

Report of the Directors

The directors present their report and the audited financial statements for the year ended 30 September 2001.

RESULTS

The group profit on ordinary activities before taxation for the year amounted to €194.8 million and has been dealt with as shown in the consolidated profit and loss account on page 26.

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 9 to 15 report on developments during the year, on likely future developments and on events since 30 September 2001.

DIVIDENDS

An interim dividend of 3.6c per share was paid on 17 July 2001 amounting to €10.8 million. Subject to shareholders' approval, it is proposed to pay a final dividend on 31 January 2002 of 6.84c per share to all registered shareholders at the close of business on 7 December 2001. Dividend withholding tax ("DWT") may apply on the proposed final dividend depending on the tax status of each shareholder.

Shareholders chose to receive 2,019,403 ordinary shares instead of cash dividends paid in January and July. Shareholders will be offered the choice of taking new ordinary shares in lieu of the proposed final dividend, after deduction of DWT where applicable.

CAPITAL RESOURCES

Details of the changes in capital resources during the year are included in notes 25 to 31 of 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. Anton Stanzel and Ned Sullivan were co-opted to the board on 19 April 2001 and 12 November 2001 respectively and, being eligible, offer themselves for re-election. William McCann retired on 12 November 2001 following the completion of his three year term and Anthony O'Brien will retire as a director following the forthcoming annual general meeting.

Peter Murray, William Barrett, Tiarnan O Mahoney and John Rowan 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 43 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 79.

**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 20.

BOOKS AND ACCOUNTING RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the company. To ensure compliance with these requirements the directors have appointed professionally qualified accounting personnel. These books and accounting records are maintained at the company's registered office at Stephen Court, 18/21 St. Stephen's Green, Dublin 2.

AUDITORS

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

27 November 2001

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

