Bank of Ireland Group

Interim Statement
For the half year to 30 September 2005

HIGHLIGHTS

STRONG GROUP PROFIT PERFORMANCE

Profit before Tax	+28%
Basic Earnings Per Share	+30%
Underlying Profit before Tax	+8%
Underlying Earnings Per Share	+10%
Dividend	+10%
ROE	25%
Retail Republic of Ireland	+16%
Bank of Ireland Life (Operating Profit)	+30%
Wholesale Financial Services	+12%
UK Financial Services (in local currency)	-7%
Asset Management Services	-27%

SIGNIFICANT ASSET GROWTH

Retail Republic of Ireland	+24%
Wholesale Financial Services	+27%
UK Financial Services (in local currency)	+19%

STRONG CAPITAL POSITION

Tier 1 Capital	7.3%
Total Capital	10.6%

ASSET QUALITY REMAINS STRONG

"This has been an excellent first half performance by Bank of Ireland Group. Dynamic growth in strongly performing economies, sound investment strategies in areas of potential opportunity and a firm focus on maintaining excellent asset quality are the factors that underlie this performance. This performance, together with progress on the implementation of our Strategic Transformation Programme gives us confidence for the future."

Brian Goggin
Group Chief Executive
24 November 2005

Basis of Presentation

The Operating and Financial Review set out on pages 4 to 14 compares the six month performance under IFRS for the period ending 30 September 2005 with the Proforma Accounts for the half year ended 30 September 2004, as published in our IFRS Transition document which was released on 27 September 2005.

The statutory IFRS accounts for the period ended September 2004, on page 16 of this document, are prepared in accordance with the standards that were implemented by the Group with effect from 1 April 2004. IAS 32, IAS 39 and IFRS 4 are effective only from 1 April 2005 and therefore have not been applied in restating the IFRS statutory position for the six months ended September 2004. These standards impact the accounting for derivatives, income recognition on loans (Effective Interest Rate (EIR)), accounting for insurance contracts, loan loss provisioning and the classification of financial instruments.

The Group Proforma profit and loss account for the six months ended September 2004 on page 10 of this document reflects the impact of EIR, insurance accounting and the classification of financial instruments, but does not adjust for the impact of accounting for derivatives and loan impairment.

Interim Statement
For the half year to 30 September 2005

FINANCIAL SUMMARY

RESULTS	Half Year Sept 2005 €m	Half Year Sept 2004 Proforma €m	Change 2005 vs Proforma 2004 %	Half Year Sept 2004 Statutory €m
Total Income [1]	1,649	1,553	6	1,583
Operating Expenses [2]	962	930	3	927
Profit before tax	848	664	28	697
Non-core items [1+2]	183	50	-	50
Underlying profit before tax	665	614	8	647
PER UNIT OF €0.64 ORDINARY STOCK				
Basic earnings per share (Note 9)	74.6c	57.2c	30	60.2c
Underlying earnings per share [3]	57.3c	51.9c	10	54.9c
Dividend per share	18.2c	16.6c	10	16.6c
BALANCE SHEET				
Total assets	146,260			117,679
Total equity	4,566			4,304
CAPITAL RATIOS				
Tier 1 capital	7.3%	7.6%		
Total capital	10.6%	10.7%		
KEY RATIOS				
Net interest margin	1.79%	1.98%	-19bps	
Costs/total income	57.4%	59.2%	-1.8%	
Return on average equity	25%	24%	+1%	

1. Net of insurance contract liabilities and claims (September 2005: €696m, September 2004: €282m) and after excluding the effect of non-core items: (a) gains on disposal of business activities (September 2005: €183m, September 2004: €31m), (b) gross up of income for policyholder tax in the Life business (September 2005: €31m, September 2004: €13m), (c) charge for hedge ineffectiveness (September 2005: €21m, September 2004: nil) and (d) restructuring programmes (September 2005: nil, September 2004 €11m).
2. After excluding the effect of the restructuring programmes, which are treated as non-core items, (September 2005: €10m, September 2004: €5m).
3. Underlying earnings per share excludes the after tax net effect of the non-core items listed on page 4 of this document (September 2005: €150m, September 2004: €38m) and based on the average number of shares in issue (including Bank of Ireland own shares held for the benefit of Bank of Ireland Life policyholders) September 2005: 970.3 million, September 2004: 965.9 million.

Bank of Ireland Group

Interim Results
For the six months to 30 September 2005

Operating and Financial Review

The Bank of Ireland Group is pleased to announce a strong performance for the six months to 30 September 2005, continuing the excellent track record of growth. The Group's profit before tax for the six months to 30 September 2005 was €848 million an increase of 28% compared with the proforma result for the six months to September 2004. The comparable underlying performance excluding non-core items as outlined below, shows a Group profit before tax increase of 8%. Basic earnings per share for the six months increased by 30% to 74.6c against a proforma outturn for the six months to 30 September 2004. Excluding the overall positive effect from non-core items in both periods, underlying earnings per share increased by 10% to 57.3c. These results we believe reflect the inherent strengths of our business, which continues to deliver excellent returns for the Group's stockholders.

	Half Year 30 Sept 2005	**Half Year 30 Sept 2004 Proforma**	**Change 2005 vs Proforma 2004**	**Half Year 30 Sept 2004 Statutory**
	€m	**€m**	**%**	**€m**
Group Profit before Tax	848	664	+28	697
Gain on Disposal of Business Activities	(183)	(31)		(31)
Hedge Ineffectiveness	21	-		-
Gross up for Policyholder Tax	(31)	(13)		(13)
Restructuring Programmes	10	(6)		(6)
Underlying Profit before Tax	665	614	+8	647

The Group performance is based on excellent growth in our Irish franchise, significant progress towards our growth objectives in our UK and international businesses, and is underpinned by our presence in two of Europe's best performing economies. This is being achieved without any compromise on asset quality.

Our Retail Financial Services business ("RFSI" – Retail Banking Republic of Ireland and Bank of Ireland Life) enhanced its position in Ireland with continuing strong volume, market share and profit growth. This has been achieved against a background of strong economic growth in Ireland that is forecast to continue, and a very competitive marketplace. RFSI with market share gains in mortgages, life and business banking has consistently outperformed the market over recent years. The enhanced branch based customer service programme recently launched will underpin our competitive position in this market and further differentiate Bank of Ireland from the competition.

Wholesale Financial Services continued its business and profit growth trajectory. Building on a strong domestic franchise we continue to successfully develop our international niche business.

The restructuring of the UK Financial Services business was completed during the six months with the sale of the Bristol & West branch network, and we are now well positioned to benefit from the improving economic environment in the UK with a clear focus on our chosen market segments. Our UK business is achieving strong volume growth and winning market share in both mortgages and business banking, and the UK Post Office Financial Services business is progressing in line with expectations.

Asset Management Services, which accounted for 7% of overall Group profitability, continues to face challenges of investment underperformance and business outflows in Bank of Ireland Asset Management (BIAM). BIAM’s focus remains on improving its investment performance, while the Division continues to explore opportunities to exploit its global distribution expertise and capability.

