Bank of Ireland Group

Report and Accounts
for the year ended 31 March 2000

Contents

Bank of Ireland
Group

The Court

(L to R)

Anthony D Barry +

Deputy Governor

Appointed to the Court in 1993. Appointed Deputy Governor in October 1997 and senior independent director in November 1998. Former Chief Executive and former Chairman of CRH plc. A Director of Greencore Group plc, DCC plc and Ivernia West plc.

(Age 65)

Paul M D'Alton *

Group Chief Financial Officer

Joined the Bank in 1991 as Group Chief Financial Officer. Appointed to the Court in January 2000. Formerly Chief Executive – Finance, Aer Lingus Group plc. A Fellow of the Institute of Chartered Accountants in Ireland.

(Age 48)

Maurice A Keane *

Group Chief Executive

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

(Age 59)

Roy E Bailie, OBE

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

(Age 56)

E Patrick Galvin +

Appointed to the Court in 1994. Former Chairman and Chief Executive of Waterford Crystal Ltd. A Director of Gallaher (Dublin) Ltd, Greencore Group plc and Irish Shell Ltd. Chairman of the Board of Governors of The National College of Ireland.

(Age 67)

Patrick J A Molloy

Appointed to the Court in 1983 as an Executive Director. Group Chief Executive from 1991 until he retired from that position in January 1998, remaining as a Non-Executive Director. Chairman of CRH plc, Bristol & West plc and Enterprise Ireland. A Director of eircom plc and Kingspan Group plc.

(Age 62)

Raymond Mac Sharry

Appointed to the Court in 1993. A former EU Commissioner for Agriculture, Chairman of eircom plc, Green Property plc, London City Airport Ltd and Coillte Teoranta. A Director of Jefferson Smurfit Group plc and Ryanair Holdings plc.

(Age 62)

Howard E Kilroy

Governor

Appointed to the Court in 1991 and Governor following the 1991 Annual General Court. Retires as Governor and as a Director of the Bank following the 2000 Annual General Court. Former President and Chief Operations Director of Jefferson Smurfit Group plc. A Director of the Jefferson Smurfit Group plc and CRH plc.

(Age 64)

Mary P Redmond +

Appointed to the Court in 1994. A solicitor specialising in labour law. In her professional capacity as a solicitor acts for the Group in relation to aspects of labour law. A Director of Jefferson Smurfit Group plc, Campbell Bewley Group Ltd and founder of the Irish Hospice Foundation.

(Age 49)

Laurence G Crowley

Governor Designate

Appointed to the Court in 1990 and Deputy Governor from 1995 to 1997. Will become Governor following the 2000 Annual General Court. Chairman of PJ Carroll and Co. Ltd, a Director of Elan Corporation plc, J Rothschild International Assurance plc and a number of other companies. Executive Chairman of the Michael Smurfit Graduate School of Business at University College, Dublin.

(Age 63)

Denis O'Brien

Appointed to the Court in April 2000. Chairman of ESAT Telecom Group plc. A Director of Oakhill plc and a number of other companies.

(Age 42)

Brian J Goggin *

Chief Executive Corporate & Treasury

Joined the Bank in 1969. Served in a variety of senior management positions in the United States, Britain and Ireland. He has been in his current position since 1996. Appointed to the Court in January 2000.

(Age 48)

Margaret Downes ++

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

(Age 67)

Richard Burrows

Appointed to the Court in March 2000. Chairman and Chief Executive of Irish Distillers Group Ltd and currently President of the Irish Business and Employers Confederation (IBEC).

(Age 54)

Lord Armstrong of Ilminster, GCB CVO +

Appointed to the Court in 1997. Chairman of 3i Bioscience Investment Trust plc. A Director of The Bristol & West Building Society (now Bristol & West plc) from 1988 until his retirement in December 1997 and its Chairman from 1993 to December 1997 and a director of a number of other companies.

(Age 73)

*	Executive Director
++	Chairman of the Group Audit Committee
+	Member of the Group Audit Committee
##	Chairman of the Group Remuneration and the Group Nominations Committees
#	Member of the Group Remuneration and the Group Nominations Committees

Howard E Kilroy
Governor

Governor's Statement

"The pace of change which staff have experienced and facilitated, and which is now a constant in the financial services sector, has not diminished the sense of tradition and shared values which shape the character of the organisation and influence its actions."

Stockholders of the Bank may take considerable satisfaction from the performance of the business as we enter the new millennium. For the seventh successive year, Return on Equity (ROE) has exceeded 20% and the average ROE during the past five years has been in excess of 24%.

The financial services sector, both in Ireland and elsewhere, has seen unprecedented change, significantly intensified competition from new entrants and through new channels, major shifts in the margin potential of segments of the business and sea changes in the macro economic environment, especially in the new low interest regime within the Eurozone. Some observers have been pessimistic about the effects of these changes on banks – and this has impacted adversely on stock valuations. Bank of Ireland has successfully met and surmounted these challenges and, I believe, will continue to do so.

In the final analysis, the key measure of the success of any business will be found in the returns it achieves for its owners, the stockholders. The Directors and Management of Bank of Ireland are clear in their focus on Stockholder value, which we measure not only in terms of point in time dividend payments and stock valuation but also in the sustainability of the business going forward. Through a focus on competitive products and customer value, the Group has demonstrated that its extensive customer base is a powerful source of profit growth and that, despite the growing intensity of competition, it can recruit new customers and grow market share.

TRANSFORMATION FOR GROWTH

Throughout the past decade, the Group has been engaged in continuous adaptation to new market forces, including the influence of e-commerce. In the immediate future, the pace of transformation will accelerate as we implement the Group's growth strategies in the areas of network configuration, new delivery channels, streamlined management and administration systems and cost management.

We have been acutely conscious of the growing role of the Internet as a critical channel for bank products and services. Our experience of this new technology has been very satisfactory and customers have responded positively to the e-commerce channels and payment systems which we have already provided. The pace of customer migration to electronic banking has been such that there is now a clear rationale for a fundamental review of the entire delivery system. The Group has undertaken such a review and has begun implementation of a strategy which will see considerable further investment in e-commerce and supporting IT infrastructure. This will be balanced by some reduction in the physical infrastructure, although we see a continuing pivotal role for the branch network in the delivery of the more complex banking products.

The Group has given a clear commitment to achieve optimum cost efficiency levels in all of its operations and specific programmes towards the achievement of this goal are underway in a number of business units. Announcements have already been made concerning the amalgamation of businesses in Great Britain and Northern Ireland and the integration of International Banking and Treasury. Re-organisation of the Retail distribution network and in Retail businesses will deliver substantial efficiencies during the life-span of the cost programme. The Group intends to drive the cost/income ratio below 50% by 2002, a target which should be viewed in the context of the prevailing ratio in 1995 of 64%.

THE ECONOMIC BACKGROUND

The Irish economy continues to perform exceptionally strongly with growth outstripping all other Eurozone countries. This economic performance has been subjected to the closest scrutiny, especially by external economic commentators, many of whom have expressed scepticism about its sustainability. There are, indeed, some negative signals, particularly from growing general inflation and especially asset inflation. However, most of the important economic fundamentals have been unaffected by these trends and we do not share some of the more negative views of the economy articulated in the past year. We believe that the fiscal infrastructure is now sufficiently robust to withstand any current difficulties and that rising Eurozone interest rates will assist a gradual fall to more sustainable growth – still expected to remain well ahead of the Eurozone average for some considerable time.

THE DIRT ENQUIRY

The Bank is awaiting the determination of the Irish Revenue authorities arising from their investigations of Deposit Interest Retention Tax payments by Irish deposit-taking institutions. It was clear from the Bank's evidence to the DIRT enquiry and the report of the Public Accounts Committee that Bank of Ireland had sought over many years to eliminate certain industry practices which created both ethical and competitive difficulties. I am also satisfied that management issued clear directives regarding the full application of DIRT from the outset of the introduction of that tax in 1986. It is regrettable that, despite this, there were a number of departures from proper practice in the Group. The Group is anxious to bring this matter to an early conclusion and is co-operating fully with Revenue to achieve that end.

YEAR 2000 AND THE EURO

The Year 2000 transition was achieved without incident, a fact which reflects the very substantial resources applied to preventative measures in advance. The absence of problems has led some to speculate that the problem never existed. However, Stockholders can be assured that the investment was fully justified.

The Group marked the transition to the new millennium in a more positive fashion with the introduction of the Bank of Ireland Millennium Scholars Trust. A sum of €13 million was allocated to overcome barriers to further education in Ireland. The first scholarships have been awarded and almost 1,000 applications have been received. The Trust will award some 60 scholarships per annum during the first decade of the millennium.

The completion of the Euro project in January 2002 with the introduction of notes and coins presents significant challenges and requires extensive systems changes, quite apart from the logistics of exchanging the old currency for the new. I am confident that the Group will rise to this task and that we will play a major role in the efficient adoption of the new currency.

THE COURT

This is the final Report and Accounts to which I will contribute as Governor of Bank of Ireland. I am deeply honoured to have served an unprecedented three consecutive terms in the role and, particularly, to have had the support of so many eminent and dedicated colleagues, each of whom has served the Bank very well. The improvement in the performance of the business during the past nine years is a product of many inputs, including the leadership of the Court, the members of which have given unstintingly of their time and expertise in the interests of Stockholders.

I wish Laurence Crowley every success as Governor. He assumes the role at a time of great challenge and opportunity for the Group and I am certain that he will provide the highest standards of leadership.

During the year, Pat McDowell retired from his position as Deputy Group Chief Executive and stepped down from the Court. His contributions in both his management and Court roles were substantial and were greatly valued by all of his colleagues.

Niall FitzGerald retired from the Court at his own request after almost ten years of exceptional service, due to the demands of his role as Executive Chairman of Unilever plc. He has expressed his willingness to re-join the Court in due time, should the Directors so decide.

Four new members were co-opted to the Court in recent months. Richard Burrows, the Chairman of Irish Distillers Group, brings to the Court his extensive experience in one of the more traditional industrial sectors while Denis O'Brien, Chairman of Esat Telecom Group plc, is an acknowledged leader and innovator in the international telecommunications industry. Paul D'Alton, Group Chief Financial Officer, and Brian Goggin, Chief Executive Corporate and Treasury, both of whom have made significant contributions as members of the Group's senior management team for some years, were appointed as Executive Directors. Paul D'Alton joined the Bank in 1991 as Group Chief Financial Officer having previously been Chief Executive-Finance of Aer Lingus. Brian Goggin joined the Bank in 1969 and has served in a variety of senior management positions in the United States, Britain and Ireland.

MANAGEMENT AND STAFF

I am very pleased to acknowledge the contributions of staff throughout the Group to the success of the business and to the ethos which distinguishes Bank of Ireland in its various markets. The pace of change which staff have experienced and facilitated, and which is now a constant in the financial services sector, has not diminished the sense of tradition and shared values which shape the character of the organisation and influence its actions. The Directors, Management and Staff are at one in their desire to see the Bank grow and prosper. The values that we share will facilitate growth in a fashion that balances the needs and aspirations of all of the Bank's stakeholders.

Howard E Kilroy
Governor

Maurice A Keane
Group Chief Executive

"The profit growth achieved across all business sectors during 1999/00 illustrates the Group's ability to adapt to changing market conditions, to withstand margin pressure and to compete successfully against new, low cost competitors."

Group Chief Executive's Operating and Financial Review

COMMENTARY ON RESULTS

Bank of Ireland Group reports profit before tax of €920m for the year ending 31 March 2000, an increase of 10% pre the exceptional item last year (equivalent to 12% increase on a grossed-up basis). Profit after tax increased by 22% to €724m. Earnings per share (EPS) of 68.0 cents have increased by 25%. (The results for the year ended 31 March 1999 included a once off exceptional pre tax gain of €218m on the sale of the Group's shareholding in Citizens Financial Group).

Return on average equity for the year was 24.5%, continuing a long trend of returns in excess of 20%. Against a cost of equity of 9.5%, this return generated shareholder value added of €423m, an increase of 21% over last year.

These results reflect growth in each of the Group's business segments and demonstrate continuing ability to grow the portfolio of businesses profitably. The Group is benefiting from the very strong economic performance of the Republic of Ireland, which has supported volume growth in all sectors. The Group believes that the strong underlying economic fundamentals of demography and the absolute increase in the level of broadly based employment will support continued economic growth. However, rising euro interest rates are expected gradually to reduce the rate of economic expansion to more typical and sustainable levels.

Examination of the components of the Group's performance reveals a robust response to competition in the domestic market, continued encouraging developments in the business mix with good growth in non interest income, and excellent performances by the internationally focused businesses. Despite the competitive intensity of the UK market, Bristol & West achieved improved returns with profit before tax up 17%.

Total income increased by 12%, with net interest income up by 11%. Lending and resources increased by 17% and 13% on a constant currency basis and the overall Group net interest margin was slightly lower than last year.

Non interest income was up 12% reflecting strong performances in investment type products across the Group. Bank of Ireland Asset Management was ahead by 33% and the Life Assurance business by 19%. In Bristol & West, total investment fee income increased by 58% compared to last year. The proportion of non interest income to total income for the Group remained stable at 42% compared to 38% in 1998, reflecting the Group's strategic objective to grow non interest income, as this is a prime driver of growth in shareholder value.

The Group cost/income ratio fell from 55% to 54%.

The loan loss charge, at 14bps, reflects the Group's prudent and effective credit procedures, a high quality mortgage book in both the Republic of Ireland and the United Kingdom and the buoyant economic conditions in the Republic. The loan loss charge includes €22m in respect of the non designated specific provision, the balance of which stood at €142m at 31 March 2000.

The Group's balance sheet continues to be very satisfactory with a Tier I ratio of 7.4% and a total capital ratio of 11.8%. During the year, the Group repurchased 52m units of ordinary stock for an aggregate consideration of €442m. The buyback has resulted in improved earnings per share of 1.1 cents (2%) and return on equity of 1.7% (3.5% on an annualised basis). Following this transaction, the Group's capital ratios remain strong, supporting the capacity to explore value enhancing investments. An interim premises revaluation was undertaken and the surplus arising on this revaluation was €152m, which was taken directly to reserves.

Strategy for continued growth

The 1999/00 trading and profit performance is evidence of the current strong momentum in the Group's main businesses, both in Ireland and abroad. Maintenance of this level of momentum in the dynamic markets in which the Group now operates requires continuous transformation of products, delivery channels and management processes. It also requires a clear focus on cost efficiency to allow the business to compete effectively against a growing body of low cost competitors. These imperatives have driven a fundamental examination of strategic options with the following objectives:

- substantial growth in the Asset and Wealth Management business
- identification and exploitation of new niches and new markets outside Ireland
- worldclass customer service
- efficiency levels in each of the Group's businesses which eliminate vulnerability to low cost competitors
- the optimum mix of delivery channels based on evolving customer needs and preferences
- diversifying our revenue stream in Great Britain, reducing our dependency on mainstream residential lending and increasing revenue from other lending and investment business

There will be a fundamental shift over time in the manner in which retail products in particular are delivered. While new channels, such as telephone and the Internet, will not eliminate the need for an extensive branch network, the scale and configuration of that network faces inevitable change. In the new, intensely contested markets, it will not be possible to sustain uncompetitive outlets. Bank of Ireland is assessing branch overlap in urban areas and actively pursuing alternative options for the delivery of a full range of services in less populated areas. We are also considering the re-location outside Dublin of certain processing operations.

In the area of e-business, the Group will build upon the competencies it has already developed. The Group is to invest significantly in the further development of its e-offerings and recognises opportunities to open new markets, both in Ireland and the United Kingdom, through e-business channels. The Group will use e-business to grow volume and value, defend existing business, enable our internal processes, improve efficiencies and transform the business.

The e-investment programme will enhance the current Banking 365 Online and Business-on-line services. It will enable the Bank to be a business partner for SMEs and a financial partner for personal customers. Bristol & West will exploit the platform developed for Fsharp to deliver a range of online services to its customers.

There will also be a significant upgrading of the Group's IT capabilities to support existing and new delivery channels, ensuring that the Bank will remain a leading edge provider of retail and business banking services.

The multiplicity of delivery mechanisms now available facilitates a more rational segmentation of services that are better related to customer needs. The identification of these needs, the segmentation of customer groupings based on need and the delivery of appropriate services for each such group will be a key component of strategy going forward.

Implementation of the Group's cost reduction programme, which was referred to in the Interim Announcement in November, is now underway and will be facilitated by the channel strategy and network changes mentioned above. The Group expects that the cost reduction target of €65m announced at that time will be exceeded within the timeframe indicated resulting in a very acceptable payback for the associated investment and driving the Group cost/income ratio below 50%.

BUSINESS PERFORMANCE

Each business segment reported enhanced performance during 1999/00. The results are discussed below.

	1999/00 €m	1998/99 €m
Retail Banking Republic	237	205
Life Assurance	99	91
Bristol & West	216	185
Corporate & Treasury	280	266
Asset and Wealth Management	129	95
Group and Central Costs	18	(1)
Citizens Financial Group	-	32
Grossed-up profit on ordinary activities before exceptional item	979	873
Grossing Up	(59)	(37)
Profit on ordinary activities before exceptional item	920	836

Operational Review

RETAIL BANKING REPUBLIC

Retail Banking in the Republic had a very satisfactory year and continues to benefit from the strength of the domestic economy. Strong profit growth was achieved, with pre-tax profits of €237m showing an increase of €32m or 16% on the previous year. All of the business units recorded good profit increases.

Total income rose by 10% with both interest and non interest income performing well.

Average resources volumes grew by 11% despite intense competition in the market. The introduction of new and innovative demand, notice and term deposit products contributed to this performance. Sales of investment products through branches were exceptionally strong.

Loan demand from the Business and Personal sectors was buoyant through the year and average non-mortgage advances volumes rose by 25%. Lending to the Business Sector by Branch Banking grew by 27%; new commercial leasing in Bank of Ireland Finance was higher by 28% while volumes in Bank of Ireland Commercial Finance increased by 36%. Advances to the Personal Sector by Branch Banking rose by 34%, new motorloan volumes were up 30% and credit card lending was ahead by 25%. Credit processes for business and personal lending were further streamlined during the year and the electronic banking service for business customers – Business-on-Line – was launched.

The residential mortgage business recorded another year of exceptional volume growth despite the further intensification of competition. There were significant enhancements to the product range and new mortgage volumes expanded by 43%. The quality of the mortgage book remains very good and conservative lending criteria have been maintained.

Net interest margin declined by 16 basis points, mainly reflecting narrower deposit margins in the context of the very low level of interest rates throughout the year. While the overall average margin on the mortgage book remained unchanged during the year, there was a narrowing of margin on the variable rate book in the second half.

The volume and margin trends together contributed growth in net interest income of 10%.

Non interest income grew by 12%. In Branch Banking income from sales of Assurance and Investment products was very strong, growing by 46% and other fee income was also ahead. New credit card sales rose by an exceptional 66% and cardholder turnover was higher by 27%. The General Insurance business had a very successful year with income growing by 28%.

The loan loss charge at €26m was €3m lower than in the previous year. As a percentage of advances, the charge fell from 0.31% to 0.23%. Overall credit quality continued to be very satisfactory.

Operating costs rose by 9% while the cost/income ratio declined by 1%. Growth in business volumes led to a 4% increase in staffing levels.

Overall, Retail Banking in the Republic had a very successful year and is well positioned to achieve further growth in the context of a buoyant economy.

LIFE ASSURANCE

Lifetime Assurance and New Ireland Assurance, the two channels for the Group's life and pensions business, produced an excellent result with substantial increases in both companies' business volumes and profits.

Profits are computed on an achieved profits valuation basis which, in the Group's view, provides a more realistic measure of long term life and pension business profits than the statutory accounting basis. The value of inforce business of the Group represents the sum of:

(i) the net assets attributable to shareholders,

(ii) the present value of shareholder net profits expected to be earned from the inforce book of life and pension business.

The table below provides an analysis of profits before tax.

	1999/00 €m	1998/99 €m
New business	30	14
Existing business	56	45
Return on shareholders' funds	8	15
Operating profit before tax	94	74
Change in discount rate	14	-
Change in tax rate	8	18
Exceptional items	11	15
Contribution from life assurance companies	127	107
Less: income adjustment for certain services provided by Group companies	(28)	(16)
Life assurance segment, profit before tax	99	91

Profits from new business increased by €16m reflecting an annual premium equivalent increase of 45%. Existing business profits increased by €11m due to the increase in the value of inforce business, strong mortality and persistency profits together with additional fees on unit linked business earned from higher stock market values. Return on shareholders' funds was lower as a result of reduced interest rates and the move out of equities and into gilts in New Ireland. The discount rate used to value future cash flows was reduced from 12% to 11% in line with long term trends in the life assurance market and the impact of the reduction was to increase the value of inforce business by €14m. The profit from changes in tax rates resulted from the net impact of reductions in the Corporate Tax rates and the standard rate of income tax. The Group's policy in its life assurance activities is to recognise the impact of tax rate changes in the year that the change is implemented. Exceptional items arose in 1999/00 primarily due to the higher than normal returns on investment property and gilts, and in 1998/99 due to the once off impact of the change in valuation methodology in Lifetime. Services provided by Group companies represents, for management accounting purposes, an income adjustment associated with generating referrals in the network.

Good growth was achieved in all categories of business, but especially investments and pensions, and combined annual premium equivalent sales were up by 45% to €171m. The dual channel strategy adopted by the Group since the acquisition of New Ireland has worked well, with the Bancassurance and Broker channels each making significant contributions to the overall business performance. The Irish Government's National Pension Policy Initiative is expected to give a stimulus to the pensions business and the Group is now well positioned to capture a significant share of this market.

The outlook for future growth remains positive, supported by the continued strength of the Irish economy, the attraction of equity based products against a backdrop of Eurozone interest rates and new initiatives in the pensions arena, including the introduction of the Approved Retirement Fund investment option and the planned introduction of the Personal Retirement Savings Account. The changes announced in the Republic of Ireland Budget to allow gross roll up of unit linked savings products will further encourage new customers to invest in these products.

BRISTOL & WEST

The Group's investment of Stg£600m in 1997 in Bristol & West continued to provide an excellent return to stockholders. It is now almost three years since we acquired Bristol & West, and it is worth reflecting on the performance since acquisition.

During these three years Bristol & West has integrated where commercially sensible, bringing Bristol & West and our then existing UK mortgage operation (Bank of Ireland Mortgages) together. At an early stage, the treasury operation was transferred into Group Treasury, and the captive insurance business was subsequently consolidated into our Bank of Ireland Group captive. Most importantly, Bristol & West moved quickly to adopt Bank of Ireland credit management standards.

On a like for like basis, profits after tax (excluding the exceptional costs relating to the transfer) have increased at a compound rate of c.18% pa over the three years since acquisition.

Profit before tax increased by €31m (Stg£20m) to €216m (Stg£145m) during the last twelve months, and the net interest margin on average earning assets remained relatively stable despite considerable market pressure on both sides of the balance sheet. The provision of competitive lending, savings and investment products to the UK market, supported by specialist advice and quality service, has enabled continued growth in key performance measures.

Although loans and advances to customers increased by 6% during the year, Bristol & West has chosen not to compete aggressively for market share. Instead, the diversity of distribution enables the company to be selective about the market segments in which it is active. Opportunities exist for attractive returns in niche sectors of the mortgage market, and Bristol & West, as a market specialist, is well positioned to identify and exploit these. During the year Bristol & West commenced a successful but cautious diversification into the related lending areas of buy to let and specialised lending, supported by stringent underwriting and prudent provisioning. At 31 March 2000, this wider margin lending accounted for 2% of the overall book and the company is at an advanced stage of completing a credit default swap on the buy to let portion written to date which caps risk on this lending. The remainder of the book comprises 90% mainstream residential mortgages and 8% commercial lending. The quality of the Bristol & West mortgage book continues to improve and the value of arrears has fallen by 34% compared to last year.

Bristol & West savings balances have grown by 2% in spite of intense and persistent market competition. The growth in retail balances following the launch of the Easy Life range of savings accounts was particularly encouraging. This year also saw the introduction of a new Direct Savings Contact Centre which services users of direct channels such as post, phone and internet. Internet inflows are expected to grow significantly following the rollout of the full Bristol & West savings portfolio online.

This has been Bristol & West's most successful year ever for investment fee income throughout all of the business channels. FSA fee income has doubled over the last two years to €27m (Stg£17m).

Costs fell by €3m. The cost / asset ratio, the target measure of the cost reshaping programme, has improved to 0.96% (1999: 1.04%) and the cost income ratio has also improved from 49% to 46%.

CORPORATE AND TREASURY

Profit before tax increased by 5% with good growth across all businesses except Treasury where a step down in profitability was anticipated following the exceptional results recorded in 1998/1999. Start up costs of €7m for Fsharp are also included in this year's results.

