

Report and Financial Statements 2001



13 Month Period ended 31 December 2001

Helaba *Dublin*

Cover photograph:
Guild House, International Financial Services Centre, Dublin

Contents

Directors and other information	3
Report of the Directors	5-11
Independent Report of the Auditors	12-13
Accounting Policies and Estimates	15-16
Profit and Loss Account	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20-43

Directors and other information

Board of Directors

Dr. N. Schraad (Chairman)
R. Krick
L. Steinborn-Reetz
P. von Gordon
P. Murray
P. Smyth
E. Hanly
N. O'Byrne

Secretary

Wilton Secretarial Limited

Registered office

PO Box 3137
Guild Street
IFSC
Dublin 1
Registered Number: 166933

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2

Solicitors

William Fry
Fitzwilton House
Wilton Place
Dublin 2



MAIN TOWER
Headquarters of
Landesbank Hessen-Thüringen
in Frankfurt am Main

Report of the Directors

The directors submit their report together with the audited financial statements for the 13 month period ended 31 December 2001.

Statement of directors' responsibilities

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 bank and of the profit or loss of the bank for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the bank will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the bank and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish Statute comprising the Companies Acts, 1963 to 2001 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. The directors are also responsible for safeguarding the assets of the bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Books of account

The measures taken by the directors to secure compliance with the bank's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. The books of account are kept at the bank's offices at Guild Street, IFSC, Dublin 1.

Principal activities and review of the business

Background of the Bank

Helaba Dublin was founded in November 1990 under the name "Helaba Asset Management". On 1 December 1993, the company received its banking licence from the Central Bank of Ireland and changed its name to Helaba Dublin Landesbank Hessen-Thüringen International ("Helaba Dublin"). It is wholly owned by Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt ("Helaba") which is rated AAA/Aaa by the leading international rating agencies Standard & Poor's, Moody's Investors Service and FITCH. The legal form of the bank is that of a private unlimited company. In addition, Helaba submitted a letter of comfort to the Central Bank of Ireland in favour of Helaba Dublin.

In view of its legal status and the assertion by the parent company that Helaba Dublin will always be in a position to meet its liabilities (see “ultimate holding company”), the bank was assigned a short term debt rating of “A-1+” and a long-term senior unsecured debt rating of “AA+” by Standard & Poor’s Corp.

Landesbank Hessen-Thüringen Girozentrale opened a branch – Helaba Irish Branch – in Dublin on 2 January 2001.

Performance of the Bank

In its eleventh year the bank had a decrease of its total balance sheet from € 3,785 million to € 3,543 million (6%). This decrease was mainly due to the sale of loans within its portfolio. The Bank continued to increase the volume of loan business during the period. Profits for the period were substantially increased on a pro rata basis.

Lending Activity

In the period under review, total loans and advances to corporate customers and public law entities decreased by € 368 million or 15% to € 2,024 million, while loans and advances to banks in excess of 1 year reduced by € 438 million or 64% to € 248 million.

Total loans and advances to corporate customers, public law entities and banks (in excess of 1 year) represented 64% of the total balance sheet. They were granted in all major currencies with fixed or variable interest rates.

Debt Securities and other Fixed Income Securities

The bank’s securities portfolio increased by € 492 million or 112% to € 931 million. Securities issued by banks and building societies amount to € 487 million and by other issuers to € 444 million. The securities held are primarily floating rate notes issued in various currencies with an average remaining maturity of 8.04 years.

Money Market, Foreign Exchange and Derivatives Business

Money market, foreign exchange and derivative instruments were only utilised to a very limited extent for proprietary trading and principally served as funding and hedging tools for the asset side. Deposits from banks decreased by € 402 million to € 133 million. Other customer deposits increased by € 243 million to € 2,276 million, of which € 1,828 million have a maturity of more than 5 years. The outstandings under a USD 1.5 billion Euro Commercial Paper (ECP) Program, signed on 29 August 1997 as USD 1 billion and increased to USD 1.5 billion on 16 November 1999, amounted to € 929 million (USD 818 million) at year end. This program was assigned a short term rating of “A-1+” by Standard and Poor’s Corp.

Profit and Loss Account, Dividends and Reserves in thousand €	2001
Profit for the financial period after tax	22,139
Dividend paid	-44,100
Loss retained for the period	-21,961
Balance at beginning of period	29,329
Capitalisation of revenue reserves	-2,290
Balance at end of period	<u>5,078</u>

Net interest income increased from € 17.1 million to € 25.1 million, due to higher interest income from debt and fixed interest securities.

Fees and commissions earned increased by € 1.4 million to € 4.7 million, arising out of the loans activity. Administrative expenses of € 4.2 million increased by € 1.1 million due to an increase in the number of staff and higher costs related to the increase in business activity.

Capital

The bank's capital of DEM 240 million was converted to Euro during the period, and increased to € 125 million by means of conversion of retained earnings of thousand € 2,290.

The Tier 1 Capital/Risk Assets ratio remained well above minimum requirements.

The bank's parent company's former 100% shareholder, the Savings Banks and Giro Association of Hesse and Thuringia, reduced its shareholdings to 85% as of 1 January 2001, and the German Federal States of Hesse and Thuringia took up shareholdings of 10% and 5% respectively.

Staff

At period-end 37 employees were employed by the company. The Directors would like to take this opportunity to thank the employees for their dedication and loyalty during the period.

Events since the period end

There have been no significant events since the period end.

Safety, health and welfare of employees

It is the policy of the bank to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy is based on the requirements of employment legislation, including the Safety, Health and Welfare at Work Act, 1989.

Future developments

During the year 2002 the bank will continue to develop its international customer base for the provision of short and long term, fixed or variable interest rate financing facilities to mainly non-bank customers, continue to broaden its short and long term funding arrangements with banks and non-banks and increase its range of non-lending services for customers.

Directors

The names of the persons who were directors during the 13 month period ended 31 December 2001 are set out below. They served as directors for the entire period, except where noted.

Dr. N. Schraad (Appointed 1 March 2001) (German)
Dr. N. Bräuer (Retired 1 March 2001) (German)
Prof. Dr. U. Güde (Retired 31 December 2000) (German)
Dr. G. Merl (Retired 1 March 2001) (German)
H. Riener (Retired 1 March 2001) (German)
R. Krick (Appointed 1 March 2001) (German)
L. Steinborn-Reetz (Appointed 1 March 2001) (German)
P. von Gordon (German)
P. Murray (Appointed 1 March 2001)
P. Smyth (Appointed 6 March 2001)
E. Hanly
N. O'Byrne

The directors are not required to retire by rotation under the terms of the bank's Articles of Association.