Significant progress has been made in the delivery of our Strategic Transformation Programme announced in March 2005. Cost savings of €10 million were achieved in the six months to end September and we are on target to achieve our financial objective of €30 million in the first year of the Programme. The cost income ratio for the half year to end September 2005 was 57.4% compared to 59.2% for the same period to end September 2004.

Our business strategy continues to deliver excellent results – generating strong returns from our leading position in Ireland, substantially growing our businesses in the UK and growing our portfolio of niche, skill-based businesses internationally. We have strong franchises in our chosen markets and a track record of exploiting growth opportunities and outperforming the market.

Outlook

The outlook for the two main economies in which we operate remains positive. Our positions in these markets, combined with clear growth plans, the benefits from the Strategic Transformation Programme and a continuing firm focus on asset quality gives us confidence for the future.

Business Review

Divisional Performance

	Half Year 30 Sept 2005 €m	Half Year 30 Sept 2004 Proforma €m	Change 2005 vs Proforma 2004 %
Retail Republic of Ireland	265	228	16
Bank of Ireland Life	68	40	70
Wholesale Financial Services	196	175	12
UK Financial Services	164	179	(8)
Asset Management Services	51	70	(27)
Group and Central*	(79)	(78)	(1)
Underlying Profit before Tax	665	614	8

* including UK Post Office Financial Services

Retail Republic of Ireland

Retail Republic of Ireland had an excellent performance in the six months to September 2005.

Profit before tax was €265 million, an increase of €37 million or 16% over the corresponding period last year. Very strong income growth was achieved, costs were well contained and asset quality is excellent.

Net interest income rose by 10% reflecting strong growth in lending volumes. Total lending increased by 24%, with mortgage volumes rising by 26%. Business Banking lending was buoyant growing by 27%, while personal lending volumes were 13% higher. Resources volumes also performed well with growth of 16%. The effect of the continuing low interest rate environment on liability spreads, together with balance sheet growth and associated higher wholesale borrowings continued to impact net interest margin.

Non interest income recorded good growth of 8% with personal lending fees, sales of Group products and other branch fee income performing strongly.

Costs increased by 6% arising from salary increments, higher pension costs and business growth.

The loan loss charge at €23 million was unchanged from the previous year and, as a percentage of average advances, fell from 17 basis points to 14 basis points.

Bank of Ireland Life

Bank of Ireland Life is growing strongly with new business sales up by 24% in the period under review. All segments of the product range are performing well with the single premium market showing particular buoyancy. We continue to grow market share.

Operating profits (before the benefit of a discount rate reduction, a positive investment variance and grossing up for policyholder tax) are ahead by 30%. Profit before tax and before grossing up for additional policyholder tax is ahead 70%. The performance reflects strong business growth and a favourable product mix, underpinned by rising investment markets and cost growth restricted to 4%.

Wholesale Financial Services

Profit before tax in Wholesale Financial Services increased by 12% to €196 million mainly driven by an excellent performance in Corporate Banking.

Net interest income has increased by 19% in the half year, mainly driven by strong lending growth in Corporate Banking, where the loan book was 27% higher as at September 2005 compared to September 2004. Other income has increased by 4%, in the corresponding period last year some significant once-off fees were included.

Total costs rose by 13% reflecting increased investment costs in the business (including the effect of Burdale acquisition) as the businesses in this division continues to invest for future growth, excluding these investment costs underlying costs increased by 6%.

Loan losses are €17 million and compare to €18 million in the first half of last year, reflecting the strong quality and well diversified nature of Corporate Banking's lending book and the generally benign credit environment. Loan losses as a percentage of the loan book are 19bps for the half year to 30 September 2005, compared to 26bps for the full year to 31 March 2005 (26bps for the half year to 30 September 2004).

UK Financial Services
(In local currency)

Profit before tax is £112 million (excluding the profit on the disposal of the Bristol & West branch network), a 7% decrease over the prior year. The prior year included a technical release of loan loss provisions of £10 million, and excluding this item the profit for the six months is similar to the prior year.

As already announced the Bristol & West branch network was sold in September 2005 to Britannia Building Society, and this resulted in a pre-tax gain of £124 million.

The total UKFS loan book grew by 19% to £28 billion over the same period last year. The resources decreased by £4.5 billion due to the sale of the branch network. Net interest income which grew by 8% has benefited from the strong loan growth. Non interest income is down 38% compared to 30 September 2004 impacted by the sale of Chase de Vere in the second half of last year, and lower fee based product sales in the Bristol & West branch network prior to the sale. Costs have fallen by 8% due to the sale of Chase de Vere and lower operating costs in the branch network prior to sale.

Profits in our mortgage business are up 12% compared to 30 September 2004. The mortgage book has increased by 15% and asset quality remains strong. Arrears levels continue to run at a significantly lower level than industry average.

Business Banking profits, excluding the £10 million loan loss provision release referred to above, are in line with the previous year. The loan book has grown by 32% with asset quality remaining high, and resources have grown by 6%.

Asset Management Services

Asset Management Services, which incorporates the Group's asset management and securities services businesses, saw pre-tax profits fall by €19 million to €51 million over the same period last year.

This decline was mainly driven by a reduction in assets under management in Bank of Ireland Asset Management (BIAM) which fell by 21% to €44 billion at the end of September 2005. BIAM's focus remains on improving its investment performance, while the Division continues to explore opportunities to exploit its global distribution expertise and capability.

Assets under management in Iridian increased by 12% to $10.4 billion at 30 September 2005 and the company's relative investment performance continues to be strong over the medium term.

Bank of Ireland Securities Services, the custody and fund administration business continues to perform well and experienced strong profit growth over the same period last year.

Group and Central

Group & Central includes the results of UK Post Office Financial Services (UKPOFS), together with earnings on Group surplus capital, unallocated central & support costs and some smaller business units.

In the six months to 30 September 2005 UKPOFS incurred a loss of £12 million compared to a loss of £21 million in the six month period to 31 March 2005 and a loss of £11 million in the corresponding period last year. UKPOFS continues to build its customer base with over 225,000 customers now recruited. The UKPOFS was treated as an associated company from 1 April 2004 to 31 July 2004 and as a fully consolidated entity from 1 August 2004. The profit before tax impact (before minority interest) on Bank of Ireland which includes the amortisation of certain assets of €6 million in both periods, amounts to a loss of €24 million compared to a loss of €20 million for the prior period.

The remainder of Group and Central had a net cost of €55 million to 30 September 2005, compared to €58 million in the corresponding period last year. The improvement is driven by the return from higher levels of retained earnings partly offset by higher compliance related spend.

