INTERIM STATEMENT

for the half year ended

30 September 2000

INTERIM 2000
STATEMENT

Bank of Ireland Group
Interim Report for the Six Months to
30 September 2000

Introduction

The Report to Stockholders for the half year shows a dynamic business which is being managed to achieve competitive success and excellent returns to stockholders. Bank of Ireland continues to deliver results that are ahead of its peer group average. The Group's ability to meet customers' needs is resulting in strong revenue growth and market share gains. Margins in the retail business and in our mortgage and savings business in the United Kingdom have stabilised. In the former, increases in Euro interest rates combined with large growth in credit balances have halted margin decline.

The Group's strategy for the growth and diversification of its business in Great Britain is being pursued vigorously. Moves by Bristol & West into higher margin lending and advice-led investment products have counter-balanced the low margins currently available in the conventional mortgage and savings businesses.

Extensive rationalisation of delivery channels is underway in Ireland. The Group has a clear multi-channel strategy which it believes is the most effective means of meeting the needs of its customers. Investment in e-commerce and other remote channels is accompanied by reductions in the branch network, as overlapping branches are merged and outlets closed. This will deliver cost benefits in the core business and will facilitate steady reductions in the cost/income ratio.

Strong income growth, as well as strategies for future growth, has necessitated investment in a number of businesses. The Group is confident that these investments will deliver continuing income growth and further enhanced Stockholder returns.

Highlights

- 21% growth in alternative EPS*
- 15% growth in underlying pre-tax profit (excluding exceptionals and one – offs)
- volume and market share growth across the principal businesses in Ireland
- margin stabilisation in Retail Ireland and Bristol & West
- good progress in diversifying income in Bristol & West
- continued expansion of international activities
- re-configuration of retail delivery channels
- falling cost/income ratio in traditional businesses
- good progress in Group Transformation Programme – €67m provision for cost programme

* excluding Deposit Interest Retention Tax (DIRT) €35m and Group Transformation costs of €67m.

GOVERNOR'S STATEMENT

Bank of Ireland Group reports profit before tax on ordinary activities of €567m before exceptional items for the six months to 30 September 2000, an increase of 12% on the same period last year. On a like for like basis, the pretax profit is ahead by 15%. Alternative earnings per share, at 43.3 cents, have increased by 21%, helped by particularly strong growth towards the end of the trading period.

The performance of the Group in the current year is very encouraging. Despite intensifying competition from both existing and new market entrants in its domestic markets, Bank of Ireland has achieved business growth levels in key product areas that are in excess of market growth. Excellent performances have been recorded in retail and corporate banking. Lending and deposits have grown sharply, driven in part by the strong economy but also by innovation in product design and delivery and continuing improvements in customer service. Margins in Retail Banking in Ireland have stabilised following a lengthy period of steady decline.

The Bank is successfully implementing a multi-channel strategy in Ireland, which will result in fewer branches, a significant move to electronic services, reduced distribution costs and a more focused and relevant service to Retail customer groups.

We believe that the Irish economy will continue to outperform EU and OECD average growth rates by a substantial margin, providing the Group with opportunities for further domestic profits growth in the years ahead.

The Asset and Wealth Management businesses performed very well and the Group's internationally focused lending business recorded further significant growth.

In Britain, Bristol & West continues to diversify its product range and has achieved steady progress towards advice-led products and more specialist and higher margin lending. Its prospects are exciting, particularly when current investments in the business come to fruition.

The risk profile of the Group remains low. The Group's credit management standards are well proven and applied across all businesses. Lending growth has been achieved without any weakening of these standards and the loan loss charge remains at low levels.

DIVISIONAL PERFORMANCE

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m
Retail Banking Republic	159	124
Life and Pensions	53	56
Corporate & Treasury	182	137
Bristol & West	116	120
Asset and Wealth Management Services	76	62
Group and Central	4	28
	--------	-------
Grossed-up profit on ordinary activities before exceptional items	590	527
Grossing-up	(23)	(19)
	--------	-------
Profit on ordinary activities before exceptional items	567	508
	=====	=====

Retail Banking Republic

Retail continued to reap the benefits of the strong Irish economy with profit growth of 28% to €159m (1999: €124m). The retail branch network and the retail businesses made strong advances and volumes of both lending and deposits were well ahead of the same period last year. Following a number of years of margin decline, the net interest margin stabilised. Factors contributing to margin stabilisation were the increases in Euro zone base rates, which allowed for a better balance between deposit and lending rates, and substantial increases in current account credit balances, which were up 28%. Net interest margin in the first half is similar to the same period last year and margins for the year as a whole are expected to be relatively unchanged from last year.

Average lending volumes were ahead by 25% compared to the same period last year, with particularly strong growth in mortgage outstandings - up 29% - and business lending, achieved without any deterioration in asset quality. Bank of Ireland is now the leading provider of new mortgages and has increased its market share despite the entry to the market of additional competitors.

The combination of a stable margin and strong volume growth led to an increase in net interest income of 15%.

Non interest income was up 5%. However, underlying growth was 11% when the impact of the transfer of a portion of the credit card business to EuroConex, the Group's joint venture with Nova Corporation, is accounted for.

The lower cost distribution strategy being pursued in Retail Ireland is delivering results. Solid progress is being made in network re-configuration and reductions in central support costs. The cost line in Retail is impacted positively by the transfer of some €5m in costs to EuroConex. Given the strong volume growth that was achieved, the cost performance was very satisfactory. Costs fell marginally compared to the immediately preceding period and are ahead by 5% (6% pre EuroConex) compared with the same period last year; by contrast, revenues were 12% higher.

