banking was particularly buoyant with a 25% increase in advances in the Republic of Ireland and 28% growth in new commercial leasing at Bank of Ireland Finance. Consumer lending increased by 32%, with strong growth in motor and other consumer finance.

Net interest margin in the Retail Division reduced by 21 basis points, principally due to a narrowing of deposit margins as interest rates converged to European levels. Together, the volume and margin trends resulted in growth in net interest income of 13%.

Residential mortgages remain an important component of the Division's lending book and market share of new mortgage lending in the Republic increased from 21% to almost 23%. The volume of new mortgages grew by 36%, while maintaining conservative lending criteria. Additional Mortgage Stores were opened and a twenty year fixed rate mortgage was introduced during the year.

In the savings and investment area, volumes were buoyant and innovative investment products introduced during the year were strongly supported by customers, generating significant market share increases. Credit Cards, General Insurance and First Rate Bureau de Change were each significant contributors to a 16% increase in non funds based income in the Division. New Credit Card sales were ahead by 17% and turnover in the Card division increased by 21%. The Group completed the acquisition of the American Express franchise in Ireland in June 1998.

The charge for loan losses, 31 basis points for the Division, remained at a satisfactory level benefiting from the continuation of favourable economic conditions and the low risk profile of the Division's asset base.

Costs in the Division rose by 10%. Excluding the impact of exchange rate movements, the increase was 7%. The very strong growth in the Division's business volumes necessitated higher staffing levels and also resulted in other volume-related cost increases. The annual salary increment, increased depreciation charges and costs in recently acquired businesses were other factors in the overall growth in the Division's expenses. These were partially offset by a reduction in pension funding costs.

LIFE AND PENSIONS

Lifetime Assurance and New Ireland Assurance, the two channels for the Group's life and pensions business produced an excellent result, with substantial increases in both companies' business volumes and profits. The increased profit was driven by higher new business volumes, lower corporation tax rates (which had an impact of IR£15 million on the year), the beneficial impact of the buoyant stock market on fee income and business retention. In addition, the result reflects IR£5 million (€6 million) due to the one time impact of implementing the achieved profits method of profit recognition in Lifetime.

Good growth was achieved in all categories of business, but especially investments and pensions, and combined annual premium equivalent sales were up by 38% to IR£90 million (€114 million).

The dual channel strategy adopted by the Group since the acquisition of New Ireland has worked well, with the Bancassurance and Broker channels each making significant contributions to the overall business performance. The Irish Government's National Pension Policy Initiative is expected to give a stimulus to the pensions business and the Group is now well positioned to capture a significant share of this market.

The Bank of Ireland Millennium Scholars Trust, a £10 million fund to support educational opportunity during the first decade of the new millennium.


Investing in the Future

Expanding Horizons

BRISTOL & WEST

The results of Bristol & West for the year reflect a sound performance despite an increasingly competitive business environment.

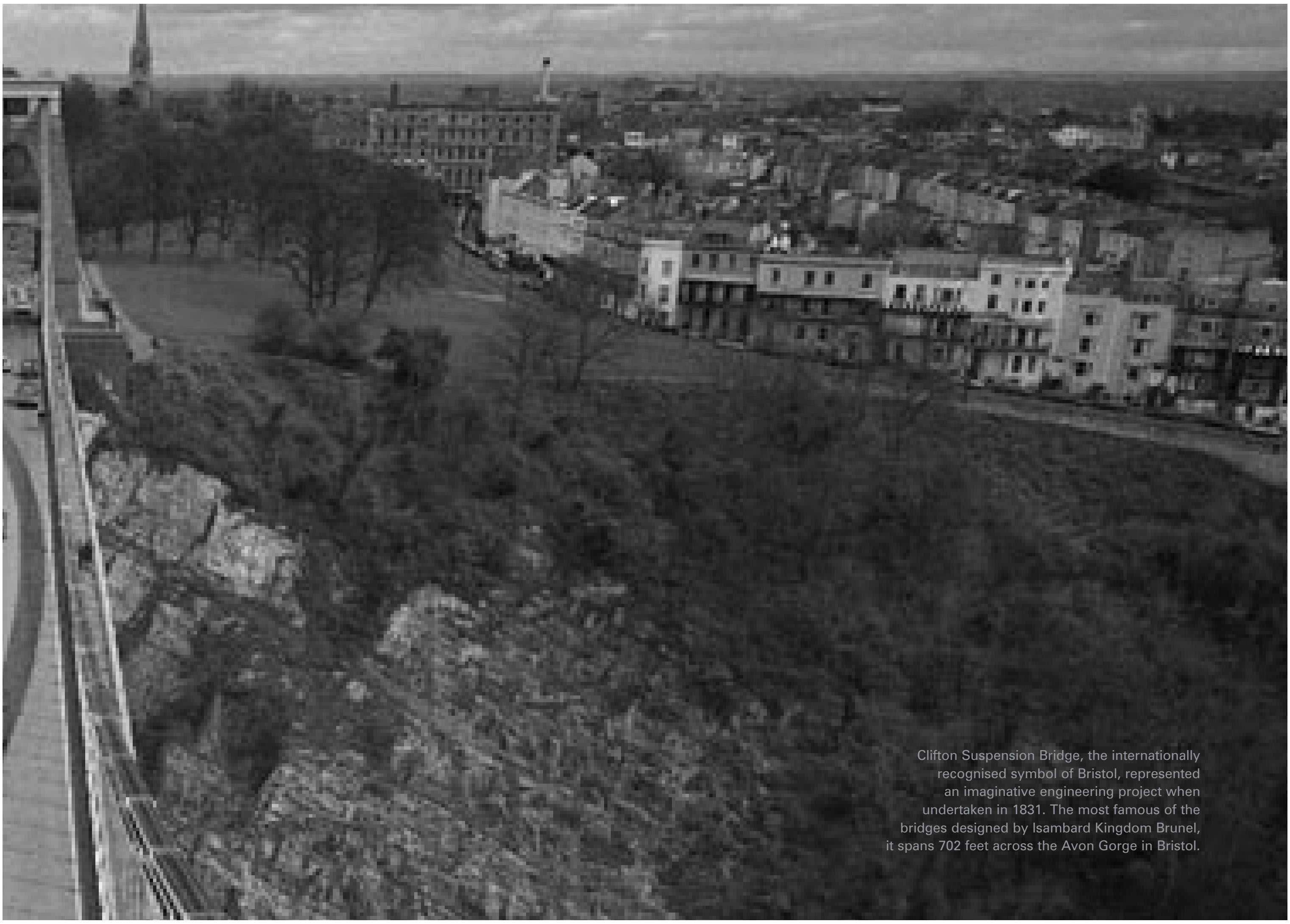
Bristol & West, which includes Bank of Ireland Mortgages (BIM), made an operating profit before tax in its first full year as a member of the Bank of Ireland Group of Stg£131 million (IR£151 million, ¤192 million). Operating profit before tax for the year ended 31 March 1998 of Stg£91 million (IR£92 million) represented eight months trading of the businesses acquired from Bristol & West Building Society and twelve months of BIM.

Continued commitment to dedicated distribution channels in the mortgage market has enabled Bristol & West to achieve a net residential mortgage market share in the year to 31 March 1999 of 4.8%, twice its natural market share of 2.4%. Loans and advances to customers now stand at Stg£12.0 billion, an increase of 12% year on year (1998: Stg£10.7 billion).

Bristol & West's ongoing growth and success in the mortgage market is attributed to the strength and depth of its distribution. Bristol & West has six mortgage channels: Central Mortgage Services (CMS), Intermediary Mortgage Centre, BIM, Direct Mortgages, Retail Consumer and Intermediary. CMS is now recognised as market leader in the packaged mortgage market and lent Stg£1 billion in the year to 31 March 1999.

Bristol & West is committed to a programme to reshape its cost base. This represents an ongoing commitment to improving business practice, and is expected to deliver significant cost and productivity efficiencies with the aim of achieving upper quartile peer group performance over the next three years.

Lending quality and control are areas of key importance for Bristol & West's continued success. Over the year, the underlying quality of the loan portfolio has improved and the percentage of the residential mortgage book which is three months or more in arrears has decreased which is reflected in the loan loss charge (nil).



Clifton Suspension Bridge, the internationally recognised symbol of Bristol, represented an imaginative engineering project when undertaken in 1831. The most famous of the bridges designed by Isambard Kingdom Brunel, it spans 702 feet across the Avon Gorge in Bristol.

The mortgage and savings market remained highly competitive throughout the year with added pressure from new entrants, resulting in a decline in the Bristol & West net interest margin of 13 basis points.

A strong performance in FSA regulated products and profits on gilt sales helped other income rise to Stg£73 million. Other income for the year ended 31 March 1998 was Stg£42 million, representing eight months trading of the businesses acquired from Bristol & West Building Society and twelve months of BIM.

CORPORATE AND TREASURY

Profit before tax increased by 30% to IR£109 million (¤138 million) with exceptionally strong performances in each of the individual businesses.

Corporate Banking maintained its leading position in the Irish market through a highly focussed relationship management service to key domestic and multinational companies. Strong volume growth was achieved in both the domestic and international businesses with lending and resources increasing by 20% and 27% respectively over the previous year. Several major syndicate financings were concluded with the Bank acting as a lead or co-lead manager. A number of innovative structured solutions were also developed and provided to customers in financing fixed asset investments. The transition to a new electronic banking cash management service for commercial customers has commenced and the first phase of this major investment will be completed during 1999. The service will provide direct dial and internet access utilising the latest available security encryption and digital signature technology.

The international asset and structured finance business based in the International Financial Services Centre (IFSC) continues to develop strongly. The business was well positioned to avail of the opportunity to purchase high quality investment grade assets at enhanced yields as a number of international institutions divested following the global economic turmoil experienced during 1998. Strong growth was also recorded in leveraged acquisition, project and structured finance portfolios. Asset quality overall in Corporate Banking remains at a very high level.

Group Treasury had an outstanding year and contributed substantially increased profits over the previous period. The year was marked by erratic and turbulent market conditions leading up to the launch of the euro on 1 January 1999. Successful interest rate convergence positioning together with significant growth in customer driven activity, primarily with the commercial, institutional and IFSC sectors supported the exceptional results in Treasury. The introduction of the euro provided significant opportunities, which will not be available to the same extent in the coming year. Robust risk management systems operated very effectively throughout the year and Treasury very successfully managed the operational transition to the euro having thoroughly prepared over the last three years.

Private Banking, which is now ten years in existence, enjoyed another year of significant growth while at the same time maintaining excellent satisfaction ratings with its customers.

OTHER GROUP ACTIVITIES

Profits in Other Group Activities increased by 22% to IR£78 million (€99 million). Business activities, in which profits were 27% ahead of the prior year, accounted for IR£20 million (€25 million) of the increase. The cost of the Bank of Ireland Millennium Scholars Trust has been included in Other Group Activities.

Bank of Ireland Asset Management reported strong growth in profits and in assets under management, the latter up 21% to IR£29 billion (€37 billion) at year-end. North American clients represented 44% of the total. Apart from US assets, which continue to grow at an encouraging pace, volumes were also ahead in the Republic of Ireland, the UK, Australia and South Africa. Operations commenced in Japan in early 1999, focussing on institutional investors. While this is a long term project, the Japanese institutional market is the second largest in the world after the USA and consequently offers substantial potential opportunity for a successful funds manager.

Profits were also well ahead in Davy Stockbrokers. Buoyant stock markets generated increased trading volumes by both private and institutional investors and Davy maintained its market leadership in the Irish broker market.

Bank of Ireland Securities Services grew substantially. Total assets under administration at year-end were IR£54 billion (€69 billion) up by 24% on the previous year.

Bank of Ireland sponsored the Ulster XV which achieved a historic victory in the 1999 European Championships.


Promoting Teamwork


Stretching Boundaries

100 Steps to Better Banking commits the Bank to introduce 100 product and service enhancements by Year 2000, giving customers greater choice and flexibility in managing their financial needs.

GROUP PROFIT AND LOSS ACCOUNT

The Group profit and loss account for the years ending to 31 March 1999 and 31 March 1998 is set out below;

Group Profit and Loss Account

	1998/99 IR£m	1997/98* IR£m
Net interest income	879	753
Other income	632	460
Total income	1,511	1,213
Loan loss provisions	44	37
Operating expenses	835	702
	632	474
Income from associated undertakings**	27	56
Profit before tax and exceptional item	659	530
Profit on disposal of associated undertaking	172	-
Profit before taxation	831	530
Taxation	200	155
Profit after taxation	631	375

* The results for the year ended 31 March 1998 include an eight month contribution from Bristol & West and a three month contribution from New Ireland Assurance.

** The results for the year ended 31 March 1999 include a five month contribution from Citizens Financial Group.

ANALYSIS OF RESULTS

Group Net Interest Income increased by IR£126 million or 17% in the year to 31 March 1999 (12% excluding the effect of acquisitions). Group net interest margin declined from 3.01% to 2.62%, a decline of 39 basis points, with the Group's domestic margin declining by 34 basis points to 3.1% and the Group's foreign margin declining by 33 basis points to 2.2%. The fall in the domestic margin was principally attributable to lower interest rates in Ireland; the decline in the foreign margin was due to the effect of including Bristol & West for a full year together with a further fall due to competitive pressures in the savings and mortgages market in the United Kingdom.
The decline in margins was more than offset by growth in lending and resources volumes across the Group.

Group Net Interest Income for the second half of the year included earnings on the consideration received from the disposal of the Group's investment in Citizens Financial Group. Income from associated undertakings included five months contribution from Citizens compared to twelve months last year.

Other Income increased by IR£172 million or 37%, reflecting the full year effect of Bristol & West and New Ireland Assurance. Excluding the effect of these acquisitions, Other Income grew by IR£103 million or 25%, due to increased business volumes across the Retail businesses, in Group Treasury, in Davy Stockbrokers and in Bank of Ireland Asset Management.

The Group loan loss charge was IR£44 million including almost IR£19 million in respect of the non designated specific provision and represented 16 basis points of average loans compared to 20 basis points of average loans last year. Balances under provision reduced to IR£363 million at March 1999 (1998: IR£417 million) with the total loan loss provision cover now at 78% compared to 67% at March 1998. The non designated specific provision now stands at IR£87 million.

Operating expenses increased by IR£133 million, an increase of 19%. Excluding the effect of acquisitions, costs increased by 12%. This increase was caused by normal salary increments, higher depreciation charges and increased staff numbers supporting substantially higher business volumes across the Group. In addition, the cost of the Bank of Ireland Millennium Scholars Trust together with the effect of exchange rate movements, were offset by a reduction in pension costs. The Group cost/income ratio improved from 58% to 55%.

The Group charge for taxation increased from IR£155 million in 1998 to IR£200 million in 1999. Excluding taxation on the exceptional gain arising from the disposal of our investment in Citizens Financial Group, the effective tax rate was 29.2%, compared to 29.4% for the previous year. Combined with the effect of the write down of IR£24 million of deferred tax assets attributable to the planned reductions in Irish corporation tax rates and an unrelated non recurring deferred tax release, the effective tax rate would have been 26.6%. The impact of progressive reductions in Irish corporation tax rates are reflected in the tax charge and will be increasingly evident as Irish Corporation tax rates fall to 12.5% in 2003.

BALANCE SHEET AND CAPITAL ADEQUACY

Group total assets were IR£42.8 billion at 31 March 1999, an increase of IR£3.2 billion over last year. Risk weighted assets increased by IR£2.5 billion to IR£24.5 billion reflecting the strong growth in business volumes across the Group.

The retained operating profits together with the disposal of the Group's interest in Citizens and other movements resulted in an increase in Stockholders' funds of IR£667 million. As a result, the Group's capital base has improved substantially with the Tier 1 and Total Capital ratios at 31 March 1999 rising to 9.0% and 13.0% respectively. The equity/assets ratio at 31 March 1999 was 4.9%.

YEAR 2000

The Group recognises Year 2000 compliance as the top operations priority across the organisation. Year 2000 compliance, as defined by the Group, means that processes, performance, functionality and service standards will be maintained prior to, during and after the Year 2000 calendar change. This includes recognition of the Year 2000 as a leap year.

The Group believes that it has identified the potential Year 2000 risks in its operations, and that it has committed the resources necessary to achieve Year 2000 compliance across the Group.

In September 1996, a Group-wide Year 2000 Programme was established to address Year 2000 issues. For the purposes of the Year 2000 Programme, the Group is divided into 59 Business Units, each responsible for Year 2000 compliance in its own operations. The overall effort is co-ordinated and monitored by a central Group Year 2000 Programme Office. Monthly progress reports are made to a steering committee, comprised of Group Senior Executives and chaired by the Group Chief Executive Officer. The Court of Directors receives a compliance status report on a quarterly basis. The Audit Committee reviews the programme on a regular basis.

The systems compliance programme is concentrated in four areas – renovation of existing systems,replacement and upgrade of systems, PC computing and embedded chips. The embedded chips project is complete. All existing PCs which are being retained are now compliant and the roll-out of replacement PCs will be complete in July 1999. Systems upgrade and replacement work is substantially complete. In respect of systems renovation, which is 98% complete, a contract was entered into with IBM to use their facilities for the renovation of a majority of the Group's systems. All remaining work is scheduled for completion in the second and third quarters of 1999.

Of the 59 Business Units, 57 have achieved Year 2000 compliance self-certification. The Group Year 2000 Programme Office, with the Group Internal Audit function, formally reviews each business unit to ensure that standards have been adhered to in the compliance work. Regular monitoring of plans by both business units and the central Year 2000 team will continue into early 2000.

A critical element of the risk management approach adopted by the Group is the identification of key external parties with material relationships with the Group. Key external parties include utilities, suppliers, counterparties, intermediaries, regulatory agencies, clients and payment organisations. A programme for identifying these dependencies has been underway for some time and all Business Units within the Group are required to ensure that all such critical parties have a plan to be Year 2000 compliant. The compliance status of all parties has not yet been fully concluded. In recognition of this, communications are ongoing and will contribute to Group decisions on alternative courses of action in the event of serious doubt about a party's ability to attain compliance. In respect of suppliers, such action may take the form of identifying alternative product or service providers, or initiating other efforts designed to reduce or eliminate risk to Group business continuity.

Given the degree of interdependence between all parties associated with the domestic and international financial sector, and the Group's reliance on essential suppliers, there can be no assurance that the failure of one or more external parties will not result in adverse impact on the Group's operations. Areas of operation affected could include a wide range of account transactions and clearing and payment mechanisms, both domestic and international. This could potentially result in a material adverse impact on the Group's financial condition.

Interface testing is being carried out as part of the implementation and certification phases of the Group Programme. Interface testing has already been carried out with other Irish Banks (ATMs), SWIFT, CREST and other parties by a number of our Group Business Units. Participation in multi party testing with other financial institutions, agencies and key customers will continue throughout Quarter 2 1999 for completion in Quarter 3 1999.

The Group has expended considerable effort and resources to ensure that all critical systems are compliant. Having largely completed the systems compliance work, business units have already commenced work on a number of other areas. These include continuity planning for the year end period, restrictions on system changes in the period leading up to the changeover, maintaining systems compliance and public and customer communications. All are part of the overall risk management framework needed to ensure a successful millennium transition.

The Group has also conducted a Year 2000 – related risk assessment of its major commercial credit customers. Accounts are reviewed and a decision is made on any mitigating action to be undertaken to protect the assets of the Group.

Costs incurred to the end of March 1999, directly related to remediation, testing, third party investigation and contingency planning, were IR£40m (including IR£5m of capitalised costs). The total cost is expected not to exceed IR£50m (including approximately IR£7m of capitalised costs).

EMU

The Group successfully implemented computer software and other changes to enable it to deliver a wide range of banking and payment services denominated in euro in the Republic of Ireland, Northern Ireland and Britain from 1 January 1999.

Revenue expenditure on EMU preparations to the end of 1998/99 was IR£7 million, IR£4 million of which was incurred during 1998/99.

Group preparations for the final withdrawal of the Irish Pound in 2002 and the potential entry of Sterling into EMU are now being progressed as a priority.

RISK MANAGEMENT AND CONTROL

The Court of Directors approves policy and limits with respect to credit risk, market risk and liquidity risk and has delegated its monitoring and control responsibilities to the Group Credit Committee for credit matters and the Group Asset and Liability Committee for market risk and liquidity. The Court also approves policy in respect of operational risk management and has delegated its monitoring and control responsibilities to the Group Operational Risk Committee and Executive Management. Membership of these committees consists of senior management.

Group Financial Control, Group Internal Audit and Group Compliance are central control functions, independent of line management, whose roles include monitoring the Group's activities to ensure compliance with financial and operating controls. The general scheme of risk, financial and operational controls is designed to safeguard the Group's assets while allowing sufficient operational freedom to earn a satisfactory return to Stockholders.

CREDIT RISK

The Bank is currently implementing an enhanced credit risk management project in line with best industry practice in loan rating / credit risk modelling, economic capital allocation, loan pricing and strategic loan portfolio management, including identification and control of concentration risk.

The initial step – a new risk rating system for larger lending, is now in place for most of our business lending and provides more objective risk quantification down to loan facility level. This is actuarially based, reflecting the Bank's historical loan loss record, blended with industry wide loss experience and is consistent with rating agency scales. The completion of this step has also facilitated the streamlining of the Bank's credit process to more cost effectively focus senior management attention on the basis of inherent risk.

The implementation of the second step, including economic capital allocation, Risk Adjusted Return on Capital, loan pricing and customer profitability, will be completed by Autumn 1999 for most of the business lending book and will replace our existing Return on Equity approach. Desktop software will enhance the ability of business relationship managers to structure loans, negotiate with customers and more effectively price for risk.

The final step in this project – integrating the previous steps into a full loan portfolio management system will be completed in 2000. This will facilitate the more precise identification and control of credit risk management concentrations and guide strategic decisions on loan portfolio composition and overall capital allocation. It will be consistent with and complement our ongoing Value Based Management initiatives to enhance stockholder value.

DISCRETIONARY AUTHORITIES

The Bank of Ireland Group has a credit risk management system which operates through a hierarchy of exposure discretions. All exposures above a certain level require the approval of the Group Credit Committee, which is comprised of senior executives some of whom are Executive Directors and which is empowered to decide on matters of credit policy within overall credit policy approved by the Court. Exposures below Group Credit Committee's discretion are approved according to a system of tiered exposure discretions.

Individual lending officers are allocated discretionary limits according to credit competence, proven judgement and experience. The discretionary limits exercisable by lending officers vary depending on the nature and scale of lending in these units. Lending proposals above the relevant discretionary limits are referred to an Area/Divisional Credit Department or to the central Group Credit Control Department for independent assessment and subsequent adjudication by the appropriate discretionary authorities including Heads of Divisions, Senior Executives and the Group Credit Committee.

CREDIT POLICY

The core values and main procedures governing the provision of credit are laid down in a Group Credit Policy document. This has been approved by Group Credit Committee and the Court of Directors and is reviewed regularly. This is supplemented by individual Unit Credit Policies which are in place for each unit involved in lending. These Unit Credit Policies define in greater detail the credit approach appropriate to the units concerned, taking account of the markets in which they operate and the products they provide. Clear procedures for the approval and monitoring of exceptions to policy are contained in each Unit Credit Policy. Each Unit Credit Policy is approved by Group Credit Committee and is subject to regular review with material changes requiring Group Credit Committee approval.

In a number of cases these Unit Credit Policies are supplemented by Sectoral Credit Policies. These policies are reviewed regularly and material changes are approved by Group Credit Committee. Lending caps are imposed when it is considered appropriate to limit exposure to certain industry sectors.

In the case of branch banking, a number of Sectoral Guidelines have been developed setting out the key factors to be taken into account in lending decisions - the structure of the industry, the nature of the companies involved, the typical financial structure of companies in the industry - and providing guidance on the structuring of credit facilities to companies in the industry.

An independent function, Group Credit Review ("GCR"), reviews the quality and management of risk assets across the Group. GCR normally reviews a sample of lending in all units at least annually and provides comment on the quality and adequacy of overall credit management standards, credit analysis, grade management and accuracy, compliance with credit policy and other control procedures. The Group Credit Committee also reviews risk asset quality on a quarterly basis.

CREDIT GRADING/ASSESSMENT

The quality of all Group lending is monitored and measured using a grading system, the objectives of which are to provide an accurate measure of the underlying quality of the Group’s loan portfolio, to facilitate early identification of a deterioration in quality and to enable management to focus on problem loans as soon as weaknesses begin to emerge.

MARKET RISK

Market risk is the potential adverse change in Group income or the value of Group net worth arising from movements in interest rates, exchange rates or other market prices. Market risk arises from the structure of the balance sheet, the execution of customer and interbank business and proprietary trading. The Group recognises that the effective management of market risk is essential to the maintenance of stable earnings, the preservation of stockholder value and the achievement of the Group’s corporate objectives.

The Group’s exposure to market risk is governed by policy approved by the Court of Directors. This policy sets out the nature of risk which may be taken, the types of financial instruments which may be used to increase or reduce risk and the way in which risk is controlled. In line with this policy, the Court approves aggregate risk limits and receives a quarterly report of compliance with these limits.

Based on these aggregate limits, the Group Asset and Liability Committee (ALCO) assigns risk limits to all Group businesses and compliance with these limits is monitored by the Committee. Material exposure to market risk is permitted only in specifically designated business units. In other units market risk is eliminated by way of appropriate hedging arrangements with Group Treasury which is responsible for the centralised management of Group market risk.

Market risk throughout the Group is subject to independent measurement, reporting and control.

INTEREST RATE RISK

TRADING BOOK

The interest rate trading book consists of Group Treasury's mark to market interest rate book and small bond positions which may arise in J & E Davy through the execution of client business. During the course of the year, trading book risk was predominately concentrated in the euro constituent currencies and in sterling, though positions were also taken in a number of other developed country markets.

The instruments in which interest rate risk was taken in the trading book include Government securities, interest rate futures, options on interest rate futures, FRAs, forward foreign exchange, swaps and interest rate caps. Foreign exchange risk was taken almost exclusively in the spot market.

Value at Risk (VaR) is used to measure and set limits on interest rate risk in the Group's trading books. VaR provides an estimate of the potential mark-to-market loss on a set of exposures over a specified time horizon at a defined level of statistical confidence. The time horizon is 1 day and the confidence level is 97.5%. This implies that, on any given day, the VaR figure provides an estimate of the potential loss over a 1 day period which has no more than a 2.5% probability of being exceeded.

The VaR system uses the variance - covariance matrix approach. Interest rate risk positions are represented in terms of exposure to 14 key points on the relevant currency yield curve. For the purpose of measuring exposure against limits, VaR is calculated using a variance-covariance matrix which has been estimated on the preceding 6 months daily data using simple unweighted estimation.

Management recognises that VaR is subject to certain inherent limitations. The past will not always be a reliable guide to the future and the statistical assumptions employed may understate the probability of very large market moves. For this reason, VaR limits are supplemented by a range of controls which include position limits and loss tolerances. The Group backtests the VaR model using historic simulation of hypothetical positions which are representative of the trading risks actually taken. The results of these backtests have been very supportive of the reliability of the Group's VaR methodology.

During the financial year ended 31 March 1999, the average VaR of the Group's interest rate trading book was IR£0.9m. The maximum VaR was IR£1.4m, the minimum VaR IR£0.5m and the VaR on 31 March was IR£0.5m.

The interest rate VaR of the Group's combined trading books at 31 March 1998 was IR£0.8m.

NON TRADING BOOK

The Group's non trading book consist of its retail and corporate deposit and loan books, as well as Group Treasury's interbank cash books and its investment portfolio. In the non Treasury areas interest rate risk arises primarily from the Group's fixed rate mortgage business in Ireland and the UK. The exposure in these books is managed using interest rate swaps and other conventional hedging instruments.

