DUBLIN

CORK

GALWAY

LIMERICK

WATERFORD

BELFAST

LONDON

BANBURY

BIRMINGHAM

GLASGOW

MANCHESTER

ISLE OF MAN

VIENNA

BOSTON

DUSSELDORF

EXPERIENCE THE DIFFERENCE

Annual Report & Accounts 2000

ANGLO IRISH BANK

Financial Calendar

Publication of Results		Half Year to 31 March 2000	3 May	2000
Dividend	Ordinary Shares	Interim Dividend Paid	18 July	2000
Publication of Results		Year to 30 September 2000	29 November	2000
Share Transfer Books Closed			8 December	2000
Accounts Posted to Shareholders			18 December	2000
Annual General Meeting			26 January	2001
Dividend	Ordinary Shares	Proposed Final Dividend Payment	31 January	2001

Contents

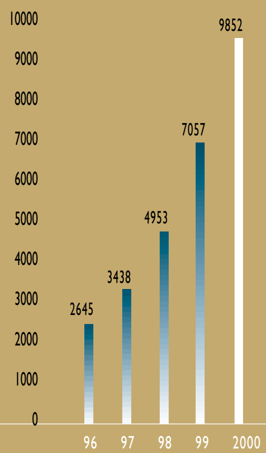
Annual Report & Accounts 2000

Anglo Irish Bank Corporation plc is an integrated banking group with an asset base in excess of €11 billion, supported by capital resources of €950 million. The Bank was incorporated in 1964, became a public company in 1971 and in the last ten years gross assets have increased by a multiple of fifteen. The Bank's shares are listed on the Stock Exchanges in Dublin and London.

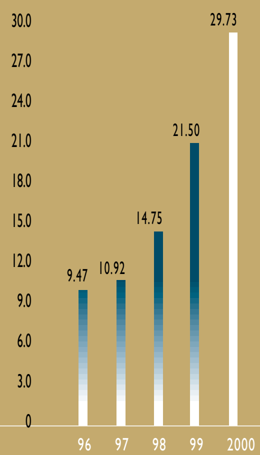
Banking and Treasury services are provided through a network of established offices. The Bank originated in Dublin where the head office is located and has offices in Belfast, Cork, Galway, Limerick and Waterford in Ireland. In Great Britain the Bank has offices in London, Manchester, Birmingham, Glasgow and Banbury. It also has banking subsidiaries in the Isle of Man and Austria. The Bank has representative offices in Boston in the USA and in Dusseldorf in Germany. From an international banking perspective, a treasury relationship is maintained with a worldwide network of over 250 banks.

Financial Summary

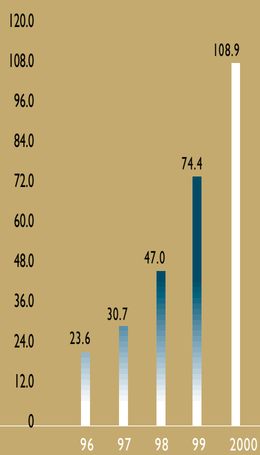
SOURCES OF DEPOSITS (€9,852M)



TOTAL DEPOSITS
EXPRESSED IN €M



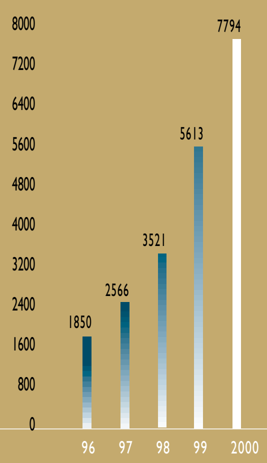
EARNINGS PER SHARE
EXPRESSED IN CENTS



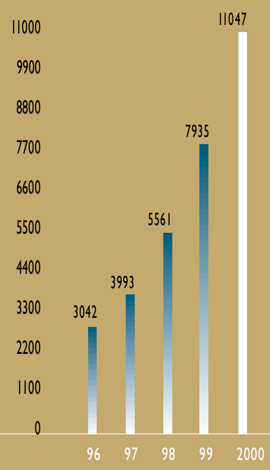
PROFITS AFTER TAX
EXPRESSED IN €M

FINANCIAL HIGHLIGHTS

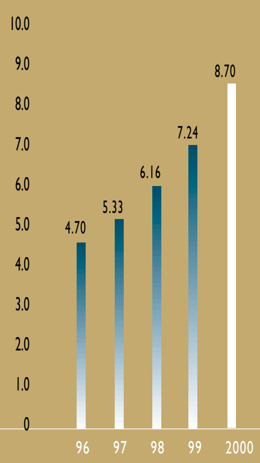
	2000 €m	1999 €m
Profit before Taxation	**133.6**	**89.1**
Profit after Taxation	**108.9**	**74.4**
Dividends	**24.6**	**19.9**
Total Assets	**11,047.3**	**7,935.4**
Earnings per €0.32 Share	**29.73c**	**21.50c**
Deposits	**9,852.3**	**7,056.9**
Advances	**7,793.5**	**5,612.5**
Fixed Rate	**1,490.9**	**1,332.1**
Variable Rate	**6,302.6**	**4,280.4**



ADVANCES TO CUSTOMERS
EXPRESSED IN €M



TOTAL ASSETS
EXPRESSED IN €M



DIVIDENDS PER SHARE
EXPRESSED IN CENTS

Group Profile

Background

Anglo Irish Bank Corporation plc is an integrated banking group with an asset base of €11 billion, supported by capital resources of €950 million. The Bank was incorporated in 1964, became a public company in 1971 and in the last ten years gross assets have increased by a multiple of fifteen.

While this growth has largely been achieved organically, the Bank has pursued a strategy of acquiring businesses which are similar from a risk perspective and also complementary to it's existing activities.

All of these acquisitions have been fully assimilated into the group structure, generating valuable new business and making a meaningful contribution to profit.

The Bank's ability to continue its significant level of organic growth is further enhanced by the wider range of banking services now available within the group.

The Anglo Approach: Experience the Difference

Ongoing and supportive relationships with clients are the foundations of the group's business strategy. Critical to this, and of paramount importance to all Anglo Irish Bank employees, is quality customer service.

The Bank has developed a strong position in its market as a provider of superior quality service. Whether dealing with a loan request or a deposit transaction, the emphasis is always on providing the customer with the service or product they require in the most efficient and effective manner.

The Bank's management continues to devote considerable time and resources to instilling a superior customer service ethos throughout the group. The quality of service provided is a key competitive advantage, which enables the Bank to compete without reliance on price alone. The Bank will continue to use its superior customer service to differentiate itself in the increasingly crowded marketplace for financial services.

Business Profile

The Bank has two principal business activities:

- Lending
- Treasury

Lending

Anglo Irish Bank's Banking Division helps progressive and established businesses to continue their growth and expansion. Customised solutions are devised for all aspects of a company's financial needs.

The broad range of credit-related products available includes loans, guarantees, trade credit facilities, invoice discounting, commercial mortgages, leasing and secured personal loans. Banking products are focused on a niche market of well established medium-sized companies and professionals based in Ireland, the United Kingdom and the Boston region in the United States.

The Bank has clearly defined lending criteria, which are consistently applied. It is very focused on its target markets. The Bank

has earned a solid reputation and has developed a recognised expertise in its marketplace.

Treasury

The Bank's Treasury Division offers a full range of Risk Management and Cash Management products to a wide range of clients including personal clients, private companies and large corporates.

In addition, the Bank's treasury operations provide specially designed deposit services for professional practices, charities and other tax exempt funds.

The Bank has built its private and commercial deposit base in Ireland, the Isle of Man, the United Kingdom and in Austria. The banking subsidiaries in the Isle of Man and Austria are primarily deposit gathering entities. The private and commercial deposit base ranges from small deposit customers to large corporates.

The Bank has developed a significant corporate foreign exchange business servicing customers based in Ireland, the United Kingdom and the United States. It also has an established trade finance business, which compliments these activities.

The Group also provides a bespoke private banking service structured to facilitate the growing need for wealth management and wealth protection from its expanding private client base.

These services include Professional and Corporate Trustee Administration Services, Investment and Advisory Services, and Portfolio Management.

Looking to the Future - Adding Value

The Bank has clearly established a niche for itself in the markets in which it operates.

It is renowned for providing a flexible but consistent service. Consequently, the Bank's market share continues to grow as customers look for quality service. This trend is expected to be maintained, despite the competition in the financial services market, as few companies match Anglo Irish Bank's high standard of personalised service.

Anglo Irish Bank's business is based on relationship banking rather than commodity transactions and it is, at all times, seeking ways to add value to these relationships.

Directors

Anthony O'Brien (64)

who joined the Board in March 1997, is Group Managing Director of the Cantrell & Cochrane Group Limited. He is also a Non-Executive Director of CRH plc and is a Past President of The Irish Business and Employers Confederation (IBEC). He is a Fellow of the Chartered Institute of Management Accountants.
In January 1999 he was appointed as Non-Executive Chairman of the Bank.

Sean FitzPatrick (52)

joined the Group Board in 1985 and was appointed Group Chief Executive in 1986. Prior to joining Anglo Irish Bank Corporation plc in 1978, he took a business degree and qualified as a Chartered Accountant. He is President of The Irish Bankers Federation, a Director of the Dublin Docklands Development Authority and a member of the Council of the Institute of Chartered Accountants in Ireland.

- Executive Director
- A member of the Audit Committee
- A member of the Remuneration Committee
- An independent Non-Executive Director
- A member of the Nomination Committee
- A member of the Risk Committee

William McAteer (50)

a Chartered Accountant, was appointed Finance Director of the Group in June 1992. He was previously Managing Director of Yeoman International Leasing Limited, prior to which he was a Partner with Price Waterhouse.

Peter Killen (53)

who joined the Board in October 1989, has responsibility for Group Risk Asset Management. A career banker, he worked with Allied Irish Banks plc from 1967 until he joined Anglo Irish Bank Corporation plc in 1982.

Peter Murray (52)

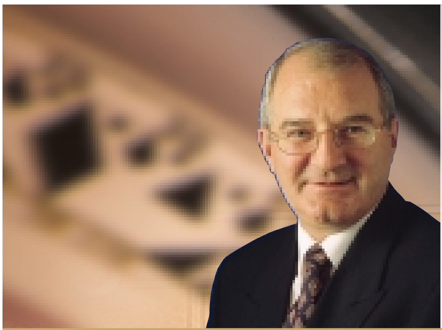
who has been a Director since November 1993, is a Fellow of the Institute of Chartered Accountants in Ireland. He is Chairman and/or a Director of a number of companies both in Ireland and overseas.

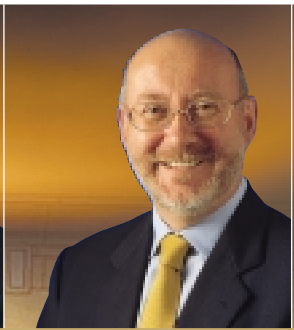
Tiarnan O Mahoney (41)

Head of Treasury, joined the Board in November 1993 having worked with the Group since 1985. He holds a MBA degree and is an Associate of the Chartered Institute of Management Accountants.

John Rowan (42)

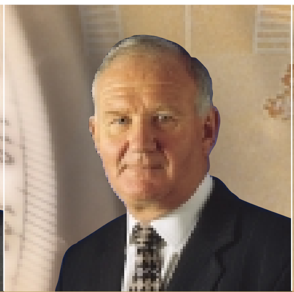
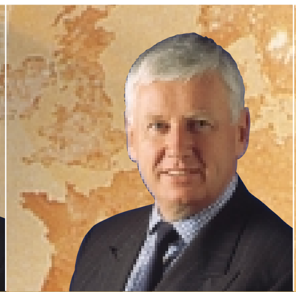
joined the Board in October 1998. A Chartered Accountant, he joined the Bank in 1985 and is Managing Director of the Bank's operations in the United Kingdom.










William Barrett (54)

Head of Group Lending, joined the Board in November 1993 and is a Fellow of the Chartered Association of Certified Accountants. A career banker, he worked with Allied Irish Banks plc and with ABN Amro Group before joining the Group in 1985.

Anthony Coleby (65)

who joined the Board in September 1994, is a former Executive Director of the Bank of England where he had responsibility for monetary policy and market operations. He is a Non-Executive Director of Halifax plc.

Michael Jacob (55)

who has been a Director since 1988, is a Fellow of the Chartered Institute of Management Accountants. He is Chairman of the Lett Group of Companies, Deputy Chairman of SIAC Construction Limited, Vice President of the Royal Dublin Society and a Director of other companies.

William Mc Cann (56)

joined the Board in October 1998. A Chartered Accountant, he is a former Managing Partner of Price Waterhouse, Ireland and a former Director of the Central Bank of Ireland. He is Chairman of the Electricity Supply Board, Galco Steel Limited and Airplanes Group and is Deputy Chairperson of the Irish Takeover Panel. He is a Director of Readymix plc and other companies.

Patrick Wright (59)

joined the Board in February 2000. He is Chairman of the RTE Authority and Chairman of Aon McDonagh Boland Group. He is a Director of Jefferson Smurfit Group plc and Aer Lingus Group plc, a Trustee of The Irish Business and Employers Confederation, an Honorary Fellow of the National College of Industrial Relations and a Fellow of the Irish Management Institute.

Chairman's Statement

Anthony O'Brien
CHAIRMAN

Results

I am pleased to report that the Bank has recorded another excellent performance in the year ended 30 September 2000, our fifteenth year of record earnings and profit growth.

Pre-tax profits were €133.6 million for the year, an increase of 50%. Profits attributable to shareholders increased by 43% to €83.9 million. Basic earnings per share increased by 38% to 29.73c. Total assets have grown by €3.1 billion to €11 billion. The return on shareholders' funds was 29% for the year.

The performance for the year is noteworthy, particularly in the context of pre-tax profits compound annual growth rate (CAGR) of 41% and earnings per share CAGR of 33% over the past five years.

This has been achieved without margin dilution while maintaining stringent risk management standards and taking a prudent approach to provisioning. The key drivers have been a strong client service focus in clearly defined lending markets and the development of additional sources of strongly recurring fee based income.

The milestones of pre-tax profits of €100 million and total assets of €10 billion have been passed in the last financial year. The capital base of the Bank is strong and now stands at €950 million. A significant amount of capital is self-generated on an annual basis. This growing financial strength gives your Bank the critical mass to continue to grow its share of the existing markets in which it operates and also to develop its new businesses.

Dividend

The Board is recommending a final dividend of 5.6c, an increase of 23% on last year's final dividend. The total dividend for the year of 8.7c represents an increase of 20% on the previous year. The Bank's dividend cover comfortably exceeds three times.

It is proposed to pay the final dividend on 31 January 2001 to shareholders on the Bank's register at the close of business on 8 December 2000. Withholding tax may apply. Shareholders will again be offered the choice of new shares in lieu of the cash equivalent of their dividend.

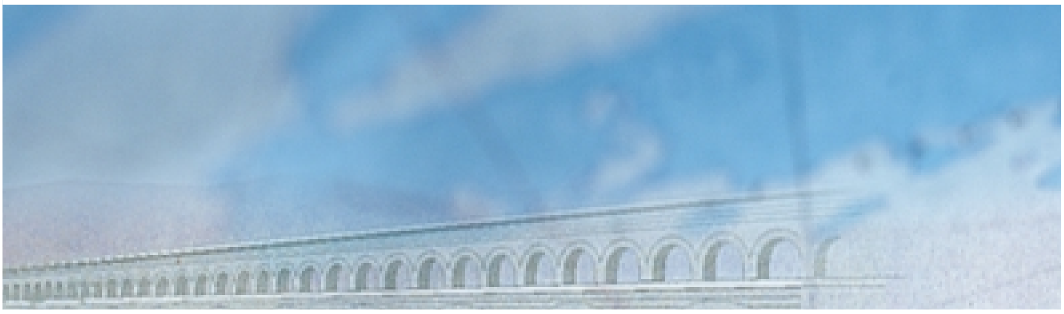
Strategy

The continuing success of Anglo Irish Bank is based on a clearly focused strategy of providing bespoke banking services to niche markets.

The core lending and treasury businesses have been grown organically and through selective acquisitions. The non-risk asset fee earning businesses have been developed on a green field basis, through acquisition and the recruitment of specialist teams.

The overriding consideration of the Board and management of the Bank in growing the businesses has been the creation of shareholder value. This has been a core tenet of how the Bank is run. The fact that over 80% of employees are also shareholders of the Bank is also relevant in ensuring a strong symmetry of interests.

One of the responsibilities of the Board and management team of any company to its shareholders is to be alive to opportunities and threats that appear in the marketplace from



"the Bank has recorded another excellent performance"

Anthony O'Brien CHAIRMAN

time to time. One such opportunity in the last twelve months was the potential merger with First Active plc. This Bank engaged in discussions with First Active plc on the basis that the arrangement being considered would have been immediately earnings enhancing to the shareholders of the Bank. These discussions were not successful. It is important to note that this development did not signify any change of strategy on the part of the Bank, nor does it create any void in that strategy going forward.

