Bank of Ireland Group

Interim Statement
For the half year to 30 September 2004

HIGHLIGHTS

STRONG GROUP PERFORMANCE

Profit before Tax and exceptional items	+5%
Alternative Earnings Per Share	+9%
Alternative Earnings Per Share (excluding impact of UK POFS)	+11%
Dividend	+12%
ROE	24%

EXCELLENT DIVISIONAL PROFIT PERFORMANCES

Retail Republic of Ireland	+20%
Bank of Ireland Life (Operating Profit)	+26%
Wholesale Financial Services	+14%
UK Financial Services (in local currency)	+6%
Asset Management Services	+10%

DYNAMIC ASSET GROWTH

Retail Republic of Ireland	+23%
Wholesale Financial Services	+11%
UK Financial Services (in local currency)	+13%

STRONG CAPITAL POSITION

Tier 1 Capital	7.3%
Total Capital	10.8%

ASSET QUALITY REMAINS STRONG

"With the strong Group performance for the half year, together with the positive economic environment in our two main markets and with the dynamic implementation of our business strategy, I look forward to the future with confidence."

Brian Goggin
Group Chief Executive

Bank of Ireland Group

Interim Statement
For the half year to 30 September 2004

FINANCIAL SUMMARY

RESULTS	**Half Year 30-9-2004**	**Half Year 30-9-2003**	**Change %**
	€m	**€m**	
Profit on ordinary activities before exceptional items	676	642	5%
Profit before taxation	713	670	6%
PER UNIT OF €0.64 ORDINARY STOCK			
Earnings per share	62.0c	55.3c	12%
Alternative earnings per share	57.5c	52.7c	9%
Dividend per share	16.6c	14.8c	12%
BALANCE SHEET			
Total assets	116,337	98,517	
Total stockholders' funds	4,597	4,137	
Capital Ratios			
Tier 1 capital	7.3%	7.6%	
Total capital	10.8%	10.5%	
Key Ratios			
Net interest margin	2.07%	2.20%	
Costs/total income	55%	53%	
Return on average stockholders' funds	24%	24%	
Equity/assets	3.9%	4.0%	

Bank of Ireland Group

Interim Results
For the six months to 30 September 2004

The Bank of Ireland Group is pleased to announce a strong set of financial results for the six months to 30 September 2004. Profit before tax and exceptional items grew by 5% and alternative earnings per share increased by 9%. Alternative earnings per share grew by 11% and profit before tax and exceptional items grew by 9% when the impact of the Group's investment in the UK Post Office Financial Services is excluded, which is at its early developmental stage. Behind these headline results are strong divisional performances.

Retail Republic of Ireland had an excellent first six months with substantial volume and sales increases across key product areas. The retail mortgage book grew by 28%, business advances were up 22% and resources volumes recorded growth of 10%. Bank of Ireland Life grew market share significantly during the period with new business sales up 19% and an increase in operating profits of 26%.

Wholesale Financial Services also performed very strongly reflected in a profit before tax increase of 14%. Lending volumes were up 11% and Global Markets had a good performance in difficult market circumstances. First Rate Enterprises, our specialist foreign exchange subsidiary enjoyed a particularly strong first half. The Group recently completed a highly successful initial issue of an Asset Covered Securities programme, the first of its type by an Irish listed financial services company. This initiative availed of Irish legislation enacted in 2001 and will play a central role in funding our growth going forward.

The UK Financial Services Division turned in a 6% growth in profit before tax in local currency. The clear strategic focus on personal lending and business banking is producing benefits with strong volume growth in the mortgage book of 12% and in the business banking loan book of 18%. Asset quality remains very strong. The restructuring of this division is progressing well and the Business Improvement Plan is on track to deliver annualised cost reductions of £30 million by March 2007. However we continue to have a number of challenges in the consumer banking businesses which must be resolved. The resolution of these challenges will be concluded by the financial year-end.

The UK Post Office Financial Services business, our venture with the UK Post Office, is a significant growth opportunity for the Group in the UK market. Since the signing of the agreement in March 2004 we have seen some good early success with the roll out of five products nationally.

The Asset Management Services Division achieved a 10% increase in profit before tax for the period. Bank of Ireland Asset Management (BIAM), which has performed at the forefront of the global asset management industry for many years, is currently facing a particular challenge. Assets under management fell by 3% to €56 billion in the six months to 30 September 2004 reflecting net outflows of €2 billion. Pressure resulting from BIAM's relative investment performance for North American EAFE clients, compounded by the departure of four members of BIAM's investment team has led to further outflows. Between 1 October and 5 November 2004 we have received notification of terminations amounting to €5.7 billion – it should be noted that for each €1 billion change the marginal impact, in a full year, on profit before tax is €2.5 million approx. While the level of terminations is disappointing, we continue to manage in excess of €50 billion in assets for some 700 clients on five continents. We are currently in the process of strengthening the BIAM team. We are confident that those additions together with our value driven and consistent investment style, will over time address the present challenges.

The Group and Divisional performances are set against a strong economic environment in our two main markets in Ireland and the UK and we believe this favourable background will continue. The Irish economy is estimated to grow by 6% p.a. in the medium term. Growth in consumer demand remains strong, based on positive demographics and increases in employment and incomes. Inflation has stabilised and Exchequer figures are favourable. In our other main market, the UK, we also expect to see a strong economic performance with estimated medium term growth of around 3%. In general, equity markets have been relatively flat during the six-month period and near-term trends are uncertain due to geopolitical uncertainty and the impact of oil prices.

The group net interest margin for the six months to end September 2004, at 207 basis points (bps) is 13bps lower than the corresponding period last year. This reduction of 13bps is due to a combination of factors principally, the low eurozone interest rate environment, a change in the funding mix as a result of assets growing more quickly than deposits, the re-pricing of the UK mortgage back book and the lag effect from implementing base rate changes in the UK mortgage book.

The Group operating expenses, excluding the impact of UK Post Office Financial Services, increased by 8% over the corresponding period last year due to higher investment costs in certain businesses, higher compliance costs and staff costs. Total income in the same period grew by 6% resulting in a negative gap of 2% between income and cost growth. We believe cost and income growth will be in line for the full year. In addition effective strategic cost management leading to greater efficiency and increased competitiveness is a key focus for action. We are targeting efficiency ratios that are competitive by international standards for all of our operating divisions.

Strong asset quality remains one of Bank of Ireland's positive differentiating features. Balances Under Provision reduced by 8% year-on-year from €376 million in September 2003 to €345 million in September 2004 and are covered 1.26 times by balance sheet provisions. The loan loss charge was €28 million or 8 basis points for the six months and this compares with a charge of €46 million or 15 basis points for the six months to September 2003. There was a draw-down of €27 million from the Non Designated Specific Provision (NDSP) for the six months to end September 2004 compared to a draw-down of €21 million in the six months to September 2003.