Loan losses remained very satisfactory at 26 basis points of advances, which includes a contribution to the non designated specific provision of €6m.

Life and Pensions

The Group's Life and Pensions business produced excellent underlying growth.

Sales were up by 36% (annual premium equivalent) and core pre-tax profits (before exceptional items and intra-Group transfers) increased by 45% to €61m. A slight decline in reported profits is caused by a €14m exceptional gain in last year's figures, due to a once-off reduction in the discount rate and a sharp increase in payment transfers to the branch channel.

Sales of pension products through independent brokers and bancassurance sales were both strongly ahead and mutual fund products performed very well. Profits from existing business were also up reflecting the absolute increase in inforce business, continued excellent mortality and persistency experience and additional management fees on unit linked business as a result of a strong stock market performance.

The outlook for future growth in the Group's life and pensions business is positive, with strong sales continuing in the early part of the second half.

Corporate & Treasury

Profit before tax increased by 33% to €182m compared to the same period last year. Asset quality remains very good. The first half performance was boosted by exceptional non funds based income; however, the underlying growth of the Division has been strong and the outlook for the second half is positive.

While the performance was generally excellent across all business units in the six months to September 2000, the outcome was particularly impacted by a 70% increase in pre-tax profits in Corporate Banking, where lending and resources increased by 36% and 21% respectively. Growth in international financing, particularly Leveraged and Project Finance, was very strong. Fee income increased substantially in the period.

Profits in Great Britain and Northern Ireland were ahead by 23% with lending volumes up 24% and resources up 9%. Business lending in Northern Ireland and niche lending in Britain were buoyant.

Pre-tax profits in Treasury and International Banking increased by 11%. Customer related business grew by more than 30% while income was somewhat lower than the corresponding period during which falling Euro interest rates generated a windfall effect.

Davy performed satisfactorily in the prevailing conditions of volatile international equity markets and relatively subdued trading in Ireland. The comparative period in the prior year included the flotation of Eircom.

Divisional income and costs increased by 19% and 11% respectively on a constant currency basis. The cost increase reflects significant people investments in Corporate Banking and technology investments in Davy. Costs in Northern Ireland and Great Britain and in Treasury and International Banking were very well contained. As the Group Transformation Programme takes effect, synergies are expected to realise significant savings in the second half of the year and next year.

Bristol & West

Profit before tax of €116m is marginally lower than in the first half of last year.

There has been a steady diversification of lending into market segments offering higher reward, such as buy to let and self-certification products which are expected to account for more than one third of net lending in the full year. There has also been significant progress towards the development of advice-led products. The recently announced acquisition of MoneyeXtra, allied to the earlier acquisition of Chase de Vere, provides Bristol & West with a product range and an additional proven channel into the advice-led investment and savings markets. Bristol & West can now offer an e-enabled independent advice business which is judged to have significant potential to drive further growth. It will complement and work in tandem with Chase de Vere, the acquisition of which has had a neutral effect on the half year.

As a result of these initiatives, Bristol & West will substantially reduce its reliance on the standard mortgage and savings markets, the sectors that are most at risk from margin deterioration. By 2003/4, it is intended that the income contribution from these traditional markets will be below 50% of the total compared to 75% last year. The impact of the Bristol & West investment strategy is already evident in a stabilising of net interest margin. Its full year will be impacted by continuing investments in the diversification of its product mix.

Savings balances grew satisfactorily despite a policy of not pursuing high cost and highly mobile incremental retail deposits and interest income increased satisfactorily during the period.

Asset And Wealth Management Services

Profits in Asset and Wealth Management increased substantially in the half year and, at €76m, were 23% higher than the corresponding period.

Following a number of years of strong growth, which continued in the six months under review, Bank of Ireland Asset Management is now entering a new and exciting growth phase with significant investments in people and technology, both to handle increased business flows in existing markets and to open new markets. Assets under management, which stood at €40.3bn at end September 1999, had increased to €52.5bn at the end of the reporting period. The United States continues to be a major source of business but successes were also recorded in new markets, such as Japan.

Assets under administration and custody in Bank of Ireland Securities Services (BOISS) increased from €79bn to €132bn from September 1999. BOISS has experienced strong growth across all business lines.

The Group is investing in its services to the growing affluent sector in Ireland. Four existing businesses are being integrated into an expanded Private Banking service which is delivering an enhanced range of products to this sector.

Group and Central

Profit before tax reduced by €24m reflecting lower earnings on surplus equity and investment costs in BOIe. In addition, gains on property disposals were €9m lower than the comparable period last year.

BOIe is a dedicated, standalone unit, established in May 2000 with a mission to ensure that the Group has a world-class e-capability. Since its inception, the Group has reported a range of new initiatives and major enhancements to existing services:

- The introduction of a range of tariff-free banking services via WAP phones
- The development of a virtual credit wallet in conjunction with Trintech
- Credit Cards on-line – the first Irish bank to provide such a facility
- Announcement of an internet share dealing service with full access to all major world markets and a capacity to handle 500 concurrent users and 10,000 trades per day
- Launch of Premier Direct website with an on-line loan facility
- Launch of Autonom.ie – a website for students
- Two strategic alliances - with Unison, a subsidiary of Independent News and Media, and Esat Telecom's Personal Finance Channel. The two companies have some 550,000 subscribers. Partly as a result of these alliances, traffic on the award winning Bank of Ireland website has increased by 400% in the past year.

Usage of existing services – Banking 365 Online, Business on Line and Clikpay - continues to grow rapidly and the Group is on target to achieve projected year end customer numbers for these channels.