The consolidation process underway in the financial services industry across Europe will undoubtedly create opportunities for the Bank to make further acquisitions. The acquisition strategy of the Bank is consistent and clear. Loan books have and will be acquired in our core markets and only where we would have made those loans in the ordinary course of business. The fee generating businesses of the Bank – corporate foreign exchange, private banking, asset management and trade finance – are global businesses and operate across national boundaries. We will seek to make suitable acquisitions in these areas in our core markets and also in other markets.

Internet

At the time of the interim results, I reported on the Bank's internet strategy. We plan to use this new channel in a very focused manner to distribute certain products to a wider market and also to improve the service being provided to existing clients on other products. Our plans are progressing well in this regard and we will be rolling out solutions from early 2001.

We also note the more measured assessment being made by the financial markets of the impact of the internet on the financial services industry which now recognises the strength of those incumbents who adopt a suitable internet strategy. Your Bank is in the strong position of not having its core lending business exposed to any competitive threat from the internet, while being able to use the transparency offered by the internet to increase market share for its competitively priced retail deposits.

Capital

During the year the Bank completed the securitisation of Stg£375 million of its UK loan portfolio – its first securitisation. This has ensured that the Bank now has a new pipeline of Tier 1 capital available to it. The Bank also further strengthened its capital base through the issue of US$125 million of subordinated debt. This demonstrates the ability of the Bank to expand its capital base in a diversified manner which is efficient in terms of the return earned for ordinary shareholders.

Euro

We are now entering the final stages leading up to the full introduction of the Euro in 2002 and the Board and management are taking all of the necessary steps to ensure that the Bank is well prepared. We are working with clients to ensure that this transition is a smooth one.

Deposit Interest Retention Tax

At the time of the interim results, I indicated that the Dail Public Accounts Committee had reported on the issue of Deposit Interest Retention Tax on interest from bogus non-resident accounts and that it was unclear what liability would arise in the financial sector following this report. Your Board is now pleased to be able to inform shareholders that the Revenue Commissioners have advised

Dail Eireann that they have made a "nil" assessment of the liability of Anglo Irish Bank in this regard.

Outlook

The Board is confident about the prospects for the coming year. The Bank's lending businesses are well placed to make further progress, as are the non-risk asset fee earning operations. The economic outlook for our main markets remains generally positive.

The Irish economy has now grown by a cumulative 90% over the last ten years. The main contributors to this structural change were

- a stimulative monetary policy that encouraged investment,
- positive demographics that fuelled labour supply,
- sound government financial management and a benign fiscal policy that attracted foreign direct investment and increased private domestic consumption, and
- social partnership.

It is inevitable that the strong level of GNP growth achieved has given rise to supply side pressures in terms of labour supply shortages and an infrastructure deficit. Clearly it is imperative that these issues are addressed urgently at a macro level and the Board takes comfort from the measures being taken by Government in this regard.

The Board believes that the underlying forces that have fuelled Irish economic development over the last decade are still in place and they can continue to drive the economy forward with strong levels of GNP growth, provided the supply side issues are addressed and no significant external shocks are experienced. The National Development Plan is already beginning to feed through in terms of business opportunities for our clients.

The UK economy would appear to be approaching the top of its interest rate cycle and is experiencing good growth levels across many sectors. Our business in the UK is in a strong position to continue to grow its share in a very focused niche market.

The benign economic outlook in Continental Europe and in the US should be beneficial to our businesses in Vienna and Boston.

Conclusion

I would like to pay a special tribute to Tony Coleby who will retire from the Board in January 2001 on reaching retirement age. Tony's contribution has been outstanding and of immense value to the Bank.

I also welcome Paddy Wright who joined the Board in February 2000 as a non-executive director. I know that he will make an important contribution to the future development of the Bank.

The strategy which has enabled the Bank to develop and expand will continue to be pursued and the Board is confident that your Bank can deliver another year of earnings and profit growth.

Anthony O'Brien
Chairman
28 November 2000

Chief Executive's Review

Sean FitzPatrick
CHIEF EXECUTIVE

It is a pleasure to be able to report to shareholders that we have had another year of record results – pre-tax profits of €133.6 million – an increase of 50% on the previous year. The profit attributable to shareholders increased by 43% to €83.9 million and earnings per share increased by 38% to 29.73c.

This year is particularly significant however in that we have passed the milestones of pre-tax profits of €100 million and total assets of €10 billion. At a business level, your Bank has achieved a critical mass that is important in terms of generating future business from both existing and new clients and the strength of the Bank's balance sheet is important in the financial markets. This is not the result of any overnight success, but the reward for years of building strong franchises in our lending operations and more recent investment in fee earning non-risk asset businesses.

When we look across our different businesses it is clear that the key to the success we have achieved is the provision of an unparalleled quality of service in a very focused manner to well defined niche markets. This is the essence of relationship banking.

During the year we spent a considerable amount of time in discussions with First Active plc with a view to achieving a merger. These discussions were initiated with a view to concluding a deal that would have enhanced shareholder value, but they came to an unsuccessful conclusion.

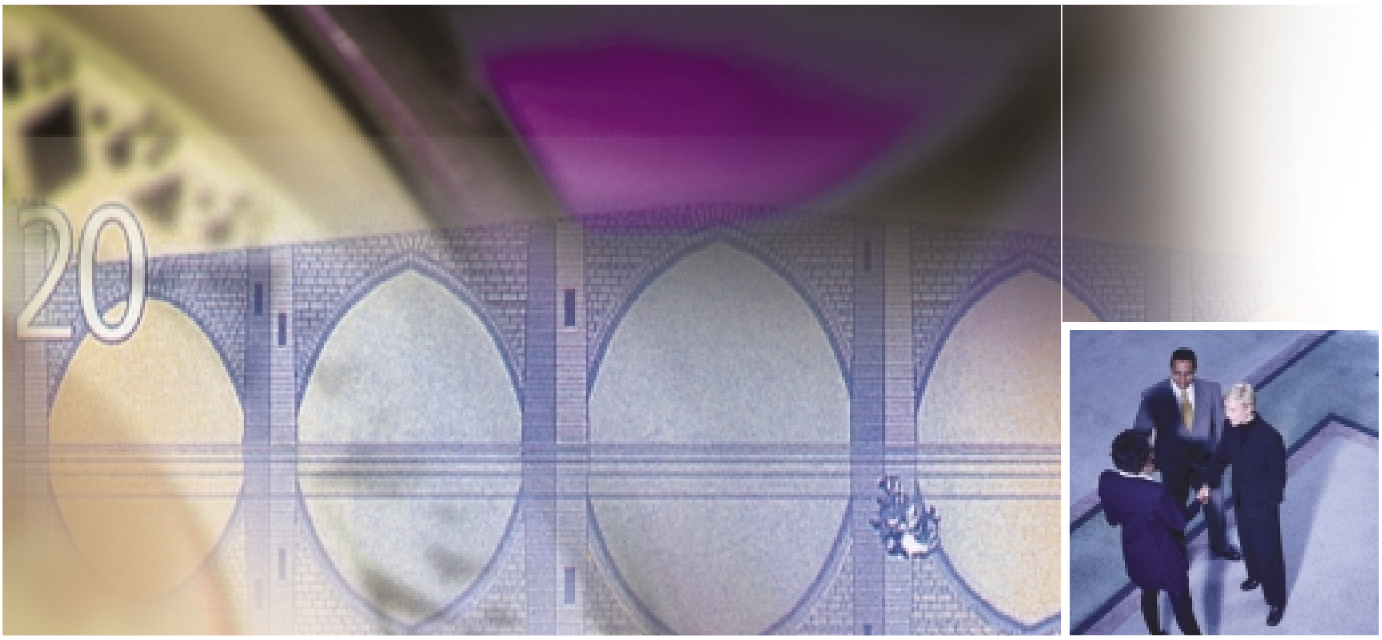
Banking Operations

We saw strong volume growth in all of our lending operations. At year end, loan advances stood at €7.8 billion, an increase of 39%. This growth was achieved without margin dilution and without compromising our stringent risk management standards.

The Irish lending operations – in Dublin and in the Area Offices around the country – all contributed to the strong growth. We continue to attract a very high level of repeat business from our existing clients and also continue to widen our franchise in a selective manner. This is a credit to the strength of our relationships with our clients and also our reputation for providing a high quality value added service.The sectoral spread of our loan book remains broadly unchanged.

Our UK lending operation had another good year. It now ranks in the top 15 investment property lending banks in the UK and continues to focus on its area of expertise and develop its franchise. During the year new offices were opened in Birmingham and Glasgow enhancing our ability to service clients in the regional markets. Both offices attracted a good initial flow of business. We would not anticipate the need to open any further new offices in the near term.

From a standing start in 1999, the Boston representative office continues to develop a franchise in its local area. It is benefiting from a situation where clients are finding it increasingly difficult to secure the quality of



"we have passed the milestone of pre-tax profits of €100 million"

Sean FitzPatrick CHIEF EXECUTIVE

service they require from the large universal banks that are being created from the consolidation process underway in the US banking market. Here again the benefits of being a focused niche player are evident.

In addition to our adherence to strong centralised risk management procedures, we continue to adopt a very prudent approach to loan provisioning. In the year just ended, the Bank increased its general provision by €35.3 million to €92.6 million, in addition to making prudent specific provisions for any non-performing loans. This leaves the Bank in a good position to manage the risks attached to any downturn in activity.

Treasury Operations

The Treasury division had another good year in its core activities of managing the Bank's interest rate and foreign exchange exposures and funding the growth of the loan book. In addition, the building blocks that have been put in place over the last five years in the new fee earning non-risk asset businesses have begun to bear fruit in terms of strong profit flows.

The Bank's fee earning businesses are now spread over different activities and markets giving us a good counterbalance to our lending operations. The private banking and asset management businesses are generating fees in Ireland, the Isle of Man and in Austria, while trade finance operates from Ireland and the UK. Corporate foreign exchange services are centralised in our dealing room in Dublin but are provided to clients in Ireland, the UK and the US.

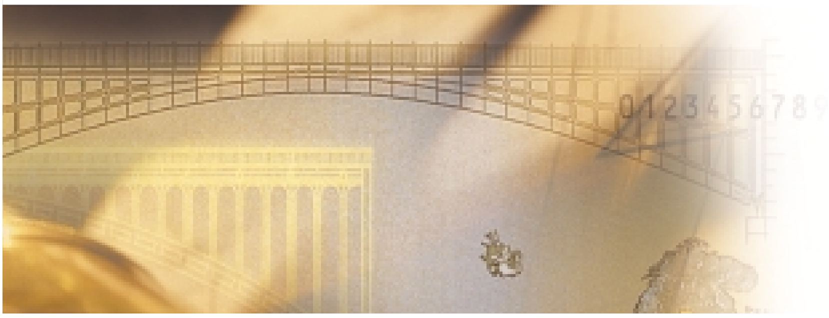
I am particularly pleased to report on the conclusion of the Bank's securitisation of Stg£375million of its UK commercial mortgage portfolio. This groundbreaking transaction has further strengthened the Bank's capital base. Its value is far wider however in that it provides yet another pipeline of capital.

The Treasury division was also active in the capital markets completing a EuroDollar Commercial Paper (ECP) programme which had €800 million outstanding at year end and also through the issue of US$125million in subordinated debt. The latter ranks as Tier 2 capital.

The Bank increased its customer deposit base by 46% to €6.5billion at the end of September 2000. This is spread across a broad range of clients and markets and is not dependent on the maintenance of an expensive branch office network.

Internet

Unlike a lot of other banks, we continue to view the internet as a welcome and positive development. It does not present a threat to us on the lending side of our business. In addition, the pricing transparency of the internet presents an opportunity in those businesses where we have always competed on price with the other players in the market, but did not have the distribution capability of an extensive branch network. Accordingly, we will be rolling out an internet solution for a number of our products in the coming year.



Anglo Irish Bank has always adopted a multi-channel approach to distribution of its products. We will use all technological advances to enhance the quality of the service to our clients without allowing them to intervene in or replace our core competence – relationship banking.

Acquisitions

While the Bank did not complete any acquisitions in the year to end September 2000 it continues to look at different opportunities which fit our exacting commercial and financial criteria. These include both loan books in our home markets and asset management operations in continental Europe. We will continue to adopt a very discerning approach in examining these opportunities and only complete them where we believe they will add to shareholder value.

It is a credit to the strength of the underlying business of the Bank that its growth is not dependent on the completion of acquisitions. That has always been the case and will continue to be going forward.

Future

The strategy of the Bank remains unchanged – providing bespoke banking services to niche markets. This business model has delivered record profit growth levels over the last 15 years and is sustainable going forward.

I am confident that the building blocks that have been put in place in both our lending and fee earning businesses leave the Bank well placed to continue to grow and deliver the demanding targets that we have set those businesses.

Sean FitzPatrick
Chief Executive
28 November 2000

Report of the Directors

The directors present their report and the audited financial statements for the year ended 30 September 2000.

Results

The group profit on ordinary activities before taxation for the year amounted to €133.6 million and has been dealt with as shown in the consolidated profit and loss account on page 27.

Review of Activities

The principal activities of the group are the provision of banking services. The chairman's statement and the chief executive's review on pages 8 to 15 report on developments during the year, on likely future developments and on events since 30 September 2000.

Dividends

An interim dividend of 3.1c per share was paid on 18 July 2000 amounting to €8.8 million. Subject to shareholders' approval, it is proposed to pay a final dividend on 31 January 2001 of 5.6c per share to all registered shareholders at the close of business on 8 December 2000. Tax credits no longer apply to dividends paid after 5 April 1999 and withholding tax may apply on the proposed final dividend depending on the tax status of each shareholder. Shareholders chose to receive 2,137,462 ordinary shares instead of cash dividends paid in January and July. Shareholders will again be offered the choice of taking new ordinary shares in lieu of the cash dividend.

Capital

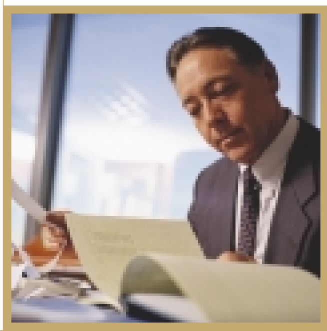
At the January 2000 annual general meeting shareholders resolved to redenominate the company's ordinary shares into euro units and to renominalise those shares as shares of €0.32 each, requiring a capitalisation from revenue reserves of €0.8million. Information concerning allotments of shares arising from the scrip dividend scheme and the employee share option scheme is shown in Note 25 to the financial statements. Details in relation to the US$125 million of subordinated loan notes raised in September 2000 are included in Note 23 to the financial statements.

Directors and Secretary

The names of the directors appear on pages 6 and 7, together with a short biographical note on each director. Patrick Wright was co-opted to the board on 7 February 2000 and, being eligible, offers himself for re-election. Anthony Coleby retires as a director following the forthcoming annual general meeting. Anthony O'Brien, Peter Killen and William McAteer retire by rotation as directors in accordance with the articles of association and, being eligible, offer themselves for re-election. Ronan Murphy acted as secretary to the company throughout the year. The interests of the directors and secretary in the share capital of the company are shown in the remuneration committee's report on behalf of the board set out in Note 39 to the financial statements.

Substantial Shareholdings

Details of interests in the ordinary share capital which have been notified to the company of over 3% of the issued ordinary shares are shown on page 78.



Group Undertakings and Foreign Branches

Particulars of the principal subsidiary undertakings within the group required to be declared under Section 16 of the Companies (Amendment) Act,1986, are shown in Note 14. The company has established branches, within the meaning of EU Council Directive 89/666/EEC, in the United Kingdom.

Welfare of Employees

It is the group's policy to attach a high priority and commitment to the health and welfare of employees by maintaining a safe place and system of work. The group continues to review its compliance with the requirements of employment legislation, including the Safety, Health and Welfare at Work Act, 1989. A Safety Statement has been issued in accordance with the requirements of the Act.

Corporate Governance

The directors' corporate governance statement appears on pages 18 to 22.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

28 November 2000

Directors: Anthony O'Brien, Sean FitzPatrick, Peter Murray.

Secretary: Ronan Murphy.

Corporate Governance Statement

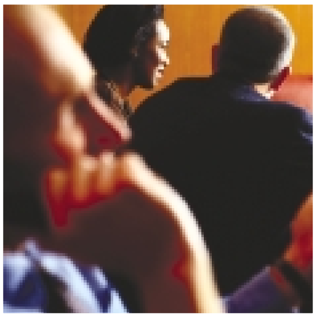
The directors of the company are committed to maintaining the highest standards of corporate governance.