Our capital ratios remain very strong with a Total Capital ratio of 10.8% and Tier 1 at 7.3%. There were no share buy-backs during the six months as capital generated within the Group was used to fund strong balance sheet growth.

The financial services industry faces a number of significant regulatory changes. These include the implementation of Basel II, International Financial Reporting Standards (IFRS), Directors' Compliance Statements pursuant to the Irish Companies (Auditing and Accounting) Act 2003, and Sarbanes Oxley. Bank of Ireland is confident of meeting all these requirements, with requisite programmes and overarching governance already well established.

Bank of Ireland has a sound, well-focused strategy based on geographical and business diversification in dynamic and fast-growing markets. We expect to continue to grow our leading position in the financial services industry in Ireland, and will exploit the full potential of opportunities in the UK market, and will further develop our portfolio of niche, skill-based international businesses.

Outlook

The economic environment in our main markets is favourable. Our business is performing well and we are generating strong growth across a range of business lines. In addition we have firm plans in place to deal with the specific challenges we face. We have strong asset quality, we are well capitalised and we look forward to the full year outturn with confidence.

Divisional Performance

	Half Year to 30.9.2004	Half Year to 30.9.2003 (restated)*
	€m	€m
Retail Republic of Ireland	243	202
Bank of Ireland Life	59	73
Wholesale Financial Services	216	189
UK Financial Services	200	182
Asset Management Services	64	58
UK POFS	(20)	0
Group and Central	(61)	(48)
Grossing up	(25)	(14)
Profit before taxation and exceptional items	676	642

* Reflects some minor internal organisational changes.

Operating and Financial Review

Retail Republic of Ireland

Retail Republic of Ireland had an excellent performance in the six months to September 2004.

Profit before tax was €243 million, an increase of €41 million or 20% over the corresponding period last year. This resulted from strong income growth, cost containment and reduced loan loss provisions.

Net interest income was 11% higher. Net interest margin showed some further contraction reflecting the continuing impact of the lower interest rate environment and rapid asset growth. Lending volumes showed very strong growth of 23% with mortgage volumes increasing by 28% and other lending by 18%. These in turn reflected buoyant levels of new business particularly in mortgages and lending to the SME business sector. Resources volumes also performed very well with growth of 10%.

Non interest income recorded strong growth of 9%, with sale of Group products and other branch fee income contributing significantly.

Asset quality remains strong. The loan loss charge was €5 million lower than in the corresponding period last year and was 17 basis points of average advances.

Costs increased by 7% with salary costs and depreciation charges the main factors.

Bank of Ireland Life

Operating profit before tax increased by 26% to €72 million compared to the same period last year.

The Company has experienced strong growth in sales volumes with buoyant sales of single premium, pensions and savings new business across all of its distribution channels. Industry statistics have shown that Bank of Ireland Life has grown market share significantly during the period. The business has also enjoyed favourable mortality and persistency experience in its existing business portfolio.

Overall profits are lower than last year as the benefit of a €19 million prior year discount rate reduction of 2%, and the increase in world equity markets and consequent positive investment variance €11 million experienced last year, have not been repeated.

Wholesale Financial Services

Profit before tax increased by 14% to €216 million compared to the same period last year. Net interest income and other income (including share of joint venture) were up 20% and 9% respectively, contributing to a 14% increase in Total Income.

Costs were 14% higher as a result of our investment in initiatives to grow our franchise in the domestic market and further development of our successful international businesses, including Acquisition Finance, Project Finance and some newer skills based initiatives. Business as usual costs were well contained.

The loan loss charge as a percentage of the loan book at 26bps, was below the first half of last year (29bps). Asset quality is strong and the loan book is well diversified.

Corporate Banking increased pre-tax profits by 42% over the same period last year, benefiting from strong growth in lending and resource volumes and some significant, once-off fees.

Global Markets had a strong performance in challenging market conditions but profits were 18% lower due to exceptional trading gains in the corresponding period last year that benefited from falling interest rates.

First Rate Enterprises, the Group's specialist foreign exchange subsidiary, had another excellent performance with pre-tax profits up 50% on the same period last year. This reflects the continuing success of its joint venture with the UK Post Office that supplies retail foreign exchange services to the Post Office network.

Davy reported a good performance in the half year.

UK Financial Services
(In local currency)

UK Financial Services (UKFS) achieved 6% growth in profit before tax and exceptional items compared to the same period last year.

Lending volume growth was strong with the Business Banking loan book up 18% and the Personal Lending mortgage book up 12%. Resources increased by 5%, due mainly to the continued growth momentum in Business Banking.

Total income was 1% lower primarily as a result of the reduction in contribution to net interest income from residential mortgages, due to the re-pricing of the back book, combined with the effect of a time lag in implementing base rate increases, whilst non funds based income has remained static over the period.

Asset quality remains very strong. The loan loss charge benefited from the release of balance sheet provisions arising on the transfer of the commercial asset book to another part of the Bank of Ireland Group.

The Business Improvement Plan has ensured that the increase in costs has been held at 1% for the half year. Increased sales productivity and strong customer service levels have been achieved, despite a 10% reduction in the average number of staff. The Division remains on track to deliver annualised cost reductions of £30 million.

Asset Management Services

Profit before tax in Asset Management Services, which incorporates the Group's asset management and securities services businesses, grew by 10% to €64 million.

The improvement was mainly driven by growth in average assets under management over the same period last year of 17% in Bank of Ireland Asset Management (BIAM). Point in time assets under management in BIAM fell by 3% to €55.7 billion at the end of the period compared to €57.5 billion at the start of the period reflecting net outflows of €2.0 billion.

Pressure resulting from BIAM's relative investment performance for North American EAFE clients, compounded by the departure of four members of BIAM's investment team has led to further outflows.

Average assets under management in Iridian Asset Management (Iridian) increased by 5% over the same period last year. Although point in time assets under management fell by 5% to $9.3 billion since 31 March 2004 reflecting net outflows of $0.7 billion, the company's relative investment performance continues to be very strong and positions it for future growth. During the period BIAM increased its stake in Iridian to 76% from 61%.

Bank of Ireland Securities Services (BOISS) custody and fund administration business also performed well with strong income and profit growth, particularly in the area of Securities Lending.

Total income for the division increased by 6% while costs increased by 3%.

Group and Central

Group and Central, which comprises earnings on surplus capital, unallocated central and support costs and some smaller business units, had a net cost of €61 million, compared to €48 million in the corresponding period last year.

Income is largely in line with last year, with higher income associated with some small business units at the centre, offset by the additional funding cost of the share buy back programme and the funding cost associated with our venture with the UK Post Office Financial Services.