EMU

Significant effort and investment are ongoing to prepare the Group for the full introduction of the Euro at the beginning of 2002. Total revenue expenditure to date on EMU preparations has been €22m, of which €9m was incurred in the half year. Further revenue expenditure of €58m will be required to achieve the necessary systems and other consequent changes and to facilitate the largest conversion of notes and coins ever undertaken in Ireland.

FINANCIAL REVIEW

The Group Profit and Loss Account for the half years 30 September 2000 and 30 September 1999 is set out below:

	HALF YEAR 30.09.2000 €m	HALF YEAR 30.09.1999 €m
Net Interest Income	693	630
Other Income	542	458
	--------	---------
Total Operating Income	1235	1088
Provision for bad and doubtful debts	36	27
Operating expenses	638	554
	--------	---------
Operating Profit	561	507
Income from associated undertaking and joint ventures	6	1
	--------	--------
Profit on ordinary activities before exceptional items	567	508
Group Transformation Programme	67	-
	--------	--------
Profit before Taxation	500	508
Deposit Interest Retention Tax	35	-
Taxation	104	121
	--------	--------
Profit after Taxation	361	387
	=====	=====

<u>Income</u>

Group net interest income increased by 10% or €63m to €693m. The strengthening of Sterling against the Euro contributed almost half of the increase, which was also driven by a strong performance in the Republic of Ireland, with significant growth in business volumes assisted by margin stabilisation in Retail Banking. The Group net interest margin declined from 2.77% last year to 2.36% but was stable compared to the immediately preceding six month period. In the corresponding period last year the net interest margin benefited from positions taken in Treasury in advance of the introduction of the Euro.

The Group margin for all Republic of Ireland businesses reduced from 3.52% to 2.74% compared to the same period last year, while the Retail Banking margin was effectively stable. Higher wholesale borrowings, strong volume growth in Corporate Banking and a more normal trading environment in Treasury impacted on the margin. The foreign net interest margin declined from 2.00% to 1.93%, principally due to higher wholesale borrowings, with the Bristol & West margin relatively stable.

Volumes increased significantly across the Group, with average lending and customer resources ahead by 24% and 23% respectively over the corresponding period last year. Average Group earning assets increased by 29% against the comparable period.

Average Earning Assets			**Net Interest Margin (including grossing-up)**	
30 September 2000	**30 September 1999**		**30 September 2000**	**30 September 1999**
€bn	**€bn**		**%**	**%**
31.9	23.6	Domestic	2.74	3.52
28.4	23.2	Foreign	1.93	2.00
60.3	46.8	Group	2.36	2.77

Other Income increased by €84m or 18% over the last half year. On a constant currency basis, the increase was 16%. The strong growth was driven by high levels of fee income in Corporate Banking, customer driven volumes in Treasury and growth in Asset Management. In addition sales of Group products were ahead of last year in Retail Banking.

Last year's results included a gain of €20m from the sale of surplus property; a further gain of €11m was recorded in the current reporting period.

Loan Losses

Loan losses at €36m are €9m higher, reflecting a charge of 0.16% to average loans compared to 0.14% for the corresponding period last year. Balances under provision reduced from €369m from the corresponding period last year to €300m as at 30 September 2000 and the coverage ratio is 140%.

Operating Expenses

Operating expenses increased by €84m over last September, an increase of 15%. On a constant currency basis the increase was 11%. The table below breaks out Group operating expenses into four categories. Group investments in the transformation of products and delivery channels, such as BOIe and the various Group Transformation Projects, are separately shown. Some cost increases were also driven by very substantial business growth, principally internationally focused, of the scale achieved in Asset Management and International Lending, for example, with commensurate growth in revenues and these account for €56m of total costs. In the longer established businesses, costs increased by €35m or 7% and reflect normal salary increments allied to growing business volumes. Finally, the acquisition of Chase de Vere increased expenses in the half year by €7m. The Group cost income ratio for the half year was 52%.

	30-9-00	30-9-99
	€m	**€m**
Investment Costs	12	-
Internationally Focused Businesses	56	42
Established Businesses	542	507
Acquisition/Divestment	7	5
Exchange rate variance	21	-
Total	638	554

Exceptional Items

The results for the half year include two exceptional items. The first is a provision of €67m, primarily to cover staff severance costs related to achieving savings under the Group Transformation Programme. Payback on this outlay will be the delivery of cost savings during the remainder of the current and the next two financial years. Secondly, the Group taxation charge includes the settlement of the Group's liability for Irish Deposit Interest Retention Tax (DIRT), including interest and penalties, which was announced in July 2000, resulting in a charge of €35m in the current half year.

Excluding the settlement for DIRT the effective rate of tax is 21% for this half year.

The alternative earnings per share excludes the effect of these two exceptional items.

Capital and Reserves

Return on Equity for the half year to 30 September 2000 was 27%. The Tier I and Total Capital Ratio were 6.8% and 10.7% respectively and the equity/assets ratio, after deducting intangible fixed assets, was 4.2%.

Interim Dividend

In accordance with Group policy that the interim dividend, in normal course, shall be set at 40% of the total distribution per unit of stock for the prior year, the Directors have declared an interim dividend of 9.40 cents for each unit of Ordinary Stock. This compares with 7.36 cents at the interim stage last year, an increase of 28%.

The interim dividend will be paid on Tuesday 16 January 2001 to Stockholders who are registered as holding Ordinary Stock at the close of business on Friday 1 December 2000 and who have not elected prior to the specified date to avail of the Stock Alternative Scheme. 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 Tuesday 12 December 2000 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 reach the Registrar not later than 3pm on Friday 5 January 2001.

Outlook

The Group continues to trade strongly with excellent business momentum evident in the current trading period. Investments in business growth and efficiency and preparation for the Euro will be higher during the second half. The Directors are confident of a satisfactory full year outcome.