Ultimate holding company

The ultimate holding company of Helaba Dublin Landesbank Hessen-Thüringen International is Landesbank Hessen-Thüringen Girozentrale, Federal Republic of Germany which has stated that it will ensure that Helaba Dublin Landesbank Hessen-Thüringen International will always be in a position to meet its liabilities for so long as it remains a subsidiary of Landesbank Hessen-Thüringen Girozentrale.

Directors' and other interests

None of the directors in office at 31 December 2001 had any interest in the shares or debentures of the bank, its holding company or other group companies.

Transactions involving Directors

There were no transactions involving directors during the period as defined by Section 41 of the Companies Act 1990.

Risk management and control

The Board of Directors approves the policy, the limits and the process for the monitoring of risk. The policy includes the product groups and markets in which trading may be transacted, the type, scope, legal form and documentation of trading transactions and the counterparties with whom transactions may be concluded. It also sets out the procedures for the measurement, analysis, monitoring and controlling of risks.

Credit Risk

The Bank's credit risk is monitored in accordance with the credit risk procedures of Helaba Group, with a particular focus on the higher quality/lower risk end of the market (minimum investment grade rating or equivalent credit quality). All assets are regularly reviewed by the Board of Directors, with a formal review of all risk weighted assets on a minimum basis of at least once every 12 months.

All assets must comply with sectoral and other regulatory limits as set out in the credit risk procedures.

Liquidity Risk

The Bank's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in funding and to meet its financial obligations. This is achieved through maintaining a prudent level of liquid assets, and through wholesale funding facilities, including a USD 1.5 billion ECP program and management control of the growth of the business.

Currency risk

After hedging, the bank has no substantial net exposure to foreign exchange rate fluctuations or changes in foreign currency interest rates.

Interest rate risk

The net interest income of the bank is exposed to movements in interest rates due to the controlled mismatching of the dates on which assets and liabilities mature or are reset to market rates. We refer to the Interest Rate Repricing table in note 29. This table sets out these mismatches on the trading and non-trading book, having taken into account the hedging effect of interest rate swaps as at 31 December 2001.

Trading book

The trading book positions giving rise to interest rate risk are derivatives with exposures maturing within 24 months.

Banking book

The interest rate risk has been limited by the bank to cash positions up to 12 months and off-balance sheet positions up to 24 months, with the exception of assets funded with the € 125 million share capital. All other fixed rate interest positions maturing after 12 months are hedged using interest rate swaps with 3 or 6 monthly fixings.

A single system is used by the Helaba Group for the measurement of the interest rate risk. This system monitors the risk and reviews the limit utilisation on a daily basis. The limits of the bank are allocated to it by the group Board of Directors and these limits are then approved by the Board of Directors of the bank.

Value at Risk is called Money at Risk (MaR) in Helaba. Money at Risk is the potential loss in value of the group's positions which might arise due to movements in markets over a defined time horizon with a specified confidence level.

The bank's MaR, calculated on a variance/covariance basis, uses a ten day time horizon and a 99% confidence level. This means that there is a one in a 100 chance that daily losses will exceed the MaR. The effectiveness of MaR is assessed by back-testing, which compares the estimated MaR against the realised losses. This is done for a one day horizon and a 99% confidence level.

The MaR for the bank at 31 December 2001 was € 736,831 and the average, highest and lowest during the period to 31 December 2001 were € 1,739,095, € 2,720,185 and € 592,317 respectively.

The modelling of the risk characteristics of the bank's positions involves a number of assumptions and estimates. The MaR calculation depends on the following parameters:

- daily business data after system end of day
- daily FX rates
- daily interest rates
- volatilities monthly (calculated on a 250-day basis, and relative changes in interest rates are considered)
- correlations monthly (calculated on a 250-day basis, and relative changes in interest rates are considered).

All parameters, with the exception of the daily business data, are fed into the system centrally in Frankfurt for the whole Helaba Group.

Introduction of the Euro

Business processes and procedures were modified to facilitate the introduction of the Euro. This occurred without causing the bank any problems.

Auditors

The auditors, PricewaterhouseCoopers, offer themselves for re-appointment in accordance with section 160(2) of the Companies Act, 1963.

Dr. N. Schraad, *Chairman of the Board of Directors*

P. von Gordon, *Managing Director*

P. Murray, *Deputy Managing Director*

Wilton Secretarial Limited, *Company Secretary*

8 March 2002

Independent Report of the Auditors

To the Members of Helaba Dublin Landesbank Hessen-Thüringen International

We have audited the financial statements on pages 15 to 43.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 5, 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 and our profession's ethical guidance. We have also audited the information on risk management and control on pages 9 and 10.

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 Irish Statute comprising the Companies Acts, 1963 to 2001, and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the bank has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the bank to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the bank, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information required by law regarding directors' remuneration and transactions is not disclosed.

Basis of 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 bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 bank's affairs at 31 December 2001 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2001, and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the bank. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 5 to 11 is consistent with the financial statements.

The net assets of the bank, as stated in the balance sheet on page 18, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2001, a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the bank.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

8 March 2002

Accounting Policies and Estimates

The significant accounting policies adopted by the bank are as follows:

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts, 1963 to 2001 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible assets over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows:

Office furniture	Average approximately	10 years
Computer equipment		3 years
Fixtures and fittings		5 years
Motor Vehicles		4 years

Reporting currency

The financial statements are prepared in thousands of Euro.

Income and expense recognition

Interest income and expense are recognised in the profit and loss account on an accruals basis. Fees and commissions received for services provided are recognised when earned.

Foreign currencies

All monetary assets and liabilities, denominated in currencies other than Euro are translated into Euro at the exchange rate ruling at the balance sheet date or at the hedge rates where appropriate.

Tangible assets are translated at the historical rate.

The monthly revenues and costs arising in currencies other than Euro are translated into Euro at the relevant exchange rate at each month end.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in currencies other than Euro are dealt with through the profit and loss account.

Deferred taxation

Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided for is disclosed as a contingent liability.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Debt securities

Debt securities intended for use on a continuing basis in the bank's activities are classified as investment securities and are stated at cost less provision for any permanent diminution in value. The cost of investment securities in dated stocks is adjusted for the amortisation of premiums or discounts over the period to maturity. The amortisation of premiums or discounts is included in interest income.