The increase in total costs in the half year is driven by higher compliance spend, staff costs and costs associated with some small business units at the centre.

Financial Review

Bank of Ireland Group Profit and Loss Account

The Group Profit & Loss Account for the half years to 30 September 2004 and 30 September 2003 is set out below:

	Half Year to 30-9-2004 €m	Half Year to 30- 9-2003 €m
Net Interest Income	922	852
Other Income	628	611
	------	------
Total Operating Income	1,550	1,463
Operating expenses	875	794
Provision for bad and doubtful debts	28	46
Income from associated undertakings and joint ventures	29	19
	------	------
Profit on ordinary activities before exceptional items	676	642
Exceptional items	37	28
	------	------
Profit before taxation	713	670
Tax	120	120
Minority Interest	5	9
Preference Dividend	4	4
	------	------
Profit Attributable	584	537
	====	====

Income

Average Earning Assets			Net Interest Margin (including grossing up)	
30.9.2004 €bn	30.9.2003 €bn		30.9.2004 %	30.9.2003 %
54.1	47.4	Domestic	2.31	2.38
37.2	31.1	Foreign	1.74	1.93
------	------		------	------
91.3	78.5	Group	2.07	2.20
====	====		====	====

The Group's net interest income has grown by 8% in the period, following strong lending growth across all divisions, with Retail Republic of Ireland lending growing by 23%, 11% growth in Wholesale Financial Services and 13% growth in UK Financial Services. The Group's average earning assets have increased by 16% over the same period last year. Customer deposits have grown by 10% in Retail Republic of Ireland and by 5% in UKFS.

The Group's net interest margin has fallen by 13bps to 207bps. The domestic margin fell by 7bps with the foreign net interest margin contracting by 19bps. These reductions are due to a combination of factors principally, low interest rate environment, a change in the funding mix as a result of assets growing more quickly than deposits, the repricing of the UK mortgage back book and the lag effect from implementing base rate changes in the UK mortgage book.

Non-interest income has grown by 3%. The underlying increase is 8% excluding the benefit of the reduction in discount rate of €19 million, and positive investment variance of €11 million in Bank of Ireland Life which were included in the same period last year. This reflects the excellent sales growth in Group products in Retail Republic of Ireland, buoyant sales of single premium, pensions and savings in Bank of Ireland Life and growth in average assets under management in BIAM for the six months to September 2004.

Total operating income increased by 6% on the same period last year.

Income from associated undertakings and joint ventures increased by €10 million over the same period last year, reflecting excellent growth in our First Rate Travel Services business.

Operating Expenses

Operating expenses include for the first time the Group's investment in the UK Post Office Financial Services. Total operating expenses for the Post Office Financial Services are €18 million and include goodwill amortisation of €6 million. Excluding these costs, Group operating expenses have grown by 8%. Staff costs have grown by 4%, reflecting increases in rates of pay, higher compliance costs, pension costs and performance pay partly offset by lower staff numbers arising from the outsourcing deal with Hewlett Packard (HP) and the business improvement plan in the UK. The Group costs also include some investment costs in Wholesale Financial Services, where good progress has been made in achieving market-leading expertise in certain niche markets. Other operating expenses reflect higher IT costs following the continued development of IT solutions across the Group, together with the cost of services outsourced to HP. Income and cost growth are expected to be in line for the full year.

The cost income ratio for the half year was 54.7%.

Loan Losses

Loan loss charge has fallen from €46 million to €28 million. This reflects a release of €27 million from our non-designated specific provision (September 2003 release €21 million). The quality of the loan book remains robust, with the charge for the half year equating to 8bps of the average loans for the period. Balances under provision at 30 September 2004 of €345 million are down from €376 million on the same period last year. The loan loss coverage ratio (balance sheet provisions divided by balances under provision) was 126% at September 2004.

Exceptional Items

Following a review of businesses consistent with its portfolio management approach, the Group sold its stake in EuroConex during the period resulting in an exceptional gain of €31 million. The remainder of the exceptional item relates to gains on the sale of some properties in the UK, together with implementation costs of the Business Improvement Plan in UKFS.

Capital & Reserves

The return on equity for the half year was 24%. Capital ratios including the equity/assets ratio of 3.9% remain very strong, with Tier 1 Capital at 7.3% and Total Capital at 10.8%.

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 16.6 cent for each unit of Ordinary Stock, an increase of 12% over the corresponding period last year.

The interim dividend of 16.6 cent will be paid on 5 January 2005 to stockholders who are registered as holding Ordinary Stock at the close of business on 3 December 2004.

Laurence Crowley
Governor
11 November 2004

For further information:

John O'Donovan	Group Chief Financial Officer	353 1 632 2054
Fiona Ross	Head of Group Investor Relations	353 1 604 3501
Dan Loughrey	Head of Group Corporate Communications	353 1 604 3833

Forward Looking Statement

Certain statements contained in this Interim Statement, including any targets, forecasts, projections, descriptions of anticipated cost savings, statements regarding the possible development or possible assumed future results of operations, any statement preceded by, followed by or that includes the words “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates” or similar expressions or the negatives thereof, and other restatements that are not historical facts, are or may constitute forward-looking statements (as such term is defined in the U.S. Private Securities Litigation Reform Act of 1995). Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to risks and uncertainties relating to profitability targets, prevailing interest rates, the performance of the Irish and UK economies and the international capital markets, the Group’s ability to expand certain of its activities, competition, the Group’s ability to address information technology issues and the availability of funding sources. The Bank does not undertake to release publicly any revision to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof.

GROUP PROFIT AND LOSS ACCOUNT (UNAUDITED)

	Half Year 30-9-2004	Half Year 30-9-2003	Year 31-3-2004
	€m	€m	€m
INTEREST RECEIVABLE			
Interest receivable and similar income arising from debt securities	182	154	331
Other interest receivable and similar income (Note 3)	1,962	1,584	3,300
INTEREST PAYABLE (Note 4)	1,222	886	1,887
NET INTEREST INCOME	922	852	1,744
Fees and commissions receivable	583	552	1,134
Fees and commissions payable	(84)	(94)	(200)
Dealing profits	33	43	73
Contribution from the life assurance business (Note 8)	71	87	177
Other operating income (Note 5)	25	23	50
TOTAL OPERATING INCOME	1,550	1,463	2,978
Administrative expenses (Note 6)	787	710	1,471
Depreciation and amortisation (Note 6)	88	84	183
OPERATING PROFIT BEFORE PROVISIONS	675	669	1,324
Provision for bad and doubtful debts (Note 13)	28	46	86
OPERATING PROFIT	647	623	1,238
Income from associated undertakings and joint ventures	29	19	29
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS	676	642	1,267
Exceptional items (Note 9)	37	28	(97)
PROFIT BEFORE TAXATION	713	670	1,170
Taxation (Note 10)	(120)	(120)	(208)
PROFIT AFTER TAXATION	593	550	962