For analytical and control purposes, VaR is applied to Group Treasury's non trading books and is also used in Bristol & West, although these are accrual accounted for financial reporting purposes. In the other non-Treasury businesses, sensitivity analysis is used to measure and control interest rate risk. This analysis involves calculating exposure in net present value terms to a 1% parallel shift of interest rate curves. This is supplemented by estimates of the maturity distribution of this exposure using a methodology which provides estimates of the sensitivity of positions to selected points on the yield curve.

In calculating exposures, undated assets and liabilities (principally non-interest bearing current accounts, capital and fixed assets) are assigned a duration equivalent to that of a portfolio of coupon-bearing bonds with an average life of 4 years. The analysis then proceeds as though these items were constant-maturity dated liabilities.

All of the Group's material non-trading exposure is in euro and sterling. At end March, the Group's exposure to a parallel upward shift in the euro and sterling yield curves (including exposure on Treasury's non-trading books which is not reflected in the VaR quoted above) was IR£4.8m (1998: IR£8.8m) and IR£22.7m (1998: IR£24.7m) respectively.

The tables below provide an indication of the repricing mismatch in the Group's euro and sterling banking books at 31 March 1999. For the major categories of assets and liabilities, these 'gap' tables show the volumes maturing in selected maturity bands, taking account of any amortisation of principal. Items are allocated to time bands by reference to the earlier of the next interest rate repricing date and the maturity date. A net asset position in a particular time period indicates an exposure to a rise in interest rates when these net volumes are re-financed.

Interest Rate Repricing – Euro

	Not more than three months	Over three months but not more than six months	Over six months but not more than one year	Over one year but not more than five years	Over five years	Non interest bearing	Total
	IR£m	IR£m	IR£m	IR£m	IR£m	IR£m	IR£m
Assets							
Central Government bills and other eligible bills	60	-	-	-	-	-	60
Loans and advances to banks	842	573	20	-	-	3	1,438
Loans and advances to customers	5,432	704	592	1,931	620	312	9,591
Debt securities and equity shares	415	86	-	278	52	-	831
Other assets	4	21	16	75	-	1,628	1,744
Total assets	6,753	1,384	628	2,284	672	1,943	13,664
Liabilities							
Deposits by banks	1,748	328	-	-	-	106	2,182
Customer accounts	8,313	225	273	383	181	1795	11,170
Debt securities in issue	10	-	-	3	-	-	13
Other liabilities	115	28	1	-	-	522	666
Minority interests and shareholders' funds	-	-	-	-	-	1137	1,137
Total liabilities	(10,186)	(581)	(274)	(386)	(181)	(3,560)	(15,168)
Net amounts due from / to Group units	1,088	131	12	(19)	(139)	544	1,617
Off balance sheet items	(307)	30	116	80	81	-	-
Interest rate repricing gap	(2,652)	964	482	1,959	433	(1,073)	-
Cumulative interest rate repricing gap	(2,652)	(1,688)	(1,206)	753	1,186	113	-

The tables show actual on-balance sheet volumes and net off-balance sheet amounts. In the case of undrawn fixed rate lending where the Group is effectively committed in price terms and there is a high degree of predictability in relation to the expected drawdown – notably in relation to the mortgage pipeline – the expected drawn volumes have been included in the table. These tables exclude trading assets of the Group and assets and liabilities denominated in currencies other than euro and sterling. The Group has no material prepayment or option like exposure in its non trading book.

TRADING RISK

Traded foreign exchange risk is almost entirely confined to Group Treasury and arises from normal commercial and interbank foreign exchange business and from proprietary trading. It is controlled by way of limits on open positions where the limits take account of the volatility of the exchange rates in question. The Group's open position (the sum of all long or short positions) was IR£11.4m at 31 March 1999. The peak position during the year was IR£327m. This reflected a DM/Irish pound position created by the repatriation, via DMs of the proceeds of the Group's divestment from Citizens Financial Group.

Interest Rate Repricing – Sterling

	Not more than three months	Over three months but not more than six months	Over six months but not more than one year	Over one year but not more than five years	Over five years	Non interest bearing	Total
	IR£m	IR£m	IR£m	IR£m	IR£m	IR£m	IR£m
Assets							
Treasury bills and other eligible bills	457	-	-	-	-	-	457
Loans and advances to banks	272	2	-	-	-	19	293
Loans and advances to customers	10,388	464	1,085	6,000	292	-	18,229
Debt securities and equity shares	464	116	76	360	-	-	1,016
Other assets	169	9	1	-	-	433	612
Total assets	11,750	591	1,162	6,360	292	452	20,607
Liabilities							
Deposits by banks	1,856	109	228	-	-	-	2,193
Customer accounts	12,319	698	620	468	123	294	14,522
Debt securities in issue	305	35	6	-	-	-	346
Other liabilities	-	3	1	-	-	842	846
Loan capital	307	-	-	-	352	-	659
Minority interests and shareholders' funds	-	-	-	-	-	1,141	1,141
Total liabilities	(14,787)	(845)	(855)	(468)	(475)	(2,277)	(19,707)
Net amounts due to / from Group units	(616)	191	(12)	(289)	141	1,175	590
Off balance sheet items	3,839	(239)	(206)	(3,335)	(59)	-	-
Interest rate repricing gap	186	(302)	89	2,268	(101)	(650)	-
Cumulative interest rate repricing gap	186	(116)	(27)	2,241	2,140	1,490	-

At 31 March 1999 the Groups traded foreign exchange position was as follows:

Looked at in terms of exchange rate sensitivity, the impact of a 10% appreciation of the euro against all other currencies at 31 March would generate a profit of IR£0.4m (1998: IR£0.6m).

	IR£m
EUR / GBP	2.6
EUR / USD	-
Other	8.8
Total open position	11.4

STRUCTURAL RISK

Structural foreign exchange risk is defined as the Group's non trading net asset position in foreign currencies. Structural risk arises almost entirely from the Group's net investments in its sterling based subsidiaries.

A structural open position in a particular currency can also be considered to be a measure of that part of the Group's capital which is denominated in that currency. In considering the most appropriate structural foreign exchange position, the Group takes account of the currency composition of its risk weighted assets and the desirability of maintaining a similar currency distribution of capital. Doing so will ensure that capital ratios are not excessively exposed to changes in exchange rates. The divestment from Citizens Financial Group and the associated repatriation of capital led to an imbalance in the currency composition of capital. To address this capital imbalance, IR£200m was converted from Irish Pounds to Sterling, thereby increasing the Group's structural open position in Sterling.

At 31 March 1999, the Group's structural foreign exchange position was as follows:

	IR£m
GBP	1,141
USD	33
Total structural FX position	1,174

The positions indicate that a 10% movement in the value of the euro against all other currencies at 31 March would result in an amount taken to reserves of IR£117m (1998: IR£78m).

At year end the currency composition of capital and risk weighted assets is broadly in line and, as a result, exchange rate movements can be expected to have a non material impact on capital ratios. However, such movements will have an impact on reserves.

TRANSLATION HEDGING OF OVERSEAS EARNINGS

The Group may choose to hedge all or part of its overseas earnings in a particular year, thereby fixing a translation rate for the amount hedged. In the year ended 31 March 1999, the Group sold forward Stg£128.5m at an average exchange rate of 0.861 against the Irish Pound. It also sold forward US$55.5m at 1.3886 against the Irish Pound. These dollar hedges were cancelled at market in the context of the divestment from Citizens Financial Group

EQUITY RISK

The Group's stockbroking subsidiary, J&E Davy, carries small positions in Irish equities from time to time as part of its normal broking activities. These positions are subject to VaR limits.

During the first half of the financial year ended 31 March 1999, New Ireland's equity portfolio was sold through the market, leaving the Group with no long term investments in equity markets.

LIQUIDITY RISK

It is Group policy to ensure that resources are at all times available to meet the Groups obligations arising from withdrawal of customer demand or term deposits, non renewal of interbank liabilities, the drawdown of customer facilities and asset expansion. The development and implementation of the policy is the responsibility of ALCO. The day-to-day management of liquidity is the responsibility of Group Treasury.

Limits on potential cashflow mismatches over defined time horizons are the principal basis of liquidity control. The cashflow mismatch methodology involves estimating the net volume of funds which must be refinanced in particular time periods, taking account of the value of assets which could be liquidated during these periods. Limits are placed on the net mismatch in specified time periods out to 1 year and sublimits are applied to Group Treasury's cashflow position.

OPERATIONAL RISK

The Basle Committee on Banking Supervision defines Operational Risk as "the risk that deficiencies in information systems or internal controls will result in unexpected loss." The risk is associated with human error, systems failure, and inadequate controls and procedures.

The Group's exposure to operational risk is governed by policy approved by the Group Operational Risk Committee. The policy specifies that the Group will operate such measures of risk identification, assessment, monitoring and management as are necessary to ensure that Operational Risk management is consistent with the approach, aims and strategic goals of the Bank of Ireland Group, and is designed to safeguard the Group's assets while allowing sufficient operational freedom to earn a satisfactory return to Stockholders.

The policy document further sets out the responsibilities of management, the requirement for mandatory reporting of incidents and the role of Group Internal Audit in providing the independent review function.

The Group manages operational risk under an overall strategy which is implemented by accountable executives monitored by the Group Operational Risk Committee and supported by the Group Operational Risk Function. Potential risk exposures are assessed and appropriate controls are put in place. Recognising that operational risk cannot be entirely eliminated the Group implements risk mitigation controls including fraud prevention, contingency planning and incident management. This strategy is further supported by risk transfer mechanisms such as insurance, where appropriate.

DERIVATIVES

A derivative is an off balance sheet agreement which defines certain financial rights and obligations which are contractually linked to interest rates, exchange rates or other market prices. Derivatives are an efficient and cost effective means of managing market risk and limiting counterparty exposures. As such, they are an indispensable element of treasury management, both of the Group and for many of its corporate customers. Further details can be seen in Note 32 and accounting policy on page *.

It is recognised that certain forms of derivatives can introduce risks which are difficult to measure and control. For this reason, it is Group policy to place clear boundaries on the nature and extent of its participation in derivatives markets and to apply the industry and regulatory standards to all aspects of its derivatives activities.

The Group's derivatives activities are governed by policies approved by the Court of Directors. These policies relate to the management of the various types of risk associated with derivatives, including market risk, liquidity risk, credit risk and legal risk. Any material change in the nature of the Group's derivatives business is subject to Court approval.

The following table represents the underlying principal amounts and replacement cost of the Group's over the counter and other non exchange traded derivatives at 31 March 1999 and 31 March 1998;

	31 March 1999 IR£m	31 March 1998 IR£m
Exchange Rate Contracts		
Underlying principal amount	10,093	14,469
Replacement cost	221	304
Interest Rate Contracts		
Underlying principal amount	29,305	35,032
Replacement cost	456	216
Equity Contracts		
Underlying principal amount	1,527	1,313
Replacement Cost	625	547

OUTLOOK

The outlook for the Irish economy continues to be good and the Group expects to continue to prosper in this environment. Low interest rates are encouraging depositors to seek higher returns in longer-term investment products, providing a solid basis for the Group's Asset Management and Life Assurance businesses. In the UK, conditions in the mortgage and savings markets remain challenging. Substantial trading profits were realised this year in Group Treasury in the lead up to EMU and the opportunity for similar gains next year is reduced. Opportunities across the Group to improve operating efficiency are being pursued.

The Directors are confident that the Group will continue to perform satisfactorily in these circumstances.

DIVIDEND

The Directors have recommended a Final Dividend of IR19.8 pence (€0.2514). No tax credit is associated with this dividend in accordance with the change in tax treatment of distributions from Irish resident corporations introduced from 6 April 1999. Together with the Interim Dividend of IR9.2 pence (€0.1168), with a tax credit of $^{11}/_{89}$ths, equal to IR1.1371 pence (€0.0144), this results in a total of IR29.0 pence (€0.3682) for the year ended 31 March 1999, an increase of 26% on the previous year.

The Bank has previously indicated to Stockholders its intention to operate a progressive dividend policy that is based on medium term prospects rather than earnings in any particular year. Consistent with the commitment made last year to take account of the abolition by the Minister of Finance of the tax credit associated with dividends, the Group increased the dividend and reduced the dividend cover to 2.9 times (excluding the effect of the exceptional item) from 3.0 times. Future dividend increases are facilitated by the Bank's capacity to reduce further the dividend cover.

The introduction of Dividend Withholding Tax ("DWT") on distributions from Irish Resident Corporations with effect from 6 April 1999 will mean that individuals and certain other Stockholders, excluding companies, who are Irish tax resident, will be subject to a DWT at 24% in respect of their final dividend payment. It is the residual amount of the dividend (ie. after DWT) which may be taken in the form of new units of stock under the Stock Alternative Scheme. (Some other Irish entities and Stockholders resident in countries other than Ireland will be treated differently in respect of DWT and will be advised accordingly). Despite these taxation changes, the Directors have decided that this Scheme will be offered to Stockholders in respect of this dividend. Invitations to participate in the Stock Alternative Scheme, under which new units of Ordinary Stock may be obtained in lieu of all or part of the cash dividend, will be posted on Monday 7 June 1999 to those Stockholders who have not already joined the Scheme. Those wishing to avail of this offer must complete and return the appropriate form to the Bank's Registration Department by Monday 5 July 1999.

The final dividend will be paid on or after Friday 16 July 1999 to Stockholders who are registered as holding Ordinary Stock at the close of business on Friday 28 May 1999 and who have not previously elected to avail of the Stock Alternative Scheme.

The Annual Report and Accounts and the Notice of the Annual General Court of Proprietors will be posted to Stockholders on Monday 7 June and the Annual General Court will be held on Wednesday 7 July 1999.

Maurice Keane

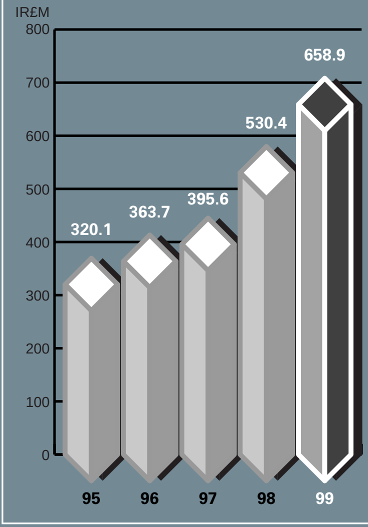
Maurice A Keane
Group Chief Executive

Five Year Financial Summary

	Year Ended 31 March				
	1995	1996	1997	1998	1999
	IR£m	IR£m	IR£m	IR£m	IR£m
PROFIT AND LOSS ACCOUNTS					
Profit on ordinary activities before exceptional items	320.1	363.7	395.6	530.4	658.9
Profit on ordinary activities before taxation	321.8	315.6	395.6	530.4	831.3
Profit on ordinary activities after taxation	224.5	213.9	267.1	374.7	631.1
Earnings per unit of IR£1 Ordinary Stock (2)	44.2p	41.5p	52.0p	70.9p	117.3p
Alternative Earnings per unit of IR£ Ordinary Stock (1) (2)	43.8p	51.6p	n/a	n/a	85.5p
Dividends per unit of IR£1 Ordinary Stock (net) (2)	12.5p	15.25p	17.75p	23.0p	29.0p
BALANCE SHEETS					
Minority interests - equity	2	2	2	3	2
- non equity	-	-	-	64	62
Subordinated liabilities	602	518	718	1,146	1.094
Total stockholders' funds	1,031	1,227	1,411	1,581	2,248
Assets	18,678	20,959	19,670	39.632	42.776
OPERATING RATIOS	%	%	%	%	%
Net interest margin (grossed-up) (4)	4.1	3.9	3.7	3.0	2.6
Other income/average assets (4)	2.1	1.9	1.9	1.8	1.8
Costs/total income (grossed-up) (4)	61	61	59	58	55
Return on average assets (3)	1.2	1.3	1.3	1.2	1.1
Return on average stockholders' funds (3)	25.6	24.9	21.7	27.5	23.8
ASSET QUALITY					
Loan loss provisions/ loans (4)	1.5	1.4	1.5	1.1	1.0
Annual provisions/ average loans (4)	0.2	0.2	0.2	0.2	0.2
CAPITAL ADEQUACY RATIOS					
Tier 1 capital	8.2	9.5	11.0	7.2	9.0
Total capital	13.4	14.0	16.3	11.3	13.0

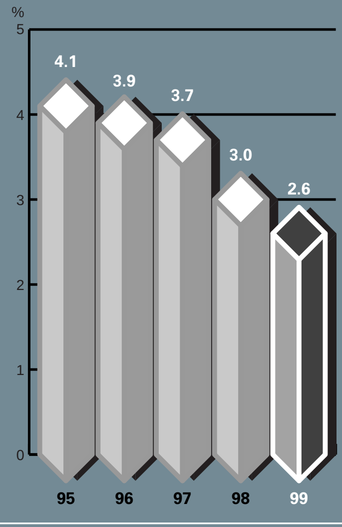
(1) Based on profit attributable to ordinary stockholders before exceptional items.
(2) Adjusted for rights issues and scrip issues.
(3) Ratios for 1999 and 1996 are based on profit attributable to ordinary stockholders before exceptional items.
(4) Ratios have been restated to exclude the effect of First NH Banks.

Profit on ordinary activities before exceptional items: IR£M



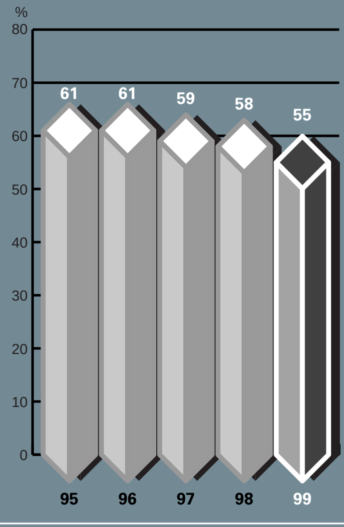
Net interest margin: %

(Grossed up)

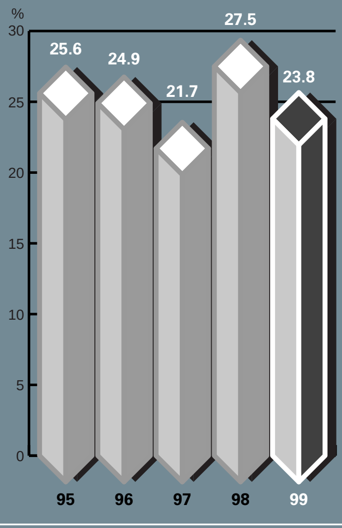


Costs / total income: %

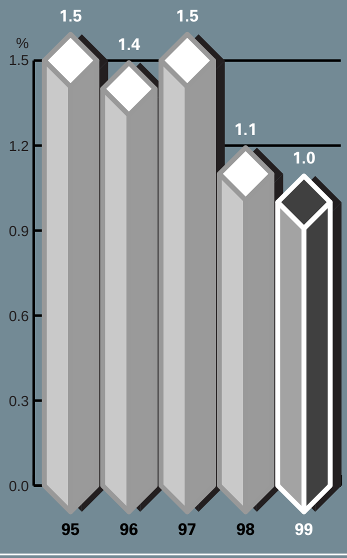
(Grossed up)



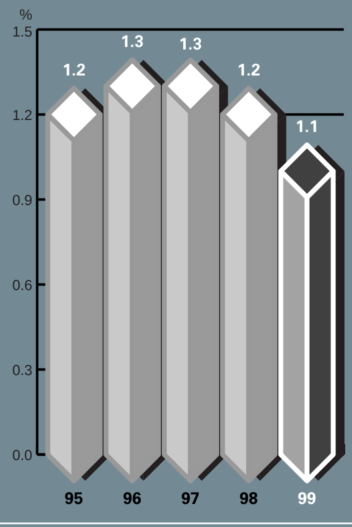
Return on average stockholders' funds: %



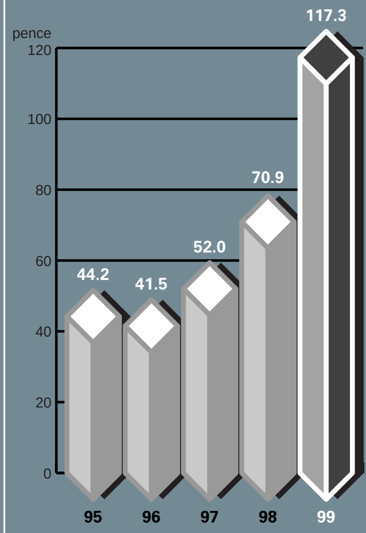
Loan loss provisions / loans: %



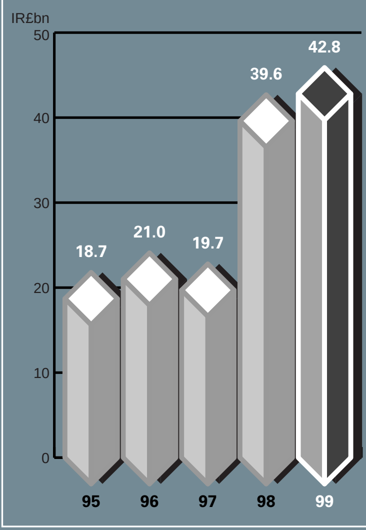
Return on average assets: %



Earnings per unit of IR£1 ordinary stock: pence

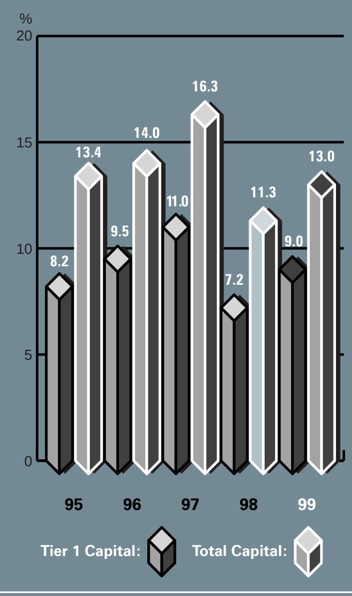


Total Assets: IR£ billion

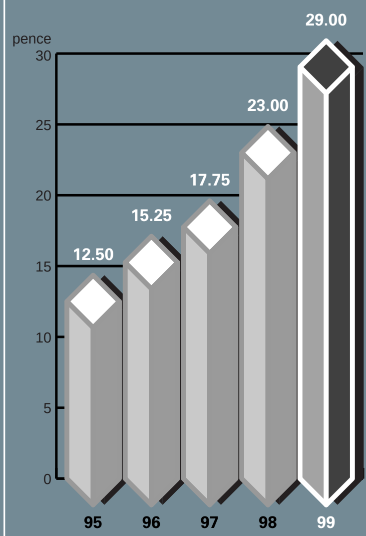


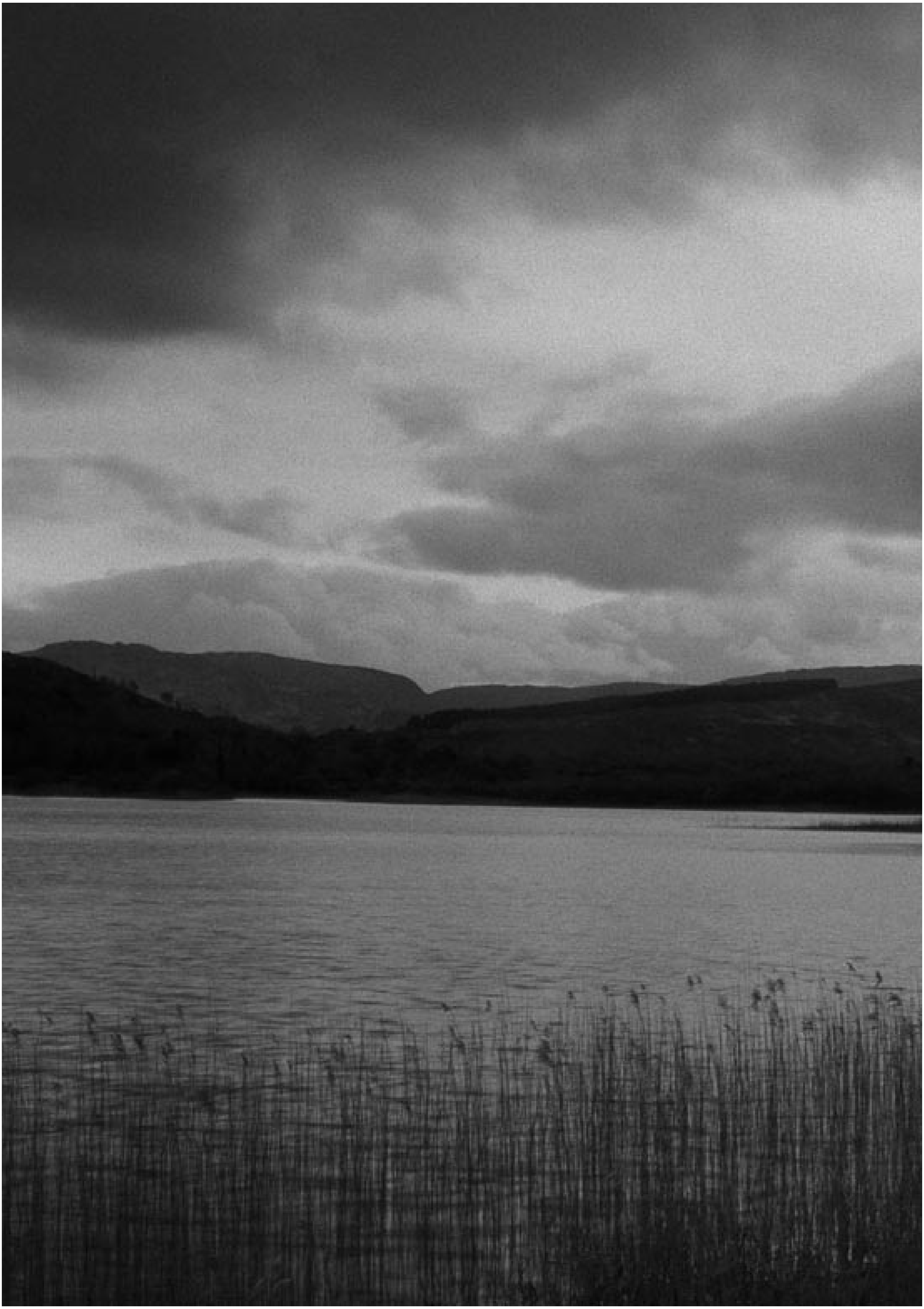
Capital adequacy ratios:

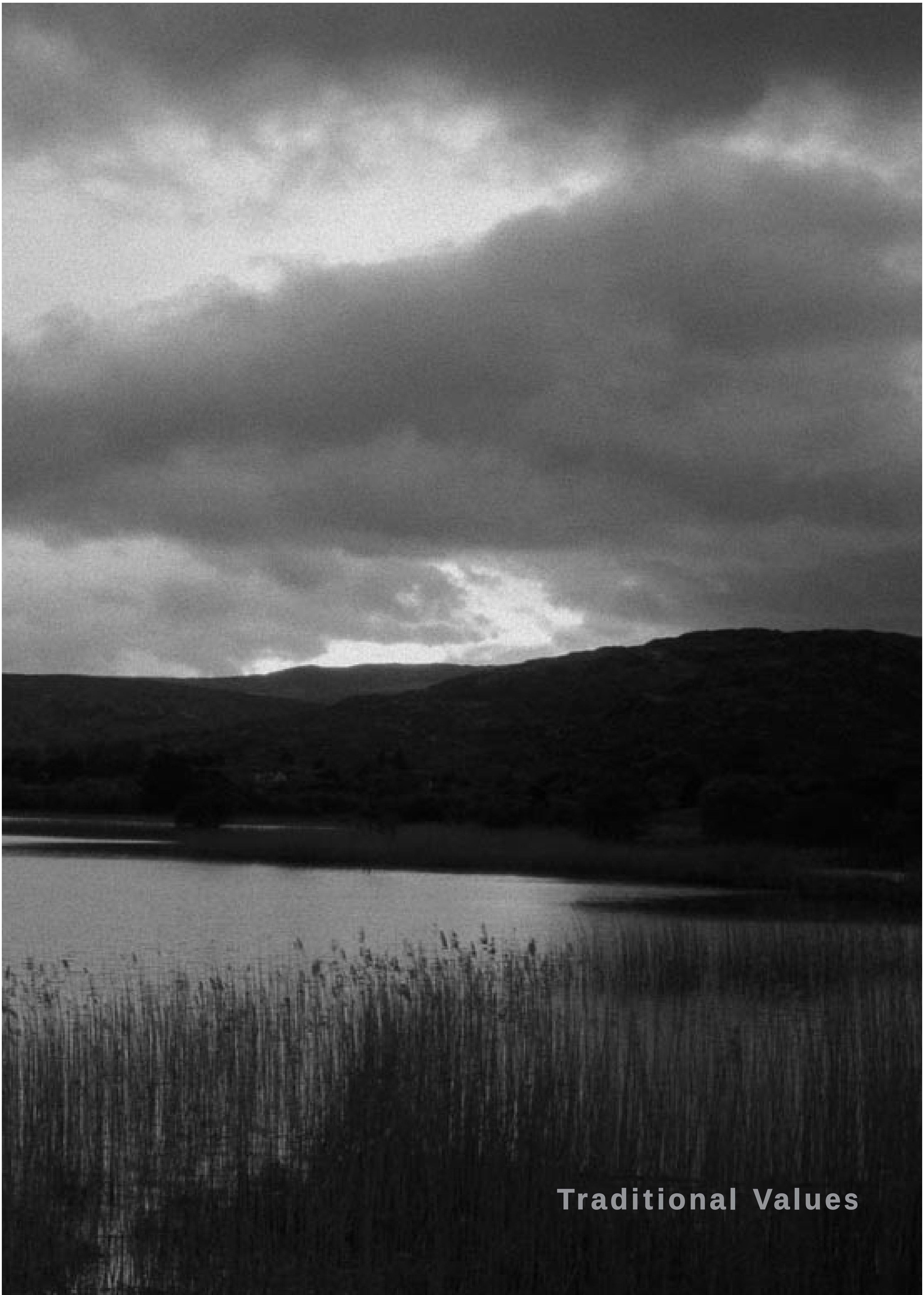
Tier 1 Capital: % Total Capital: %



Dividends per unit of IR£1 ordinary stock (net): pence






Traditional Values

The Directors present their report together with the audited accounts for the year ended 31 March 1999.