Corporate Banking had an excellent year recording a 45% growth in pre tax profit to €65m. Lending and resources volumes increased by 44% and 22% respectively. Fee income was very strong reflecting the high volume of new business written. Notwithstanding this significant growth, asset quality remains at a very high level.

Domestically, Corporate Banking maintained its leading position with the majority of large Irish corporates and multinational subsidiaries by providing a fully integrated relationship management service. This included structuring and leading / co-leading a large number of significant syndicated loan facilities, executing some major big ticket structured finance transactions and delivering leading edge electronic banking solutions. Business-on-Line, the market leading internet based cash management and payment system, was launched during 1999 and 10,000 business customers are expected to avail of this service within the next 12 months.

Internationally, Corporate Banking's niche international financing activities located in the IFSC performed extremely strongly and generated €38m of total Corporate Banking profitability. An increasingly significant presence is being built in international investment – grade debt, leveraged acquisition finance, project finance and structured finance markets; Corporate Banking participated in and underwrote a large number of major transactions in these markets during the year. This business is well positioned for additional growth.

The results in Northern Ireland (NI) and Banking Great Britain (GB) were very satisfactory recording a 9% increase in profit to €73m. The Group business banking strategy in NI and niche strategy in GB are proving very successful and have driven good growth in business volumes and customer numbers. Lending performed strongly with overall average growth of 18% while average resources volumes increased by 15% in a highly competitive market place.

Distribution capability in both NI and GB was significantly enhanced during the year with the launch of Business-on-Line for our business customers and Banking 365 Online, our internet and telephone banking service, for personal customers.

Profits in Treasury and International Banking, while 7% lower than last year, were significantly ahead of expectations; the comparable period was exceptional as Treasury benefited from the sharp fall in Irish pound interest rates prior to the introduction of the euro.

Both Treasury and International banking performed very well in the first full year operating in the euro market environment. In a year of considerable currency volatility, demand from customers for exchange rate risk management products was particularly strong. Sound risk management systems operated very effectively during the year and careful planning resulted in a smooth transition through the millennium.

In November 1999, Bank of Ireland Treasury was voted 'Financial Institution of the Year' by the members of the Irish Association of

Corporate Treasurers. Bank of Ireland was also the first major Irish bank to be authorised as a savings carrier for SAYE schemes.

Fsharp, the world's first standalone offshore internet bank, was launched in September 1999. Fsharp is targeting the English speaking expatriate population and initially offers deposit and tracker products, debit and credit cards and offshore investment funds. Enquiries have been received from over 120 countries and these are being dealt with by a customer service team in a dedicated 24 hour, seven day week Call Centre, based in the Isle of Man. Fsharp has also proved extremely beneficial to the Group in further developing an understanding of the internet as a new delivery channel.

Davy Stockbrokers had another excellent year. Buoyant stock markets generated increased trading volumes by both private and institutional investors and Davy maintained its market leadership in the Irish broker market.

ASSET & WEALTH MANAGEMENT SERVICES

Profits before tax increased by 36% to €129m with all of the businesses enjoying good growth. The Asset and Wealth Management Services segment amalgamates Asset Management, Securities Services, Private Banking and Trust Services units within one structure to provide focus to an increasingly important part of the Group.

Asset Management continued its strong growth during the year. Assets under management grew by €15bn to €52bn representing an increase of 39%; €4bn of the increase relates to new business and €11bn to market performance. Overseas business, particularly North America, accounted for 80% of the new business. It has been estimated that during 1999 Bank of Ireland Asset Management had the fourth largest cash inflows for international mandates in the US. In Ireland assets under management grew by 16% representing investment performance and cash flow from both the Institutional & Personal businesses. Other overseas offices performed well and the new Tokyo office is now fully operational.

Securities Services experienced strong growth in their International Financial Services Centre (IFSC) activities arising from both new clients and higher volumes of transactions. Assets under administration at year end were €108bn, up 59% on the previous year. All lines of business contributed to this increased growth.

Private Banking and Trust Services continued to perform well with profit before tax up 71%. Private Banking increased both advances and resources. These two businesses are currently being amalgamated with the Private Client unit of Asset Management to form a new business which will focus exclusively on the fast growing High Net Worth market in Ireland.

GROUP AND CENTRAL COSTS

Profit before tax in Group and Central Costs increased by €19m – from a loss of €1m in 1998/99 to a profit of €18m in the current year. The increase largely reflects the once off gain on a property disposal, partly offset by lower earnings on surplus equity due to the share buy back in September 1999. In addition 1998/99 included the cost of the Bank of Ireland Millennium Scholars Trust.

Summary profit and loss account

	1999/00 €m	1998/99 €m
Net interest income	1,242	1,116
Other income	900	802
Total income	2,142	1,918
Loan loss provisions	56	56
Operating expenses	1,167	1,060
	919	802
Income from associated undertakings*	1	34
Profit before taxation and exceptional items	920	836
Profit on disposal of associated undertaking	-	218
Profit before taxation	920	1,054
Taxation	196	253
Profit after taxation	724	801

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

ANALYSIS OF RESULTS

Net interest income increased by 11% in the current year to €1,242m. The group net interest margin reduced slightly to 2.55% from 2.62% due primarily to a reduction in the Retail Banking and Corporate Banking margin in Ireland. The domestic net interest margin increased by 1bp from 3.08% to 3.09% and the foreign margin reduced from 2.15% to 1.97%. Of the reduction in the foreign net interest margin of 18bps, the majority of this decline is attributable to a non trading capital transfer of 16bps out of foreign and into domestic, with a small tightening of margin in Northern Ireland and Banking Great Britain. The increase in net interest income for the current year was driven by a significant increase in volumes across the Group where average lending increased by 18% and customer resources increased by 5%. During the year, total Group average earning assets increased by 14% with average domestic earning assets increasing by 20% and average foreign earning assets by 9%.

Average Earning Assets			Net Interest Margin (including grossing up)	
31 March 2000	31 March 1999		31 March 2000	31 March 1999
€bn	€bn		%	%
26.2	21.9	Domestic	3.09	3.08
24.3	22.3	Foreign	1.97	2.15
50.5	44.2	Group	2.55	2.62

Other income for the year to 31 March 2000 increased by €98m or 12% over the corresponding year. This included a once off gain on a property disposal of €20m and the benefits of a €14m decrease in the discount rate in Life Assurance from 12% last year to 11% in the current year. Continued strong growth in other income was experienced across the businesses – in Retail Banking, Life Assurance, Bristol & West, Bank of Ireland Securities Services, and in funds under management at Bank of Ireland Asset Management. Other income in Treasury (Dealing Profits) was lower than the previous year during which the introduction of the euro facilitated very strong income growth.

Loan loss provisions at €56m remain unchanged over the previous year, and represent a charge of 0.14% of average loans. Balances under provision reduced from €461m to €355m and represent a coverage ratio of 112%, compared to 78% for the previous year. The total non-designated specific provision now stands at €142m at 31 March 2000.

Total operating expense increased by €107m or 10% in the current year and reflects normal salary increments and increased staff numbers to support the higher business volumes across the Group. The Group cost/income ratio declined from 55% to 54%.

The effective rate of tax has fallen to 21% mainly as a result of the reduction in the Irish corporation tax rate.

BALANCE SHEET AND CAPITAL ADEQUACY

The Group balance sheet now stands at €68bn compared to €54bn at 31 March 1999, an increase of 25%. The growth is principally attributable to higher business volumes across the businesses and a stronger sterling exchange rate against the euro. Risk weighted assets also increased from €31bn to €40bn, an increase of 29% over the previous year. Stockholders' funds increased to €3,279m from €2,854m including retentions of €457m for the year, premises revaluation of €152m, translation differences and the impact of the share buyback in September 1999. The Group Tier 1 ratio of 7.4% and Total Capital ratio of 11.8% are very satisfactory. The equity asset ratio at 31 March 2000 was 4.5%.

YEAR 2000

The Bank of Ireland Group regarded Year 2000 planning and preparation as a top priority for the organisation. The objective of this planning and preparation was to ensure that business processes, functionality and service standards remained normal prior to, during and after the Year 2000 calendar change. This objective was achieved.

The costs of the Programme were €56m, (including €6m of capitalised costs) of which €6m was incurred in the year ended 31 March 2000.

EMU

The Group continues to meet customer requirements for banking and payment services denominated in euro. In addition, it is well advanced in its preparations for the withdrawal of the Irish pound in 2002 and for the introduction of euro notes and coins.

Revenue expenditure attributed to EMU preparations to March 2000 has been €13m of which €4m was incurred in the year to March 2000. It is estimated that a further €69m will be incurred in completing systems preparations for 2002 and in facilitating the changeover of national notes and coin from Irish pound to euro.

RISK MANAGEMENT AND CONTROL

The Group through its normal operations is exposed to a number of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk.

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

Group Financial Control, Group Credit Review, Group Internal Audit and Group Compliance are central control functions, independent of business unit management, whose roles include monitoring the Group's activities to ensure compliance with financial and operating controls. The structure of risk, financial and operational controls is designed to safeguard the Group's assets while allowing sufficient operational freedom to earn an acceptable return to Stockholders.

Financial instruments are fundamental to the Group's business and constitute the core element of its operations. The risks associated with financial instruments are a significant component of the risks faced by the Group. Financial instruments create, modify or reduce the liquidity, credit and market risks of the Group's balance sheet. Each of these risks and the Group's policies and objectives for managing such risks are discussed below.

Derivatives

A derivative is an off balance sheet agreement which defines certain financial rights and obligations which are contractually linked to interest rates, exchange rates or other market prices. Derivatives are an efficient and cost effective means of managing market risk and limiting counterparty exposures. As such, they are an indispensable element of treasury management, both of the Group and for many of its corporate customers. Further details can be seen in Note 32 and accounting policy on page 52.

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

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

Nature of Derivatives Instruments

The following is a brief description of the derivative instruments which account for the major part of the Group's derivatives activities:

A "swap" is an over-the-counter ("OTC") agreement to exchange cash flows based on a notional underlying amount and an agreed pair of observable market rates or indices. A "fixed-floating interest-rate swap" involves the exchange of a pre-determined set of fixed interest payments, based on an agreed notional principal, for periodically re-set floating interest payments. Swaps can also involve an exchange of two floating-rate interest payments.

A "currency swap" involves the initial exchange of principal amounts denominated in two currencies, the subsequent exchange of interest payments based on these principal amounts and the final re-exchange of the same principal amounts. The interest rates involved can be fixed/fixed, fixed/floating or floating/floating.

A "forward-rate agreement" ("FRA") is an OTC contract which fixes the rate payable on a future single-period loan or deposit. A FRA is generally settled in cash at the start of the interest-rate period to which the forward-rate applies.

A "bond future" is an exchange-traded contract which fixes the future delivery price for one of a defined basket of government bonds deliverable by the seller to the buyer.

A "forward foreign exchange contract" is an agreement which fixes the rate at which one currency can be exchanged for a second currency at a pre-determined date in the future.

An "option" provides its owner with the right to buy or sell an underlying security, currency, commodity or derivative at a pre-determined price, or in some cases receive the cash value of doing so. Options involve asymmetric rights and obligations: the owner, having purchased the option, has the right but not the obligation to transact; the seller (writer) of the option is obliged to honor its terms if the option is exercised.

Interest-rate options are traded on exchanges (of which the most important are options on interest-rate futures) and over the counter. In the case of OTC interest rate options, there are two basic instruments -- "caps" (or "floors") and "swaptions". A cap places an upper limit on the rate payable on a loan; a floor is a lower limit on the rate receivable on a deposit. A cap is a sequence of options on FRAs or futures, each individually exercisable. A swaption is a single option to pay or receive a fixed rate against a periodically reset floating rate.

The following table summarises activities undertaken by the Group, the related market risks associated with such activities and the type of derivative used in managing such risks. Such risks may also be managed using on-balance sheet instruments as part of an integrated approach to risk management.

The market and credit risks arising in derivatives are integrated within the Group's overall risk management systems and controls.

CREDIT RISK

The Bank is continuing to enhance its credit risk management systems and processes in line with best industry practice in loan rating/credit risk modelling, economic capital allocation, loan pricing and strategic loan portfolio management, including identification and control of concentration risk.

A number of elements of this enhanced system are now in place for the Bank's larger business lending. These include: a new risk rating system which is actuarially based, reflects the Bank's historical loan loss record and industry wide loss experience and is consistent with rating agency scales; streamlining of the Bank's credit processes to more cost effectively focus senior management attention on the basis of inherent risk; enhanced systems for economic capital allocation, Risk Adjusted Return on Capital ("RAROC") measurement, loan pricing and customer profitability measurement which replace the previous ROE approach and enhance the ability of business relationship managers to structure loans, negotiate with customers and more effectively price for risk. These initiatives will position the Bank for ongoing prudent loan growth and are consistent with the recent Basle Committee proposals on regulatory capital reform.

The final stage in this process – integrating the previous stages into a full loan portfolio management system – is planned for the coming year. This will allow more precise identification and control of credit risk concentrations and guide strategic decisions on loan portfolio composition and overall capital allocation. It will be consistent with and complement our ongoing Value Based Management initiatives to enhance shareholder value.

Activity	Market Risk	Type of Derivative
Fixed rate lending	Sensitivity to increases in interest rates.	Pay fixed interest rate swaps.
Capped rate lending	Sensitivity to increases in interest rates.	Buy interest rate caps.
Fixed rate funding	Sensitivity to falls in interest rates.	Receive fixed interest rate swaps.
Management of the investment of reserves and other non-interest bearing liabilities	Sensitivity to changes in interest rates.	Interest rate swaps.
Earnings translation risk	Sensitivity to euro appreciation.	Buy euro forward.

Discretionary Authorities

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

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

Credit Policy

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

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

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

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

Credit Grading/Assessment

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

MARKET RISK

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

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

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

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

TRADING BOOK

In line with regulatory and accounting conventions, the Group's Trading Book is defined to consist of Treasury's mark to market interest rate and foreign exchange books, as well as risk positions arising from J&E Davy's normal market making and broking activities in securities and equities.

In the case of interest rate markets in the year ended 31 March 2000, risk arose predominately from transactions in securities, interest rate swaps and interest rate futures. Positions in forward foreign exchange, FRAs, interest rate caps and options on futures also contributed to risk from time to time.

Trading Book risk is measured on a consistent basis across different activities. A Value at Risk (VaR) approach is used to measure risk and set limits. VaR provides an estimate of the potential mark to market loss on a set of exposures over a specified time horizon at a defined level of statistical confidence. In the Group's case, the horizon is 1 day and the confidence level is 97.5%. This implies that on any given day, VaR provides an estimate of potential mark to market loss which has no more than a 2.5% probability of being exceeded.

The VaR system uses a variance covariance matrix approach. Matrices are updated monthly using the preceding 6 months' data.

Management recognises that VaR is subject to certain inherent limitations. The past will not always be a reliable guide to the future and the statistical assumptions employed may understate the probability of very large market moves. For this reason, VaR limits are supplemented by a range of controls which include position limits and loss tolerances. In addition scenario based stress testing is used to calculate the profit and loss impact of extreme market moves.

The Group uses a variety of backtests to assess the reliability of its VaR modelling and these tests have been supportive of the methodology and techniques used.

During the financial year ended 31 March 2000, the Group's average Trading Book VaR calculated weekly amounted to €1.4m. Its lowest Trading Book VaR was €0.8m and its peak was €2.7m. At 31 March 2000, Trading Book VaR was €1.2m.

Interest rate risk in Treasury was the predominant source of Trading Book VaR. The average VaR for this component of risk in the year ended 31 March 2000 was €1.0m.

BANKING BOOK

Interest Rate Risk

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

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

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

All of the Group's material banking book exposure is in euro and sterling. At end March, the Group's exposure to a parallel upward shift in the euro and sterling yield curves was €6.0m (1999: €6.1m) and €20.3m (1999: €28.8m) respectively.

The table in Note 33 to the Accounts (page 87) provides an indication of the repricing mismatch in the Non Trading Books at 31 March 2000.

Foreign Exchange Risk

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

A structural open position in a particular currency can also be considered to be a measure of that part of the Group's capital which is denominated in that currency. In considering the most appropriate structural foreign exchange position, the Group takes account of the currency composition of its risk weighted assets and the desirability of maintaining a similar currency distribution of capital. Doing so will ensure that capital ratios are not excessively exposed to changes in exchange rates.

At 31 March 2000, the Group's structural foreign exchange position was as follows:

	31 March 2000 €m	31 March 1999 €m
GBP	1,853	1,449
USD	77	42
Total structural FX position	1,930	1,491

The positions indicate that a 10% change in the value of the euro against all other currencies at 31 March would result in an amount taken to or from reserves of €193m (1999: €149m).

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

Translation hedging of overseas earnings

The Group may choose to hedge all or part of its overseas earnings in a particular year, thereby fixing a translation rate for the amount hedged. In the year ended 31 March 2000, the Group sold forward Stg£80m (1999: Stg£128m) at an average exchange rate of 0.9234 (1999: 0.8610) against the Irish pound.

LIQUIDITY RISK

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

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

OPERATIONAL RISK

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

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

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

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

Dividend

The Directors have recommended a Final Dividend of 16.14 cents. No tax credit is associated with this dividend in accordance with the change in tax treatment of distributions from Irish resident corporations introduced from 6 April 1999. The recommended Final Dividend together with the Interim Dividend of 7.36 cents paid in January 2000, results in a total of 23.5 cents for the year ended 31 March 2000, an increase of 27.6% on the previous year.

The Bank operates a progressive dividend policy based on medium term prospects rather than earnings in any particular year. Dividend cover remains at 2.9 times. Future dividend increases are facilitated by the Bank's capacity to reduce further the dividend cover.

The introduction last year of Dividend Withholding Tax ("DWT") means that, with certain exceptions, distributions from Irish Resident Corporations are subject to DWT (currently at a rate of 22%) in respect of their Final Dividend payment. It is the residual amount of the dividend (ie. after deduction of DWT, where applicable) which may be taken in the form of new units of stock under the Stock Alternative Scheme. (Some Irish entities and Stockholders resident in countries other than Ireland may be eligible to claim exemption from DWT and have been advised accordingly). The Directors have decided that the Stock Alternative Scheme will be offered to Stockholders in respect of this dividend. Invitations to participate in the Scheme, under which new units of Ordinary Stock may be obtained in lieu of all or part of the cash dividend, will be posted on Monday 5 June 2000 to those Stockholders who have not already joined the Scheme. Those wishing to avail of this offer must complete and return the appropriate form to the Bank's Registration Department by Monday 3 July 2000.

The Final Dividend will be paid on or after Friday 14 July 2000 to Stockholders who are registered as holding Ordinary Stock at the close of business on Friday 26 May 2000 and who have not previously elected to avail of the Stock Alternative Scheme.

The Annual Report and Accounts and the Notice of the Annual General Court of Proprietors will be posted to Stockholders on Monday 5 June and the Annual General Court will be held on Wednesday 5 July 2000.

Outlook

The immediate and medium term outlook for the Group remains good. The profit growth achieved across all business sectors during 1999/00 illustrates the Group's ability to adapt to changing market conditions, to withstand margin pressure and to compete successfully against new, low cost competitors. The Group transformation programme currently underway will further enhance the Group's competitive capabilities, achieve the optimum mix of delivery channels and result in materially improved cost efficiency in the medium term.

Maurice Keane

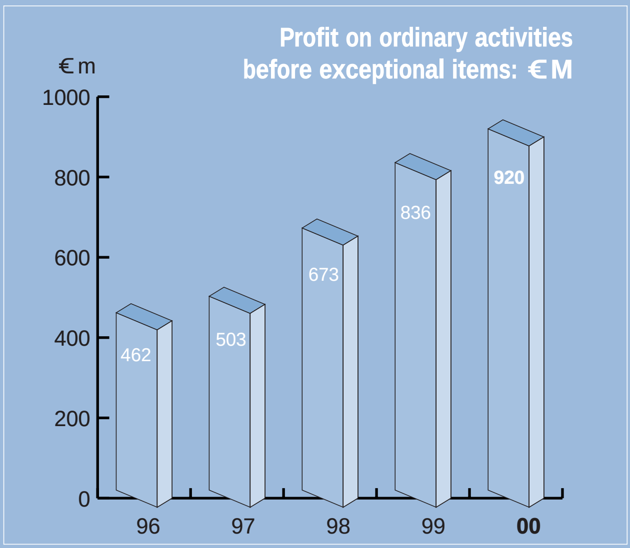
Maurice A Keane
Group Chief Executive

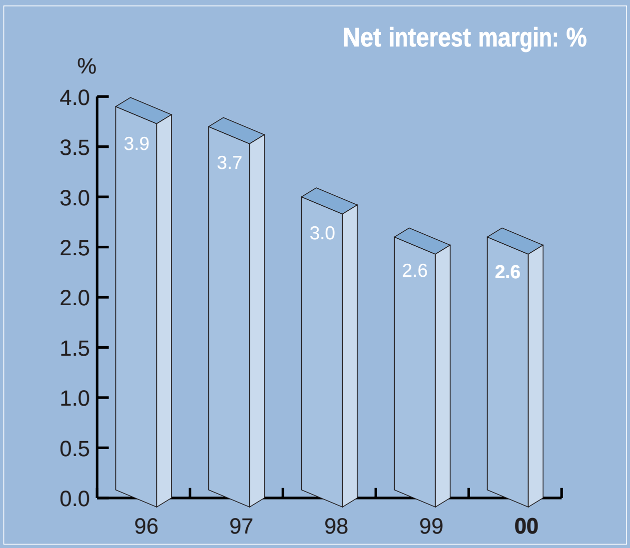
Five Year Financial Summary

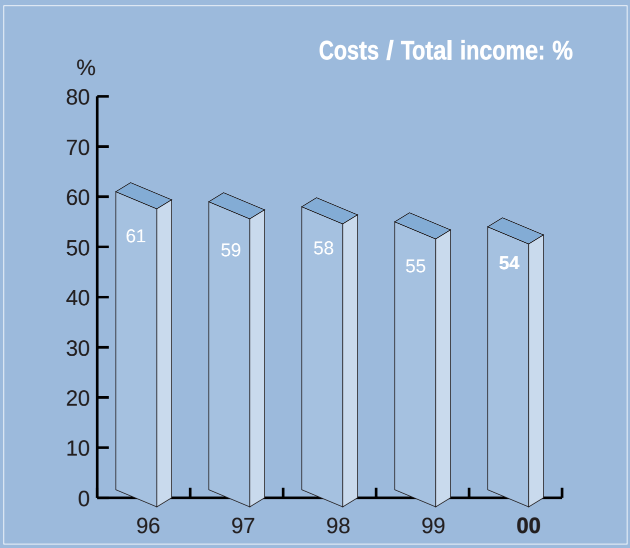
	Year Ended 31 March				
	1996	1997	1998	1999	2000
	€m	€m	€m	€m	€m
PROFIT AND LOSS ACCOUNTS					
Profit on ordinary activities before exceptional items	462	503	673	836	920
Profit on ordinary activities before taxation	401	503	673	1,054	920
Profit on ordinary activities after taxation	271	339	476	801	724
Earnings per unit of €0.64 Ordinary Stock (1)	26.3c	33.0c	45.0c	74.5c	68.0c
Alternative Earnings per unit of €0.64 Ordinary Stock (1) (2)	32.8c	-	-	54.3c	-
Dividends per unit of €0.64 Ordinary Stock (net) (1)	9.68c	11.27c	14.6c	18.41c	23.5c
BALANCE SHEETS					
Minority interests - equity	3	3	4	3	5
- non equity	-	-	81	79	87
Subordinated liabilities	658	912	1,455	1,389	1,866
Total stockholders' funds	1,558	1,792	2,007	2,854	3,279
Assets	26,612	24,976	50,322	54,314	68,017
OPERATING RATIOS	%	%	%	%	%
Net interest margin (grossed-up) (4)	3.9	3.7	3.0	2.6	2.6
Other income / average earning assets (4)	1.9	1.9	1.8	1.8	1.8
Costs / total income (grossed-up) (4)	61	59	58	55	54
Return on average total assets (3)	1.3	1.3	1.2	1.1	1.2
Return on average stockholders' funds (3)	24.9	21.7	27.5	23.8	24.5
ASSET QUALITY					
Loan loss provisions / loans (4)	1.4	1.5	1.1	1.0	0.9
Annual provisions / average loans (4)	0.2	0.2	0.2	0.2	0.1
CAPITAL ADEQUACY RATIOS					
Tier 1 capital	9.5	11.0	7.2	9.0	7.4
Total capital	14.0	16.3	11.3	13.0	11.8

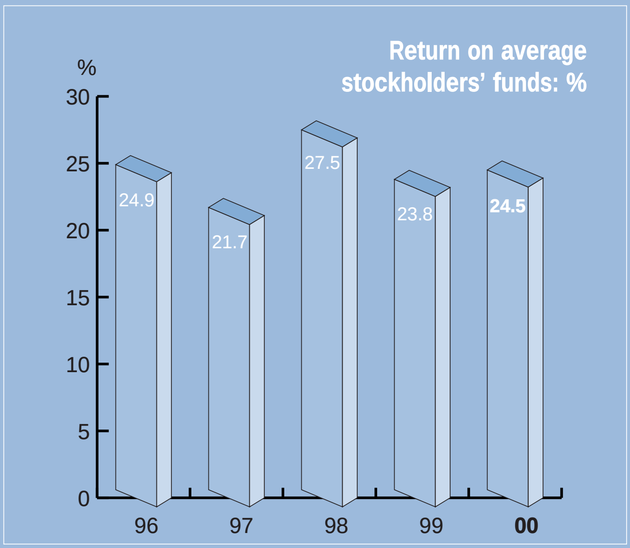
(1) Ratios have been restated as the capital stock was redenominated into two units of ordinary stock.
(2) Based on profit attributable to ordinary stockholders before exceptional items.
(3) Ratios for 1999 and 1996 are based on the profit attributable to ordinary stockholders before exceptional items.
(4) Ratios have been restated to exclude the effect of First NH Banks.