Financial Review

Bank of Ireland Group Consolidated Income Statement

	Half Year 30 Sept 2005 Statutory €m	Half Year 30 Sept 2004 Proforma €m	Half Year 30 Sept 2004 Statutory €m
Net Interest Income	1,075	961	941
Insurance net premium income	529	286	795
Life assurance investment income and gains	312	89	203
Other Income	439	523	543
Profit on Disposal of Business Activities	183	31	31
	1,463	929	1,572
Total Operating Income	2,538	1,890	2,513
Increase in Insurance Contract Liabilities and Claims paid	(696)	(282)	(875)
Total Operating Income net of Insurance Liabilities	1,842	1,608	1,638
Operating Expenses	(972)	(935)	(932)
Impairment losses on Loans and Advances	(50)	(28)	(28)
Share of Associates & Joint Venture	28	19	19
Profit before Tax	848	664	697
Taxation	(139)	(118)	(121)
Minority Interest	3	(2)	(5)
Dividends from other equity interests	(6)	(5)	(4)
Profit Attributable to ordinary stockholders	706	539	567
Basic EPS	74.6c	57.2c	60.2c
Underlying EPS	57.3c	51.9c	54.9c

Income

Net Interest Income	Half Year 30 Sept 2005	Half Year 30 Sept 2004 Proforma	Change 2005 vs Proforma 2004
Net Interest Income (€m)	1,075	961	+12%
Average Earning Assets (€bn)	120[i]	97[i]	+23%
Net Interest Margin (bps)	179	198	-19
Domestic Net Interest Margin (bps)	186	210	-24
Foreign Net Interest Margin (bps)	166	178	-12

[i] *Financial assets held for trading and debt securities designated in the Life business as fair value through the income statement are excluded from average earning assets and consequently the net interest margin calculation.*

The Group's net interest income has grown by 12% to €1,075 million for the six months to September 2005 compared with the six months to September 2004, driven by strong lending growth throughout the Group. The Group average earning assets have increased by 23% from €97 billion at September 2004 to €120 billion at September 2005.

The Group's net interest margin at September 2005 was 1.79% a 19bps reduction on the same period last year. The reduction in the Group net interest margin was caused by the pace of lending growth exceeding the growth of deposits with higher associated wholesale borrowings, the low interest rate environment and its impact on liability spreads together with the effect of the back book re-pricing in the UK, which is now almost fully re-priced.

Other Income

	Half Year 30 Sept 2005	Half Year 30 Sept 2004 Proforma	Change 2005 vs Proforma 2004	Half Year 30 Sept 2004 Statutory
	€m	€m	%	€m
Insurance net premium income	529	286	+85	795
Life assurance investment income	312	89	+251	203
Other Income	439	523	-16	543
Profit on Disposal of Business Activities	183	31	-	31
	1,463	929	+57	1,572
Excluding -				
Grossing up for policyholder tax in the Life business	31	13		13
Hedge ineffectiveness	(21)	-		-
Disposal of business activity	183	31		31
Restructuring/provision releases	-	11		11
	1,270	874	+45	1,517
Insurance claims, increase in policyholder liabilities	(696)	(282)		(875)
Net underlying Other Income	574	592	-3	642

Other Income for the six months to September 2005 was up 57% or €534 million to €1,463 million, compared with the same period last year. Excluding the grossing up for policyholder tax in the Life business, hedge ineffectiveness, disposal of business activity and restructuring/provision releases, the comparable growth for the six months to September 2005 was 45% or up €396 million. The Life business was a key driver of this growth, where excellent sales have resulted in insurance premiums increasing by €243 million to €529 million. Strong stock market performance has resulted in growth of life assurance investment income up €223 million to €312 million. Insurance claims and increase in policyholder liabilities increased by €414 million to €696 million for the six month period to September 2005 driven by the same two factors of excellent sales and strong stock market performance.

On an underlying basis other income fell by 3% from €592 million to €574 million in the six months to September 2005. The six months to 30 September 2004 included €25 million of fee income relating to Chase de Vere which was sold in March 2005 and excluding this other income was up 1%. Fee income was lower by €25 million in BIAM. The overall benefit of the Life business to underlying other income growth was €28 million, with our Irish retail businesses also performing well, where we have seen good growth in personal lending fees, other network related fees with other income growing by €12 million.

Operating Expenses

	Half Year 30 Sept 2005 €m	Half Year 30 Sept 2004 Proforma €m	Change 2005 vs Proforma 2004 %	Half Year 30 Sept 2004 Statutory €m
Operating Expenses	972	935	4	932
Restructuring Costs	(10)	(5)		(5)
Core Operating Expenses	962	930	3	927

Core operating expenses which exclude costs relating to restructuring, have increased by €32 million or 3% to €962 million for the six months to September 2005 compared with the six months to September 2004. The sale of Chase de Vere has had a positive effect on costs but this reduction has been partially offset by the effect of the consolidation of UKPOFS in the current six months, as for most of the corresponding period last year this investment was treated as an associated company. Operating expenses have been impacted by falling long term bond yields, resulting in a higher pension charge in the six months to September 2005 compared with September 2004. Costs were also higher in our UK and Wholesale businesses as we invest in growth initiatives. Our Strategic Transformation Programme has successfully delivered cost savings in the current half year of €10 million. The core cost income ratio for the half year to September 2005 was 57.4%, an improvement on the comparable September 2004 ratio of 59.2%. A positive cost income gap of 3% was achieved, reflecting the strong business volume growth, good cost control and the positive impact resulting from the disposal of Chase de Vere which was sold in March 2005.

Impairment of loans and advances

The impairment charge for loans and advances was €50 million for the half year to September 2005. The charge for the six months to September 2004 of €28 million, included a technical loan loss release of £10 million (€15 million).

Asset quality remains strong, with the loan loss charge for the half year to September 2005 representing 11bps of the average loans for the period. Impaired loans of €693 million as at 30 September 2005, compared to €710 million as at 31 March 2005 and €682 million at 30 September 2004.

Impairment provisions as a percentage of impaired loans was 50% as at 30 September 2005.

Capital & Reserves

The return on equity for the half year was 25%. Capital ratios remain very strong, with Tier 1 Capital at 7.3% and Total Capital at 10.6%.

Effective Rate of Tax

The taxation charge for the Group was €139 million compared to €118 million in the half-year to September 2004.

The effective tax rate was 16.4% compared to 17.8% in the half-year to September 2004. The effective tax rate was lower compared to the half-year to September 2004 mainly due to the benefit from the non-taxable gains in relation to the disposal of the Bristol & West branch network which was partially offset by the increase in the Bank of Ireland Life grossing-up for policyholder tax required under IFRS.

Dividend

As in prior years, 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 18.2 cent for each unit of Ordinary Stock, an increase of 10% over the corresponding period last year. This dividend will be paid on 11 January 2006 to stockholders who are registered as holding Ordinary Stock at the close of business on 16 December 2005.

The Group dividend policy which under Irish GAAP was set at a target payout ratio of 40% will be impacted by the introduction of IFRS. As the fundamental cash flows of the business have not changed on the transition to IFRS the target payout ratio under Irish GAAP will be adjusted upwards.