RESULTS

The Group profit attributable to the Ordinary Stockholders amounted to IR£607m, (€771m) after Non-Cumulative Preference Stock dividends of IR£18m, (€23m), as set out in the consolidated profit and loss account on pages 50 and 51.

DIVIDENDS

The Directors have recommended a Final Dividend of IR19.8 pence (€0.2514) per unit of IR£1 of Ordinary Stock in respect of the year ended 31 March 1999. No tax credit is associated with this dividend in accordance with the change in the tax treatment of distributions from Irish resident corporations introduced from 6 April 1999 (see note on Dividend Withholding Tax ("DWT") on page 121). The recommended Final Dividend together with the Interim Dividend of IR9.2 pence (€0.1168) per unit of IR£1 of Ordinary Stock with a tax credit of 11/89 ths, equal to IR1.1371 pence (€0.0144), paid in January 1999, results in a total of IR29.0 pence (€0.3682) for the year ended 31 March 1999 and compares with a total of IR23.0 pence (€0.292) for the previous year.

If the recommended Final Dividend is approved by the Ordinary Stockholders at the Annual General Court, the retained profit for the year, after a transfer to capital reserves of IR£28m (€36m), will amount to IR£428m (€543m). Under the terms of the Stock Alternative Scheme, Stockholders will be offered the choice of taking new units of Ordinary Stock in lieu of the Final Dividend, net of DWT where applicable.

GROUP ACTIVITIES

The Bank and its group undertakings provide an extensive range of banking and other financial services. The Governor's Statement and the Group Chief Executive's Operating and Financial Review on pages 4 to 30, describe the operations and the development of the Group.

On 3 September 1998 Bank of Ireland sold its 23.5% shareholding and other interests in Citizens Financial Group ("Citizens") to the Royal Bank of Scotland Group for an aggregate consideration of US$763m in cash. This transaction resulted in an exceptional profit before taxation of IR£172m (IR£164m after tax) equivalent to an exceptional increase in EPS of IR31.8 pence.

CAPITAL STOCK AND SUBORDINATED LIABILITIES

During the year the total Ordinary Stock issued increased from 514,083,378 units of IR£1 to 518,875,033 units of IR£1. Within the year the Group repurchased US$29.7m of the US$300m Undated Subordinated capital. Full details of the changes during the year in the subordinated liabilities and capital stock of the Bank are displayed in Note 27 on pages 84 and 85 and Note 29 on pages 85 to 87 respectively.

DIRECTORS

The names of the members of the Court of Directors together with a short biographical note on each Director appear on pages 2 and 3.

Mr R Brian Williamson stepped down from the Court on 30 November 1998 to take up full time executive responsibilities with The London International Financial Futures and Options Exchange ('LIFFE'). Mr Roy E Bailie was co-opted to the Court with effect from 1 January 1999 and, in accordance with the Bye-Laws, retires at the forthcoming Annual General Court and being eligible, offers himself for re-election. Mr John J Burke relinquished his position as Chief Executive and

Managing Director of Bristol & West plc on 1 April 1999 to become a vice chairman of that company and will step down from the Court of Directors following the forthcoming Annual General Court. Dr Margaret Downes, Mr Howard E Kilroy, Mr Patrick J Molloy and Mr Raymond Mac Sharry retire by rotation at this Annual General Court and being eligible offer themselves for re-election.

DIRECTORS' INTERESTS

The interests of the Directors and Secretary, in office at 31 March 1999, and of their spouses and minor children, in the stocks issued by the Bank are shown in the Remuneration Report on pages 42 to 46.

In relation to the Group's business, no contracts of significance in which the Directors of the Bank had any interest subsisted at any time during the year ended 31 March 1999.

SUBSTANTIAL STOCKHOLDINGS

There were 39,802 registered holders of the Ordinary Stock of the Bank at 31 March 1999. An analysis of these holdings is shown on page 120.

As at 12 May 1999 the Bank had received notification of the following substantial interests in its Issued Ordinary Stock:-

NAME	%
Bank of Ireland Asset Management Limited *	8.1
AIB plc and subsidiaries *	4.5
Irish Life Assurance plc	3.9

* None of these stockholdings are beneficially owned by the named companies but are held on behalf of a range of clients, none of whom hold, so far as the Directors have been notified, more than 3% of the Issued Ordinary Stock.

As at 12 May 1999 the Bank had received notification that The Standard Life Assurance Company held between 3% and 5% of the Issued Ordinary Stock.

So far as the Directors have been notified there were no other holdings of 3% or more of the Issued Ordinary Stock of the Bank.

CORPORATE GOVERNANCE

Statements by the Directors in relation to the Group's compliance with the Irish Stock Exchange's recently published Combined Code on Corporate Governance, the Group's system of internal financial controls and the adoption of the going concern basis in the preparation of the financial statements are set out in the Corporate Governance Statement on pages 39 to 41.

The Remuneration Report is set out on pages 42 to 46.

SAFETY, HEALTH AND WELFARE AT WORK ACT 1989

It is Group policy to attach a high priority and commitment to the safety, health and welfare of its employees and customers. The Group continues to review its compliance with the above Act and where inadequacies are identified programmes of rectification are initiated. The Group's Health and Safety Consultation Group meets to discuss matters of principle covering the safety, health and welfare of employees and customers and to identify the training needs to ensure a continuing awareness in this regard. A Safety, Health and Welfare Policy Statement has been issued to all premises in accordance with the requirements of the Act.

POLITICAL DONATIONS

The Electoral Act, 1997 requires companies to disclose all political donations over IR£4,000 in aggregate made during the financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Bank or any of its subsidiaries.

BRANCHES OUTSIDE THE STATE

The Bank has established branches, within the meaning of Regulation 25 of the European Communities (Accounts) Regulations, 1993 (which gave effect to EU Council Directive 89/666/EEC), in the United Kingdom.

AUDITORS

The auditors, Price Waterhouse, who now practise in the name PricewaterhouseCoopers, have indicated their willingness to continue in office.

Howard E Kilroy **Governor**
Anthony D Barry **Deputy Governor**
Bank of Ireland,
Head Office,
Lower Baggot Street,
Dublin 2.

12 May 1999

Corporate Governance Statement

The Group continues to be committed to maintaining the highest standards of corporate governance. In 1998 the Hampel Committee on Corporate Governance reviewed and brought together the guidelines and codes which had been developed by the Cadbury and Greenbury Committees and produced "The Combined Code - Principles of Good Governance and Code of Best Practice". This Combined Code was adopted by the London Stock Exchange in June 1998 and by the Irish Stock Exchange in December 1998. One of the requirements of this Combined Code is that listed companies make a statement in relation to how they have complied with the new Code. The Court of Directors is accountable to the Bank's stockholders for good governance and this Corporate Governance Statement describes how the relevant principles and provisions of governance are applied to the Group and is included to comply with this requirement.

COMPLIANCE WITH THE CODE

In relation to the Combined Code, the Group has complied with the general principles and provisions of the Code throughout the year with the following exceptions:

- at its 1998 Annual General Court the Bank did not announce the number of proxy votes cast on resolutions which were not subject to a poll vote, but will do so in future as required by the Combined Code.
- since 1995 all Directors have been subject to rotation and since that date each Director has stood for re-election. However, as the relevant Bye Law does not explicitly state that each Director must be re-elected every 3 years, a proposal to amend the Bye Law to prescribe this requirement will be brought to the members for their approval.

The Code requirements on internal controls have been met by the report on Internal Financial Controls detailed below, which has been prepared in accordance with the guidance given by the Irish Stock Exchange in January 1999. The requirements of the Listing Rules of the Irish Stock Exchange regarding the disclosure of directors' remuneration differ from the requirements of the Combined Code; the disclosure of directors' remuneration contained in the Remuneration Report on pages 42 to 46 is on an aggregate basis and is in accord with the Listing Rules of the Irish Stock Exchange.

COURT OF DIRECTORS

The following statements demonstrate how the Court has applied these principles:

- it is the practice of the Bank that the Court of Directors comprises a significant majority of Non-Executive Directors;
- the Court, as at 12 May 1999, comprises 14 Directors, 2 of whom are Executive Directors and has a composition and membership which brings strong and effective leadership to the Group (see short biographical descriptions of each of the Court members on pages 42 to 46);
- the 12 Non-Executive Directors have varied backgrounds, skills and experience and each brings his/her own independent judgement to bear on issues of strategy, performance and standards of conduct;
- the Bank nominated Mr A D Barry, Deputy Governor, as Senior Independent Director in November 1998;
- all Non-Executive Directors are appointed for an initial three year term with the prospect of having a second three year term. Following that, the expectation is that they will leave the Court unless specifically asked to stay;
- on appointment all Non-Executive Directors receive comprehensive briefing documents on the Group and its operations and have access to an induction programme designed to familiarise them with the Group's operations, management and governance structures. On an ongoing basis special training/briefing sessions appropriate to the business of the Group are provided to Non-Executive Directors.
- there is a clear distinction between the responsibilities at the head of the Group through the separation of the position of the chairman of the Court, (the Governor) who is non-executive and the Group Chief Executive;

- the Court meets formally at least eleven times a year, has a schedule of matters specifically reserved for its decision and periodically reviews and appraises its own performance and effectiveness;
- in addition the Court meets informally several times a year to explore business and banking issues in more detail than might be practical at the regular formal meetings;
- the Directors have access to the advice and services of the Group Secretary, who is responsible to the Court to ensure Court procedures and regulations are complied with. The Directors also have access to independent professional advice, at the Group's expense, if and when required.

COURT COMMITTEES

The Court delegates to committees, which have specific terms of reference and which are reviewed periodically, its responsibility in relation to audit and senior executive remuneration issues and nominations to the Court. The minutes of these Committees are brought to the Court for its information and to provide the Court with an opportunity to have its views taken into account. Through a Committee of Executive Directors, the Court also delegates its responsibility in relation to credit control and asset and liability management, to sub-committees of the Court.

Group Audit Committee - is comprised entirely of Non-Executive Directors. The Group Audit Committee meets regularly with the Group's senior management, the external auditors, the Group Chief Internal Auditor and the Head of Group Compliance to review the Group's internal financial controls, the internal and external audit plans and subsequent findings, the selection of accounting policies, the audit report, financial reporting including annual audited accounts and other related matters including the monitoring of the cost effectiveness and the independence and objectivity of the external auditors. During the year the Committee held a series of additional special meetings to review the Group's plans in relation to its preparation for Year 2000. The external auditors, the Group Chief Internal Auditor and the Head of Group Compliance all have full and unrestricted access to the Group Audit Committee. The membership of the Group Audit Committee currently comprises Dr Margaret Downes (Chairman), Lord Armstrong of Ilminster, Mr Anthony D Barry, Dr E Patrick Galvin and Dr Mary Redmond.

Group Remuneration Committee - The Group Remuneration Committee is comprised entirely of Non-Executive Directors. It is responsible for the formulation of the Group's policy on remuneration in relation to all Executive Directors and members of the Group Policy Committee. (The Remuneration Report is set out on pages 42 to 46).
The membership of the Group Remuneration Committee currently comprises Mr Howard E Kilroy (Chairman), Mr Anthony D Barry, Mr Niall W A FitzGerald, Dr E Patrick Galvin and Mr Ray Mac Sharry.

Group Nominations Committee - The Group Nominations Committee is responsible for recommending to the Court, names of Directors for co-option to the Court and for overseeing top management succession plans. This Committee is comprised entirely of Non-Executive Directors and its membership is currently identical to that of the Group Remuneration Committee.

OTHER MATTERS

Institutional Stockholders - The Group has an active and well developed Investor Relations programme which involves regular meetings between the Group Chief Executive, members of the Group Policy Committee and institutional stockholders. All stockholders are encouraged to participate in the Annual General Court.

Going Concern - The Directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for the preparation of the accounts.

Internal Financial Controls - The Directors acknowledge their overall responsibility for the Group's systems of internal financial control. Such systems can provide only reasonable and not absolute assurance against material financial misstatement or fraud. Such losses could arise because of the nature of the Group's business in undertaking a wide range of financial services that inherently involve varying degrees of risk.

The Group's overall control systems include:

- a clearly defined organisation structure with defined authority limits and reporting mechanisms to higher levels of management and to the Court which support the maintenance of a strong control environment;
- appropriate terms of reference for Court committees and sub-committees with responsibility for core policy areas;
- an annual budgeting and monthly financial reporting system for all Group business units, which enables progress against longer-term objectives and annual plan to be monitored, trends to be evaluated and variances to be acted upon;
- a comprehensive set of policies and procedures relating to capital expenditure, asset and liability management, (including interest, currency and liquidity risk) operational risk management and credit risk management, (further details are given in the Operating and Financial Review on pages 23 to 30);
- the Group Audit Committee, which on the Court's behalf, examines the effectiveness of the systems of financial control and whose membership and main activities are set out on page 40 of the Corporate Governance Statement. Separate audit committees are also established in certain business units.

Controls are reviewed systematically by Group Internal Audit, which has a Group-wide role. Emphasis is focused on areas of greatest risk as identified by risk analysis. In addition, the system of internal financial control is also subject to regulatory supervision by the Central Bank of Ireland and other regulators in Ireland and overseas.

The effectiveness of the Group's internal financial controls is assessed on an ongoing basis and is formally reviewed annually by the Group Audit Committee. This is achieved primarily by a review of the work of Internal Audit and of the reports, which include details of any material internal control issues identified, provided by the Group's external auditors.

On behalf of the Court, the Group Audit Committee confirms that it has reviewed the effectiveness of the systems of internal financial control in existence in the Group for the year ended 31 March 1999.

Group Operational Risk Committee is a committee, comprising senior management from business and support functions from across the Group, which has been charged with responsibility for assisting the Audit Committee and the Court in managing the risks associated with businesses and markets in which the Group operates by promoting awareness of operational risk management and ensuring that there is a comprehensive programme to identify, measure and report on the levels of operational risk in the Group.

This Remuneration Report has been prepared on behalf of the Court of Directors in accordance with the requirements of the Irish Stock Exchange's Combined Code on Corporate Governance.

The Remuneration Committee is comprised entirely of Non-Executive Directors. The membership of the Committee is currently:- Mr Howard E Kilroy (Chairman), Mr Anthony D Barry, Mr Niall W A FitzGerald, Dr E Patrick Galvin and Mr Ray Mac Sharry.

The Terms of Reference of the Group Remuneration Committee include the formulation of the Group's policy on remuneration in relation to all Executive Directors and other members of the Group Policy Committee (see page 6). In its mode of operation and in framing remuneration policy the Group Remuneration Committee has complied throughout the year with the Best Practice Provisions set out in Sections A and B of the Irish Stock Exchange's requirements annexed to the Listing Rules. Such recommendations of the Committee are considered by the Court, however Directors do not participate in any decisions relating to their own remuneration. The remuneration of the Executive Directors of the Bank is determined by the Remuneration Committee on behalf of the Court of Directors.

REMUNERATION POLICY

The remuneration policy adopted by the Bank is to reward its Executive Directors competitively having regard to comparable public companies and the need to ensure they are properly rewarded and motivated to perform in the best interests of the Stockholders. The Group Chief Executive is fully consulted about remuneration proposals and from time to time the Group Remuneration Committee commissions job-matched salary surveys from comparator organisations. The key elements of the remuneration package for Executive Directors are basic salary, a performance related cash bonus, the ability to participate in a Senior Executive Stock Option Scheme and participation in a defined benefit pension scheme in which pension is based only on basic salary. Proposals are being brought to the Stockholders at the Annual General Court to introduce a Long Term Incentive Plan ('LTIP') for selected key Group employees in order to further align the interests of those key Group personnel with those of the Stockholders. A description of the proposed LTIP is contained in the Governor's Letter to Stockholders to be issued on 7 June 1999.

Group Performance Bonus Scheme - The level of cash bonus earned under the Group performance bonus scheme would normally range for each individual, in any year, between nil and 40% of basic salary. The level earned in any year depends on the Remuneration Committee's assessment of each Executive Director's performance against his pre-determined goals for that year and also an assessment of the overall performance of the Group in the year.

Stock Options - It is policy to grant stock options under the terms of the Senior Executive Stock Option Scheme to Senior Executives across the Group to encourage identification with Stockholders' interests in general. Non-Executive Directors do not participate in the Stock Option Scheme. The exercise of all options granted since 1996 is conditional upon earnings per share achieving a cumulative growth of at least 2% per annum compound above the increase in the Consumer Price Index over either the three year period, or if not achieved, the six year period, commencing with the period in which the options are granted. (See also Note 29 on page 85).

Employee Stock Issues - Additionally the Bank operates an Employee Stock Issue Scheme under which Group employees may be granted free allocations of Ordinary Stock depending on Group performance. Executive Directors may participate in any such allocations on the same basis as staff generally (See also Note 29 on page 85). The Group is seeking Stockholder approval at the 1999 Annual General Court to introduce an all employee Save As You Earn ('SAYE') Option Scheme. Details of the proposed scheme are contained in the Governor's Letter to Stockholders to be issued 7 June 1999.

Remuneration Report

Service contracts - No service contracts exist between the Bank and any Director which require disclosure under the Companies Acts or under Irish Stock Exchange Listing Rules.

External Directorships - It is policy to permit Executive Directors to accept one external directorship.

DIRECTORS' REMUNERATION

The remuneration of the Directors of the Bank for 1998/99, analysed in accordance with the Listing Rules of the Irish Stock Exchange is as set out below.

	EXECUTIVE DIRECTORS IR£'000s		**NON EXECUTIVE OFFICERS IR£'000s**		**NON EXECUTIVE DIRECTORS IR£'000s**		**TOTAL IR£'000s**	
	March 1999	March 1998	**March 1999**	March 1998	**March 1999**	March 1998	**March 1999**	March 1998
Salaries (1)	**754**	785	**193**	185	**-**	-	**947**	970
Court Fees (2)	-	-	**-**	-	**227**	192	**227**	192
Other Board Fees (3)	-	-	**-**	4	**42**	25	**42**	29
Group performance - bonuses (4)	**245**	302	**-**	-	**-**	-	**245**	302
UK Profit Related Pay (5)	**33**	17	**-**	-	**-**	-	**33**	17
Other remuneration (6)	**24**	35	**-**	-	**-**	-	**24**	35
Benefits (7)	**28**	32	**-**	-	**-**	-	**28**	32
Pension contribution (8)	**83**	83	**-**	6	**15**	11	**98**	100
Total Remuneration	**1,167**	1,254	**193**	195	**284**	228	**1,644**	1,677
Retired Directors: Payments to former Directors (9)	**139**	139	**141**	136	**98**	96	**378**	371
	1,306	1,393	**334**	331	**382**	324	**2,022**	2,048

Changes in Directorate during the period

	Executive Directors	Non-Executive Directors and Non-Executive Officers
Number at 31 March 1998	3	11
Change during year		- Mr R B Williamson (30.11.1998) + Mr R E Bailie (1.1.1999)
Number at 31 March 1999	3	11
Average Number during 1998/99 (1997/98)	3 (3.5)	10.92 (9.83)

Notes

(1) The Governor and Deputy Governor, as Non-Executive Officers of the Bank, are not paid fees but remunerated by way of salary.
(2) Court Fees are paid only to Non-Executive Directors and are subject to review annually at June each year.
(3) Fees paid by Boards of subsidiary companies within the Group.
(4) Payments under the Group Performance Bonus Scheme.
(5) Profit Related Payment to UK Director.
(6) Includes the cash value of Ordinary Stock receivable under the Employee Stock Issue Scheme.
(7) Benefits include the use of company car and interest on any loans at staff rates.
(8) Contributions to defined benefit pension schemes. The fees paid to Non-Executive Directors appointed post April 1991 are not pensionable.
(9) Represents ex-gratia payments paid to former Directors or their dependants.

Directors' Pension Entitlements

Note (8) above represents the employer's contributions to defined benefit pension schemes to provide post retirement pensions to the Executive Directors and to those Non-Executive Directors whose fees are pensionable. The aggregate additional pension entitlements earned by the Executive Directors during the year to 31 March 1999 is IR£34,018 per annum; the equivalent figure in respect of Non-Executive Officers is IR£nil and in respect of Non-Executive Directors is IR£1,900 per annum. The transfer values (which are not sums paid or due to the Directors concerned but the amount that the pension scheme would transfer to another pension scheme in the event of the member leaving service), of the aggregate additional pensions earned during the year, calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11(ROI) and excluding Directors' contributions for the same three groupings, are IR£623,000, IR£nil and IR£24,000. The aggregate pensions entitlements at 31 March 1999 for the Executive Directors is IR£492,500 per annum, IR£nil for the Non-Executive Officers and IR£21,200 per annum for the Non-Executive Directors.

Stock Options granted to Directors

Options to subscribe for units of Ordinary Stock in the Bank granted to and exercised by Directors during the year to 31 March 1999 are included in the following table.

Name	Options at 1.4.98	Options Granted Since 1 April 1998 No.	Options Granted Since 1 April 1998 Price	Options Exercised Since 1 April 1998 No.	Options Exercised Since 1 April 1998 Price	Market Price at Exercise Date	Options at 31.3.99	Weighted Average Exercise Price
JJ Burke	150,000	-	-	-	-	-	150,000	906p
MA Keane	322,473	-	-	17,043	201p	1538p	249,563	430p
				55,867	153p	1538p		
P McDowell	328,536	-	-	127,279	153p	1528p	156,519	238p
				44,738	209p	1528p		
PJ Molloy	288,556	-	-	141,734	153p	1420p	146,822	296p

During the year 120,000 options lapsed. The market price of the Bank's Ordinary Stock at 31 March 1999 was IR1528p (1998 : IR1455p) and the range during the year to 31 March 1999 was IR974p to IR1654p. Outstanding options under the Senior Executive Stock Options Scheme are exercisable between now and May 2008. At 31 March 1999, options were outstanding in respect of 6,039,208 units, 1.2% of the stock in issue (1998: 7,713,024 units).

Directors' Interests in Stock

The interests of the Directors and Secretary in office at 31 March 1999, and of their spouses and minor children, in the stocks issued by the Bank are set out below:

	Units of IR£1 of Ordinary Stock			
	As at 31 March 1999		As at 1 April 1998+	
Directors	**Beneficial**	**Options**	Beneficial	Options
Lord Armstrong of Ilminster	**1,000**	**-**	1,000	-
Roy E Bailie	**500**	**-**	500	-
Anthony D Barry	**9,068**	**-**	9,058	-
John J Burke	**1,605**	**150,000**	1,008	150,000
Laurence G Crowley	**13,910**	**-**	13,654	-
Margaret Downes	**37,481**	**-**	37,031	-
Niall W A FitzGerald	**4,582**	**-**	14,313	-
E Patrick Galvin	**5,119**	**-**	5,098	-
Maurice A Keane	**378,133**	**249,563**	349,472	322,473
Howard E Kilroy	**244,348**	**-**	242,765	-
Raymond Mac Sharry	**590**	**-**	579	-
Patrick W McDowell	**81,262**	**156,519**	40,376	328,536
Patrick J Molloy	**520,554**	**146,822**	395,820	288,556
Mary Redmond	**528**	**-**	518	-
Secretary				
Terence H Forsyth	**18,916**	**40,000**	18,495	50,977

+ Or date of appointment if later

There have been no changes in the Directors' and Secretary's stockholdings between 31 March 1999 and 12 May 1999.

The Directors and Secretary and their spouses and minor children have no other interests in the stocks of the Bank or its group undertakings at 31 March 1999.

Transactions with Directors

The aggregate amounts outstanding and the number of persons concerned, as at 31 March 1999 in respect of all loans, quasi-loans and credit transactions made by the Bank to its Directors, together with loans, other than in the ordinary course of business, to 4 connected persons, all staff members are shown below:

	Aggregate Amount Outstanding		Number of Persons	
Directors	**1999**	1998	**1999**	1998
	IR£	IR£		
Loans to Executives Directors on terms similar to staff loans	**13,927**	32,202	**1**	2
Other loans on normal commercial terms	**610,114**	473,772	**10**	9
Quasi-loans and credit transactions	**-**	-	**None**	None
	624,041	505,974		
Connected Persons				
Loans to staff members	**150,844**	113,403	**4**	4
Quasi-loans and credit transactions	**-**	-	**None**	None
	150,844	113,403		

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on pages 48 and 49, is made with a view to distinguishing for Stockholders the respective responsibilities of the Directors and of the auditors in relation to the accounts.

Company law requires the Directors to ensure that accounts, which give a true and fair view of the state of affairs of the Bank and the Group and of the profit or loss of the Group for the year, are prepared for each financial year.

With regard to the accounts on pages 50 to 115, the Directors have determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation:-

- suitable accounting policies have been selected and applied consistently;
- judgements and estimates that are reasonable and prudent have been made; and
- applicable accounting standards have been followed.

The Directors have a responsibility for ensuring that proper books of account are kept which disclose with reasonable accuracy at any time the financial position of the Bank and which enable them to confirm that the accounts comply with the Companies Acts, 1963 to 1990 and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Howard E Kilroy	**Governor**
Anthony D Barry	**Deputy Governor**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

Auditors' Report

Auditors' Report to the Members of the Governor and Company of the Bank of Ireland

We have audited the accounts on pages 50 to 115 which have been prepared under the historical cost convention, as modified by the revaluation of certain properties and investments, and the accounting policies on pages 58 to 62. We have also audited the information on risk management and control on pages 23 to 30 and the Remuneration Report on pages 42 to 46.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Report and Accounts, including as described on page 47 the accounts. Our responsibilities as independent auditors are established by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange and our professions ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Acts 1963 to 1990 and the European Communities (Credit Institutions: Accounts) Regulations 1992. We also report to you whether in our opinion: proper books of account have been kept by the Bank, and proper returns adequate for the purposes of our audit have been received from branches of the Bank not visited by us; at the balance sheet date, whether there exists a financial situation which requires the convening of an Extraordinary General Court; and whether the information given in the Report of Directors is consistent with the accounts. In addition we report whether we have received all the information and explanations we consider necessary for the purposes of our audit and whether the balance sheet of the Bank is in agreement with the books of account.