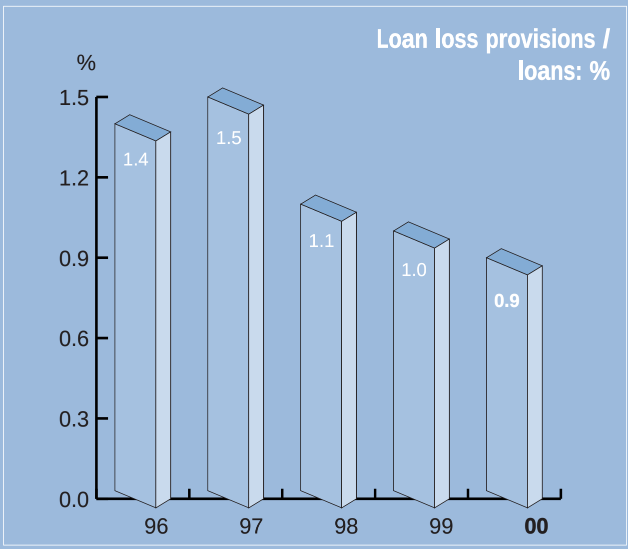
Five Year Financial Summary



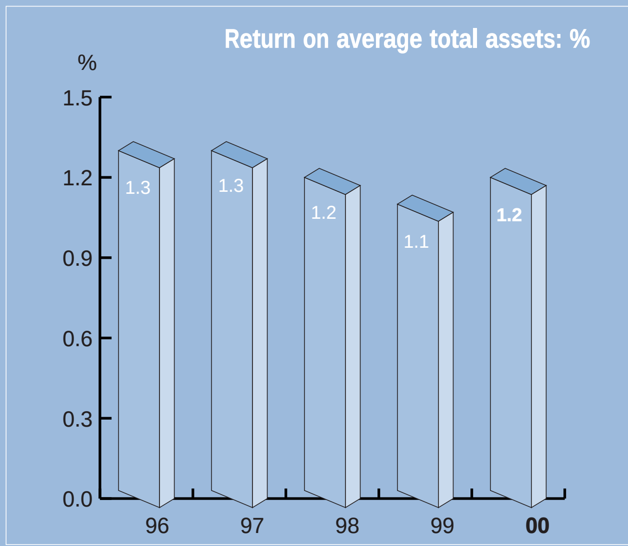




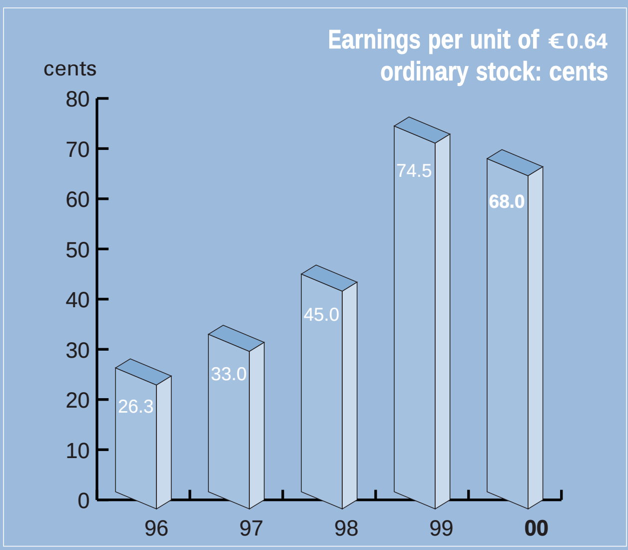




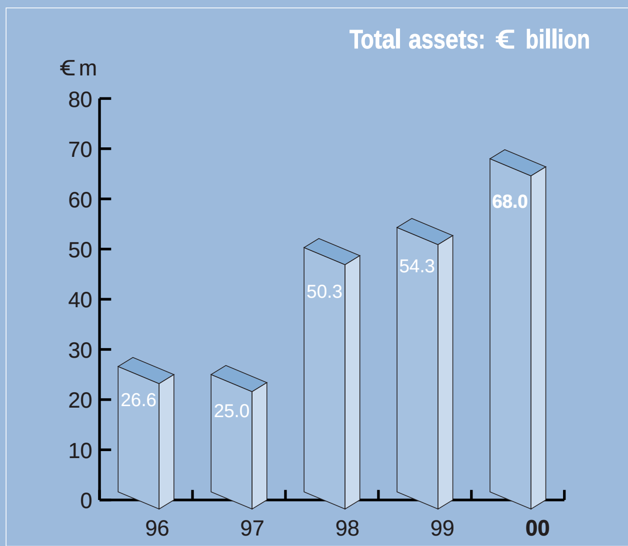
Loan loss provisions / loans: %
%
1.5
1.2
0.9
0.6
0.3
0.0
1.4
1.5
1.1
1.0
0.9
96
97
98
99
00



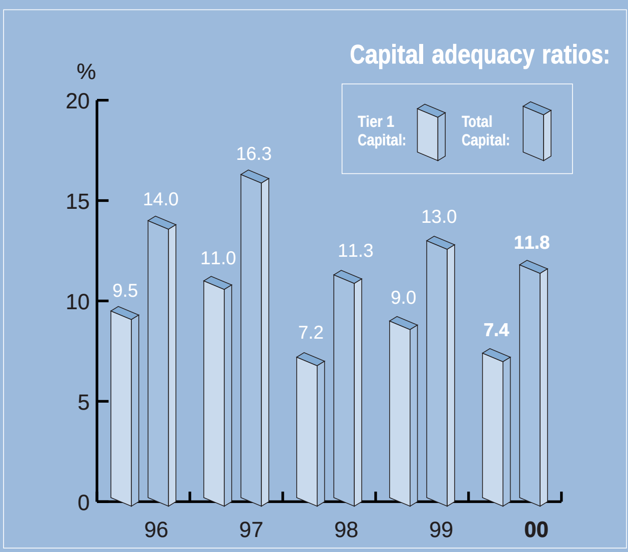
Return on average total assets: %
%
1.5
1.2
0.9
0.6
0.3
0.0
1.3
1.3
1.2
1.1
1.2
96
97
98
99
00



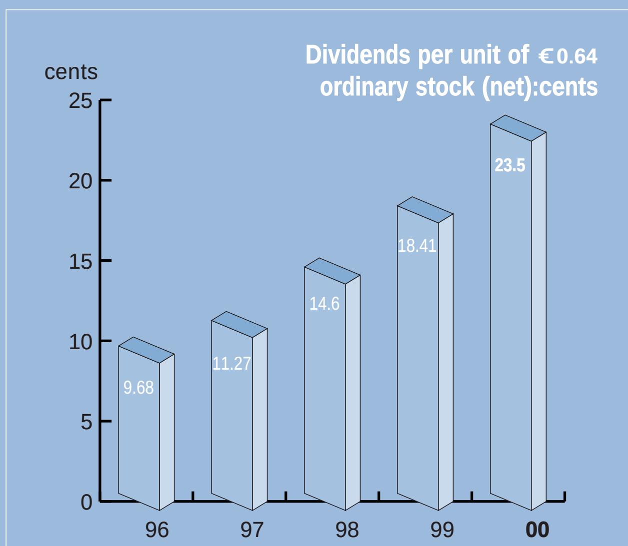
Earnings per unit of €0.64 ordinary stock: cents
cents
80
70
60
50
40
30
20
10
0
26.3
33.0
45.0
74.5
68.0
96
97
98
99
00



Total assets: € billion
€m
80
70
60
50
40
30
20
10
0
26.6
25.0
50.3
54.3
68.0
96
97
98
99
00



Capital adequacy ratios:
Tier 1 Capital:
Total Capital:
%
20
15
10
5
0
9.5
14.0
11.0
16.3
7.2
11.3
9.0
13.0
7.4
11.8
96
97
98
99
00



Dividends per unit of €0.64 ordinary stock (net):cents
cents
25
20
15
10
5
0
9.68
11.27
14.6
18.41
23.5
96
97
98
99
00

Report of Directors

The Directors present their report together with the audited accounts for the year ended 31 March 2000.

Results

The Group profit attributable to the Ordinary Stockholders amounted to €690m after Non-Cumulative Preference Stock dividends of €25m, as set out in the consolidated profit and loss account on pages 44 and 45 .

Dividends

The Directors have recommended a Final Dividend of 16.14 cents per unit of €0.64 of Ordinary Stock in respect of the year ended 31 March 2000. No tax credit is associated with this dividend in accordance with the change in the tax treatment of distributions from Irish resident corporations introduced from 6 April 1999 (see note on Dividend Withholding Tax ("DWT") on page 110). The recommended Final Dividend together with the Interim Dividend of 7.36 cents per unit of €0.64 of Ordinary Stock paid in January 2000, results in a total of 23.5 cents for the year ended 31 March 2000 and compares with a total of 18.41 cents for the previous year, having adjusted for the stock split in July 1999.

If the recommended Final Dividend is approved by the Ordinary Stockholders at the Annual General Court, the retained profit for the year, after a transfer to capital reserves of €70m, will amount to €387m. Under the terms of the Stock Alternative Scheme, Stockholders will be offered the choice of taking new units of Ordinary Stock in lieu of the Final Dividend, after deduction of DWT where applicable.

Group Activities

The Bank and its group undertakings provide an extensive range of banking and other financial services. The Governor's Statement and the Group Chief Executive's Operating and Financial Review on pages 4 and 8, describe the operations and the development of the Group.

Capital Stock and Subordinated Liabilities

Following the July 1999 Annual General Court, each unit of Ordinary Stock of the Bank having a nominal value of IR£1 per unit was subdivided into two units of Ordinary Stock having a nominal value of IR£0.50 per unit. Each unit of Ordinary Stock was then redenominated into euro and renominalised to a nominal value of €0.64, requiring a capitalisation of Revenue Reserves of €5m.

Having restated the numbers of units of Ordinary Stock to reflect the stock split and its redenomination, a total of 1,037,750,066 units of Ordinary Stock, of nominal value of €0.64 each, were in issue at 1 April 1999. During the year, as a result of various issues of new stock under staff stock schemes and the stock alternative scheme and a stock buyback, the total Ordinary Stock issued decreased to 992,330,835 units of €0.64 each as at 31 March 2000. During the year the Group repurchased the US$270.3m undated subordinated capital and issued €600m fixed rate subordinated bonds due 2010.

Full details of the changes during the year in the capital stock and subordinated liabilities of the Bank are displayed in Note 29 on pages 75 to 77 and Note 27 on pages 73 and 74 respectively.

Directors

The names of the members of the Court of Directors as at 10 May 2000 together with a short biographical note on each Director appear on page 3.

Mr John J Burke relinquished his position as Chief Executive and Managing Director of Bristol & West plc on 1 April 1999 and became a vice chairman of that company and remained a Director of the Court at that time. He stepped down from the Court of Directors following the Annual General Court on 7 July 1999. Mr Niall WA FitzGerald, Executive Chairman of Unilever plc stepped down from the Court on 11 January 2000 due to pressure of other commitments. Mr Paul M D'Alton, Group Chief Financial Officer and Mr Brian J Goggin, Chief Executive Corporate & Treasury Division were co-opted to the Court with effect from 11 January 2000, Mr Richard Burrows was co-opted to the Court on 8 March 2000 and Mr Denis O'Brien was co-opted to the Court on 11 April 2000. All four Directors retire at the forthcoming Annual General Court and, in accordance with the Bye Laws, being eligible, offer themselves for re-election.

Mr Patrick W McDowell, Deputy Group Chief Executive retired from this position and as a member of the Court on 31 March 2000, having reached his normal retirement age.

Mr Howard E Kilroy, Governor, who has held that position for nine years, retires as Governor and as a Director following the forthcoming Annual General Court. The Directors have appointed Mr Laurence G Crowley to succeed Howard Kilroy as Governor.

Mr Anthony D Barry, Mr Laurence G Crowley, Dr E Patrick Galvin and Dr Mary Redmond retire by rotation at this Annual General Court and being eligible offer themselves for re-election.

Directors' Interests

The interests of the Directors and Secretary, in office at 31 March 2000, and of their spouses and minor children, in the stocks issued by the Bank are shown in the Remuneration Report on pages 36 to 40.

In relation to the Group's business, no contracts of significance in which the Directors of the Bank had any interest subsisted at any time during the year ended 31 March 2000.

Substantial Stockholdings

There were 56,241 registered holders of the Ordinary Stock of the Bank at 31 March 2000. An analysis of these holdings is shown on page 109.

As at 10 May 2000 the Bank had received notification of the following substantial interests in its Issued Ordinary Stock:-

Name	**%**
Bank of Ireland Asset Management Limited *	9.0
AIB plc and subsidiaries *	4.6
Irish Life Assurance plc	3.7

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

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

Corporate Governance

Statements by the Directors in relation to the Group's compliance with the Irish Stock Exchange's Combined Code on Corporate Governance, the Group's system of internal controls and the adoption of the going concern basis in the preparation of the financial statements are set out in the section on Corporate Governance on pages 33 to 35.

The Remuneration report is set out on pages 36 to 40.

Safety, Health and Welfare at Work Act 1989

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

Political Donations

The Electoral Act, 1997 requires companies to disclose all political donations over IR£4,000 (€5,079) in aggregate made during the financial year to a political party, member of either House of the Oireachtas or representative in the European Parliament, or to any candidate for election to same. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Bank or any of its subsidiaries.

Branches Outside the State

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

Auditors

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

Howard E Kilroy	**Governor**
Laurence G Crowley	**Director**

Bank of Ireland,
Head Office,
Lower Baggot Street,
Dublin 2.

10 May 2000

CORPORATE GOVERNANCE STATEMENT

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

Compliance with the Code

In December 1999 the Irish Stock Exchange indicated a change to its Listing Rules in respect of the disclosure of directors' remuneration for financial years commencing on or after 1 January 2000 which requires that such disclosures for periods commencing from that date be on an individual basis. The disclosure of directors' remuneration for the financial year 1999/2000 contained in the Remuneration Report on pages 36 to 40 is on an aggregate basis and is in accord with the existing Listing Rules of the Irish Stock Exchange and differs from the requirements of the Combined Code. This apart, the Group has complied with the general principles and provisions of the Code throughout the year as evidenced in the content of this report.

Court of Directors

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

- it is the practice of the Bank that the Court of Directors comprises a significant majority of Non-Executive Directors;
- the Court, as at 10 May 2000, comprises 15 Directors, 3 of whom are Executive Directors and has a composition and membership which brings strong and effective leadership to the Group (see short biographical descriptions of each of the Court members on page 3);
- the Non-Executive Directors have varied backgrounds, skills and experience and each brings his/her own independent judgement to bear on issues of strategy, performance and standards of conduct;
- the Bank nominated Mr A D Barry, Deputy Governor, as senior independent director in November 1998;
- all Non-Executive Directors are appointed for an initial three year term with the prospect of having a second three year term. Following that, the expectation is that they will leave the Court unless specifically asked to stay;
- on appointment all Non-Executive Directors receive comprehensive briefing documents on the Group and its operations and have access to an induction programme designed to familiarise them with the Group's operations, management and governance structures. On an ongoing basis special training/briefing sessions appropriate to the business of the Group are provided to Non-Executive Directors;
- there is a clear distinction between the responsibilities at the head of the Group through the separation of the position of the chairman of the Court, (the Governor) who is non-executive and the Group Chief Executive;
- the Court meets formally at least eleven times a year, has a schedule of matters specifically reserved for its decision and periodically reviews and appraises its own performance and effectiveness;
- in addition the Court meets informally to explore business and banking issues in more detail than might be practical at the regular formal meetings;
- the Court receives regular reports, both directly and through the Group Audit Committee on corporate governance, compliance issues and internal controls (see "Internal Controls");
- the Non-Executive Directors meet annually, without management present, to review Court and Court Committee procedures and corporate governance in general;
- the Directors have access to the advice and services of the Group Secretary, who is responsible to the Court to ensure Court procedures and regulations are complied with. The Directors also have access to independent professional advice, at the Group's expense, if and when required.

Court Committees

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

Group Audit Committee – The Group Audit Committee comprises Non-Executive Directors only. The Group Audit Committee meets regularly with the Group's senior management, the external auditors, the Group Chief Internal Auditor and the Head of Group Compliance to review the Group's internal controls, the internal and external audit plans and subsequent findings, the selection of accounting policies, the audit report, financial reporting including the annual audited accounts and other related matters including the monitoring of the activities of the Group Operational Risk function and the cost effectiveness and the independence and objectivity of the external auditors. During the year the Committee held a series of additional special meetings to review the Group's plans in relation to its successful preparation for Year 2000. The external auditors, the Group Chief Internal Auditor and the Head of Group Compliance all have full and unrestricted access to the Group Audit Committee. The external auditors attend meetings of the Group Audit Committee and once a year meet with the Committee without management present to ensure that there are not outstanding issues of concern. The membership of the Group Audit Committee currently comprises Dr Margaret Downes (Chairman), Lord Armstrong of Ilminster, Mr Anthony D Barry, Dr E Patrick Galvin and Dr Mary Redmond.

Group Remuneration Committee – The Group Remuneration Committee comprises Non-Executive Directors only. It is responsible for the formulation of the Group's policy on remuneration in relation to all Executive Directors and the Senior Executive direct reports to the Group Chief Executive (the Senior Executive Group) and the Group Secretary. The membership of the Group Remuneration Committee currently comprises:- Mr Howard E Kilroy (Chairman), Mr Anthony D Barry, Dr E Patrick Galvin and Mr Raymond Mac Sharry. (The Remuneration Report is set out on pages 36 to 40).

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

Relations with Stockholders

The Group recognises the importance of communications with Stockholders. It seeks to provide through its Annual Report a balanced, clear assessment of the Group's performance and prospects. The Group also uses its internet website (www.bankofireland.ie) to provide investors with the full text of the Annual and Interim Reports, the Form 20-F, which is filed annually with the US Securities Exchange Commission and with copies of slide presentations to analysts and investors relating to the Group's full year and half year results. Additionally the Investor Information section on the Group's homepage is updated with all of its Stock Exchange releases as they are made.

All Stockholders are encouraged to participate in the Annual General Court, the notice of this meeting issuing at least 20 working days before the meeting. At the Annual General Court separate resolutions are proposed on each substantially separate issue and when an issue has been determined at the meeting on a show of hands, the chairman indicates to the meeting the proportion of proxy votes for and against that resolution to demonstrate what the voting position would have been if the votes of those unable to attend the meeting were taken into account. In addition a 'Help Desk' facility is available at the meeting to assist Stockholders to resolve any issues in relation to their stockholdings.

The Group has an active and well developed Investor Relations programme which involves regular meetings between the Group Chief Executive, members of the Senior Executive Group, the Head of Investor Relations and institutional stockholders. All such meetings are governed by procedures to ensure that price sensitive information is not divulged.

Internal Controls

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

The Group's overall control systems include:-

- a clearly defined organisation structure with defined authority limits and reporting mechanisms to higher levels of management and to the Court which support the maintenance of a strong control environment;
- appropriate terms of reference for Court committees and sub-committees with responsibility for core policy areas, (see previous Section);
- an annual budgeting and monthly financial reporting system for all Group business units, which enables progress against longer-term objectives and annual plan to be monitored, trends to be evaluated and variances to be acted upon;
- a comprehensive set of policies and procedures relating to financial controls (including capital expenditure), asset and liability management, (including interest, currency and liquidity risk) operational risk and credit risk management, (further details are given in the Operating and Financial Review on pages 9 to 24).

These controls which are embedded within the operations of the Group, are reviewed systematically by Group Internal Audit, which has a Group-wide role. In these reviews emphasis is focused on areas of greater risk as identified by risk analysis.

The effectiveness of the Group's system of internal controls is assessed on an ongoing basis by the Court and by the Group Audit Committee on behalf of the Court. This involves reviewing the work and the reports of risk management functions such as internal audit, operational risk, compliance, and money laundering and establishing that appropriate action is being taken by management to address issues highlighted. In addition, the reports of the external auditors, PricewaterhouseCoopers, which contain details of any material control issues identified arising from their work as auditors, are reviewed by the Group Audit Committee. After each meeting of the Group Audit Committee its Chairman reports orally to the Court on all significant issues considered at the meeting, and the minutes of the meeting are circulated to all members of the Court.

Annually all Group businesses carry out a detailed risk assessment and report to Divisional Management on the effectiveness of their system of controls. Heads of Business Units are required to certify the accuracy of the self-assessment and the results and action plans arising from this process are reviewed in detail by the Group Audit Committee. Internal Audit monitors and reports on management's follow-up on these plans.

At the end of the year the Court reviewed the Group Audit Committee's conclusions in relation to the Group's system of internal control and also examined the full range of risks affecting the Group and the appropriateness of the internal control structures in place to manage and monitor them. This process involved a confirmation that appropriate systems of internal control were in place throughout the financial year and up to the date of the signing of these accounts. It also involved an assessment of the on-going process for the identification, management and control of individual risks and of the role of the various committees and group risk management functions and the extent to which various significant challenges facing the Group are understood and are being addressed. No material issues emerged from this assessment. The Directors confirm that they have reviewed, in accordance with Turnbull Guidance, the effectiveness of the Group's systems of internal control for the year ended 31 March 2000.

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

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

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

The Remuneration Committee comprises Non-Executive Directors only. The membership of the Committee is currently:- Mr Howard E Kilroy (Chairman), Mr Anthony D Barry, Dr E Patrick Galvin and Mr Raymond Mac Sharry.

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

Remuneration Policy

The remuneration policy adopted by the Bank is to reward its Executive Directors competitively having regard to comparable public companies and the need to ensure they are properly rewarded and motivated to perform in the best interests of the Stockholders. Salaries, reviewed annually by the Remuneration Committee, take into consideration, inter alia, such factors as each individual's responsibilities and performance, salaries in comparable organisations and the general pay awards made to staff overall. The Group Chief Executive is fully consulted about remuneration proposals and from time to time the Group Remuneration Committee commissions job-matched salary surveys of comparator organisations.

The key elements of the remuneration package for Executive Directors are basic salary, a performance related cash bonus, a Long Term Performance Stock Plan, stock options, participation in the Employee Staff Stock Issue and in the Group Savings-Related Stock Option Schemes and membership of a defined benefit pension scheme. These various elements are summarised below:-

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

- **Long Term Performance Stock Plan** - In 1999 the Group established a Long Term Performance Stock Plan for key Senior Executives who are best placed to maximise Stockholder value. Under this plan, which is described in more detail in Note 29 on page 77, awards were made to the Executive Directors as set out in the table on page 39.

- **Stock Options** - It is policy to grant stock options under the terms of the Stock Option Scheme to Executive Directors and Senior Executives across the Group to encourage identification with Stockholders' interests in general. Stock options may not be granted to Non-Executive Directors. The exercise of all options granted since 1996 is conditional upon earnings per share achieving a cumulative growth of at least 2% per annum compound above the increase in the Consumer Price Index over either the three year period, or if not achieved, the six year period, commencing with the period in which the options are granted. (See also Note 29 on page 77).

- **Employee Stock Issue Scheme** - Additionally the Bank operates an Employee Stock Issue Scheme under which Group employees may be granted free allocations of Ordinary Stock depending on Group performance. Executive Directors may participate in any such allocations on the same basis as staff generally. (See also Note 29 on page 76).

- **Group Savings-Related Stock Scheme** - In 1999 the Group established a Savings-Related Stock Scheme (SAYE scheme). Under this scheme the Executive Directors who participated in the scheme were granted options over units of Ordinary Stock as set out in the table on page 38. (see note 29 on page 76).

- **Pensions** – The Executive Directors are members of the Bank Staff Pension Plan. This pension plan is contributory at the rate of 2.5% of basic salary and is a defined benefit plan based on an accrual rate of 1/60th of pensionable salary for each year of pensionable service with a maximum of 40/60ths. Of the Executive Directors' total remuneration package only their basic salary is pensionable.