For further information:

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Forward Looking Statement

This document contains certain forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995 with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance and the markets in which it operates. 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 the UK economies, the performance and volatility of international capital markets, the expected level of credit defaults, the Group's ability to expand certain of its activities, development and implementation of the Group's strategy, including the ability to achieve estimated cost reductions, competition, the Group's ability to address information technology issues and the availability of funding sources. Any forward-looking statements speak only as of the date they were made. The Bank of Ireland Group 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. The reader should however, consult any additional disclosures that the Group has made or may make in documents it has filed or submitted or may file or submit to the U.S. Securities and Exchange Commission.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
INTEREST INCOME (Note 3)	2,929	2,188	4,263
INTEREST EXPENSE (Note 4)	(1,854)	(1,247)	(2,332)
NET INTEREST INCOME	1,075	941	1,931
Insurance net premium income	529	795	1,791
Fees and commissions income	457	562	1,163
Fees and commissions expense	(97)	(115)	(263)
Net fees and commissions income	360	447	900
Net trading income	11	33	66
Life assurance investment income and gains	312	203	695
Other operating income (Note 5)	68	63	138
Profit on disposal of business activity	183	31	11
TOTAL OPERATING INCOME	2,538	2,513	5,532
Increase in insurance contract liabilities and claims paid	(696)	(875)	(2,222)
TOTAL OPERATING INCOME, NET OF INSURANCE CLAIMS	1,842	1,638	3,310
TOTAL OPERATING EXPENSES (Note 6)	(972)	(932)	(2,051)
OPERATING PROFIT BEFORE IMPAIRMENT LOSSES	870	706	1,259
Impairment losses on loans and advances (Note 11)	(50)	(28)	21
OPERATING PROFIT	820	678	1,280
Income from associated undertakings and joint ventures	28	19	30
PROFIT BEFORE TAXATION	848	697	1,310
Taxation (Note 8)	(139)	(121)	(256)
PROFIT FOR THE PERIOD	709	576	1,054
Attributable to minority interests	(3)	5	(1)
Attributable to stockholders	712	571	1,055
PROFIT RETAINED FOR THE PERIOD	709	576	1,054
Earnings per unit of €0.64 ordinary stock (Note 9)	74.6c	60.2c	111.1c
Diluted earnings per unit of €0.64 ordinary stock (Note 9)	74.0c	59.7c	110.2c

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30-9-2005 €m	1-4-2005 €m	30-9-2004 €m	31-3-2005 €m
ASSETS				
Cash and balances at central banks	730	1,613	2,062	1,613
Items in the course of collection from other banks	722	560	593	560
Central government and other eligible bills	180	8	1,350	1,607
Trading securities (Note 12)	640	1,030	-	-
Derivative financial instruments	2,023	2,277	-	-
Other financial assets at fair value through P/L (Note 12)	9,277	8,115	-	-
Loans and advances to banks	9,658	8,347	8,659	8,347
Available-for-sale financial assets (Note 12)	26,522	20,841	-	-
Loans and advances to customers (Note 10)	91,286	79,988	72,743	79,836
Debt securities	-	-	20,472	22,711
Equity shares	-	-	5,160	5,716
Interests in associated undertakings	17	17	15	17
Interest in joint ventures	89	61	48	61
Intangible assets – Goodwill	232	219	177	219
Intangible assets – Other	569	573	530	573
Investment property	620	503	442	503
Property, plant & equipment	696	726	713	720
Deferred tax asset	111	55	87	99
Other assets	2,888	3,083	4,628	5,198
Total assets	146,260	128,016	117,679	127,780

	30-9-2005 €m	1-4-2005 €m	30-9-2004 €m	31-3-2005 €m
EQUITY AND LIABILITIES				
Deposits by banks	30,237	20,865	20,274	20,865
Customer accounts (Note 13)	57,319	60,070	56,551	60,185
Items in the course of transmission to other banks	99	230	119	230
Derivative financial instruments	1,952	2,167	-	-
Liabilities to customers under investment contracts	5,633	4,917	-	-
Debt securities in issue	31,011	21,243	18,460	21,217
Life assurance liabilities attributable to policy holders	-	-	7,734	8,713
Insurance contract liabilities	4,163	3,785	-	-
Other liabilities	4,582	4,914	5,641	6,756
Deferred tax liabilities	163	144	204	212
Other provisions	156	180	-	180
Post retirement benefit obligations	1,236	924	741	924
Subordinated liabilities (Note 14)	5,143	4,231	3,651	4,086
Total liabilities	141,694	123,670	113,375	123,368
Equity				
Share capital (Note 15)	663	663	679	663
Share premium account (Note 16)	766	765	765	765
Capital reserve (Note 16)	376	310	554	561
Retained profit (Note 16)	2,458	2,279	2,207	2,336
Revaluation reserve (Note 16)	158	158	115	158
Cash flow hedge reserve (Note 16)	(10)	67	-	-
Available for sale reserve (Note 16)	196	137	-	-
Other equity reserve (Note 16)	123	114	-	-
Own shares held for the benefit of life assurance policyholders	(216)	(206)	(205)	(206)
Stockholders equity	4,514	4,287	4,115	4,277
Minority interests	52	59	189	135
Total equity	4,566	4,346	4,304	4,412
Total equity and liabilities	146,260	128,016	117,679	127,780

MEMORANDUM ITEMS (UNAUDITED)

	30-9-2005 €m	30-9-2004 €m	31-3-2005 €m
Contingent liabilities			
Acceptances and endorsements	30	27	34
Guarantees and assets pledged as collateral security	1,241	1,233	1,268
Other contingent liabilities	631	513	643
	1,902	1,773	1,945
Commitments	29,086	26,239	29,296

RECONCILIATION OF MOVEMENT IN TOTAL EQUITY (UNAUDITED)

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Profit attributable to stockholders	709	576	1,054
Dividends	(282)	(257)	(417)
Dividends on other equity interests	(10)	(12)	(22)
Exchange adjustments	53	(96)	(113)
Actuarial losses on pension funds	(257)	(201)	(386)
	213	10	116
Implementation of IAS32/IAS39 & IFRS4 as at 1 April 2005	(66)	-	-
Total Recognised Income	147	10	116
Opening Stockholders' Equity	4,412	4,238	4,238
	4,559	4,248	4,354
Revaluation of property	-	-	43
Re-issue of treasury stock issued under employee stock scheme	30	5	7
Movement in share based payment reserve	6	5	11
Reissue of treasury stock previously held by subsidiary	-	-	1
Movement in cost of own shares held for benefit of life assurance policyholders	(10)	(22)	(23)
Net fair value movement in available for sale reserve	59	-	-
Net fair value movement in cash flow hedge reserve	(77)	-	-
Minority interest acquired	-	67	67
Disposal of minority interest	-	-	(42)
Other	(1)	1	(6)
Closing Stockholders' Equity	4,566	4,304	4,412
Stockholders' equity:			
Ordinary stockholders equity	4,449	4,050	4,212
Other equity interests	117	254	200
	4,566	4,304	4,412

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED)