We also report to you if, in our opinion, any information required by law or the Irish Listing Rules regarding Directors' remuneration or Directors' transactions is not given.

We read the other information contained in the Report and Accounts and consider whether it is consistent with the audited accounts. We consider the implications for our report to members if we become aware of any apparent misstatements or material inconsistencies with the accounts.

We review whether the statement on page 39 reflects the Bank's compliance with those provisions of the Combined Code specified for our review by the Irish Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the Bank's corporate governance procedures or its internal controls.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Auditors' Report

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Bank and the Group as at 31 March 1999 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1990 and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Bank and proper returns adequate for the purpose of our audit have been received from branches not visited by us. The balance sheet of the Bank is in agreement with the books of account.

In our opinion, the information given in the Report of Directors on pages 36 to 38 is consistent with the accounts.

In our opinion, the balance sheet of the Bank on pages 53 and 54 does not show a financial situation which, under the provisions of the Companies (Amendment) Act, 1983, requires the convening of an Extraordinary General Court.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

12 May 1999

Group Profit and Loss Account

for the year ended 31 March 1999

	Notes	1999 €m	1999 IR£m	1998 €m	1998 IR£m
INTEREST RECEIVABLE					
Interest receivable and similar income arising from debt securities		284	**224**	264	208
Other interest receivable and similar income	3	2,841	**2,237**	2,311	1,820
INTEREST PAYABLE	4	2,009	**1,582**	1,619	1,275
NET INTEREST INCOME		1,116	**879**	956	753
Fees and commissions receivable		603	**475**	469	369
Fees and commissions payable		(50)	**(39)**	(36)	(28)
Dealing profits	32	71	**56**	42	33
Contribution from life assurance companies		107	**84**	67	53
Other operating income	5	71	**56**	42	33
TOTAL OPERATING INCOME		1,918	**1,511**	1,540	1,213
Administrative expenses	6	962	**758**	820	646
Depreciation and amortisation	6,18	98	**77**	71	56
OPERATING PROFIT BEFORE PROVISIONS		858	**676**	649	511
Provision for bad and doubtful debts	14	56	**44**	47	37
OPERATING PROFIT		802	**632**	602	474
Income from associated undertakings	7	34	**27**	71	56
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEM		836	**659**	673	530
Profit on disposal of associated undertaking	2	218	**172**	-	-
PROFIT BEFORE TAXATION		1,054	**831**	673	530
Taxation on profit on ordinary activities	8	223	**176**	197	155
Effect of reductions in Irish corporation tax standard rate on deferred tax balances	8	30	**24**	-	-
PROFIT AFTER TAXATION		801	**631**	476	375

Group Profit and Loss Account

for the year ended 31 March 1999

	Notes	THE GROUP 1999 €m	1999 IR£m	1998 €m	1998 IR£m
PROFIT AFTER TAXATION		801	**631**	476	375
Minority interests : equity		1	**1**	1	1
: non equity		6	**5**	6	4
Non-cumulative preference stock dividends	9	23	**18**	20	16
PROFIT ATTRIBUTABLE TO THE ORDINARY STOCKHOLDERS		771	**607**	449	354
Transfer to capital reserve	30	36	**28**	41	33
Ordinary dividends	9	192	**151**	150	118
PROFIT RETAINED FOR THE YEAR		543	**428**	258	203
Earnings per unit of IR£1 Ordinary Stock	10	148.9c	**117.3p**	90.0c	70.9p
Alternative Earnings per unit of IR£1 Ordinary Stock	10	108.6c	**85.5p**		
Diluted Earnings per unit of IR£1 Ordinary Stock	10	147.8c	**116.4p**	89.3c	70.3p

The movement in the reserves is shown in Note 30.

The profit attributable to the Ordinary Stockholders of the Bank dealt with in the accounts of the Bank amounted to IR£317m (€ 403m) (1998: IR£95m, € 121m). The Bank has taken advantage of Regulation 5, paragraph 2 of the European Communities (Credit Institutions: Accounts) Regulations, 1992, and accordingly the profit and loss account of the Bank has not been presented separately.

The notes on pages 58 to 115 form part of the accounts.

Howard E Kilroy	**Governor**
Anthony D Barry	**Deputy Governor**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

Group Balance Sheet

at 31 March 1999

		THE GROUP			
		1999		1998	
	Notes	€m	IR£m	€m	IR£m
ASSETS					
Cash and balances at central banks		1,083	**853**	150	118
Items in the course of collection		575	**453**	486	383
Central government and other eligible bills	11	662	**521**	102	80
Loans and advances to banks	12	3,457	**2,723**	6,168	4,858
Loans and advances to customers	13	36,183	**28,496**	31,959	25,170
Securitisation and loan transfers		858	**676**	1,154	909
Less: non returnable amounts		741	**584**	1,031	812
	13	117	**92**	123	97
Debt securities	15	5,146	**4,053**	4,861	3,828
Equity shares		18	**14**	70	55
Interests in associated undertakings	16	13	**10**	270	213
Tangible fixed assets	18	835	**658**	824	649
Own shares		-	**-**	14	11
Other assets	19	2,223	**1,751**	1,699	1,338
Prepayments and accrued income		467	**368**	537	423
		50,779	**39,992**	47,263	37,223
Life assurance assets attributable to policyholders	21	3,535	**2,784**	3,059	2,409
		54,314	**42,776**	50,322	39,632
LIABILITIES					
Deposits by banks	22	7,039	**5,544**	5,410	4,261
Customer accounts	23	34,297	**27,011**	32,959	25,957
Debt securities in issue	24	541	**426**	1,120	882
Items in the course of transmission		251	**198**	250	197
Other liabilities	25	3,477	**2,738**	3,019	2,378
Accruals and deferred income		670	**528**	710	559
Provisions for liabilities and charges					
- deferred taxation	20	65	**51**	93	73
- other	26	114	**90**	155	122
Subordinated liabilities	27	1,389	**1,094**	1,455	1,146
Minority interests - equity		3	**2**	4	3
Minority interests - non equity	28	79	**62**	81	64
Called up capital stock	29	681	**536**	674	531
Stock premium account	30	633	**499**	587	462
Capital reserve	30	159	**125**	124	98
Profit and loss account	30	1,365	**1,075**	609	480
Revaluation reserve	30	16	**13**	13	10
Stockholders' funds including non equity interests		2,854	**2,248**	2,007	1,581
Life assurance liabilities attributable to policyholders	21	3,535	**2,784**	3,059	2,409
		54,314	**42,776**	50,322	39,632

Balance Sheet

at 31 March 1999

		THE BANK			
		1999		1998	
	Notes	€m	IR£m	€m	IR£m
ASSETS					
Cash and balances at central banks		1,067	**840**	142	112
Items in the course of collection		575	**453**	486	383
Central government and other eligible bills	11	193	**152**	10	8
Loans and advances to banks	12	9,330	**7,348**	7,277	5,731
Loans and advances to customers	13	16,856	**13,275**	15,681	12,350
Debt securities	15	3,245	**2,556**	2,696	2,123
Interests in associated undertakings	16	-	**-**	405	319
Shares in group undertakings	17	1,689	**1,330**	1,477	1,163
Tangible fixed assets	18	469	**369**	429	338
Other assets	19	1,146	**903**	881	694
Deferred taxation	20	11	**9**	38	30
Prepayments and accrued income		356	**280**	417	328
		34,937	**27,515**	29,939	23,579
LIABILITIES					
Deposits by banks	22	9,192	**7,239**	7,621	6,002
Customer accounts	23	19,869	**15,648**	16,584	13,061
Debt securities in issue	24	273	**215**	738	581
Items in the course of transmission		251	**198**	250	197
Other liabilities	25	2,153	**1,696**	1,674	1,318
Accruals and deferred income		270	**213**	312	246
Provisions for liabilities and charges					
- deferred taxation	20	-	**-**	-	-
- other	26	65	**51**	81	64
Subordinated liabilities	27	1,001	**788**	1,050	827
Called up capital stock	29	681	**536**	674	531
Stock premium account	30	633	**499**	587	462
Capital reserve	30	18	**14**	18	14
Profit and loss account	30	522	**411**	341	269
Revaluation reserve	30	9	**7**	9	7
Stockholders' funds including non equity interests		1,863	**1,467**	1,629	1,283
		34,937	**27,515**	29,939	23,579

Balance Sheets

at 31 March 1999

	Notes	THE GROUP 1999 €m	THE GROUP 1999 IR£m	THE GROUP 1998 €m	THE GROUP 1998 IR£m
MEMORANDUM ITEMS					
Contingent liabilities					
Acceptances and endorsements		73	**58**	112	88
Guarantees and assets pledged as collateral security					
- assets pledged		-	**-**	-	-
- guarantees and irrevocable letters of credit		621	**489**	606	477
Other contingent liabilities		343	**270**	340	268
	34	1,037	**817**	1,058	833
Commitments					
Sale and option to resell transactions		-	**-**	-	-
Other commitments		9,075	**7,147**	7,781	6,128
	34	9,075	**7,147**	7,781	6,128

	Notes	THE BANK 1999 €m	THE BANK 1999 IR£m	THE BANK 1998 €m	THE BANK 1998 IR£m
Contingent liabilities					
Acceptances and endorsements		73	**58**	112	88
Guarantees and assets pledged as collateral security					
- assets pledged		-	**-**	-	-
- guarantees and irrevocable letters of credit		2,665	**2,099**	1,770	1,394
Other contingent liabilities		343	**270**	340	268
	34	3,081	**2,427**	2,222	1,750
Commitments					
Sale and option to resell transactions		-	**-**	-	-
Other commitments		7,502	**5,908**	6,200	4,883
	34	7,502	**5,908**	6,200	4,883

The notes on pages 58 to 115 form part of the accounts.

Howard E Kilroy	**Governor**
Anthony D Barry	**Deputy Governor**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

Other Primary Statements

for the year ended 31 March 1999

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		THE GROUP			
		1999		1998	
	Notes	€m	IR£m	€m	IR£m
Profit attributable to the ordinary stockholders		771	**607**	449	354
Exchange adjustments	29,30	(23)	**(18)**	159	125
Revaluation of property		4	**3**	2	2
Total recognised gains since last year		752	**592**	610	481

		THE BANK			
		1999		1998	
		€m	IR£m	€m	IR£m
Profit attributable to the ordinary stockholders		403	**317**	121	95
Exchange adjustments	29,30	(33)	**(26)**	176	139
Total recognised gains since last year		370	**291**	297	234

RECONCILIATION OF MOVEMENT IN STOCKHOLDERS' FUNDS

		THE GROUP			
		1999		1998	
		€m	IR£m	€m	IR£m
Profit attributable to the ordinary stockholders		771	**607**	449	354
Dividends	9	(192)	**(151)**	(150)	(118)
		579	**456**	299	236
Other recognised (losses) / gains		(19)	**(15)**	161	127
New capital stock subscribed	29,30	56	**44**	281	221
Goodwill arising on acquisitions	30	-	**-**	(526)	(414)
Goodwill written back on disposal of Citizens	30	230	**181**	-	-
Goodwill written back on other disposal	30	1	**1**	-	-
		847	**667**	215	170
At 1 April		2,007	**1,581**	1,792	1,411
At 31 March		2,854	**2,248**	2,007	1,581
Stockholders' funds:					
Equity		2,647	**2,085**	1,798	1,416
Non equity		207	**163**	209	165
		2,854	**2,248**	2,007	1,581

for the year ended 31 March 1999

RECONCILIATION OF MOVEMENT IN STOCKHOLDERS' FUNDS (continued)

		THE BANK			
		1999		1998	
	Notes	€m	IR£m	€m	IR£m
Profit attributable to the ordinary stockholders		403	**317**	121	95
Dividends	9	(192)	**(151)**	(150)	(118)
		211	**166**	(29)	(23)
Other recognised (losses) / gains		(33)	**(26)**	176	139
New capital stock subscribed	29,30	56	**44**	281	221
		234	**184**	428	337
At 1 April		1,629	**1,283**	1,201	946
At 31 March		1,863	**1,467**	1,629	1,283
Stockholders' funds:					
Equity		1,656	**1,304**	1,419	1,118
Non equity		207	**163**	210	165
		1,863	**1,467**	1,629	1,283

NOTE OF HISTORICAL COST PROFIT AND LOSS

There is no significant difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 58 to 115 form part of the accounts.

Howard E Kilroy	**Governor**
Anthony D Barry	**Deputy Governor**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

Group Cash Flow Statement

for the year ended 31 March 1999

RECONCILIATION OF OPERATING PROFIT TO NET OPERATING CASH FLOWS

		THE GROUP			
		1999		1998	
	Notes	€m	IR£m	€m	IR£m
Operating Profit		802	**632**	602	474
Decrease / (increase) in accrued income and prepayments		63	**50**	(113)	(89)
(Decrease) / increase in accruals and deferred income		(19)	**(15)**	210	165
Provisions for bad and doubtful debts		56	**44**	47	37
Loans and advances written off net of recoveries		(47)	**(37)**	(29)	(23)
Depreciation and amortisation		98	**77**	71	56
Interest charged on subordinated liabilities		104	**82**	90	71
Other non-cash movements		(18)	**(14)**	20	16
Net cash flow from trading activities		1,039	**819**	898	707
Net (increase) / decrease in collections / transmissions		(93)	**(73)**	77	61
Net decrease / (increase) in loans and advances to banks		1,959	**1,543**	(877)	(691)
Net (increase) in loans and advances to customers		(5,061)	**(3,986)**	(1,821)	(1,434)
Net increase in deposits by banks		1,669	**1,314**	2,668	2,101
Net increase in customers accounts		2,164	**1,704**	1,342	1,057
Net (decrease) in debt securities in issue		(538)	**(424)**	(32)	(25)
Net decrease / (increase) in non-investment debt and equity securities		124	**98**	(374)	(295)
Net (increase) in other assets		(524)	**(413)**	(617)	(486)
Net increase in other liabilities		287	**226**	778	613
Exchange movements		(216)	**(170)**	184	145
Net cash flow from operating activities		810	**638**	2,226	1,753
Dividend received from associated undertaking		1	**1**	2	2
Returns on investment and servicing of finance	36	(141)	**(111)**	(103)	(81)
Taxation		(138)	**(109)**	(146)	(115)
Capital expenditure and financial investment	36	(903)	**(711)**	159	125
Acquisitions and disposals	36	715	**563**	(1,028)	(810)
Equity dividends paid		(127)	**(100)**	(93)	(73)
Financing	36	(9)	**(7)**	206	162
Increase in cash		208	**164**	1,223	963

The notes on pages 58 to 115 form part of the accounts.

Howard E Kilroy	**Governor**
Anthony D Barry	**Deputy Governor**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

1 BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

Introduction

The accounts on pages 50 to 115 have been prepared under the historical cost convention as modified by the revaluation of certain properties and investments, in accordance with the Companies Acts, 1963 to 1990 and the European Communities (Credit Institutions: Accounts) Regulations, 1992 and with applicable accounting standards. The accounts are drawn up in Irish Pounds (IR£) and except where otherwise indicated are expressed in millions. Costs, assets and liabilities are inclusive of irrecoverable value added taxes where appropriate.

During the year the Group implemented the requirements of Financial Reporting Standard 10, Goodwill and Intangible Assets ("FRS 10"). Prior to FRS 10 premiums arising on acquisition were written off directly to reserves in the year of acquisition. As permitted by the transitional arrangement of FRS 10, these premiums have not been restated by means of a prior year adjustment and they will be charged to the profit and loss account on subsequent disposal of the businesses to which they relate.

Financial Reporting Standard 12, Provisions, Contingent Assets and Contingent Liabilities was also implemented. FRS 12 outlines the appropriate recognition criteria and measurement bases which should apply to provisions. Following a stringent review of the Group balance sheet it was determined that IR£17m should be released, IR£9m of which was previously included in Other Provisions For Liabilities And Charges (Note 26) and IR£8m previously included in Accruals and Other Liabilities. No prior period adjustment was made as these amounts were not considered material.

Financial Reporting Standard 13, Derivatives and Other Financial Instruments was also adopted by the Group. FRS 13 requires disclosure of certain information on financial instruments.

During the year the Group implemented the requirements of Financial Reporting Standard 14, Earnings per Share, and disclosure has been made of the diluted earnings per share. The Group has also adopted the requirements of Financial Reporting Standard 9, Associates and Joint Ventures, and Financial Reporting Standard 11, Impairment of Fixed Assets and Goodwill, although their effect has not been significant.

The significant accounting policies are as follows:-

(a) Basis of Consolidation

Assets, liabilities and results of all group undertakings have been included in the Group’s accounts on the basis of accounts made up to the end of the financial year.

In order to reflect the different nature of the policyholders' interests in the long-term assurance business, the assets and liabilities attributable to policyholders are classified separately in the Group balance sheet.

Assets held by the Bank and certain group undertakings in their capacity as trustee and manager for investment trusts, pension schemes and unit trusts are not consolidated in the Group accounts as the Group does not have beneficial ownership.

1 BASIS OF ACCOUNTING AND ACCOUNTING POLICIES (continued)

(b) Foreign Currency Translation

Assets and liabilities in foreign currencies are translated into Irish Pounds at rates of exchange ruling at the balance sheet date or at hedge rates where appropriate. Exchange differences, arising from the application of closing rates of exchange to the opening net assets held in foreign currencies and to related foreign currency borrowings are taken directly to reserves. Profits and losses in foreign currencies are translated into Irish Pounds at the average rates of exchange for the year or at hedge rates where appropriate and the differences between these rates and closing rates are recorded as a movement in reserves. All other exchange profits and losses, which arise from normal trading activities, are included in operating profits.

(c) Income Recognition

Interest income is recognised as it accrues, except in the case of doubtful debts where interest is recognised on a cash receipts basis. Fees receivable which represent a return for services provided, risk borne or which are in the nature of interest are credited to income when the service is performed or over the period of the product as appropriate.

(d) Mortgage Incentives

Mortgage interest discounts below the cost of funds and cashbacks are capitalised in other assets when there is a right and intention to recover the incentive in the event of early redemption. The amount capitalised is charged against interest received in the profit and loss account on a straight line basis over the period of the clawback and early redemption penalty period.

(e) Leasing and Instalment Finance

Leasing income is recognised in proportion to the funds invested in the lease so as to give a constant rate of return over each period after taking account of taxation cash flows. Income from instalment finance transactions, including hire purchase finance, is recognised in proportion to the balances outstanding.

(f) Debt Securities and Equity Shares

Investment Securities
Debt securities and equity shares held for use on a continuing basis in the Group's activities are classified as investment securities. Such securities and shares are stated at cost less provision for any permanent diminution in value. The cost of dated securities is adjusted for the amortisation of premiums or discounts over the period to maturity. The amortisation of premiums or discounts is included in interest income. In those rare instances where an investment security is sold prior to maturity, profits and losses are recognised when realised.

Other Securities
Other securities are stated at fair value, except for those securities maintained for the purpose of hedging, which are accounted for on the same basis as the item hedged. Changes in the fair value of securities marked to market are recognised in the profit and loss account as they arise. Profits and losses on disposal are recognised when realised and included in dealing profits, except for those securities maintained for hedging purposes, which are amortised over the lives of the underlying transactions and included in net interest income.

1 BASIS OF ACCOUNTING AND ACCOUNTING POLICIES (continued)

(g) Derivatives

Derivative instruments used for trading purposes or used to manage risk in the trading portfolios include swaps, futures, forwards, forward rate agreements and options contracts in the interest rate, foreign exchange and equity markets. These derivatives, which include all customer and proprietary transactions together with any associated hedges are measured at fair value and the resultant profits and losses are included in dealing profits. In the event of a market price not being readily available internally generated prices will be used. These prices are calculated using recognised formulae for the type of transaction. Where market prices may not be achievable because of the size of positions or the illiquidity of markets, adjustments are made in determining fair value. Unrealised gains and losses are reported in Other Assets or Other Liabilities on a gross basis.

Derivatives used for hedging purposes include swaps, forwards, futures, forward rate agreements and options in interest rate, foreign exchange and equity markets. Gains and losses on these derivatives which are entered into for specifically designated hedging purposes against assets, liabilities, other positions and cash flows accounted for on an accruals basis, are taken to the profit and loss account in accordance with the accounting treatment of the underlying transaction. Accrued income or expense is reported in prepayments and accrued income or accruals and deferred income on a gross basis. Profits and losses related to qualifying hedges of firm commitments and anticipated transactions are deferred and taken to the profit and loss account when the hedged transactions occur.

The criteria required for a derivative instrument to be classified as a designated hedge are:

(i) Adequate evidence of the intention to hedge must be established at the outset of the transaction.
(ii) The transaction must match or eliminate a proportion of the risk inherent in the assets, liabilities, positions or cash flows being hedged and which results from potential movements in interest rates, exchange rates or market prices. Changes in the derivatives fair value must be highly correlated with changes in the fair value of the underlying hedged item for the entire life of the contract.

Where these criteria are not met, transactions are measured at fair value.

Hedge transactions which are superseded, cease to be effective or are terminated early are measured at fair value. Any profit or loss arising is deferred and reported in Other Assets or Other Liabilities. This profit or loss is amortised over the remaining life of the asset, liability, position or cash flow previously being hedged.

When the underlying asset, liability or position is terminated, or an anticipated transaction is no longer likely to occur, the hedging transaction is measured at fair value and any profit or loss arising is recognised in full in dealing profits. The unrealised profit or loss is reported in Other Assets or Other Liabilities.

(h) Capital Instruments

Issue expenses incurred in connection with the issue of capital instruments other than equity shares are deducted from the proceeds of the issue and amortised to the profit and loss account as appropriate.

1 BASIS OF ACCOUNTING AND ACCOUNTING POLICIES (continued)

(i) Pensions

Contributions to the Group's defined benefit schemes are charged to the profit and loss so as to spread the expected cost of pensions, calculated in accordance with the advice of qualified actuaries, on a systematic basis over employees' working lives. Variations from the regular cost are spread over the average remaining service life of relevant employees. The costs of the Group's defined contribution schemes are charged to the profit and loss for the period in which they are incurred.

(j) Depreciation and Amortisation

Leasehold property with unexpired terms of 50 years or less is depreciated by equal annual instalments over the remaining period of the lease. Freehold and long leasehold property is maintained in a state of good repair and the Directors consider that residual values based on prices prevailing at the time of acquisition or subsequent valuation are such that depreciation is not significant, accordingly this property is not depreciated. Depreciation on adaptation works on freehold and leasehold property is based on an estimated useful life subject to a maximum period of 15 years or the remaining period of the lease. Computer and other equipment is depreciated by equal annual instalments over its estimated useful life subject to a maximum period of 10 years.

(k) Provision for Bad and Doubtful Debts

Specific provisions are made on a case by case basis for loans and advances which are recognised to be bad or doubtful as a result of the continuous appraisal of the loans and advances portfolio. A general provision is also made against loans and advances to cover latent loan losses which are known from experience to be present in any portfolio of loans and advances but have yet to be specifically identified.

(l) Deferred Taxation

Deferred taxation is recognised at the appropriate rates of tax using the liability method on timing differences between profits stated in the accounts and profits computed for taxation purposes where it is expected that a liability or asset is likely to arise in the foreseeable future. The future tax benefit relating to tax losses is not recognised unless the benefit assured is beyond reasonable doubt.

(m) Scrip Dividend

Stock issued in lieu of cash dividends, under the Stock Alternative Scheme, is issued at a value equivalent to the cash element, net of Dividend Witholding Tax where applicable, of the dividend foregone.

(n) Investments in Associated Undertakings

Investments in associated undertakings are stated at acquisition cost, less amounts written off in respect of goodwill arising on acquisition, together with the appropriate share of post-acquisition reserves.

1 BASIS OF ACCOUNTING AND ACCOUNTING POLICIES (continued)

(o) Securitisation and Loan Transfers

Assets sold under securitisation and loan transfers, where there is no significant change in the Group's rights or benefits to those assets or in the Group's exposure to the risks inherent in those assets, continue to be consolidated on a gross basis. In cases where there is no significant change in the rights and benefits and the financing is limited to a fixed monetary ceiling, only the net amount is consolidated using the linked presentation and the related gross amounts are shown on the face of the balance sheet.

(p) Goodwill

Goodwill is a premium arising on acquisition which represents the excess of cost over fair value of the Group’s share of net tangible assets acquired. Premiums arising on acquisitions of subsidiary undertakings occurring after 31 March 1998 are capitalised as assets on the balance sheet and amortised over their estimated useful economic lives.

(q) Life Assurance Business

The assets attributable to the Group from the life assurance business are consolidated in the Group balance sheet and consist of the Group’s share of the net tangible and financial assets of the business and the Group’s interest in policies in force. The Group’s interest in polices in force is computed annually in consultation with independent actuaries and represents the discounted present value of the surpluses attributable to the Group which will be generated in the future from existing policies. The bases adopted in the valuation use prudent best estimates of future lapse rates, mortality rates, renewal expenses and investment returns. The value has been computed in accordance with bases accepted in the life assurance market. The statutory life companies’ surplus attributable to the Group, together with the annual movement in the Group’s interest in policies in force is included in the Group profit and loss account, grossed up for taxation at the effective rate.

2 PROFIT ON DISPOSAL OF CITIZENS FINANCIAL GROUP

On 3 September 1998, the Group sold its 23.5% shareholding and other interests in Citizens to the Royal Bank of Scotland Group for an aggregate consideration of US$763m in cash, consisted of US$753m in respect of its 23.5% shareholding and US$10m in respect of unrealised tax losses held by Citizens.

The sale completes the withdrawal by Bank of Ireland from its US retail banking interests in New England and results in an exceptional profit before taxation of IR£172.4m (IR£164.4m after tax) for the year ended 31 March 1999, equivalent to an exceptional increase in EPS of IR31.8p. After writing back goodwill previously written off to reserves, the transaction results in an improvement to Bank of Ireland's stockholders funds of IR£345m.

3 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 IR£m	1998 IR£m
The Group		
Loans and advances to banks	**228**	231
Loans and advances to customers	**1,911**	1,516
Finance leasing	**59**	47
Instalment credit	**39**	26
	2,237	1,820

4 INTEREST PAYABLE

	1999 IR£m	1998 IR£m
The Group		
Interest on subordinated liabilities	**82**	71
Other interest payable	**1,500**	1,204
	1,582	1,275

5 OTHER OPERATING INCOME

	1999 IR£m	1998 IR£m
The Group		
Profit on disposal of investment securities	**12**	-
Profit on disposal of tangible fixed assets	**2**	-
Securitisation servicing fees	**10**	7
Other income	**32**	26
	56	33

6 OPERATING EXPENSES

	1999 IR£m	1998 IR£m
The Group		
Staff Costs:		
- wages and salaries	**409**	335
- social security costs	**32**	26
- pension costs	**9**	23
- staff stock issue	**7**	8
- severance packages	**2**	2
	459	394
Operating lease rentals:		
- property	**13**	8
- equipment	**1**	-
Other administrative expenses	**285**	244
Total administrative expenses	**758**	646
Depreciation and amortisation:		
- freehold and leasehold property	**10**	8
- computer and other equipment	**67**	48
Total depreciation	**77**	56
Total operating expenses	**835**	702

The charge for staff stock issue represents an amount payable to Trustees on behalf of employees to acquire an issue of Ordinary Stock as provided pursuant to the Stock Issue Schemes approved by the stockholders in 1984 and 1997. In 1999 the charge represents 2.5% of eligible employees' basic salary (1998: 3%).