GROUP PROFIT AND LOSS ACCOUNT (UNAUDITED) (Continued)

	Half Year 30-9-2004	Half Year 30-9-2003	Year 31-3-2004
	€m	€m	€m
PROFIT AFTER TAXATION	593	550	962
Minority interests: equity	2	6	13
Minority interests: non equity	3	3	6
Non-cumulative preference stock dividends	4	4	8
PROFIT ATTRIBUTABLE TO THE ORDINARY STOCKHOLDERS	584	537	935
Transfer to capital reserve	55	53	62
Ordinary dividends	160	143	400
PROFIT RETAINED FOR THE PERIOD	369	341	473
Earnings per unit of €0.64 ordinary stock (2003: restated) (Note 11)	62.0c	55.3c	97.2c
Diluted earnings per unit of €0.64 ordinary stock (Note 11)	61.5c	54.9c	96.6c
Alternative earnings per unit of €0.64 ordinary stock (Note 11)	57.5c	52.7c	106.7c

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30-9-2004	30-9-2003 (restated)	31-3-2004
	€m	**€m**	**€m**
ASSETS			
Cash and balances at central banks	2,044	323	1,397
Items in the course of collection from other banks	593	566	584
Central Government and other eligible bills	73	165	211
Loans and advances to banks	8,187	9,437	7,753
Loans and advances to customers (Note 12)	72,791	61,409	67,540
Securitisation and loan transfers	509	656	593
Less: non returnable amounts	(423)	(571)	(504)
	86	85	89
Debt securities (Note 14)	18,981	14,626	15,676
Securitisation	263	-	243
Less: non returnable amounts	(244)	-	(224)
	19	-	19
Equity shares	55	56	64
Interests in associated undertakings	15	13	14
Interest in joint ventures (Note 15)			
- share of gross assets	154	118	190
- share of gross liabilities	(106)	(79)	(73)
- goodwill	-	-	126
	48	39	243
Intangible fixed assets (Note 15)	285	252	147
Tangible fixed assets	1,227	1,217	1,268
Other assets	3,513	3,531	3,767
Prepayments and accrued income	896	668	690
	108,813	92,387	99,462
Life assurance assets attributable to policyholders	7,524	6,130	6,969
	116,337	98,517	106,431

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30-9-2004	30-9-2003 (restated)	31-3-2004
	€m	€m	€m
LIABILITIES			
Deposits by banks	19,562	16,876	17,060
Customer accounts (Note 16)	56,740	50,251	54,395
Debt securities in issue	17,603	11,346	12,917
Items in the course of transmission to other banks	119	125	230
Other liabilities and provisions	5,246	5,926	5,897
Accruals and deferred income	813	733	621
Deferred taxation	88	53	66
Subordinated liabilities	3,651	2,679	3,682
Minority interests			
- equity (Note 15)	116	52	54
- non equity	73	72	76
Called up capital stock (Note 17)	679	679	679
Stock premium account (Note 18)	765	764	767
Capital reserve (Note 18)	552	489	498
Profit and loss account (Note 18)	2,572	2,162	2,281
Revaluation reserve (Note 18)	234	180	239
	4,802	4,274	4,464
Own shares held for the benefit of life assurance policyholders	(205)	(137)	(183)
Stockholders' funds including non equity interests	4,597	4,137	4,281
Life assurance liabilities attributable to policyholders	7,729	6,267	7,152
	116,337	98,517	106,431

MEMORANDUM ITEMS

	30-9-2004	30-9-2003	31-3-2004
	€m	€m	€m
Contingent liabilities			
Acceptances and endorsements	27	31	33
Guarantees and assets pledged as collateral security	1,233	1,293	1,291
Other contingent liabilities	513	501	494
	1,773	1,825	1,818
Commitments	26,239	20,797	25,235

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 30-9-2004 €m	Half Year 30-9-2003 (restated) €m	Year 31-3-2004 €m
Opening Stockholders' Funds	4,281	4,160	4,034
Prior year adjustments arising from implementation of UITF37	-	(126)	-
	4,281	4,034	4,034
Profit attributable to ordinary stockholders	584	537	935
Dividends	(160)	(143)	(400)
	4,705	4,428	4,569
Revaluation of property	-	-	59
Other recognised gains/(losses)	(91)	(50)	62
Re-issue of treasury stock issued under employee stock scheme	5	23	25
Ordinary stock buy-back and held as Treasury stock	-	(249)	(377)
Purchase of stock by subsidiary	-	(4)	-
Movement in cost of own shares held for benefit of life assurance policyholders	(22)	(11)	(57)
Closing Stockholders' Funds	4,597	4,137	4,281
Stockholders' funds:			
Equity	4,532	4,072	4,215
Non equity	65	65	66
	4,597	4,137	4,281

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (UNAUDITED)

	Half Year 30-9-2004 €m	Half Year 30-9-2003 €m	Year 31-3-2004 €m
Profit attributable to ordinary stockholders	584	537	935
Exchange adjustments	(91)	(50)	62
Revaluation of property	-	-	59
Total gains recognised in the period	493	487	1,056

GROUP CASH FLOW STATEMENT (UNAUDITED)

	Half Year 30-9-2004	Half Year 30-9-2003	Year 31-3-2004
OPERATING CASH FLOWS	**€m**	**€m**	**€m**
Net cash flow from operating activities	3,815	763	3,664
Dividend received from joint venture	14	-	7
Returns on investment and servicing of finance	(45)	(39)	(190)
Taxation	(19)	(66)	(201)
Capital expenditure and financial investment	(2,158)	(788)	(2,875)
Acquisitions and disposals	135	24	(179)
Equity dividends paid	(257)	(236)	(381)
Financing	5	(226)	609
Increase/(decrease) in cash	1,490	(568)	454

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The accounting policies as set out on pages 51 to 54 of the Report and Accounts for the year ended 31 March 2004 are unchanged.

UITF Abstract 37 "Purchases and Sales of Own Shares" was issued on 28 October 2003 and is effective for accounting periods ending on or after 23 December 2003. As required by the UITF abstract, "Own Shares", previously shown as assets are now included as a deduction from equity in arriving at Stockholders Funds. Bank of Ireland Life holds for the benefit of the policyholders shares in Bank of Ireland Group and under the UITF Abstract these shares are required to be treated as though they were purchased by the company for its own benefit and treated as treasury shares. The cost of the shares at 30 September 2003 has been deducted from stockholders funds and the related liabilities have been restated.

International Financial Reporting Standards

In July 2002 the European Union adopted a regulation compelling EU-listed companies to prepare financial statements in conformity with International Accounting Standards, as adopted by the EU, from 1 January 2005. This was intended to drive greater comparability of accounts prepared within the EU, and given the greater convergence between IFRS and US accounting standards, on an international basis as well.