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Operating activities:			
Operating profit	820	678	1,280
Adjust for non cash items:			
Profit on disposal of businesses	(183)	(31)	(11)
Depreciation and amortisation	81	81	177
Loan loss charge	50	28	(21)
Movement on share based payments reserve	6	5	11
Loss/(profit) on sale of property, plant and equipment	-	(4)	(8)
Interest on subordinated liabilities	124	111	225
Net cash flow from trading activities	898	868	1,653
Changes in operating assets and liabilities:	3,048	2,795	3,977
Net cash flow from operating activities before tax and dividend	3,946	3,663	5,630
Dividend received	-	14	14
Taxation paid	(40)	(19)	(155)
Net cash flow from operating activities	3,906	3,658	5,489
Investing activities:			
Acquisitions/disposals of businesses	229	135	73
Net purchases /sales of financial assets	(5,485)	(2,120)	(4,155)
Purchase of property, plant, equipment & intangibles	(178)	(73)	(187)
Proceeds from disposals of property, plant and equipment	10	35	55
Net cash flow from investing activities	(5,424)	(2,023)	(4,214)
Financing activities:			
Interest paid on subordinated liabilities	(30)	(33)	(223)
Proceeds from issue of subordinated liabilities	883	-	587
Repayment of subordinated liabilities	-	-	(145)
Proceeds from issue of ordinary stock	30	5	7
Equity dividends paid	(282)	(257)	(417)
Dividends paid to minority interests	(4)	(8)	(14)
Dividends paid on other equity interests	(6)	(4)	(8)
Net cash flow from financing activities	591	(297)	(213)
Equals net (decrease)/increase in cash and cash equivalents	(927)	1,338	1,062
Cash and cash equivalents at start of period	6,240	5,198	5,198
Exchange movements	10	(11)	(20)
Cash and cash equivalents at end of period	5,323	6,525	6,240

NOTES TO THE ACCOUNTS

1 BASIS OF PREPARATION

Up to 31 March 2005 the Bank of Ireland Group ("the Group") prepared its Report and Accounts in accordance with Irish Generally Accepted Accounting Principles (IR GAAP). From 1 January 2005 all listed companies in the EU are required to produce consolidated accounts prepared under IFRS. The Group has implemented IFRS from 1 April 2005 and will produce its first full IFRS accounts for the year ending 31 March 2006.

In preparing this financial information management has used its best knowledge of the expected standards and interpretations, facts and circumstances, and accounting policies that will be applied when the Group prepares its first set of Accounts, in accordance with accounting standards adopted for use in the EU, as of 31 March 2006. As a result, although this financial information is based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, this may change. Therefore, until the Group prepares its first set of Accounts in accordance with accounting standards adopted for use in the EU, the possibility cannot be excluded that the accompanying financial information may have to be adjusted.

Save as noted below, the Group complies with the EU endorsed version of IAS 39. This carved out version relaxes some of the hedge accounting requirements and prohibits the designation of non trading financial liabilities at fair value through profit or loss. The Group has not taken advantage of any of the relaxed hedge accounting requirements. However the recent amendment to IAS 39 "Financial Instruments: Recognition and measurement" in respect of the fair value option permits financial assets or liabilities, provided they meet certain criteria, to be designated at fair value through the profit and loss account. The Group has adopted the fair value option ahead of its effective date on the assumption that it would be endorsed by the E.U. Consequently, the financial information herein has also been prepared in accordance with all extant accounting standards, interpretations and amendments issued by the IASB. The E.U. Commission has subsequently endorsed the fair value option on the 15th November 2005 retroactive to the 1st January 2005.

The rules for first time adoption of IFRS are set out in IFRS 1 "First-time Adoption of International Financial Reporting Standards". IFRS 1 requires the Group to determine its IFRS accounting policies and apply these retrospectively to determine the opening balance sheet position under IFRS at the date of transition. Details of the provisional IFRS accounting policies are set out in the Transition statement issued on 27 September 2005.

Transition to IFRS

As set out in the basis of preparation, the interim financial information has been prepared based on the recognition and measurement requirements of IFRS as endorsed by the E.U. Bank of Ireland has availed of transitional provisions for IAS 32 'Financial instruments: Disclosure and Presentation' ('IAS 32'), IAS 39 'Financial Instruments: Recognition and Measurement' ('IAS 39') and IFRS 4 ' Insurance Contracts' ('IFRS 4') and has not presented comparative information in accordance with these standards. Accordingly, comparative information for 2004 in respect of financial instruments and insurance contracts is prepared on the basis of the Group's accounting policies under IR GAAP.

A description of the differences between IR GAAP and IFRS accounting policies is set out in 'Transition to IFRS – Restatement of 31 March 2005 financial information' ('the transition document') on pages 16-25. Reconciliations of balance sheets prepared under IR GAAP and IFRS at 1 April 2004, 30 September 2004, 31 March 2005 and 1 April 2005 are included in the transition document on pages 50-57. Reconciliations of the profit and loss account prepared in accordance with IR GAAP and prepared in accordance with IFRS for the periods ending 31 March 2005 and 30 September 2004 are included in pages 48-49 of the transition document. In addition, a reconciliation of the amount of stockholders' equity at 1 April 2005, before and after the application of IAS 32, IAS 39 and IFRS 4 is summarised below. The transition document is available at www.bankofireland.ie.

NOTES TO THE ACCOUNTS

1 BASIS OF PREPARATION (continued)

The following table sets out the reconciliation from previously reported Irish GAAP information for profit after taxation and stockholders' equity for September 2004 and March 2005, and the reconciliation to stockholders' equity at 1 April 2005 after the application of IAS 32, IAS 39 and IFRS 4.

	Profit after taxation		**Stockholders' equity**	
	Half Year 30-9-2004 €m	**Year 31-3-2005 €m**	**30-9-2004 €m**	**31-3-2005 €m**
As reported under Irish GAAP	593	1,080	4,597	4,789
Reconciliation adjustments to IFRS excluding IAS 32, IAS 39 and IFRS 4:				
Consolidation of new entities and insurance businesses	4	8	(59)	(55)
Leasing consolidation	(6)	(8)	47	44
Post retirement benefit obligations	(13)	(23)	(500)	(695)
Property, plant and equipment	-	-	(145)	(102)
Intangible assets & goodwill	6	13	6	12
Dividends	-	-	160	282
Employee benefits	(4)	(8)	1	3
Other	(4)	(8)	8	(1)
IFRS excluding IAS 32, IAS 29 and IFRS 4	576	1,054	4,115	4,277
Reconciliation adjustments to IAS 32, IAS 39 and IFRS 4:				
Reclassification of financial instruments				127
Hedging				(3)
Write down of VIF in Life business				(251)
Debt/equity reclassification				114
Effective interest rate				20
Other				3
Stockholders' equity as at 1 April 2005 under IFRS including IAS 32/IAS39 and IFRS 4				4,287

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 gross interest income before interest paid, non interest income and income from associates and joint ventures. Turnover by business class is not shown. The Group has six business classes. The analysis of results by business class is based on management accounts information. 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.