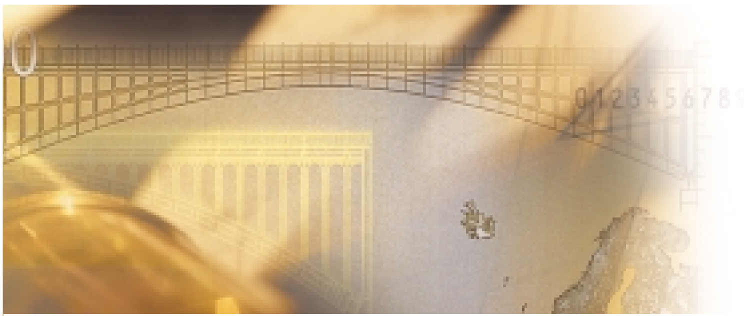
"The Combined Code - Principles of Good Governance and Code of Best Practice" was adopted by the London Stock Exchange in June 1998 and by the Irish Stock Exchange in December 1998.

This corporate governance statement describes how the company applies the principles set down in the Combined Code and comments on its compliance with the Code's provisions.

Board of Directors

- The board currently consists of twelve directors, six of whom are non-executive directors. A short biographical note on each director is set out on pages 6 and 7.
- The roles of the chairman and chief executive are separate with clearly defined responsibilities attaching to each.
- Anthony Coleby has been nominated as the senior independent non-executive director.
- The non-executive directors are independent of management and all directors bring their independent judgement to bear on issues of strategy, performance, resources, key appointments and standards of conduct.
- The board which meets at least eight times annually has a formal schedule of matters specifically reserved to it for decision. It receives regular management reports and information on corporate and business issues to enable reviews of performance against business targets and objectives to be undertaken.
- Directors are initially appointed for a three year term and may be reappointed for further three year terms. All directors must submit themselves for re-election at intervals of not more than three years. On appointment all directors are briefed comprehensively on the activities of the group.





- The directors have access to the advice and services of the company secretary. The directors also have access to independent professional advice, at the group's expense, if and when required.

Board Committees

There are four board committees which have specific terms of reference which are reviewed periodically.

Remuneration Committee

The remuneration committee's current membership consists of Anthony O'Brien (chairman), Michael Jacob and William McCann, all of whom are non-executive directors. The committee is responsible for the formulation of the group's policy on remuneration in relation to all executive directors and other senior executives. The committee's report on behalf of the board on directors' remuneration and interests is set out in Note 39 to the financial statements.

Audit Committee

The audit committee's current members are Peter Murray (chairman), Anthony Coleby and Patrick Wright, all of whom are non-executive directors. The audit committee meets at least four times during each year to review internal controls and audit reports and plans. The audit committee has unrestricted access to both the internal and external auditors. It meets with the external auditors at least once annually. The independence and objectivity of the external auditors is considered periodically together with the scope and results of the audit and its cost effectiveness.

Risk Committee

With effect from 1 October 2000 a risk committee comprising two non-executive directors and two executive directors was established. It's members are Michael Jacob (chairman), Peter Killen, Peter Murray and Tiarnan O Mahoney. It's main role is to oversee risk management and to review, on behalf of the board, the key risks inherent in the business and the system of control necessary to manage such risks, and to present their findings to the board.

Nomination Committee

The nomination committee currently comprises Anthony O'Brien (chairman), Sean FitzPatrick, William McCann, Peter Murray and Patrick Wright. This committee is responsible for recommending the names of directors to be co-opted to the board and for reviewing senior management succession plans.

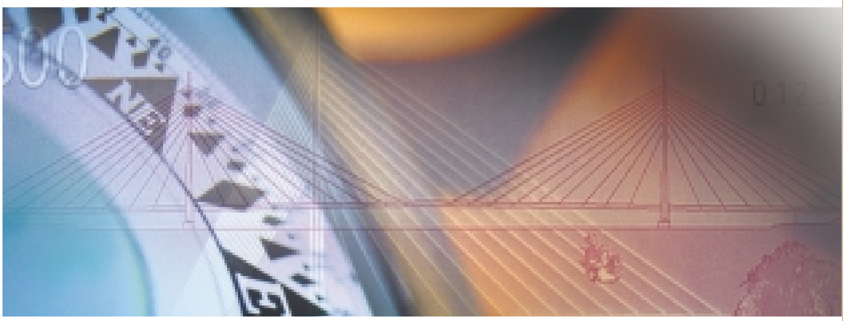
Internal Controls

"Internal Control: Guidance for Directors on the Combined Code" (the Turnbull Guidance) was published in September 1999. The company has adopted the transitional approach allowed by the Listing Rules of the Irish Stock Exchange and has continued to review and report upon internal financial controls pursuant to the guidance for directors on internal controls and financial reporting issued by the Rutteman Working Group in December 1994. With effect from 1 October 2000 the directors confirm that they have established procedures to implement the Turnbull Guidance in full.

The directors acknowledge their overall responsibility for the group's systems of internal financial control. Such systems can provide only reasonable and not absolute assurance against material financial misstatement or 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 key elements of the procedures established by the directors to provide effective internal financial control include:

- a clearly defined organisation structure with defined authority limits and reporting mechanisms to higher levels of management and to the board which supports the maintenance of a strong control environment.
- an annual budgeting and monthly financial reporting system for all group business units, which enables progress against longer-term objectives and annual budget to be monitored, trends to be evaluated and variances to be acted upon.
- a comprehensive set of policies and procedures relating to capital expenditure, asset and liability management (including interest, currency and liquidity risk), operational risk management and credit risk management.
- an audit committee, which on the board's behalf, reviews the effectiveness of the systems of financial control and whose membership and main activities are set out above.



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

The effectiveness of the group's internal financial controls is reviewed periodically by the audit committee. This is achieved primarily by a review of the work of internal audit and of the management letters, which include details of any material internal control issues highlighted in the course of their normal audit work, provided by the group's external auditors.

On behalf of the board, the audit committee confirms that it has reviewed the effectiveness of the systems of internal financial control in existence in the group for the year ended 30 September 2000.

Going Concern

The directors confirm that they are satisfied that the company and the group have adequate resources to continue to operate for the foreseeable future and are financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Communications with Shareholders

Communications with shareholders are given high priority. There is regular dialogue with individual institutional shareholders and presentations are given at the time of the release of the annual and interim results. All shareholders are encouraged to attend the annual general meeting.

Compliance with the Code Provisions

The company has complied throughout the year ended 30 September 2000 with all the provisions of the Combined Code except in respect of the following matters:

- The 1999 annual report and the notice of the 2000 annual general meeting were circulated to shareholders eighteen working days before the meeting. At least twenty working days notice will be provided to shareholders in respect of the annual general meeting to be held on 26 January 2001.
- Disclosure of the remuneration of directors has been drawn up on an aggregate basis in accordance with the Listing Rules of the Irish Stock Exchange for companies whose financial year commences before 1 January 2000.
- The Code requirements on internal controls have been met by the statement on internal controls detailed above, which has been prepared in accordance with the guidance given by the Irish Stock Exchange in October 1999.
- The nomination of Anthony Coleby as the senior independent non-executive director took place in October 1999.
- At the 14 January 2000 annual general meeting the shareholders approved a resolution whereby all directors must submit themselves for re-election at intervals of not more than three years.

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' report on pages 24 and 25, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss of the group for that year. With regard to the financial statements on pages 27 to 75, 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 ensuring that proper books of account are kept which disclose the financial position of the company and of the group and which enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 1999, and the European Communities (Credit Institutions: Accounts) Regulations, 1992. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and of the group and to prevent and detect fraud and other irregularities.

Auditors' Report

To the shareholders of Anglo Irish Bank Corporation plc

We have audited the consolidated financial statements on pages 27 to 75 which have been prepared under the historical cost convention and the accounting policies set out on pages 32 to 34.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 23, this includes responsibility for preparing the financial statements in accordance with accounting standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether proper returns adequate for the purposes of our audit have been received from branches not visited by us; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We review whether the corporate governance statement on pages 18 to 22 reflects the company'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 consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's and the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group'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 financial statements 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 financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 September 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the provisions of 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 company. The company's balance sheet is in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 16 and 17 is consistent with the financial statements.

In our opinion, the balance sheet on page 29 does not disclose a financial situation which, under the provisions of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Ernst & Young
Registered Auditors,
Dublin.
28 November 2000

Accounts

2000

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	Notes	2000 €m	1999 €m
Interest Receivable and Similar Income			
Interest Receivable and Similar Income arising from			
Debt Securities and other Fixed Income Securities		**41.5**	40.1
Other Interest Receivable and Similar Income		**693.2**	446.5
Interest Payable and Similar Charges		**(529.5)**	(340.5)
Net Interest Income		**205.2**	146.1
Other Income			
Fees and Commissions Receivable		**69.7**	47.4
Fees and Commissions Payable		**(6.7)**	(5.2)
Dealing Profits		**2.6**	2.9
Other Operating Income		**2.6**	3.2
Total Income		**273.4**	194.4
Operating Expenses			
Administrative Expenses	2	**83.8**	64.8
Depreciation and Goodwill Amortisation		**5.0**	3.8
Provisions for Bad and Doubtful Debts - Specific	9	**15.7**	14.3
- General	9	**35.3**	22.4
		139.8	105.3
Group Profit on Ordinary Activities Before Taxation	3	**133.6**	89.1
Taxation on Profit on Ordinary Activities	4	**(24.7)**	(14.7)
Group Profit on Ordinary Activities After Taxation		**108.9**	74.4
Non-Equity Minority Interest - Preference Dividends	24	**(25.0)**	(15.6)
Group Profit Attributable to Ordinary Shareholders	5	**83.9**	58.8
Dividends	6	**(24.6)**	(19.9)
Group Profit Retained for Year		**59.3**	38.9
Scrip Dividends	6	**5.1**	7.0
Renominalisation of Share Capital	25	**(0.8)**	-
Group Profit Brought Forward		**122.5**	76.6
Group Profit Carried Forward		**186.1**	122.5
Basic Earnings Per Share	7	**29.73c**	21.50c
Diluted Earnings Per Share	7	**29.07c**	20.85c
Dividends Per Ordinary Share	6	**8.70c**	7.24c

All gains and losses have been recognised in the profit and loss account and arise from continuing operations.

The notes on pages 32 to 75 form part of these financial statements. Directors: Anthony O'Brien, Sean FitzPatrick, Peter Murray. Secretary: Ronan Murphy.

Consolidated Balance Sheet

AS AT 30 SEPTEMBER 2000

	Notes	2000 €m	1999 €m
Assets			
Loans and Advances to Banks	8	**2,213.2**	1,469.7
Loans and Advances to Customers	9	**7,793.5**	5,612.5
Securitised Assets	10	**510.5**	-
Less: Non -Returnable Proceeds	10	**(472.8)**	-
		37.7	-
Debt Securities	11	**737.5**	703.1
Equity Investment Shares	12	**0.5**	0.5
Own Shares	13	**4.0**	-
Intangible Fixed Assets - Goodwill	15	**3.0**	3.0
Tangible Fixed Assets	16	**22.7**	19.1
Other Assets	17	**36.8**	33.8
Prepayments and Accrued Income		**198.4**	93.7
Total Assets		**11,047.3**	7,935.4
Liabilities			
Deposits by Banks	18	**2,452.4**	2,483.8
Customer Accounts	19	**6,471.5**	4,444.6
Debt Securities in Issue	20	**928.4**	128.5
Proposed Dividends	6	**15.8**	12.8
Other Liabilities	21	**35.5**	28.6
Accruals and Deferred Income		**181.7**	124.3
Provisions for Liabilities and Charges	22	**12.5**	12.9
		10,097.8	7,235.5
Capital Resources			
Subordinated Liabilities	23	**328.7**	169.8
Non-Equity Minority Interest in Subsidiary			
- Preference Shares	24	**293.6**	269.0
		622.3	438.8
Called Up Share Capital	25	**91.1**	89.0
Share Premium Account	26	**49.1**	48.7
Other Reserves	27	**0.9**	0.9
Profit and Loss Account	28	**186.1**	122.5
Total Shareholders' Funds (All Equity Interests)		**327.2**	261.1
Total Capital Resources		**949.5**	699.9
Total Liabilities		**11,047.3**	7,935.4
Memorandum Items			
Contingent Liabilities			
Guarantees	29	**491.6**	446.1
Commitments			
Commitments to Lend	29	**1,366.8**	875.9

The notes on pages 32 to 75 form part of these financial statements.

Directors: Anthony O'Brien, Sean FitzPatrick, Peter Murray. Secretary: Ronan Murphy.

Company Balance Sheet

AS AT 30 SEPTEMBER 2000

	Notes	2000 €m	1999 €m
Assets			
Loans and Advances to Banks	8	**1,738.9**	1,099.2
Loans and Advances to Customers	9	**7,283.0**	5,077.0
Securitised Assets	10	**510.5**	-
Less: Non -Returnable Proceeds	10	**(472.8)**	-
		37.7	-
Debt Securities	11	**706.0**	667.4
Investments in Group Undertakings	14	**359.9**	330.4
Intangible Fixed Assets - Goodwill	15	**0.6**	0.6
Tangible Fixed Assets	16	**16.2**	12.4
Other Assets	17	**2.0**	1.8
Prepayments and Accrued Income		**189.0**	88.9
Total Assets		**10,333.3**	7,277.7
Liabilities			
Deposits by Banks	18	**3,187.7**	3,343.4
Customer Accounts	19	**5,605.6**	3,447.3
Debt Securities in Issue	20	**855.6**	11.6
Proposed Dividends	6	**15.8**	12.8
Other Liabilities	21	**26.9**	21.1
Accruals and Deferred Income		**142.9**	103.4
Provisions for Liabilities and Charges	22	**7.9**	8.6
		9,842.4	6,948.2
Capital Resources			
Subordinated Liabilities	23	**328.7**	169.8
Called Up Share Capital	25	**91.1**	89.0
Share Premium Account	26	**49.1**	48.7
Other Reserves	27	**1.3**	1.3
Profit and Loss Account	28	**20.7**	20.7
Total Shareholders' Funds (All Equity Interests)		**162.2**	159.7
Total Capital Resources		**490.9**	329.5
Total Liabilities		**10,333.3**	7,277.7
Memorandum Items			
Contingent Liabilities:			
Guarantees	29	**462.6**	423.1
Commitments:			
Commitments to Lend	29	**1,353.3**	843.0

The notes on pages 32 to 75 form part of these financial statements.

Directors: Anthony O'Brien, Sean FitzPatrick, Peter Murray. Secretary: Ronan Murphy.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	Notes	2000 €m	1999 €m
Reconciliation of Operating Profit To Net Operating Cash Flows			
Operating Profit		**133.6**	89.1
Increase in Accruals and Deferred Income		**52.1**	49.9
Increase in Prepayments and Accrued Income		**(102.8)**	(37.3)
Interest Charged on Subordinated Liabilities		**16.3**	15.6
Interest Earned on Debt Securities and other Fixed Income Securities		**(41.5)**	(40.1)
Provisions for Bad and Doubtful Debts		**51.0**	36.7
Loans and Advances Written Off Net of Recoveries		**(2.2)**	(3.8)
Depreciation and Goodwill Amortisation		**5.0**	3.8
Loss on Disposal of Tangible Fixed Assets		**-**	1.5
Amortisation of Debt Securities		**(0.1)**	1.3
Net Cash Flow from Trading Activities		**111.4**	116.7
Net Increase in Deposits		**2,795.4**	1,820.1
Net Increase in Loans and Advances to Customers		**(2,267.5)**	(1,815.3)
Net (Increase)/Decrease in Loans and Advances to Banks		**(840.0)**	65.3
Net Increase in Other Liabilities		**0.3**	1.8
Net Increase/(Decrease) in Provisions for Liabilities and Charges		**0.3**	(3.9)
Exchange Movements		**38.5**	18.5
Net Increase in Other Assets		**(0.4)**	(0.8)
Net Cash Flow from Operating Activities		**(162.0)**	202.4
Returns on Investment and Servicing of Finance	30	**3.6**	12.8
Tax Paid		**(19.3)**	(7.1)
Capital Expenditure and Financial Investment	30	**(46.6)**	(64.0)
Acquisitions and Disposals	30	**-**	(133.2)
Equity Dividends Paid		**(16.5)**	(10.0)
Financing	30	**144.3**	160.1
(Decrease)/Increase in Cash	30	**(96.5)**	161.0

The notes on pages 32 to 75 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	2000 €m	1999 €m
Group Profit Attributable to Ordinary Shareholders	**83.9**	58.8
Dividends (Net of Scrip)	**(19.5)**	(12.9)
	64.4	45.9
New Ordinary Share Capital Subscribed	**1.7**	34.1
Net Addition to Shareholders' Funds	**66.1**	80.0
Opening Shareholders' Funds	**261.1**	181.1
Closing Shareholders' Funds	**327.2**	261.1

1. BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention in accordance with the Companies Acts, 1963 to 1999, and the European Communities (Credit Institutions: Accounts) Regulations, 1992, and with accounting standards generally accepted in Ireland. The accounts are drawn up in euro (€) and the 1999 amounts have been restated in euro at the fixed translation rate of €1 = IR£0.787564. There have been no changes in accounting policies since last year. During the year the group implemented the requirements of Financial Reporting Standard (FRS) 15 - “Tangible Fixed Assets” and FRS 16 - “Current Tax”. The principal accounting polices adopted are as follows:

a) Consolidation

The consolidated accounts include the accounts of the company and all its group undertakings to 30 September 2000. Where a subsidiary undertaking is acquired during the financial year, the consolidated accounts include the attributable results from the date of acquisition up to the end of the financial year.

b) Provisions for Bad and Doubtful Debts

Loans and advances are stated in the balance sheet after deduction of provisions for bad and doubtful debts. The provisions arise as a result of a detailed appraisal of the lending portfolio. Specific provisions made during the year (less amounts released and recoveries of bad debts previously written off) are charged against the profit for the year. A general provision is also made to cover latent loan losses which are present in any lending portfolio but which have not been specifically identified.

c) Income Recognition

Interest on advances is accounted for on an accruals basis. Interest is not taken to profit where recovery is doubtful. Credit has been taken for finance charges on instalment credit and finance leasing accounts by spreading the income on each contract over the primary period of the agreement by the sum of digits method, save that an amount equivalent to the set-up costs on each agreement is credited to income at the date of acceptance. The finance charges on certain tax-based finance leases are credited to income on an after-tax actuarial basis.

d) New Business Costs

Initial costs of obtaining new business have been charged in arriving at the profit for the year except in the case of introductory commission paid on instalment credit and finance leasing agreements which is charged against revenue over the primary period of each agreement by the sum of digits method.

e) Debt Securities

Debt securities are held for investment purposes. Premiums and discounts on debt securities having a fixed redemption date are amortised over the period from the date of purchase to the date of maturity. These investments are included in the balance sheet at amortised cost. Gains and losses arising on the realisation of debt securities, net of amortisation adjustments, are taken to the profit and loss account as and when realised.

f) Insurance Commission and Fee Income

Life and pension commission income for the first policy year on all new business is credited to the profit and loss account as policies are written, after making provision for expected lapses. Other commission and fee income received for services provided is credited to the profit and loss account when earned.

g) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost and depreciation is provided on a straight line basis over their expected useful lives as follows:

Freehold Properties	2% per annum
Fixtures and Fittings	12.5% to 25% per annum
Computer Equipment	25% per annum
Motor Vehicles	20% per annum

Leasehold properties are depreciated over the shorter of twenty years or the period of the lease on a straight line basis.

h) Deferred Taxation

Deferred taxation is accounted for in respect of timing differences between profits stated in the accounts and profits computed for taxation purposes using the liability method, where, in the opinion of the directors, it is expected that a tax liability or asset is likely to arise in the foreseeable future. The calculation of the deferred taxation asset or liability is based on the taxation rates expected to be applicable when the assets or liabilities are anticipated to crystallise.

i) Foreign Currencies

Assets and liabilities denominated in foreign currencies and commitments for the purchase and sale of foreign currencies are translated at the appropriate spot and forward rates of exchange ruling at the balance sheet dates. Profits and losses in foreign currencies are translated into euro at the closing rates of exchange.

Exchange differences, net of hedging gains and losses, which arise from the application of closing rates of exchange to the opening net assets held in foreign currencies, are recorded as exchange translation adjustments on reserves.

All other exchange profits and losses, which arise from normal trading activities, are included in the profit and loss account.

j) Derivatives

Derivative instruments used for trading purposes include swaps, futures, forwards, forward rate agreements and options in the interest rate and foreign exchange markets. These derivatives 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 illiquidity of markets, adjustments are made in determining fair value. Unrealised gains and losses are reported in prepayments or accruals on a gross basis.

Derivative instruments used for hedging purposes include swaps, forwards, futures, forward rate agreements and options in the interest rate, foreign exchange and equity markets. Gains and losses on these derivatives which are entered into for specifically designated hedging purposes 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 or accruals 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 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. 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.

Where a transaction originally entered into for hedging purposes no longer represent a hedge, its value is restated at fair value and any change in value is taken to the profit and loss account immediately.

k) Capital Instruments

The issue expenses of capital instruments other than equity shares are deducted from the proceeds of issue and, where appropriate, are amortised in the profit and loss account so that the finance costs are allocated to accounting periods over the life of these instruments at a constant rate based on their carrying amount. The issue expenses of equity and non-equity capital instruments with an indeterminate life are not amortised.

l) Securitised Assets

Assets sold under securisation arrangements whereby the group retains significant rights to benefits but where its maximum loss is limited to a fixed monetary amount are included in the balance sheet at their gross amount less the non-returnable proceeds received on securitisation using a linked presentation. The contribution earned from securitised assets is included in other operating income.

m) Goodwill

Purchased goodwill represents the excess of the purchase consideration over the fair value ascribed to the net tangible assets acquired. Purchased goodwill arising on acquisitions on or after 1 October 1998 is capitalised as an intangible asset and amortised over the estimated useful economic lives of these acquisitions. Prior to that date purchased goodwill had been written off against reserves in the year of acquisition.

n) Operating Leases

Rentals on operating leases are charged to the profit and loss account in equal instalments over the lease term.

o) Pensions

The group's contributions to defined benefit pension schemes are based on the recommendations of an independent qualified actuary and are charged in the profit and loss account so as to spread the pensions cost over eligible employees' service lives at stable contribution rates. Variations from the regular cost are spread over the average remaining service life of the relevant employees. The costs of the group's defined contribution pension schemes are charged in the profit and loss account in the year in which these costs are incurred. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet.

p) Scrip Dividends

Scrip dividends are initially recorded at the cash amount as an appropriation in the profit and loss account. When scrip shares are issued in place of dividends the cash equivalent, net of dividend withholding tax where applicable, is written back in the profit and loss account. Shares issued in lieu are set-off against the share premium account.

q) Fiduciary and Trust Activities

The group acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, unit trusts, investment trusts and pension schemes. These assets are not consolidated in the accounts as the group does not have beneficial ownership. Fees and commissions earned in respect of these activities are included in the profit and loss account.

2. ADMINISTRATIVE EXPENSES

	2000 €m	1999 €m
Staff Costs:		
Wages and Salaries	**45.8**	33.1
Social Welfare Costs	**3.6**	2.8
Pension Costs	**4.6**	2.9
Other Staff Costs	**1.6**	1.3
	55.6	40.1
Other Administrative Costs	**28.2**	24.7
	83.8	64.8

The average number of persons employed by the group during the year, analysed by geographic location, was as follows:

	2000	1999
Republic of Ireland	**433**	351
United Kingdom and Isle of Man	**142**	116
Rest of the World	**91**	71
	666	538

3. GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 €m	1999 €m
The group profit on ordinary activities before taxation is arrived at after charging/(crediting) the following items:		
Auditors' Remuneration	**0.3**	0.3
Depreciation of Tangible Fixed Assets	**4.9**	3.7
Amortisation of Intangible Fixed Assets - Goodwill	**0.1**	0.1
Loss on Disposal of Tangible Fixed Assets in Rationalised Acquisitions	**-**	1.5
Operating Lease Rentals:		
Property	**2.8**	2.0
Equipment	**1.5**	0.9
Financing Costs of Subordinated Liabilities	**16.3**	15.6
Finance Leasing and Hire Purchase Income	**(29.9)**	(24.8)

The group profit on ordinary activities before taxation is not affected by the results of acquisitions or discontinued operations during the year.

	2000 €m	1999 €m
4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
Irish Corporation Tax	**(13.5)**	(11.7)
Irish Deferred Tax	**1.2**	3.2
Foreign Corporation Tax	**(15.6)**	(6.6)
Overprovision in Previous Years	**3.2**	0.4
	(24.7)	(14.7)
Effective Tax Rate	**18.5%**	16.5%

The tax charge for the year, at an effective rate of 18.5%, is lower than the average Irish Corporation Tax rate of 25% for the year mainly because of relief arising from the International Financial Services Centre 10% tax rate and lower rates of tax in certain foreign subsidiary undertakings.

5. GROUP PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

€20.3m (1999: €24.3m) of the group profit attributable to ordinary shareholders is dealt with in the accounts of the parent undertaking. As permitted by Regulation 5 (2) of the European Communities (Credit Institutions: Accounts) Regulations, 1992, a separate profit and loss account for the parent undertaking has not been presented.

	2000 €m	**2000 €m**	1999 €m	1999 €m
6. DIVIDENDS				
Paid:				
Interim Dividend of 3.1c per Share (1999: 2.67c)				
- Cash		**(6.9)**		(5.2)
- Issued as Scrip		**(1.9)**		(1.9)
		(8.8)		(7.1)
Proposed:				
Final Dividend of 5.6c per Share (1999: 4.57c)		**(15.8)**		(12.8)
		(24.6)		(19.9)
Scrip Dividends:				
Final (Previous Year)	**3.2**		5.1	
Interim	**1.9**		1.9	
		5.1		7.0
		(19.5)		(12.9)

A tax credit of 0.32956c per share attaches to the 1999 interim dividend. Tax credits no longer apply to dividends paid after 5 April 1999.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the group profit of €83.909m (1999:€58.709m) which is after taxation and minority interests and on the weighted average number of equity shares in issue of 282,210,729 (1999: 273,088,339). In accordance with Financial Reporting Standard 14 -"Earnings per Share", dividends arising on shares held by the employee share trust (Note 13) are excluded in arriving at profit before taxation and deducted from the aggregate of dividends paid and proposed. The shares held by the trust are excluded from the earnings per share calculation. The effect of options granted under the employee share option and SAYE schemes is to increase the weighted average number of equity shares for the calculation of diluted earnings per share by 6,426,195 (1999: 8,479,690) to 288,636,924 (1999: 281,568,029).

	The Group		The Company	
	2000 €m	1999 €m	2000 €m	1999 €m
8. LOANS AND ADVANCES TO BANKS				
Repayable on Demand	**147.4**	243.9	**134.8**	113.1
Other Loans and Advances to Banks				
Analysed by Remaining Maturity:				
Three Months or Less	**1,783.8**	1,064.4	**1,322.1**	863.7
One Year or Less but Over Three Months	**266.9**	151.4	**266.9**	112.4
Five Years or Less but Over One Year	**15.1**	10.0	**15.1**	10.0
	2,213.2	1,469.7	**1,738.9**	1,099.2
9. LOANS AND ADVANCES TO CUSTOMERS				
Amounts Receivable under Finance Leases	**205.5**	177.5	**176.8**	159.6
Amounts Receivable under Hire Purchase Contracts	**138.3**	76.7	**57.9**	31.3
Other Loans and Advances to Customers	**7,449.7**	5,358.3	**7,048.3**	4,886.1
	7,793.5	5,612.5	**7,283.0**	5,077.0
Amounts Include:				
Due from Group Undertakings			**437.1**	609.7
Repayable on Demand	**834.6**	645.7	**1,113.0**	958.5
Other Loans and Advances to Customers				
Analysed by Remaining Maturity:				
Three Months or Less	**1,360.6**	639.1	**1,010.0**	575.2
One Year or Less but Over Three Months	**2,114.6**	1,494.3	**1,922.2**	1,285.0
Five Years or Less but Over One Year	**2,221.4**	1,904.1	**2,019.0**	1,412.5
Over Five Years	**1,423.6**	1,036.5	**1,366.4**	935.5
	7,954.8	5,719.7	**7,430.6**	5,166.7
Provisions for Bad and Doubtful Debts	**(161.3)**	(107.2)	**(147.6)**	(89.7)
	7,793.5	5,612.5	**7,283.0**	5,077.0
Provisions for Bad and Doubtful Debts:				
At Beginning of Year	**107.2**	69.7	**89.7**	55.8
Exchange Adjustments	**5.3**	2.5	**4.7**	2.0
Charge against Profits - Specific	**15.7**	14.3	**14.9**	13.1
- General	**35.3**	22.4	**39.0**	22.0
Provisions on Acquired Undertakings	**-**	2.1	**-**	-
Write-Offs Net of Recoveries	**(2.2)**	(3.8)	**(1.7)**	(3.2)
Group Transfers	**-**	-	**1.0**	-
At End of Year	**161.3**	107.2	**147.6**	89.7
Specific	**68.7**	52.6	**61.5**	45.1
General	**92.6**	54.6	**86.1**	44.6
Total	**161.3**	107.2	**147.6**	89.7

The cost of assets acquired by the group during the year for letting under finance leases and hire purchase contracts amounted to €241.3m (1999:€160.4m).

10. SECURITISED ASSETS

Anglo Irish Bank Corporation plc ("Anglo") sold a portfolio of commercial investment property loans totalling Stg£306.5m from its United Kingdom originated loan book on 22 September 2000 to Monument Securitisation No. 1 plc ("Monument"), a company incorporated under the Companies Act, 1985 and registered and operating in the United Kingdom. The group does not own directly or indirectly any of the share capital of Monument or its parent company.

Under the terms of the servicing agreement between Monument and Anglo, Anglo continues to administer the loans, for which it receives fee income. As this transaction occurred eight days before the year end, no income or expense has been recognised in the period as the amounts involved are insignificant in a group context.

Monument funded the transaction by issuing mortgage backed notes, the lowest ranking of which were purchased by Anglo. The issue terms of the notes include provisions that neither Monument nor the noteholders have recourse to the group and no group company is obliged or intends to support any losses of Monument or the noteholders.

Monument entered into certain interest rate hedges to manage its interest rate position. These contracts were entered into with a third party bank.

Anglo is not obliged to repurchase any of the assets from Monument. However, Anglo is permitted to transfer new loans and undrawn commitments on existing securitised loans on each interest payment date for the notes until 5 November 2001 up to an amount of Stg£68.5m subject to certain conditions. In addition, to the extent that repayments or prepayments occur on any of the loans transferred to Monument during the period to 5 November 2001, Anglo can transfer substitute loans up to this value to Monument on each of the note interest payment dates.

	Book Value 2000 €m	Market Value 2000 €m	Book Value 1999 €m	Market Value 1999 €m
11. DEBT SECURITIES				
The Group				
Government Stocks	**282.2**	**282.7**	247.5	249.4
Other Public Bodies	**15.1**	**15.2**	34.9	34.9
Listed Private Sector Investments	**440.2**	**438.9**	420.7	422.6
	737.5	**736.8**	703.1	706.9
Due Within One Year	**131.5**		103.7	
Due One Year and Over	**606.0**		599.4	
	737.5		703.1	
The Company				
Government Stocks	**265.4**	**265.9**	230.6	232.1
Other Public Bodies	**15.1**	**15.2**	34.9	34.9
Listed Private Sector Investments	**425.5**	**424.2**	401.9	403.2
	706.0	**705.3**	667.4	670.2
Due Within One Year	**129.3**		92.7	
Due One Year and Over	**576.7**		574.7	
	706.0		667.4	

At 30 September 2000 the amount of unamortised discounts net of premiums on debt securities held as financial fixed assets was €6.7m (1999: €4.8m) for the group and €6.5m (1999: €4.8m) for the company. At 30 September 2000 debt securities held by the group and the company subject to repurchase agreements amounted to €200.9m (1999: €436.8m).

	2000 €m	1999 €m
12. EQUITY INVESTMENT SHARES		
The Group		
Unlisted Investments at Cost Less Amounts Written Off		
Held as Financial Fixed Assets	**0.5**	0.5

In the opinion of the directors, the value of the individual unlisted equity investments is not less than their book amount.

13. OWN SHARES

The Anglo Irish Bank Employee Share Ownership Plan (ESOP) was approved by shareholders in January 2000 (Note 25). The plan's trustee purchased in the open market 1,601,874 ordinary shares of the company at a cost of €4.0m in September 2000. The shares purchased had a market value of €4.1m at 30 September 2000. These purchases were funded by an interest free loan from a fellow group undertaking. The shares purchased are intended to satisfy options granted to employees under the ESOP. Options over 725,754 shares at €2.40 have been granted to date. The proceeds of option exercises will be used to repay the loan. Under the terms of the trust deed, the trustee receives dividends on the shares which are used to meet the expenses of the trust.