	1999 IR£m	1998 IR£m
Auditors' remuneration (including VAT)		
- Audit work	**1.2**	1.1
- Non audit work	**3.0**	3.4

7 INCOME FROM ASSOCIATED UNDERTAKINGS

	1999 IR£m	1998 IR£m
The Group		
Citizens Financial Group, Inc.	**25**	55
Other associates	**2**	1
	27	56

8 TAXATION

	1999 IR£m	1998 IR£m
The Group		
Corporation tax	**137**	98
Tax on the sale of Citizens Financial Group	**8**	-
Tax credits applicable to distributions received	**4**	4
Duty on certain tax-based lending	**1**	1
Deferred taxation:		
Effect of reductions in Irish Corporation tax standard rate on deferred tax balances (i)	**24**	-
Other	**18**	35
Associated undertakings	**8**	17
	200	155

The tax charge for the year, at an effective rate of 24.1% is lower than the standard Irish corporation tax rate because of relief arising from tax based lending, the International Financial Services Centre 10% tax rate and lower rates of tax in subsidiaries overseas.

Included in the charge for corporation tax is IR£68m (1998: IR£51m) in respect of taxation on non Republic of Ireland business units.

	1999 IR£m	1998 IR£m
The deferred taxation charge arises from:		
Leased assets	**14**	28
Own assets	**(7)**	-
Short term timing differences	**35**	7
	42	35

(i) In accordance with Section 21 of the Taxes Consolidation Act 1997, as amended, the standard rate of corporation tax for trading income is to be reduced, on a phased basis, to 12.5%.

The standard rate is to be;
- 28% for the year 1999
- 24% for the year 2000
- 20% for the year 2001
- 16% for the year 2002
- 12.5% for the year 2003 and subsequent years

Accordingly the rates of corporation tax which will apply to the reversal of timing differences will be lower than those provided for in earlier years and which has resulted in a net charge of IR£24m in the year ended 31 March 1999.

9 DIVIDENDS

The Bank	1999 IR£m	1998 IR£m
Equity Stock:		
1999		
On units of IR£1 Ordinary Stock in issue		
Interim dividend IR9.2p (Tax credit IR1.1371p)	**48**	
Proposed final dividend IR19.8p (Tax credit nil)	**103**	
1998		
On units of IR£1 Ordinary Stock in issue		
Interim dividend IR7.1p (Tax credit IR0.8775p)		36
Final dividend IR15.9p (Tax credit IR1.9652p)		82
	151	118

Non Equity Stock:	1999 IR£m	1998 IR£m
1999		
On 10.5m units of IR£1 of Non-Cumulative Preference Stock,		
Dividend IR1.068000p (Tax credit IR0.132000p)	**11**	
On 5.0m units of Stg£1 of Non-Cumulative Preference Stock,		
Dividend Stg1.123625p (Tax credit Stg0.138875p)	**7**	
1998		
On 10.5m units of IR£1 of Non-Cumulative Preference Stock,		
Dividend IR1.008001p (Tax credit IR0.191999p)		11
On 5.0m units of Stg£1 of Non-Cumulative Preference Stock,		
Dividend Stg1.0605015p (Tax credit Stg0.2019985p)		5
	18	16

Dividend payments on Non-Cumulative Preference Stock are accrued.

10 EARNINGS PER UNIT OF IR£1 ORDINARY STOCK

The calculation of earnings per unit of IR£1 Ordinary Stock is based on the profit attributable to Ordinary Stockholders of IR£606.8m (1998: IR£353.8m) and the weighted average Ordinary Stock in issue of 517.4m units of IR£1 (1998: 499.1m units of IR£1).

The calculation of the alternative earnings per share for 31 March 1999 is based on the profit attributable to Ordinary Stockholders before the exceptional item of IR£442.4m after tax and the weighted average Ordinary Stock of 517.4m units.

In accordance with the Financial Reporting Standard 14 (FRS 14) on Earnings Per Share, the diluted earnings per share is based on the profit attributable to Ordinary Stockholders of IR£606.8m and the weighted average Ordinary Stock in issue adjusted for the effect of all dilutive potential Ordinary Stock of 3.8m units as at 31 March 1999.

11 CENTRAL GOVERNMENT BILLS AND OTHER ELIGIBLE BILLS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Investment securities				
- other eligible bills	**462**	-	**151**	-
Other securities				
- government bills and similar securities	**59**	80	**1**	8
	521	80	**152**	8

12 LOANS AND ADVANCES TO BANKS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Funds placed with Central Bank of Ireland	**57**	67	**24**	20
Funds placed with other central banks	**20**	46	**3**	13
Funds placed with other banks	**2,646**	4,745	**7,321**	5,698
	2,723	4,858	**7,348**	5,731
Repayable on demand	**468**	1,045	**873**	1,235
Other loans and advances to banks by remaining maturity				
- 3 months or less	**1,426**	3,070	**3,456**	3,162
- 1 year or less but over 3 months	**784**	664	**2,771**	1,079
- 5 years or less but over 1 year	**34**	49	**229**	214
- over 5 years	**11**	30	**19**	41
	2,723	4,858	**7,348**	5,731

The Group is required to maintain balances with the Central Bank of Ireland and other Central Banks.

Amounts include:

	The Bank 1999 IR£m	The Bank 1998 IR£m
Due from group undertakings		
- unsubordinated	**5,018**	1,406

13 LOANS AND ADVANCES TO CUSTOMERS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
(a) Loans and advances to customers				
Loans and advances to customers	**27,036**	24,031	**13,306**	12,373
Finance lease receivables and instalment credit	**1,743**	1,420	**158**	154
	28,779	25,451	**13,464**	12,527
General and specific bad and doubtful debt provisions	**(283)**	(281)	**(189)**	(177)
	28,496	25,170	**13,275**	12,350
Repayable on demand	**1,273**	1,163	**1,735**	1,562
Other loans and advances to customers by remaining maturity				
- 3 months or less	**1,157**	1,164	**2,722**	3,573
- 1 year or less but over 3 months	**1,896**	1,432	**1,935**	1,430
- 5 years or less but over 1 year	**5,547**	4,616	**2,843**	2,485
- over 5 years	**18,906**	17,076	**4,229**	3,477
	28,779	25,451	**13,464**	12,527
Amounts include:				
Due from group undertakings				
- unsubordinated			**3,520**	4,062

The amount due from associated undertakings and joint ventures as at 31 March 1999 at non commercial rates was IR£0.4m.

The loans accounted for on a non-accrual basis at 31 March amounted to IR£350m (1998: IR£401m).

(b) Securitisation and loan transfers

At the year end, the Group had advances secured on residential property subject to non-recourse funding. In accordance with Financial Reporting Standard No.5, "Reporting the Substance of Transactions", securitised mortgages have been included in the balance sheet using a linked presentation, whereby the non-recourse element of the funding is shown as a deduction from the mortgage balances.

The Group sold pools of mortgages of Stg£250m to Residential Property Securities No.3 plc ('RPS3') during 1993, Stg£500m to Residential Property Securities No. 4 plc ('RPS4') in July 1994 and Stg£300m to Residential Property Securities No.5 plc ('RPS5') during 1997. These companies issued Mortgage Backed Floating Rate Notes ('Notes') to finance the purchase of the mortgage pools.

13 LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) Securitisation and loan transfers (continued)

Loan facilities have been made available to RPS3, RPS4 and RPS5 to finance certain issue related expenses and loan losses arising on the pools of mortgages sold. The principal of these loan facilities will fall as loan losses crystallise. Interest is calculated in accordance with the loan agreements based on the profits of RPS3, RPS4 and RPS5 respectively. The loans are repayable when all Notes have been redeemed subject to the issuer having sufficient funds available.

RPS3 and RPS4 have hedged their interest rate exposure to fixed rate mortgages by entering into interest exchange agreements involving Bank of Ireland, Bank of Ireland Home Mortgages Ltd and National Westminster Bank plc.

RPS5 has hedged its interest rate exposure to fixed rate mortgages by entering into interest rate exchange agreements involving Bank of Ireland, Bank of Ireland Home Mortgages Ltd, Coöperative Centrale Raiffeisen-Boerenleenbank BA (trading as Rabobank International) and ING Bank NV.

In December 1994 Bristol & West sold a portfolio of Stg£150m commercial loans to Commercial Loans on Investment Property Securitisation (No.1) plc ('CLIPS'). CLIPS funded this purchase by the issue of floating rate mortgage backed securities. Under the terms of this issue Bristol & West is not obliged to repurchase any of the assets sold to CLIPS, or to transfer any additional assets to CLIPS. The issue terms of the notes include provisions that neither CLIPS nor the noteholders have recourse to Bristol & West. Bristol & West is not obliged or does not intend to support any losses of CLIPS. The proceeds generated by the mortgage assets will be used to pay the interest and capital on the notes and any other administrative expenses and taxation. Any residue is payable to Bristol & West as deferred consideration.

The entire share capital of CLIPS is held by a discretionary trust established for a number of charitable and discretionary purposes. CLIPS is incorporated under the Irish Companies Acts 1963 to 1990 and is registered and operating in the Republic of Ireland.

The Group sold by private placement a pool of mortgages of Stg£145m during the year ended 1992 and Stg£100m during the year ended 1993 to major UK financial institutions.

Under the terms of separate agreements, the Group continues to administer the mortgages on behalf of the companies above. Specific provisions are maintained by the Group on a case by case basis for all loans where there is a likelihood of a loss arising and general provisions are maintained as a percentage of all remaining loans.

Under the terms of the mortgage sale agreements, the Group has an option to repurchase the mortgages at par when the aggregate balances of the mortgages fall below 10% in the case of RPS3, and 5% in the case of RPS4 and RPS5, of the original sale proceeds. The amount of such options is included in net securitisation assets and other creditors.

13 LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) Securitisation and loan transfers (continued)

The assets and liabilities relating to the private placement of Stg£100m continue to be recognised in the balance sheet and the associated income and expenditure is aggregated with that of the Group in the profit and loss account.

The assets and liabilities relating to the sale of mortgages to RPS3, RPS4, RPS5, CLIPS and the private placement of Stg145m together with any associated income and expenditure are included in the financial accounts under separate headings using linked presentation.

The Group as servicer, receives fees and income from these companies. These are expected to continue up to a period of ten years from the commencement of each transaction.

In addition loans and advances to customers at 31 March 1999 includes IR£36m (1998: IR£46m) of securitised mortgage loans where linked presentation has not been used.

The securitisations involved are as follows:

Company	Type of Loan	Date of Securitisation	**Outstanding at 31 March 1999** Gross loans IR£m	**Outstanding at 31 March 1999** Non - returnable finance IR£m	Outstanding at 31 March 1998 Gross loans IR£m	Outstanding at 31 March 1998 Non - returnable finance IR£m
RPS3	Residential Mortgages	31 August 1993	**96**	**63**	129	95
RPS4	Residential Mortgages	20 July 1994	**249**	**214**	322	285
RPS5	Residential Mortgages	24 September 1997	**267**	**246**	351	329
CLIPS	Commercial loans	22 December 1994	**64**	**61**	107	103
			676	**584**	909	812
				92		97

All the issued shares in the above companies are held by Trusts. The Bank of Ireland Group does not own directly or indirectly any of the share capital of these securitisation companies or their parent companies.

A summarised profit and loss account for the period to 31 March 1999 for RPS3, RPS4, RPS5, the private placement of Stg£145m and CLIPS is set out below:

	1999 Stg£m	1998 Stg£m
Interest receivable	59	57
Interest payable	(54)	(51)
Fee income	2	1
Deposit income	3	2
Operating expenses	(1)	(2)
Profit for the financial period	9	7

13 LOANS AND ADVANCES TO CUSTOMERS (continued)

(c) Concentration of exposure to risk

The Group's exposure to risk from its lending activities does not exceed 10% of loans and advances to customers after provisions in any individual sector or industry with the exception of residential mortgages.

The Group's residential mortgage portfolio is widely diversified by individual borrower and amounts to 58% of the total loans and advances to customers, 26% of the loans and advances in Ireland and 87% in Great Britain.

(d) Leasing and hire purchase

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Loans and advances to customers				
- finance leases	**1,292**	1,073	**81**	84
Hire Purchase receivables	**451**	347	**77**	70
	1,743	1,420	**158**	154
Amount receivable by remaining maturity				
- within 1 year	**311**	276	**31**	27
- 5 years or less but over 1 year	**707**	475	**46**	43
- over 5 years	**725**	669	**81**	84
	1,743	1,420	**158**	154

The cost of assets acquired for finance leases and hire purchase contracts, net of grants received or receivable, amounted to IR£844m (1998: IR£856m).

Aggregate amounts receivable including capital repayments during the year in respect of finance leases and hire purchase contracts amounted to IR£593m (1998: IR£496m).

14 PROVISIONS FOR BAD AND DOUBTFUL DEBTS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
At 1 April	**281**	176	**177**	139
Exchange adjustments	**(5)**	15	**(2)**	10
Charge against profits	**44**	37	**38**	33
Amounts written off	**(49)**	(33)	**(34)**	(11)
Recoveries	**12**	10	**10**	6
Acquisition of group undertaking	**-**	76	**-**	-
At 31 March	**283**	281	**189**	177

All of which relates to loans and advances to customers

Provisions at 31 March				
- specific	**97**	113	**51**	60
- general	**186**	168	**138**	117
	283	281	**189**	177

The Group's general provision, which provides for the latent loan losses in the portfolio of loans and advances, comprises an element relating to grade profiles of IR£99m (1998: IR£99m) and a non designated element, for prudential purposes of IR£87m (1998: IR£69m). The non designated element, against which a deferred tax asset has been recognised, will be offset, in certain pre-defined circumstances, against specific loan losses as they crystallise in future years.

15 DEBT SECURITIES

The Group	Book Value IR£m	Gross Unrealised Gains IR£m	Gross Unrealised Losses IR£m	Fair Value IR£m
	At 31 March 1999			
Issued by Public Bodies				
Investment securities				
- government securities	**473**	**22**	**-**	**495**
Other securities				
- government securities	**980**			**980**
- other public sector securities	**17**			**17**
	997			**997**
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposit	**221**	**-**	**-**	**221**
- other debt securities	**2,133**	**39**	**(12)**	**2,160**
	2,354	**39**	**(12)**	**2,381**
Other securities				
- bank and building society certificates of deposit	**-**			**-**
- other debt securities	**229**			**229**
	229			**229**
	4,053	**61**	**(12)**	**4,102**

The Group	Book Value IR£m	Gross Unrealised Gains IR£m	Gross Unrealised Losses IR£m	Fair Value IR£m
	At 31 March 1998			
Issued by Public Bodies				
Investment securities				
- government securities	828	11	(1)	838
Other securities				
- government securities	1,022			1,022
- other public sector securities	7			7
	1,029			1,029
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposit	223	-	-	223
- other debt securities	1,462	38	(25)	1,475
	1,685	38	(25)	1,698
Other securities				
- bank and building society certificates of deposit	20			20
- other debt securities	266			266
	286			286
	3,828	49	(26)	3,851

15 DEBT SECURITIES (continued)

	At 31 March 1999			
	Book Value IR£m	Gross Unrealised Gains IR£m	Gross Unrealised Losses IR£m	Fair Value IR£m
The Bank				
Issued by Public Bodies				
Investment securities				
- government securities	**455**	**21**	**-**	**476**
Other securities				
- government securities	**814**			**814**
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposits	**9**	**-**	**-**	**9**
- other debt securities	**1,049**	**12**	**(1)**	**1,060**
	1,058	**12**	**(1)**	**1,069**
Other securities				
- bank and building society certificates of deposits	**-**			**-**
- other debt securities	**229**			**229**
	229			**229**
	2,556	**33**	**(1)**	**2,588**

	At 31 March 1998			
	Book Value IR£m	Gross Unrealised Gains IR£m	Gross Unrealised Losses IR£m	Fair Value IR£m
The Bank				
Issued by Public Bodies				
Investment securities				
- government securities	448	5	(1)	452
Other securities				
- government securities	670			670
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposits	209	-	-	209
- other debt securities	512	2	(3)	511
	721	2	(3)	720
Other securities				
- bank and building society certificates of deposits	20			20
- other debt securities	264			264
	284			284
	2,123	7	(4)	2,126

15 DEBT SECURITIES (continued)

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Investment securities				
- listed	**2,002**	1,909	**1,245**	949
- unlisted	**825**	604	**268**	220
	2,827	2,513	**1,513**	1,169
Other securities				
- listed	**1,019**	1,085	**852**	730
- unlisted	**207**	230	**191**	224
	1,226	1,315	**1,043**	954
Unamortised premiums and discounts on investment securities	**14**	64	**14**	19

Income from listed and unlisted investments amounted to IR£235m (1998: IR£207m).

Investment securities movements	**Cost IR£m**	**Discount/ (Premium) IR£m**	**Carrying Value IR£m**
The Group			
At 1 April 1998	2,541	(28)	2,513
Exchange adjustments	80	1	81
Acquisitions	4,826	-	4,826
Disposals and redemptions	(4,589)	6	(4,583)
Amortisation of premiums and discounts	-	(10)	(10)
At 31 March 1999	**2,858**	**(31)**	**2,827**

	Cost IR£m	**Discount/ (Premium) IR£m**	**Carrying Value IR£m**
The Bank			
At 1 April 1998	1,192	(23)	1,169
Exchange adjustments	(22)	-	(22)
Acquisitions	1,264	-	1,264
Disposals and redemptions	(892)	-	(892)
Amortisation of premiums and discounts	-	(6)	(6)
At 31 March 1999	**1,542**	**(29)**	**1,513**

15 DEBT SECURITIES (continued)

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Analysed by remaining maturity:				
Due within one year	**686**	933	**385**	639
Due one year and over	**3,367**	2,895	**2,171**	1,484
	4,053	3,828	**2,556**	2,123

The valuation of unlisted securities is based on the Directors' estimate. The cost of other securities is not disclosed as its determination is not practicable. Debt securities includes securities which are subject to sale and repurchase agreements of IR£696m.

Debt securities with a market value of IR£2,020m were pledged as collateral to cover settlement risk for securities' transactions.

16 INTERESTS IN ASSOCIATED UNDERTAKINGS

	The Group IR£m	The Bank IR£m
At 1 April 1998	213	319
Exchange adjustments	(12)	(20)
Acquisitions	2	-
Net increase in investments	1	-
Disposal of Citizens Financial Group	(187)	(299)
Other disposals	(26)	-
Retained profits	19	-
At 31 March 1999	10	-

In presenting details of the associated undertakings of the Bank of Ireland Group the exemption permitted by Regulation 10 of the European Communities (Credit Institutions: Accounts) Regulations, 1992 has been availed of and Bank of Ireland will annex to its annual return to the Companies Office a full listing of associated undertakings.

17 SHARES IN GROUP UNDERTAKINGS

The Bank	**IR£m**
At 1 April 1998	1,163
Exchange adjustments	(28)
Acquisitions (1)	196
Net decrease in investments	(1)
At 31 March 1999	**1,330**
Group undertakings	
- Credit Institutions	110
- Others	1,220
	1,330

Shares in group undertakings are stated at acquisition cost increased by the nominal value of scrip issues.

(1) At the beginning of the year both BOIIF and BIAM became direct subsidiaries of the bank having previously been subsidiaries of the Investment Bank of Ireland Limited

The principal group undertakings at 31 March 1999 were:

Name	**Principal Activity**	**Country of Incorporation**	**Statutory Year End**
Bank of Ireland Asset Management Limited*	Asset Management	Ireland	31 March
Bank of Ireland Finance Limited*	Instalment Finance	Ireland	31 March
Bristol & West plc	Mortgages, Savings and Investments	England	31 March
ICS Building Society*	Building Society	Ireland	31 December
Investment Bank of Ireland Limited*	Merchant Banking	Ireland	31 March
J & E Davy Holdings Limited	Stockbroking	Ireland	31 December
Lifetime Assurance Company Limited	Life Assurance and pensions	Ireland	31 December
New Ireland Assurance*	Life Assurance and pensions	Ireland	31 December

* Direct subsidiary of The Governor and Company of the Bank of Ireland.

17 SHARES IN GROUP UNDERTAKINGS (continued)

All the Group undertakings are included in the consolidated accounts. The Group owns 90.44% of the equity of J & E Davy Holdings Limited and holds 49% of its voting shares. The Group owns 100% of the equity share capital of the other principal group undertakings and 100% of the voting shares of all these undertakings and in the case of ICS Building Society, 100% of the investment shares.

The registered offices of the above undertakings are given on pages 124 to 129.

In presenting details of the principal subsidiary undertakings, the exemption permitted by Regulation 10 of the European Communities (Credit Institutions: Accounts) Regulations, 1992 has been availed of and Bank of Ireland will annex to its annual return to the Companies Office a full listing of group undertakings.

Advantage is being taken of Regulation 8.(1) of the European Communities (Credit Institutions: Accounts) Regulations, 1992 in respect of Bank of Ireland Finance Limited and Investment Bank of Ireland Limited which will not file group accounts for the year ended 31 March 1999.

18 TANGIBLE FIXED ASSETS

The Group

Cost or valuation	Freehold land and buildings IR£m	Leases of 50 years or more unexpired IR£m	Leases of less than 50 years unexpired IR£m	Computer and other equipment IR£m	Finance lease assets IR£m	Total IR£m
At 1 April 1998	359	55	34	488	5	941
Exchange adjustments	(8)	-	(1)	(5)	-	(14)
Additions	18	-	4	113	1	136
Disposals	(33)	-	(1)	(38)	-	(72)
Revaluation	-	3	-	-	-	3
At 31 March 1999	**336**	**58**	**36**	**558**	**6**	**994**
Accumulated depreciation and amortisation						
At 1 April 1998	8	1	4	276	3	292
Exchange adjustments	1	-	-	(3)	-	(2)
Disposals	-	-	-	(31)	-	(31)
Charge for year	5	1	3	67	1	77
At 31 March 1999	**14**	**2**	**7**	**309**	**4**	**336**
Net book value						
At 31 March 1999	**322**	**56**	**29**	**249**	**2**	**658**
At 31 March 1998	351	54	30	212	2	649

18 TANGIBLE FIXED ASSETS (continued)

The Bank

Cost or valuation	Freehold land and buildings IR£m	Leases of 50 years or more unexpired IR£m	Leases of less than 50 years unexpired IR£m	Computer and other equipment IR£m	Finance lease assets IR£m	Total IR£m
At 1 April 1998	165	14	20	369	5	573
Exchange adjustments	(1)	-	(1)	(2)	-	(4)
Additions	5	-	3	74	-	82
Disposals	-	-	-	(27)	-	(27)
At 31 March 1999	**169**	**14**	**22**	**414**	**5**	**624**
Accumulated depreciation and amortisation						
At 1 April 1998	7	1	2	222	3	235
Exchange adjustments	-	-	-	(1)	-	(1)
Disposals	-	-	-	(25)	-	(25)
Charge for year	4	-	1	40	1	46
At 31 March 1999	11	1	3	236	4	255
Net book value						
At 31 March 1999	**158**	**13**	**19**	**178**	**1**	**369**
At 31 March 1998	158	13	18	147	2	338

Property and Equipment

A revaluation of all Group property, was carried out as at 31 March 1996. All freehold and long leasehold (50 years or more unexpired) commercial properties were valued by Jones Lang Wootton as external valuers, with the Bank's professionally qualified staff valuing all other property. The valuation was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of existing use value or open market value together with the depreciated replacement cost of adaptation works where these are not adequately reflected in the existing use value.

As at 31 March 1999 on a historical cost basis the cost of group property would have been included at IR£341m (1998: IR£398m) less accumulated depreciation IR£25m (1998: IR£11m). The Group occupies properties with a net book value of IR£267m (1998: IR£280m) in the course of carrying out its own activities.

18 TANGIBLE FIXED ASSETS (continued)

In the year to 31 March 1999 salary and overhead costs of IR£15m (1998: IR£5m) incurred on computer software development and other projects have been capitalised and included in computer and other equipment. This expenditure is depreciated in equal annual instalments over its estimated useful life subject generally to a maximum period of five years.

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Tangible fixed assets leased	**124**	152	**5**	5

Future capital expenditure	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
- contracted but not provided in the accounts	**34**	11	**1**	2
- authorised by the Directors but not contracted	**7**	8	**7**	5

Rentals payable in 1999 under non-cancellable operating leases amounted to IR£25m (1998: IR£23m). Of this amount IR£3m (1998: IR£2m) relates to leases expiring within one year, IR£4m (1998: IR£4m) relates to leases expiring in two to five years and IR£18m (1998: IR£18m) relates to leases expiring after five years, split between property IR£24m and equipment IR£1m.

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

Year ended 31 March	**Payable**	**Receivable**
	IR£m	**IR£m**
2000	**24**	**5**
2001	**21**	**4**
2002	**20**	**4**
2003	**20**	**4**
2004	**20**	**4**
thereafter	**326**	**9**

The obligations under finance leases amount to IR£1.2m (1998: IR£0.8m) of which IR£0.6m (1998: IR£0.4m) is due within one year, IR£0.6m (1998: IR£0.4m) is due after more than one year but within five years and IR£nil (1998: IR£nil) is due after five years.

19 OTHER ASSETS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Sundry debtors	**720**	543	**108**	90
Foreign exchange and interest rate contracts	**787**	594	**794**	594
Value of shareholders' interest in life policies	**174**	135	**-**	-
Other	**70**	66	**1**	10
	1,751	1,338	**903**	694

20 DEFERRED TAXATION

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Taxation treatment of capital allowances:				
- finance leases	**45**	84	**8**	4
- equipment used by group	**8**	13	**7**	12
Other short term timing differences	**(2)**	(24)	**(24)**	(46)
	51	73	**(9)**	(30)
At 1 April	**73**	33	**(30)**	(24)
Exchange adjustments	**-**	3	**-**	-
Provision made/ (utilised)	**42**	35	**21**	(6)
Acquisitions	**-**	14	**-**	-
Other movements	**(64)**	(12)	**-**	-
At 31 March	**51**	73	**(9)**	(30)

No account is taken of the liability to taxation which could arise if property was disposed of at its book value, as it is expected that substantially all the property will be retained by the Group.

21 LIFE ASSURANCE BUSINESS

The net assets attributable to stockholders from the life assurance business amount to IR£359m (1998: IR£300m).

The life assurance assets attributable to policyholders consist of:

	1999	1998
	IR£m	IR£m
Investments		
Property	**170**	121
Fixed interest securities	**1,031**	810
Other securities	**1,386**	1,268
Bank balances and cash	**153**	179
Income receivable	**27**	19
Other assets	**25**	23
Other liabilities	**(8)**	(11)
	2,784	2,409

22 DEPOSITS BY BANKS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Deposits by Banks	**5,544**	4,261	**7,239**	6,002
Repayable on demand	**1,690**	1,358	**1,965**	1,671
Other deposits by remaining maturity				
- 3 months or less	**2,852**	2,389	**4,331**	3,077
- 1 year or less but over 3 months	**306**	165	**801**	1,093
- 5 years or less but over 1 year	**664**	328	**110**	140
- over 5 years	**32**	21	**32**	21
	5,544	4,261	**7,239**	6,002
Amounts include:				
Due to group undertakings			**2,926**	2,866

23 CUSTOMER ACCOUNTS

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Current accounts	**3,807**	2,928	**4,562**	3,627
Demand deposits	**10,691**	9,339	**5,988**	5,030
Term deposits and other products	**12,377**	13,422	**4,951**	4,343
Other short-term borrowings	**136**	268	**147**	61
	27,011	25,957	**15,648**	13,061
Repayable on demand	**15,081**	13,437	**9,926**	7,867
Other deposits with agreed maturity dates or periods of notice, by remaining maturity				
- 3 months or less	**7,544**	8,166	**3,881**	3,485
- 1 year or less but over 3 months	**2,353**	2,168	**1,039**	801
- 5 years or less but over 1 year	**1,653**	1,853	**660**	836
- over 5 years	**380**	333	**142**	72
	27,011	25,957	**15,648**	13,061
Amounts include:				
Due to group undertakings			**770**	725

24 DEBT SECURITIES IN ISSUE

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Bonds and medium term notes by remaining maturity				
- 3 months or less	**20**	31	**12**	25
- 1 year or less but over 3 months	**12**	72	**12**	59
- 5 years or less but over 1 year	**186**	216	**10**	30
Other debt securities in issue by remaining maturity				
- 3 months or less	**127**	427	**100**	369
- 1 year or less but over 3 months	**81**	136	**81**	98
	426	882	**215**	581

25 OTHER LIABILITIES

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Current taxation	**149**	131	**63**	59
Notes in circulation	**316**	274	**316**	274
Foreign exchange and interest rate contracts	**779**	651	**809**	655
Sundry creditors	**895**	771	**304**	178
Other	**496**	469	**101**	70
Dividends	**103**	82	**103**	82
	2,738	2,378	**1,696**	1,318

The Bank is authorised to issue bank notes in Northern Ireland under the Bankers (Ireland) Act 1845 and the Bankers (Northern Ireland) Act, 1928 as amended by Section 11 of Bankers (NI) Act 1928.