NOTES TO THE ACCOUNTS

2 SEGMENTAL ANALYSIS (continued)

(a) Geographical Segment

	Half Year 30-9-2005			
	Republic of Ireland €m	United Kingdom €m	Rest of World €m	Total €m
Turnover	1,712	1,996	113	3,821
Profit before taxation	471	355	22	848
Net assets	2,064	1,943	507	4,514
Total assets (1)	128,727	60,096	3,997	192,820

(a) Geographical Segment

	Half Year 30-9-2004			
	Republic of Ireland €m	United Kingdom €m	Rest of World €m	Total €m
Turnover	1,419	1,518	82	3,019
Profit before taxation	500	176	21	697
Net assets	2,044	1,599	472	4,115
Total assets (1)	99,144	49,535	2,529	151,208

(a) Geographical Segment

	Year 31-3-2005			
	Republic of Ireland €m	United Kingdom €m	Rest of World €m	Total €m
Turnover	2,573	3,170	192	5,935
Profit before taxation	991	273	46	1,310
Net assets	2,268	1,519	490	4,277
Total assets (1)	109,606	50,551	4,262	164,419

2 SEGMENTAL ANALYSIS (continued)

	Half Year 30-9-2005						
(b) Business Class	**Retail Republic of Ireland**	**BOI Life**	**Wholesale Financial Services**	**UK Financial Services**	**Asset Management Services**	**Group & Central**	**Total**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
Net interest income	546	4	181	335	5	4	1,075
Insurance net premium income	-	515	-	-	-	14	529
Life assurance investment income	-	312	-	-	-	-	312
Other income	158	7	139	59	110	(34)	439
Profit on disposal of business activities	-	-	-	183	-	-	183
Total income	704	838	320	577	115	(16)	2,538
Insurance claims	-	(691)	-	-	-	(5)	(696)
Total income, net of insurance claims	704	147	320	577	115	(21)	1,842
Operating expenses	(417)	(48)	(134)	(222)	(64)	(87)	(972)
Impairment losses on loans & advances	(23)	-	(17)	(8)	-	(2)	(50)
Share of operating profit from associates	1	-	27	-	-	-	28
Profit before taxation	265	99 (2)	196	347 (3)	51	(110) (4)	848
Taxation							(139)
Profit for the period							709
Net assets	1,615	116	839	2,029	397	(482)	4,514
Total assets (1)	70,275	10,331	123,721	49,340	2,524	17,040	273,231
Total Risk Weighted Assets	24,251	-	32,906	30,099	225	1,007	88,488

(1) Total assets include intra-group items of €126,971m (September 2004: €80,790m, March 2005: €104,264m) in business class and €46,560m (September 2004: €33,529m, March 2005: €36,639m) in geographic segments.
(2) Includes €31m relating to the gross up for policyholder tax
(3) Includes €183m relating to the sale of the Bristol & west branches to Britannia Building Society in September 2005.
(4) Includes negative impacts of €21m relating to hedge ineffectiveness arising from new hedging rules under IAS39 and €10m relating to costs incurred under the strategic transformation programme.

2 SEGMENTAL ANALYSIS (continued)

(b) Business Class	Half Year 30-9-2004 Retail Republic of Ireland	BOI Life	Wholesale Financial Services	UK Financial Services	Asset Management Services	Group & Central	Total
	€m	€m	€m	€m	€m	€m	€m
Net interest income	496	5	141	307	2	(10)	941
Insurance net premium income	-	778	-	-	-	17	795
Other income	149	198	152	126	133	(12)	746
Profit on disposal of business activities	-	-	-	-	-	31	31
Total income	645	981	293	433	135	26	2,513
Insurance claims	-	(869)	-	-	-	(6)	(875)
Total income, net of insurance claims	645	112	293	433	135	20	1,638
Operating expenses	(388)	(46)	(119)	(249)	(65)	(65)	(932)
Impairment losses on loans & advances	(23)	-	(18)	14	-	(1)	(28)
Share of operating profit from associates	(1)	-	24	-	-	(4)	19
Profit before taxation	233	66	180	198 (5)	70	(50) (6)	697
Taxation							(121)
Profit for the period							576
Net assets	1,404	101	701	1,568	380	(39)	4,115
Total assets (1)	54,885	7,996	78,864	39,929	1,898	14,897	198,469
Total Risk Weighted Assets	19,820	-	24,141	24,304	184	819	69,268

(5) Includes provisions released following the exit from leases (profit on the sale of properties) totalling €11m and implementation costs associated with the UKFS business improvement programme of €5m.
(6) Includes 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.

2 SEGMENTAL ANALYSIS (continued)

(b) Business Class	Retail Republic of Ireland	BOI Life	Wholesale Financial Services	UK Financial Services	Asset Management Services	Group & Central	Total
	Year 31-3-2005						
	€m	€m	€m	€m	€m	€m	€m
Net interest income	1,019	11	303	610	4	(16)	1,931
Insurance net premium income	-	1,755	-	-	-	36	1,791
Other income	304	701	324	245	252	(27)	1,799
Profit on disposal of business activities	-	-	-	(20)	-	31	11
Total income	1,323	2,467	627	835	256	24	5,532
Insurance claims	-	(2,216)	-	-	-	(6)	(2,222)
Total income, net of insurance claims	1,323	251	627	835	256	18	3,310
Operating expenses	(802)	(90)	(252)	(497)	(131)	(279)	(2,051)
Impairment losses on loans & advances	(51)	-	(38)	14	-	96	21
Share of operating profit from associates	(2)	-	37	-	-	(5)	30
Profit before taxation	468(7)	161	374	352(8)	125	(170) (9)	1,310
Taxation							(256)
Profit for the period							1,054
Net assets	1,403	101	722	1,622	377	52	4,277
Total assets (2)	57,830	8,977	101,203	42,941	2,980	18,113	232,044
Total Risk Weighted Assets	21,969	-	26,454	26,029	284	1,156	75,892

(7) Includes the write off of goodwill associated with Venson for the impairment of certain assets amounted to €4m.
(8) Includes:
  a. Implementation costs of €10m associated with the UKFS Business Improvement Programme.
  b. Restructuring of the UK IFA Businesses
    i. On 18 March 2005, the Group completed the sale of Chase de Vere Financial Solutions plc and Moneyextra Mortgages Limited to AWD plc, part of AWD Holdings AG. The sale proceeds were €28.4m (£19.4m), which after charging for certain costs and provisions associated with the disposal, has resulted in a net loss on disposal of €20.0m (£13.7m).
    ii. Provisions released following the exit from leases €8m.
(9) Includes:
  a. 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.
  b. A provision of €117m relating to the Strategic transformation programme.
  c. Special loan loss release of €100m following a review of the loan loss provisions.