Other securities are included in the balance sheet at the lower of cost and net realisable value.

Capital Instruments

Issue expenses of capital instruments are deducted from the proceeds of issue and, where appropriate, are amortised to profit and loss account so that the finance costs are allocated to accounting periods at a constant rate based on the carrying amount of the instruments.

Derivatives

The bank uses derivative instruments, such as interest rate swaps, financial futures and forward rate agreements, in trading activities and to hedge interest rate exposures. Profits and losses arising from trading activities are taken to the profit and loss account using the mark to market method of accounting. Profits and losses arising from hedging activities are amortised over the lives of the underlying transactions.

The bank uses derivative instruments, such as forward foreign exchange contracts to hedge foreign exchange exposures and in trading activities. Profits and losses arising from these retranslations and from trading activities are included, as appropriate, having regard to the nature of the transactions, in other income or dealing profits.

Pensions

The pension obligations of the bank are met by payments to a pension plan, the annual contributions to which are dealt with in the profit and loss account in the accounting year to which they relate.

Profit and Loss Account

13 month period ended 31 December 2001

in thousand €

	Notes	13 month period ended 2001	Year ended 2000
Interest receivable and similar income			
Interest receivable and similar income arising from debt securities and fixed income securities	2	36,192	18,064
Other interest receivable and similar income		272,213	231,137
Interest payable and similar charges		-283,353	-232,129
Net interest income		25,052	17,072
Fees and commissions receivable		4,701	3,346
Fees and commissions payable		-1,673	-1,353
Loss on dealing		-641	-139
Profit on sale of debt securities		-	110
Profit on sale of Schuldscheindarlehen		3,058	-
Other operating expense		-78	-18
Administrative expenses	3	-4,162	-3,128
Depreciation	14	-114	-176
Provisions for credit risk	12	-1,500	-
Profit on ordinary activities before tax		24,643	15,714
Tax on profit on ordinary activities	4	-2,504	-1,594
Profit on ordinary activities after tax		22,139	14,120
Dividend paid	5	-44,100	-
(Loss)/profit retained for the period		-21,961	14,120
Balance at beginning of period		29,329	15,209
Capitalisation of revenue reserves	6	-2,290	-
Balance at end of period	7	5,078	29,329

Profit on ordinary activities arose solely from continuing operations. There are no recognised gains or losses other than those included in the profit and loss account. There is no difference between the profit on ordinary activities before taxation and the retained profits for the periods stated above, and their respective historical cost equivalents.

Dr. N. Schraad, *Chairman of the Board of Directors*

P. von Gordon, *Managing Director*

P. Murray, *Deputy Managing Director*

Wilton Secretarial Limited, *Company Secretary*

8 March 2002

The accounting policies on pages 15 and 16 and the notes to the financial statements on pages 20 to 43 form part of these accounts.

Balance Sheet

31 December 2001

in thousand €

	Notes	2001	2000
Assets			
Cash and balances with the Central Bank of Ireland		14,680	18,567
Loans and advances to banks	10	521,177	844,550
Loans and advances to customers	11,12	2,023,612	2,391,727
Debt securities and other fixed income securities	13	931,231	438,807
Tangible fixed assets	14	264	217
Prepayments and accrued income	15	52,418	91,421
Total Assets		3,543,382	3,785,289
Liabilities			
Deposits by banks	16	132,847	534,703
Customer accounts	17	2,276,306	2,032,729
Debt securities in issue	18	928,621	951,238
Accruals and deferred income	19	72,972	112,900
Provisions for liabilities and charges	20	2,558	1,680
		3,413,304	3,633,250
Shareholders' funds			
Called up equity share capital	21,6	125,000	122,710
Profit and loss account	7	5,078	29,329
	22	130,078	152,039
Total liabilities and shareholders' funds		3,543,382	3,785,289
Memorandum items			
Guarantees and irrevocable letters of credit	32	2,054,369	2,064,194
Commitments	32	88,568	620,361

Dr. N. Schraad, *Chairman of the Board of Directors*

P. von Gordon, *Managing Director*

P. Murray, *Deputy Managing Director*

Wilton Secretarial Limited, *Company Secretary*

8 March 2002

The accounting policies on pages 15 and 16 and the notes to the financial statements on pages 20 to 43 form part of these accounts.

Cash Flow Statement

13 month period ended 31 December 2001

in thousand €

	Notes	13 month period ended 2001	Year ended 2000
Net cash inflow from operating activities	(A)	499,275	362,783
Equity dividends paid		-44,100	-
Taxation paid		-1,626	-1,582
Capital expenditure and financial investment	23	-447,463	-366,931
Increase/(decrease) in cash	24	6,086	-5,730

(A) Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	24,643	15,714
Decrease/(increase) in prepayments and accrued income	39,003	-31,673
(Decrease)/increase in accruals and deferred income	-39,928	54,424
Depreciation	114	176
Writeback of fixed asset accrual	-	40
Amortisation of premiums net of discounts on debt securities held as financial fixed assets	-321	-86
Net cash inflow from trading activities	23,511	38,595
Net (decrease)/increase in deposits by banks	-385,804	349,079
Net increase in customer accounts	243,577	679,496
Net (decrease)/increase in debt securities in issue	-22,617	268,169
Net decrease/(increase) in loans and advances to customers	368,115	-712,802
Net decrease/(increase) in loans and advances to banks	317,294	-258,144
Net (increase) in debt securities held for trading purposes	-45,058	-
Effect of exchange translation and other adjustments	257	-1,610
	475,764	324,188
Net cash inflow from operating activities	499,275	362,783

Notes to the Financial Statements

1. Ultimate holding company

The ultimate holding company of Helaba Dublin Landesbank Hessen-Thüringen International is Landesbank Hessen-Thüringen Girozentrale, Federal Republic of Germany which, in a letter of comfort to the Central Bank of Ireland, has stated that it will ensure that Helaba Dublin Landesbank Hessen-Thüringen International will always be in a position to meet its liabilities for so long as it remains a subsidiary of Landesbank Hessen-Thüringen Girozentrale.

Landesbank Hessen-Thüringen Girozentrale is the parent company of the only group for which group financial statements are drawn up and of which the bank is a member. Copies of the financial statements of Landesbank Hessen-Thüringen Girozentrale may be obtained from their registered offices at Neue Mainzer Straße 52-58, D-60311 Frankfurt am Main and Bonifaciusstraße 3, D-99084 Erfurt, Federal Republic of Germany.