26 OTHER PROVISIONS FOR LIABILITIES AND CHARGES

The Group	**Pension obligations IR£m**	**Other IR£m**	**Total IR£m**
At 1 April 1998	58	64	122
Exchange adjustments	(1)	(1)	(2)
Provisions made	9	9	18
Provisions utilised	(11)	(28)	(39)
Provisions released	-	(9)	(9)
At 31 March 1999	**55**	**35**	**90**
The Bank			
At 1 April 1998	49	15	64
Exchange adjustments	-	-	-
Provisions made	2	2	4
Provisions utilised	(4)	(10)	(14)
Provisions released	-	(3)	(3)
At 31 March 1999	**47**	**4**	**51**

27 SUBORDINATED LIABILITIES

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Undated Loan Capital				
Bank of Ireland				
US$150m Undated Floating Rate Primary Capital Notes	**109**	109	**109**	109
US$270.3m Undated Variable Rate Notes	**198**	220	**198**	220
Bristol & West				
Stg£75m 13 3/8% Perpetual Subordinated Bonds	**146**	153	**-**	-
	453	482	**307**	329
Dated Loan Capital				
Bank of Ireland				
Stg£100m 9.75% Subordinated Bonds 2005	**117**	124	**117**	124
US$175m Subordinated Floating Rate Notes 2007	**128**	128	**128**	128
Stg£200m Subordinated Floating Rate Notes 2009	**236**	246	**236**	246
Bristol & West				
Stg£60m 10 7/8% Subordinated Bonds 2000	**71**	74	**-**	-
Stg£75m 10 3/4% Subordinated Bonds 2018	**89**	92	**-**	-
	641	664	**481**	498
	1,094	1,146	**788**	827
Repayable				
in 1 year or less	**-**	-	**-**	-
between 1 and not more than 2 years	**71**	-	**-**	-
between 2 and not more than 5 years	**-**	74	**-**	-
5 years or more	**570**	590	**481**	498
	641	664	**481**	498

The US$150m Undated Floating Rate Primary Capital Notes which were issued at par on 5 December 1985 are subordinated in right of payment to the claims of depositors and other creditors of the Bank.

On 5 September 1989 the Bank issued US$300m Undated Variable Rate Notes. These Notes constitute unsecured subordinated and conditional obligations of the Bank ranking pari passu with the US$150m Undated Floating Rate Primary Capital Notes. On 22 September 1998, 29 September 1998 and 2 October 1998 notes to the value of US$8.7m, US$5.0m and US$16.0m respectively were redeemed.

On 21 March 1995 the Bank issued Stg£100m Subordinated Bonds 2005. The Bonds constitute unsecured obligations of the Bank subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Bank and rank pari passu without any preference among themselves.

On 11 February 1997 the Bank issued Stg£200m Subordinated Floating Rate Notes 2009. The Notes constitute unsecured obligations of the Bank subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Bank and rank pari passu without any preference among themselves.

27 SUBORDINATED LIABILITIES (continued)

On 4 September 1997 the Bank issued US$175m Subordinated Floating Rate Notes 2007. The notes constitute unsecured obligations of the Bank subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Bank and rank pari passu without any preference among themselves.

Interest rates on the floating rate and fixed rate (accommodated through swaps) subordinated liabilities are determined by reference to the London Inter-Bank Offered Rate (LIBOR).

The subordinated liabilities in Bristol & West are redeemable in whole, at the option of Bristol & West plc, in the event of certain tax changes affecting the treatment of payments of interest on capital securities in the United Kingdom, and provided prior relevant supervisory consent has been obtained and adequate notice has been given, at their principal amount plus accrued interest to the date of redemption.

The Bristol & West 13 3/8% Perpetual Subordinated Bonds have a nominal value of Stg£75m and were revalued as part of the fair value adjustments on acquisition.

28 MINORITY INTEREST - NON EQUITY

	1999 IR£m	1998 IR£m
Bristol & West		
Stg£52.2m 8 1/8% Non Cumulative-Preference Shares of Stg£1each	**62**	64
	62	64

These Preference Shares which are non redeemable, non equity shares rank equally amongst themselves as regards participation in profits and in priority to the ordinary shares of Bristol & West plc.

Holders of the Preference Shares are entitled to receive, in priority to the holders of any other class of shares in Bristol & West plc, a non-cumulative preference dividend at a fixed rate per annum payable in equal half yearly instalments in arrears on 15 May and 15 November each year. Bank of Ireland holds 33.6% of these shares.

The preference dividend on the Preference Shares will only be payable to the extent that payment can be made out of profits available for distribution as at each dividend payment date in accordance with the provisions of the UK Companies Acts.

29 CALLED UP CAPITAL STOCK

The Group	1999 IR£m	1998 IR£m
Authorised		
750m units of IR£1 of Ordinary Stock	**750**	750
8m units of Non-Cumulative Preference Stock of US$25 each	**147**	147
100m units of Non-Cumulative Preference Stock of Stg£1 each	**118**	123
100m units of Non-Cumulative Preference Stock of IR£1 each	**100**	100
	1,115	1,120

29 CALLED UP CAPITAL STOCK (continued)

	1999 IR£m	1998 IR£m
The Group		
Allotted and fully paid		
Equity		
519m units of IR£1 of Ordinary Stock	**519**	514
Non equity		
5m units of Non-Cumulative Preference Stock of Stg£1 each	**6**	6
10.5m units of Non-Cumulative Preference Stock of IR£1 each	**11**	11
	536	531

During the year the total Ordinary Stock issued was increased from 514,083,378 units of IR£1 to 518,875,033 units of IR£1 as follows:

In July 1998, 1,583,656 units of Ordinary Stock were issued to those holders of Ordinary Stock who elected, under the Stock Alternative Scheme, to receive additional units of Ordinary Stock at a price of 1309.4p per unit, instead of all or part of the cash element of their 1997/98 Final Dividend. Additionally in that month, 747,106 units of Ordinary Stock were allotted to the Trustees of the Employee Ordinary Stock Issue Scheme (Irish) and the Trustees of the Employee Ordinary Stock Issue Scheme (UK), at the price of 1330p per unit.

In January 1999, 658,077 units of Ordinary Stock were issued to those holders of Ordinary Stock who elected, under the Stock Alternative Scheme, to receive additional units of Ordinary Stock at a price of 1411.6p per unit, instead of all or part of the cash element of their 1998/99 Interim Dividend.

During the year 1,802,816 units of Ordinary Stock were issued to option holders on the exercise of options under the terms of the Senior Executive Stock Option Scheme at prices ranging between 152.9p and 444p.

All units of Ordinary Stock in issue carry the same voting rights.

Stock Alternative Scheme

At the 1997 Annual General Court the stockholders renewed the Directors' authority to offer stockholders the right to elect to receive new units of Ordinary Stock in lieu of part or all of the cash element of their dividends. The price at which such new units are offered is the average of the closing quotation of Bank of Ireland Ordinary Stock derived from the Daily Official List of the Irish Stock Exchange for the five dealing days starting on the date on which the stock is first quoted 'ex-dividend'.

Employee Stock Issue Scheme

At the 1997 Annual General Court the stockholders approved the establishment of a new Employee Stock Issue Scheme to replace the Scheme originally approved by the Stockholders in 1984. Under the new Scheme, which has an Irish and a UK version in order to conform with the relevant revenue legislation in both jurisdictions, all employees of the Bank and certain subsidiaries, are eligible to participate, provided they had an existing contract of employment with a participating company on the last day of the Group's financial year, and their employment contract existed for a period of at least 12 months as at that date and is still in existence on the date on which a Stock issue announcement is made. Each year the Court of Directors may set aside an element of Group profit before taxation for allocation to the Trustees of the Schemes. The amount set aside is related to the overall Group performance assessed both in terms of profit before tax and growth in earnings per share. In addition, as is permitted by Irish taxation rules, Irish participants may, subject to certain constraints, forego up to an equivalent amount of their salary towards the acquisition by the Trustees on their behalf of up to an amount equal to their free scheme stock. To-date, annual distributions under the Schemes have ranged between nil and 3% of each participant's salary.

29 CALLED UP CAPITAL STOCK (continued)

Employees may elect to take their share of the allocation to the Trustees either in cash, which is fully taxable, or in units of Ordinary Stock. The total market value of the free stock which may be allocated to an employee may not exceed IR£10,000 under the Irish Scheme (Stg£8,500 under the UK Scheme) in any year. Units of stock allocated must be held by the Trustees for a minimum period of two years and are required to be held for a total of three years for the employee to obtain the maximum tax benefit. At 31 March 1999, the Trustees of the Staff Scheme held 2.5m units of stock (0.5% of the Issued Ordinary Stock).

Senior Executive Stock Option Scheme

Options to subscribe for units of Ordinary Stock are granted under the terms of the Senior Executive Stock Option Scheme. The original scheme was approved by the stockholders at the Annual General Court in July 1986 and a replacement scheme, "Bank of Ireland Group Stock Option Scheme - 1996", was approved by the stockholders at the Annual General Court held in July 1996. Key executives may participate in the current Scheme at the discretion of the Remuneration Committee. The total value of options granted may not exceed four times an Executive's remuneration. The subscription price per unit of stock shall not be less than the market value of the stock at the date of grant. The exercise of options granted since 1996 are conditional upon earnings per share, ("EPS") achieving a cumulative growth of at least 2% per annum compound above the increase in the Consumer Price Index over either the three year period, or if not achieved, the six year period, commencing with the period in which the options are granted. Options may not be transferred or assigned and may be exercised only between the third and tenth anniversaries of their grant. At 31 March 1999, options were outstanding over 6,039,208 units of stock 1.2% of the Issued Ordinary Stock) at prices ranging from 152.9p to 1301.7p per unit of stock. These options may be exercised at various dates up to 28 May 2008.

Limitations on Employee Stock Issue and Stock Option Schemes

The maximum number of units of Ordinary Stock over which options may be granted under the Bank of Ireland Group Stock Options Scheme - 1996 is limited to a total of 5 per cent of the issued Ordinary Stock of Bank of Ireland over any 10 year period. Over any 10 year period, the total number of units of Ordinary Stock over which options may be granted under any stock option scheme together with the total number of units of Ordinary Stock that may be issued under any stock issue scheme may not exceed 10 per cent of the total issued Ordinary Stock. The maximum number of units of Ordinary Stock over which options may be granted or that may be issued under any stock option scheme and any stock issue scheme may not exceed 3 per cent of the total issued Ordinary Stock over any 3 year period or 5 per cent over any 5 year period.

Preference Stock

The Preference Stock is non-redeemable. The holders of Preference Stock are entitled to receive a non-cumulative preferential dividend which in the case of the Sterling Preference Stock will be payable in Sterling in a gross amount of Stg£1.2625 per unit and in the case of Irish Pound Preference Stock will be payable in Irish Pounds in a gross amount of IR£1.20 per unit per annum, in equal semi-annual instalments in arrears on February 20 and August 20 in each year.

On a winding up of, or other return of capital by the Bank (other than on a redemption), the Preference Stockholders will be entitled to receive an amount equal to the amount paid up on each unit of the Preference Stock held (including the premium) out of the surplus assets available for distribution to the Ordinary Stockholders.

The Preference Stockholders are not entitled to vote at any General Court except in certain exceptional circumstances when a restricted vote may apply.

The Bank has an obligation to increase the cash dividend payable on each unit of Preference Stock so that the sum of the cash dividend paid or payable together with the associated dividend tax credit shall equal the appropriate gross amounts.

30 RESERVES

	The Group IR£m	The Bank IR£m
Stock premium account		
Opening balance	462	462
Premium on issue of capital stock	11	11
Premium on stock alternative scheme issue	28	28
Exchange adjustments	(2)	(2)
Closing balance	499	499
Capital reserve		
Opening balance	98	14
Share of unrealised profits of group undertakings	28	-
Exchange adjustments	(1)	-
Closing balance	125	14
Profit and loss account		
Opening balance	1,111	281
Transfer from Goodwill reserve	(631)	(12)
	480	269
Profit retained	428	166
Exchange adjustments	(15)	(24)
Goodwill written back on disposal of Citizens	181	-
Goodwill written back on other disposal	1	-
Closing balance	1,075	411
Revaluation reserve		
Opening balance	10	7
Revaluation of property	3	-
Closing balance	13	7
Goodwill		
Opening balance	(631)	(12)
Transfer to profit and loss account	631	12
Closing balance	-	-

31 PENSION COSTS

The Group operates a number of defined benefit pension schemes in Ireland and overseas. The schemes are funded and the assets of the schemes are held in separate Trustee administered funds.

An independent actuarial valuation of the Bank of Ireland Staff Pensions Fund (the main scheme) was carried out by R Watson & Sons, consulting actuaries as at 31 March 1998 using the projected unit credit method of funding. The principal assumption in the review was that the annual rate of return on new investments would be 4.0 per cent higher than the annual rate of increase in pensionable remuneration and pensions in course of payment.

The market value of the assets of the main scheme at 31 March 1998 was IR£1,823.8m and the actuarial value of the net assets, after allowing for expected future increases in earnings and pensions, represented 138 per cent of the benefits that had accrued to members. The surplus is being corrected by the Bank ceasing its contributions to the scheme until at least the next actuarial valuation, which is anticipated to be at 31 March 2001. The accounting treatment that has been adopted in accordance with SSAP 24 is as follows:

- the actuarial surplus is being spread over the average remaining service lives of current employees.
- a provision of IR£43.4m (1998: IR£45.7m) in regard to the main scheme is included in the accounts being the excess of the accumulated pension charge over the amount funded.
- the amortisation of the surplus gives rise to a net credit of IR£2.0m in relation to the main scheme, while the charge for 1998 was IR£17.8m.

The total pension charge for the Group in respect of the year ended 31 March 1999 was IR£9m (1998: IR£23m).

32 DERIVATIVE TRANSACTIONS

The Group is party to various types of financial instruments in the normal course of business to generate incremental income, to meet the financing need of its customers and to reduce its own exposure to fluctuations in interest and exchange rates. These financial instruments involve to varying degrees, exposure to loss in the event of a default by a counterparty ("credit risk") and exposure to future changes in interest and exchange rates ("market risk").

Details of the objectives, policies and strategies arising from the Group’s use of financial instruments, including derivative financial instruments and details of the market risk exposures are presented on pages 23 to 30 of the Operating and Financial Review.

In respect of interest rate and exchange rate contracts, underlying principal amounts are used to express the volume of these transactions, but the amounts potentially subject to credit risk are much smaller. Replacement cost provides a better indication of the credit risk exposures facing a bank. Replacement cost is the gross cost of replacing all contracts that have a positive fair value, without giving effect to offsetting positions with the same counterparty.

32 DERIVATIVE TRANSACTIONS (continued)

The underlying principal amounts and replacement cost, by residual maturity of the Group's over the counter and other non-exchange traded derivatives were as follows at 31 March 1999:

	Within one year IR£m	One to five years IR£m	Over five years IR£m	Total IR£m
Underlying Principal Amount:				
Exchange Rate Contracts	7,979	1,798	316	10,093
Interest Rate Contracts	11,161	15,677	2,467	29,305
Equity Contracts	155	1,289	83	1,527
Replacement Cost				
Exchange Rate Contracts	147	42	32	221
Interest Rate Contracts	108	257	91	456
Equity Contracts	121	503	1	625

The replacement cost of the Group's over the counter and other non-exchange traded derivatives as at 31 March 1999 analysed into financial and non-financial counterparties for exchange rate, interest rate and equity contracts were as follows:

	Financial IR£m	Non-Financial IR£m	Total IR£m
Exchange Rate Contracts	103	118	221
Interest Rate Contracts	435	21	456
Equity Contracts	625	-	625
	1,163	139	1,302

32 DERIVATIVE TRANSACTIONS (continued)

Trading Instruments

Bank of Ireland Group maintains trading positions in a variety of financial instruments including derivatives. Most of these positions are a result of activity generated by corporate customers while others represent trading decisions of the Group's derivative and foreign exchange traders with a view to generating incremental income. The following table represents the underlying principal amounts, fair values and average fair values by class of derivative trading instrument for the Group at 31 March 1999 and 1998:-

	1999			1998		
Interest rate contracts:	**Underlying Principal Amount [1] IR£m**	**Fair Value IR£m**	**Average Fair Value IR£m**	Underlying Principal Amount [1] IR£m	Fair Value IR£m	Average Fair Value IR£m
Interest rate swaps	**19,207**			13,470		
in a favourable position		**344**	**282**		194	173
in an unfavourable position		**(380)**	**(245)**		(117)	(106)
Interest rate caps, floors & options						
Held	**2,550**			1,011		
in a favourable position		**11**	**2**		1	1
in an unfavourable position		**-**	**-**		(1)	-
Interest rate caps, floors & options						
Written	**998**			685		
in a favourable position		**-**	**-**		1	-
in an unfavourable position		**(1)**	**-**		-	-
Forward rate agreements	**3,616**			15,002		
in a favourable position		**6**	**15**		20	11
in an unfavourable position		**(6)**	**(16)**		(19)	(10)
Financial futures	**549**			1,727		
in a favourable position		**-**	**-**		-	-
in an unfavourable position		**-**	**-**		-	-
	26,920	**(26)**		31,895	79	
Foreign exchange contracts:						
Forward foreign exchange	**7,681**			12,763		
in a favourable position		**133**	**197**		253	212
in an unfavourable position		**(145)**	**(189)**		(280)	(236)
	7,681	**(12)**		12,763	(27)	
	34,601			44,658		

[1] The underlying principal amount represents the notional amount upon which the instruments are based and does not generally represent the amounts exchanged by the parties to the instruments.

32 DERIVATIVE TRANSACTIONS (continued)

	1999 IR£m	1998 IR£m
Dealing profits		
Interest rate contracts	**(44)**	(18)
Foreign exchange contracts	**29**	13
Equity contracts	**-**	4
Securities	**71**	34
Total	**56**	33

Non Trading Derivatives

The Group has significant business activities in a range of currencies and the details are outlined in the Operating and Financial Review.

The operations of the Group are exposed to risk of interest rate fluctuations to the extent that assets and liabilities mature or reprice at different times or in differing amounts. Derivatives allow the Group to modify the repricing or maturity characteristics of assets and liabilities in a cost efficient manner. This flexibility helps the Group to achieve liquidity and risk management objectives.

Derivatives fluctuate in value as interest or exchange rates rise or fall just as on-balance sheet assets and liabilities fluctuate in value. If the derivatives are purchased or sold as hedges of balance sheet items, the appreciation or depreciation of the derivatives, as interest or exchange rates change, will generally be offset by the unrealised appreciation or depreciation of the hedged items.

To achieve its risk management objectives, the Group uses a combination of derivative financial instruments, particularly interest rate and currency swaps, futures and options, as well as other contracts.

32 DERIVATIVE TRANSACTIONS (continued)

The following tables represent the underlying principal amounts, average maturities and fair values by class of instrument utilised for non trading activities for the Group at 31 March 1999 and 1998.

	1999				
	Underlying Principal Amount IR£m	Weighted Average Maturity in Years	Weighted Average Receive Rate %	Weighted Average Pay Rate %	Fair Value IR£m
Interest Rate Contracts:					
Interest Rate Swaps					
- receive fixed					
1 year or less	**948**	**0.4**	**6.3**	**5.2**	**34**
1 - 5 years	**1,420**	**2.9**	**3.5**	**5.2**	**54**
5 - 10 years	**102**	**6.2**	**1.9**	**0.4**	**1**
Interest Rate Swaps					
- pay fixed					
1 year or less	**626**	**0.3**	**5.5**	**7.1**	**(7)**
1 - 5 years	**1473**	**2.2**	**5.3**	**7.3**	**(74)**
5 - 10 years	**155**	**7.7**	**4.0**	**7.4**	**(31)**
Over 10 years	**316**	**15.3**	**3.4**	**5.8**	**(33)**
Interest Rate Swaps					
- pay and receive floating					
1 year or less	**44**	**0.7**	**5.0**	**4.7**	**-**
1 - 5 years	**69**	**2.6**	**5.4**	**7.8**	**(1)**
5 - 10 years	**40**	**7.2**	**3.4**	**3.1**	**1**
Forward Rate Agreements loans					
1 year or less	**53**	**0.5**	**-**	**3.7**	**-**
Interest Rate Caps					
1 year or less	**1**	**0.9**	**9.5**	**-**	**1**
1 - 5 years	**48**	**2.6**	**9.3**	**0.7**	**43**
5 - 10 years	**4**	**9.0**	**9.5**	**-**	**4**
Interest Rate Floors					
5 - 10 years	**9**	**2.5**	**4.8**	**4.8**	**-**
	5,308				**(8)**
Exchange Rate Contracts:					
Forward Foreign Exchange					
1 year or less	**981**	**0.3**			**36**
1 - 5 years	**376**	**2.8**			**2**
Currency Swaps					
1 year or less	**329**	**0.5**			**(16)**
1 - 5 years	**1,155**	**2.6**			**(37)**
5 - 10 years	**260**	**7.8**			**14**
Over 10 years	**54**	**14.3**			**1**
Currency Options					
1 year or less	**19**	**0.1**			**-**
1 - 5 years	**1**	**2.0**			**-**
	3,175				**-**
Equity and Commodity Contracts:					
Equity Index Linked Contracts Held					
1 year or less	**155**	**0.4**			**121**
1 - 5 years	**1,289**	**3.1**			**519**
5 - 10 years	**83**	**5.8**			**(2)**
	1,527				**638**
	10,010				

32 DERIVATIVE TRANSACTIONS (continued)

	1998				
	Underlying Principal Amount IR£m	Weighted Average Maturity in Years	Weighted Average Receive Rate %	Weighted Average Pay Rate %	Fair Value IR£m
Interest Rate Contracts:					
Interest Rate Swaps					
- receive fixed					
1 year or less	1,277	0.3	6.6	6.7	36
1 - 5 years	824	2.4	8.1	7.1	42
5 - 10 years	30	6.3	1.3	1.3	(3)
Interest Rate Swaps					
- pay fixed					
1 year or less	1,127	0.4	7.1	6.7	(3)
1 - 5 years	1,930	2.5	7.2	7.3	(28)
5 - 10 years	120	6.4	5.7	6.2	(7)
Over 10 years	63	12.3	5.3	7.0	(10)
Interest Rate Swaps					
- pay and receive floating					
1 year or less	26	0.2	5.6	5.9	-
1 - 5 years	18	3.1	5.6	8.1	-
5 - 10 years	10	5.3	5.0	6.6	-
Forward Rate Agreements loans					
1 year or less	45	0.3	5.1	-	-
Forward Rate Agreements deposits					
1 year or less	412	0.1	-	6.7	-
Interest Rate Caps					
1 year or less	7	0.2	24.0	24.0	-
1 - 5 years	1	4.2	8.0	8.0	-
Interest Rate Floors					
1 year or less	7	0.2	-	-	-
1 - 5 years	5	2.6	4.4	4.4	-
Other Interest Rate Contracts					
1 year or less	-	-	-	-	-
1 - 5 years	422	3.8	1.7	0.7	-
5 - 10 years	47	5.5	0.6	-	-
over 10 years	-	-	-	-	-
	6,371				27
Exchange Rate Contracts:					
Forward Foreign Exchange					
1 year or less	317	0.2			(12)
1 - 5 years	38	1.6			(3)
Currency Swaps					
1 year or less	423	0.5			(5)
1 - 5 years	797	2.7			(59)
5 - 10 years	55	5.9			4
over 10 years	45	16.0			(2)
Currency Options					
1 year or less	31	0.2			-
	1,706				(77)
Equity and Commodity Contracts:					
Equity Index Linked Contracts Held					
1 year or less	74	0.1			63
1 - 5 years	1,167	4.1			478
5 - 10 years	72	5.5			6
	1,313				547
	9,390				

32 DERIVATIVE TRANSACTIONS (continued)

Unrecognised Gains and Losses on Derivative Hedges

Gains and losses on instruments used for hedging are recognised in line with the underlying items which are being hedged. The unrecognised net gains on instruments used for hedging as at 31 March 1999 were IR£316.0m (1998: IR£376.8m).

The net gains expected to be recognised in 1999/2000 are IR£178.5m and thereafter are IR£137.5m.

The net gains recognised in 1998/99 in respect of previous years were IR£156.7m and the net gains arising in 1998/99 which were not recognised in 1998/99 were IR£95.9m.

Non Trading Derivative Deferred Balances

Deferred balances relating to settled derivative transactions will be released to the profit and loss account in the same periods as the income and expense flows from the underlying transactions.

At the year end the Group had deferred income of IR£7.1m (1998: IR£10m) and deferred expense of IR£5.1m (1998: IR£7m). IR£4.0m of deferred income and IR£3.2m of deferred expense is expected to be released to the profit and loss account in 1999/2000.

Anticipatory Hedges

The Group has entered into forward foreign exchange contracts to hedge partly the exchange risk on the translation of the net profit from certain non-IR£ operations. The fair value of these amounted to an unrealised loss of IR£6m at 31 March 1999 and an unrealised loss of IR£3m in 1998.

33 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group has estimated fair value wherever possible using market prices or data available for instruments with characteristics either identical or similar to those of the instruments held by the Group. In certain cases, however, including some advances to customers, there are no ready markets. Accordingly, various techniques have been developed to estimate what the approximate fair value of such instruments might be. These estimation techniques are necessarily extremely subjective in nature and involve assumptions which are based upon management's view of market conditions at 31 March 1999 which may not necessarily be indicative of any subsequent fair value. Furthermore, minor changes in the assumptions used could have a significant impact on the resulting estimated fair values, and, as a result, readers of these financial statements are advised to use caution when using this data to evaluate the Group's financial position.

The concept of fair value assumes realisation of financial instruments by way of a sale. However, in many cases, particularly in respect of lending to customers, the Group intends to realise assets through collection over time. As such, the fair values calculated for the purposes of reporting under FRS13 do not represent the value of the Group as a going concern at 31 March 1999.

33 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The following table represents the carrying amount and the fair value of both the trading financial assets and liabilities as at 31 March 1999.

	Carrying Amount IR£m	Fair Values IR£m
Financial Instruments for trading		
Debt securities	1,226	1,226
Equity shares	13	13
Central government and other eligible bills	59	59
Non Trading Financial Instruments		
Assets		
Cash and balances at central banks[(i)]	853	853
Items in course of collection[(i)]	453	453
Central government and other eligible bills[(i)]	462	462
Loans and advances to banks	2,723	2,723
Loans and advances to customers	28,496	28,812
Securitisation and loan transfers[(i)]	92	92
Debt securities	2,827	2,876
Equity shares	1	1
Life assurance assets attributable to policyholders[(i)]	2,784	2,784
Liabilities		
Deposits by banks	5,544	5,562
Customer accounts	27,011	27,564
Debt securities in issue	426	427
Items in course of transmission[(i)]	198	198
Subordinated liabilities	1,094	1,157
Life assurance liabilities attributable to policyholders[(i)]	2,784	2,784
Minority Interests : non equity	62	102
Derivative financial instruments held for trading purposes		
Interest rate contracts	(26)	(26)
Foreign exchange contracts	(12)	(12)
Derivative financial instruments utilised for non trading activities		
Interest rate contracts		(8)
Exchange rate contracts		-
Equity and commodity contracts		638

[(i)] The fair value of these financial instruments is equal to the carrying value. These instruments are either carried at market value, or have minimal credit losses and are either short term in nature or reprice frequently.