3 INTEREST INCOME

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Loans and advances to banks	202	113	215
Loans and advances to customers	2,164	1,744	3,353
Finance leasing & instalment credit	111	102	212
Available for sale assets	433	229	483
Other	19	-	-
	2,929	2,188	4,263

4 INTEREST EXPENSE

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Interest on subordinated liabilities	124	111	225
Other interest payable	1,730	1,136	2,107
	1,854	1,247	2,332

5 OTHER OPERATING INCOME

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Profit on disposal of investment securities	1	1	2
Profit on disposal of motor insurance book	-	6	-
Other insurance income	49	31	84
Other income	18	25	52
	68	63	138

6 TOTAL OPERATING EXPENSES

	Half year 30-9-2005 €m	Half year 30-9-2004 €m	Year 31-3-2005 €m
Staff costs	571	545	1,109
Other administrative expenses	320	306	765
Depreciation and amortisation of intangibles	81	81	177
Total operating expenses	972	932	2,051

7 EMPLOYEE INFORMATION

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

	30-9-2005	30-9-2004	31-3-2005
Retail Republic of Ireland	7,770	7,835	7,761
BOI Life	1,065	1,054	1,051
Wholesale Financial Services	1,524	1,441	1,429
UK Financial Services	4,125	4,872	4,820
Asset Management Services	640	638	634
UK Post Office Financial Services	163	108	143
Group and Central	1,133	1,121	1,122
	16,420	17,069	16,960

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Current Tax			
Irish Corporation Tax			
Current year	81	80	169
Prior years	3	-	2
Double taxation relief	(13)	(8)	(19)
Foreign tax			
Current year	53	35	75
Prior years	-	-	3
	124	107	230
Deferred Tax			
Origination and reversal of temporary differences	15	14	26
	139	121	256

9 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 s divided by the weighted average Ordinary Stock in issue excluding Treasury stock and own shares held for the benefit of life assurance policyholders.

	Half Year 30-9-2005	Half Year 30-9-2004	Year 31-3-2005
Basic			
Profit attributable to Ordinary Stockholders	€706m	€567m	€1,047m
Weighted average number of shares in issue excluding Treasury stock and own shares held for the benefit of life assurance policyholders	946m	942m	942m
Basic earnings per share	74.6c	60.2c	111.1c

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 Treasury stock and own shares held for the benefit of life assurance policyholders adjusted for the effect of all dilutive potential Ordinary Stock.

	Half Year 30-9-2005	Half Year 30-9-2004	Year 31-3-2005
Profit attributable to Ordinary Stockholders	€706m	€567m	€1,047m
Weighted average number of shares in issue excluding Treasury stock and own shares held for the benefit of life assurance policyholders	946m	942m	942m
Effect of all dilutive potential Ordinary Stock	8m	7m	8m
	954m	949m	950m
Diluted earnings per share	74.0c	59.7c	110.2c

10 LOANS AND ADVANCES TO CUSTOMERS

	30-9-2005 €m	1-4-2005 €m	30-9-2004 €m	31-3-2005 €m
Loans and advances to customers	88,256	77,230	69,855	77,076
Loans and advances – finance leases	1,263	1,230	1,594	1,230
Hire purchase receivables	2,110	1,847	1,727	1,849
	91,629	80,307	73,176	80,155
Provision for impairment (Note 11)	(343)	(319)	(433)	(319)
	91,286	79,988	72,743	79,836

11 IMPAIRMENT LOSSES ON LOANS AND ADVANCES

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Opening balance	319	472	472
Exchange adjustments	2	(8)	(9)
Charge against profits	50	28	79
Amounts written off	(40)	(71)	(144)
Recoveries	12	12	21
Special release	-	-	(100)
Closing balance	343	433	319

All of which relates to loans and advances to customers

12 FINANCIAL INSTRUMENTS

	30-9-2005 €m	1-4-2005 €m
(a) Trading assets		
Loans to banks	-	-
Loans to customers	-	-
Debt securities:		
Government securities	347	912
Other public sector securities	-	-
Other debt securities	271	118
Equity instruments	22	-
	640	1,030

	30-9-2005 €m	1-4-2005 €m
(b) Other financial assets at fair value through P/L		
Loans to banks	-	-
Loans to customers	-	-
Debt securities:		
Government securities	1,873	1,599
Other public sector securities	-	-
Other debt securities	1,711	852
Equity instruments	5,693	5,664
	9,277	8,115

12 FINANCIAL INSTRUMENTS (continued)

	30-9-2005 €m	1-4-2005 €m
(c) Available for sale assets		
Loans to banks	-	-
Loans to customers	-	-
Debt securities:		
Government securities	5,862	5,216
Other public sector securities	-	-
Other debt securities	20,628	15,625
Equity instruments	32	-
	26,522	20,841

13 CUSTOMER ACCOUNTS

	30-9-2005 €m	1-4-2005 €m	30-9-2004 €m	31-3-2005 €m
Current accounts	14,624	13,422	12,367	13,422
Demand deposits	17,531	21,316	21,120	21,316
Term deposits and other products	24,528	24,670	22,378	24,785
Other short-term borrowings	636	662	686	662
	57,319	60,070	56,551	60,185

14 SUBORDINATED LIABILITIES

	30-9-2005 €m
Opening balance	4,086
Implementation of IAS32/IAS39 on 1 April 2005	145
	4,231
Exchange adjustments	8
Issued during period	883
Fair value movements	20
Amortisation	1
Closing balance	5,143

15 CAPITAL STOCK

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Allotted and fully paid			
Equity			
948.0m units of €0.64 of Ordinary Stock	607	603	604
77.1m units of €0.64 of Treasury Stock	49	69	52
	656	672	656
Other equity interests			
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
	663	679	663

16 RESERVES

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Stock premium account			
Opening balance	765	767	767
Exchange adjustments	1	(2)	(2)
Closing balance	766	765	765
Capital reserve			
Opening balance	561	503	503
Implementation of IAS32/IAS39 & IFRS4 on 1 April 2005	(251)	-	-
	310	503	503
Exchange adjustments	1	(1)	(1)
Transfer from retained profit	65	52	43
Reserve on cancellation of stock	-	-	16
Closing balance	376	554	561
Retained profit			
Opening balance	2,336	2,220	2,220
Implementation of IAS32/IAS39 on 1 April 2005	(57)	-	-
	2,279	2,220	2,220
Profit for period	709	576	1,054
Equity dividends	(282)	(257)	(417)
Dividends on other equity interests	(6)	(4)	(8)
Transfer to capital reserves	(65)	(52)	(43)
Minority interest	3	(5)	1
Profit retained	359	258	587
Exchange adjustments	42	(87)	(104)
Reissue of treasury stock under employee stock schemes	30	5	7
Reissue of treasury stock previously held by subsidiary	-	-	1
Transfer from revaluation reserve	-	6	6
Actuarial losses on pension funds	(257)	(201)	(386)
Share based payment reserve	6	5	11
Other	(1)	1	(6)
Closing balance	2,458	2,207	2,336