Laurence G Crowley
Governor

15 November 2000

GROUP PROFIT AND LOSS ACCOUNT (UNAUDITED)

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
INTEREST RECEIVABLE			
Interest receivable and similar income arising from debt securities	196	135	321
Other interest receivable and similar income	1,749	1,260	2,681
INTEREST PAYABLE	(1,252)	(765)	(1,760)
NET INTEREST INCOME	693	630	1,242
Fees and commissions receivable	420	366	729
Fees and commissions payable	(25)	(26)	(112)
Dealing profits	37	(2)	44
Contribution from life assurance companies (Note 3)	74	68	127
Other operating income	36	52	112
TOTAL OPERATING INCOME	1,235	1,088	2,142
Administrative expenses	576	500	1,048
Depreciation and amortisation	62	54	119
OPERATING PROFIT BEFORE PROVISIONS	597	534	975
Provision for bad and doubtful debts (Note 9)	36	27	56
OPERATING PROFIT	561	507	919
Income from associated undertakings and joint ventures	6	1	1
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS	567	508	920
Group Transformation Programme (Note 4)	67	-	-
PROFIT BEFORE TAXATION	500	508	920
Deposit Interest Retention Tax (Note 5)	35	-	-
Taxation (Note 6)	104	121	196
PROFIT AFTER TAXATION	361	387	724

GROUP PROFIT AND LOSS ACCOUNT (UNAUDITED) (Continued)

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
PROFIT AFTER TAXATION	361	387	724
Minority interests: equity	1	1	3
Minority interests: non equity	3	3	6
Non-cumulative preference stock dividends	13	13	25
PROFIT ATTRIBUTABLE TO THE ORDINARY STOCKHOLDERS	344	370	690
Transfer to capital reserve	48	46	70
Ordinary dividends	94	73	233
PROFIT RETAINED FOR THE PERIOD	202	251	387
Earnings per unit of €0.64 ordinary stock (Note 7)	34.6c	35.7c	68.0c
Alternative earnings per unit of €0.64 ordinary stock (Note 7)	43.3c	-	-
Diluted earnings per unit of €0.64 ordinary stock (Note 7)	34.3c	35.5c	67.6c

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
ASSETS			
Cash and balances at central banks	1,900	878	210
Items in the course of collection from other banks	554	682	617
Central Government and other eligible bills	229	751	746
Loans and advances to banks	7,114	4,742	6,972
Loans and advances to customers (Note 8)	48,864	39,789	44,844
Securitisation and loan transfers	1,061	755	708
Less: non returnable amounts	931	635	578
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	130	120	130
Debt securities	7,734	5,783	6,668
Equity shares	13	7	15
Own shares	30	33	33
Interests in associated undertakings and joint ventures	23	14	14
Tangible fixed assets	1,002	772	975
Intangible fixed assets	194	-	9
Other assets	2,249	1,943	2,044
Prepayments and accrued income	637	509	502
	----------	----------	----------
	70,673	56,023	63,779
Life assurance assets attributable to policyholders	4,828	3,796	4,238
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	75,501	59,819	68,017
	======	======	======

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
LIABILITIES			
Deposits by banks	13,722	10,824	10,306
Customer accounts (Note 10)	43,216	35,557	40,990
Debt securities in issue	3,512	1,206	2,825
Items in the course of transmission to other banks	212	366	219
Other liabilities and provisions	3,477	3,274	3,505
Accruals and deferred income	876	653	611
Deferred taxation	92	73	86
Subordinated liabilities	1,900	1,164	1,866
Minority interests – equity	4	4	5
Minority interests – non equity	87	81	87
Called up capital stock (Note 11)	690	688	690
Stock premium account (Note 12)	703	665	679
Capital reserve (Note 12)	283	205	232
Profit and loss account (Note 12)	1,731	1,247	1,510
Revaluation reserve (Note 12)	168	16	168
	----------	----------	----------
Stockholders' funds including non equity interests	3,575	2,821	3,279
Life assurance liabilities attributable to policyholders	4,828	3,796	4,238
	----------	----------	----------
	75,501	59,819	68,017
	======	======	======

MEMORANDUM ITEMS

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Contingent liabilities			
Acceptances and endorsements	149	109	106
Guarantees and assets pledged as collateral security	886	734	897
Other contingent liabilities	445	344	343
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	1,480	1,187	1,346
	======	======	======
Commitments	13,967	10,343	11,553
	======	======	======

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (UNAUDITED)

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
Profit attributable to ordinary stockholders	344	370	690
Exchange adjustments	22	47	183
Revaluation of property	-	-	152
Total gains recognised in period	366	417	1,025

NOTE OF HISTORICAL COST PROFIT AND LOSS (UNAUDITED)

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.

RECONCILIATION OF MOVEMENT IN STOCKHOLDERS' FUNDS (UNAUDITED)

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
Profit attributable to ordinary stockholders	344	370	690
Dividends	(94)	(73)	(233)
	250	297	457
Other recognised gains / (losses)	22	47	335
New capital stock subscribed	24	32	42
Stock buyback	-	(409)	(409)
	296	(33)	425
Opening stockholders' funds	3,279	2,854	2,854
Closing stockholders' funds	3,575	2,821	3,279
Stockholders' funds:			
Equity	3,360	2,612	3,064
Non equity	215	209	215
	3,575	2,821	3,279

GROUP CASH FLOW STATEMENT (UNAUDITED)