Key uncertainties remain however. The recent qualified adoption by the EU of IAS 39, subject to certain sections relating to hedge accounting and fair value being 'carved out', has lead to concern that different organisations in different countries will be reporting on different bases.

The impact on the accounts of the Group will be in several areas. Inter alia, changes in accounting for derivatives and hedge accounting rules; some life assurance contracts will be reclassified leading to changes to the income stream; the leasing businesses will be affected by the requirement to spread some income and relevant fees, and there will be increases in the balance sheet values as certain previously off balance sheet vehicles are now consolidated. Additionally there will be changes to the method of providing for bad debts, as general provisions will no longer be allowed, and there will be changes in the accounting treatment of other items, for example, pensions goodwill and computer software.

To manage the implementation of these standards, the Bank has a dedicated programme team in place to review the standards, assess the impact and ensure the required changes to accounting policies, systems and processes are promptly addressed and implemented in good time.

Iridian

BIAM (US) Inc acquired a further 15% interest in Iridian Asset Management LLC ("Iridian") for a consideration of $40.3m which gave rise to goodwill of $37.2m which has been capitalised and will be written off to the profit and loss account over its remaining useful life.

2 SEGMENTAL ANALYSIS

The segmental analysis of the Group's results and financial position is set out below by geographic segment and by business class. For the geographic analysis Republic of Ireland includes profits generated in the International Financial Services Centre. Turnover is defined as interest income, non interest income and income from associates and joint ventures. Turnover by business class is not shown. The Group has seven business classes. The analysis of results by business class is based on management accounts information. The analysis of results by business class has been restated for September 2003 to account for Private Banking changing to Retail Republic of Ireland from Wholesale Financial Services and Isle of Man changing from Wholesale Financial Services to UK Financial Services. Net assets are included below in order to comply with SSAP 25 and reflect the adjustments as outlined in UITF 37 and detailed in Note 1 above. 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 results for the UK Post Office Financial Services division reflect all income and expenses related to financial products sold through the Post Office distribution network.

2 SEGMENTAL ANALYSIS (continued)

(a) Geographical Segment

	Half Year 30-9-2004			
	Republic of Ireland €m	**United Kingdom €m**	**Rest of World €m**	**Total €m**
Turnover	1,275	1,528	82	2,885
Profit before exceptional items	500	186	15	701
Exceptional items				37
Grossing up (1)				(25)
Profit before taxation				713
Net assets	2,526	1,599	472	4,597
Total assets (2)	97,980	49,357	2,529	149,866

	Half Year 30-9-2003 (restated)			
	Republic of Ireland €m	**United Kingdom €m**	**Rest of World €m**	**Total €m**
Turnover	1,346	1,043	73	2,462
Profit before exceptional items	463	174	19	656
Exceptional items				28
Grossing up (1)				(14)
Profit before taxation				670
Net assets	2,180	1,516	441	4,137
Total assets (2)	81,159	42,866	2,354	126,379

2 SEGMENTAL ANALYSIS (continued)

(a) Geographical Segment

	Year 31-3-2004			
	Republic of Ireland €m	United Kingdom €m	Rest of World €m	Total €m
Turnover	2,658	2,283	153	5,094
Profit before exceptional items	936	340	41	1,317
Exceptional items				(97)
Grossing up [1]				(50)
Profit before taxation				1,170
Net assets	2,422	1,399	460	4,281
Total assets (2)	91,249	52,158	2,410	145,817

(b) Business class

	Half Year 30-9-2004							
	Retail Republic of Ireland €m	BOI Life €m	Wholesale Financial Services €m	UK Financial Services €m	Asset Management Services €m	UK Post Office Financial Services €m	Group and Central €m	Total €m
Net interest income	492	-	160	304	2	1	(12)	947
Other income	152	59	156	121	133	2	5	628
Total operating income	644	59	316	425	135	3	(7)	1,575
Administrative expenses	377	-	116	239	71	18	54	875
Provision for bad and doubtful debts	23	-	18	(14)	-	1	-	28
Operating Profit	244	59	182	200	64	(16)	(61)	672
Income from associated undertakings and joint ventures	(1)	-	34	-	-	(4)	-	29
Profit before exceptional items	243	59	216	200	64	(20)	(61)	701
Exceptional items								37
Grossing up[1]								(25)
Profit before taxation								713
Net assets	1,404	101	701	1,568	380	124	319	4,597
Total assets [2]	54,616	7,996	78,066	39,751	1,898	230	14,570	197,127
Total Risk Weighted Assets	19,820	-	24,141	24,304	184	102	717	69,268

2 SEGMENTAL ANALYSIS (continued)

Half Year 30-9-2003 (restated)

(b) Business Class	Retail Republic of Ireland €m	BOI Life €m	Wholesale Financial Services €m	UK Financial Services €m	Asset Management Services €m	Group and Central €m	Total €m
Net interest income	445	-	133	299	2	(15)	864
Other income	139	73	155	116	125	5	613
Total operating income	584	73	288	415	127	(10)	1,477
Administrative expenses	353	-	102	232	69	38	794
Provisions for bad and doubtful debts	28	-	17	1	-	-	46
Operating Profit	203	73	169	182	58	(48)	637
Income from associated undertakings & joint ventures	(1)	-	20	-	-	-	19
Profit before exceptional items	202	73	189	182	58	(48)	656
Exceptional Items							28
Grossing up (1)							(14)
Profit before taxation							670
Net assets	1,210	95	677	1,583	378	194	4,137
Total assets (2)	32,981	6,656	57,413	35,117	1,421	11,496	145,084
Total Risk Weighted Assets	16,057	-	21,020	20,826	147	500	58,550

Year 31-3-2004

	Retail Republic of Ireland €m	BOI Life €m	Wholesale Financial Services €m	UK Financial Services €m	Asset Management Services €m	UK Post Office Joint Venture €m	Group and Central €m	Total €m
Net interest income	909	-	292	601	3	-	(26)	1,779
Other income	289	147	298	246	258	-	11	1,249
Total operating income	1,198	147	590	847	261	-	(15)	3,028
Administrative expenses	724	-	221	472	136	-	101	1,654
Provision for bad and doubtful debts	53	-	31	2	-	-	-	86
Operating Profit	421	147	338	373	125	-	(116)	1,288
Income from associated undertakings and joint ventures	(2)	-	33	-	-	(3)	1	29
Profit before exceptional items	419	147	371	373	125	(3)	(115)	1,317
Exceptional items								(97)
Grossing up[(1)]								(50)
Profit before taxation								1,170
Net assets	1,210	95	697	1,483	369	-	427	4,281
Total assets [(2)]	36,324	7,401	60,328	38,716	1,606	-	10,110	154,485
Total Risk Weighted Assets	18,922	-	20,893	22,828	149	-	569	63,361

NOTES TO THE ACCOUNTS

2 SEGMENTAL ANALYSIS (continued)

(1) The Group undertakes tax based transactions at rates which are less than normal market rates in return for tax relief arising from various incentives and 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 €80,790m (September 2003: €46,567m, March 2004: €48,054m) in business class and €33,529m (September 2003: €27,862m, March 2004: €39,386m) in geographic segments.