	2000 €m	1999 €m
14. INVESTMENTS IN GROUP UNDERTAKINGS		
Investments in Subsidiary Undertakings at Cost Less Amounts Written Off	**359.9**	330.4

Principal Subsidiary Undertakings	Holding	Principal Activity	Country of Incorporation
Anglo Irish Asset Finance plc	100%	Asset Finance	United Kingdom
Anglo Irish Asset Management Limited	100%	Fund Management	Republic of Ireland
Anglo Irish Bank (Austria) A.G.	100%	Banking	Austria
Anglo Irish Bank Corporation (I.O.M.) P.L.C.	100%	Banking	Isle of Man
Anglo Irish Capital Funding Limited	100%	Finance	Cayman Islands
Anglo Irish Corporate Bank Limited	100%	Banking	Republic of Ireland
Anglo Irish Limited	100%	Finance	Isle of Man
Anglo Irish International Financial Services Limited	100%	Finance	Republic of Ireland
Anglo Irish Trust (IOM) Limited	100%	Trust Services	Isle of Man
Ansbacher Bankers Limited	100%	Banking	Republic of Ireland
Buyway Group Limited	100%	Investment Holding	Republic of Ireland
CDB (U.K.) Limited	100%	Investment Holding	United Kingdom
IBOC Limited	100%	Finance	Republic of Ireland
Irish Buyway Limited	100%	Finance	Republic of Ireland
Knightsdale Limited	100%	Finance	Republic of Ireland
Steenwal B.V.	100%	Investment Holding	The Netherlands

The entire issued equity share capital of each of the above subsidiary undertakings is controlled by the company. Each of these subsidiary undertakings operates principally in the country in which it is incorporated. A complete listing of group undertakings will be annexed to the annual return of the company in accordance with the requirements of the Companies Acts. Investments in certain subsidiary undertakings operating as credit institutions are not directly held by the parent undertaking.

	The Group €m	The Company €m
15. INTANGIBLE FIXED ASSETS - GOODWILL		
Cost		
At 1 October 1999	3.1	0.6
Exchange Movement	0.1	0.1
At 30 September 2000	3.2	0.7
Amortisation		
At 1 October 1999	0.1	-
Charge for the Year	0.1	0.1
At 30 September 2000	0.2	0.1
Net Book Value		
At 30 September 2000	3.0	0.6
At 30 September 1999	3.0	0.6

The goodwill arising on acquisitions completed after 30 September 1998 is amortised in equal instalments over it's estimated useful economic life of twenty years. The cumulative amount of positive goodwill which has been eliminated against reserves to 30 September 1998, net of goodwill attributable to disposed businesses, amounted to €47.2m. This goodwill was eliminated as a matter of accounting policy [see Note 1 (m)] and will be charged to the profit and loss account in the event of the subsequent disposal of the businesses to which it relates.

16. TANGIBLE FIXED ASSETS

	Freehold Properties €m	Leasehold Properties €m	Equipment and Motor Vehicles €m	Total €m
The Group				
Cost				
At 1 October 1999	4.9	5.8	20.8	31.5
Exchange Movement	-	0.1	0.3	0.4
Additions	0.1	2.2	6.4	8.7
Disposals	-	-	(1.0)	(1.0)
At 30 September 2000	5.0	8.1	26.5	39.6
Accumulated Depreciation				
At 1 October 1999	0.3	1.4	10.7	12.4
Exchange Movement	-	-	0.2	0.2
Charge for the Year	0.2	0.6	4.1	4.9
Disposals	-	-	(0.6)	(0.6)
At 30 September 2000	0.5	2.0	14.4	16.9
Net Book Value				
At 30 September 2000	4.5	6.1	12.1	22.7
At 30 September 1999	4.6	4.4	10.1	19.1

16. TANGIBLE FIXED ASSETS (*continued*)

The Company

	Leasehold Properties €m	Equipment and Motor Vehicles €m	Total €m
Cost			
At 1 October 1999	5.3	16.9	22.2
Exchange Movement	0.1	0.1	0.2
Additions	2.2	5.9	8.1
Disposals	-	(0.6)	(0.6)
At 30 September 2000	7.6	22.3	29.9
Accumulated Depreciation			
At 1 October 1999	1.3	8.5	9.8
Exchange Movement	-	0.1	0.1
Charge for the Year	0.5	3.6	4.1
Disposals	-	(0.3)	(0.3)
At 30 September 2000	1.8	11.9	13.7
Net Book Value			
At 30 September 2000	5.8	10.4	16.2
At 30 September 1999	4.0	8.4	12.4

All of the group's leasehold properties are in respect of leases with a duration of less than fifty years. These properties are used for the group's activities. As at 30 September 2000, the group had annual commitments under non-cancellable operating leases as set out below:

Operating Leases Which Expire:	Property €m	Equipment €m
Within One Year	0.1	-
One to Five Years	0.6	1.4
Over Five Years	4.6	-
	5.3	1.4

17. OTHER ASSETS

	The Group 2000 €m	The Group 1999 €m	The Company 2000 €m	The Company 1999 €m
Swap Asset (Note 23)	33.5	30.9	-	-
Other Assets	3.3	2.9	2.0	1.8
	36.8	33.8	2.0	1.8

	The Group		The Company	
	2000 €m	1999 €m	2000 €m	1999 €m
18. DEPOSITS BY BANKS				
Repayable on Demand	**40.7**	20.9	**67.1**	420.9
Other Deposits by Banks Analysed by Remaining Maturity:				
Three Months or Less	**2,064.3**	1,845.3	**2,773.2**	2,109.3
One Year or Less but Over Three Months	**284.8**	555.0	**284.8**	750.6
Five Years or Less but Over One Year	**-**	-	**-**	-
Over Five Years	**62.6**	62.6	**62.6**	62.6
	2,452.4	2,483.8	**3,187.7**	3,343.4
Amounts Include:				
Due to Group Undertakings			**743.0**	863.7
19. CUSTOMER ACCOUNTS				
Repayable on Demand	**863.7**	677.4	**649.6**	397.1
Other Deposits by Customers Analysed by Remaining Maturity:				
Three Months or Less	**4,405.4**	2,132.0	**3,887.8**	1,709.0
One Year or Less but Over Three Months	**794.9**	786.9	**688.8**	515.6
Five Years or Less but Over One Year	**375.3**	687.8	**347.2**	665.2
Over Five Years	**32.2**	160.5	**32.2**	160.4
	6,471.5	4,444.6	**5,605.6**	3,447.3
Amounts Include:				
Due to Group Undertakings			**436.5**	40.4
20. DEBT SECURITIES IN ISSUE				
Commercial Paper Programme by Remaining Maturity:				
Three Months or Less	**804.2**	-	**804.2**	-
Other Debt Securities In Issue by Remaining Maturity:				
Three Months or Less	**106.2**	116.8	**41.1**	11.6
One Year or Less but Over Three Months	**16.1**	8.6	**8.4**	-
Five Years or Less but Over One Year	**1.9**	3.1	**1.9**	-
	928.4	128.5	**855.6**	11.6
21. OTHER LIABILITIES				
Current Taxation	**24.8**	18.2	**18.1**	11.2
Other Liabilities	**10.7**	10.4	**8.8**	9.9
	35.5	28.6	**26.9**	21.1

	The Group		The Company	
	2000 €m	1999 €m	**2000 €m**	1999 €m
22. PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred Taxation	**7.7**	8.4	**7.7**	8.4
Pension Provisions	**4.6**	4.3	**-**	-
Other Provisions for Liabilities and Charges	**0.2**	0.2	**0.2**	0.2
	12.5	12.9	**7.9**	8.6
Analysis of Deferred Taxation Liability:				
Capital Allowances on Assets Leased to Customers	**8.3**	8.3	**8.3**	8.3
Capital Allowance on Assets Used in the Business	**-**	0.5	**-**	0.5
Other Timing Differences	**(0.6)**	(0.4)	**(0.6)**	(0.4)
	7.7	8.4	**7.7**	8.4

Deferred taxation for the group of €6.7m (1999:€7.5m), of which €4.9m (1999:€5.5m) relates to the company, on capital allowances claimed has not been provided as this potential liability would only arise in the event of the disposal of tax-based assets within their claw-back period and there is currently no intention to make such disposals. No deferred taxation has been provided in respect of the additional tax, if any, which may arise on the remittance of profits from abroad as there is currently no intention to remit such profits.

The pension provisions relate to an unfunded scheme for the group's Austrian employees. This scheme is administered in accordance with best local practice and regulations in Austria.

	2000 €m	1999 €m
23. SUBORDINATED LIABILITIES		
US$ 9.1% Subordinated Notes 2006	**22.7**	18.6
US$ 9.05% Subordinated Notes 2009	**17.0**	14.0
US$ 8.53% Subordinated Notes 2011	**113.4**	-
US$ Floating Rate Subordinated Notes 2011	**28.4**	-
STG£ Floating Rate Bonds 2091	**33.5**	30.9
STG£ Undated 9.875% Subordinated Notes	**83.2**	76.6
Other Subordinated Liabilities	**30.5**	29.7
	328.7	169.8
Repayable as Follows:		
One Year or Less	**10.5**	9.6
Between One and Two Years	**0.1**	10.3
Between Two and Five Years	**16.2**	9.8
Over Five Years	**301.9**	140.1
	328.7	169.8

On 28 September 2000, US$125million of subordinated notes maturing in 2011 were issued at par.

All of the above issues have been issued by the parent bank and are unsecured and subordinated in the right of repayment to the ordinary creditors, including depositors of the bank. There is no foreign exchange rate exposure as the proceeds of these issues are retained in their respective currencies.

By entering into a swap transaction, the group has covered its liabilities under the Stg£ Floating Rate Bonds 2091 from July 1991 to July 2091. As this swap represents a hedge against these bonds, it has been valued accordingly on an actuarial basis and is included in other assets (Note 17) at €33.5 m (1999:€30.9 m).

	2000 €m	1999 €m
24. NON-EQUITY MINORITY INTEREST IN SUBSIDIARY - PREFERENCE SHARES		
Non-Equity Interest in Subsidiary Undertaking :		
Series A Preference Shares of US$25 Each	**138.0**	113.4
Series B Preference Shares of €25 Each	**155.6**	155.6
	293.6	269.0

Anglo Irish Capital Funding Limited issued 5,000,000 Series A Floating Rate Non-Cumulative Guaranteed Non-Voting Preference Shares of US$25 each on 4 June 1997. On 24 March 1999 a further 6,400,000 Series B 7.75% Non-Cumulative Guaranteed Non-Voting Preference Shares of €25 each were issued which netted €155.6m after issue costs.

The holders of the US$ preference shares are entitled to receive a non-cumulative preferential dividend in four quarterly instalments in arrears on 4 March, 4 June, 4 September and 4 December in each year. The coupon rate is calculated by applying a rate equal to the three month US Dollar London Interbank Offered Rate plus 2.5% per annum.

The holders of the Euro preference shares are entitled to receive a non-cumulative preferential dividend of 7.75% per annum in four quarterly instalments in arrears on 31 March, 30 June, 30 September and 31 December in each year.

The dividend entitlement on the preference shares is accrued on a daily basis and the total cost of €25.0m (1999:€15.6m) is included in minority interest in the profit and loss account.

On a liquidation or winding up of Anglo Irish Capital Funding Limited the preference shareholders will be entitled to receive an amount equal to the amount paid up on each preference share unit out of the assets of that company available for distribution to shareholders. The preference shareholders are not entitled to vote at any general meeting of that company except in certain restricted circumstances.

Anglo Irish Bank Corporation plc has guaranteed the holders of the preference shares with respect to their rights to dividends and on liquidation. This guarantee gives, as nearly as possible, the preference shareholders rights equivalent to those which the holders would be entitled to if they held preference shares in Anglo Irish Bank Corporation plc itself.

	2000 €m	1999 €m
25. CALLED UP SHARE CAPITAL		
Ordinary Shares:		
Authorised	**121.6**	95.2
Allotted, Called Up and Fully Paid		
At Beginning of Year	**89.0**	82.5
Transfer from Profit and Loss Reserve on Renominalisation of Share Capital	**0.8**	-
Scrip on Final Dividend	**0.4**	0.8
Scrip on Interim Dividend	**0.2**	0.2
Share Options Exercised	**0.7**	1.3
Share Placing	**-**	4.2
At End of Year	**91.1**	89.0

At the annual general meeting held on 14 January 2000, shareholders resolved to increase the authorised share capital of the company to 380,000,000 ordinary shares of €0.32 each. At the same meeting the shareholders also resolved to renominate the company's ordinary shares of IR25p each into euro units, and to renominalise these shares as shares of €0.32 each.

During the year ended 30 September 2000 the allotted, called up and fully paid ordinary share capital was increased from 280,372,776 to 284,622,371 ordinary shares as follows:

In January 2000 1,385,965 ordinary shares were issued to those holders of ordinary shares who elected, under the terms of the scrip dividend election offer, to receive additional ordinary shares at a price of €2.32 instead of all or part of the cash element of their final dividend entitlement in respect of the year ended 30 September 1999.

In July 2000 751,497 ordinary shares were issued to those holders of ordinary shares who elected, under the terms of the scrip dividend election offer, to receive additional ordinary shares at a price of €2.50 instead of all or part of the cash element of their interim dividend entitlement in respect of the year ended 30 September 2000.

During the year 2,112,133 ordinary shares were issued to option holders on the exercise of options under the terms of the employee share option scheme at prices ranging from €0.40 to €1.09.

The company operates a number of share incentive plans. The purpose of these plans is to motivate group employees to contribute towards the creation of long term shareholder value. Before being adopted all of the share incentive plans were approved by shareholders and complied with the guidelines operated by the Irish Association of Investment Managers. Further details are given below:

Employee Share Option Scheme

On 15 January 1999 the shareholders approved the establishment of the employee share option scheme which replaced the scheme originally approved by shareholders in 1988.

Under the terms of the scheme all qualifying employees may participate in the scheme at the discretion of the directors. Options are granted at the latest market price prior to the day the option is granted. During the continuance of the scheme each participant is limited to a maximum entitlement of scheme shares equivalent to an aggregate value of four times that employee's annual emoluments. Basic tier options may not be transferred or assigned and may be exercised only between the third and tenth anniversaries of their grant, or at such earlier time as approved by the directors. Second tier options may not be transferred or assigned and may be exercised only between the fifth and tenth anniversaries of their grant, or at such earlier time as approved by the directors.

25. CALLED UP SHARE CAPITAL (*continued*)

In the ten year period from 15 January 1999 the maximum number of basic and second tier options granted under the scheme may not exceed ten per cent of the issued ordinary share capital of the company from time to time. Both the basic and second tier options which may be granted are each restricted to five per cent of the issued ordinary share capital of the company from time to time.

The exercise of basic tier options granted since 15 January 1999 is conditional upon earnings per share growth of at least five per cent compound per annum more than the increase in the consumer price index. The exercise of second tier options granted since 15 January 1999 is conditional upon earnings per share growth of at least ten per cent compound per annum more than the increase in the consumer price index and the company's shares must also rank in the top quartile of companies as regards growth in earnings per share on the Irish Stock Exchange.

At 30 September 2000 options were outstanding over 15,867,298 (1999: 12,093,301) ordinary shares at prices ranging from €0.72 to €2.59 per share.These options may be exercised at various dates up to September 2010. During the year options over 5,896,000 shares were granted and options over 9,870 shares lapsed.

SAYE Scheme

On 14 January 2000 the shareholders approved the establishment of the Anglo Irish Bank SAYE Scheme, which permits eligible employees to enter into a savings contract with the company for a three, five or seven year period to save a maximum of IR£250 per month for the appropriate contract period and to use the proceeds of the savings contract to fund the exercise of options granted under the scheme. In September 2000, options over 1,794,246 ordinary shares were granted to participating employees at an option price of €1.79, which represented a twenty five per cent discount to the then market price. These options are exercisable, provided the participants savings contracts are completed, between September 2003 and March 2008.

ESOP

On 14 January 2000 the shareholders also approved the establishment of the Anglo Irish Bank Employee Share Ownership Plan (ESOP). The plan's trustee may purchase ordinary shares of the company in the open market. Eligible employees may be granted options to acquire shares held by the trustee on similar terms and exercise conditions as those applicable to basic tier options under the employee share option scheme. Options have been granted over 725,724 ordinary shares at €2.40 by the trustee. These options may be exercised at various dates between September 2003 and September 2010.

The total number of ordinary shares which may be the subject of ESOP options may not, when aggregated with the ordinary shares the subject of options granted under the SAYE scheme, exceed five per cent of the issued ordinary share capital of the company from time to time.