RECONCILIATION OF OPERATING PROFIT TO NET OPERATING CASH FLOWS	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
Operating Profit	561	507	919
(Increase) in prepayments and accrued income	(134)	(39)	(24)
Increase/ (Decrease) in accruals and deferred income	221	(26)	(98)
Provisions for bad and doubtful debts	36	27	56
Loans and advances written off net of recoveries	(16)	(24)	(39)
Depreciation and amortisation	62	54	119
Interest charged on subordinated liabilities	68	47	92
Other non-cash movements	(72)	6	(49)
Net cash flow from trading activities	726	552	976
Net decrease / (increase) in collections / transmissions	56	11	(61)
Net (increase) / decrease in loans and advances to banks	(300)	262	(2,836)
Net (increase) in loans and advances to customers	(3,925)	(2,938)	(6,055)
Net increase in deposits by banks	3,421	3,702	3,037
Net increase in customer accounts	2,140	707	4,468
Net increase in debt securities in issue	683	618	2,084
Net decrease / (increase) in non-investment debt and equity securities	211	(269)	(914)
Net (increase) / decrease in other assets	(211)	284	209
Net (decrease) in other liabilities	(11)	(334)	(210)
Exchange movements	(185)	(11)	(150)
Net cash flow from operating activities	2,605	2,584	548
Returns on investment and servicing of finance	(55)	(63)	(122)
Taxation	(71)	(60)	(192)
Deposit Interest Retention Tax	(39)	-	-
Capital expenditure and financial investment	(639)	(387)	(310)
Acquisitions and disposals	(172)	(1)	(10)
Equity dividends paid	(138)	(112)	(176)
Financing	4	(684)	(92)
Increase / (decrease) in cash	1,495	1,277	(354)

1 ACCOUNTING POLICIES

The accounting policies as set out on pages 51 to 53 of the Report and Accounts for the year ended 31 March 2000 are unchanged.

2 CHASE DE VERE INVESTMENTS PLC

On 11 September, 2000 Bank of Ireland announced that its wholly owned subsidiary, Bristol & West plc ("Bristol & West") had acquired MR Edge Holdings Limited, the holding company of Chase de Vere Investments plc, a leading UK Independent Financial Adviser business. The present value of the expected total cost of the acquisition is Stg£121m (€198m). This comprises initial consideration of Stg£112m (€183m) including incidental expenses, and deferred consideration of Stg£9m (€15m). The deferred consideration can range from nil to Stg£22.5m (€37m) dependent on the performance of Chase de Vere Investments plc over the three year period to 31 December 2002.

Net assets of Stg£10m (€16m) were acquired creating goodwill on acquisition of Stg£111m (€182m), subject to fair value adjustment. The assessment of fair values will be concluded in the second half of the financial year.

3 LIFE ASSURANCE

The table below provides an analysis of profits before tax.

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
New business	24	13	30
Existing business	30	25	56
Return on shareholder's funds	7	4	8
Operating profit before tax	61	42	94
Change in discount rate	-	14	14
Change in tax rate	-	-	8
Exceptional items	13	12	11
Contribution from life assurance companies	74	68	127
Less: income adjustment for certain services, overheads and capital allocations provided by Group companies	(21)	(12)	(28)
Life assurance segment, profit before tax	53	56	99

4 GROUP TRANSFORMATION PROGRAMME

Implementation of the Group's cost reduction programme is now underway and a provision of €67m before tax (€52m after tax) mainly for staff severance packages has been recognised in the half year accounts. This expenditure is expected to be incurred prior to 31 March 2003.

5 DEPOSIT INTEREST RETENTION TAX

On July 5, 2000 the Bank announced that it had paid the Revenue Commissioners of Ireland the sum of €38.7 million (IR£30.5 million) in full and final settlement of Bank of Ireland Group's liability for arrears of DIRT (Deposit Interest Retention Tax) including interest and penalties. €3.6m was provided in the year to 31 March 1999 .

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	Year 31-3-2000 €m
Based on profit for the period:			
Corporation tax	87	102	156
Deferred taxation	16	19	40
Associated undertakings	1	-	-
	104	121	196

7 EARNINGS PER UNIT OF €0.64 ORDINARY STOCK

The calculation of earnings per unit of €0.64 Ordinary Stock is based on the profit attributable to Ordinary Stockholders of €344m (September 1999: €370m and March 2000: €689.5m) and the weighted average Ordinary Stock in issue of 994.6m units (September 1999: 1,035.6m units and March 2000: 1,013.6m units).

The calculation of the alternative earnings per share for the half year ended 30 September 2000 is based on the profit attributable to Ordinary Stockholders before exceptional items (the charge for the Group Transformation Programme after tax of €52m and the DIRT settlement of €35m) of € 431m and the weighted average Ordinary Stock of 994.6m units.

The diluted earnings per share is based on the profit attributable to Ordinary Stockholders of €344m (September 1999: €370m and March 2000: €689.5m) and the weighted average Ordinary Stock in issue adjusted for the effect of all dilutive potential Ordinary Stock of 7.6m units (September 1999: 6.1m units and March 2000: 5.9m units)

8 LOANS AND ADVANCES TO CUSTOMERS

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Loans and advances to customers	45,898	37,560	42,109
Finance lease receivables	2,472	1,900	2,323
Hire purchase receivables	913	696	810
	49,283	40,156	45,242
Less: provisions (Note 9)	(419)	(367)	(398)
	48,864	39,789	44,844

9 PROVISION FOR BAD AND DOUBTFUL DEBTS

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Opening balance	398	359	359
Exchange adjustments	1	5	22
Charge against profits	36	27	56
Amounts written off	(27)	(32)	(57)
Recoveries	11	8	18
Closing balance	419	367	398

All of which relates to loans and advances to customers

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Provisions at end of period:			
- specific	116	113	115
- general	303	254	283
	419	367	398

9 PROVISION FOR BAD AND DOUBTFUL DEBTS (continued)

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 €147m (Sept 1999: €127m, March 2000: €141m) and a non designated element, for prudential purposes of € 156m (Sept 1999: €127m, March 2000: €142m). 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.