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

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

Directors' Remuneration

The remuneration of the Directors of the Bank for 1999/2000, expressed in euro and analysed in accordance with the Listing Rules of the Irish Stock Exchange is as set out below.

	Executive Directors €'000s		Non Executive Officers €'000s		Non Executive Directors €'000s		Total €'000s	
	March 2000	March 1999	**March 2000**	March 1999	**March 2000**	March 1999	**March 2000**	March 1999
Salaries (1)	**804**	957	**259**	245	**-**	-	**1,063**	1,202
Court Fees (2)	**-**	-	**-**	-	**296**	288	**296**	288
Other Board Fees / Remuneration (3)	**-**	-	**-**	-	**190**	53	**190**	53
Group Performance - bonuses (4)	**321**	311	**-**	-	**-**	-	**321**	311
UK Profit Related Pay (5)	**-**	42	**-**	-	**-**	-	**-**	42
Other Remuneration (6)	**25**	30	**-**	-	**-**	-	**25**	30
Benefits (7)	**24**	36	**-**	-	**-**	-	**24**	36
Pension Contribution (8)	**82**	105	**-**	-	**20**	19	**102**	124
Total Remuneration	**1,256**	1,481	**259**	245	**506**	360	**2,021**	2,086
Retirement Benefits paid to former Directors / dependants (9)	**182**	176	**178**	179	**128**	124	**488**	479
	1,438	1,657	**437**	424	**634**	484	**2,509**	2,565

Changes in Directorate during the period

	Executive Directors	**Non-Executive Directors and Non-Executive Officers**
Number at 31 March 1999	3	11
Change during year	- Mr J J Burke (1/4/1999) + Mr P M D'Alton (11/1/2000) + Mr B J Goggin (11/1/2000)	+ Mr J J Burke (1/4/1999) - Mr J J Burke (7/7/1999) - Mr N W A FitzGerald (11/1/2000) + Mr R Burrows (8/3/2000)
Number at 31 March 2000	4	11
Average Number during 1999/2000 (1998/99)	2.4 (3)	11.1 (10.9)

Notes

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

Directors' Pension Entitlements

Note (8) above represents the employer's contributions to defined benefit pension schemes to provide post retirement pensions to the Executive Directors and to those Non-Executive Directors whose fees are pensionable. The aggregate additional pension entitlements earned by the Executive Directors during the year to 31 March 2000 is €112,500 per annum; the equivalent figure in respect of Non-Executive Officers is €nil and in respect of Non-Executive Directors is €34,300 per annum. The transfer values (which are not sums paid or due to the Directors concerned but the amount that the pension scheme would transfer to another pension scheme in the event of the member leaving service), of the aggregate additional pensions earned during the year, calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11(ROI) and excluding Directors' contributions for the same three groupings, are €1,764,000, €nil and €596,000. The aggregate pensions entitlements at 31 March 2000 for the Executive Directors is €693,900 per annum, €nil for the Non-Executive Officers and €306,900 per annum for the Non-Executive Directors.

Stock Options held by Directors

(a) Executive Stock Options

Options to subscribe for units of Ordinary Stock in the Bank granted to and exercised by Directors during the year to 31 March 2000 are included in the following table. (All the figures have been restated to reflect the stock split and the redenomination of the stock into euro effected in July 1999).

Name	Options at 1.4.99*	Options Granted Since 1 April 1999 No.	Options Granted Since 1 April 1999 Price €	Options Exercised Since 1 April 1999 No.	Options Exercised Since 1 April 1999 Price €	Market Price at Exercise Date €	Options at 31.3.00	Weighted Average Exercise Price €
P M D'Alton	350,038	-	-	-	-	-	350,038	-
B J Goggin	325,214	-	-	-	-	-	325,214	-
M A Keane	499,126	-	-	149,126	1.44	6.50	350,000	3.28
P McDowell	313,038	-	-	100,000	1.67	7.76	-	-
				213,038	1.44	7.76		
P J Molloy	293,644	-	-	34,086	1.28	9.02	259,558	1.96

* or at date of appointment if later.

During the year, 142,000 options lapsed. The market price of the Bank's Ordinary Stock at 31 March 2000 was €7.40 (1999 : €9.70) and the range during the year to 31 March 2000 was €5.68 to €9.70. Outstanding options under the Stock Option Scheme are exercisable between now and November 2010. At 31 March 2000, options were outstanding in respect of 10,681,326 units, 1.08% of the stock in issue (1999: 12,078,416 units).

(b) Savings-Related Stock Options

Under the terms of the Group Savings-Related Stock Scheme, options were granted to all participating group employees on 28 February 2000 at an option price of €5.40 per unit of Ordinary Stock. (This price being set at a discount of 20% of the then market price as permitted in accordance with the Rules). The Options held by the Directors and Secretary are set out below.

Name	Savings Related Options Granted at 28 February 2000	Savings Related Options Held at 31 March 2000
M A Keane	2,234	2,234
P M D'Alton	2,234	2,234
B J Goggin	4,262	4,262
T H Forsyth	2,234	2,234

Directors' Interests in Stock

In addition to their interests in Savings-Related options set out above, the interests of the Directors and Secretary in office at 31 March 2000, and of their spouses and minor children, in the stocks issued by the Bank are set out below:

	Units of €0.64 of Ordinary Stock				
	As at 31 March 2000			As at 1 April 1999 [(3)]	
Directors	**Beneficial**	**Executive [(1)] Options**	**Performance [(2)] Stock Award**	Beneficial	Executive Options
Lord Armstrong of Ilminster	**2,000**	**-**	**-**	2,000	-
Roy E Bailie	**1,000**	**-**	**-**	1,000	-
Anthony D Barry	**18,153**	**-**	**-**	18,135	-
Richard Burrows	**23,454**	**-**	**-**	13,454	-
Laurence G Crowley	**28,296**	**-**	**-**	27,821	-
Paul M D'Alton	**9,225**	**350,038**	**10,769**	9,225	350,038
Margaret Downes	**74,961**	**-**	**-**	74,961	-
E Patrick Galvin	**10,276**	**-**	**-**	10,238	-
Brian J Goggin	**71,514**	**325,214**	**9,605**	71,514	325,214
Maurice A Keane	**906,928**	**350,000**	**-**	756,267	499,126
Howard E Kilroy	**523,495**	**-**	**-**	488,695	-
Raymond Mac Sharry	**1,199**	**-**	**-**	1,179	-
Patrick W McDowell	**476,370**	**-**	**-**	162,524	313,038
Patrick J Molloy	**1,075,246**	**259,558**	**-**	1,041,107	293,644
Mary Redmond	**1,074**	**-**	**-**	1,056	-
Secretary					
Terence H Forsyth	**38,469**	**80,000**	**-**	37,833	80,000

(1) These options have been granted under the terms of the Stock Option Scheme at prices ranging between €0.97 and €8.93. In addition the Executive Directors and Secretary hold Savings-Related Options as shown in the previous table.

(2) Conditional awards of units of Ordinary Stock were made on 13 July 1999 to the Senior Executives under the terms of the Long Term Performance Stock Plan ("LTPSP"). These awards do not vest in the Executives unless demanding performance criteria are achieved (see description of the LTPSP in Note 29 on page 77).

(3) Or at date of appointment if later. Note that all these figures have been restated to reflect the redenomination of the stock into euro and the stock split effected in July 1999.

There have been no changes in the stockholdings of the above Directors and Secretary between 31 March 2000 and 10 May 2000.

The Directors and Secretary and their spouses and minor children have no other interests in the stocks of the Bank or its group undertakings at 31 March 2000.

Transactions with Directors

The aggregate amounts outstanding and the number of persons concerned, as at 31 March 2000 in respect of all loans, quasi-loans and credit transactions made by the Bank to its Directors, together with loans, other than in the ordinary course of business, to 5 connected persons, all staff members, are shown below:

	Aggregate Amount Outstanding		Number of Persons	
Directors	**2000**	1999	**2000**	1999
	€	**€**		
Loans to Executive Directors on terms similar to staff loans	232,498	17,684	3	1
Other loans on normal commercial terms	1,712,767	774,685	13	10
Quasi-loans and credit transactions	-	-	None	None
	1,945,265	792,369		
Connected Persons				
Loans to staff members	176,775	191,532	5	4
Quasi-loans and credit transactions	-	-	None	None
	176,775	191,532		

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Auditors' Report set out on pages 42 and 43, is made with a view to distinguishing for Stockholders the respective responsibilities of the Directors and of the auditors in relation to the accounts.

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

With regard to the accounts on pages 44 to 104, the Directors have determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation:-

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

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Bank and to enable them to ensure that the accounts are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish law including the Companies Acts, 1963 to 1999, and the European Communities (Credit Institutions: Accounts) Regulations, 1992. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Howard E Kilroy	**Governor**
Laurence G Crowley	**Director**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

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

We have audited the accounts on pages 44 to 104. We have also audited the information on risk management and control on pages 19 to 24 and the Remuneration Report on pages 36 to 40.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Report and Accounts. As described on page 41, this includes responsibility for preparing the accounts in accordance with Accounting Standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 1999 and the European Communities (Credit Institutions: Accounts) Regulations 1992. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the balance sheet of the Bank is in agreement with the books of account. We also report to you our opinion as to:

- whether the Bank has kept proper books of account,
- whether proper returns adequate for the purposes of our audit have been received from branches of the Bank not visited by us,
- whether the Director's report is consistent with the accounts, and
- whether at the balance sheet date there existed a financial situation which may require the Bank to convene an Extraordinary General Court.

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

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

We review whether the statement on page 33 reflects the Bank's compliance with the seven provisions of the Combined Code specified for our review by the Irish Stock Exchange, and we report if it does not. We are not required to report whether the board's statements on internal control cover all risks and controls or to form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Bank and the Group as at 31 March 2000 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1999 and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

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

In our opinion, the information given in the Report of the Directors on pages 29 to 32 is consistent with the accounts.

In our opinion, the balance sheet of the Bank on page 47 does not show a financial situation which, under the provisions of the Companies (Amendment) Act, 1983, requires the convening of an Extraordinary General Court.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

10 May 2000

GROUP PROFIT AND LOSS ACCOUNT for the Year Ended 31 March 2000

	Notes	THE GROUP 2000 €m	1999 €m
Interest Receivable			
Interest receivable and similar income arising from debt securities		321	284
Other interest receivable and similar income	2	2,681	2,841
Interest Payable	3	1,760	2,009
Net Interest Income		1,242	1,116
Fees and commissions receivable		729	603
Fees and commissions payable		(112)	(50)
Dealing profits	32	44	71
Contribution from life assurance companies		127	107
Other operating income	4	112	71
Total Operating Income		2,142	1,918
Administrative expenses	5	1,048	962
Depreciation and amortisation	5,17	119	98
Operating Profit Before Provisions		975	858
Provision for bad and doubtful debts	13	56	56
Operating Profit		919	802
Income from associated undertakings	6	1	34
Profit on Ordinary Activities Before Exceptional Item		920	836
Profit on disposal of associated undertaking		-	218
Profit Before Taxation		920	1,054
Taxation on profit on ordinary activities	7	196	223
Effect of reductions in Irish corporation tax standard rate on deferred tax balances	7	-	30
Profit After Taxation		724	801

GROUP PROFIT AND LOSS ACCOUNT for the Year Ended 31 March 2000

	Notes	THE GROUP 2000 €m	THE GROUP 1999 €m
Profit After Taxation		724	801
Minority interests : equity		3	1
: non equity		6	6
Non-cumulative preference stock dividends	8	25	23
Profit Attributable to the Ordinary Stockholders		690	771
Transfer to capital reserve	30	70	36
Ordinary dividends	8	233	192
Profit Retained for the Year		387	543
Earnings per unit of €0.64 Ordinary Stock	9	68.0c	74.5c
Alternative Earnings per unit of €0.64 Ordinary Stock	9	-	54.3c
Diluted Earnings per unit of €0.64 Ordinary Stock	9	67.6c	73.9c

The movement in the reserves is shown in Note 30.

The profit attributable to the Ordinary Stockholders of the Bank dealt with in the accounts of the Bank amounted to €322m (1999: €403m). The Bank has taken advantage of Regulation 5, paragraph 2 of the European Communities (Credit Institutions: Accounts) Regulations, 1992, and accordingly the profit and loss account of the Bank has not been presented separately.

The notes on pages 51 to 104 form part of the accounts.

Howard E Kilroy	**Governor**
Laurence G Crowley	**Director**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

GROUP BALANCE SHEET at 31 March 2000

	Notes	THE GROUP 2000 €m	1999 €m
Assets			
Cash and balances at central banks		210	1,083
Items in the course of collection from other banks		617	575
Central government and other eligible bills	10	746	662
Loans and advances to banks	11	6,972	3,457
Loans and advances to customers	12	44,844	36,183
Securitisation and loan transfers		708	858
Less: non returnable amounts		578	741
		130	117
Debt securities	14	6,668	5,146
Equity shares		15	18
Own shares		33	-
Interests in associated undertakings	15	14	13
Tangible fixed assets	17	975	835
Intangible fixed assets	18	9	-
Other assets	19	2,044	2,223
Prepayments and accrued income		502	467
		63,779	50,779
Life assurance assets attributable to policyholders	20	4,238	3,535
		68,017	54,314
Liabilities			
Deposits by banks	21	10,306	7,039
Customer accounts	22	40,990	34,297
Debt securities in issue	23	2,825	541
Items in the course of transmission to other banks		219	251
Other liabilities	24	3,398	3,477
Accruals and deferred income		611	670
Provisions for liabilities and charges			
- deferred taxation	25	86	65
- other	26	107	114
Subordinated liabilities	27	1,866	1,389
Minority interests			
- equity		5	3
- non equity	28	87	79
Called up capital stock	29	690	681
Stock premium account	30	679	633
Capital reserve	30	232	159
Profit and loss account	30	1,510	1,365
Revaluation reserve	30	168	16
Stockholders' funds including non equity interests		3,279	2,854
Life assurance liabilities attributable to policyholders	20	4,238	3,535
		68,017	54,314

BALANCE SHEET at 31 March 2000

	Notes	THE BANK 2000 €m	1999 €m
Assets			
Cash and balances at central banks		201	1,067
Items in the course of collection		617	575
Central government and other eligible bills	10	213	193
Loans and advances to banks	11	14,912	9,330
Loans and advances to customers	12	22,888	16,856
Debt securities	14	4,595	3,245
Equity shares		4	-
Own shares		33	-
Shares in group undertakings	16	1,779	1,689
Tangible fixed assets	17	606	469
Other assets	19	739	1,146
Deferred taxation	25	3	11
Prepayments and accrued income		380	356
		46,970	34,937
Liabilities			
Deposits by banks	21	13,074	9,192
Customer accounts	22	25,743	19,869
Debt securities in issue	23	2,451	273
Items in the course of transmission		219	251
Other liabilities	24	1,815	2,153
Accruals and deferred income		350	270
Provisions for liabilities and charges - other	26	63	65
Subordinated liabilities	27	1,435	1,001
Called up capital stock	29	690	681
Stock premium account	30	679	633
Capital reserve	30	19	18
Profit and loss account	30	309	522
Revaluation reserve	30	123	9
Stockholders' funds including non equity interests		1,820	1,863
		46,970	34,937

Memorandum Items

	Notes	THE GROUP 2000 €m	THE GROUP 1999 €m
Contingent liabilities			
Acceptances and endorsements		106	73
Guarantees and assets pledged as collateral security		897	621
Other contingent liabilities		343	343
	35	1,346	1,037
Commitments	35	11,553	9,075

	Notes	THE BANK 2000 €m	THE BANK 1999 €m
Contingent liabilities			
Acceptances and endorsements		106	73
Guarantees and assets pledged as collateral security		3,422	2,665
Other contingent liabilities		343	343
	35	3,871	3,081
Commitments	35	8,662	7,502

The notes on pages 51 to 104 form part of the accounts.

Howard E Kilroy	**Governor**
Laurence G Crowley	**Director**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

OTHER PRIMARY STATEMENTS for the year ended 31 March 2000

	Notes	THE GROUP 2000 €m	1999 €m
Statement of Total Recognised Gains and Losses			
Profit attributable to the ordinary stockholders		690	771
Exchange adjustments	29,30	183	(23)
Revaluation of property	30	152	4
Total recognised gains since last year		1,025	752

Note of Historical Cost Profit and Loss

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

	Notes	THE GROUP 2000 €m	1999 €m
Reconcilliation of Movement in Stockholders' Funds			
Profit attributable to the ordinary stockholders		690	771
Dividends	8	(233)	(192)
		457	579
Other recognised gains / (losses)		335	(19)
New capital stock subscribed	29,30	42	56
Goodwill written back on disposal of Citizens	30	-	230
Goodwill written back on other disposal	30	-	1
Stock buyback	30	(409)	-
		425	847
At 1 April		2,854	2,007
At 31 March		3,279	2,854
Stockholders' funds:			
Equity		3,064	2,647
Non equity		215	207
		3,279	2,854

The notes on pages 51 to 104 form part of the accounts.

Howard E Kilroy	**Governor**
Laurence G Crowley	**Director**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

GROUP CASH FLOW STATEMENT for the year ended 31 March 2000

	Notes	THE GROUP 2000 €m	THE GROUP 1999 €m
Reconciliation of Operating Profit to Net Operating Cash Flows			
Operating Profit		919	802
(Increase) / decrease in accrued income and prepayments		(24)	63
(Decrease) in accruals and deferred income		(98)	(19)
Provisions for bad and doubtful debts		56	56
Loans and advances written off net of recoveries		(39)	(47)
Depreciation and amortisation		119	98
Interest charged on subordinated liabilities		92	104
Other non-cash movements		(49)	(18)
Net cash flow from trading activities		976	1,039
Net (increase) in collections / transmissions		(61)	(93)
Net (increase) / decrease in loans and advances to banks		(2,836)	1,959
Net (increase) in loans and advances to customers		(6,055)	(5,061)
Net increase in deposits by banks		3,037	1,669
Net increase in customers accounts		4,468	2,164
Net increase / (decrease) in debt securities in issue		2,084	(538)
Net (increase) / decrease in non-investment debt and equity securities		(914)	124
Net decrease / (increase) in other assets		209	(524)
Net (decrease) / increase in other liabilities		(210)	287
Exchange movements		(150)	(216)
Net cash flow from operating activities		548	810
Dividend received from associated undertaking		-	1
Returns on investment and servicing of finance	37	(122)	(141)
Taxation		(192)	(138)
Capital expenditure and financial investment	37	(310)	(903)
Acquisitions and disposals	37	(10)	715
Equity dividends paid		(176)	(127)
Financing	37	(92)	(9)
(Decrease) / increase in cash		(354)	208

The notes on pages 51 to 104 form part of the accounts.

Howard E Kilroy	**Governor**
Laurence G Crowley	**Director**
Maurice A Keane	**Group Chief Executive**
Terence H Forsyth	**Secretary**

1 Basis of Accounting and Accounting policies

1.1 Accounting Convention

The accounts on pages 44 to 104 have been prepared under the historical cost convention as modified by the revaluation of certain properties and investments, in accordance with the Companies Acts, 1963 to 1999 and the European Communities (Credit Institutions: Accounts) Regulations, 1992 and with applicable accounting standards. The accounts are drawn up in euro (€) and except where otherwise indicated are expressed in millions and the 1999 amounts have been restated in euro at the fixed translation rate of €1 = IR£0.787564. Costs, assets and liabilities are inclusive of irrecoverable value added taxes, where appropriate. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

During the year, the Group implemented the requirements of FRS15, Tangible Fixed Assets arising from which an interim valuation of the Group's properties was undertaken, see note 17. FRS16, Current Tax was also implemented.

1.2 Basis of Consolidation

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

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

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

1.3 Foreign Currency Translation

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

1.4 Income Recognition

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

1.5 Mortgage Incentives

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

1.6 Leasing and Instalment Finance

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

1.7 Debt Securities and Equity Shares

Investment Securities

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

1.7 Debt Securities and Equity Shares (continued)

Other Securities

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

1.8 Derivatives

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

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

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

(i) Adequate evidence of the intention to hedge must be established at the outset of the transaction.

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

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

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

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

1.9 Capital Instruments

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

1.10 Pensions

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

1.11 Tangible Fixed Assets

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

1.12 Provision for Bad and Doubtful Debts

Specific provisions are made on a case by case basis for loans and advances which are recognised to be bad or doubtful as a result of the continuous appraisal of the loans and advances portfolio. A general provision is also made against loans and advances to cover latent loan losses which are known from experience to be present in any portfolio of loans and advances but have yet to be specifically identified. Provisions made during the year are charged against profits, less amounts released and net of recoveries previously written off.

1.13 Deferred Taxation

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

1.14 Scrip Dividend

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

1.15 Investments in Associated Undertakings

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

1.16 Securitisation and Loan Transfers

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

1.17 Goodwill

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

1.18 Life Assurance Business

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

2 Other Interest Receivable and Similar Income

	2000 €m	1999 €m
The Group		
Loans and advances to banks	164	289
Loans and advances to customers	2,371	2,427
Finance leasing	89	75
Instalment credit	57	50
	2,681	2,841

3 Interest Payable

	2000 €m	1999 €m
The Group		
Interest on subordinated liabilities	92	104
Other interest payable	1,668	1,905
	1,760	2,009

4 Other Operating Income

	2000 €m	1999 €m
The Group		
Profit on disposal of investment securities	39	15
Profit on disposal of tangible fixed assets	23	2
Securitisation servicing fees	8	13
Other income	42	41
	112	71

5 Operating Expenses

	2000 €m	1999 €m
The Group		
Staff Costs:		
- wages and salaries	584	519
- social security costs	47	41
- pension costs	11	11
- staff stock issue	14	9
- severance packages	2	2
	658	582
Operating lease rentals:		
- property	10	17
- equipment	1	1
Other administrative expenses	379	362
Total administrative expenses	1,048	962
Depreciation and amortisation:		
- freehold and leasehold property	14	13
- computer and other equipment	105	85
Total depreciation	119	98
Total operating expenses	1,167	1,060

The charge for staff stock issue represents an amount payable to Trustees on behalf of employees to acquire an issue of Ordinary Stock as provided pursuant to the Stock Issue Schemes approved by the stockholders in 1984 and 1997. In 2000 the charge represents 3.5% of eligible employees' basic salary (1999: 2.5%).

	2000 €m	1999 €m
Auditors' remuneration (including VAT)		
- Audit work	1.6	1.5
- Non audit work	3.8	3.8

6 Income from Associated Undertakings

	2000 €m	1999 €m
The Group		
Citizens Financial Group, Inc.	-	32
Other associates	1	2
	1	34

7 Taxation

	2000 €m	1999 €m
The Group		
Corporation tax	156	174
Tax on the sale of Citizens Financial Group	-	10
Tax credits applicable to distributions received	-	5
Duty on certain tax-based lending	-	1
Deferred taxation:		
Effect of reductions in Irish Corporation tax standard rate on deferred tax balances (1)	-	30
Other	40	23
Associated undertakings	-	10
	196	253

The tax charge for the year, at an effective rate of 21.3% is lower than the standard Irish corporation tax rate because of relief arising from tax based lending and the International Financial Services Centre 10% tax rate.

Included in the charge for corporation tax is €81m (1999: €86m) in respect of taxation on non Republic of Ireland business units.

	2000 €m	1999 €m
The deferred taxation charge arises from:		
Leased assets	38	18
Own assets	-	(9)
Short term timing differences	2	44
	40	53

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

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

8 Dividends

	2000 €m	1999 €m
The Bank		
Equity Stock:		
2000		
On units of €0.64 Ordinary Stock in issue		
Interim dividend 7.36c (Tax credit nil)	73	
Proposed final dividend 16.14c (Tax credit nil)	160	
1999		
On units of €0.64 Ordinary Stock in issue		
Interim dividend 5.84c (Tax credit 1.4438c)		61
Final dividend 12.57c (Tax credit nil)		131
	233	192

	2000 €m	1999 €m
Non Equity Stock:		
2000		
On 10.5m units of IR£1 of Non-Cumulative Preference Stock, Dividend IR1.2p (Tax credit nil)	16	
On 5.0m units of Stg£1 of Non-Cumulative Preference Stock, Dividend Stg1.2625p (Tax credit nil)	9	
1999		
On 10.5m units of IR£1 of Non-Cumulative Preference Stock, Dividend IR1.068000p (Tax credit IR0.132000p)		14
On 5.0m units of Stg£1 of Non-Cumulative Preference Stock, Dividend Stg1.123625p (Tax credit Stg0.138875p)		9
	25	23

9 Earnings Per Unit Of €0.64 Ordinary Stock

The calculation of earnings per unit of €0.64 Ordinary Stock is based on the profit attributable to Ordinary Stockholders of €689.5m (1999: €771m) and the weighted average Ordinary Stock in issue of 1,013.6m units (1999: 1,034.8m units).