	2000 €m	1999 €m
26. SHARE PREMIUM ACCOUNT		
At Beginning of Year	**48.7**	21.0
Final Scrip Dividend	**(0.4)**	(0.8)
Interim Scrip Dividend	**(0.2)**	(0.2)
Premium on Share Placing	**-**	27.0
Premium on Share Options Exercised	**1.0**	1.7
At End of Year	**49.1**	48.7

	The Group 2000 €m	The Group 1999 €m	The Company 2000 €m	The Company 1999 €m
27. OTHER RESERVES				
Non-Distributable Capital Reserve	**1.3**	1.3	**1.3**	1.3
Exchange Translation Reserve	**(0.4)**	(0.4)	**-**	-
	0.9	0.9	**1.3**	1.3

28. PROFIT AND LOSS ACCOUNT	The Company €m	Subsidiary Undertakings €m	The Group €m
At 1 October 1999	**20.7**	**101.8**	**122.5**
Retained for the Year	**(4.3)**	**63.6**	**59.3**
Scrip Dividend Write-Back	**5.1**	**-**	**5.1**
Renominalisation of Share Capital	**(0.8)**	**-**	**(0.8)**
At 30 September 2000	**20.7**	**165.4**	**186.1**

	The Group 2000 €m	The Group 1999 €m	The Company 2000 €m	The Company 1999 €m
29. MEMORANDUM ITEMS				
Contingent Liabilities:				
Guarantees and Irrevocable Letters of Credit	**252.1**	216.0	**235.3**	193.4
Performance Bonds, VAT Guarantees and Other Transaction Related Contingencies	**239.5**	230.1	**227.3**	229.7
	491.6	446.1	**462.6**	423.1
Commitments:				
Credit Lines and Other Commitments to Lend :				
Less Than One Year	**1,350.1**	875.9	**1,336.6**	843.0
One Year and Over	**16.7**	-	**16.7**	-
	1,366.8	875.9	**1,353.3**	843.0

Other Contingencies:

a) There exists a contingent liability to repay in whole or in part grants received on equipment leased to customers if certain events set out in the agreements occur.

b) The parent company has given guarantees in respect of the liabilities of certain of its subsidiaries and has also given guarantees to the satisfaction of the relevant regulatory authorities for the protection of the depositors of its banking subsidiaries in the various jurisdictions in which these subsidiaries operate.

	The Group	
	2000 €m	1999 €m
30. NOTES TO THE CASH FLOW STATEMENT		
(i) Cashflows		
Returns on Investment and Servicing of Finance		
Interest Paid on Subordinated Liabilities	**(14.3)**	(16.0)
Interest Received on Debt Securities and other Fixed Income Securities	**39.6**	44.4
Preference Dividends Paid to Minority Interest	**(21.7)**	(15.6)
	3.6	12.8
Capital Expenditure and Financial Investment		
Net Purchases of Debt Securities	**(34.3)**	(58.9)
Purchase of Tangible Fixed Assets	**(8.7)**	(5.4)
Purchase of Own Shares	**(4.0)**	-
Purchase of Equity Investment Shares	**-**	(0.1)
Proceeds of Tangible Fixed Asset Disposals	**0.4**	0.4
	(46.6)	(64.0)
Acquisitions and Disposals		
Purchase of Hypo Vereinsbank Loan Portfolio	**-**	(98.7)
Purchase of Smurfit Paribas Bank Limited	**-**	(20.7)
Payment for Credit Lyonnais Bank (Austria) A.G.	**-**	(13.8)
	-	(133.2)
Financing		
Proceeds of Preference Shares Issue in Subsidiary	**-**	155.6
Proceeds of Equity Share Issues	**1.7**	34.1
Proceeds of Subordinated Bond Issues	**152.2**	11.0
Redemption of Subordinated Bonds	**(9.6)**	(40.6)
	144.3	160.1
(ii) Analysis of Subordinated Liabilities		
At Beginning of Year	**169.8**	189.4
New Issue of Subordinated Bonds	**152.2**	11.0
Redemption of Subordinated Bonds	**(9.6)**	(40.6)
Exchange Movements	**16.3**	10.0
At End of Year	**328.7**	169.8
(iii) Analysis of Cash Movements		
At End of Year		
Loans and Advances to Banks Repayable on Demand	**147.4**	243.9
At Beginning of Year		
Loans and Advances to Banks Repayable on Demand	**(243.9)**	(82.9)
(Decrease)/Increase in Cash	**(96.5)**	161.0

31. PENSIONS

The group operates a number of defined benefit pension schemes. The assets of these schemes are held in separate trustee administered funds. There are also a number of funded defined contribution pension schemes covering certain of the group's eligible employees as well as unfunded pension obligations in relation to the group's Austrian employees (Note 22). The total pension costs for the group for the year was €4.6m (1999:€2.9m).

The pension costs relating to all defined benefit pension schemes have been assessed in accordance with the advice of an independent qualified actuary. Formal actuarial valuations are carried out triennially. The last such valuations were carried out as at 1 January 2000 using the attained age method. The actuarial valuations are available for inspection only by members of the schemes. The principal actuarial assumptions adopted at that valuation were that the investment returns would be two per cent higher than the annual salary increases and four per cent higher than the annual increases in present and future pensions.

At the date of the schemes' latest actuarial valuation, the actuarial valuation of the assets was €35.7m and this valuation of the assets was sufficient to cover the benefits that had accrued to the members. The funding level, allowing for future earnings and pensions increases, was one hundred and two per cent before taking account of future contributions. The employer's contribution rate over the average remaining service life of the members of the schemes takes account of the current actuarial funding level. There were €5.5m (1999:€5.1m) of prepaid contributions in respect of the schemes at the year end included in prepayments and accrued income.

32. RELATED PARTY TRANSACTIONS

Subsidiary Undertakings:

Details of the principal subsidiary undertakings are shown in Note 14. In accordance with Financial Reporting Standard 8 - "Related Party Disclosures" (FRS 8) transactions or balances between group entities that have been eliminated on consolidation are not reported.

Pension Fund:

The group provides a number of normal banking and financial services including custodial and investment services for one of the pension funds operated by the group for the benefit of its employees.This pension fund was charged €0.1m for these services during the year. The current and deposit account balances of this pension fund held by the group at 30 September 2000 were €1.4m (1999:€0.4m). This pension fund had assets of €8.6 m (1999: €6.6m) at the year end.

Directors:

Details of transactions with directors requiring disclosure under FRS 8 are included in the report of the remuneration committee in Note 39.

33. SEGMENTAL ANALYSIS

The group's income and assets are attributable to banking activities. The analysis of gross income, profit before taxation and assets by geographic location is as follows:

	2000			
	Rep. of Ireland	UK & IOM	Austria	Group
	€m	€m	€m	€m
Gross Income:				
Interest Receivable	**408.1**	**284.7**	**41.9**	**734.7**
Fees and Commissions Receivable	**26.6**	**26.7**	**16.4**	**69.7**
Dealing Profits	**2.1**	**-**	**0.5**	**2.6**
Other Operating Income	**2.2**	**0.4**	**-**	**2.6**
Total Gross Income	**439.0**	**311.8**	**58.8**	**809.6**
Profit on Ordinary Activities before Taxation	**75.6**	**45.8**	**12.2**	**133.6**
Net Assets	**190.5**	**100.5**	**36.2**	**327.2**
Gross Assets	**7,224.9**	**3,196.2**	**626.2**	**11,047.3**

	1999			
	Rep. of Ireland	UK & IOM	Austria	Group
	€m	€m	€m	€m
Gross Income:				
Interest Receivable	278.1	164.5	44.0	486.6
Fees and Commissions Receivable	24.6	15.5	7.3	47.4
Dealing Profits	2.5	-	0.4	2.9
Other Operating Income	2.8	0.4	-	3.2
Total Gross Income	308.0	180.4	51.7	540.1
Profit on Ordinary Activities before Taxation	57.8	23.3	8.0	89.1
Net Assets	168.3	72.5	20.3	261.1
Gross Assets	5,253.7	2,270.3	411.4	7,935.4

Income on capital is included in the geographical results and reflects allocations from a group capital pool rather than representing underlying income on capital within individual operations.

34. RISK MANAGEMENT AND CONTROL

During the year the board of directors approved policy with respect to credit risk, market risk and liquidity risk and delegated its monitoring and control responsibilities to the group credit committee for credit matters and the group asset and liability committee for market risk and liquidity. The board also approved policy in respect of operational risk management and delegated its monitoring and control responsibilities to the executive management board. Membership of these committees consists of senior management.

With effect from 1 October 2000 a risk committee comprising two non-executive directors and two executive directors was established. Its main role is to oversee risk management and to review, on behalf of the board, the key risks inherent in the business and the system of control necessary to manage such risks, and to report their findings to the board.

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

Credit Risk

The group's policy on banking and treasury credit risk is set out in a detailed credit policy manual, which has been approved by the board of directors and the main credit committee. The policy manual, which is regularly updated, is provided to all relevant staff and forms the core of our credit risk ethos. Strict parameters for all types of credit exposure are set down and all applications for credit are assessed within these parameters. Our risk asset grading system allows us to balance the level of risk on any transaction with the return generated by the transaction.

The group operates a tiered system of discretions, which ensures that all credit exposures are authorised at an appropriately senior level. The main credit committee, which is the most important forum for approving credit exposures, includes executive directors and senior management. All credit committees must come to a consensus before authorising a credit exposure and each credit must be signed by a valid quorum. Additionally, a non-executive director must countersign all exposures over a certain threshold.

Credit risk on all treasury interbank facilities and corporate foreign exchange clients is regularly assessed. All such treasury lines must be formally reviewed by both the treasury and main credit committees at least once a year.

All lending exposures are monitored on an ongoing basis, with an executive director regularly meeting each individual lender and examining their loan portfolio in detail. This ensures that potential problems are spotted early and appropriate remedial action taken.

An independent credit risk management function monitors lending risk on a portfolio-wide basis and, in particular, looks at the entire group's exposure to geographic and industrial sectors. Sectoral limits are in place. When considered prudent, further restrictions on sectoral exposures are imposed.

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 shareholder value and the achievement of the group's corporate objectives.

34. RISK MANAGEMENT AND CONTROL (*continued*)

The group's exposure to market risk is governed by policy prepared by the group asset and liability committee and approved by the board 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 group asset and liability committee prepares all risk limits.

Exposure to market risk is permitted only in specifically designated business units and is centrally managed by group treasury in Dublin. In other units market risk is eliminated by way of appropriate hedging arrangements with group treasury.

Market risk throughout the group is measured and monitored by the treasury risk management team, operating independently of the risk-taking units.

Non-Trading Book

The group's non-trading book consists of retail and corporate deposits and the lending portfolio, as well as group treasury's interbank cash books and investment portfolio. In the non-trading areas interest rate risk arises primarily from the group's core banking businesses in Ireland, the United Kingdom and Austria. The exposure in these books is managed using interest rate swaps and other conventional hedging instruments.

The group's non-trading book exposure is analysed by its maturity profile in each currency. Limits by currency and maturity are set by the group asset and liability committee. These limits are then subject to independent monitoring by the treasury risk management team.

Trading Book - Foreign Exchange Risk

Traded foreign exchange risk is confined to group treasury and arises from the group's lending and funding activities, corporate and interbank foreign exchange business and from proprietary trading. It is monitored independently by treasury risk management by way of open position limits and stoploss limits, on a daily and intraday basis.

Trading Book - Interest Rate Risk

The interest rate trading book consists of group treasury's mark to market interest rate book. The trading book consists of interest rate swaps, interest rate futures, forward rate agreements and options. The risk arising from these off balance sheet items is monitored through a combination of position, contract size, maximum number of contracts and stoploss limits. These limits are approved by the group asset and liability committee and are monitored daily by treasury risk management.

Structural Foreign Exchange Risk

Structural foreign exchange risk represents the risk arising from the group's net investments in its foreign based operations. It is group policy to eliminate this risk by matching all material foreign currency investments in foreign subsidiaries and branches with liabilities in the same currency.

Liquidity Risk

It is group policy to ensure that resources are at all times available to meet the group's obligations arising from the withdrawal of customer deposits or interbank lines, the drawdown of customer facilities and asset expansion. The development and implementation of this policy is the responsibility of the group asset and liability committee. Group treasury look after the day to day management of liquidity.

34. RISK MANAGEMENT AND CONTROL (*continued*)

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 one year and sublimits are applied to group treasury's cashflow positions.

Operational Risk

Operational risk represents the risk that deficiencies in information systems or internal controls could result in unexpected losses. 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 executive management board. 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 group, and is designed to safeguard the group's assets while allowing sufficient operational freedom to earn a satisfactory return for shareholders.

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

Derivatives

A derivative is an off balance sheet agreement which defines certain financial rights and obligations which are contractually linked to interest rates, exchange rates or other market prices. Derivatives are an efficient and cost effective means of managing market risk and limiting counterparty exposures. As such, they are an indispensable element of treasury management, both for the group and for many of its corporate customers.

Further details are disclosed in Note 36. The accounting policy on derivatives is set out on pages 33 and 34.

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 group asset and liability committee. These policies relate to the management of the various types of risk associated with derivatives, including market risk, liquidity risk, credit and legal risk.

35. INTEREST RATE REPRICING

Interest Rate Repricing - Euro

Non-Trading Book

30 September 2000

	Not more than Three Months	Over Three Months but not more than Six Months	Over Six Months but not more than One Year	Over One Year but not more than Five Years	Over Five Years	Non Interest Bearing	Total
	€m	€m	€m	€m	€m	€m	€m
Assets							
Loans and Advances to Banks	663	30	10	3	-	-	706
Loans and Advances to Customers	2,965	100	127	392	405	-	3,989
Debt Securities	169	12	18	83	115	-	397
Other Assets	-	-	-	-	-	109	109
Total Assets	3,797	142	155	478	520	109	5,201
Liabilities							
Deposits by Banks	(872)	(103)	(31)	-	(62)	-	(1,068)
Customer Accounts	(2,113)	(227)	(315)	(385)	(5)	-	(3,045)
Debt Securities in Issue	(228)	(1)	(8)	(1)	-	-	(238)
Other Liabilities	(5)	(1)	(4)	(16)	(4)	(139)	(169)
Minority Interests and Shareholders' Funds	-	-	-	-	(156)	(327)	(483)
Total Liabilities	(3,218)	(332)	(358)	(402)	(227)	(466)	(5,003)
Net Amounts Due from/(to) Group Units	(133)	(48)	(16)	(1)	-	-	(198)
Off Balance Sheet Items	158	68	(46)	49	(229)	-	-
Interest Rate Repricing Gap	604	(170)	(265)	124	64	(357)	-
Cumulative Interest Rate Repricing Gap	604	434	169	293	357	-	-

35. INTEREST RATE REPRICING

Interest Rate Repricing - Euro Non-Trading Book

30 September 1999	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							
Loans and Advances to Banks	499	81	4	9	-	-	593
Loans and Advances to Customers	1,938	150	101	207	326	-	2,722
Debt Securities	70	5	33	94	119	-	321
Other Assets	-	-	-	-	-	64	64
Total Assets	2,507	236	138	310	445	64	3,700
Liabilities							
Deposits by Banks	(702)	(107)	(43)	-	(62)	-	(914)
Customer Accounts	(927)	(324)	(315)	(628)	(38)	-	(2,232)
Debt Securities in Issue	(115)	(2)	(9)	(3)	-	-	(129)
Other Liabilities	(29)	-	-	-	-	(109)	(138)
Minority Interests and Shareholders' Funds	-	-	-	-	(156)	(262)	(418)
Total Liabilities	(1,773)	(433)	(367)	(631)	(256)	(371)	(3,831)
Net Amounts Due from/(to) Group Units	141	-	(2)	(8)	-	-	131
Off Balance Sheet Items	47	64	(140)	(48)	77	-	-
Interest Rate Repricing Gap	922	(133)	(371)	(377)	266	(307)	-
Cumulative Interest Rate Repricing Gap	922	789	418	41	307	-	-

35. INTEREST RATE REPRICING

Interest Rate Repricing - Stg£
Non-Trading Book

30 September 2000	Not more than Three Months	Over Three Months but not more than Six Months	Over Six Months but not more than One Year	Over One Year but not more than Five Years	Over Five Years	Non Interest Bearing	Total
	€m	€m	€m	€m	€m	€m	€m
Assets							
Loans and Advances to Banks	897	1	3	-	-	-	901
Loans and Advances to Customers	2,589	111	70	439	37	-	3,246
Debt Securities	60	-	-	-	-	-	60
Other Assets	-	34	-	-	-	94	128
Total Assets	3,546	146	73	439	37	94	4,335
Liabilities							
Deposits by Banks	(965)	(18)	-	-	-	-	(983)
Customer Accounts	(2,321)	(162)	(80)	(4)	(5)	-	(2,572)
Debt Securities in Issue	(291)	-	-	-	-	-	(291)
Other Liabilities	-	(34)	-	-	(83)	(70)	(187)
Minority Interests and Shareholders' Funds	-	-	-	-	-	-	-
Total Liabilities	(3,577)	(214)	(80)	(4)	(88)	(70)	(4,033)
Net Amounts Due from/(to) Group Units	(194)	(109)	-	1	-	-	(302)
Off Balance Sheet Items	358	(65)	(112)	(236)	55	-	-
Interest Rate Repricing Gap	133	(242)	(119)	200	4	24	-
Cumulative Interest Rate Repricing Gap	133	(109)	(228)	(28)	(24)	-	-