2. Interest receivable

in thousand €

	2001	2000
Included in interest income		
– Income from listed securities	34,443	17,179
– Income from unlisted securities	1,749	885
	36,192	18,064

3. Administrative expenses

in thousand €

	2001	2000
Staff costs:		
– Salaries	1,950	1,687
– Social security costs	133	86
– Other staff costs	386	313
	2,469	2,086
Other administrative expenses	1,693	1,042
	4,162	3,128
Included in administrative expenses		
– Auditors' remuneration	23	22
– Operating lease rentals: property	469	430

4. Taxation

in thousand €

	2001	2000
(A) Based on profit for the period:		
Corporation tax at 10%	2,498	1,520
Corporation tax at 20% (2000: 24%)	19	41
(Overaccrual)/underaccrual re prior year	-13	33
	<u>2,504</u>	<u>1,594</u>
(B) Deferred tax	-	-

(A) Helaba Dublin has received a certificate from the Minister for Finance in Ireland confirming that all qualifying income on financial services activities are subject to Corporation Tax at the reduced rate of 10%.

(B) No provision has been made for deferred tax as there are no material timing differences between profits as computed for tax purposes and accounting purposes.

5. Dividends

in thousand €

	2001	2000
Paid – interim ordinary dividends of € 0.3528 (2000: nil) per share	44,100	-
	<u>44,100</u>	<u>-</u>

**6. Capitalisation of
revenue reserves**

in thousand €

	2001	2000
Capitalisation of revenue reserves	2.290	-
	<u>2.290</u>	<u>-</u>

On 19 July 2001 the share capital of Helaba Dublin was converted to Euro. It was increased to € 125 million by means of capitalisation of revenue reserves of € 2,289,948.51 on 25 July 2001.

**7. Statement of movement
in profit & loss account**

in thousand €

	2001	2000
Balance at beginning of period	29,329	15,209
Profit for the period	22,139	14,120
Dividend paid	-44,100	-
Capitaliation of revenue reserves	-2,290	-
Balance at end of period	<u>5,078</u>	<u>29,329</u>

8. Directors' remuneration

in thousand €

	2001	2000
Emoluments		
– for services as directors	19	11
– for other services	574	486
	<u>593</u>	<u>497</u>

9. Particulars of staff

	2001	2000
The average number of persons employed by the bank during the year was	<u>36</u>	<u>29</u>

10. Loans and advances**to banks**

in thousand €

	2001	2000
Repayable on demand	2,788	8,867
Repayable in not more than three months	234,895	95,980
Repayable in more than three months but not more than one year	35,379	53,792
Repayable in more than one year but not more than five years	40,363	130,855
Repayable in more than five years	207,752	555,056
	521,177	844,550
Included in the above are:		
Claims on Group undertakings	204,424	194,444

11. Loans and advances**to customers**

in thousand €

	2001	2000
Repayable in not more than three months	89,326	314,404
Repayable in more than three months but not more than one year	125,230	179,569
Repayable in more than one year but not more than five years	561,720	581,609
Repayable in more than five years	1,247,336	1,316,145
	2,023,612	2,391,727
Included in the above are:		
Claims on Group undertakings	-	-

12. Provision for credit risk

in thousand €

	2001	2000
Against loans and advances to customers	1,500	-
Charged against profits	1,500	-

The provision for bad and doubtful debts is general and amounts to € 1,500,000 at 31 December 2001. This provision has been netted against loans and advances to customers in these financial statements.

**13. Debt securities and other
fixed income securities**

in thousand €

	2001	2000
Held as financial fixed assets		
Bank and building societies	475,007	269,348
Other debt securities	411,166	169,459
	886,173	438,807
Held for trading purposes		
Bank and building societies	12,468	–
Other debt securities	32,590	–
	45,058	–
Total debt securities	931,231	438,807
Analysed by remaining maturity		
Due within one year	74,984	–
Due one year and over	856,247	438,807
	931,231	438,807
Analysed by listing status		
Held as financial fixed assets		
Listed on a recognised stock exchange	822,273	427,300
Unlisted	63,900	11,507
	886,173	438,807
Market value of listed securities	817,164	427,137
Held for trading purposes		
Listed on a recognised stock exchange	45,058	–
Unlisted	–	–
	45,058	–
Market value of listed securities	45,087	–

**Analysis of movements
in debt securities held
as financial fixed assets**

	Cost	Amortised Discounts/ Premiums	Book Value
At 30 November 2000	438,645	162	438,807
Acquisitions	447,302	83	447,385
Amortisation of net discounts and premiums	–	238	238
Exchange translation adjustments	–257	–	–257
At 31 December 2001	885,690	483	886,173
		2001	2000
Unamortised net discounts/(premiums)		1,048	885

14. Tangible assets	Fixtures and fittings	Computer equipment	Office furniture	Motor Vehicles	Total
in thousand €					
Cost					
At 30 November 2000	77	278	124	111	590
Additions	12	84	72	–	168
Disposals	–1	–34	–	26	–61
At 31 December 2001	88	328	196	85	697
Accumulated depreciation					
At 30 November 2000	51	190	63	69	373
Charge for period	12	68	15	19	114
Disposals	–1	–34	–	–19	–54
At 31 December 2001	62	224	78	69	433
Net book amount					
At 30 November 2000	26	88	61	42	217
At 31 December 2001	26	104	118	16	264

15. Prepayments and accrued income	2001	2000
in thousand €		
Interest receivable	26,828	64,762
Other debtors	25,590	26,659
	52,418	91,421

16. Deposits by banks

in thousand €

	2001	2000
Repayable on demand	297	16,349
Repayable in not more than three months	132,550	453,080
Repayable in more than three months but not more than one year	–	65,274
	132,847	534,703
Included in the above are:		
Liabilities to Group undertakings	549	1,792

17. Customer accounts

in thousand €

	2001	2000
Repayable on demand	15,521	8,927
Repayable in not more than three months	121,716	107,336
Repayable in more than three months but not more than one year	28,995	156,790
Repayable in more than one year but not more than five years	282,195	219,823
Repayable in more than five years	1,827,879	1,539,853
	2,276,306	2,032,729
Included in the above are:		
Liabilities to Group undertakings	3,310	5,094

18. Debt securities in issue

in thousand €

	2001	2000
Repayable in not more than three months	851,614	734,309
Repayable in more than three months but not more than one year	77,007	216,929
	928,621	951,238

These debt securities have been issued under a USD 1.5 billion Euro Commercial Paper Program, which was signed on 29 August 1997 as USD 1 billion, and increased to USD 1.5 billion on 16 November 1999. It is a multi-currency program subject to terms and conditions.