3 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Half Year 30-9-2004 €m	Half Year 30-9-2003 €m	Year 31-3-2004 €m
Loans and advances to banks	132	122	227
Loans and advances to customers	1,708	1,352	2,858
Finance leasing	67	63	119
Instalment credit	55	47	96
	1,962	1,584	3,300

4 INTEREST PAYABLE

	Half Year 30-9-2004 €m	Half Year 30-9-2003 €m	Year 31-3-2004 €m
Interest on subordinated liabilities	111	89	177
Other interest payable	1,111	797	1,710
	1,222	886	1,887

5 OTHER INCOME

	Half Year 30-9-2004 €m	Half Year 30-9-2003 €m	Year 31-3-2004 €m
Profit/(loss) on disposal of investment securities	1	1	(2)
Profit on disposal of tangible fixed assets	4	7	20
Profit on disposal of motor insurance book	6	-	-
Securitisation servicing fee	3	3	6
Other income	11	12	26
	25	23	50

6 OPERATING EXPENSES

The Group	Half year 30-9-2004 €m	Half Year 30-9-2003 €m	Year 31-3-2004 €m
Staff Costs	498	474	965
Other administrative expenses [(1)]	289	236	506
Depreciation	76	75	164
Amortisation of goodwill	12	9	19
Total operating expenses	875	794	1,654

[(1)] A fine was paid to the Financial Services Authority during the 6 months to September 2004 of Stg£375,000

7 EMPLOYEE INFORMATION

The average full time equivalents categorised in line with the business classes, are as follows:

	30-9-2004	30-9-2003 (restated)	31-3-2004
Retail Republic of Ireland	7,835	7,877	7,813
BOI Life	1,054	1,070	1,066
Wholesale Financial Services	1,441	1,348	1,349
UK Financial Services	4,872	5,437	5,298
Asset Management Services	638	668	652
UK Post Office Financial Services	108	-	10
Group and Central	1,121	1,385	1,396
	17,069	17,785	17,584

8 LIFE ASSURANCE

The table below provides an analysis of profits before tax.

	Half Year 30-9-2004 €m	Half Year 30-9-2003 €m	Year 31-3-2004 €m
New business contribution	24	19	51
Profit from existing business			
- expected return	28	26	54
- experience variance	13	6	14
- operating assumption changes	4	3	5
Return on shareholder funds	3	3	8
Operating profit before tax	72	57	132
Investment variance	(1)	11	26
Effect of economic assumption changes	-	19	19
Contribution from life assurance companies	71	87	177
Less: income adjustment for certain services, overheads and capital allocations provided by Group companies	(12)	(14)	(30)
Life assurance segment, profit before tax	59	73	147

9 EXCEPTIONAL ITEMS

In the half year to 30 September 2004, the exceptional items represent the following:

- Profit of €31m on the sale of the Bank's 50% shareholding in EuroConex Technologies Limited to Nova EuroConex Holdings BV, a subsidiary of US Bancorp, on 29 June, 2004.
- Provisions released following the exit from leases and profit on sale of properties of €11m.
- Implementation costs of €5m associated with the UKFS Business Improvement Programme.

In the half year to 30 September 2003, the exceptional items represent the following:

- The Group completed the sale of its share in the alliance it operated with State Street Bank which resulted in a profit of €33m.
- Implementation of a business improvement programme in UKFS has commenced (€1m).
- Additional costs were incurred in relation to prior year exceptional items (€4m).

In the year ending 31 March 2004, the exceptional items represent the following:

- The net proceeds of €36m on the sale of our share in the alliance between Bank of Ireland Securities Services and State Street Bank.

9 EXCEPTIONAL ITEMS (continued)

- The write-off of the remainder of the goodwill associated with Chase de Vere of €93m together with some provisions of €22m for the impairment of certain assets in the IFA business.
- Additional costs of €4m incurred in relation to restructuring undertaken in previous years.
- Implementation costs of €14m associated with the UKFS Business Improvement Programme.

10 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Half Year 30-9-2004	Half Year 30-9-2003	Year 31-3-2004
	€m	€m	€m
Current Tax			
Irish Corporation Tax			
Current year	69	76	141
Prior years	0	0	8
Double taxation relief	(8)	(10)	(19)
Foreign tax			
Current year	35	44	70
Prior years	0	0	(14)
	96	110	186
Deferred Tax			
Origination and reversal of timing differences	14	4	13
Share of associated undertakings and joint ventures	10	6	9
	120	120	208

11 EARNINGS PER UNIT OF €0.64 ORDINARY STOCK

The calculation of basic earnings per unit of €0.64 Ordinary Stock is based on the profit attributable to Ordinary Stockholders divided by the weighted average Ordinary Stock in issue excluding Treasury stock and own shares held for the benefit of life assurance policyholders.

Basic	Half Year 30-9-2004	Half Year 30-9-2003 (restated)	Year 31-3-2004
Profit attributable to Ordinary Stockholders	€584m	€537m	€935m
Weighted average number of shares in issue excluding own shares held for the benefit of life assurance policyholders	942m	971m	961m
Basic earnings per share	62.0c	55.3c	97.2c

Diluted

The diluted earnings per share is based on the profit attributable to Ordinary Stockholders divided by the weighted average Ordinary Stock in issue excluding own shares held for the benefit of life assurance policyholders adjusted for the effect of all dilutive potential Ordinary Stock.

	Half Year 30-9-2004	Half Year 30-9-2003 (restated)	Year 31-3-2004
Profit attributable to Ordinary Stockholders	€584m	€537m	€935m
Weighted average number of shares in issue excluding own shares held	942m	971m	961m
Effect of all dilutive potential Ordinary Stock	7m	7m	7m
	949m	978m	968m
Diluted earnings per share	61.5c	54.9c	96.6c

11 EARNINGS PER UNIT OF €0.64 ORDINARY STOCK

Alternative

The calculation of alternative earnings per unit of €0.64 Ordinary Stock is based on the profit attributable to Ordinary Stockholders before goodwill amortisation and the exceptional items divided by the weighted average Ordinary Stock issue. Under accounting standards shares of Bank of Ireland held by the Group's life assurance subsidiary are required to be deducted from the total number of shares in issue when calculating EPS. These shares are held for the benefit of policyholders and have been included in the weighted average number of shares for the purposes of calculating alternative earnings per share.