35. INTEREST RATE REPRICING

Interest Rate Repricing - Stg£
Non-Trading Book

30 September 1999	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							
Loans and Advances to Banks	370	-	-	-	-	-	370
Loans and Advances to Customers	1,757	317	93	410	60	-	2,637
Debt Securities	27	-	-	-	-	-	27
Other Assets	-	31	-	-	-	39	70
Total Assets	2,154	348	93	410	60	39	3,104
Liabilities							
Deposits by Banks	(749)	(394)	-	-	-	-	(1,143)
Customer Accounts	(1,213)	(46)	(51)	(19)	(99)	-	(1,428)
Debt Securities in Issue	-	-	-	-	-	-	-
Other Liabilities	-	(30)	-	-	(78)	(49)	(157)
Minority Interests and Shareholders' Funds	-	-	-	-	-	-	-
Total Liabilities	(1,962)	(470)	(51)	(19)	(177)	(49)	(2,728)
Net Amounts Due from/(to) Group Units	(376)	-	-	-	-	-	(376)
Off Balance Sheet Items	293	(110)	(55)	(179)	51	-	-
Interest Rate Repricing Gap	109	(232)	(13)	212	(66)	(10)	-
Cumulative Interest Rate Repricing Gap	109	(123)	(136)	76	10	-	-

35. INTEREST RATE REPRICING

Interest Rate Repricing - US$
Non-Trading Book

30 September 2000	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							
Loans and Advances to Banks	347	154	48	-	-	-	549
Loans and Advances to Customers	417	11	1	60	90	-	579
Debt Securities	276	-	-	-	-	-	276
Other Assets	-	-	-	-	-	26	26
Total Assets	1,040	165	49	60	90	26	1,430
Liabilities							
Deposits by Banks	(259)	(121)	(1)	-	-	-	(381)
Customer Accounts	(792)	(7)	(3)	-	-	-	(802)
Debt Securities in Issue	(337)	-	-	-	-	-	(337)
Other Liabilities	-	(29)	-	-	(153)	(34)	(216)
Minority Interests and Shareholders' Funds	(138)	-	-	-	-	-	(138)
Total Liabilities	(1,526)	(157)	(4)	-	(153)	(34)	(1,874)
Net Amounts Due from/(to) Group Units	304	147	(7)	-	-	-	444
Off Balance Sheet Items	148	(79)	(97)	(26)	54	-	-
Interest Rate Repricing Gap	(34)	76	(59)	34	(9)	(8)	-
Cumulative Interest Rate Repricing Gap	(34)	42	(17)	17	8	-	-

35. INTEREST RATE REPRICING

Interest Rate Repricing - US$
Non-Trading Book

30 September 1999	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							
Loans and Advances to Banks	423	39	17	-	-	-	479
Loans and Advances to Customers	66	34	2	45	20	-	167
Debt Securities	263	13	-	-	-	-	276
Other Assets	-	-	-	-	-	11	11
Total Assets	752	86	19	45	20	11	933
Liabilities							
Deposits by Banks	(381)	(9)	-	-	-	-	(390)
Customer Accounts	(559)	(9)	(2)	(14)	(19)	-	(603)
Debt Securities in Issue	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	(33)	(15)	(48)
Minority Interests and Shareholders' Funds	(113)	-	-	-	-	-	(113)
Total Liabilities	(1,053)	(18)	(2)	(14)	(52)	(15)	(1,154)
Net Amounts Due from/(to) Group Units	229	(6)	(8)	6	-	-	221
Off Balance Sheet Items	147	(123)	(14)	(4)	(6)	-	-
Interest Rate Repricing Gap	75	(61)	(5)	33	(38)	(4)	-
Cumulative Interest Rate Repricing Gap	75	14	9	42	4	-	-

36. DERIVATIVE TRANSACTIONS

The group is party to various types of financial instruments in the normal course of business to generate incremental income, to meet the financing needs 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 in Note 34 on risk management and control.

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 were as follows at 30 September 2000:

	30 September 2000				30 September 1999
	Within One Year	One to Five Years	Over Five Years	Total	Total
	€m	€m	€m	€m	€m
Underlying Principal Amounts					
Exchange Rate Contracts	**2,622.1**	**105.2**	**-**	**2,727.3**	2,447.4
Interest Rate Contracts	**1,058.2**	**1,398.6**	**621.5**	**3,078.3**	3,592.9
Replacement Cost					
Exchange Rate Contracts	**76.0**	**4.0**	**-**	**80.0**	33.6
Interest Rate Contracts	**2.4**	**10.9**	**20.1**	**33.4**	26.2

The replacement cost of the group's over the counter and other non-exchange traded derivatives as at 30 September 2000 analysed into financial and non-financial counterparties for exchange rate and interest rate contracts were as follows:

	30 September 2000			30 September 1999
	Financial	Non-Financial	Total	Total
	€m	€m	€m	€m
Exchange Rate Contracts	**30.7**	**49.3**	**80.0**	33.6
Interest Rate Contracts	**32.6**	**0.8**	**33.4**	26.2
	63.3	**50.1**	**113.4**	59.8

36. DERIVATIVE TRANSACTIONS (*continued*)

The group maintains trading positions in a variety of financial instruments including derivatives. Most of these positions are as 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 and fair values by class of derivative trading instrument for the group at 30 September 2000:

Trading Book	30 September 2000 Underlying Principal Amount €m	Fair Value €m
Interest Rate Contracts		
Interest Rate Swaps	250.2	
in a Favourable Position		1.7
in an Unfavourable Position		(0.8)
Forward Rate Agreements	-	
in a Favourable Position		-
in an Unfavourable Position		-
Interest Rate Futures	338.3	
in a Favourable Position		0.1
in an Unfavourable Position		(0.1)
Foreign Exchange Contracts		
Forward Foreign Exchange	2,706.4	
in a Favourable Position		79.9
in an Unfavourable Position		(38.2)
Foreign Exchange Options	20.9	
in a Favourable Position		0.1
in an Unfavourable Position		(0.1)

The following table represents the underlying principal amounts, weighted average maturities and fair value by class of instrument utilised in the trading activities of the group at 30 September 2000.

	Underlying Principal Amount €m	Weighted Average Maturity in Years	Fair Value €m
Interest Rate Contracts			
Interest Rate Swaps-Receive Fixed			
1 Year or Less	107.0	0.1	1.4
1 to 5 Years	49.7	1.4	(0.7)
Interest Rate Swaps- Pay Fixed			
1 Year or Less	50.0	0.1	-
1 to 5 Years	43.5	1.2	0.2
Forward Rate Agreements – Loans and Deposits			
1 Year or Less	-	-	-
1 to 5 Years	-	-	-
Interest Rate Futures			
1 Year or Less	338.3	0.2	-
Foreign Exchange Contracts			
Forward Foreign Exchange			
1 Year or Less	2,601.2	0.2	40.1
1 to 5 Years	105.2	1.5	1.6
Foreign Exchange Options			
1 Year or Less	20.9	0.1	-

36. DERIVATIVE TRANSACTIONS (*continued*)

The total dealing profits generated by the group during the year ended 30 September 2000 on its trading positions were €2.6m (1999:€2.9m), of which €0.3 m (1999:€2.7m) related to interest rate dealing and €2.3m (1999:€0.2m) related to foreign exchange dealing.

Trading Book	30 September 1999 Underlying Principal Amount €m	30 September 1999 Fair Value €m
Interest Rate Contracts		
Interest Rate Swaps	95.9	
in a Favourable Position		0.9
in an Unfavourable Position		(1.0)
Forward Rate Agreements	1,885.6	
in a Favourable Position		1.3
in an Unfavourable Position		(1.3)
Foreign Exchange Contracts		
Forward Foreign Exchange	2,434.7	
in a Favourable Position		33.6
in an Unfavourable Position		(31.5)
Foreign Exchange Options	12.7	
in a Favourable Position		-
in an Unfavourable Position		(0.1)

The following table represents the underlying principal amounts, weighted average maturities and fair value by class of instrument utilised in the trading activities of the group at 30 September 1999.

	Underlying Principal Amount €m	Weighted Average Maturity in Years	Fair Value €m
Interest Rate Contracts			
Interest Rate Swaps-Receive Fixed			
1 Year or Less	12.7	0.5	0.1
1 to 5 Years	41.9	3.6	(0.7)
Interest Rate Swaps- Pay Fixed			
1 to 5 Years	41.3	3.7	0.5
Forward Rate Agreements – Loans			
1 Year or Less	699.6	0.5	(0.5)
1 to 5 Years	144.8	1.7	(0.8)
Forward Rate Agreements – Deposits			
1 Year or Less	886.3	0.5	0.5
1 to 5 Years	154.9	1.7	0.8
Foreign Exchange Contracts			
Forward Foreign Exchange			
1 Year or Less	2,403.9	0.2	2.1
1 to 5 Years	30.8	1.5	-
Foreign Exchange Options			
1 Year or Less	12.7	0.5	(0.1)

36. DERIVATIVE TRANSACTIONS (*continued*)

Non-Trading Derivatives

The operations of the group are exposed to the 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.

36. DERIVATIVE TRANSACTIONS (*continued*)

The following table sets out details of all derivatives used in the group's non-trading activities at 30 September 2000.

Non-Trading Book	Underlying Principal Amount €m	Weighted Average Maturity in Years	Fair Value €m
Interest Rate Contracts			
Interest Rate Swaps			
- Receive Fixed			
1 Year or Less	323.3	0.4	0.3
1 to 5 Years	547.8	3.4	(0.8)
5 to 10 Years	258.1	8.1	10.7
Interest Rate Swaps			
- Pay Fixed			
1 Year or Less	363.7	0.6	(2.3)
1 to 5 Years	697.8	3.1	(1.5)
5 to 10 Years	297.2	8.2	6.0
Over 10 Years	66.2	22.4	(0.9)
Interest Rate Swaps			
- Pay and Receive Floating			
1 to 5 Years	11.4	4.0	0.2
Forward Rate Agreements – Loans			
1 Year or Less	50.0	0.1	-
Forward Rate Agreements – Deposits			
1 Year or Less	164.1	0.2	-
Interest Rate Caps			
1 to 5 Years	48.5	2.4	-
Interest Rate Options			
1 to 5 Years	-	-	-
Foreign Exchange Contracts			
Forward Foreign Exchange			
1 Year or Less	2,211.2	0.1	(0.8)
1 to 5 Years	56.2	1.3	(0.8)

36. DERIVATIVE TRANSACTIONS (*continued*)

The following table sets out details of all derivatives used in the group's non-trading activities at 30 September 1999.

Non-Trading Book	Underlying Principal Amount €m	Weighted Average Maturity in Years	Fair Value €m
Interest Rate Contracts			
Interest Rate Swaps			
- Receive Fixed			
1 Year or Less	100.3	0.4	1.9
1 to 5 Years	280.6	3.8	(1.0)
5 to 10 Years	115.5	7.0	7.5
Interest Rate Swaps			
- Pay Fixed			
1 Year or Less	97.8	0.6	(0.9)
1 to 5 Years	596.8	2.5	(7.9)
5 to 10 Years	135.9	7.7	0.4
Over 10 Years	110.5	10.8	1.3
Interest Rate Swaps			
- Pay and Receive Floating			
1 to 5 Years	8.9	5.0	(0.3)
Forward Rate Agreements – Loans			
1 Year or Less	3.8	0.4	-
Forward Rate Agreements – Deposits			
1 Year or Less	143.5	0.5	-
Interest Rate Caps			
1 to 5 Years	8.9	5.0	0.1
Interest Rate Options			
1 to 5 Years	8.9	5.0	0.1
Foreign Exchange Contracts			
Forward Foreign Exchange			
1 Year or Less	1,867.1	0.2	1.7
1 to 5 Years	17.9	1.5	-

36. DERIVATIVE TRANSACTIONS (*continued*)

Unrecognised Gains and Losses on Derivative Hedges

Gains and losses on instruments used for hedging are recognised in line with the underlying items which are being hedged. Based on market rates prevailing at the close of business on 30 September 2000, the unrecognised net gains on instruments used for hedging as at 30 September 2000 were €8.3m (1999:€2.3m).

Non-Trading Derivative Deferred Balances

Deferred balances relating to settled derivative transactions are released to the profit and loss account in the same periods as the income and expense flows from the underlying transactions. The total of such net deferred losses as at 30 September 2000 was €0.1m.

Anticipatory Hedges

The group has entered into forward foreign exchange contracts to hedge partly the exchange risk on the translation of the net profit expected from activities conducted in currencies other than euro and euro legacy currencies. The fair value of these contracts amounted to an unrecognised loss of €2.0m at 30 September 2000.

37. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The group has estimated fair value wherever possible using market prices. In certain cases, however, including advances to customers, there are no ready markets. Accordingly, the fair value has been calculated by discounting expected future cashflows using market rates applicable at 30 September 2000. This method is based upon market conditions at 30 September 2000 which may not necessarily be indicative of any subsequent fair value. 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 value calculated does not represent the value of the group as a going concern at 30 September 2000.

The following table represents the carrying amount and the fair value of the group's financial assets and liabilities as at 30 September 2000 and 1999.

Non-Trading Financial Instruments	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2000 €m	**2000 €m**	1999 €m	1999 €m
Financial Assets				
Loans and Advances to Banks	**2,213.2**	**2,213.9**	1,469.7	1,470.2
Loans and Advances to Customers	**7,831.2**	**7,828.2**	5,612.5	5,612.2
Debt Securities	**737.5**	**736.8**	703.1	706.9
Equity Investment Shares	**0.5**	**0.5**	0.5	0.5
Financial Liabilities				
Deposits by Banks	**2,452.4**	**2,452.9**	2,483.8	2,483.7
Customer Accounts	**6,471.5**	**6,473.7**	4,444.6	4,446.7
Debt Securities in Issue	**928.4**	**928.2**	128.5	128.5
Subordinated Liabilities	**328.7**	**330.3**	169.8	170.4
Non-Equity Minority Interest in Subsidiary - Preference Shares	**293.6**	**289.1**	269.0	268.9
Derivative Financial Instruments Held for Trading Purposes				
Interest Rate Contracts	**0.9**	**0.9**	(0.1)	(0.1)
Foreign Exchange Contracts	**41.7**	**41.7**	2.0	2.0
Derivative Financial Instruments Utilised for Non-Trading Activities				
Interest Rate Contracts		**11.7**		1.2
Foreign Exchange Contracts		**(1.6)**		1.7

37. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (*continued*)

The fair value applied to the debt securities assets and the preference shares issued in the subsidiary are the quoted market values for these items at 30 September 2000. The fair value of the other financial assets and liabilities are calculated by discounting expected future cash flows using market rates applicable at 30 September 2000. The derivatives are marked to market at 30 September 2000.

38. CURRENCY INFORMATION

	The Group		The Company	
	2000 €m	1999 €m	**2000 €m**	1999 €m
Denominated in Euro	**5,201.0**	3,700.2	**4,927.1**	3,243.5
Denominated in Other Currencies	**5,846.3**	4,235.2	**5,406.2**	4,034.2
Total Assets	**11,047.3**	7,935.4	**10,333.3**	7,277.7
Denominated in Euro	**5,003.0**	3,831.4	**4,729.1**	3,374.7
Denominated in Other Currencies	**6,044.3**	4,104.0	**5,604.2**	3,903.0
Total Liabilities	**11,047.3**	7,935.4	**10,333.3**	7,277.7

Due to off balance sheet items the above analysis should not be considered to demonstrate foreign exchange risk exposures.

39. REPORT ON DIRECTORS' REMUNERATION AND INTERESTS

Throughout the year the company had procedures in place which met with the Best Practice Provisions as set out in Sections A and B of the Listing Rules of the Irish Stock Exchange on directors' remuneration for companies whose financial year commences before 1 January 2000.

Remuneration Committee

The remuneration committee, which comprises Anthony O'Brien (chairman), Michael Jacob and William McCann, all of whom are non-executive directors, is responsible for the formulation of the group's policy on remuneration in relation to all executive directors and other senior executives. The remuneration of the executive directors is determined by the board of directors on the recommendations of the remuneration committee. The recommendations of the remuneration committee are considered and approved by the board.

Remuneration Policy

The remuneration policy adopted by the group is to reward its executive directors competitively having regard to comparable companies and the need to ensure that they are properly rewarded and motivated to perform in the best interests of the shareholders. The group chief executive is fully consulted about remuneration proposals and from time to time the remuneration committee takes advice from external pay consultants. Included in the remuneration package for executive directors are basic salary, a performance related bonus and the ability to participate in employee share incentive plans. They are also entitled to participate in either a personal Revenue approved defined contribution pension plan or a group defined benefit pension scheme.

Performance Bonus

The level of performance bonus is determined for each individual executive director. The level earned in any one year is paid out of a defined pool and depends on the remuneration committee's assessment of each individual's performance against predetermined targets for that year and also an assessment of the overall performance of the group.

The performance bonus is split into two components. Part of the performance bonus is paid annually and is determined by reference to the economic profit generated by the group. The other element of the performance bonus is calculated by reference to total shareholder return and the payment of this bonus is deferred for three years. It's cost is accrued in the accounts.

Share Incentive Plans

It is company policy to motivate its executive directors by granting them share options. These options have been granted under the terms of the employee share incentive plans approved by shareholders. Further details in relation to these plans are given in Note 25 to the financial statements. Non-executive directors are not eligible to participate in the employee share incentive plans.