19. Accruals and deferred**income**

in thousand €

	2001	2000
Interest payable	37,104	74,144
Other accruals	35,868	38,756
	<u>72,972</u>	<u>112,900</u>

Other accruals relate to deferred fee income on loans.

20. Provisions for liabilities**and charges**

in thousand €

	2001	2000
Provision for corporation tax	2,517	1,561
Provision for deferred tax	41	41
Other provisions	–	78
	<u>2,558</u>	<u>1,680</u>

21. Equity share capital

in thousand €

	2001	2000
Authorised:		
125,000,000 ordinary shares of € 1 each (2000: 240,000,000 ordinary shares of DM 1 each)	<u>125,000</u>	<u>122,710</u>
Issued and fully paid:		
125,000,000 ordinary shares of € 1 each (2000: 240,000,000 ordinary shares of DM 1 each)	<u>125,000</u>	<u>122,710</u>

22. Reconciliation of movements in shareholders' funds

in thousand €

	2001	2000
Profit on ordinary activities after tax	22,139	14,120
Dividends paid	-44,100	-
Capitalisation of revenue reserves	-2,290	-
Increase in issued and fully paid ordinary share capital	2,290	-
Net (reduction)/addition to equity shareholders' funds	-21,961	14,120
Opening equity shareholders' funds	152,039	137,919
Closing equity shareholders' funds	130,078	152,039

23. Capital expenditure and financial investment

in thousand €

	2001	2000
Purchase of tangible fixed assets	-168	-47
Sale of tangible fixed assets	7	-
Purchase of financial fixed assets	-447,302	-416,932
Sale of financial fixed assets	-	50,048
	-447,463	-366,931

24. Cash and cash equivalents

in thousand €

	2001	2000
Balance at beginning of period	11,085	16,815
Increase/(decrease) in cash and cash equivalents	6,086	-5,730
Balance at end of period	17,171	11,085
Represented by:		
Cash at bank	14,680	18,567
Loans and advances to banks	2,788	8,867
Deposits by banks	-297	-16,349
	17,171	11,085

For the purposes of the cash flow statement, cash equivalents are short term highly liquid investments, which are readily convertible into known amounts of cash without notice.

25. Pensions

Pensions for employees arise from a defined contribution scheme. These pensions are funded through an external pension scheme for the sole benefit of qualifying employees or their dependants. The pension cost charge for the period was thousand € 126 (2000: thousand € 123) and outstanding contributions at the balance sheet date amounted to thousand € Nil (2000: thousand € Nil).

26. Segmental reporting

The bank has only one main class of business, which is that of the provision of financing facilities, which is carried out from its sole office in Ireland.

27. Currency information

in thousand €

	2001	2000
<hr/>		
(i) Total Assets		
Euro	2,267,146	1,939,826
Other	1,276,236	1,845,463
	<u>3,543,382</u>	<u>3,785,289</u>
<hr/>		
(ii) Total liabilities		
Euro	2,510,527	1,973,862
Other	1,032,855	1,811,427
	<u>3,543,382</u>	<u>3,785,289</u>

28. Derivative transactions**General**

Transactions are undertaken in derivative financial instruments, which include interest rate swaps, cross-currency swaps, futures and forward rate agreements, for trading and non-trading purposes. These non-trading transactions are undertaken in order to reduce exposure to movements in interest and foreign exchange rates and to generate income. These derivatives involve, to varying degrees, exposure to loss in the event of default by a counterparty and exposure to future changes in interest and exchange rates.

Derivatives classified as non-trading are those entered into for the purpose of matching or eliminating risk from potential movements in foreign exchange rates and interest rates inherent in the bank's non-trading assets, liabilities and positions. A derivative is designated as non-trading where there is an offset between the effects of potential movements in market rates on the derivative and the non-trading asset, liability or position being hedged. Non-trading derivatives are accounted for on an accruals basis, consistent with the assets, liabilities or positions being hedged.

The bank's objectives and policies in managing the risks that arise in connection with the use of financial instruments are set out on pages 9-10 of the Report of the Directors, under the heading of "Risk Management and Control".

The information below gives the nominal principal contract amounts, and risk weighted amounts of off-balance sheet transactions. The nominal principal contract amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The risk weighted amounts have been calculated in accordance with the Central Bank of Ireland's guidelines implementing the European Union Own Funds and Solvency Directives.

Trading derivatives

Trading positions are maintained in forward rate agreements and futures. The following table represents the underlying principal amounts, risk weighted amounts and replacement cost classified by class of derivative trading position held at 31 December 2001:

Interest rate contracts – trading

in thousand €

	2001	2000
Underlying principal amount	164,339	1,872,008
Risk weighted amount	178	1,353
Replacement cost	427	1,869

Notes:

- (i) Under the Basle agreement, a credit conversion factor is applied to the contract amount to obtain the credit equivalent amount, which is then risk weighted according to the counterparty.
- (ii) For interest rate and exchange rate contracts, replacement cost is obtained by marking all contracts with a positive value to market, plus an additional amount which relates to potential future credit exposure.

Analysis of dealing losses

in thousand €

	2001	2000
(Loss) on dealing can be analysed as follows:		
Forward rate agreements	-88	51
Futures	-625	-326
Foreign exchange	75	136
Trading bonds	-3	-
	-641	-139

Non-Trading Derivatives

in thousand €

As explained in the Report of the Directors on pages 9-10, under the heading of “Risk Management and Control”, the bank’s policy is to hedge through interest rate and foreign exchange rate contracts the repricing or maturity characteristics of assets and liabilities in order to achieve liquidity and risk management objectives. The following table provides examples of the main activities undertaken by the bank, the related risks associated with such activities and the types of derivatives used in managing such risks.

Activity	Risk	Type of Hedge
Fixed Rate Lending	Sensitivity to increases in interest rates	Pay fixed interest rate swaps
Fixed Rate Funding	Sensitivity to decreases in interest rates	Receive fixed interest rate swaps
Investment in foreign currency assets	Sensitivity to changes in currency exchange rates	Cross currency swaps Forward foreign exchange contracts
Profits earned in foreign currencies	Sensitivity to changes in currency exchange rates	Forward foreign exchange contracts

The fluctuations in value of non-trading derivatives will be offset by the unrealised appreciation or depreciation of the hedged item.