	Half Year 30-9-2004	**Half Year 30-9-2003 (restated)**	**Year 31-3-2004**
Basic	62.0c	55.3c	97.2c
Own shares held for benefit of life assurance policyholders	(1.5c)	(1.0c)	(2.1c)
Goodwill amortisation	1.0c	0.7c	1.6c
Exceptional items	(4.0c)	(2.3c)	10.0c
Alternative earnings per share	57.5c	52.7c	106.7c

	Half Year 30-9-2004	**Half Year 30-9-2003 (restated)**	**Year 31-3-2004**
Weighted average number of shares in issue excluding own shares held for the benefit of life assurance policyholders	942m	971m	961m
Weighted average ordinary shares held for the benefit of life assurance policyholders	24m	17m	19m
	966m	988m	980m

12 LOANS AND ADVANCES TO CUSTOMERS

	30-9-2004 €m	**30-9-2003 €m**	**31-3-2004 €m**
Loans and advances to customers	68,916	58,303	63,876
Loans and advances – finance leases	2,579	2,205	2,593
Hire purchase receivables	1,729	1,368	1,543
	73,224	61,876	68,012
Provision for bad and doubtful debts (note 13)	(433)	(467)	(472)
	72,791	61,409	67,540

13 PROVISION FOR BAD AND DOUBTFUL DEBTS

	30-9-2004 €m	30-9-2003 €m	31-3-2004 €m
Opening balance	472	480	480
Exchange adjustments	(8)	(3)	7
Charge against profits	28	46	86
Amounts written off	(71)	(60)	(114)
Recoveries	12	4	13
Closing balance	433	467	472
All of which relates to loans and advances to customers			
Provisions at end of period:			
- specific	186	176	191
- general	247	291	281
	433	467	472

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 €177m (Sept 2003: €178m, March 2004: €180m) and a non designated element, for prudential purposes of €70m (Sept 2003: €113m, March 2004: €101m). The non designated element will be offset, in certain pre-defined circumstances, against specific loan losses as they crystallise in future years.

14 DEBT SECURITIES

At 30-09-2004	Book Value	Gross Unrealised Gains	Gross Unrealised Losses	Fair Value
Issued by public bodies				
Investment securities				
- government securities	707	27	-	734
Other securities				
- government securities	4,773			4,773
- other public sector securities	-			-
	4,773			4,773
Issued by other issuers				
Investment securities				
- bank and building society certificates of deposit	1,590	-	-	1,590
- other debt securities	10,843	75	(21)	10,897
	12,433	75	(21)	12,487
Other securities				
- bank and building society certificates of deposit	-			-
- other debt securities	1,068			1,068
	1,068			1,068
	18,981	102	(21)	19,062

14 DEBT SECURITIES

	At 30-9-2003			
	Book Value €m	**Gross Unrealised Gains €m**	**Gross Unrealised Losses €m**	**Fair Value €m**
Issued by public bodies				
Investment securities				
- government securities	833	38	-	871
Other securities				
- government securities	3,518			3,518
- other public sector securities	-			-
	3,518			3,518
Issued by other issuers				
Investment securities				
- bank and building society certificates of deposit	509	-	-	509
- other debt securities	7,821	85	(57)	7,849
	8,330	85	(57)	8,358
Other securities				
- bank and building society certificates of deposit	275			275
- other debt securities	1,670			1,670
	1,945			1,945
	14,626	123	(57)	14,692

	At 31-3-2004			
	Book Value €m	**Gross Unrealised Gains €m**	**Gross Unrealised Losses €m**	**Fair Value €m**
Issued by public bodies				
Investment securities				
- government securities	881	34	-	915
Other securities				
- government securities	4,174			4,174
- other public sector securities	-			-
	4,174			4,174
Issued by other issuers				
Investment securities				
- bank and building society certificates of deposit	811	-	-	811
- other debt securities	9,461	92	(46)	9,507
	10,272	92	(46)	10,318
Other securities				
- bank and building society certificates of deposit	-			-
- other debt securities	349			349
	349			349
	15,676	126	(46)	15,756

15 INTEREST IN JOINT VENTURES

On 19 March 2004 Bank of Ireland UK Holdings plc signed the contract to acquire a 50.01% holding in the entity, Midasgrange Limited (trading as Post Office Financial Services). The joint venture was accounted for as a joint venture using the gross equity method until 31 July 2004.

Midasgrange Limited is fully consolidated in the Group's accounts from 1 August 2004. The goodwill arising on acquisition which was previously shown in "Interest in Joint Ventures" is now recorded in "Intangible Fixed Assets" and the related minority interest is recorded in "Minority Interest – equity".

16 CUSTOMER ACCOUNTS

	30-9-2004 €m	30-9-2003 €m	31-3-2004 €m
Current accounts	12,389	10,672	11,259
Demand deposits	21,120	19,827	21,390
Term deposits and other products	22,532	19,116	21,098
Other short-term borrowings	699	636	648
	56,740	50,251	54,395

17 CAPITAL STOCK

	30-9-2004 €m	30-9-2003 €m (restated)	31-3-2004 €m
Allotted and fully paid			
Equity			
942.1m units of €0.64 of Ordinary Stock	603	614	604
108.0m units of €0.64 of Treasury Stock	69	58	68
	672	672	672
Non equity			
1.9m units of Non-Cumulative Preference Stock of Stg£1 each	3	3	3
3.0m units of Non-Cumulative Preference Stock of €1.27 each	4	4	4
	679	679	679

18 RESERVES

	30-9-2004 €m	30-9-2003 (restated) €m	31-3-2004 €m
Stock premium account			
Opening balance	767	770	770
Transfer to profit and loss account	-	(5)	(5)
	----------	----------	----------
	767	765	765
Exchange adjustments	(2)	(1)	2
	----------	----------	----------
Closing balance	765	764	767
	======	======	======
Capital reserve			
Opening balance	498	436	436
Exchange adjustments	(1)	-	-
Transfer from revenue reserves	55	53	62
	----------	----------	----------
Closing balance	552	489	498
	======	======	======
Profit and loss account			
Opening balance	2,281	2,129	2,129
Prior year adjustment	-	(35)	(35)
Transfer from stock premium account	-	5	5
	----------	----------	----------
	2,281	2,099	2,099
Profit retained	369	341	473
Exchange adjustments	(87)	(49)	60
Ordinary stock buyback and held as Treasury stock	-	(249)	(377)
Reissue of Treasury stock under employee stock schemes	5	23	25
Transfer from revaluation reserve	4	1	2
Purchase of stock by subsidiaries	-	(4)	(1)
	----------	----------	----------
Closing balance	2,572	2,162	2,281
	======	======	======
Revaluation reserve			
Opening balance	239	181	181
Exchange adjustments	(1)	-	1
Revaluation of property	-	-	59
Transfer to revenue reserve on sale of property	(4)	(1)	(2)
	----------	----------	----------
Closing balance	234	180	239
	======	======	======

19 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 30 September 2004 and 2003 and the year ended 31 March 2004. 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. Rates for the half years are annualised.