The calculation of the alternative earnings per share for year ended 31 March 1999 is based on the profit attributable to Ordinary Stockholders before the exceptional item of €563m after tax and the weighted average Ordinary Stock of 1,034.8m units.

The diluted earnings per share is based on the profit attributable to Ordinary Stockholders of €689.5m (1999: €771m) and the weighted average Ordinary Stock in issue of 1,013.6m units (1999: 1,034.8m units) adjusted for the effect of all dilutive potential Ordinary Stock of 5.9m units (1999: 7.6m units).

10 Central Government Bills And Other Eligible Bills

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Investment securities				
- government bills and similar securities	5	-	-	-
- other eligible bills	636	587	213	192
Other securities				
- government bills and similar securities	105	75	-	1
	746	662	213	193

11 Loans And Advances To Banks

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Funds placed with Central Bank of Ireland	74	72	37	31
Funds placed with other central banks	582	25	558	4
Funds placed with other banks	6,316	3,360	14,317	9,295
	6,972	3,457	14,912	9,330
Repayable on demand	1,189	594	1,718	1,109
Other loans and advances to banks by remaining maturity				
- 3 months or less	4,630	1,811	10,581	4,388
- 1 year or less but over 3 months	1,107	995	2,031	3,518
- 5 years or less but over 1 year	22	43	559	291
- over 5 years	24	14	23	24
	6,972	3,457	14,912	9,330

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

Amounts include:				
Due from group undertakings				
- unsubordinated			8,199	6,372

12 Loans And Advances To Customers

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
(a) Loans and advances to customers				
Loans and advances to customers	42,109	34,329	22,854	16,895
Loans and advances to customers – finance leases	2,323	1,640	161	103
Hire purchase receivables	810	573	146	98
	45,242	36,542	23,161	17,096
General and specific bad and doubtful debt provisions	(398)	(359)	(273)	(240)
	44,844	36,183	22,888	16,856

12 Loans And Advances To Customers (continued)

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Repayable on demand	1,953	1,616	2,692	2,203
Other loans and advances to customers by remaining maturity				
- 3 months or less	2,148	1,469	2,854	3,456
- 1 year or less but over 3 months	2,662	2,408	2,175	2,457
- 5 years or less but over 1 year	8,649	7,043	8,478	3,610
- over 5 years	29,830	24,006	6,962	5,370
	45,242	36,542	23,161	17,096
Amounts include:				
Due from group undertakings				
- unsubordinated			6,884	4,469

The loans accounted for on a non-accrual basis as at 31 March 2000 amounted to €355m (1999: €444m).

(b) Securitisation and loan transfers

The Group has sold the following pools of mortgages.

Year	Securitisations	Notes	Mortgages	Presentation in accounts	Value €m
1992	Private placements with UK financial Institutions	(ii), (v)	Residential	Linked	242
1993	Private placements with UK financial Institutions	(ii), (v)	Residential	Consolidated	167
1993	Residential Property Securities No. 3 plc (RPS3)	(i), (ii)	Residential	Linked	418
1994	Residential Property Securities No. 4 plc (RPS4)	(i), (iii)	Residential	Linked	836
1994	Commercial Loans on Investment Property Securitisation (No. 1) plc (CLIPS)	(iv)	Commercial	Linked	250
1997	Residential Property Securities No. 5 plc (RPS5)	(i), (iii)	Residential	Linked	501

All the issued shares in the above companies, excluding the private placements, are held by Trusts. The Group does not own directly or indirectly any of the share capital of these companies or their parent companies.

Under the terms of separate agreements, the Group continues to administer the mortgages, for which it receives fees and income. In addition, the Group is required to cover credit losses arising subject to specified limits as set out below. Specific provisions are maintained by the Group on a case by case basis for all loans where there is a likelihood of a loss arising and general provisions are maintained as a percentage of all remaining loans.

Notes

(i) These companies issued Mortgage Backed Floating Rate Notes ("Notes") to finance the purchase of the mortgage pools. Loan facilities have been made available by the Group to finance certain issue related expenses and loan losses arising on the pools of mortgages sold. The loans are repayable when all Notes have been redeemed subject to the issuer having sufficient funds available.

The companies have hedged their interest rate exposure to fixed rate mortgages using interest exchange agreements with financial institutions including Bank of Ireland and Bank of Ireland Home Mortgages Limited.

The companies are incorporated under the Companies Acts 1985 and are registered and operating in the UK.

12 Loans And Advances To Customers (continued)

(b) Securitisation and loan transfers (continued)

(ii) Under the terms of the mortgage sale agreements, the Group has an option to repurchase the mortgages at par when the aggregate balances of the mortgages fall below 10% of the original sale proceeds.

(iii) Under the terms of the mortgage sale agreements, the Group has an option to repurchase the mortgages at par when the aggregate balances of the mortgages fall below 5% of the original sale proceeds.

(iv) The company funded this purchase by the issue of floating rate mortgage backed securities, the lowest ranking of which have been purchased by the Group. Under the terms of this issue, the Group is not obliged to repurchase any of the assets, or to transfer in any additional assets. The issue terms of the notes include provisions that neither the company nor the noteholders have recourse to the Group and no Group company is obliged or intends to support any losses of the company. The proceeds generated by the mortgage assets will be used to pay the interest and capital on the notes and any other administrative expenses and taxation. Any residue is payable to the Group as deferred consideration.

The company is incorporated under the Irish Companies Acts 1963 to 1999 and is registered and operating in the Republic of Ireland.

(v) Under the terms of the agreements relating to the private placements, the Group has agreed to support losses to a maximum of €1.93m. The providers of finance have agreed that they will seek no further recourse to the Company above this amount.

A summarised profit and loss account for the period to 31 March 2000 for RPS3, RPS4, RPS5, the private placement of €242m and CLIPS is set out below:

	2000	1999
	€m	€m
Interest receivable	55	87
Interest payable	(50)	(80)
Fee income	4	3
Deposit income	3	4
Operating expenses	(4)	(1)
Profit for the financial period	8	13

(c) Concentration of exposure to credit risk

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

The Group's residential mortgage portfolio is widely diversified by individual borrower and amounts to 56% of the total loans and advances to customers, 25% of the loans and advances in Ireland (including Northern Ireland) and 86% in Great Britain.

(d) Leasing and hire purchase

	The Group		**The Bank**	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Amount receivable by remaining maturity				
- within 1 year	670	395	58	39
- 5 years or less but over 1 year	1,035	898	88	59
- over 5 years	1,428	920	161	103
	3,133	2,213	307	201

The cost of assets acquired for finance leases and hire purchase contracts, net of grants received or receivable, amounted to €1,545m (1999: €1,072m).

Aggregate amounts receivable including capital repayments during the year in respect of finance leases and hire purchase contracts amounted to €1,082m (1999: €753m).

13 Provisions For Bad And Doubtful Debts

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
At 1 April	359	357	240	225
Exchange adjustments	22	(7)	11	(3)
Charge against profits	56	56	36	48
Amounts written off	(57)	(62)	(25)	(43)
Recoveries	18	15	11	13
At 31 March	398	359	273	240

All of which relates to loans and advances to customers

Provisions at 31 March				
- specific	115	123	72	65
- general	283	236	201	175
	398	359	273	240

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 €141m (1999: €126m) and a non designated element, for prudential purposes of €142m (1999: €110m). The non designated element, against which a deferred tax asset has been recognised, will be offset, in certain pre-defined circumstances, against specific loan losses as they crystallise in future years.

14 DEBT SECURITIES

The Group	Book Value €m	Gross Unrealised Gains €m	Gross Unrealised Losses €m	Fair Value €m
At 31 March 2000				
Issued by Public Bodies				
Investment securities				
- government securities	533	12	(1)	544
Other securities				
- government securities	1,965			1,965
- other public sector securities	-			-
	1,965			1,965
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposit	49	-	-	49
- other debt securities	3,656	7	(6)	3,657
	3,705	7	(6)	3,706
Other securities				
- bank and building society certificates of deposit	-			-
- other debt securities	465			465
	465			465
	6,668	19	(7)	6,680

The Group	Book Value €m	Gross Unrealised Gains €m	Gross Unrealised Losses €m	Fair Value €m
At 31 March 1999				
Issued by Public Bodies				
Investment securities				
- government securities	600	28	-	628
Other securities				
- government securities	1,244			1,244
- other public sector securities	22			22
	1,266			1,266
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposit	281	-	-	281
- other debt securities	2,708	50	(15)	2,743
	2,989	50	(15)	3,024
Other securities				
- bank and building society certificates of deposit	-			-
- other debt securities	291			291
	291			291
	5,146	78	(15)	5,209

14 DEBT SECURITIES (continued)

The Bank	Book Value €m	Gross Unrealised Gains €m	Gross Unrealised Losses €m	Fair Value €m
	At 31 March 2000			
Issued by Public Bodies				
Investment securities				
- government securities	415	11	-	426
Other securities				
- government securities	1,767			1,767
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposits	42	-	-	42
- other debt securities	1,700	7	(7)	1,700
	1,742	7	(7)	1,742
Other securities				
- bank and building society certificates of deposits	-			-
- other debt securities	671			671
	671			671
	4,595	18	(7)	4,606

The Bank	Book Value €m	Gross Unrealised Gains €m	Gross Unrealised Losses €m	Fair Value €m
	At 31 March 1999			
Issued by Public Bodies				
Investment securities				
- government securities	577	27	-	604
Other securities				
- government securities	1,034			1,034
Issued by Other Issuers				
Investment securities				
- bank and building society certificates of deposits	11	-	-	11
- other debt securities	1,332	15	(1)	1,346
	1,343	15	(1)	1,357
Other securities				
- bank and building society certificates of deposits	-			-
- other debt securities	291			291
	291			291
	3,245	42	(1)	3,286

14 DEBT SECURITIES (continued)

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Investment securities				
- listed	3,189	2,542	1,703	1,580
- unlisted	1,049	1,047	454	340
	4,238	3,589	2,157	1,920
Other securities				
- listed	2,160	1,294	1,954	1,082
- unlisted	270	263	484	243
	2,430	1,557	2,438	1,325
Unamortised premiums and discounts on investment securities	5	18	5	18

Income from listed and unlisted investments amounted to €337m (1999: €298m).

Investment securities movements	**Cost €m**	**Discount/ (Premium) €m**	**Carrying Value €m**
The Group			
At 1 April 1999	3,628	(39)	3,589
Exchange adjustments	362	(1)	361
Acquisitions	3,091	-	3,091
Disposals and redemptions	(2,797)	1	(2,796)
Amortisation of premiums and discounts	-	(7)	(7)
At 31 March 2000	4,284	(46)	4,238

	Cost €m	**Discount/ (Premium) €m**	**Carrying Value €m**
The Bank			
At 1 April 1999	1,957	(37)	1,920
Exchange adjustments	167	(1)	166
Acquisitions	680	-	680
Disposals and redemptions	(602)	-	(602)
Amortisation of premiums and discounts	-	(7)	(7)
At 31 March 2000	2,202	(45)	2,157

14 DEBT SECURITIES (continued)

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Analysed by remaining maturity:				
Due within one year	1,883	871	1,734	489
Due one year and over	4,785	4,275	2,861	2,756
	6,668	5,146	4,595	3,245
Amounts include:				
Due from Group undertakings			214	-

The valuation of unlisted securities is based on the Directors' estimate. The cost of other securities is not disclosed as its determination is not practicable. Debt securities includes securities which are subject to sale and repurchase agreements of €1,295m.

Debt securities with a market value of €1,708m were pledged as collateral to cover settlement risk for securities' transactions.

15 Interests in Associated Undertakings

The Group

	€m
At 1 April 1999	13
Net increase in investments	1
Retained profits	-
At 31 March 2000	14

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

16 Shares In Group Undertakings

The Bank	**€m**
At 1 April 1999	1,689
Exchange adjustments	94
Acquisitions	7
Net decrease in investments	(11)
At 31 March 2000	1,779
Group undertakings	
- Credit Institutions	139
- Others	1,640
	1,779

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

16 SHARES IN GROUP UNDERTAKINGS (continued)

The principal group undertakings at 31 March 2000 were:

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

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

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

The registered offices of the above undertakings are given on pages 112 to 116.

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

Advantage is being taken of Regulation 8.(1) of the European Communities (Credit Institutions: Accounts) Regulations, 1992 in respect of Bank of Ireland Finance Limited and The Investment Bank of Ireland Limited which will not file group accounts for the year ended 31 March 2000.

17 TANGIBLE FIXED ASSETS

The Group

Cost or valuation	**Freehold land and buildings €m**	**Leases of 50 years or more unexpired €m**	**Leases of less than 50 years unexpired €m**	**Computer and other equipment €m**	**Finance lease assets €m**	**Total €m**
At 1 April 1999	427	73	46	708	8	1,262
Exchange adjustments	23	1	3	22	-	49
Additions	72	-	7	128	-	207
Disposals	(121)	(1)	(2)	(27)	(1)	(152)
Revaluation	80	41	(11)	-	-	110
At 31 March 2000	481	114	43	831	7	1,476
Accumulated depreciation and amortisation						
At 1 April 1999	18	3	9	392	5	427
Exchange adjustments	-	-	1	16	-	17
Disposals	-	(1)	(1)	(18)	-	(20)
Charge for year	8	-	5	105	1	119
Revaluation	(26)	(2)	(14)	-	-	(42)
At 31 March 2000	-	-	-	495	6	501
Net book value						
At 31 March 2000	**481**	**114**	**43**	**336**	**1**	**975**
At 31 March 1999	409	70	37	316	3	835

The Bank

Cost or valuation	**Freehold land and buildings €m**	**Leases of 50 years or more unexpired €m**	**Leases of less than 50 years unexpired €m**	**Computer and other equipment €m**	**Finance lease assets €m**	**Total €m**
At 1 April 1999	214	18	28	526	6	792
Exchange adjustments	5	-	1	7	1	14
Additions	17	-	4	83	-	104
Disposals	(5)	(1)	-	(9)	-	(15)
Revaluation	80	10	(3)	-	-	87
At 31 March 2000	311	27	30	607	7	982
Accumulated depreciation and amortisation						
At 1 April 1999	13	1	4	300	5	323
Exchange adjustments	1	-	1	5	-	7
Disposals	-	-	-	(6)	-	(6)
Charge for year	6	-	1	71	1	79
Revaluation	(20)	(1)	(6)	-	-	(27)
At 31 March 2000	-	-	-	370	6	376
Net book value						
At 31 March 2000	**311**	**27**	**30**	**237**	**1**	**606**
At 31 March 1999	201	17	24	226	1	469

17 Tangible Fixed Assets (continued)

Property and Equipment

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

An interim revaluation was undertaken at 31 March 2000 by the Bank's professionally qualified staff valuing all property using the same basis of valuation as used in the 1996 valuation as outlined above. The surplus arising on this revaluation amounted to €152m.

The Group's freehold land and buildings includes €50m for the new head office of Bristol & West Group at Temple Quay in Bristol which is in the course of construction.

As at 31 March 2000 on a historical cost basis the cost of group property would have been included at €415m (1999: €433m) less accumulated depreciation €42m (1999: €32m). The Group occupies properties with a net book value of €484m (1999: €339m) in the course of carrying out its own activities.

In the year to 31 March 2000 salary and other costs of €15m (1999: €19m) incurred on computer software development and other projects have been capitalised and included in computer and other equipment. This expenditure is depreciated in equal annual instalments over its estimated useful life subject generally to a maximum period of five years.

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Tangible fixed assets leased	99	157	10	6

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Future capital expenditure				
- contracted but not provided in the accounts	22	43	1	1
- authorised by the Directors but not contracted	1	9	-	9

Rentals payable in 2000 under non-cancellable operating leases amounted to €37m (1999: €32m). Of this amount €3m (1999: €4m) relates to leases expiring within one year, €6m (1999: €5m) relates to leases expiring in two to five years and €28m (1999: €23m) relates to leases expiring after five years, split between property €35m and equipment €2m.

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

	Payable	Receivable
Year ended 31 March	**€m**	**€m**
2001	35	6
2002	32	6
2003	31	5
2004	30	4
2005	29	2
Thereafter	449	14

The obligations under finance leases amount to €1.1m (1999: €1.5m) of which €0.6m (1999: €0.7m) is due within one year, €0.5m (1999: €0.8m) is due after more than one year but within five years and €nil (1999: €nil) is due after five years.

18 Intangible Fixed Assets

	2000 €m	1999 €m
Goodwill on acquisition of minority interest in subsidiary	9	-
	9	-

In December 1999, the remaining 25% minority interest in Active Business Services was purchased by a subsidiary of the Group for a cost €9m.

19 Other Assets

	The Group		The Bank	
	2000 €m	1999 €m	2000 €m	1999 €m
Sundry debtors	1,060	914	151	137
Foreign exchange and interest rate contracts	566	999	573	1,008
Value of life assurance business in force	282	221	-	-
Other	136	89	15	1
	2,044	2,223	739	1,146

20 Life Assurance Business

The net assets attributable to stockholders from the life assurance business are analysed as follows:

	2000 €m	1999 €m
Long Term Assurance Business		
Net tangible assets of life companies including surplus	270	235
Value of life assurance business in force	282	221
	552	456
Increase in net tangible assets of life companies including surplus	34	26
Increase in value of life assurance business in force	62	49
Profit after tax	96	75
(includes a movement in revaluation reserve of €3m in 2000)		

The life assurance assets attributable to policyholders consist of:

	2000 €m	1999 €m
Property	274	216
Fixed interest securities	1,285	1,309
Other securities	2,429	1,760
Bank balances and cash	203	194
Income receivable	31	34
Other assets	27	32
Other liabilities	(11)	(10)
	4,238	3,535

20 Life Assurance Business (continued)

Value of in-force business

The principal assumptions used in the calculation of shareholders' value of in-force business are:

	2000	1999
Risk adjusted discount rate (net of tax)	11%	12%
Gross investment return	6.5%	6.5%

Mortality Rates	Based on actual experience
Lapse Rates	Based on actual experience on each block of business.
Asset Values	The value of unit-linked assets used as a starting point to project future charges on funds is calculated on a smoothed basis. Assets supporting the solvency margin are not discounted.

Achieved Profits:

The profit, derived using the Achieved Profits method, is analysed into four categories:

A contribution from new business, comprising the excess amount of the value added after providing for the return equal to the risk adjusted discount rate on capital employed in writing the new business;

A contribution from in-force business at the beginning of the year, comprising interest at the risk adjusted discount rate on the value of in-force business together with the effect of any deviations in experience compared with the assumptions;

Investment earnings on the net assets attributable to shareholders;

Changes in assumptions and exceptional items expected to be non-recurring.

Premium Income Analysis

The table below sets out the levels of gross premiums and new business written for 2000 and 1999.

	Life	Individual Pensions	Group Contracts	Total
	€m	€m	€m	€m
Gross Premiums Written – 2000				
Recurring premiums	220	121	8	349
Single premiums	422	60	29	511
Total gross premiums written	642	181	37	860
Gross Premiums Written – 1999				
Recurring premiums	178	100	6	284
Single premiums	264	40	24	328
Total gross premiums written	442	140	30	612
Gross New Business Premiums Written - 2000				
Recurring premiums	76	41	3	120
Single premiums	422	60	29	511
Total gross new business written	498	101	32	631
Gross New Business Premiums Written - 1999				
Recurring premiums	53	32	-	85
Single premiums	264	40	24	328
Total gross new business written	317	72	24	413

21 Deposits By Banks

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Deposits by Banks	10,306	7,039	13,074	9,192
Repayable on demand	3,799	2,146	3,967	2,495
Other deposits by remaining maturity				
- 3 months or less	4,982	3,621	7,579	5,499
- 1 year or less but over 3 months	1,094	388	1,376	1,017
- 5 years or less but over 1 year	139	843	96	140
- over 5 years	292	41	56	41
	10,306	7,039	13,074	9,192
Amounts include:				
Due to group undertakings			3,733	3,715

22 Customer Accounts

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Current accounts	6,114	4,834	7,825	5,793
Demand deposits	16,763	13,575	9,308	7,603
Term deposits and other products	17,979	15,715	8,388	6,286
Other short-term borrowings	134	173	222	187
	40,990	34,297	25,743	19,869
Repayable on demand	23,561	19,149	15,717	12,604
Other deposits with agreed maturity dates or periods of notice, by remaining maturity				
- 3 months or less	10,347	9,579	7,139	4,928
- 1 year or less but over 3 months	3,383	2,988	1,711	1,319
- 5 years or less but over 1 year	2,947	2,099	904	838
- over 5 years	752	482	272	180
	40,990	34,297	25,743	19,869
Amounts include:				
Due to group undertakings			1,758	978

23 Debt Securities In Issue

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Bonds and medium term notes by remaining maturity				
- 3 months or less	8	26	-	15
- 1 year or less but over 3 months	14	15	14	15
- 5 years or less but over 1 year	1,037	236	786	13
Other debt securities in issue by remaining maturity				
- 3 months or less	642	161	593	127
- 1 year or less but over 3 months	924	103	858	103
- 5 years or less but over 1 year	200	-	200	-
	2,825	541	2,451	273

24 Other Liabilities

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Current taxation	136	189	79	80
Notes in circulation	522	401	522	401
Foreign exchange and interest rate contracts	519	989	543	1,027
Sundry creditors	1,485	1,137	410	386
Other	576	630	101	128
Dividends	160	131	160	131
	3,398	3,477	1,815	2,153

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

25 Deferred Taxation

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Taxation treatment of capital allowances:				
- finance leases	90	57	16	10
- equipment used by group	10	10	8	9
Other short term timing differences	(14)	(2)	(27)	(30)
	86	65	(3)	(11)
At 1 April	65	93	(11)	(38)
Provision made/ (utilised)	40	53	8	27
Other movements	(19)	(81)	-	-
At 31 March	86	65	(3)	(11)

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

26 Other Provisions For Liabilities And Charges

The Group	Pension obligations €m	Other €m	Total €m
At 1 April 1999	70	44	114
Exchange adjustments	2	4	6
Provisions made	10	2	12
Provisions utilised	(11)	(10)	(21)
Provisions released	-	(4)	(4)
At 31 March 2000	71	36	107
The Bank			
At 1 April 1999	60	5	65
Exchange adjustments	1	-	1
Provisions made	-	-	-
Provisions utilised	(1)	(2)	(3)
Provisions released	-	-	-
At 31 March 2000	60	3	63

27 Subordinated Liabilities

	The Group		The Bank	
	2000 €m	1999 €m	**2000 €m**	1999 €m
Undated Loan Capital				
Bank of Ireland				
US$150m Undated Floating Rate Primary Capital Notes	155	138	155	138
US$270.3m Undated Variable Rate Notes	-	252	-	252
Bristol & West				
Stg£75m 13 3/8% Perpetual Subordinated Bonds	207	185	-	-
	362	575	155	390
Dated Loan Capital				
Bank of Ireland				
Stg£100m 9.75% Subordinated Bonds 2005	166	149	166	149
US$175m Subordinated Floating Rate Notes 2007	183	162	183	162
Stg £200m Subordinated Floating Rate Notes 2009	334	300	334	300
€600m 6.45% Subordinated Bonds 2010	597	-	597	-
Bristol & West				
Stg£60m 10 7/8 % Subordinated Bonds 2000	100	90	-	-
Stg£75m 10 3/4 % Subordinated Bonds 2018	124	113	-	-
	1,504	814	1,280	611
	1,866	1,389	1,435	1,001
Repayable				
in 1 year or less	100	-	-	-
between 1 and not more than 2 years	-	90	-	-
between 2 and not more than 5 years	166	-	166	-
5 years or more	1,238	724	1,114	611
	1,504	814	1,280	611

27 Subordinated Liabilities (continued)

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

On 5 September 1989 the Bank issued US$300m Undated Variable Rate Notes. These Notes constitute unsecured subordinated and conditional obligations of the Bank ranking pari passu with the US$150m Undated Floating Rate Primary Capital Notes. On 22 September 1998, 29 September 1998 and 2 October 1998 notes to the value of US$8.7m, US$5.0m and US$16.0m respectively were redeemed. On 10 June 1999, the remaining US$270.3m of the US$300m Undated Variable Rate Notes was redeemed.

The Bank issued Stg£100m 9.75 per cent Subordinated Bonds due 2005 on 21 March 1995. The Bank set up a Stg£500m Euro Note Programme ("the Programme") in July 1995 and issued Stg£200m Subordinated Floating Rate Notes due 2009 on 11 February 1997. The Programme was increased to Stg£1bn in July 1997 and the Bank issued US$175m Subordinated Floating Rate Notes due 2007 on 4 September 1997. On 9 November 1999 the Programme was redenominated from sterling to euros and increased to €4bn. On 10 February 2000 the Bank issued €600m 6.45 per cent Subordinated Notes due 2010. The Bonds and Notes constitute unsecured obligations of the Bank subordinated in right of payments to the claims of depositors and other unsubordinated creditors of the Bank and rank pari passu without any preference among themselves.