The table below represents the underlying principal amounts, risk weighted amounts and replacement cost classified by class of derivative position utilised for non-trading at 31 December 2001:

Exchange rate contracts – non trading	2001	2000
Underlying principal amount	636,773	288,296
Risk weighted amount	6,549	4,262
Replacement cost	11,784	1,069

Interest rate contracts – non trading	2001	2000
Underlying principal amount	1,575,947	1,151,015
Risk weighted amount	18,248	8,130
Replacement cost	72,933	23,739

Notes:

- Under the Basle agreement, a credit conversion factor is applied to the contract amount to obtain the credit equivalent amount, which is then risk weighted according to the counterparty.
- For interest rate and exchange rate contracts, replacement cost is obtained by marking all contracts with a positive value to market, plus an additional amount which relates to potential future credit exposure.

**Unrecognised gains
and losses on
hedge derivatives**

Gains and losses on derivatives used for hedging are recognised in line with the underlying items which are being hedged. The tables below summarise the unrecognised gains and losses on hedges at 31 December 2001 and the movements therein during the period, and the deferred gains and losses on hedges carried forward in the balance sheet at 31 December 2001, pending their recognition in the profit and loss account.

**Unrecognised gains and
losses on hedges**

in thousand €

31 December 2001

	Gains	Losses	Net
Unrecognised gains and losses on hedges at 30 November 2000	24,808	-61,976	-37,168
Of which recognised in this period	3,941	-5,373	-1,432
Gains and losses arising before 30 November 2000 that were not recognised in the period to 31 December 2001	20,867	-56,603	-35,736
Gains and losses arising in the period to 31 December 2001 that were not recognised in that period	63,850	-23,646	40,204
Unrecognised gains and losses on hedges at 31 December 2001	84,717	-80,249	4,468
Of which expected to be recognised in the year to 31 December 2002	4,589	-9,189	-4,600

**Unrecognised gains and
losses on hedges**

in thousand €

30 November 2000

	Gains	Losses	Net
Unrecognised gains and losses on hedges at 30 November 1999	27,558	-36,162	-8,604
Of which recognised in this year	8,336	-1,177	7,159
Gains and losses arising before 30 November 1999 that were not recognised in the year to 30 November 2000	19,222	-34,985	-15,763
Gains and losses arising in the year to 30 November 2000 that were not recognised in that year	5,586	-26,991	-21,405
Unrecognised gains and losses on hedges at 30 November 2000	24,808	-61,976	-37,168
Of which expected to be recognised in the year to 30 November 2001	3,941	-5,373	-1,432

**Gains and losses on hedges
carried forward in the
balance sheet**

in thousand €

31 December 2001

	Gains	Losses	Net
Gains and losses carried forward in the balance sheet as at 30 November 2000	49	-653	-604
Of which recognised in this period	13	-174	-161
Gains and losses arising in the period to 31 December 2001 that were not recognised in the period	-	-	-
Gains and losses carried forward in the balance sheet as at 31 December 2001	36	-479	-443
Of which expected to be recognised in the year to 31 December 2002	12	-158	-146

**Gains and losses on hedges
carried forward in the
balance sheet**

in thousand €

30 November 2000

	Gains	Losses	Net
Gains and losses carried forward in the balance sheet as at 30 November 1999	61	-811	-750
Of which recognised in this year	12	-158	-146
Gains and losses arising in the year to 30 November 2000 that were not recognised in the year	-	-	-
Gains and losses carried forward in the balance sheet as at 30 November 2000	49	-653	-604
Of which expected to be recognised in the year to 30 November 2001	12	-158	-146

To date, no credit derivative transactions have been entered into.

29. Interest rate repricing table

Interest rate sensitivity gap analysis

The tables below summarise the repricing mismatches on the Bank's non-trading book as at 31 December 2001 and 30 November 2000.

Items have been allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the maturity date, taking account of the effect of the related off-balance sheet items.

The effect of the latter is disclosed as a single line item in the table.

At 31 December 2001

Assets

in thousand €

	0-3 mths	>3-6 mths	>6-12 mths	>1-5 yrs	>5 yrs	Non- interest bearing	Total
Cash and balances with the Central Bank of Ireland	14,680	–	–	–	–	–	14,680
Loans and advances to banks	254,238	33,234	–	16,859	216,846	–	521,177
Loans and advances to customers	289,708	87,993	17,550	306,993	1,321,368	–	2,023,612
Debt securities and other fixed income securities	925,684	5,547	–	–	–	–	931,231
Tangible fixed assets	–	–	–	–	–	264	264
Prepayments and accrued income	–	–	–	–	–	52,418	52,418
Total assets	1,484,310	126,774	17,550	323,852	1,538,214	52,682	3,543,382
Liabilities							
Deposits by banks	132,847	–	–	–	–	–	132,847
Customer accounts	115,685	–	–	171,835	1,988,786	–	2,276,306
Debt securities in issue	851,614	77,007	–	–	–	–	928,621
Accruals and deferred income	–	–	–	–	–	72,972	72,972
Provisions for liabilities and charges	–	–	–	–	–	2,558	2,558
Shareholders' funds	–	–	–	–	–	130,078	130,078
Total liabilities	1,100,146	77,007	–	171,835	1,988,786	205,608	3,543,382
Off balance sheet items	60,286	–160,817	–74,793	–179,082	354,406	–	–
Assets/(liabilities) overhang (Interest rate sensitivity gap)	444,450	–111,050	–57,243	–27,065	–96,166	–152,926	
Cumulative gap	444,450	333,400	276,157	249,092	152,926		

The cumulative interest rate gap arises mainly from the assets funded with share capital, which are classified as non-interest bearing.