	Half Year 30-9-2004			Half Year 30-9-2003 (restated)			Year 31-3-2004		
	Average Balance €m	Interest €m	Rate %	Average Balance €m	Interest €m	Rate %	Average Balance €m	Interest €m	Rate %
ASSETS									
Loans to banks									
Domestic offices	6,943	86	2.5	8,889	104	2.3	7,385	171	2.3
Foreign offices	1,107	22	3.9	435	7	3.2	755	26	3.4
Loans to customers (1)									
Domestic offices	33,580	783	4.7	27,877	682	4.9	28,987	1,394	4.8
Foreign offices	33,625	949	5.6	28,102	681	4.8	29,533	1,494	5.0
Central government and other eligible bills									
Domestic offices	7	-	-	7	-	-	9	-	-
Foreign offices	-	-	-	-	-	-	-	-	-
Debt Securities									
Domestic offices	10,549	154	2.9	8,072	120	3.0	8,942	268	3.0
Foreign offices	1,171	28	4.9	1,547	34	4.4	1,453	63	4.3
Instalment credit									
Domestic offices	567	18	6.5	573	18	6.3	502	35	7.0
Foreign offices	1,121	37	6.6	803	29	7.2	869	61	7.0
Finance lease receivables									
Domestic offices	2,417	64	5.3	1,995	61	6.1	2,043	114	5.6
Foreign offices	211	3	2.8	190	2	2.1	194	5	2.4
Total interest earning assets									
Domestic offices	54,063	1,105	4.1	47,413	985	4.2	47,868	1,982	4.1
Foreign offices	37,235	1,039	5.6	31,077	753	4.8	32,804	1,649	5.0
	91,298	2,144	4.7	78,490	1,738	4.4	80,672	3,631	4.5
Allowance for loan losses	(456)			(487)			(496)		
Non interest earning assets (2)	20,057			16,907			17,447		
Total Assets	110,899	2,144	3.9	94,910	1,738	3.7	97,623	3,631	3.7

19 AVERAGE BALANCE SHEET AND INTEREST RATES (continued)

	Half Year 30-9-2004			Half Year 30-9-2003 (restated)			Year 31-3-2004		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
	€m	€m	%	€m	€m	%	€m	€m	%
LIABILITIES AND STOCKHOLDERS' EQUITY									
Deposits by banks									
Domestic offices	17,758	228	2.6	14,622	184	2.5	13,946	388	2.8
Foreign offices	1,212	22	3.6	921	13	2.9	1,028	34	3.3
Customer accounts									
Demand deposits									
Domestic offices	11,153	59	1.1	10,701	81	1.5	10,936	124	1.1
Foreign offices	8,190	158	3.9	8,451	111	2.6	8,449	240	2.8
Term deposits									
Domestic offices	10,177	12	0.2	9,507	18	0.4	9,640	73	0.8
Foreign offices	11,350	373	6.6	9,326	210	4.5	9,893	504	5.1
Other deposits									
Domestic offices	616	23	7.5	432	18	8.3	550	39	7.1
Foreign offices	4	-	-	18	1	7.2	14	1	5.0
Interest bearing current accounts									
Domestic offices	926	5	1.1	801	4	1.0	850	8	1.0
Foreign offices	2,591	39	3.0	2,183	27	2.5	2,312	61	2.6
Debt securities in issue									
Domestic offices	10,975	104	1.9	7,754	85	2.2	8,049	131	1.6
Foreign offices	4,272	88	4.1	2,638	45	3.4	3,037	107	3.5
Subordinated liabilities									
Domestic offices	2,268	59	5.2	1,306	38	5.8	1,566	75	4.8
Foreign offices	1,405	52	7.4	1,373	51	7.4	1,382	102	7.4
Total interest bearing liabilities									
Domestic offices	53,873	490	1.8	45,123	428	1.9	45,537	838	1.8
Foreign offices	29,024	732	5.0	24,910	458	3.7	26,115	1,049	4.0
	82,897	1,222	2.9	70,033	886	2.5	71,652	1,887	2.6
Non interest bearing liabilities									
Current accounts	8,532			6,958			7,426		
Other non interest bearing liabilities(2)	14,970			13,766			14,153		
Stockholders' equity including non equity interest	4,500			4,153			4,392		
Total liabilities and stockholders' equity	110,899	1,222	2.2	94,910	886	1.9	97,623	1,887	1.9

(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".

NOTES TO THE ACCOUNTS

20 RATES OF EXCHANGE

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

	30-9-2004		30-9-2003		31-3-2004	
	Closing	**Average**	**Closing**	**Average**	**Closing**	**Average**
€/US$	1.2409	1.2143	1.1652	1.1380	1.2224	1.1796
€/Stg£	0.6868	0.6723	0.6986	0.7005	0.6659	0.6926

21 CAPITAL ADEQUACY DATA

	30-9-2004	30-9-2003	31-3-2004
	€m	**€m**	**€m**
Adjusted capital base			
Tier 1	5,041	4,454	4,569
Tier 2	3,390	2,504	3,552
	8,431	6,958	8,121
Supervisory deductions	930	799	934
	7,501	6,159	7,187
Risk weighted assets			
Banking Book	65,994	56,202	60,634
Trading Book	3,274	2,348	2,727
	69,268	58,550	63,361
Capital Ratios			
Tier 1 Capital	7.3%	7.6%	7.2%
Total Capital	10.8%	10.5%	11.3%

22 THE ACCOUNTS WERE APPROVED BY THE COURT OF DIRECTORS ON 10 NOVEMBER 2004.

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 which comprises the Group Profit and Loss Account, the Group Balance Sheet, the Reconciliation of Movements in Stockholders' funds, the Statement of Total Recognised Gains and Losses, the Group Cash Flow Statement and the Notes thereto. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Court of Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Irish Stock Exchange which 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 applicable in Ireland. 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 applicable in Ireland and, therefore, provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information. This report has been prepared for and only for the Bank for the purpose of the Listing Rules of the Irish Stock Exchange and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 2004.

PricewaterhouseCoopers

Chartered Accountants

Dublin

10 November 2004

Notes:

1. The maintenance and integrity of the Bank of Ireland Group web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Interim Statement since is was initially presented on the web site.

2. Legislation in the Republic of Ireland governing the preparation and dissemination of Interim Statements may differ from legislation in other jurisdictions.