Loans to Directors

Loans to directors are made in the ordinary course of business on commercial terms in accordance with established policy. Included in advances to customers are loans to nine (1999:six) directors as at 30 September 2000 amounting to €5,366,000 (1999:€4,346,000).

39. REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (*continued*)

Contracts

Other than in the normal course of business, there have not been any contracts or arrangements with the company or any subsidiary undertaking during the year in which a director of the company was materially interested and which were significant in relation to the group's business. There are no service contracts in existence for any director with the company or any of its subsidiary undertakings.

Pensions

Five of the executive directors at 30 September 2000 are members of a defined benefit scheme. The company contributed €392,000 (1999:€373,000) during the year to this scheme to provide pension benefits in respect of directors. The aggregate of their accrued retirement pensions on leaving service at 30 September 2000 amounted to €668,000 per annum, an increase over the year (excluding inflation) of €154,000 per annum. The transfer value of this increase, as determined by an independent actuary, amounted to €4,227,000. One executive director at 30 September 2000 is a member of a defined contribution scheme. The contribution payable on his behalf during the year amounted to €45,000 (1999:€42,000). All pension benefits are determined solely in relation to basic salary. Non-executive directors are not entitled to any pension benefits.

39. REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (*continued*)

Directors' Remuneration

The remuneration of the directors of the company, analysed in accordance with the Listing Rules of the Irish Stock Exchange for companies whose financial year commences before 1 January 2000, is set out below:

	Executive Directors		Non-Executive Directors		Former Directors		Total	
	2000 €000	1999 €000	2000 €000	1999 €000	2000 €000	1999 €000	2000 €000	1999 €000
Salaries	**1,594**	1,519	**-**	-	**-**	-	**1,594**	1,519
Fees	**-**	-	**237**	184	**-**	-	**237**	184
Performance Bonuses								
- Annual	**1,389**	1,055	**-**	-	**-**	-	**1,389**	1,055
- Deferred	**410**	-	**-**	-	**-**	-	**410**	-
Benefits	**119**	118	**-**	-	**-**	-	**119**	118
Pension Contributions	**437**	415	**-**	-	**-**	-	**437**	415
Other Payments to Past Directors	**-**	-	**-**	-	**46**	33	**46**	33
Total Remuneration	**3,949**	3,107	**237**	184	**46**	33	**4,232**	3,324
Average Number of Serving Directors	**6.0**	6.2	**5.6**	5.2			**11.6**	11.4

No fees are paid to executive directors. Benefits include the use of a company car.

39. REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (*continued*)

Directors' and Company Secretary's Interests

The beneficial interests of the directors and secretary and of their spouses and minor children in the shares issued by the company are included in the following table:

	30 September 2000		30 September 1999*	
Interests in Ordinary Shares	Ordinary Shares	Share Options	Ordinary Shares	Share Options
Directors:				
Anthony O'Brien	**109,490**	**-**	106,847	-
Sean FitzPatrick	**3,043,501**	**1,056,729**	3,037,833	425,000
William Barrett	**264,347**	**956,729**	254,871	475,000
Anthony Coleby	**12,931**	**-**	12,585	-
Michael Jacob	**350,146**	**-**	347,546	-
Peter Killen	**688,083**	**956,729**	681,932	475,000
William McAteer	**447,011**	**956,729**	430,633	475,000
William McCann	**50,953**	**-**	50,204	-
Peter Murray	**59,147**	**-**	57,720	-
Tiarnan O Mahoney	**148,725**	**961,688**	63,254	552,436
John Rowan	**218,158**	**950,000**	77,120	612,436
Patrick Wright	**50,000**	**-**	50,000	-
Secretary:				
Ronan Murphy	**26,792**	**326,729**	23,191	220,000

* or date of appointment if later

Patrick Wright held at the date of his appointment 650 Series B Preference shares in Anglo Irish Capital Funding Limited, a wholly owned subsidiary of the bank. These shares were sold on 7 September 2000.

There have been no changes in the directors' and secretary's shareholdings between 30 September 2000 and 28 November 2000. The directors and secretary and their spouses and minor children have no other interests in the shares of the company or its group undertakings as at 30 September 2000.

39. REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (*continued*)

Share Options Granted to Directors

Options to subscribe for ordinary shares in the company granted to and exercised by directors during the year to 30 September 2000 are included in the following table:

	Options at 1 October 1999	Options Granted Since 1 October 1999		Options Exercised Since 1 October 1999		Market Price at Exercise Date	Options at 30 September 2000				Weighted Average
Name	Number	Number	Price €	Number	Price €	Price €	Number	Date from which Exercisable	Expiry Date	Exercise Price €	Exercise Price €
Sean FitzPatrick	425,000						425,000	May 00	May 04	1.09	
		312,500	2.36				312,500	Sept 03	Sept 10	2.36	
		312,500	2.36				312,500	Sept 05	Sept 10	2.36	
		6,729*	1.79				6,729	Sept 03	Mar 04	1.79	
	425,000	631,729					1,056,729				1.85
William Barrett	200,000						200,000	Jan 99	Jan 03	0.81	
	275,000						275,000	May 00	May 04	1.09	
		237,500	2.36				237,500	Sept 03	Sept 10	2.36	
		237,500	2.36				237,500	Sept 05	Sept 10	2.36	
		6,729*	1.79				6,729	Sept 03	Mar 04	1.79	
	475,000	481,729					956,729				1.67
Peter Killen	200,000						200,000	Jan 99	Jan 03	0.81	
	275,000						275,000	May 00	May 04	1.09	
		237,500	2.36				237,500	Sept 03	Sept 10	2.36	
		237,500	2.36				237,500	Sept 05	Sept 10	2.36	
		6,729*	1.79				6,729	Sept 03	Mar 04	1.79	
	475,000	481,729					956,729				1.67
William McAteer	200,000						200,000	Jan 99	Jan 03	0.81	
	275,000						275,000	May 00	May 04	1.09	
		237,500	2.36				237,500	Sept 03	Sept 10	2.36	
		237,500	2.36				237,500	Sept 05	Sept 10	2.36	
		6,729*	1.79				6,729	Sept 03	Mar 04	1.79	
	475,000	481,729					956,729				1.67
Tiarnan O Mahoney	77,436			77,436	0.40	2.36	-	Mar 96	Mar 00	-	
	200,000						200,000	Jan 99	Jan 03	0.81	
	275,000						275,000	May 00	May 04	1.09	
		237,500	2.36				237,500	Sept 03	Sept 10	2.36	
		237,500	2.36				237,500	Sept 05	Sept 10	2.36	
		11,688*	1.79				11,688	Sept 05	Mar 06	1.79	
	552,436	486,688		77,436			961,688				1.67
John Rowan	137,436			137,436	0.40	2.29	-	Mar 96	Mar 00	-	
	200,000						200,000	Jan 99	Jan 03	0.81	
	275,000						275,000	May 00	May 04	1.09	
		237,500	2.36				237,500	Sept 03	Sept 10	2.36	
		237,500	2.36				237,500	Sept 05	Sept 10	2.36	
	612,436	475,000		137,436			950,000				1.67

* Issued under the terms of the Anglo Irish Bank SAYE Scheme

The market price of the company's ordinary shares at 30 September 2000 was €2.58 (1999:€2.31) and the range during the year to 30 September 2000 was €2.02 to €2.66.

40. APPROVAL OF FINANCIAL STATEMENTS

The group financial statements were approved by the board of directors on 28 November 2000.

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	IR£m	US$m	Stg£m	Austrian Schillings Millions
Interest Receivable and Similar Income				
Interest Receivable and Similar Income arising from				
Debt Securities and other Fixed Income Securities	32.7	36.4	24.8	571
Other Interest Receivable and Similar Income	545.9	607.5	413.6	9,538
Interest Payable and Similar Charges	(417.0)	(464.1)	(316.0)	(7,286)
Net Interest Income	161.6	179.8	122.4	2,823
Other Income				
Fees and Commissions Receivable	54.9	61.1	41.6	959
Fees and Commissions Payable	(5.3)	(5.9)	(4.0)	(92)
Dealing Profits	2.0	2.3	1.5	36
Other Operating Income	2.1	2.3	1.6	36
Total Income	215.3	239.6	163.1	3,762
Operating Expenses				
Administrative Expenses	66.0	73.4	50.0	1,153
Depreciation and Goodwill Amortisation	3.9	4.4	3.0	69
Provisions for Bad and Doubtful Debts - Specific	12.4	13.8	9.4	216
- General	27.8	30.9	21.0	486
	110.1	122.5	83.4	1,924
Group Profit on Ordinary Activities Before Taxation	105.2	117.1	79.7	1,838
Taxation on Profit on Ordinary Activities	(19.4)	(21.7)	(14.7)	(340)
Group Profit on Ordinary Activities After Taxation	85.8	95.4	65.0	1,498
Non-Equity Minority Interest-Preference Dividends	(19.7)	(21.9)	(14.9)	(344)
Group Profit Attributable to Ordinary Shareholders	66.1	73.5	50.1	1,154
Dividends	(19.4)	(21.5)	(14.7)	(338)
Group Profit Retained for Year	46.7	52.0	35.4	816
Scrip Dividends	4.0	4.5	3.0	70
Renominalisation of Share Capital	(0.6)	(0.7)	(0.5)	(11)
Group Profit Brought Forward	96.5	107.3	73.1	1,686
Group Profit Carried Forward	146.6	163.1	111.0	2,561
Basic Earnings Per Share	23.41p	26.06c	17.74p	Ats 4.09
Diluted Earnings Per Share	22.89p	25.48c	17.35p	Ats 4.00
Dividends Per Ordinary Share	6.85p	7.63c	5.19p	Ats 1.20

Exchange Rates used at 30 September 2000
One Euro = IR£0.787564 / US$0.8765 / Stg£0.5967 / Ats 13.7603

Consolidated Balance Sheet

AS AT 30 SEPTEMBER 2000

	IR£m	US$m	Stg£m	Austrian Schillings Millions
Assets				
Loans and Advances to Banks	1,743.0	1,939.9	1,320.6	30,454
Loans and Advances to Customers	6,137.9	6,831.0	4,650.4	107,241
Securitised Assets	402.1	447.5	304.6	7,025
Less: Non -Returnable Proceeds	(372.4)	(414.4)	(282.1)	(6,506)
	29.7	33.1	22.5	519
Debt Securities	580.8	646.4	440.0	10,148
Equity Investment Shares	0.4	0.4	0.3	7
Own Shares	3.1	3.5	2.4	55
Intangible Fixed Assets - Goodwill	2.4	2.6	1.8	41
Tangible Fixed Assets	17.9	19.9	13.5	312
Other Assets	29.0	32.2	22.0	507
Prepayments and Accrued Income	156.3	173.9	118.4	2,730
Total Assets	8,700.5	9,682.9	6,591.9	152,014
Liabilities				
Deposits by Banks	1,931.4	2,149.5	1,463.3	33,746
Customer Accounts	5,096.7	5,672.3	3,861.6	89,050
Debt Securities in Issue	731.2	813.7	554.0	12,775
Proposed Dividends	12.4	13.8	9.4	217
Other Liabilities	28.0	31.1	21.2	489
Accruals and Deferred Income	143.1	159.3	108.4	2,500
Provisions for Liabilities and Charges	9.9	11.0	7.5	172
	7,952.7	8,850.7	6,025.4	138,949
Capital Resources				
Subordinated Liabilities	258.9	288.1	196.1	4,523
Non-Equity Minority Interest in Subsidiary - Preference Shares	231.2	257.3	175.2	4,040
	490.1	545.4	371.3	8,563
Called Up Share Capital	71.7	79.9	54.4	1,253
Share Premium Account	38.7	43.0	29.3	676
Other Reserves	0.7	0.8	0.5	12
Profit and Loss Account	146.6	163.1	111.0	2,561
Total Shareholders' Funds (All Equity Interests)	257.7	286.8	195.2	4,502
Total Capital Resources	747.8	832.2	566.5	13,065
Total Liabilities	8,700.5	9,682.9	6,591.9	152,014

Exchange Rates used at 30 September 2000
One Euro = IR£0.787564 / US$0.8765 / Stg£0.5967 / Ats 13.7603

SUBSTANTIAL SHAREHOLDINGS

The following interests in the ordinary share capital had been notified to the company at 28 November 2000.

	Number of Shares	% of Issued Ordinary Share Capital
Bank of Ireland Nominees Limited*	24,853,091	8.7%
Zurich Financial Services Group plc*	19,973,547	7.0%
Morgan Stanley Group*	16,429,861	5.7%
Fidelity Investments*	11,047,624	3.8%
Scottish Provident	10,904,060	3.8%

* These shareholders have informed the company that their holdings are not beneficially owned but are held on behalf of a range of clients none of whom, so far as the directors are aware, hold more than 3% of the issued ordinary share capital.

SIZE ANALYSIS OF SHAREHOLDERS AT 30 SEPTEMBER 2000

	Shareholders		Shares	
	Number	%	Number	%
1 - 5,000	11,169	76.3	17,083,739	6.0
5,001 - 10,000	1,676	11.4	11,724,567	4.1
10,001 - 25,000	1,180	8.0	17,768,412	6.2
25,001 - 50,000	304	2.1	10,576,239	3.7
50,001 - 100,000	147	1.0	10,039,714	3.5
100,001 - 500,000	111	0.8	24,602,171	8.7
Over 500,000	59	0.4	192,827,529	67.8
	14,646	100.0	284,622,371	100.0

GEOGRAPHIC ANALYSIS OF SHAREHOLDERS AT 30 SEPTEMBER 2000

	Shareholders		Shares	
	Number	%	Number	%
Ireland	11,558	78.9	182,724,516	64.2
United Kingdom	2,925	20.0	101,044,260	35.5
Elsewhere	163	1.1	853,595	0.3
	14,646	100.0	284,622,371	100.0

Locations of Anglo Irish Bank

Dublin (Head Office)
Stephen Court,
18/21 St. Stephen's Green,
Dublin 2.
Tel: (01) 616 2000
Fax: (01) 616 2411
Website: www.angloirishbank.ie

Registrar Correspondence
Computershare Services
(Ireland) Limited,
Heron House, Corrig Road,
Sandyford Industrial Estate,
Dublin 18.
Tel: (01) 216 3100
Free Phone: 1 800 225125
(shareholder queries)
Website: www.computershare.com

International Financial Services
Custom House Plaza,
Block 4, Floor 3, IFSC,
Dublin 1.
Tel: (01) 670 2388
Fax: (01) 670 2384

Private Banking
61 Fitzwilliam Square,
Dublin 2.
Tel: (01) 631 0000
Fax: (01) 631 0098

Cork
20 South Mall, Cork.
Tel: (021) 4271 761
Fax: (021) 4276 565

Galway
Anglo Irish Bank House,
Forster Street, Galway.
Tel: (091) 565 121
Fax: (091) 565 125

Limerick
Anglo Irish Bank House,
98 Henry Street,
Limerick.
Tel: (061) 319 522
Fax: (061) 310 420

Waterford
Bank House,
96 The Quay,
Waterford.
Tel: (051) 877 616
Fax: (051) 877 799

Belfast
Commercial Union House,
1-3 Donegall Square South,
Belfast BT1 5LS.
Tel: (0044) 2890 333100
Fax: (0044) 2890 333800

Glasgow
69 Buchanan Street,
Glasgow G13 HL.
Tel: (0044) 141 314 3736
Fax: (0044) 141 314 3738

London
10 Old Jewry,
London EC2 R8DN.
Tel: (0044) 20 7710 7000
Fax: (0044) 20 7710 7050

Manchester
Bartle House (Ground Floor),
9 Oxford Court,
Manchester M2 3PA.
Tel: (0044) 161 234 6600
Fax: (0044) 161 234 6609

Birmingham
Embassy House,
60 Church Street, B3 2DJ.
Tel: (0044) 121 2320800
Fax: (0044) 121 2320808

Banbury
Town Centre House,
Southam Road, Banbury,
Oxon OX16 2EN.
Tel: (0044) 1295 755500
Fax: (0044) 1295 755510

Isle of Man
69 Athol Street, Douglas,
Isle of Man IMI IJE.
Tel: (0044) 1624 698 000
Fax: (0044) 1624 698 001

Dusseldorf
(Representative Office)
Immermannstrasse 13,
40210, Dusseldorf.
Tel: (0049) 211 5504480
Fax: (0049) 211 55044888

Vienna
Anglo Irish Bank (Austria) A.G.,
Rathausstrasse 20,
P.O. Box 306, A-1011,
Vienna.
Tel: (0043) 1 4066161
Fax: (0043) 1 4058142

Boston
(Representative Office)
84 State Street, Fourth Floor,
Boston MA 02109.
Tel: (001) 617 720 2577
Fax: (001) 617 720 6099

Produced by Group Marketing & Communications,
18/21 St. Stephen's Green, Dublin 2.
email: marynolan@angloirishbank.ie

ANGLO IRISH BANK