10 CUSTOMER ACCOUNTS

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Current accounts	6,839	5,341	6,114
Term deposits	18,813	16,040	17,979
Demand deposits	16,913	14,012	16,763
Other short term borrowings	651	164	134
	43,216	35,557	40,990

11 CALLED UP CAPITAL STOCK

Allotted and fully paid	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Equity			
997.2m units of €0.64 of Ordinary Stock	638	634	635
46.9m units of €0.64 of Treasury Stock	30	33	33
Non equity			
5m units of Non-Cumulative Preference Stock of Stg£1 each	9	8	9
10.5m units of Non-Cumulative Preference Stock of IR£1 each	13	13	13
	690	688	690

The weighted average Ordinary Stock in issue at 30 September 2000, 31 March 2000 and 30 September 1999 used in the earnings per unit of Ordinary Stock calculation, excludes the Treasury Stock from the date of buyback, (See Note 7). The amount of Treasury Stock has been reduced during the period by the re-issue of such units as new units of Ordinary Stock under the Executive Stock Option Scheme on the exercise of Options and under the Stock Alternative Scheme instead of cash dividends.

12 RESERVES

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Stock premium account			
Opening balance	679	633	633
Premium on issue of capital stock	3	13	13
Premium on stock alternative scheme issue	21	17	26
Exchange adjustments	-	2	7
Closing balance	703	665	679
Capital reserve			
Opening balance	232	159	159
Transfer to/from revenue reserves	48	46	70
Exchange adjustments	3	-	3
Closing balance	283	205	232
Profit and loss account			
Opening balance	1,510	1,365	1,365
Profit retained	202	251	387
Exchange adjustments	19	45	172
Stock buyback	-	(409)	(409)
Capitalisation of reserves (i)	-	(5)	(5)
Closing balance	1,731	1,247	1,510
Revaluation reserve			
Opening balance	168	16	16
Revaluation of property	-	-	152
Closing balance	168	16	168

(i) Following the July 1999 Annual General Court, the capital stock of the Bank having a nominal value of IR£1 per unit was subdivided into two units of Ordinary Stock having a nominal value of IR£0.50 per unit. Each unit of Ordinary Stock was then redenominated into euro and renominalised to a nominal value of €0.64, requiring a capitalisation of Revenue Reserves.

13 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. In addition since 31 March 2000 the basis of capital allocation to segments has been amended from a primarily risk weighted assets basis to an economic capital one which incorporates a broader range of business risks.
The net assets of the Life and Pensions business segment are based on allocation of capital while previously it was based on the actual capital as there was no allocation of capital to this segment. 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 of profits shown below is based on management accounts information. Ireland includes Northern Ireland and the profits generated in the International Financial Services Centre. Turnover is defined as interest income and non interest income. Turnover by business class is not shown. The Group has six business classes.

Following a reorganisation announced in November 1999, Retail has become Retail Banking Republic, Corporate and Treasury now includes Banking GB, International Banking and Northern Ireland, Corporate Finance and Davy. Asset and Wealth Management Services, includes Asset Management, Securities Services, Private Banking and Trust Services. The Life and Pensions segment was previously called Life Assurance. The analysis below for September 1999 has been restated accordingly.

13 SEGMENTAL ANALYSIS (continued)

(a) Geographical Segment

	Half Year 30-9-2000			
	Ireland €m	**Britain €m**	**Rest of World €m**	**Total €m**
Turnover	1,262	1,169	81	2,512
Profit before exceptional items	459	115	16	590
Group Transformation Programme				67
Grossing up (1)				(23)
Profit before taxation				500
Net assets	2,242	1,192	141	3,575
Total assets (2)	56,756	33,786	2,302	92,844

	Half Year 30-9-1999			
	Ireland €m	**Britain €m**	**Rest of World €m**	**Total €m**
Turnover	1,044	775	60	1,879
Profit before taxation	398	117	12	527
Grossing up (1)				(19)
Profit before taxation				508
Net assets	1,769	938	114	2,821
Total assets (2)	42,156	27,265	2,324	71,745

13 SEGMENTAL ANALYSIS (continued)

(a) Geographical Segment

	Year 31-3-2000			
	Ireland €m	Britain €m	Rest of World €m	Total €m
Turnover	2,150	1,733	131	4,014
Profit before taxation	746	210	23	979
Grossing up (1)				(59)
Profit before taxation				920
Net assets	1,874	1,096	309	3,279
Total assets (2)	49,584	32,413	2,753	84,750

(b) Business Class

	Half Year 30-9-2000						
	Retail Banking Republic €m	Life and Pensions (4) €m	Corporate & Treasury €m	Bristol & West €m	Asset and Wealth Management Services €m	Group and Central €m	Total €m
Net interest income	340	-	196	166	10	(1)	711
Other income (3)	113	53	168	67	120	32	553
Total operating income	453	53	364	233	130	31	1,264
Administrative expenses	247	-	156	102	50	21	576
Depreciation and amortisation	30	-	11	12	3	6	62
Provisions for bad and doubtful debts	17	-	15	3	1	-	36
Profit before Exceptional Items	159	53	182	116	76	4	590
Group Transformation Programme							67
Grossing up (1)							(23)
Profit before taxation							500
Net assets	733	71	696	1,030	162	883	3,575
Total assets (2)	19,496	5,141	40,744	23,460	2,254	4,119	95,214