**29. Interest rate
repricing table
(continued)**

At 30 November 2000								
Assets		0-3	>3-6	>6-12	>1-5 yrs	>5 yrs	Non-	Total
in thousand €		mths	mths	mths			interest	
							bearing	
Cash and balances with the Central Bank of Ireland	18,567	–	–	–	–	–	–	18,567
Loans and advances to banks	110,370	63,131	23,500	83,030	564,519	–	–	844,550
Loans and advances to customers	620,130	396,507	4,330	191,856	1,178,904	–	–	2,391,727
Debt securities and other fixed income securities	433,049	5,758	–	–	–	–	–	438,807
Tangible fixed assets	–	–	–	–	–	–	217	217
Prepayments and accrued income	–	–	–	–	–	–	91,421	91,421
Total assets	1,182,116	465,396	27,830	274,886	1,743,423	91,638	3,785,289	
Liabilities								
Deposits by banks	469,428	16,319	48,956	–	–	–	–	534,703
Customer accounts	58,927	–	100,000	96,922	1,776,880	–	–	2,032,729
Debt securities in issue	734,310	216,928	–	–	–	–	–	951,238
Accruals and deferred income	–	–	–	–	–	–	112,900	112,900
Provisions for liabilities and charges	–	–	–	–	–	–	1,680	1,680
Shareholders' funds	–	–	–	–	–	–	152,039	152,039
Total liabilities	1,262,665	233,247	148,956	96,922	1,776,880	266,619	3,785,289	
Off balance sheet items	–74,461	93,645	40,275	–129,925	70,466	–	–	–
Assets/(liabilities) overhang (Interest rate sensitivity gap)	–155,010	325,794	–80,851	48,039	37,009	–174,981		
Cumulative gap	–155,010	170,784	89,933	137,972	174,981			

The cumulative interest rate gap arises mainly from the assets funded with share capital, which are classified as non-interest bearing.

30. Fair values of derivatives and other financial instruments

(a) General

The tables below compare the book and fair values of some of the bank's financial instruments by category as at 31 December 2001 and 30 November 2000. Where available, market values have been used to determine fair values.

Fair values are the amounts at which an asset or liability could be exchanged at market conditions between informed and willing parties, other than in a forced sale. For derivative contracts the fair values estimated are influenced by the valuation method and reflect underlying assumptions made about the discount rate, volatility, and estimates of the amount and timing of the anticipated cash flows. Changes in these assumptions may significantly affect estimated fair values.

The table excludes certain financial assets and liabilities which are not listed or publicly traded, or for which a liquid and active market does not exist. Thus it excludes loans and advances to banks and customers and deposits by banks and customer accounts whose book and fair values may differ.

At 31 December 2001

Assets

in thousand €

Debt securities and other fixed income securities

Trading fair value	Trading book value	Non-trading fair value	Non-trading book value
45,064	45,058	880,510	886,173

Derivatives

427	427	84,717	22,056
-----	-----	--------	--------

Liabilities

Debt securities in issue

–	–	928,621	928,621
---	---	---------	---------

Derivatives

320	320	80,249	24,618
-----	-----	--------	--------

At 30 November 2000

Assets

in thousand €

Debt securities and other fixed income securities

Trading fair value	Trading book value	Non-trading fair value	Non-trading book value
–	–	438,648	438,807

Derivatives

1,869	1,869	24,808	25,371
-------	-------	--------	--------

Liabilities

Debt securities in issue

–	–	951,238	951,238
---	---	---------	---------

Derivatives

1,872	1,872	61,976	24,639
-------	-------	--------	--------

**(b) Derivatives held
for trading purposes**

At 31 December 2001 and 30 November 2000, the notional principal amounts and fair values of trading instruments entered into with third parties were as follows:

At 31 December 2001

Interest rate derivative
in thousand €

	Notional principal amount	Year end positive fair value	Year end negative fair value
Forward rate agreements	164,339	427	320
Balances arising from trading derivatives	164,339	427	320

At 30 November 2000

Interest rate derivatives
in thousand €

	Notional principal amount	Year end positive fair value	Year end negative fair value
Forward rate agreements	1,631,854	1,869	1,741
Exchange traded futures	240,154	–	131
Balances arising from trading derivatives	1,872,008	1,869	1,872

(c) Derivatives held for non-trading purposes

At 31 December 2001 and 30 November 2000, the notional principal amounts, fair values and book values of non-trading instruments entered into with third parties were as follows:

At 31 December 2001**Interest rate derivatives**
in thousand €

	Notional principal amount	Year end positive fair value	Year end positive book value	Year end negative fair value	Year end negative book value
Swaps	1,564,947	72,933	20,094	32,589	19,596
Exchange traded futures	11,000	–	–	28	–
	1,575,947	72,933	20,094	32,617	19,596

Foreign exchange derivatives

Forward foreign exchange	572,091	7,662	427	23,298	76
Cross currency swaps	64,682	4,122	1,535	24,334	4,946
	636,773	11,784	1,962	47,632	5,022
Total	2,212,720	84,717	22,056	80,249	24,618

At 30 November 2000**Interest rate derivatives**
in thousand €

	Notional principal amount	Year end positive fair value	Year end positive book value	Year end negative fair value	Year end negative book value
Swaps	1,151,015	23,739	23,650	20,868	21,776

Foreign exchange derivatives

Forward foreign exchange	216,720	1,069	87	18,736	6
Cross currency swaps	71,576	–	1,634	22,372	2,857
	288,296	1,069	1,721	41,108	2,863
Total	1,439,311	24,808	25,371	61,976	24,639

(d) Maturity of notional principal amounts

At 31 December 2001 and 30 November 2000, the notional principal amounts, by residual maturity, of trading and non-trading derivatives were as follows:

At 31 December 2001

Interest rate derivatives

in thousand €

	Total	One year or less	Over one year but not more than five years	Over five years
Forward rate agreements	164,339	–	164,339	–
Exchange traded futures	11,000	11,000	–	–
Swaps	1,564,947	151,957	447,762	965,228
	1,740,286	162,957	612,101	965,228

Foreign exchange derivatives

Forward foreign exchange	572,091	527,447	8,637	36,007
Cross currency swaps	64,682	20,038	8,637	36,007
	636,773	547,485	17,274	72,014
Total	2,377,059	710,442	629,375	1,037,242

At 30 November 2000

Interest rate derivatives

in thousand €

	Total	One year or less	Over one year but not more than five years	Over five years
Forward rate agreements	1,631,854	1,305,483	326,371	–
Exchange traded futures	240,154	240,154	–	–
Swaps	1,151,015	210,932	270,338	669,745
	3,023,023	1,756,569	596,709	669,745

Foreign exchange derivatives

Forward foreign exchange	216,720	186,898	5,900	23,922
Cross currency swaps	71,576	24,852	9,300	37,424
	288,296	211,750	15,200	61,346
Total	3,311,319	1,968,319	611,909	731,091

(e) Maturity and counterparty analysis of replacement cost of trading and non-trading derivatives