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

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

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

28 Minority Interest - Non Equity

	2000	1999
	€m	€m
Bristol & West		
Stg£52.2m $8^{1}/_{8}$% Non-Cumulative Preference Shares of Stg£1each	87	79
	87	79

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

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

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

29 Called Up Capital Stock

	2000	1999
	€m	€m
The Group		
Authorised		
1,500m units of €0.64 of Ordinary Stock*	960	952
8m units of Non-Cumulative Preference Stock of US$25 each	209	187
100m units of Non-Cumulative Preference Stock of Stg£1 each	167	150
100m units of Non-Cumulative Preference Stock of IR£1 each	127	127
	1,463	1,416

* The level of Authorised Ordinary Stock was increased during the year as a result of the redenomination and revaluation of stock into units of nominal value of €0.64 each

Allotted and fully paid		
Equity		
992.3m units of €0.64 of Ordinary Stock	635	660
51.7m units of €0.64 of Treasury Stock	33	-
Non equity		
5m units of Non-Cumulative Preference Stock of Stg£1 each	9	8
10.5m units of Non-Cumulative Preference Stock of IR£1 each	13	13
	690	681

In September 1999, 52m units of Ordinary Stock of nominal value of €0.64 each, were bought back by the Bank at the open market price on 15 September (€8.45) and 16 September (€8.15). This buyback was in accordance with authority granted by the Stockholders at the July 1999 Annual General Court. Following the re-issue of 0.3m of these units in connection with the Stock Option Scheme, the remaining 51.7m units of Ordinary Stock are held by the Bank as Treasury Stock and continue to be included in the allotted and fully paid capital stock. In accordance with the European Communities (Credit Institutions: Accounts) Regulations, 1992 the nominal value of the Treasury Stock is included in Own Shares. The premium and related costs (€409m) have been deducted from Revenue Reserves.

The weighted average Ordinary Stock in issue at 31 March 2000, used in the earnings per unit of Ordinary Stock calculation, excludes the Treasury Stock from the date of buyback, (See Note 9). This Treasury Stock does not rank for dividend.

Movements in Issued Ordinary Stock

In July 1999 the Ordinary Stock was split and redenominated into euro, each one IR£1 Unit being split into two euro units of nominal value of €0.64 each.

For ease of comparison all units and prices of Ordinary Stock have been restated in this section to reflect the stock split and its subsequent redenomination.

29 CALLED UP CAPITAL STOCK (Continued)

Movements in Issued Ordinary Stock (continued)

During the year the total Ordinary Stock in issue decreased from 1,037,750,066 units of nominal value of €0.64 each to 992,330,835 units of nominal value of €0.64 each as follows:

In July 1999, 2,045,456 units of Ordinary Stock were issued to those holders of Ordinary Stock who elected, under the Stock Alternative Scheme, to receive additional units of Ordinary Stock at a price of €9.18 per unit, instead of all or part of the cash element of their 1998/1999 Final Dividend. Additionally in that month, 1,338,171 units of Ordinary Stock were allocated to the Trustees of the Employee Ordinary Stock Issue Scheme (Irish) and the Trustees of the Employee Ordinary Stock Issue Scheme (UK) at the price of €8.27 per unit.

In September 1999, 52,000,000 units of Ordinary Stock were bought back at a weighted average price of €8.42.

In January 2000, 1,046,802 units of Ordinary Stock were issued to those holders of Ordinary Stock who elected, under the Stock Alternative Scheme, to receive additional units of Ordinary Stock at a price of €8.44 per unit instead of all or part of the cash element of their 1999/2000 Interim Dividend.

During the year 2,150,340 units of Ordinary Stock were issued to option holders on the exercise of their options under the terms of the Senior Executive Stock Option Scheme at prices ranging between €0.97 and €5.753.

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

Stock Alternative Scheme

At the 1997 Annual General Court the Stockholders renewed the Directors' authority to offer Stockholders the right to elect to receive new units of Ordinary Stock in lieu of part or all of the cash element of their dividends. Following the introduction of Dividend Withholding Tax ("DWT") in April 1999, it is the residual amount of the cash dividend (ie after DWT, where applicable) which may be taken in the form of new units of stock. The price at which such new units are offered is the average of the closing quotation of Bank of Ireland Ordinary Stock derived from the Daily Official List of the Irish Stock Exchange for the five dealing days starting on the date on which the stock is first quoted 'ex-dividend'.

Employee Stock Issue Scheme

At the 1997 Annual General Court the Stockholders approved the establishment of a new Employee Stock Issue Scheme to replace the Scheme originally approved by the Stockholders in 1984. Under the new Scheme, which has an Irish and a UK version in order to conform with the relevant revenue legislation in both jurisdictions, all employees of the Bank and certain subsidiaries, are eligible to participate, provided they had an existing contract of employment with a participating company on the last day of the Group's financial year, and their employment contract existed for a period of at least 12 months as at that date and is still in existence on the date on which a Stock Issue announcement is made. Each year the Court of Directors may set aside an element of Group profit before taxation for allocation to the Trustees of the Schemes. The amount set aside is related to overall Group performance assessed both in terms of real growth in earnings per share ("EPS") and how that real growth in EPS compares with that experienced by a peer group of Irish and UK financial institutions. In addition, as is permitted by Irish taxation rules, Irish participants may, subject to certain constraints, forego up to an equivalent amount of their salary towards the acquisition by the Trustees on their behalf of up to an amount equal to their free Scheme Stock. The maximum distribution under the Schemes is 4% of a participant's salary. To-date, annual distributions under the Schemes have ranged between nil and 3.5% of each participant's salary.

Group Savings – Related Stock Scheme

At the 1999 Annual General Court the Stockholders approved the establishment of a Group Savings-Related Stock Scheme. Under this Scheme, which has an Irish and UK version in order to conform with the relevant revenue legislation in both jurisdictions, all employees of the Bank and of certain subsidiaries are eligible to participate provided they are employed by the Bank on the day that the invitation to participate issues and on the day that the grant of options is made. This Scheme was launched in February 2000 and as a result options over 15,527,008 units of Ordinary Stock (1.6% of the Issued Ordinary Stock) were granted to participating employees at an option price of €5.40, which represented a 20% discount to the then market price. These options which are outstanding as at 31 March 2000 are exercisable, provided the participant's savings contracts are complete, between May 2003 and May 2007.

29 Called Up Capital Stock (continued)

Stock Option Scheme

Options to subscribe for units of Ordinary Stock are granted under the terms of the Stock Option Scheme. The original scheme was approved by the Stockholders at the Annual General Court in July 1986 and a replacement scheme, "Bank of Ireland Group Stock Option Scheme - 1996", was approved by the Stockholders at the Annual General Court held in July 1996. Key executives may participate in the current Scheme at the discretion of the Remuneration Committee. The total value of options granted may not exceed four times an executive's remuneration. The subscription price per unit of stock shall not be less than the market value of the stock at the date of grant. The exercise of options granted since 1996 are conditional upon EPS achieving a cumulative growth of at least 2% per annum compound above the increase in the Consumer Price Index over either the three year period, or if not achieved, the six year period, commencing with the period in which the options are granted. The performance condition for options granted in 1996 and 1997 has been satisfied. Options may not be transferred or assigned and may be exercised only between the third and tenth anniversaries of their grant. At 31 March 2000, options were outstanding over 10,681,326 units of stock (1.08% of the Issued Ordinary Stock) at prices ranging from €0.97 to €8.93 per unit of stock. These options may be exercised at various dates up to 25 November 2010.

Long Term Performance Stock Plan

This Plan, approved by the Stockholders in 1999 links the number of units of stock receivable by participants, to the Bank's Total Shareholder Return ("TSR"). TSR represents stock price growth plus dividends.

Each year selected key senior executives participating in the Plan receive a conditional award of a number of units of Ordinary Stock. (The maximum value of these units may not exceed 40% of the executive's salary at the time of the award). The proportion of these units which actually vest in the executive on the 3rd anniversary of the date of the original award is based on the Bank's TSR relative to other companies as follows:

- Before any proportion of a conditional award may vest, the cumulative growth in the Bank's EPS must exceed the annual CPI plus 5%, compounded over the three years from the date of the award.

- Provided this condition has been satisfied, the proportion of the award which vests after 3 years is based on the Bank's TSR relative to other companies both in a peer group of eight Irish and UK financial institutions and in relation to the FTSE-100 companies as follows:
  - 100% vests if Bank of Ireland is ranked 1 or 2 in the peer group and in the top decile of the FTSE-100
  - from 100% to 50% vests if ranked between 3rd and 5th in the peer group and above the median in the FTSE-100
  - no stock vests if ranked below both the median of the peer group and the median of the FTSE-100.

- Additionally 80% of stock which vests in an executive must be held for a further two years following which, provided the executive is still employed by the Group, he will be awarded additional units of stock not exceeding 20% of the units which had vested and were held. If the original units which vested continue to be held for a further 5 years (ie 10 years from the date of the original conditional award) and the executive remains in the employment of the Group, he will be awarded a further 30% of the units which originally vested and were held.

As at 31 March 2000 conditional awards totalling 195,752 units of stock had been made to the participants of this plan.

Limitations on Employee Stock Issue and Stock Option Schemes

All of the above stock issue and stock option schemes are subject to a range of flow rate controls approved by the Stockholders and which conform to current institutional investor guidelines.

Preference Stock

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

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

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

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

30 Reserves

	The Group €m	The Bank €m
Stock premium account		
Opening balance	633	633
Premium on issue of capital stock	13	13
Premium on stock alternative scheme issue	26	26
Exchange adjustments	7	7
Closing balance	679	679
Capital reserve		
Opening balance	159	18
Transfer to/from revenue reserves	70	-
Exchange adjustments	3	1
Closing balance	232	19
Profit and loss account		
Opening balance	1,365	522
Profit retained	387	89
Exchange adjustments	172	112
Stock buyback (Note 29)	(409)	(409)
Capitalisation of reserves (1)	(5)	(5)
Closing balance	1,510	309
Revaluation reserve		
Opening balance	16	9
Revaluation of property	152	114
Closing balance	168	123

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

31 Pension Costs

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

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

The market value of the assets of the main scheme at 31 March 1998 was €2,315.7m and the actuarial value of the net assets, after allowing for expected future increases in earnings and pensions, represented 138 per cent of the benefits that had accrued to members. The surplus is being corrected by the Bank ceasing its contributions to the scheme until at least the next actuarial valuation, which is anticipated to be at 31 March 2001. The accounting treatment that has been adopted in accordance with SSAP 24 is as follows:

- the actuarial surplus is being spread over the average remaining service lives of current employees.
- a provision of €54.0m (1999: €55.1m) in regard to the main scheme is included in the accounts being the excess of the accumulated pension charge over the amount funded.
- the amortisation of the surplus gives rise to a net credit of €2.0m in relation to the main scheme, (1999 : €2.5m).

The total pension charge for the Group in respect of the year ended 31 March 2000 was €11m (1999: €11m).

32 Derivatives And Other Financial Instruments

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

Details of the objectives, policies and strategies arising from the Group's use of financial instruments, including derivative financial instruments are presented on pages 19 and 20 of the Operating and Financial Review. Details of the market risk exposures are presented on pages 21 and 22 of the Operating and Financial Review.

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

The underlying principal amounts and replacement cost, by residual maturity of the Group's over-the-counter and other non-exchange traded derivatives are presented in the table below. This table does not include exchange traded contracts which are included in the following Trading Instruments table and Non Trading Derivatives table.

			31 March 2000		31 March1999
	Within one Year	**One to five years**	**Over five years**	**Total**	Total
	€m	**€m**	**€m**	**€m**	€m
Underlying Principal Amount:					
Exchange Rate Contracts	9,535	1,730	488	11,753	12,815
Interest Rate Contracts	16,506	21,689	5,043	43,238	37,210
Equity Contracts	493	1,541	256	2,290	1,939
Replacement Cost:					
Exchange Rate Contracts	168	87	37	292	281
Interest Rate Contracts	99	245	92	436	579
Equity Contracts	301	502	-	803	794

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

		31 March 2000		31March 1999
	Financial	**Non-Financial**	**Total**	Total
	€m	**€m**	**€m**	€m
Exchange Rate Contracts	101	191	292	281
Interest Rate Contracts	404	32	436	579
Equity Contracts	803	-	803	794
	1,308	223	1,531	1,654

32 Derivatives And Other Financial Instruments (continued)

Trading Instruments

Bank of Ireland Group maintains trading positions in a variety of financial instruments including derivatives. Most of these positions are a result of activity generated by corporate customers while others represent trading decisions of the Group's derivative and foreign exchange traders with a view to generating incremental income. The following table represents the underlying principal amounts, fair values and average fair values by class of derivative trading instrument for the Group at 31 March 2000 and 1999:

	31 March 2000		
	Underlying Principal Amount [1]	Fair Value	Average Fair Value
	€m	€m	€m
Interest rate contracts:			
Interest rate swaps	29,598		
in a favourable position		263	334
in an unfavourable position		(193)	(302)
Interest rate caps, floors and options			
held	4,442		
In a favourable position		75	40
In an unfavourable position		-	-
Interest rate caps, floors and options			
written	2,191		
In a favourable position		-	-
In an unfavourable position		(6)	(3)
Forward rate agreements	1,239		
in a favourable position		-	2
in an unfavourable position		-	(2)
Financial futures	1,379		
in a favourable position		-	-
in an unfavourable position		-	-
	38,849	139	
Foreign exchange contracts:			
Forward foreign exchange	8,898		
in a favourable position		140	155
in an unfavourable position		(117)	(159)
	8,898	23	
	47,747		

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

32 Derivatives And Other Financial Instruments (continued)

	31 March 1999		
	Underlying Principal Amount [1]	Fair Value	Average Fair Value
Interest rate contracts:	€m	€m	€m
Interest rate swaps	24,388		
in a favourable position		437	358
in an unfavourable position		(483)	(311)
Interest rate caps, floors and options			
Held	3,238		
in a favourable position		14	3
in an unfavourable position		-	-
Interest rate caps, floors and options			
Written	1,267		
in a favourable position		-	-
in an unfavourable position		(1)	-
Forward rate agreements	4,591		
in a favourable position		8	19
in an unfavourable position		(8)	(20)
Financial futures	697		
in a favourable position		-	-
in an unfavourable position		-	-
	34,181	(33)	
Foreign exchange contracts:			
Forward foreign exchange	9,753		
in a favourable position		169	250
in an unfavourable position		(184)	(240)
	9,753	(15)	
	43,934		

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

	2000	1999
	€m	€m
Dealing profits		
Securities and interest rate contracts	18	34
Foreign exchange contracts	25	37
Equity contracts	1	-
Total	44	71

Dealing profits include the profits and losses arising on the purchase, and sale or revaluation of trading instruments. It excludes the interest receivable and the related funding cost of holding such instruments, and also excludes the administrative expenses of trading activities.

32 Derivatives And Other Financial Instruments (continued)

Non Trading Derivatives

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

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

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

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

The following tables represent the underlying principal amounts, average maturities and fair values by class of instrument utilised for non trading activities for the Group at 31 March 2000 and 1999.

			31 March 2000		
	Underlying Principal Amount €m	Weighted Average Maturity In Years	Weighted Average Receive Rate %	Weighted Average Pay Rate %	Fair Value €m
Interest Rate Contracts:					
Interest Rate Swaps					
- receive fixed					
1 year or less	1,779	0.6	5.8	5.8	49
1-5 years	1,817	2.9	2.8	5.8	7
5 -10 years	261	5.6	0.9	5.3	(2)
Over 10 years	15	11.6	6.3	-	8
Interest Rate Swaps					
- pay fixed					
1 year or less	3,113	0.3	5.6	6.0	(12)
1-5 years	1,153	1.9	5.8	7.1	(23)
5-10 years	203	7.3	4.4	6.4	(11)
Over 10 years	644	15.6	4.1	5.6	4
Interest Rate Swaps					
- pay and receive floating					
1 year or less	30	0.4	8.0	10.5	-
1-5 years	85	2.7	5.4	6.1	-
5-10 years	45	6.2	3.6	3.7	1
Forward Rate Agreements loans					
1 year or less	42	0.9	6.9	-	-
1-5 years	3	1.7	7.3	-	-
Interest Rate Caps					
1 year or less	28	0.4	-	-	28
1-5 years	42	2.2	-	-	25
5-10 years	8	6.6	-	-	8
Interest Rate Floors					
1 year or less	31	0.7	-	-	-
1-5 years	126	2.9	-	-	-
	9,425				82

32 Derivatives And Other Financial Instruments (continued)

	31 March 2000 Underlying Principal Amount €m	Weighted Average Maturity in Years	Fair Value €m
Exchange Rate Contracts:			
Forward Foreign Exchange			
1 year or less	1,061	0.2	62
1-5 years	74	1.4	5
Currency Swaps			
1 year or less	652	0.5	(32)
1-5 years	1,484	2.7	(84)
5-10 years	430	7.4	10
Over 10 years	59	14.0	5
Currency Options			
1 year or less	43	0.5	-
1-5 years	18	1.5	-
	3,821		(34)
Equity and Commodity Contracts:			
Equity Index Linked Contracts held			
1 year or less	497	0.7	345
1-5 years	1,553	2.8	478
5-10 years	256	5.6	-
	2,306		823
	15,552		

32 Derivatives And Other Financial Instruments (continued)

	31 March 1999				
	Underlying Principal Amount €m	Weighted Average Maturity in Years	Weighted Average Receive Rate %	Weighted Average Pay Rate %	Fair Value €m
Interest Rate Contracts					
Interest Rate Swaps					
- receive fixed					
1 year or less	1,204	0.4	6.3	5.2	43
1-5 years	1,803	2.9	3.5	5.2	69
5 -10 years	130	6.2	1.9	0.4	1
Interest Rate Swaps					
- pay fixed					
1 year or less	795	0.3	5.5	7.1	(9)
1-5 years	1,870	2.2	5.3	7.3	(94)
5-10 years	197	7.7	4.0	7.4	(39)
Over 10 years	401	15.3	3.4	5.8	(42)
Interest Rate Swaps					
- pay and receive floating					
1 year or less	56	0.7	5.0	4.7	-
1 - 5 years	88	2.6	5.4	7.8	(1)
5 - 10 years	51	7.2	3.4	3.1	1
Forward Rate Agreements loans					
1 year or less	67	0.5	-	3.7	-
Interest Rate Caps					
1 year or less	1	0.9	-	-	1
1-5 years	61	2.6	-	-	55
5 - 10 years	5	9.0	-	-	5
Interest Rate Floors					
5 - 10 years	11	2.5	-	-	-
	6,740				(10)

32 Derivatives And Other Financial Instruments (continued)

	Underlying Principal Amount €m	31 March 1999 Weighted Average Maturity in Years	Fair Value €m
Exchange Rate Contracts:			
Forward Foreign Exchange			
1 year or less	1,246	0.3	45
1-5 years	477	2.8	3
Currency Swaps			
1 year or less	418	0.5	(20)
1-5 years	1,466	2.6	(47)
5-10 years	330	7.8	18
Over 10 years	69	14.3	1
Currency Options			
1 year or less	24	0.1	-
1-5 years	1	2.0	-
	4,031		-
Equity and Commodity Contracts:			
Equity Index Linked Contracts			
Held			
1 year or less	197	0.4	154
1-5 years	1,637	3.1	659
5-10 years	105	5.8	(3)
	1,939		810
	12,710		

Unrecognised Gains and Losses on Derivative Hedges

Gains and losses on instruments used for hedging are recognised in line with the underlying items which are being hedged. The unrecognised net gains on instruments used for hedging as at 31 March 2000 were €669m (1999: €401m).

The net gains expected to be recognised in 2000/2001 is €465m and thereafter is €204m.

The net gains recognised in 1999/00 in respect of previous years was €235m and the net gains arising in 1999/00 which were not recognised in 1999/00 were €503m.

32 Derivatives And Other Financial Instruments (continued)

Non Trading Derivative Deferred Balances

The table below summaries the deferred profit and losses at 31 March 2000.

	Deferred Gains €m	Deferred Losses €m	Total net deferred gains/(losses) €m
As at 1 April 1999	9.0	(6.5)	2.5
Gains and losses arising in previous years that were recognised in the year ended 31 March 2000	5.1	(4.0)	1.1
Gains and losses arising before 1 April 1999 that were not recognised in the year ended 31 March 2000	3.9	(2.5)	1.4
Gains and losses arising in the year ended 31 March 2000 that were not recognised in that year	4.5	(1.5)	3.0
As at 31 March 2000	8.4	(4.0)	4.4
Of which:			
Gains and losses expected to be recognised in the year ended 31 March 2001	2.8	(1.4)	1.4

Anticipatory Hedges

The Group has entered into forward foreign exchange contracts to hedge partly the exchange risk on the translation of the net profit from certain non-IR£ operations. The fair value of these amounted to an unrealised loss of €4.1m at 31 March 2000 and an unrealised loss of €7.6m in 1999.

33 Interest Rate Repricing Gap – Non Trading Book

The table below provides an indication of the repricing mismatch in the non Trading Books at 31 March 2000. For the major categories of assets and liabilities, this 'gap' table shows the volumes maturing in selected maturity bands, taking account of any amortisation of principal. Items are allocated to time bands by reference to the earlier of the next interest rate repricing date and the maturity date.

The tables show actual on-balance sheet volumes and net off-balance sheet amounts. In the case of undrawn fixed rate lending where the Group is effectively committed in price terms and there is a high degree of predictability in relation to the expected drawdown – notably in relation to the mortgage pipeline – the expected drawn volumes have been included in the table.

				31 March 2000			
Non Trading Interest Rate Repricing - Total	**Not more than three months €m**	**Over three months but not more than six months €m**	**Over six months but not more than one year €m**	**Over one year but not more than five years €m**	**Over five years €m**	**Non interest bearing €m**	**Total €m**
Assets							
Central Government bills and other eligible bills	596	41	-	-	-	5	642
Loans and advances to banks	5,677	745	260	2	-	7	6,691
Loans and advances to customers	28,472	1,810	3,005	9,065	2,428	193	44,973
Debt securities and equity shares	2,960	290	375	717	180	38	4,560
Other assets	287	-	-	-	-	3,592	3,879
Total assets	37,992	2,886	3,640	9,784	2,608	3,835	60,745
Liabilities							
Deposits by banks	8,003	930	149	128	253	163	9,626
Customer accounts	31,629	1,224	1,809	1,730	592	4,006	40,990
Debt securities in issue	1,613	311	613	170	5	113	2,825
Other liabilities	307	-	-	-	181	2,567	3,055
Loan capital	1,423	100	-	-	343	-	1,866
Minority interests and shareholders' funds	-	-	-	-	-	3,371	3,371
Total liabilities	(42,975)	(2,565)	(2,571)	(2,028)	(1,374)	(10,220)	(61,733)
Net amounts due from / to Group units	3,837	(915)	(1,093)	(4,354)	617	5,235	3,327
Off balance sheet items	(957)	(880)	(338)	1,483	(185)	-	(877)
Interest rate repricing gap	(2,103)	(1,474)	(362)	4,885	1,666	(1,150)	-
Cumulative interest rate repricing gap	(2,103)	(3,577)	(3,939)	946	2,612	1,462	-
Euro							
Cumulative interest rate repricing gap 31 March 2000	709	1,077	1,373	3,476	4,623	990	-
Sterling							
Cumulative interest rate repricing gap 31 March 2000	817	(1,713)	(2,375)	266	739	1,390	-

33 Interest Rate Repricing Gap – Non Trading Book (continued)

31 March 1999

Non Trading Interest Rate Repricing - euro	Not more than three months €m	Over three months but not more than six months €m	Over six months but not more than one year €m	Over one year but not more than five years €m	Over five years €m	Non interest bearing €m	Total €m
Assets							
Central Government bills and other eligible bills	76	-	-	-	-	-	76
Loans and advances to banks	1,069	728	25	-	-	4	1,826
Loans and advances to customers	6,898	894	752	2,452	787	396	12,179
Debt securities and equity shares	527	109	-	353	66	-	1,055
Other assets	5	27	20	95	-	2,067	2,214
Total assets	8,575	1,758	797	2,900	853	2,467	17,350
Liabilities							
Deposits by banks	2,219	416	-	-	-	135	2,770
Customer accounts	10,555	286	347	486	230	2,279	14,183
Debt securities in issue	12	-	-	4	-	-	16
Other liabilities	146	36	1	-	-	663	846
Minority interests and shareholders' funds	-	-	-	-	-	1,444	1,444
Total liabilities	(12,932)	(738)	(348)	(490)	(230)	(4,521)	(19,259)
Net amounts due from / to Group units	1,381	166	15	(24)	(176)	691	2,053
Off balance sheet items	(391)	38	148	101	103	-	(1)
Interest rate repricing gap	(3,367)	1,224	612	2,487	550	(1,363)	-
Cumulative interest rate repricing gap	(3,367)	(2,143)	(1,531)	956	1,506	143	-

33 Interest Rate Repricing Gap – Non Trading Book (continued)

31 March 1999

Non Trading Interest Rate Repricing - sterling	Not more than three months €m	Over three months but not more than six months €m	Over six months but not more than one year €m	Over one year but not more than five years €m	Over five years €m	Non interest bearing €m	Total €m
Assets							
Treasury bills and other eligible bills	580	-	-	-	-	-	580
Loans and advances to banks	345	3	-	-	-	24	372
Loans and advances to customers	13,190	589	1,377	7,619	371	-	23,146
Debt securities and equity shares	589	147	97	457	-	-	1,290
Other assets	215	11	1	-	-	550	777
Total assets	14,919	750	1,475	8,076	371	574	26,165
Liabilities							
Deposits by banks	2,357	138	290	-	-	-	2,785
Customer accounts	15,642	886	787	594	156	373	18,438
Debt securities in issue	387	45	8	-	-	-	440
Other liabilities	-	4	1	-	-	1,069	1,074
Loan capital	390	-	-	-	447	-	837
Minority interests and shareholders' funds	-	-	-	-	-	1,449	1,449
Total liabilities	(18,776)	(1,073)	(1,086)	(594)	(603)	(2,891)	(25,023)
Net amounts due from / to Group units	(782)	243	(15)	(367)	179	1,492	750
Off balance sheet items	4,875	(303)	(261)	(4,235)	(75)	-	1
Interest rate repricing gap	236	(383)	113	2,880	(128)	(825)	-
Cumulative interest rate repricing gap	236	(147)	(34)	2,846	2,718	1,893	-

34 Fair Values Of Financial Instruments

The Group has estimated fair value wherever possible using market prices or data available for instruments with characteristics either identical or similar to those of the instruments held by Group. In certain cases, however, including some advances to customers, there are no ready markets. Accordingly, various techniques have been developed to estimate what the approximate fair value of such instruments might be. These estimation techniques are necessarily extremely subjective in nature and involve assumptions which are based upon management's view of market conditions at 31 March 2000 which may not necessarily be indicative of any subsequent fair value. Furthermore, minor changes in the assumptions used could have a significant impact on the resulting estimated fair values, and, as a result, readers of these financial statements are advised to use caution when using this data to evaluate the Group's financial position.