33 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The following notes summarise the methods and assumptions used in estimating the fair values of financial instruments shown above.

1. Loans and Advances to Banks

The Group places funds with Banks. Several different techniques are employed, as considered appropriate, in estimating the fair value of loans and advances. The carrying amount of variable rate loans is considered to be at market value. The fair value of fixed rate loans was calculated by discounting expected cash flows using market rates where practicable, or rates currently offered by other financial institutions with similar characteristics.

2. Loans and Advances to Customers

The Group provides lending facilities of varying rates and maturities to corporate and personal customers. Several different techniques are employed as considered appropriate in estimating the fair value of loans and advances.

Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type. Each loan category is further segmented into fixed and variable rate interest terms and by performing and nonperforming categories.

The carrying amount of variable rate loans was considered to be at market rate if there was no significant change in the credit risk of the borrower.

The fair value of fixed rate loans is estimated by discounting future cash flows using market rates for similar loans with the same residual maturities, offered by the Group including an adjustment, where necessary to reflect the fact that the credit risk on a proportion of the loan has changed.

3. Debt Securities and Equity Shares

The fair value of listed debt securities and equity shares is based on market prices received from external pricing services or bid quotations received from external securities dealers.

The estimated value of unlisted debt securities and equity shares is based on the anticipated future cashflows arising from these items.

4. Deposits by Banks

The fair value of other borrowings is based on the discounted cash flows using market rates applicable for similar types of borrowing arrangements.

5. Customer Accounts

The fair value of current accounts, short-term borrowings, deposit accounts payable on demand and variable rate deposits are equal to their carrying value. The fair value of all other deposits, which are not repriced frequently is estimated based on the discounted value of the contractual cash flows. The discount rate is estimated using market rates for deposits with similar remaining maturities.

33 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

6. Debt Securities in issue

The carrying value of short-term debt securities in issue approximate to their fair values. Fair values of other debt securities in issue are based on quoted market prices where available, otherwise by discounting anticipated cash flows.

7. Subordinated Liabilities

The estimated fair value of subordinated liabilities is based on quoted market rates for debt instruments with similar maturities.

8. Financial Instruments with Off-Balance Sheet Risk

Financial instruments with off-balance sheet risk are detailed in Note 32 on pages 89 to 95 and include the fair value of these instruments.

34 CONTINGENT LIABILITIES AND COMMITMENTS

The tables below give, for the Group and Bank, the contract amounts and risk weighted amounts of contingent liabilities and commitments. The maximum exposure to credit loss under contingent liabilities and commitments is the contract amount of the instrument in the event of non-performance by the other party where all counter claims, collateral or security proved worthless. The risk weighted amounts have been calculated in accordance with the Central Bank of Ireland's guidelines implementing the Basle agreement on capital adequacy[(i)].

	1999		1998	
The Group - Contingent Liabilities	**Contract Amount IR£m**	**Risk Weighted Amount IR£m**	Contract Amount IR£m	Risk Weighted Amount IR£m
Acceptances and endorsements	**58**	**56**	88	86
Guarantees and assets pledged as collateral security				
- Assets pledged	**-**	**-**	-	-
- Guarantees and irrevocable letters of credit	**489**	**398**	477	406
Other contingent liabilities	**270**	**132**	268	132
	817	**586**	833	624

	1999		1998	
The Group - Commitments	**Contract Amount IR£m**	**Risk Weighted Amount IR£m**	Contract Amount IR£m	Risk Weighted Amount IR£m
Sale and option to resell transactions	**-**	**-**	-	-
Other commitments				
- Documentary credits and short-term trade-related transactions	**46**	**14**	30	10
- Forward asset purchases, forward deposits placed and forward sale and repurchase agreements	**-**	**-**	-	-
- Undrawn note issuance and revolving underwriting facilities	**150**	**-**	182	9
- Undrawn formal standby facilities, credit lines and other commitments to lend:				
- irrevocable with original maturity of over 1 year	**1,456**	**722**	880	434
- revocable or irrevocable with original maturity of 1 year or less[(ii)]	**5,495**	**-**	5,036	-
	7,147	**736**	6,128	453

34 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

	1999		1998	
	Contract Amount IR£m	Risk Weighted Amount IR£m	Contract Amount IR£m	Risk Weighted Amount IR£m
The Bank – Contingent Liabilities				
Acceptances and endorsements	**58**	**56**	88	86
Guarantees and assets pledged as collateral security				
- Assets pledged	**-**	**-**	-	-
- Guarantees and irrevocable letters of credit	**2,099**	**342**	1,394	355
Other contingent liabilities	**270**	**132**	268	132
	2,427	**530**	1,750	573
The Bank – Commitments				
Sale and option to resell transactions	**-**	**-**	-	-
Other commitments				
- Documentary credits and short-term trade-related transactions	**46**	**14**	30	10
- Forward asset purchases, forward deposits placed and forward sale and repurchase agreements	**-**	**-**	-	-
- Undrawn note issuance and revolving underwriting facilities	**150**	**-**	182	9
- Undrawn formal standby facilities, credit lines and other commitments to lend:				
- irrevocable with original maturity of over 1 year	**943**	**465**	570	279
- revocable or irrevocable with original maturity of 1 year or less[(ii)]	**4,769**	**-**	4,101	-
	5,908	**479**	4,883	298

Notes:

(i) Under the Basle agreement, a credit conversion factor is applied to the contract amount to obtain the credit equivalent amount, which is then risk weighted according to counterparty.

(ii) Undrawn loan commitments which are unconditionally cancellable at any time or which have a maturity of less than one year have a risk weighting of zero.

35 GENERAL

(a) The Bank has given guarantees in respect of liabilities of certain of its subsidiaries and has also given guarantees for the satisfaction of the relevant regulatory authorities for the protection of the depositors of certain of its banking subsidiaries in the various jurisdictions in which such subsidiaries operate.

(b) The Bank has provided a guarantee under Section 17 of the Companies (Amendment) Act 1986 for the following companies; Addano Limited, Bank of Ireland Asset Management (US) Limited, Bank of Ireland Asset Management Limited, Bank of Ireland Car Loans Limited, Bank of Ireland Commercial Finance Limited, Bank of Ireland Unit Trust Managers Limited, BIAM Holdings, Davy Corporate Finance Limited, Davy Holdings (International) Limited, Davy International, First Rate Enterprises Limited, Florenville Limited, IBI Corporate Finance Limited, IBI Interfunding Company, Ibidem Limited, Illios Limited, J & E Davy, J & E Davy Holdings Limited, Lansdowne Leasing Limited, Laverhill Limited, Liscuil Limited, Louncil Limited and Merrion Leasing Limited.

(c) There exists a contingent liability to repay in whole or in part grants received on finance leases if certain events set out in the relevant agreements occur.

36 NOTES TO THE CASH FLOW STATEMENT

	The Group 1999 IR£m	1998 IR£m
(i) Gross Cashflows		
Returns on investment and servicing of finance		
Interest paid on subordinated liabilities	**(87)**	(63)
Preference dividends paid	**(18)**	(16)
Issue expenses on subordinated liabilities	**-**	(1)
Dividends paid to minority shareholders in subsidiary undertakings	**(6)**	(1)
	(111)	(81)
Capital expenditure and financial investment		
Net (purchases) / sales of investment debt and equity securities	**(618)**	193
Purchase of tangible fixed assets	**(136)**	(91)
Sale of tangible fixed assets	**43**	23
	(711)	125
Acquisitions and disposals		
Investments in associated undertakings	**(3)**	(2)
Sale of Citizens Financial Group	**540**	-
Sale of Associated undertaking	**26**	-
Purchase of Bristol & West	**-**	(562)
Cash balances in Bristol & West	**-**	34
Purchase of New Ireland	**-**	(279)
Cash balances in New Ireland	**-**	3
Other acquisitions	**-**	(4)
	563	(810)
Financing		
Issue of capital stock (net of issue expenses)	**14**	201
Repayment of subordinated liabilities	**(21)**	(122)
Issue of subordinated liabilities	**-**	110
Redemption of Bristol & West preference stock	**-**	(27)
	(7)	162

36 NOTES TO THE CASH FLOW STATEMENT (continued)

(ii) Analysis of the balances of cash as shown in the Balance Sheet

	Cash and Balances at Central Banks IR£m	Loans and Advances to Banks Repayable on Demand IR£m	Total Cash IR£m
1999			
At 1 April 1998	**118**	**1,045**	**1,163**
Cash flow	**736**	**(572)**	**164**
Foreign exchange movement	**(1)**	**(5)**	**(6)**
At 31 March 1999	**853**	**468**	**1,321**
1998			
At 1 April 1997	95	81	176
Cash flow	19	944	963
Foreign exchange movement	4	20	24
At 31 March 1998	118	1,045	1,163

(iii) Analysis of changes in financing

	Capital Stock (including stock premium)	Subordinated Liabilities	Minority Interest - Non Equity
1999			
At 1 April 1998	**993**	**1,146**	**64**
Effect of foreign exchange differences	**(2)**	**(32)**	**(2)**
Cash flow	**14**	**(21)**	**-**
Stock alternative scheme issue	**30**	**-**	**-**
Other non cash movements	**-**	**1**	**-**
At 31 March 1999	**1,035**	**1,094**	**62**
1998			
At 1 April 1997	762	718	-
Acquisition of Bristol & West	-	290	88
Effect of foreign exchange differences	10	149	3
Cash flow	201	(13)	(27)
Stock alternative scheme issue	20	-	-
Other non cash movements	-	2	-
At 31 March 1998	993	1,146	64

37 SEGMENTAL ANALYSIS

Net assets are included below in order to comply with SSAP 25. The segmental allocation of liabilities necessitates the allocation of capital on a risk related basis which is in some cases necessarily subjective. The Directors believe that it is more meaningful to analyse total assets and the result of this analysis is therefore also included in the tables. The analysis shown is based on management accounts information. Ireland includes Northern Ireland. Turnover is defined as interest income and non interest income. Turnover by business class is not shown. The Group has six business classes which are based on the nature and type of products provided to different customers.

(a) Geographical Segments

	1999				
	Ireland IR£m	**Britain IR£m**	**Citizens IR£m**	**Rest of World IR£m**	**Total IR£m**
Turnover	**1,614**	**1,402**	**-**	**116**	**3,132**
Profit on ordinary activities before exceptional item	**465**	**184**	**25**	**14**	**688**
Profit on disposal of associated undertaking					**172**
					860
Grossing up(3)					**(29)**
Profit before taxation					**831**
Net assets	**1,547**	**617**	**-**	**84**	**2,248**
Total assets	**22,413**	**18,593**	**-**	**1,770**	**42,776**

	1998				
	Ireland IR£m	**Britain IR£m**	**Citizens IR£m**	**Rest of World IR£m**	**Total IR£m**
Turnover	1,515	888	-	113	2,516
Profit before taxation	365	106	55	20	546
Grossing up(3)					(16)
Profit before taxation					530
Net assets	794	532	182	73	1,581
Total assets	20,490	17,038	182	1,922	39,632

37 SEGMENTAL ANALYSIS (continued)

(b) Business Classes

	1999						
	Retail IR£m	Life Assurance(2) IR£m	Bristol & West(1) IR£m	Corporate and Treasury IR£m	Other Group Activities IR£m	Citizens IR£m	Total IR£m
Net interest income	569	-	217	118	4	-	908
Other income	256	72	84	45	177	25	659
Total income	825	72	301	163	181	25	1,567
Operating expenses	492	-	133	46	87	-	758
Depreciation	50	-	17	3	7	-	77
Provisions	30	-	-	5	9	-	44
Profit before exceptional item	253	72	151	109	78	25	688
Profit on disposal of associated undertaking							172
Profit before taxation							860
Grossing up(3)							(29)
Profit before taxation							831
Net assets	364	359	568	178	779	-	2,248
Total assets	14,750	3,238	15,213	7,125	2,450	-	42,776

37 SEGMENTAL ANALYSIS (continued)

	1998						
	Retail IR£m	Life Assurance(2) IR£m	Bristol & West(1) IR£m	Corporate and Treasury IR£m	Other Group Activities IR£m	Citizens IR£m	Total IR£m
Net interest income	502	-	140	112	15	-	769
Other income	220	43	43	21	134	55	516
Total income	722	43	183	133	149	55	1,285
Operating expenses	449	-	85	40	72	-	646
Depreciation	42	-	7	2	5	-	56
Provisions	23	-	(1)	7	8	-	37
Profit before taxation	208	43	92	84	64	55	546
Grossing up(3)							(16)
Profit before taxation							530
Net assets	314	300	483	180	122	182	1,581
Total assets	13,103	2,828	14,228	6,998	2,293	182	39,632

(1) Bristol & West Group includes the results of Bristol & West for the period from the date of acquisition 28 July 1997, and also the profits of the Group's mortgage business in Britain for the year.

(2) Life assurance includes the results of New Ireland for the period from the date of acquisition 24 December 1997, and also the profits of Lifetime Assurance for the year. The life assurance profits reported in the segmental analysis are based on the management accounts.

(3) The Group undertakes tax based lending at rates which are substantially less than normal market rates in return for tax relief arising from incentives for industrial development. To assist in making valid comparison of pre-tax performance, the analysis of business unit performance is grossed up.

(4) Other income includes income from associates.

38 RELATED PARTY TRANSACTIONS

(a) Subsidiary and Associated Undertakings

Details of the principal subsidiary undertakings are shown in Note 17 on pages 77 and 78. In accordance with FRS8, transactions or balances between Group entities that have been eliminated on consolidation are not reported.

One of the Group's subsidiaries, Cashback Limited is 49% owned by Fexco who received during the year IR£0.3m for processing transactions on behalf of Cashback Limited.

The Group provides and receives from its associated undertakings certain banking and financial services. Further details on associated undertakings and joint ventures are set out in Note 16, on page 76.

(b) Pension Funds

The Group provides a number of normal banking and financial services for various pension funds operated by the Group for the benefits of its employees (principally for the Bank Staff Pension Fund), which are conducted on similar terms to third party transactions and are not material to the Group.

Further details on pensions are set out in Note 31, on page 89.

(c) Directors

Directors' emoluments and details of transactions between Directors and the Group are set out in the Remuneration Report on pages 42 to 46. Additionally, Dr M Redmond, Director, in her professional capacity as a solicitor, earned fees from the Group totalling IR£82,000 in the year to 31 March 1999. (1998: IR£52,000).

(d) Securitisation

RPS3, RPS4, RPS5 and CLIPS are considered to be related parties of the Group and the Group has entered into both an interest exchange agreement and a subordinated loan agreement with RPS3, RPS4, RPS5 and CLIPS. The Group has purchased the lowest ranking floating rate mortgage backed securities issued by CLIPS. In addition, the Group administers the loans on behalf of RPS3, RPS4, RPS5 and CLIPS. As at 31 March 1999 the net amount owed from RPS3 was Stg£0.1m RPS4 was Stg£0.8m, RPS5 was Stg£0.1m and CLIPS was Stg£nil. Further details on securitisation are set out in Note 13, on pages 68 to 70.

39 ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

	The Group		The Bank	
	1999	1998	**1999**	1998
	IR£m	IR£m	**IR£m**	IR£m
Denominated in Irish Pounds	**15,446**	15,595	**13,421**	11,139
Denominated in currencies other than Irish Pounds	**27,330**	24,037	**14,094**	12,440
Total Assets	**42,776**	39,632	**27,515**	23,579
Denominated in Irish Pounds	**16,347**	15,923	**11,747**	11,368
Denominated in currencies other than Irish Pounds	**26,429**	23,709	**15,768**	12,211
Total Liabilities	**42,776**	39,632	**27,515**	23,579

The difference between aggregate foreign currency assets and aggregate foreign currency liabilities does not necessarily provide any indication of the exposure to exchange risks.

40 EMPLOYEE INFORMATION

In the year ended 31 March 1999 the average full time equivalents was15,618 (1998: 12,994) and categorised as follows:-

	1999	1998
Retail	**10,403**	9,290
Life Assurance (1)	**924**	434
Bristol & West Group (1)	**2,825**	1,960
Corporate and Treasury	**519**	424
Other Group Activities	**947**	886
	15,618	12,994

Bristol & West includes the average full time equivalents for Bristol & West and also for the Group's mortgage business in Britain, Bank of Ireland Home Mortgages. The staff costs in Note 6 is exclusive of staff costs relating to the life assurance business. The contribution from life assurance companies shown in the Group Profit and Loss Account on pages 50 and 51 is net of these staff costs.

(1) The average full time equivalents for New Ireland and Bristol & West in 1998 were based on the average numbers from the date of acquisition, 24 December 1997 and 28 July 1997 respectively.

41 GROUP FINANCIAL INFORMATION FOR US INVESTORS

Summary of Significant Differences between Irish and US Accounting Principles

The financial statements presented in this report have been prepared in accordance with generally accepted accounting principles in Ireland (Irish GAAP). Such principles vary in certain significant respects from those generally accepted accounting principles in the US (US GAAP). The significant differences applicable to Bank of Ireland Group's accounts are summarised below:

Irish GAAP	US GAAP
Property Depreciation	
Freehold and long leasehold property is maintained in a state of good repair and it is considered that residual values are such that depreciation is not significant, accordingly this property is not depreciated.	Freehold and long leasehold property is depreciated over 50 years.
Revaluation of Property	
Property is carried either at original cost or at subsequent valuation less depreciation calculated on the revalued amount where applicable. Revaluation surpluses and deficits are taken directly to stockholders' equity.	Revaluation of property is not permitted in the financial statements.
Software Development Costs	
The Group capitalises costs incurred internally in developing computer software for internal use. This expenditure is amortised over a period of 5 years.	Costs incurred internally in developing computer software for internal use are generally charged to the profit and loss account when incurred.
Goodwill	
Goodwill arising on acquisition of shares in group and associated undertakings, being the excess of cost over fair value of the Group's share of net tangible assets acquired is capitalised and amortised over its estimated useful economic life.	Goodwill is capitalised and amortised through income over the period estimated to benefit. In the Group's case a period of 20 years has been used. Goodwill is written off when judged to be irrecoverable.
Goodwill arising on the acquisition of subsidiary undertakings prior to 31 March 1998 was written off directly to reserves in the year of acquisition.	
Premiums arising on acquisitions of subsidiary undertakings occurring after 31 March 1998 are capitalised as assets on the balance sheet and amortised over their estimated useful economic lives.	

41 GROUP FINANCIAL INFORMATION FOR US INVESTORS (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Irish GAAP	US GAAP
Deferred Taxation	
Deferred taxation is recognised at the appropriate rates of tax using the liability method on timing differences where it is expected that a tax liability or asset is likely to arise in the foreseeable future.	Provision for deferred tax under the liability method is required in full for all temporary differences. A valuation allowance is raised against a deferred tax asset where it is more likely than not that some portion of the deferred tax asset will not be realised.
Investments	
Profits and losses on disposal are recognised when realised and included in dealing profits, except for those securities maintained for hedging purposes, which are amortised over the lives of the underlying transaction and included in net interest income.	Profits and losses on the sale of investments are included in operating income in the year in which they arise.
Securities may be classified as (i) investment carried at cost, less provision for any diminution in value and (ii) other securities, which are stated at fair value, except for those securities maintained for the purpose of hedging which are accounted for on the same basis as the item hedged.	Securities may be classified as (i) trading, which are carried at fair value with unrealised gains and losses included in earnings, (ii) held for sale, which are carried at fair value with unrealised gains and losses reported in a separate component of shareholders' equity or (iii) held for investment, which are carried at amortised cost.
Changes in the fair value of securities marked to market are recognised in the profit and loss account as they arise.	Trading securities are those securities held to earn a profit by trading or selling such securities.
	Securities held for sale are those securities which are intended for use as part of an asset / liability strategy, or that may be sold in response to changes in interest rates, changes in prepayment risks, the need to increase regulatory capital or other similar factors.
	Securities held for investment are only those securities for which management has both the intent and ability to hold until maturity.

41 GROUP FINANCIAL INFORMATION FOR US INVESTORS (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Irish GAAP	US GAAP
Pensions	
Contributions to the Group's defined benefit schemes are charged to the profit and loss account so as to spread the expected cost of pensions calculated in accordance with the advice of qualified actuaries, on a systematic basis over the employees working lives. Variations from the regular cost are spread over the average remaining service life of relevant employees.	The same basic actuarial method is used as under Irish GAAP, but certain assumptions differ, assets are assessed at fair value and liabilities are assessed at current settlement rates. Certain variations from regular cost are allocated in equal amounts over the average remaining service lives of current employees. Recognition of a liability when the accumulated benefit obligation exceeds the fair value of assets is also required.
Long-term Assurance Policies	
Income from long term assurance business consists of surpluses attributable to shareholders from the long term fund which arise in the year plus increases in the present value of anticipated surplus transfers which are projected to arise from the long term fund in future years, and which are attributable to the business in force at the year end on a going concern basis.	The present value of anticipated surplus transfers which are projected to arise from the long term fund in future years, and which are attributable to the business in force at the year end on a going concern basis are not recognised by the Group under US GAAP. Unearned revenues and acquisition costs related to unit linked products are deferred and amortised in proportion to total estimated gross profits over the expected life of policyholders' contracts. Unearned revenues are amounts assessed from policyholders' that represent compensation for services to be provided in future periods. Acquisition costs consist of commissions and other costs which vary with and are primarily related to the production of revenues.
Acceptances	
Acceptances are not recorded on the balance sheet.	Acceptances and related customer liabilities are recorded on the balance sheet.
Dividends Payable	
Dividends declared after the period end are recorded in the period to which they relate.	Dividends are recorded in the profit and loss account in the period in which they are declared.

41 GROUP FINANCIAL INFORMATION FOR US INVESTORS (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Irish GAAP	US GAAP
Securitised Transactions	
Depending on specified qualifying criteria there are three methods of accounting for securitised and loan transfer transactions: continued recognition, linked presentation and derecognition. The linked presentation method is adopted where there is no significant change in the Group's rights to benefits and the Group's exposure is limited to a fixed monetary ceiling. Under this method, only the net amount is consolidated, however on the face of the Group balance sheet, the related gross amounts are disclosed.	Securitised transactions, prior to the introduction of SFAS No.125, not qualifying for derecognition are presented as gross amounts on the balance sheet. Under SFAS No.125, transfers and servicing of financial assets are required to be recognised using a financial components approach that focuses on control. Under that approach after a transfer of financial assets, an entity recognises the financial and servicing assets it controls and the liabilities it has incurred and derecognises financial assets when control has been surrendered.
Hedges	
Gains or losses arising on hedges of anticipated transactions are taken to the profit and loss account in accordance with the accounting treatment of the underlying transaction.	Gains or losses arising from hedges of anticipated transactions, unless firmly committed are reflected in the income statement.
Loan Origination Fees	
Certain loan fees are recognised when received.	All loan fees are deferred and recognised as an adjustment to the yield on the related loan or facility.

41 GROUP FINANCIAL INFORMATION FOR US INVESTORS (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Consolidated net income

	1999 IR£m	1998 IR£m
Profit under Irish GAAP	607	354
Disposal of Citizens Financial Group	25	-
Depreciation	(4)	(1)
Software development costs	(9)	1
Goodwill	(25)	(21)
Deferred taxation	(12)	3
Pension costs	65	8
Long-term assurance policies	(32)	(17)
Associated undertaking	(3)	(6)
Other	12	6
Deferred tax effect on these adjustments	(12)	7
Profit under US GAAP	612	334
Earnings per unit of IR£1 Ordinary Stock under US GAAP		
- basic	118.3p	66.9p
- diluted	117.4p	66.4p

Consolidated total stockholders' funds

	1999 IR£m	1998 IR£m
Total stockholders' funds including non equity interests under Irish GAAP	2,248	1,581
Property less related depreciation	(88)	(84)
Software development costs	(26)	(17)
Goodwill	416	553
Deferred taxation	9	23
Debt securities - available for sale	33	10
Pension costs	111	46
Income from associated undertaking	-	(11)
Long-term assurance policies	(97)	(68)
Dividends	103	82
Other	18	3
Deferred taxation on these adjustments	(7)	9
Consolidated stockholders' funds including non equity interests under US GAAP	2,720	2,127

41 GROUP FINANCIAL INFORMATION FOR US INVESTORS (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Consolidated total assets

	1999 IR£m	1998 IR£m
Total assets under Irish GAAP	**42,776**	39,632
Property less related depreciation	**(88)**	(84)
Goodwill	**444**	503
Software development costs	**(26)**	(17)
Debt securities - available for sale	**33**	10
Pension costs	**115**	50
Investment in associated undertaking	**-**	68
Lease receivables / non-recourse debt	**10**	16
Acceptances	**58**	88
Long-term assurance policies	**(97)**	(68)
Other	**(33)**	(3)
Securitised assets	**317**	484
Deferred taxation on these adjustments	**28**	13
Total assets under US GAAP	**43,537**	40,692

Consolidated total liabilities and stockholders' funds

	1999 IR£m	1998 IR£m
Total liabilities and stockholders' funds including non equity interests under Irish GAAP	**42,776**	39,632
Stockholders' funds (US GAAP adjustment)	**472**	546
Dividends	**(103)**	(82)
Deferred taxation	**(19)**	(33)
Lease receivables / non-recourse debt	**10**	16
Borrowings related to securitised assets	**317**	484
Acceptances	**58**	87
Other	**6**	56
Deferred taxation on these adjustments	**20**	(14)
Total liabilities and stockholders' funds including non equity interests under US GAAP	**43,537**	40,692

42 EURO

The euro was introduced on 1 January 1999. The countries participating in the European Single Currency are: Austria, Belgium, Finland, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Spain and Ireland. The national currency units of these participating currencies will co-exist with the euro as denominations of the new single currency from 1 January 1999 to 31 December 2001. Euro currency amounts denoted by "EUR" or the symbol €, are included in these accounts for information purposes at the fixed translation rate of EUR 1 = IR£0.787564. Each euro is made up of one hundred cent, each of which is represented by the symbol "c" in these accounts.

43 RATES OF EXCHANGE

The principal rates of exchange used in the preparation of the accounts are as follows:

	31 March 1999			31 March 1998		
	Closing	**Average**	**Hedge**	Closing	Average	Hedge
IR£/US$	**1.3640**	**1.4326**	**1.3886**	1.3622	1.4533	1.6002
IR£/Stg£	**0.8460**	**0.8678**	**0.8610**	0.8091	0.8819	1.0033

44 THE ACCOUNTS WERE APPROVED BY THE COURT OF DIRECTORS ON 12 MAY 1999

Average Balance Sheet

The following tables show the average balances and interest rates of interest earning assets and interest bearing liabilities for each of the years ended 31 March 1999 and 1998. The calculations of average balances are based on daily, weekly or monthly averages, depending on the reporting unit. The average balances used are considered to be representative of the operations of the Group.

Bristol & West is included in the year ended 31 March 1998 for the period from 28 July 1997 to 31 March 1998 and New Ireland is included for the period from 24 December 1997 to 31 March 1998.