16 RESERVES (continued)

	Half Year 30-9-2005 €m	Half Year 30-9-2004 €m	Year 31-3-2005 €m
Revaluation reserve			
Opening balance	158	122	122
Exchange adjustments	-	(1)	(1)
Transfer to revenue reserve on sale of property	-	(6)	(6)
Revaluation of property	-	-	43
Closing balance	158	115	158
Available for sale reserve			
Implementation of IAS32/IAS39 on 1 April 2005	137	-	-
Movement during period	59	-	-
Closing balance	196	-	-
Cash flow hedge reserve			
Implementation of IAS32/IAS39 on 1 April 2005	67	-	-
Movement during period	(77)	-	-
Closing balance	(10)	-	-
Other equity reserve			
Implementation of IAS32/IAS39 on 1 April 2005	114	-	-
Exchange adjustments	9	-	-
Movement during period	-	-	-
Closing balance	123	-	-

17 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 2005 and 2004 and the year ended 31 March 2005. 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 30-9-2005			**Half Year 30-9-2004**			**Year 31-3-2005**		
	Average Balance €m	**Interest €m**	**Rate %**	**Average Balance €m**	**Interest €m**	**Rate %**	**Average Balance €m**	**Interest €m**	**Rate %**
ASSETS									
Loans to banks									
Domestic offices	8,227	198	4.8	6,943	91	2.6	6,834	179	2.6
Foreign offices	252	4	3.2	1,107	22	3.9	987	36	3.6
Loans to customers (1)									
Domestic offices	44,686	1,041	4.7	33,580	783	4.7	35,812	1,664	4.6
Foreign offices	39,035	1,123	5.8	33,625	961	5.7	34,336	1,689	4.9
Central government and other eligible bills									
Domestic offices	231	1	0.9	7	-	-	7	-	-
Foreign offices	-	-	-	-	-	-	-	-	-
Debt Securities									
Domestic offices	22,709	408	3.6	11,935	201	3.4	13,307	426	3.2
Foreign offices	906	25	5.5	1,171	28	4.9	1,125	57	5.1
Finance leases & instalment credit									
Domestic offices	1,769	52	5.9	2,984	59	4.0	2,859	120	4.2
Foreign offices	1,548	59	7.6	1,332	43	6.5	1,298	92	7.1
Other financial instruments at fair value through P/L									
Domestic	102	-	-	-	-	-	-	-	-
Foreign	714	18	5.0	-	-	-	-	-	-
Total interest earning assets									
Domestic offices	77,724	1,700	4.4	55,449	1,134	4.1	58,819	2,389	4.1
Foreign offices	42,455	1,229	5.8	37,235	1,054	5.7	37,746	1,874	5.0
	120,179	2,929	4.9	92,684	2,188	4.7	96,565	4,263	4.4
Allowance for loan losses	(320)			(456)			(443)		
Non interest earning assets (2)	19,349			20,057			21,181		
Total assets	139,208	2,929	4.2	112,285	2,188	3.9	117,303	4,263	3.6

17 AVERAGE BALANCE SHEET AND INTEREST RATES (continued)

	Half Year 30-9-2005			Half Year 30-9-2004			Year 31-3-2005		
	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	21,613	370	3.4	18,380	234	2.5	18,882	399	2.1
Foreign offices	1,718	29	3.4	1,212	22	3.6	1,245	38	3.1
Customer accounts									
Demand deposits									
Domestic offices	12,003	89	1.5	11,153	59	1.1	11,488	79	0.7
Foreign offices	7,161	153	4.3	8,190	158	3.9	7,975	316	4.0
Term and other deposits									
Domestic offices	14,640	133	1.8	10,793	35	0.6	11,677	129	1.1
Foreign offices	12,486	439	7.0	11,354	373	6.6	11,401	512	4.5
Interest bearing current accounts									
Domestic offices	1,051	3	0.6	926	5	1.1	971	11	1.1
Foreign offices	2,434	41	3.4	2,591	39	3.0	2,553	90	3.5
Debt securities in issue									
Domestic offices	20,017	331	3.3	11,739	115	2.0	13,977	354	2.5
Foreign offices	5,797	142	4.9	4,272	96	4.5	3,769	179	4.7
Subordinated liabilities									
Domestic offices	2,544	51	4.0	2,268	59	5.2	2,248	119	5.3
Foreign offices	1,979	73	7.4	1,405	52	7.4	1,442	106	7.3
Total interest bearing liabilities									
Domestic offices	71,868	977	2.7	55,259	507	1.8	59,243	1,091	1.8
Foreign offices	31,575	877	5.6	29,024	740	5.1	28,385	1,241	4.4
	103,443	1,854	3.6	84,283	1,247	3.0	87,628	2,332	2.7
Non interest bearing liabilities									
Current accounts	10,133			8,532			8,886		
Other non interest bearing liabilities	21,249			15,298			16,340		
Stockholders' equity including non equity interest	4,383			4,172			4,449		
Total liabilities and stockholders' equity	139,208	1,854	2.7	112,285	1,247	2.2	117,303	2,332	2.0

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

18 RATES OF EXCHANGE

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

	30-9-2005		30-9-2004		31-3-2005	
	Closing	**Average**	**Closing**	**Average**	**Closing**	**Average**
€/US$	1.2042	1.2286	1.2409	1.2143	1.2964	1.2647
€/Stg£	0.6820	0.6805	0.6868	0.6723	0.6885	0.6834

19 CAPITAL ADEQUACY DATA

	30-9-2005 €m	1-4-2005 €m	31-3-2005 €m
Adjusted capital base			
Tier 1	6,418	6,020	5,740
Tier 2	3,687	2,991	3,313
	10,105	9,011	9,053
Supervisory deductions	(765)	(768)	(994)
	9,340	8,243	8,059
Risk weighted assets			
Banking Book	84,803	73,251	73,257
Trading Book	3,685	2,635	2,635
	88,488	75,886	75,892
Capital ratios			
Tier 1 Capital	7.3%	7.9%	7.6%
Total Capital	10.6%	10.9%	10.6%

20 THE ACCOUNTS WERE APPROVED BY THE COURT OF DIRECTORS ON 23 NOVEMBER 2005.

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 for the six months ended 30 September 2005 set out on pages 16 to 34. We have read the other information contained in the interim statement and considered whether it contains 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 directors. The directors are responsible for preparing the interim statement in accordance with the Listing Rules of the Irish Stock Exchange.

As disclosed in note 1, the next annual financial statements of the Bank will be prepared in accordance with accounting standards issued by the International Accounting Standards Board ("accounting standards") and adopted by the European Union. This interim statement has been prepared in accordance with the basis of preparation and provisional accounting policies included in the Transition Report, as explained in note 1 to the interim statement.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements. As explained in note 1, there is, however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards issued by the International Accounting Standards Board and adopted by the European Union. The accounting standards and IFRIC interpretations that will be applicable and adopted for use in the European Union at 31 March 2006 are not known with certainty at the time of preparing this interim financial information.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the Republic of Ireland. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. 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 and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, 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 2005.

PricewaterhouseCoopers
Chartered Accountants
Dublin
23 November 2005