13 SEGMENTAL ANALYSIS (continued)

(b) Business Class

Half Year 30-9-1999	Retail Banking Republic	Life and Pensions (4) €m	Corporate & Treasury €m	Bristol & West €m	Asset and Wealth Management Services €m	Group and Central €m	Total €m
Net interest income	297	-	190	144	8	10	649
Other income (3)	108	56	98	68	94	35	459
Total operating income	405	56	288	212	102	45	1,108
Administrative expenses	235	-	132	81	38	14	500
Depreciation and amortisation	30	-	9	10	2	3	54
Provisions for bad and doubtful debts	16	-	10	1	-	-	27
Profit before exceptional item	124	56	137	120	62	28	527
Grossing up (1)							(19)
Profit before taxation							508
Net assets	611	68	639	799	116	588	2,821
Total assets (2)	17,614	4,061	30,866	20,317	1,661	1,852	76,371

Year 31-3-2000	Retail Banking Republic €m	Life and Pensions (4) €m	Corporate & Treasury €m	Bristol & West €m	Asset and Wealth Management Services €m	Group and Central €m	Total €m
Net interest income	602	-	371	296	18	1	1,288
Other income (3)	216	99	234	114	199	52	914
Total operating income	818	99	605	410	217	53	2,202
Administrative expenses	485	-	283	170	82	28	1,048
Depreciation and amortisation	70	-	19	18	4	8	119
Provisions for bad and doubtful debts	26	-	23	6	2	(1)	56
Profit before taxation	237	99	280	216	129	18	979
Grossing up (1)							(59)
Profit before taxation							920
Net assets	611	68	707	941	128	824	3,279
Total assets (2)	19,076	4,520	36,038	22,346	2,339	2,778	87,097

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

(2) Total assets include intra-group items of €19,713m (September 1999: €16,552m, March 2000: €19,080m) in business class and € 17,343m (September 1999: €11,926m, March 2000: €16,733m) in geographic segments.

(3) Other income includes income from associates.

(4) The Life and Pensions profits reported in the segmental analysis are based on the management accounts.

14 GROUP FINANCIAL INFORMATION FOR US INVESTORS

Consolidated Net Income	**Half Year 30-9-2000 €m**	**Half Year 30-9-1999 €m**	**Year 31-3-2000 €m**
Profit under Irish GAAP	344	370	690
Group Transformation Programme (i)	67	-	-
Depreciation	(3)	(1)	(7)
Software development costs	4	5	10
Goodwill	(17)	(16)	(33)
Deferred taxation	(6)	3	6
Pension costs	15	3	11
Long-term assurance policies	(49)	(44)	(72)
Other	9	13	(1)
Deferred tax effect on these adjustments	(3)	15	24
Profit under US GAAP	361	348	628
Earnings per unit of €0.64 Ordinary Stock under US GAAP			
- basic	36.3c	33.6c	62.0c
- diluted	36.0c	33.4c	61.6c

Consolidated Total Stockholders' Funds

	30-9-2000 €m	**30-9-1999 €m**	**31-3-2000 €m**
Total stockholders' funds including non equity interests under Irish GAAP	3,575	2,821	3,279
Property less related depreciation	(275)	(113)	(272)
Software development costs	(19)	(28)	(23)
Goodwill	521	523	537
Deferred taxation	13	15	19
Debt securities - available for sale	6	(6)	20
Pension costs	166	144	151
Long-term assurance policies	(231)	(164)	(172)
Dividends	94	73	160
Group Transformation Programme (i)	67	-	-
Other	40	37	32
Deferred taxation on these adjustments	(15)	7	(4)
Consolidated stockholders' funds including non equity interests under US GAAP	3,942	3,309	3,727

14 GROUP FINANCIAL INFORMATION FOR US INVESTORS (continued)

Consolidated Total Assets

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Total assets under Irish GAAP	75,501	59,819	68,017
Property less related depreciation	(275)	(113)	(272)
Goodwill	561	560	578
Software development costs	(19)	(28)	(23)
Debt securities - available for sale	6	(6)	20
Pension costs	171	149	155
Acceptances	149	109	106
Long-term assurance policies	(231)	(164)	(172)
Other	(59)	(57)	(60)
Securitised assets	237	287	317
Deferred taxation on these adjustments	34	36	33
Total assets under US GAAP	76,075	60,592	68,699

Consolidated Total Liabilities and Stockholders' Funds

	30-9-2000 €m	30-9-1999 €m	31-3-2000 €m
Total liabilities and stockholders' funds including non equity interests under Irish GAAP	75,501	59,819	68,017
Stockholders' funds (US GAAP adjustment)	367	488	448
Dividends	(94)	(73)	(160)
Deferred taxation	(26)	(28)	(32)
Borrowings related to securitised assets	237	287	317
Acceptances	149	109	106
Group Transformation Programme (i)	(67)	-	-
Other	(17)	(18)	(9)
Deferred taxation on these adjustments	25	8	12
Total liabilities and stockholders' funds including non equity interests under US GAAP	76,075	60,592	68,699

(i) The Group Transformation Programme, as outlined in Note 4, has recognised a provision of €67m under Irish GAAP which does not yet qualify for recognition under US GAAP criteria.

15 AVERAGE BALANCE SHEET AND INTEREST RATES

The following tables show the average balances and interest rates of interest earning assets and interest bearing liabilities for each of the half years ended September 30, 2000 and 1999 and the year ended March 31, 2000. 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 and would not be materially different if daily averages were consistently used throughout. Rates for the half years are annualised.