	1999			1998		
	Average Balance IR£m	**Interest IR£m**	**Rate %**	Average Balance IR£m	Interest IR£m	Rate %
ASSETS						
Loans to banks						
Domestic offices	**4,064**	**208**	**5.1**	3,354	193	5.8
Foreign offices	**324**	**20**	**6.2**	576	38	6.5
Loans to customers(1)						
Domestic offices	**9,390**	**686**	**7.3**	7,766	698	9.0
Foreign offices	**15,732**	**1,208**	**7.7**	9,582	817	8.5
Funds sold						
Domestic offices	**-**	**-**	**-**	-	-	-
Foreign offices	**-**	**-**	**-**	5	-	2.0
Central government and other eligible bills						
Domestic offices	**9**	**-**	**2.3**	19	1	4.6
Foreign offices	**269**	**17**	**6.5**	-	-	-
Debt Securities						
Domestic offices	**2,588**	**155**	**6.0**	2,476	157	6.3
Foreign offices	**882**	**69**	**7.8**	719	51	7.1
Instalment credit						
Domestic offices	**116**	**10**	**8.8**	58	5	9.3
Foreign offices	**277**	**29**	**10.6**	196	21	10.6
Finance lease receivables						
Domestic offices	**1,074**	**57**	**5.3**	732	44	6.0
Foreign offices	**46**	**2**	**4.4**	60	3	5.0
Total interest earning assets						
Domestic offices	**17,241**	**1,116**	**6.5**	14,405	1,098	7.6
Foreign offices	**17,530**	**1,345**	**7.7**	11,138	930	8.3
	34,771	**2,461**	**7.1**	25,543	2,028	7.9
Allowance for loan losses	**(282)**			(222)		
Non - interest earning assets(2)	**5,675**			3,490		
Total Assets	**40,164**	**2,461**	**6.1**	28,811	2,028	7.0
Percentage of assets applicable to foreign activities	**45.27%**			40.18%		

Average Balance Sheet

	1999			1998		
	Average Balance IR£m	**Interest IR£m**	**Rate %**	Average Balance IR£m	Interest IR£m	Rate %
LIABILITES AND STOCKHOLDERS' EQUITY						
Deposits by banks						
Domestic offices	**3,068**	**181**	**5.9**	1,967	128	6.5
Foreign offices	**1,050**	**66**	**6.3**	533	32	6.0
Customer accounts						
Demand deposits						
Domestic offices	**4,786**	**120**	**2.5**	4,095	160	3.9
Foreign offices	**5,084**	**259**	**5.1**	2,939	155	5.3
Term deposits						
Domestic offices	**4,488**	**233**	**5.2**	4,183	240	5.7
Foreign offices	**8,481**	**555**	**6.5**	5,314	402	7.6
Other deposits						
Domestic offices	**123**	**7**	**5.6**	196	13	6.5
Foreign offices	**52**	**4**	**7.7**	52	4	8.0
Interest bearing current accounts						
Domestic offices	**318**	**8**	**2.6**	312	9	2.9
Foreign offices	**702**	**20**	**2.8**	543	16	2.9
Debt securities in issue						
Domestic offices	**261**	**10**	**3.9**	339	16	4.8
Foreign offices	**511**	**37**	**7.3**	379	29	7.6
Subordinated liabilities						
Domestic offices	**770**	**55**	**7.2**	732	55	7.6
Foreign offices	**299**	**27**	**8.9**	174	16	9.1
Total interest bearing liabilities						
Domestic offices	**13,814**	**614**	**4.4**	11,824	621	5.3
Foreign offices	**16,179**	**968**	**6.0**	9,934	654	6.6
	29,993	**1,582**	**5.3**	21,758	1,275	5.9
Non - interest bearing liabilities						
Current accounts	**2,143**			1,743		
Other non - interest bearing liabilities(2)	**6,004**			3,868		
Stockholders equity including non equity interests	**2,024**			1,442		
Total liabilities and stockholders' equity	**40,164**	**1,582**	**3.9**	28,811	1,275	4.4
Percentage of liabilities applicable to foreign activities	**45.27%**			40.18%		

(1) Loans to customers include non-accrual loans and loans classified as problem loans.

(2) In accordance with Financial Reporting Standard 2, the balance sheets of the life assurance companies have been consolidated and are reflected under "Non-Interest Earning Assets" and "Non-Interest Bearing Liabilities".

Group Profit and Loss Account

for the year ended 31 March 1999

(IR£, US$, STG£, YEN & EURO)

	IR£m	US$m[1]	Stg£m[1]	YenBn[1]	€ m[2]
INTEREST RECEIVABLE					
Interest receivable and similar income arising from debt securities	224	306	189	36	284
Other interest receivable and similar income	2,237	3,051	1,893	363	2,841
INTEREST PAYABLE	1,582	2,158	1,338	256	2,009
NET INTEREST INCOME	879	1,199	744	143	1,116
Fees and commissions receivable	475	648	402	77	603
Fees and commissions payable	(39)	(53)	(33)	(7)	(50)
Dealing profits	56	76	47	9	71
Contribution from life assurance companies	84	115	71	14	107
Other operating income	56	76	47	9	71
TOTAL OPERATING INCOME	1,511	2,061	1,278	245	1,918
Administrative expenses	758	1,034	641	123	962
Depreciation and amortisation	77	105	65	12	98
OPERATING PROFIT BEFORE PROVISIONS	676	922	572	110	858
Provision for bad and doubtful debts	44	60	37	7	56
OPERATING PROFIT	632	862	535	103	802
Income from associated undertakings	27	37	23	4	34
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEM	659	899	558	107	836
Profit on disposal of associated undertaking	172	235	145	28	218
PROFIT BEFORE TAXATION	831	1,134	703	135	1,054
Taxation on profit on ordinary activities	200	273	169	32	253
PROFIT AFTER TAXATION	631	861	534	103	801
Minority interests : equity	1	1	1	-	1
: non equity	5	7	4	1	6
Non-cumulative preference stock dividends	18	25	15	3	23
PROFIT ATTRIBUTABLE TO THE ORDINARY STOCKHOLDERS	607	828	514	99	771
Transfer to capital reserve	28	38	24	5	36
Ordinary dividends	151	206	128	25	192
PROFIT RETAINED FOR THE YEAR	428	584	362	69	543
Earnings per unit of IR£1 Ordinary Stock	117.3p	160.0c	99.2p	190y	148.9c

(1) Converted at closing exchange rates
(2) Converted at the fixed exchange rate of IR£0.787564

Group Balance Sheet

at 31 March 1999

(IR£, US$, STG£, YEN & EURO)

	IR£m	US$m[1]	Stg£m[1]	YenBn[1]	€ m[2]
ASSETS					
Cash and balances at central banks	853	1,163	722	138	1,083
Items in the course of collection	453	618	383	73	575
Central government and other eligible bills	521	711	441	85	662
Loans and advances to banks	2,723	3,714	2,304	442	3,457
Loans and advances to customers	28,588	38,993	24,186	4,639	36,300
Debt securities	4,053	5,528	3,429	658	5,146
Equity shares	14	19	12	2	18
Interests in associated undertakings	10	14	8	2	13
Tangible fixed assets	658	897	557	107	835
Other assets	1,751	2,388	1,481	284	2,223
Prepayments and accrued income	368	502	311	60	467
	39,992	54,547	33,834	6,490	50,779
Life assurance assets attributable to policyholders	2,784	3,797	2,355	452	3,535
	42,776	58,344	36,189	6,942	54,314
LIABILITIES					
Deposits by banks	5,544	7,562	4,690	900	7,039
Customer accounts	27,011	36,842	22,852	4,383	34,297
Debt securities in issue	426	581	360	69	541
Items in the course of transmission	198	270	168	32	251
Other liabilities	2,738	3,734	2,316	444	3,477
Accruals and deferred income	528	720	447	86	670
Provisions for liabilities and charges					
- deferred taxation	51	69	43	8	65
- other	90	123	76	15	114
Subordinated liabilities	1,094	1,492	926	178	1,389
Minority interests - equity	2	3	2	-	3
Minority interests - non equity	62	85	52	10	79
Called up capital stock	536	731	453	87	681
Stock premium account	499	681	422	81	633
Capital reserve	125	170	106	20	159
Profit and loss account	1,075	1,466	910	175	1,365
Revaluation reserve	13	18	11	2	16
Stockholders' funds including non equity interests	2,248	3,066	1,902	365	2,854
Life assurance liabilities attributable to policyholders	2,784	3,797	2,355	452	3,535
	42,776	58,344	36,189	6,942	54,314

[1] Converted at closing exchange rates
[2] Converted at the fixed exchange rate of IR£0.787564

Geographical Spread of Stockholdings

	Number	%
Ireland	33,125	83.2
Northern Ireland	1,473	3.7
Great Britain	4,566	11.5
Others	638	1.6
Total number of stockholdings	39,802	100.0

Analysis of Stockholdings

Stockholding Range - Units of Stock	Number of Stockholdings	% of Total Holders	Stock Held IR£m	% of Total Stock
Up to 500	15,022	37.7	2.9	0.5
500 to 1,000	6,338	15.9	4.7	0.9
1,000 to 5,000	13,034	32.8	29.9	5.8
5,000 to 10,000	2,803	7.0	19.7	3.8
10,000 to 50,000	2,175	5.5	42.1	8.1
50,000 to 100,000	200	0.5	13.9	2.7
100,000 to 500,000	149	0.4	32.5	6.3
over 500,000	81	0.2	373.1	71.9
	39,802	100.0	518.8	100.0

Financial Calendar

Results	Year to 31 March 1999 - announced 13 May 1999 Half year to 30 September 1999 - to be announced November 1999
Annual General Court of Proprietors	- 7 July 1999
Dividends - Ordinary Stock	1998/1999 Final dividend - announced 13 May 1999 - payable 16 July 1999 1999/2000 Interim dividend - to be announced November 1999 - payable January 2000
Dividends - Preference Stocks	Paid in equal semi-annual instalments - 20 August 1999 - 20 February 2000

Listings

The Governor and Company of the Bank of Ireland ("Bank of Ireland") is a corporation established in Ireland in 1783 under Royal Charter. Its Ordinary Stock, of nominal value IR£1 per unit, has a primary listing on both the Irish and London Stock Exchanges. In the United States of America the Bank's Ordinary Stock (symbol IRE) is traded on the New York Stock Exchange in the form of American Depository Shares (ADSs), each ADS representing the right to receive four units of Ordinary Stock and evidenced by American Depository Receipts (ADRs).

Dividend Withholding Tax

The standard rate of corporation tax for trading income of Irish resident corporations will be reduced on a phased basis from its 1998 level of 32% to 12.5% from 1 January 2003. In conjunction with this new corporation tax rate regime, a new Dividend Withholding Tax ('DWT') at the standard rate of income tax (currently 24%) will now apply to distributions from Irish resident corporations as follows:

Irish resident stockholders

- Irish resident individuals are liable to DWT in respect of dividend payments;
- Certain other entities resident in Ireland (e.g. companies, pension schemes, qualifying employee share ownership trusts (ESOTs), collective investment undertakings (CIUs) and charities) will be able to receive dividend payment gross where completed declarations have been filed with the Bank's Registration Department prior to the relevant dividend payment record date. Irish resident entities on the Bank's Stock Register were written to on 6 May 1999 inviting them to complete and return such declarations. Further copies of such declarations may be obtained on application to the Bank's Registration Department, phone (00-353-1) 660-5666.

Non Irish resident stockholders

- **For the financial year 1999/2000 only**, the following provisions will apply:
  - Dividend payments to recipients of those payments (whether or not beneficially entitled to those payments) whose address on the Bank's Stock Register is in a relevant territory (i.e. an EU Member State other than Ireland or a country with which Ireland has a Double Taxation Agreement) will be exempt from DWT. There is no requirement for the recipients to make a declaration in order to avail of this exemption in this current financial year;
  - Dividend payments to recipients whose address on the Bank's Stock Register is not in a relevant territory **will be liable to DWT,** with the following exceptions:
    - Where a company is not resident in a relevant territory, but is ultimately controlled by a person or persons who are resident in a relevant territory and produces its auditor's certificate to that effect, that company can obtain an exemption from DWT. There is no need to make a formal declaration in relation to this exemption;
    - Similarly, where a company is not resident in a relevant territory, but the principal class of its shares, or those of another company of which the first company is a 75% subsidiary, are substantially and regularly traded on a recognised stock exchange in a relevant territory or other approved stock exchange, that company can obtain an exemption from DWT on production of a certificate from the company's auditor with regard to the share-trading position of the company. There is no need to make a formal declaration in relation to this exemption;
    - An intermediary whose address on the Bank's Stock Register is in Ireland can obtain dividend payment gross where it can advise the Bank that it is receiving payments on behalf of any of the recipients already mentioned above.
- **For the financial year 2000/2001 onwards,** the persons and companies outlined above will need to make declarations in order to receive dividend payments gross.

Stockholder Information

Dividend Payments 1998/99

An interim dividend of IR9.2 pence, (tax credit IR1.1371 pence) with a stock alternative, was paid in respect of each unit of Ordinary Stock on 11 January 1999.

A final dividend of IR19.8 pence (nil tax credit) will be paid in respect of each unit of Ordinary Stock on 16 July 1999. A stock alternative will be offered to stockholders.

Stockholders who wish to have their dividends paid direct to a bank account, by electronic funds transfer, should contact the Bank's Registration Department to obtain the appropriate mandate form. Confirmation of such a transfer will be sent to the stockholder's registered address under this arrangement.

In order to avoid costs to stockholders, arrangements have been made for stockholders resident in the United Kingdom to receive payment of their dividend in the equivalent amounts of Sterling if they so require. Please contact the Bank of Ireland Registration Department if you wish to avail of this service.

Dividends in respect of the Bank of Ireland Non-Cumulative Irish Pound and Sterling Preference Stocks are paid half-yearly on 20 February and 20 August. Dividends in respect of Bristol & West Preference Shares are paid half yearly on 15 May and 15 November.

Stock Alternative

Information on this Stock Alternative Scheme is issued to all holders of Ordinary Stock in advance of each dividend payment. Copies of the booklet describing the Scheme may be obtained from the Bank's Registration Department, phone (00-353-1) 660-5666.

Holders of American Depository Shares

American Depository Shares provide US residents wishing to invest in overseas securities with a share certificate, (an American Depository Receipt ("ADR") and dividend payment in a form familiar and convenient to them. The Bank's ADR programme is administered by the Bank of New York and enquiries regarding ADRs should be addressed to:

Mr James Kelly,
Administrator,
The Bank of New York,
American Depository Receipts,
101 Barclay Street,
New York,
NY 10286,
USA.
(Phone 00-1-212-815-2368)

Taxation implications of Dividend Withholding Tax for holders of American Depository Receipts

- **For the financial year 1999/2000,** holders of ADRs with registered addresses in a relevant territory will be **exempt from Dividend Withholding Tax** without any requirement for documentation.

- **For the financial year 2000/2001 onwards,** a holder of an ADR whose address on the register of depository receipts held by Bank of New York or other qualifying intermediary, or by any intervening specified intermediary, is located in the United States of America, **will be exempt from Dividend Withholding Tax.** There will be no requirement for such holder to make a declaration in order to obtain that exemption.

Form 20-F

The Form 20-F for the year ended 31 March 1999 will be filed with the Securities and Exchange Commission, Washington DC and when filed, copies will be available on application to the Group Secretary.

CREST

Transfer of the Bank's Ordinary Stock through the CREST settlement system commenced on 21 October 1996. Stockholders now have the choice of holding their units of Ordinary Stock in electronic form or continuing to hold their stock certificates.

Stockholder Enquiries

All enquiries concerning stockholdings should be addressed to

Bank of Ireland
Registration Department,
PO Box 4044,
4th Floor, Hume House,
Ballsbridge,
Dublin 4.
Phone (00-353-1) 660-5666

Internet Address

Further information about the Bank of Ireland Group can be obtained from the internet at

www.bankofireland.ie

Principal Business Units and Addresses

REPUBLIC OF IRELAND

Group Head Office
Lower Baggot Street
Dublin 2
Tel: 01 661 5933, Fax: 01 661 5671

Group Senior Management

Group Chief Executive: Maurice A Keane
Deputy Group Chief Executive: Patrick W McDowell
Chief Executive Retail: Patrick W McDowell
Chief Executive Corporate & Treasury: Brian J Goggin
Group Chief Financial Officer: Paul M D'Alton
Head of Group Corporate Development: Denis Hanrahan
Managing Director & Chief Executive,
Bristol & West plc: Jeff Warren
Group Secretary: Terence H Forsyth
Head of Investor Relations: Mary King
Head of Group Public Affairs: David Holden
Group Legal Adviser: Finbarr Murphy

RETAIL DIVISION

Lower Baggot Street, Dublin 2
Tel: 01 661 5933 Fax: 01 661 5671
Chief Executive: Patrick W McDowell

Branch Banking

Dublin & The East

2 College Green, Dublin 2
Tel: 01 677 7155 Fax: 01 677 0249
General Manager: D Patrick Murphy

Area South

32 South Mall, Cork
Tel: 021 277 644 Fax: 021 272 463
General Manager: Tim O'Neill

Area West

5 Eyre Street, Galway
Tel: 091 563 037 Fax: 091 562 685
General Manager: John P MacNamara

Building Society

ICS BUILDING SOCIETY
New Century House,
International Financial Services Centre, Dublin 1
Tel: 01 611 3000 Fax: 01 611 3100
Managing Director: Ted McGovern

Business & International Banking

Merrion House, Merrion Road, Dublin 4
Tel: 01 205 3100 Fax: 01 260 4771
General Manager: Michael Connolly

International Banking

Lower Baggot Street, Dublin 2
Tel: 01 661 5933 Fax: 01 661 5101
Director of International Banking: Paddy McGinley

Current Asset Financing

BANK OF IRELAND COMMERCIAL FINANCE LTD
Colm House, 91 Pembroke Road, Dublin 4
Tel: 01 614 0300 Fax: 01 614 0301
Managing Director: Ann Horan

Principal Business Units and Addresses

Bureau De Change

FIRST RATE ENTERPRISES
4 Customs House Plaza, Harbourmaster Place
International Financial Services Centre, Dublin 1
Tel: 01 829 0333 Fax: 829 0368
Managing Director: Francis J Smyth

International Consultancy

BANK OF IRELAND INTERNATIONAL SERVICES LTD
4 Customs House Plaza, Harbourmaster Place,
International Financial Services Centre, Dublin 1
Tel: 01 829 0066 Fax: 01 670 0662
E-mail: info@biis.boi.ie
Chief Executive: Patrick MA Ryan
Executive Director: Desmond Smyth

Insurance & Retail Businesses

Bank of Ireland Head Office
Lower Baggot Street, Dublin 2
Tel: 01 604 4920 Fax: 01 604 4924
General Manager: John Collins

Life Assurance

LIFETIME ASSURANCE CO LTD
Lifetime House, Bank of Ireland Head Office,
Lower Baggot Street, Dublin 2
Tel: 01 703 9500 Fax: 01 662 0811
Managing Director: Roy Keenan

NEW IRELAND ASSURANCE CO P.l.c.
11/12 Dawson Street, Dublin 2
Tel: 01 617 2000 Fax: 01 617 2800
Managing Director: John F Casey

Instalment Credit / Leasing

BANK OF IRELAND FINANCE LTD
Bank of Ireland Head Office
Lower Baggot Street, Dublin 2
Tel: 01 668 7222 Fax: 01 668 7713
Managing Director: Tom Comerford

Credit Card Services

BANK OF IRELAND CREDIT CARD SERVICES
P.O. Box 1102, 33/35 Nassau Street, Dublin 2
Tel: 01 679 8433 and 1850 251 251
Fax: 01 679 5351
Head of Credit Card Services: Billy Saunderson

Direct Banking

BANKING 365
Premier House, The Square, Tallaght, Dublin 24
Tel: 01 462 0222 Fax: 01 462 0170
Head of Direct Banking & Insurance: Cathal Muckian

Consumer Lending

CONSUMER LENDING BUSINESS
34 College Green, Dublin 2
Tel: 01 612 2098 Fax: 01 612 2044
Head of Consumer Lending: Liam Hand

General Insurance

BANK OF IRELAND INSURANCE SERVICES LTD
Lifetime House, Bank of Ireland Head Office
Lower Baggot Street, Dublin 2
Tel: 01 703 9800 Fax: 01 703 9840
Managing Director: Kevin O'Brien

Internet Businesses

Arthur Cox Building, Earlsfort Centre
Earlsfort Terrace, Dublin 2
Tel: 01 614 7500 Fax: 01 614 7544
Head of Internet Businesses: Noel Hiney

Payments & Electronic Banking

Ferry House, 48 - 53 Lower Mount Street, Dublin 2
Tel: 01 639 2000 Fax: 01 639 2058
Head of Payments & Electronic
Banking Services: Paddy Byrne

Principal Business Units and Addresses

CORPORATE & TREASURY DIVISION

Lower Baggot Street, Dublin 2
Tel: 01 661 5933 Fax: 01 661 5671
Chief Executive: Brian J Goggin

Corporate Banking

BANK OF IRELAND CORPORATE BANKING
Lower Baggot Street, Dublin 2
Tel: 01 604 4000 Fax: 01 604 4025
Managing Director: James J Ruane

International Asset Financing

BANK OF IRELAND INTERNATIONAL FINANCE LTD
P.O. Box 3267, La Touche House
International Financial Services Centre
Custom House Docks, Dublin 1
Tel: 01 670 1400 Fax: 01 829 0129
Managing Director: Ronan M Murphy

Bank of Ireland Treasury

P.O. Box 2386, La Touche House
International Financial Services Centre
Dublin 1
Tel: 01 670 0600 Fax: 01 670 0555
Head of Treasury: Tony O' Shea

Private Banking

35 Fitzwilliam Square, Dublin 2
Tel: 01 676 5566 Fax: 01 676 5462
Head of Private Banking: Michael Moriarty

Commercial Electronic Banking Services

Hume House, Dublin 4
Tel: 01 618 7430 Fax: 01 618 7459
Director: Ken Slattery

OTHER GROUP ACTIVITIES

Asset Management

BANK OF IRELAND ASSET MANAGEMENT LTD
26 Fitzwilliam Place, Dublin 2
Tel: 01 661 6433 Fax: 01 661 6688
Chief Executive: William R Cotter

Securities Services

BANK OF IRELAND SECURITIES SERVICES LTD
New Century House,
Mayor Street Lower, Dublin 1
Tel: 01 670 0300 Fax: 01 829 0144
Telex: 90739
Managing Director: Brian P Collins

Trust Services:

BANK OF IRELAND TRUST SERVICES
P.O. Box 843, Head Office,
Lower Baggot Street, Dublin 2
Tel: 01 604 3600 Fax: 01 661 5992
Chief Manager: Enda Murphy

Corporate Finance

IBI CORPORATE FINANCE LTD
26 Fitzwilliam Place, Dublin 2
Tel: 01 661 6633 Fax: 01 661 6821
Managing Director: Richard Keatinge

Stockbroking

J & E DAVY HOLDINGS LTD
Davy House,
49 Dawson Street, Dublin 2
Tel: 01 679 7788 Fax: 01 671 2704
Chairman: J Brian Davy

Principal Business Units and Addresses

NORTHERN IRELAND

Group Head Office

54 Donegall Place, Belfast BT1 5BX
Tel: 01232 234334, Fax: 01232 237997
General Manager: Gerard McGinn

Retail Banking

BRANCH BANKING
54 Donegall Place, Belfast, BT1 5BX
Tel: 01232 234334 Fax: 01232 236673
Head of Retail Banking: Eoin Sinclair

Business Banking

CORPORATE & COMMERCIAL BANKING
TREASURY & INTERNATIONAL SERVICES
DEBTOR FINANCING
7 Donegall Square North, Belfast BT1 5LU
Tel: 01232 246241 Fax: 01232 238111
Head of Business Banking: David McGowan

Instalment Credit/Leasing

NIIB GROUP LTD
32 Central Avenue, Bangor
Co. Down
Tel: 01247 469 415 Fax: 01247 474 470
General Manager: Michael Andrews

GREAT BRITAIN

Banking

36 Queen Street, London EC4R 1HJ
Tel: 0171 2362000 Fax: 0171 6343110
Director: John B Clifford

Building Society

BRISTOL & WEST PLC
PO Box 27, Broad Quay
Bristol, BS99 7AX
Tel: 0117 9792222 Fax: 0117 9293787
Managing Director & Chief Executive: Jeff Warren

Mortgage Financing

BANK OF IRELAND MORTGAGES LTD
Bridge Street, Plaza West,
Reading, Berks RGI 2LZ
Tel: 0118 9393393 Fax: 0118 9587040
Managing Director: Dick Jenkins

Trade/Current Asset Financing

BANK OF IRELAND TRADE FINANCE
Alhambra House, 9 St. Michael's Road
Croydon, Surrey CR0 2RA
Tel: 0181 686 0900 Fax: 0181 681 0232
Head of Trade Finance: Greg Begley

Asset Management

BANK OF IRELAND ASSET MANAGEMENT (U.K.) LTD
36 Queen Street, London EC4R 1HJ
Tel: 0171 489 8673 Fax: 0171 489 9676
Managing Director: Francis Ellison
Regulated by IMRO

Business Banking

36 Queen Street, London EC4R 1BN
Tel: 0171 236 2000 Fax: 0171 634 3103
Head of Business Banking: Peter Morris

Treasury

PO Box 27, Broad Quay
Bristol, BS99 7AX
Tel: 0117 929 1504 Fax: 0117 921 1607
Treasurer: Brendan Spicer

Principal Business Units and Addresses

UNITED STATES

Connecticut

BANK OF IRELAND ASSET MANAGEMENT (U.S.) LTD
20 Horseneck Lane,
Greenwich,
CT 06830
Tel: 203 869 0111 Fax: 203 869 0268
President: Denis Curran

California

BANK OF IRELAND ASSET MANAGEMENT (U.S.) LTD
MGM Plaza, 2425 Colorado Avenue, Suite 212,
Santa Monica CA 90404
Tel: 310 829 3848 Fax: 310 829 4840
Vice-President Client Services: Lelia Long

OTHER LOCATIONS

AUSTRALIA

BANK OF IRELAND ASSET MANAGEMENT
AUSTRALIA PTY LTD
(ACN 071 705 630)
Level 12, 492 St Kilda Road
Melbourne, VIC 3004
Tel: 613 9832 9400 Fax: 613 9832 9401
Managing Director: Brendan Donohoe

CANADA

BANK OF IRELAND ASSET MANAGEMENT CANADA
1800 McGill College Avenue
Suite 2460, Montreal, Quebec
Canada H3A 3J6
Tel: 514 8496868 Fax: 514 8498118
Vice-President Institutional-Sales: Geoffrey Moore

ISLE OF MAN

BANK OF IRELAND (I.O.M) LTD
P.O. Box 246,
Christian Road, Douglas, Isle of Man, IM99 1XF
Tel: 01624 644200 Fax: 01624 644298
Managing Director: Ian Montgomery

Principal Business Units and Addresses

JERSEY

BANK OF IRELAND (JERSEY) LTD
Bank of Ireland House, PO Box 416,
Francis Street, St Helier, Jersey, JE4 9WD,
Channel Islands
Tel: 01534 638630 Fax: 01534 737916
Managing Director: Joseph F O'Leary

BANK OF IRELAND ASSET MANAGEMENT
(JERSEY) LTD
Bank of Ireland House, PO Box 416
Francis Street, St Helier, Jersey, JE2 4QE,
Channel Islands
Tel: 01534 638680 Fax: 01534 626965
Director: Tim Phelan

BANK OF IRELAND SECURITIES SERVICES (JERSEY) LTD
Bank of Ireland House, PO Box 416,
Francis Street, St Helier, Jersey, JE2 4QE
Channel Islands
Tel: 01534 638690 Fax: 01534 617 815
Director: Stephen Baker

TRUST COMPANY (JERSEY) LTD
Bank of Ireland House, PO Box 416,
Francis Street, St Helier, Jersey, JE4 9WD
Channel Islands
Tel: 01534 638660 Fax: 01534 733442
Managing Director: Brian Clarke

GERMANY

Bank of Ireland
Hochstrasse 29, 60313 Frankfurt
Tel: 069 912 023-0 Fax: 069 913 023-20
European Representative: Joe Dunphy

BANK OF IRELAND ASSET MANAGEMENT LTD
Hochstrasse 29, 60313 Frankfurt
Tel: 069 912 023-33 Fax: 069 913 023-20
Head of Business Development - Continental Europe:
Kevin Duffy

JAPAN

BANK OF IRELAND ASSET MANAGEMENT (JAPAN) LTD
Level 6
Akasaka Tokyu Building
2-14-3 Nagatacho
Chiyoda-Ku
Tokyo 100-0014. JAPAN
President: Kikuo Kuroiwa

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