The concept of fair value assumes realisation of financial instruments by way of a sale. However, in many cases, particularly in respect of lending to customers, the Group intends to realise assets through collection over time. As such the fair values calculated do not represent the value of the Group as a going concern at 31 March 2000.

The following table represents the carrying amount and the fair value of both the trading and non trading financial assets and liabilities as at 31 March 2000 and 1999.

	2000		1999	
	Carrying Amount €m	**Fair Values €m**	Carrying Amount €m	Fair Values €m
Financial instruments held for trading				
Debt securities	2,418	2,418	1,557	1,557
Equity shares	9	9	16	16
Interest rate contracts	139	139	(33)	(33)
Foreign exchange contracts	23	23	(15)	(15)
Non trading financial instruments				
Assets				
Cash and balances at central banks(1)	210	210	1,083	1,083
Items in course of collection(1)	617	617	575	575
Central government bills and other eligible bills(1)	641	641	587	587
Loans and advances to banks	6,770	6,768	3,457	3,457
Loans and advances to customers	44,844	44,766	36,183	36,584
Securitisation and loan transfers(1)	130	130	117	117
Debt securities	4,237	4,249	3,590	3,652
Equity shares	4	4	1	1
Own shares	33	382	-	-
Liabilities				
Deposits by banks	10,306	10,409	7,039	7,062
Customer accounts	40,990	41,616	34,297	34,999
Debt securities in issue	2,825	2,824	541	542
Items in course of transmission(1)	219	219	251	251
Subordinated liabilities	1,866	1,923	1,389	1,469
Minority interests : non equity	87	91	79	130
Derivative financial instruments utilised for non trading activities				
Interest rate contracts		82		(10)
Exchange rate contracts		(34)		-
Equity and commodity contracts		823		810

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

34 Fair Values Of Financial Instruments (continued)

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

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

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

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

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

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

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

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

4. Own Shares
   The fair value of the own shares are based on the stock market price at year end.

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

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

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

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

9. Financial Instruments with Off Balance Sheet Risk
   Financial instruments with off balance sheet risk are detailed in Note 32 of the Notes to the Consolidated Financial Statements and include the fair value of these instruments.

10. Life Assurance Assets and Liabilities
    Life assurance assets and liabilities have not been included in this note in accordance with accounting standards.

35 Contingent Liabilities And Commitments

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

	31 March 2000		31 March 1999	
		Risk		Risk
	Contract	**Weighted**	Contract	Weighted
	Amount	**Amount**	Amount	Amount
The Group - Contingent Liabilities	**€m**	**€m**	€m	€m
Acceptances and endorsements	106	101	73	71
Guarantees and assets pledged as collateral security				
- Assets pledged	-	-	-	-
- Guarantees and irrevocable letters of credit	897	736	621	505
Other contingent liabilities	343	168	343	168
	1,346	1,005	1,037	744
The Group - Commitments				
Sale and option to resell transactions	-	-	-	-
Other commitments				
- Documentary credits and short-term trade-related transactions	67	20	58	18
- Forward asset purchases, forward deposits placed and forward sale and repurchase agreements	-	-	-	-
- Undrawn note issuance and revolving underwriting facilities	505	-	191	-
- Undrawn formal standby facilities, credit lines and other commitments to lend:				
- irrevocable with original maturity of over 1 year	2,709	1,350	1,849	917
- revocable or irrevocable with original maturity of 1 year or less (ii)	8,272	-	6,977	-
	11,553	1,370	9,075	935

35 Contingent Liabilities And Commitments (continued)

The Bank - Contingent Liabilities	31 March 2000 Contract Amount €m	31 March 2000 Risk Weighted Amount €m	31 March 1999 Contract Amount €m	31 March 1999 Risk Weighted Amount €m
Acceptances and endorsements	106	101	73	71
Guarantees and assets pledged as collateral security				
- Assets pledged	-	-	-	-
- Guarantees and irrevocable letters of credit	3,422	696	2,665	434
Other contingent liabilities	343	168	343	168
	3,871	965	3,081	673

The Bank – Commitments	31 March 2000 Contract Amount €m	31 March 2000 Risk Weighted Amount €m	31 March 1999 Contract Amount €m	31 March 1999 Risk Weighted Amount €m
Sale and option to resell transactions	-	-	-	-
Other commitments				
- Documentary credits and short-term trade-related transactions	67	20	58	18
- Forward asset purchases, forward deposits placed and forward sale and repurchase agreements	-	-	-	-
- Undrawn note issuance and revolving underwriting facilities	505	-	192	-
- Undrawn formal standby facilities, credit lines and other commitments to lend:				
- irrevocable with original maturity of over 1 year	1,123	557	1,197	590
- revocable or irrevocable with original maturity of 1 year or less (ii)	6,967	-	6,055	-
	8,662	577	7,502	608

Notes:

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

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

Deposit Interest Retention Tax

Financial institutions in Ireland are required to deduct Deposit Interest Retention Tax (DIRT) from interest paid on certain deposits with Irish branches and to remit the DIRT withheld to the Revenue Commissioners on a biannual basis, together with a statutory return of the interest paid in that period and of the applicable DIRT. These obligations were imposed by the Finance Act 1986. Certain deposits, however, are excluded from the imposition of DIRT. Deposits held by non-residents, companies, charities and pension funds are excluded from DIRT provided the appropriate declaration in the required form has been made to the financial institution.

The Irish Revenue Commissioners are currently in the process of auditing DIRT compliance by all financial institutions in Ireland, covering the period from 6 April 1986 to 5 April 1999, including the Group's Irish based deposit taking entities with a view to establishing, in respect of each institution, the amount of additional DIRT due but unpaid as a result of documentation or other deficiencies together with any related interest and penalties. The nature and extent of the uncertainties surrounding the outcome of this process, including questions about the interpretation and application of the law, make it impossible for the Directors to make a reliable estimate of any eventual DIRT liability, and any associated interest and penalties which will be assessed on the Group.

36 General

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

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

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

37 Notes To The Cash Flow Statement

	The Group	
	2000	1999
	€m	€m
(i) Gross Cashflows		
Returns on investment and servicing of finance		
Interest paid on subordinated liabilities	(87)	(110)
Preference dividends paid	(25)	(23)
Issue expenses on subordinated liabilities	(3)	-
Dividends paid to minority shareholders in subsidiary undertakings	(7)	(8)
	(122)	(141)
Capital expenditure and financial investment		
Net (purchases) / sales of investment debt and equity securities	(258)	(785)
Purchase of tangible fixed assets	(207)	(173)
Sale of tangible fixed assets	155	55
	(310)	(903)
Acquisitions and disposals		
Investments in associated undertakings	(1)	(4)
Sale of Citizens Financial Group	-	686
Sale of Associated undertaking	-	33
Purchase of minority interest in subsidiary	(9)	-
	(10)	715
Financing		
Issue of capital stock (net of issue expenses)	14	18
Repayment of subordinated liabilities	(264)	(27)
Issue of subordinated liabilities	600	-
Stock buyback	(442)	-
	(92)	(9)

37 Notes To The Cash Flow Statement (continued)

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

	Cash and Balances at Central Banks	Loans and Advances to Banks Repayable on Demand	Total Cash
2000	**€m**	**€m**	**€m**
At 1 April 1999	1,083	594	1,677
Cash flow	(876)	522	(354)
Foreign exchange movement	3	73	76
At 31 March 2000	210	1,189	1,399
1999			
At 1 April 1998	150	1,327	1,477
Cash flow	934	(726)	208
Foreign exchange movement	(1)	(7)	(8)
At 31 March 1999	1,083	594	1,677

(iii) Analysis of changes in financing

	Capital Stock (including stock premium)	Subordinated Liabilities	Minority Interest - Non Equity
2000			
At 1 April 1999	1,314	1,389	79
Effect of foreign exchange differences	8	144	8
Cash flow	14	336	-
Stock alternative scheme issue	28	-	-
Capitalisation of reserves	5	-	-
Other non cash movements	-	(3)	-
At 31 March 2000	1,369	1,866	87
1999			
At 1 April 1998	1,261	1,455	81
Effect of foreign exchange differences	(3)	(40)	(2)
Cash flow	18	(27)	-
Stock alternative scheme issue	38	-	-
Other non cash movements	-	1	-
At 31 March 1999	1,314	1,389	79

38 Segmental Analysis

Net assets are included below in order to comply with SSAP 25. The segmental allocation of liabilities necessitates the allocation of capital on a risk related basis which is in some cases necessarily subjective. The net assets of the Life Assurance business segment are based on allocation of capital while previously it was based on the actual capital as there was no allocation of capital to this segment. The Directors believe that it is more meaningful to analyse total assets and the result of this analysis is therefore also included in the tables. The analysis shown is based on management accounts information. Ireland includes Northern Ireland. Turnover is defined as interest income and non interest income. Turnover by business class is not shown. The Group has six business classes.

Following a reorganisation announced in November 1999, Retail has become Retail Banking Republic which now excludes Banking GB, International Banking and Northern Ireland. Corporate and Treasury now includes Banking GB, International Banking and Northern Ireland, Corporate Finance, Davy and excludes Private Banking and Trust Services. A new business class, Asset and Wealth Management Services, includes Asset Management, Securities Services, Private Banking and Trust Services. The analysis below for 1999 has been restated accordingly.

In addition the basis of capital allocation to segments has been amended from a primarily risk weighted assets basis to an economic capital one which incorporates a broader range of business risks.

(a) Geographical Segment

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

1999	Ireland €m	Britain €m	Citizens €m	Rest of World €m	Total €m
Turnover	2,049	1,781	-	147	3,977
Profit on ordinary activities before exceptional item	590	233	32	18	873
Profit on disposal of associated undertaking					218
					1,091
Grossing up (1)					(37)
Profit before taxation					1,054
Net assets	1,964	783	-	107	2,854
Total assets (2)	37,080	23,553	-	2,326	62,959

38 Segmental Analysis (continued)

(b) Business Class

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

1999	Retail Banking Republic €m	Life Assurance[4] €m	Corporate & Treasury €m	Bristol & West €m	Asset and Wealth Management Services €m	Group and Central Costs €m	Citizens €m	Total €m
Net interest income	550	-	311	278	14	-	-	1,153
Other income[3]	192	91	243	109	145	24	32	836
Total operating income	742	91	554	387	159	24	32	1,989
Administrative expenses	455	-	258	169	60	20	-	962
Depreciation and amortisation	53	-	15	22	3	5	-	98
Provision for bad and doubtful debts	29	-	15	11	1	-	-	56
Profit before exceptional item	205	91	266	185	95	(1)	32	873
Profit on disposal of associated undertaking								218
								1,091
Grossing up[1]								(37)
Profit before taxation								1,054
Net assets	315	456	385	695	22	981	-	2,854
Total assets [2]	16,392	4,111	25,474	19,378	1,373	2,753	-	69,481

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

(2) Total assets include intra-group items of €19,080m (1999: €15,167m) in business class and €16,733m (1999: €8,645m) in geographic segments.

(3) Other income includes income from associates.

(4) The life assurance profits reported in the segmental analysis are based on the management accounts.

39 Related Party Transactions

(a) Subsidiary and Associated Undertakings

Details of the principal subsidiary undertakings are shown in Note 16 on page 66. In accordance with FRS8, transactions or balances between Group entities that have been eliminated on consolidation are not reported.

One of the Group's subsidiaries Cashback Limited is 49% owned by Fexco who had a balance outstanding at 31 March 2000 of €0.7m for processing transactions on behalf of Cashback Limited.

The Group provides and receives from its associated undertakings certain banking and financial services.

(b) Pension Funds

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

Further details on pensions are set out in Note 31.

(c) Directors

Directors' emoluments and details of transactions between Directors and the Group are set out in the Remuneration Report on pages 36 to 40. Additionally, Dr M Redmond, Director, in her professional capacity as a solicitor, earned fees from the Group totalling €57,138 in the year to 31 March 2000, (1999: €104,119).

(d) Securitisation

RPS3, RPS4, RPS5 and CLIPS are considered to be related parties of the Group and the Group has entered into both an interest exchange agreement and a subordinated loan agreement with RPS3, RPS4, RPS5 and CLIPS. The Group has purchased the lowest ranking floating rate mortgage backed securities issued by CLIPS. In addition, the Group administers the loans on behalf of RPS3, RPS4, RPS5 and CLIPS. As at 31 March 2000 the net amount owed from RPS3 was €0.2m (1999: €0.2m), RPS4 was €0.8m (1999: €1.4m), and CLIPS was nil. The net amount owed to RPS5 was €0.1m while in 1999 €0.2m was owed from RPS5.

40 Assets And Liabilities Denominated In Foreign Currency

	The Group		The Bank	
	2000	1999	**2000**	1999
	€m	€m	**€m**	€m
Denominated in euros	29,421	23,462	23,320	20,288
Denominated in currencies other than euros	38,596	30,852	23,650	14,649
Total Assets	68,017	54,314	46,970	34,937
Denominated in euros	28,820	23,429	22,851	17,392
Denominated in currencies other than euros	39,197	30,885	24,119	17,545
Total Liabilities	68,017	54,314	46,970	34,937

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

41 Employee Information

In the year ended 31 March 2000 the average full time equivalents was 16,366 (1999: 15,618) and categorised as follows in line with the business classes as stated in Note 38 on page 96.

	2000	1999
Retail Banking Republic	8,354	7,996
Life Assurance	975	924
Corporate & Treasury	2,940	2,721
Bristol & West	2,717	2,825
Asset and Wealth Management Services	738	595
Group and Central Costs	642	557
	16,366	15,618

Bristol & West includes the average full time equivalents for Bristol & West and also for the Group's mortgage business in Britain, Bank of Ireland Home Mortgages. The staff costs in Note 5 is exclusive of staff costs relating to the life assurance business. The contribution from life assurance companies shown in the Group Profit & Loss account on page 44 is net of these staff costs.

42 Group Financial Information For US Investors

Summary of Significant Differences between Irish and US Accounting Principles

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

Irish GAAP	**US GAAP**
Property Depreciation	
Freehold and long leasehold property is maintained in a state of good repair and it is considered that residual values are such that depreciation is not significant, accordingly this property is not depreciated.	Freehold and long leasehold property is depreciated over 50 years.
Revaluation of Property	
Property is carried either at original cost or at subsequent valuation less depreciation calculated on the revalued amount where applicable. Revaluation surpluses and deficits are taken directly to stockholders' equity.	Revaluation of property is not permitted in the financial statements.
Software Development Costs	
The Group capitalises costs incurred internally in developing computer software for internal use. This expenditure is amortised over a period of 5 years.	AICPA SOP 98-1 requires certain costs incurred in respect of software for internal use to be capitalised and subsequently amortised. The SOP is applicable for the first time in the year to March 31, 2000 and is not applied retrospectively.

42 Group Financial Information For US Investors (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Irish GAAP	US GAAP
Goodwill	
Goodwill arising on acquisition of shares in group and associated undertakings, being the excess of cost over fair value of the Group's share of net tangible assets acquired is capitalised and amortised over its estimated useful economic life. Goodwill arising on the acquisition of subsidiary undertakings prior to 31 March 1998 was written off directly to reserves in the year of acquisition. Goodwill arising on acquisitions of subsidiary undertakings occurring after 31 March 1998 are capitalised as assets on the balance sheet and amortised over their estimated useful economic lives.	Goodwill arising on acquisitions of subsidiary undertakings is capitalised and amortised through income over the period estimated to benefit. In the Group's case a period of 20 years has been used. Goodwill is written off when judged to be irrecoverable.
Deferred Taxation	
Deferred taxation is recognised at the appropriate rates of tax using the liability method on timing differences where it is expected that a tax liability or asset is likely to arise in the foreseeable future.	Provision for deferred tax under the liability method is required in full for all temporary differences. A valuation allowance is raised against a deferred tax asset where it is more likely than not that some portion of the deferred tax asset will not be realised.
Investments	
Profits and losses on disposal are recognised when realised and included in dealing profits, except for those securities maintained for hedging purposes, which are amortised over the lives of the underlying transaction and included in net interest income. Securities may be classified as (i) investment carried at cost, less provision for any diminution in value and (ii) other securities, which are stated at fair value, except for those securities maintained for the purpose of hedging which are accounted for on the same basis as the item hedged. Changes in the fair value of securities marked to market are recognised in the profit and loss account as they arise.	Profits and losses on the sale of investments are included in operating income in the year in which they arise. Securities may be classified as (i) trading, which are carried at fair value with unrealised gains and losses included in earnings, (ii) held for sale, which are carried at fair value with unrealised gains and losses reported in a separate component of shareholders' equity or (iii) held to maturity, which are carried at amortised cost. Trading securities are those securities held to earn a profit by trading or selling such securities. Securities held for sale are those securities which are intended for use as part of an asset / liability strategy, or that may be sold in response to changes in interest rates, changes in prepayment risks, the need to increase regulatory capital or other similar factors. Securities held for investment are only those securities for which management has both the intent and ability to hold until maturity.

42 Group Financial Information For US Investors (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Irish GAAP	US GAAP
Pensions	
Contributions to the Group's defined benefit schemes are charged to the profit and loss account so as to spread the expected cost of pensions calculated in accordance with the advice of qualified actuaries, on a systematic basis over the employees working lives. Variations from the regular cost are spread over the average remaining service life of relevant employees.	The same basic actuarial method is used as under Irish GAAP, but certain assumptions differ, assets are assessed at fair value and liabilities are assessed at current settlement rates. Certain variations from regular cost are allocated in equal amounts over the average remaining service lives of current employees. Recognition of a liability when the accumulated benefit obligation exceeds the fair value of assets is also required.
Long-term Assurance Policies	
Income from long term assurance business consists of surpluses attributable to shareholders from the long term fund which arise in the year plus increases in the present value of anticipated surplus transfers which are projected to arise from the long term fund in future years, and which are attributable to the business in force at the year end on a going concern basis.	The present value of anticipated surplus transfers which are projected to arise from the long term fund in future years, and which are attributable to the business in force at the year end on a going concern basis are not recognised by the Group under US GAAP. Unearned revenues and acquisition costs related to unit linked products are deferred and amortised in proportion to total estimated gross profits over the expected life of policyholders' contracts. Unearned revenues are amounts assessed from policyholders' that represent compensation for services to be provided in future periods. Acquisition costs consist of commissions and other costs which vary with and are primarily related to the production of revenues.
Acceptances	
Acceptances are not recorded on the balance sheet.	Acceptances and related customer liabilities are recorded on the balance sheet.
Dividends Payable	
Dividends declared after the period end are recorded in the period to which they relate.	Dividends are recorded in the period in which they are declared.
Securitised Transactions	
Depending on specified qualifying criteria there are three methods of accounting for securitised and loan transfer transactions: continued recognition, linked presentation and derecognition. The linked presentation method is adopted where there is no significant change in the Group's rights to benefits and the Group's exposure is limited to a fixed monetary ceiling. Under this method, only the net amount is consolidated, however on the face of the Group balance sheet, the related gross amounts are disclosed.	Securitised transactions, prior to the introduction of SFAS No.125, not qualifying for derecognition are presented as gross amounts on the balance sheet. Under SFAS No.125, transfers and servicing of financial assets are required to be recognised using a financial components approach that focuses on control. Under that approach after a transfer of financial assets, an entity recognises the financial and servicing assets it controls and the liabilities it has incurred and derecognises financial assets when control has been surrendered.

42 Group Financial Information For US Investors (continued)

Summary of Significant Differences between Irish and US Accounting Principles

Irish GAAP	US GAAP
Hedges	
Gains or losses arising on hedges of anticipated transactions are taken to the profit and loss account in accordance with the accounting treatment of the underlying transaction.	Gains or losses arising from hedges of anticipated transactions, unless firmly committed are reflected in the income statement.
Internal Hedge Transactions	
Derivative transactions undertaken with the Treasury unit for hedging purposes by subsidiaries or other business units may be accrual accounted by the hedging entity.	Following a recent interpretation of SFAS No. 80 by the SEC, there is a requirement for the internal transaction to be contemporaneously offset by a transaction (on a one to one basis) with the external market by Treasury for hedge accounting to be applied. Transactions which do not satisfy this requirement must be fair valued by the hedging entity.
Loan Origination Fees	
Certain loan fees are recognised when received.	All loan origination fees net of direct loan origination costs are deferred and recognised as an adjustment to the yield on the related loan or facility.

Consolidated Net Income	**2000 €m**	1999 €m
Net income under Irish GAAP (Group profit attributable to ordinary stockholders)	690	771
Disposal of Citizens Financial Group	-	32
Depreciation	(7)	(5)
Software development costs	10	(11)
Goodwill	(33)	(32)
Deferred taxation	6	(15)
Pension costs	11	82
Long-term assurance policies	(72)	(41)
Associated undertaking	-	(4)
Other	(1)	15
Deferred tax effect on these adjustments	24	(15)
Net income under US GAAP	628	777
Earnings per unit of €0.64 Ordinary Stock under US GAAP		
- basic	62.0c	75.1c
- diluted	61.6c	74.5c

42 Group Financial Information For US Investors (Continued)

Summary of Significant Differences between Irish and US Accounting Principles

Consolidated Total Stockholders' Funds	**2000**	1999
	€m	€m
Total stockholders' funds including non equity interests under Irish GAAP	3,279	2,854
Property less related depreciation	(272)	(112)
Software development costs	(23)	(33)
Goodwill	537	528
Deferred taxation	19	11
Debt securities - available for sale	20	42
Pension costs	151	141
Long-term assurance policies	(172)	(123)
Dividends	160	131
Other	32	23
Deferred taxation on these adjustments	(4)	(9)
Consolidated stockholders' funds including non equity interests under US GAAP	3,727	3,453

Consolidated Total Assets	**2000**	1999
	€m	€m
Total assets under Irish GAAP	68,017	54,314
Property less related depreciation	(272)	(112)
Goodwill	578	564
Software development costs	(23)	(33)
Debt securities - available for sale	20	42
Pension costs	155	146
Lease receivables / non-recourse debt	-	13
Acceptances	106	74
Long-term assurance policies	(172)	(123)
Other	(60)	(42)
Securitised assets	317	403
Deferred taxation on these adjustments	33	35
Total assets under US GAAP	68,699	55,281

Consolidated Total Liabilities and Stockholders' Funds	**2000**	1999
	€m	€m
Total liabilities and stockholders' funds including non equity interests under Irish GAAP	68,017	54,314
Stockholders' funds (US GAAP adjustment)	448	599
Dividends	(160)	(131)
Deferred taxation	(32)	(24)
Lease receivables / non-recourse debt	-	13
Borrowings related to securitised assets	317	403
Acceptances	106	74
Other	(9)	8
Deferred taxation on these adjustments	12	25
Total liabilities and stockholders' funds including non equity interests under US GAAP	68,699	55,281

43 Rates Of Exchange

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

	31 March 2000			31 March 1999		
	Closing	**Average**	**Hedge**	Closing	Average	Hedge
€/US$	0.9553	1.0247	-	1.0742	1.1283	1.0936
€/Stg£	0.5985	0.6368	0.7273	0.6663	0.6834	0.6781

44 The Accounts Were Approved By The Court Of Directors On 10 May 2000

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 years ended 31 March, 2000 and 1999. 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.