	Half Year 30-9-2000			Half Year 30-9-1999			Year 31-3-2000		
	Average Balance €m	Interest €m	Rate %	Average Balance €m	Interest €m	Rate %	Average Balance €m	Interest €m	Rate %
ASSETS									
Loans to banks									
Domestic offices	4,898	119	4.9	2,724	51	3.7	3,635	146	4.0
Foreign offices	1,412	30	4.3	276	6	4.4	363	18	5.0
Loans to customers (1)									
Domestic offices	18,427	601	6.5	14,482	458	6.3	15,522	926	6.0
Foreign offices	25,296	882	7.0	21,122	659	6.2	22,075	1,414	6.4
Central government and other eligible bills									
Domestic offices	70	1	3.5	27	-	2.0	6	-	0.5
Foreign offices	396	12	5.8	575	15	5.1	596	31	5.2
Debt Securities									
Domestic offices	5,816	175	6.0	4,505	112	5.0	4,999	279	5.6
Foreign offices	761	21	5.6	798	23	5.8	754	42	5.6
Instalment credit									
Domestic offices	332	12	7.4	222	8	7.4	243	18	7.4
Foreign offices	532	25	9.4	402	18	9.1	428	39	9.1
Finance lease receivables									
Domestic offices	2,369	66	5.6	1,641	44	5.4	1,829	88	4.8
Foreign offices	33	1	6.1	54	1	4.8	39	1	3.7
Total interest earning assets									
Domestic offices	31,912	974	6.1	23,601	673	5.7	26,234	1,457	5.6
Foreign offices	28,430	971	6.8	23,227	722	6.2	24,255	1,545	6.4
	60,342	1,945	6.4	46,828	1,395	6.0	50,489	3,002	5.9
Allowance for loan losses	(407)			(357)			(367)		
Non interest earning assets (2)	10,657			8,268			8,698		
Total Assets	70,592	1,945	5.5	54,739	1,395	5.1	58,820	3,002	5.1

15 AVERAGE BALANCE SHEET AND INTEREST RATES (continued)

	Half Year 30-9-2000			Half Year 30-9-1999			Year 31-3-2000		
	Average Balance €m	Interest €m	Rate %	Average Balance €m	Interest €m	Rate %	Average Balance €m	Interest €m	Rate %
LIABILITIES AND STOCKHOLDERS' EQUITY									
Deposits and Customer Accounts									
Domestic offices	24,448	462	3.8	18,904	244	2.6	21,046	618	2.9
Foreign offices	23,052	624	5.4	18,987	460	4.9	19,675	979	5.0
Debt securities in issue									
Domestic offices	1,408	42	6.0	103	3	4.9	238	13	5.5
Foreign offices	1,732	56	6.4	547	15	5.5	982	58	5.9
Subordinated liabilities									
Domestic offices	1,437	50	7.0	821	27	6.6	885	59	6.7
Foreign offices	420	18	8.6	377	16	8.4	385	33	8.6
Total interest bearing liabilities									
Domestic offices	27,293	554	4.1	19,828	274	2.8	22,169	690	3.1
Foreign offices	25,204	698	5.5	19,911	491	4.9	21,042	1,070	5.1
	52,497	1,252	4.8	39,739	765	3.9	43,211	1,760	4.1
Non interest bearing liabilities									
Current accounts	4,425			3,411			3,685		
Other non interest bearing liabilities(2)	10,240			8,601			8,905		
Stockholders' equity including non equity interest	3,430			2,988			3,019		
Total liabilities and stockholders' equity	70,592	1,252	3.5	54,739	765	2.8	58,820	1,760	3.0

(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".

16 RATES OF EXCHANGE

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

	30-9-2000			30-9-1999			31-3-2000		
	Closing	**Average**	**Hedge**	**Closing**	**Average**	**Hedge**	**Closing**	**Average**	**Hedge**
€/US$	0.8765	0.9143	-	1.1749	1.1202	1.1183	0.9553	1.0247	-
€/Stg£	0.5967	0.6104	0.6134	0.6919	0.6742	0.6773	0.5985	0.6368	0.7273

17 THE ACCOUNTS WERE APPROVED BY THE COURT OF DIRECTORS ON 15 NOVEMBER 2000.

BANK OF IRELAND GROUP
INTERIM STATEMENT
For the half year ended 30 September 2000

FINANCIAL SUMMARY

	Half Year 30-9-2000 €m	Half Year 30-9-1999 €m	+/-%
RESULTS			
Profit on ordinary activities before exceptional items	567	508	+12%
Profit before taxation	500	508	-2%
PER UNIT OF €0.64 ORDINARY STOCK (EPS)			
Earnings	34.6c	35.7c	-3%
Alternative Earnings	43.3c		+21%
Dividend	9.4c	7.36c	+28%
BALANCE SHEET			
Total assets	75,501	59,819	+26%
Total stockholders' funds	3,575	2,821	+27%
CAPITAL RATIOS			
Tier 1 capital	6.8%	7.7%	
Total capital	10.7%	10.6%	
Equity/assets	4.2%	4.4%	
KEY RATIOS			
Net interest margin	2.36%	2.77%	
Costs/total income	52%	51%	
Return on average stockholders' funds	27%	27%	

INDEPENDENT REVIEW REPORT TO THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND

Introduction

We have been instructed by the Bank to review the financial information set out on pages 11to 29 and we have read the other information contained in the interim statement for any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim statement, including the financial information contained therein, is the responsibility of, and has been approved by the Court of Directors. The Listing Rules of the Irish Stock Exchange require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and, therefore, provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review, we are not aware of any material modifications that should be made to the financial information as presented, for the six months ended 30 September 2000.

PricewaterhouseCoopers
Chartered Accountants
Dublin

15 November 2000