At 31 December 2001

in thousand €

Maturity analysis of replacement cost

	Total	One year or less	Over one year but not more than five years	Over five years
Foreign exchange derivatives	11,784	3,268	868	7,648
Interest rate derivatives	73,360	1,321	10,190	61,849
	85,144	4,589	11,058	69,497

Counterparty analysis of replacement cost

Banks and other financial institutions	82,541
Other corporate and public bodies	2,603
	85,144

At 30 November 2000

in thousand €

Maturity analysis of replacement cost

	Total	One year or less	Over one year but not more than five years	Over five years
Foreign exchange derivatives	1,069	1,069	–	–
Interest rate derivatives	25,608	5,404	2,118	18,086
	26,677	6,473	2,118	18,086

Counterparty analysis of replacement cost

Banks and other financial institutions	26,677
Other corporate and public bodies	–
	26,677

31. Currency exposures

As at 31 December 2001, after taking into account the effects of forward exchange contracts, the currency exposures of the bank are not material.

32. Memorandum items

The information below gives the nominal principal contract amounts, and risk weighted amounts of off-balance sheet transactions. The nominal principal contract amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The risk weighted amounts have been calculated in accordance with the Central Bank of Ireland's guidelines implementing the European Union Own Funds and Solvency Directives.

Contingent liabilities

in thousand €

	2001	2000
Contract Amount		
Guarantees and irrevocable letters of credit	2,054,369	2,064,194
Risk Weighted Amount		
Guarantees and irrevocable letters of credit	19,193	15,671
Total	19,193	15,671

Commitments

in thousand €

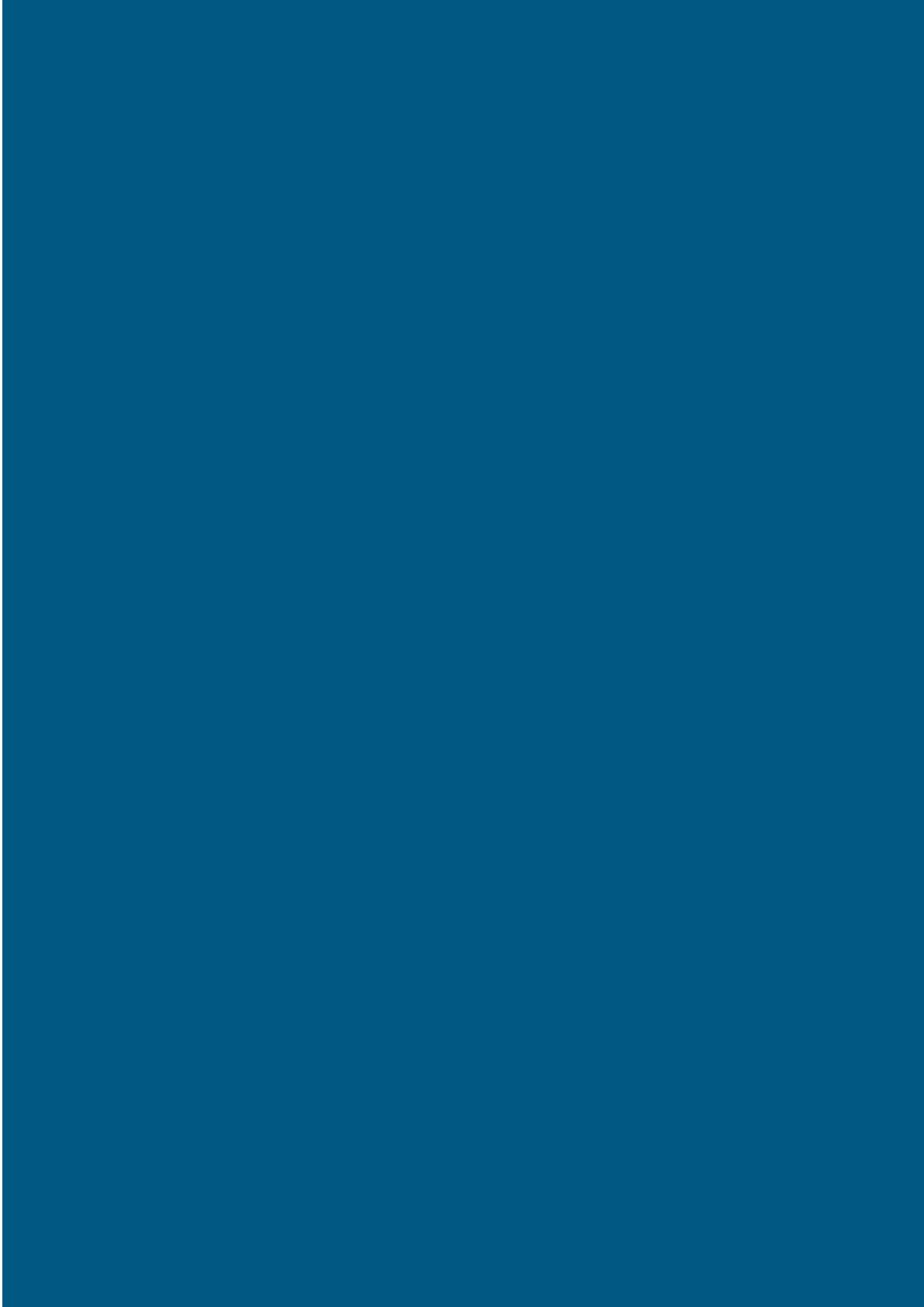
	2001	2000
Contract Amount		
<i>Undrawn formal standby facilities, credit lines and other commitments to lend</i>		
– 1 year and over	27,738	620,361
– less than 1 year	60,830	–
Total	88,568	620,361
Risk Weighted Amount		
<i>Undrawn formal standby facilities, credit lines and other commitments to lend</i>		
– 1 year and over	12,497	136,771
– less than 1 year	8,491	–
Total	20,988	136,771

33. Related party transactions

Advantage has been taken of the exemption in Financial Reporting Standard No. 8 'Related Party Disclosures', which permits wholly-owned subsidiary undertakings not to disclose transactions and balances between Group undertakings which are eliminated on consolidation.

34. Approval of the financial statements

The financial statements were approved by the directors on 8 March 2002.



Helaba Dublin
Landesbank Hessen-Thüringen International

Address:

PO Box 3137

Guild Street

IFSC

Dublin 1

Telephone +353 1 64915-00

Telefax +353 1 64915-99