	Year Ended 31-3-2000			Year Ended 31-3-1999		
	Average Balance €m	**Interest €m**	**Rate %**	Average Balance €m	Interest €m	Rate %
ASSETS						
Loans to banks						
Domestic offices	3,635	146	4.0	5,160	264	5.1
Foreign offices	363	18	5.0	411	25	6.2
Loans to customers (1)						
Domestic offices	15,522	926	6.0	11,923	871	7.3
Foreign offices	22,075	1,414	6.4	19,976	1,534	7.7
Central government and other eligible bills						
Domestic offices	6	-	0.5	11	-	2.3
Foreign offices	596	31	5.2	342	22	6.5
Debt Securities						
Domestic offices	4,999	279	5.6	3,286	197	6.0
Foreign offices	754	42	5.6	1,120	87	7.8
Instalment credit						
Domestic offices	243	18	7.4	147	13	8.8
Foreign offices	428	39	9.1	352	37	10.6
Finance lease receivables						
Domestic offices	1,829	88	4.8	1,364	72	5.3
Foreign offices	39	1	3.7	58	3	4.4
Total interest earning assets						
Domestic offices	26,234	1,457	5.6	21,891	1,417	6.5
Foreign offices	24,255	1,545	6.4	22,259	1,708	7.7
	50,489	3,002	5.9	44,150	3,125	7.1
Allowance for loan losses	(367)			(358)		
Non interest earning assets(2)	8,698			7,206		
Total Assets	58,820	3,002	5.1	50,998	3,125	6.1
Percentage of assets applicable to foreign activities	42.7%			45.27%		

AVERAGE BALANCE SHEET AND INTEREST RATES

	Year Ended 31-3-2000			Year Ended 31-3-1999		
	Average Balance €m	**Interest €m**	**Rate %**	Average Balance €m	Interest €m	Rate %
LIABILITIES AND STOCKHOLDERS' EQUITY						
Deposits by banks						
Domestic offices	7,605	366	4.8	3,896	230	5.9
Foreign offices	1,521	80	5.3	1,333	84	6.3
Customer accounts						
Demand deposits						
Domestic offices	7,155	114	1.6	6,076	152	2.5
Foreign offices	6,523	242	3.7	6,456	329	5.1
Term deposits						
Domestic offices	5,712	120	2.1	5,699	296	5.2
Foreign offices	10,487	628	6.0	10,768	705	6.5
Other deposits						
Domestic offices	173	10	5.5	156	9	5.6
Foreign offices	46	3	5.8	66	5	7.7
Interest bearing current accounts						
Domestic offices	401	8	2.0	404	10	2.6
Foreign offices	1,098	26	2.4	891	25	2.8
Debt securities in issue						
Domestic offices	238	13	5.5	331	13	3.9
Foreign offices	982	58	5.9	649	47	7.3
Subordinated liabilities						
Domestic offices	885	59	6.7	978	70	7.2
Foreign offices	385	33	8.6	380	34	8.9
Total interest bearing liabilities						
Domestic offices	22,169	690	3.1	17,540	780	4.4
Foreign offices	21,042	1,070	5.1	20,543	1,229	6.0
	43,211	1,760	4.1	38,083	2,009	5.3
Non interest bearing liabilities						
Current accounts	3,685			2,721		
Other non interest bearing liabilities (2)	8,905			7,624		
Stockholders equity including non equity interests	3,019			2,570		
Total liabilities and stockholders' equity	58,820	1,760	3.0	50,998	2,009	3.9
Percentage of liabilities applicable to foreign activities	42.7%			45.27%		

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

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

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 March 2000

(EURO, IR£, US$ & STG£)

	€m	IR£m[1]	US$m[2]	Stg£m[2]
INTEREST RECEIVABLE				
Interest receivable and similar income arising from debt securities	321	253	307	192
Other interest receivable and similar income	2,681	2,111	2,561	1,604
INTEREST PAYABLE	1,760	1,386	1,681	1,053
NET INTEREST INCOME	1,242	978	1,187	743
Fees and commissions receivable	729	574	696	436
Fees and commissions payable	(112)	(88)	(107)	(67)
Dealing profits	44	35	42	27
Contribution from life assurance companies	127	100	121	76
Other operating income	112	88	107	67
TOTAL OPERATING INCOME	2,142	1,687	2,046	1,282
Administrative expenses	1,048	825	1,001	627
Depreciation and amortisation	119	94	114	71
OPERATING PROFIT BEFORE PROVISIONS	975	768	931	584
Provision for bad and doubtful debts	56	44	53	34
OPERATING PROFIT	919	724	878	550
Income from associated undertakings	1	1	1	1
PROFIT BEFORE TAXATION	920	725	879	551
Taxation on profit on ordinary activities	196	155	188	118
PROFIT AFTER TAXATION	724	570	691	433
Minority interests : equity	3	2	2	2
: non equity	6	5	6	4
Non-cumulative preference stock dividends	25	20	24	15
PROFIT ATTRIBUTABLE TO THE ORDINARY STOCKHOLDERS	690	543	659	412
Transfer to capital reserve	70	55	67	42
Ordinary dividends	233	183	222	139
PROFIT RETAINED FOR THE YEAR	387	305	370	231
Earnings per unit of €0.64 Ordinary Stock	68.0c	53.6p	65.0c	40.7p

(1) Converted at the fixed rate of exchange €1 = IR£0.787564.

(2) Converted at closing exchange rates.

GROUP BALANCE SHEET as at 31 March 2000

(EURO, IR£, US$ & STG£)

	€m	IR£m[1]	US$m[2]	Stg£m[2]
ASSETS				
Cash and balances at central banks	210	165	200	125
Items in the course of collection	617	486	590	369
Central government and other eligible bills	746	588	713	447
Loans and advances to banks	6,972	5,491	6,660	4,173
Loans and advances to customers	44,974	35,420	42,965	26,916
Debt securities	6,668	5,251	6,370	3,990
Equity shares	15	12	14	9
Own shares	33	26	32	20
Interests in associated undertakings	14	11	13	8
Tangible fixed assets	975	768	932	584
Intangible fixed assets	9	7	8	5
Other assets	2,044	1,610	1,953	1,224
Prepayments and accrued income	502	395	479	300
	63,779	50,230	60,929	38,170
Life assurance assets attributable to policyholders	4,238	3,338	4,049	2,536
	68,017	53,568	64,978	40,706
LIABILITIES				
Deposits by banks	10,306	8,117	9,846	6,168
Customer accounts	40,990	32,282	39,158	24,531
Debt securities in issue	2,825	2,225	2,699	1,691
Items in the course of transmission	219	172	209	131
Other liabilities	3,398	2,676	3,246	2,033
Accruals and deferred income	611	481	583	366
Provisions for liabilities and charges				
- deferred taxation	86	68	82	52
- other	107	84	102	64
Subordinated liabilities	1,866	1,470	1,783	1,117
Minority interests - equity	5	4	5	3
Minority interests - non equity	87	69	84	52
Called up capital stock	690	543	659	413
Stock premium account	679	535	649	406
Capital reserve	232	183	222	139
Profit and loss account	1,510	1,189	1,442	904
Revaluation reserve	168	132	160	100
Stockholders' funds including non equity interests	3,279	2,582	3,132	1,962
Life assurance liabilities attributable to policyholders	4,238	3,338	4,049	2,536
	68,017	53,568	64,978	40,706

(1) Converted at the fixed rate of exchange €1 = IR£0.787564.

(2) Converted at closing exchange rates.

STOCKHOLDER INFORMATION

Holders of Ordinary Stock

Geographical Spread of Stockholdings

	Number	%
Ireland	47,653	84.7
Northern Ireland	1,871	3.3
Great Britain	5,875	10.5
Others	842	1.5
Total number of stockholdings	56,241	100.0

Analysis of Stockholdings

Stockholding Range - Units of Stock	Number of Stockholdings	% of Total Holders	Stock Held €m	% of Total Stock
Up to 500	15,046	26.7	3.4	0.4
500 to 1,000	9,937	17.7	7.7	0.8
1,000 to 5,000	20,248	36.0	49.1	4.9
5,000 to 10,000	5,220	9.3	37.6	3.8
10,000 to 50,000	4,883	8.7	99.3	10.0
50,000 to 100,000	495	0.9	33.9	3.4
100,000 to 500,000	293	0.5	58.8	5.9
over 500,000	119	0.2	702.5	70.8
	56,241	100.0	992.3	100.0

Financial Calendar

Results	Year to 31 March 2000 - announced 11 May 2000 Half year to 30 September 2000 - to be announced November 2000
Annual General Court of Proprietors	5 July 2000
Dividends - Ordinary Stock	1999/2000 Final Dividend - announced 11 May 2000 - payable 14 July 2000 2000/2001 Interim Dividend - to be announced November 2000 - payable January 2001
Dividends - Preference Stocks	Payable in equal semi-annual instalments - August 2000 - February 2001

Listings

The Governor and Company of the Bank of Ireland ("Bank of Ireland") is a corporation established in Ireland in 1783 under Royal Charter. Its Ordinary Stock, of nominal value €0.64 per unit, has a primary listing on both the Irish and London Stock Exchanges. In the United States of America the Bank's Ordinary Stock (symbol IRE) is traded on the New York Stock Exchange in the form of American Depository Shares (ADSs), each ADS representing the right to receive four units of Ordinary Stock and evidenced by American Depository Receipts (ADRs).

STOCKHOLDER INFORMATION

Dividend Withholding Tax ('DWT')

The following information does not constitute definitive tax advice. Stockholders are advised to consult professional advisers if in any doubt about their own individual position.

Further information on DWT may be obtained from:

DWT Section, Office of the Revenue Commissioners, St. Conlon's Road, Nenagh, Co Tipperary, Ireland.
Phone (00-353-67) 33533. Facsimile (00-353-67) 33822. E-mail info@dwt.revenue.ie.

Dividends paid by Irish resident companies are, with certain exceptions, subject to DWT at the standard rate of income tax (currently 22%). Where it applies, DWT is deducted by the Bank from all dividends paid in cash or as new units of Ordinary Stock issued in lieu of the cash dividend, where Stockholders so electing will receive new units to the value of the dividend after deduction of DWT.

Irish resident stockholders

- Irish resident individuals are liable to DWT in respect of dividend payments;
- Certain other entities resident in Ireland (e.g. companies, pension schemes, qualifying employee share ownership trusts (ESOTs), collective investment undertakings (CIUs), charities, amateur or athletic sports bodies and designated brokers for special portfolio investment accounts) may receive dividend payments gross where completed declarations have been filed with the Bank's Registration Department prior to the relevant dividend payment record date. Universal Declaration Forms were forwarded on 2 May 2000 to Irish resident entities on the Bank's Stock Register for completion and return prior to the dividend payment Record Date in order to claim exemption from DWT. Further copies of such declarations may be obtained on application to the Bank's Registration Department, phone (01) 660 5666.

Non-resident stockholders

Special transitional arrangements were made in relation to the first year of operation of the DWT system in the case of relevant distributions made to non-resident persons, but these expired on 5 April 2000.
With effect from 6 April 2000, the following non-resident persons may receive dividend payments gross where completed declarations, supported by appropriate documentary evidence, have been filed with the Bank's Registration Department prior to the relevant dividend payment record date:

- Individuals who are neither resident nor ordinarily resident in the State but are resident for the purposes of tax in a 'relevant territory' (EU country other than Ireland or in a country with which Ireland has a double taxation treaty).
- Unincorporated entities which are resident for tax purposes in a 'relevant territory'.
- Companies which are ultimately controlled by persons who are neither resident nor ordinarily resident in the State but are resident for the purposes of tax in a 'relevant territory'.
- Companies resident in a 'relevant territory' and which are not controlled by Irish residents.
- Companies, the principal class of shares of which (or of a company of which it is a 75% subsidiary) are substantially and regularly traded on a recognised stock exchange in a 'relevant territory'.
- Companies which are wholly owned by two or more companies each of whose principal class of shares are substantially and regularly traded on one or more recognised stock exchanges in a 'relevant territory'.
- Parent companies in EU Member States receiving distributions from 25% subsidiaries which are Irish resident companies. Universal Declaration Forms were forwarded on 17 April 2000 to non-residents on the Bank's Stock Register for completion and return, together with the appropriate documentary evidence, prior to the dividend payment Record Date in order to claim exemption from DWT. Further copies of such declarations may be obtained on application to the Bank's Registration Department, phone (00-353-1) 660 5666.

Dividend Payments 1999/2000

An Interim Dividend of 7.36 cents with a stock alternative, was paid in respect of each unit of Ordinary Stock on 11 January 2000.

A Final Dividend of 16.14 cents will be paid in respect of each unit of Ordinary Stock on 14 July 2000. A stock alternative will be offered to Stockholders.

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

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

STOCKHOLDER INFORMATION

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

Stock Alternative

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

Holders of American Depositary Shares

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

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

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

With effect from 6 April 2000, a holder of an ADR whose address on the register of depositary receipts held by Bank of New York or other qualifying intermediary, or by any intervening specified intermediary, is located in the United States of America, will be exempt from DWT. There is no requirement for such holder to make a declaration in order to obtain that exemption.

Form 20-F

The Form 20-F for year ended 31 March 2000 will be filed with the Securities and Exchange Commission, Washington DC and when filed, copies will be available to download from the Bank's website (see below) or on application to the Group Secretary.

CREST

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

Stockholder Enquiries

All enquiries concerning stockholdings should be addressed to
Bank of Ireland
Registration Department,
PO Box 4044,
4th Floor, Hume House,
Ballsbridge,
Dublin 4.
Phone (00-353-1) 618-7270

Internet Address

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

www.bankofireland.ie

PRINCIPAL BUSINESS UNITS AND ADDRESSES

REPUBLIC OF IRELAND

Group Head Office
Lower Baggot Street
Dublin 2
Tel: 01 6615933, Fax: 01 6615671

Group Senior Management

Group Chief Executive: Maurice A Keane
Chief Executive Retail Businesses: John G Collins
Chief Executive Asset & Wealth Management Services: William R Cotter
Chief Executive Retail Banking & Distribution: Des Crowley
Group Chief Financial Officer: Paul M D'Alton
Chief Executive Corporate & Treasury: Brian J Goggin
Head of Group Corporate Development: Denis Hanrahan
Chief Executive Bristol & West plc: Jeff Warren

Group Secretary: Terence H Forsyth
Head of Investor Relations: Mary King
Head of Group Public Affairs: David Holden
Group Legal Advisor: Finbarr Murphy

Retail Banking and Distribution

DUBLIN & THE EAST
2 College Green, Dublin 2
Tel: 01 6777155, Fax: 01 6770249
General Manager: D Patrick Murphy

AREA SOUTH
32 South Mall, Cork
Tel: 021 277644, Fax: 021 272463
General Manager: Tim O'Neill

AREA WEST
5 Eyre Street, Galway
Tel: 091 563037, Fax: 091 562685
General Manager: John P MacNamara

BUSINESS BANKING
Haddington Centre, Percy Place, Dublin 4
Tel: 01 6653300, Fax: 01 6653765
General Manager: Michael Connolly

Current Asset Financing

BANK OF IRELAND COMMERCIAL FINANCE LTD
Colm House, 91 Pembroke Road, Dublin 4
Tel: 01 6140300, Fax: 01 6140301
Managing Director: Ann Horan

Direct Banking

BANKING 365
Premier House, The Square, Tallaght, Dublin 24
Tel: 01 4620222, Fax: 01 4620170
Head of Direct Banking & Services: Cathal Muckian

Retail Businesses

ICS BUILDING SOCIETY
New Century House,
International Financial Services Centre, Dublin 1
Tel: 01 6113000, Fax: 01 6113100
Managing Director: Ted McGovern

Life Assurance

LIFETIME ASSURANCE CO LTD
Lifetime House, Bank of Ireland Head Office
Lower Baggot Street, Dublin 2
Tel: 01 7039500, Fax: 01 6220811
email: info@lifetime.ie
Web: www.lifetime.ie
Managing Director: Roy Keenan

NEW IRELAND ASSURANCE COMPANY plc
11/12 Dawson Street, Dublin 2
Tel: 01 6172000, Fax: 01 6172800
Managing Director: James P Gallivan

Instalment Credit / Leasing

BANK OF IRELAND FINANCE LTD
Bank of Ireland Head Office
Lower Baggot Street, Dublin 2
Tel: 01 6687222, Fax: 01 6687713
Managing Director: Tom Comerford

Credit Card Services

BANK OF IRELAND CREDIT CARD SERVICES
PO Box 1102, 33/35 Nassau Street, Dublin 2
Tel: 01 6798433 and 1850 251 251
Fax: 01 6795351
Head of Credit Card Services: Billy Saunderson

Consumer Lending

CONSUMER LENDING BUSINESS
34 College Green, Dublin 2
Tel: 01 6122098, Fax 01 6122044
Head of Consumer Lending: Liam Hand

General Insurance

BANK OF IRELAND INSURANCE SERVICES LTD
Lifetime House, Bank of Ireland Head Office
Lower Baggot Street, Dublin 2
Tel: 01 7039800, Fax: 01 7039840
Managing Director: Kevin O'Brien

E- BUSINESS & PAYMENTS
Arthur Cox Building, Earlsfort Centre
Earlsfort Terrace, Dublin 2
Tel: 01 6147500, Fax: 01 6147544
Head of E- Business & Payments: Noel Hiney

Corporate and Treasury

Corporate Banking

BANK OF IRELAND CORPORATE BANKING
Lower Baggot Street, Dublin 2
Tel: 01 6044000, Fax: 01 6044025
Managing Director: James J Ruane

International and Structured Finance

BANK OF IRELAND INTERNATIONAL FINANCE LTD
PO Box 3267, La Touche House
International Financial Services Centre
Custom House Docks, Dublin 1
Tel: 01 6701400, Fax: 01 8290129
Managing Director: Ronan M Murphy

BANK OF IRELAND TREASURY
PO Box 2386, La Touche House
International Financial Services Centre
Dublin 1
Tel: 01 6700600, Fax: 01 6700555
Head of Treasury: Denis Donovan

PRIVATE BANKING
35 Fitzwilliam Square, Dublin 2
Tel: 01 6765566, Fax: 01 6765462
Head of Private Banking: Michael Moriarty

COMMERCIAL ELECTRONIC BANKING SERVICES
Hume House, Dublin 4
Tel: 01 6187430, Fax: 01 6187459
Director: Ken Slattery

INTERNATIONAL BANKING
Lower Baggot Street, Dublin 2
Tel: 01 6615933, Fax: 01 6615671
Director of International Banking: Paddy McGinley

Trust Services

BANK OF IRELAND TRUST SERVICES
PO Box 843, Head Office,
Lower Baggot Street, Dublin 2
Tel: 01 6043600, Fax: 01 6615992
Head of Trust Services: Enda Murphy

Corporate Finance

IBI CORPORATE FINANCE LTD
26 Fitzwilliam Place, Dublin 2
Tel: 01 6616633, Fax: 01 6616821
Managing Director: Peter Crowley

Stockbroking

DAVY STOCKBROKERS
Davy House,
49 Dawson Street, Dublin 2
Tel: 01 6797788, Fax: 01 6712704
Chairman: J Brian Davy

Bureau De Change

FIRST RATE ENTERPRISES
4 Customs House Plaza, Harbourmaster Place
International Financial Services Centre, Dublin 1
Tel: 01 8290333, Fax: 01 8290368
Managing Director: Francis J Smyth

International Consultancy

BANK OF IRELAND INTERNATIONAL SERVICES LTD
4 Customs House Plaza, Harbourmaster Place,
International Financial Services Centre, Dublin 1
Tel: 01 8290066, Fax: 01 6700662
e-mail: info@biis.boi.ie
website: www.boi.ie/biis
Managing Director: Des Smyth

Securities Services

BANK OF IRELAND SECURITIES SERVICES LTD
New Century House,
Mayor Street Lower, Dublin 1
Tel: 01 6700300, Fax: 01 8290144
Managing Director: Brian P Collins

Asset Management

BANK OF IRELAND ASSET MANAGEMENT LTD
26 Fitzwilliam Place, Dublin 2
Tel: 01 6616433, Fax: 01 6616688
Chief Executive: William R Cotter

PRINCIPAL BUSINESS UNITS AND ADDRESSES

GREAT BRITAIN

Deposit Taking and Mortgage Finance

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

Mortgage Financing

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

Asset Management

BANK OF IRELAND ASSET MANAGEMENT (U.K.) LTD
36 Queen Street, London EC4R 1HJ
Tel: 020 7489 8673, Fax: 020 7489 9676
Managing Director: Francis Ellison
Regulated by IMRO

Treasury
PO Box 27, Broad Quay
Bristol, BS99 7AX
Tel: 0117 9291504, Fax: 0117 9211607
Treasurer: Brendan Spicer

BANKING UK

General Manager: Gerard McGinn

Banking GB

Retail and Business Banking
36 Queen Street, London EC4R 1BN
Tel: 0207 236200, Fax: 0207 634 3103
Head of Banking GB: Peter Morris

Banking NI

Retail and Business Banking
54 Donegall Place, Belfast BT1 5LU
Tel: 028 90 234334, Fax: 028 90 236673
Head of Banking NI: David McGowan

ISLE OF MAN

BANK OF IRELAND (IOM) LTD
PO Box 246
Christian Road, Douglas, Isle of Man, IM99 1XF
Tel: 01624 644200, Fax: 01624 644298
Managing Director: Roly Alden

Fsharp
P.O. Box 322
Christian Road, Douglas, Isle of Man IM99 1XF
Tel: 01624 644300, Fax: 01624 644329
Managing Director: Ian Montgomery

UNITED STATES

Connecticut

BANK OF IRELAND ASSET MANAGEMENT (U.S.) LTD
75 Holly Hill Lane,
Greenwich,
CT 06830
Tel: 00 203 869 0111, Fax: 00 203 869 0268
President and Chief Operating Officer: Denis Curran

California

BANK OF IRELAND ASSET MANAGEMENT (U.S.) LTD
MGM Plaza, 2425 Colorado Avenue, Suite 212
Santa Monica CA 90404
Tel: 00 310 829 3848, Fax: 00 310 829 4840
Senior Vice President Client Services: Lelia Long

OTHER LOCATIONS

AUSTRALIA

BIAM
AUSTRALIA PTY LTD
(ACN 071 705 630)
Level 12, 492 St Kilda Road
Melbourne, VIC 3004
Tel: 00 613 9832 9400, Fax: 00 613 9832 9401
Managing Director: Brendan Donohoe

CANADA

BANK OF IRELAND ASSET MANAGEMENT (CANADA)
1800 McGill College Avenue,
Suite 2460, Montreal, Quebec,
Canada H3A 3J6
Tel: 00 514 849 6868, Fax: 00 514 849 8118
Vice President Institutional Sales: Geoffrey Moore

PRINCIPAL BUSINESS UNITS AND ADDRESSES

JERSEY

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

BANK OF IRELAND ASSET MANAGEMENT (JERSEY) LTD
Bank of Ireland House,
Francis Street, St Helier, Jersey, JE2 4QE,
Channel Islands
Tel:01534 638680, Fax: 01534 630999
Managing Director: Tim Phelan

BANK OF IRELAND SECURITIES SERVICES (JERSEY) LTD
Bank of Ireland House,
Francis Street, St Helier, Jersey, JE24QE,
Channel Islands
Tel: 01534 638690, Fax: 01534 617815
Managing Director: Stephen Baker

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

GERMANY

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

BANK OF IRELAND ASSET MANAGEMENT LTD
Hochstrasse 29, 60313 Frankfurt am Main, Germany
Tel: 069 913 023-33, Fax: 069 913 023-20
General Manager: Kevin Duffy

JAPAN

BANK OF IRELAND ASSET MANAGEMENT (JAPAN) LTD
Level 6
Akasaka Tokyu Building
2-14-3 Nagatacho
Chiyoda-ku
Tokyo 100-0014 JAPAN
Tel: 00813 3539 3180
Fax: 00813 3539 3182
President: Kikuo Kuroiwa

INDEX

INDEX

NOTES