AMP BANK LIMITED
ABN 15 081 596 009

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FINANCIAL STATEMENTS

31 DECEMBER 2000

Contents

DIRECTORS' REPORT

Your Director's submit their report for the year ended 31 December 2000.

DIRECTORS

The names of the Directors who held office during the financial year and at the date of this report are:

Paul John Batchelor	(Chairman)	John Leonard Palmer	
Stephen Wykeham Balme	(Managing Director) (resigned 13/02/01)	Paul Donald Leaming	
		Andrew Max Mohl	
Craig William Dunn	(Managing Director) (appointed 13/02/01)	Marc de Cure	(appointed 17/02/00)
		Timothy Cardwell Wade	(appointed 19/10/00)
Donald Thomas Dunton			

PRINCIPAL ACTIVITIES

The principal activity of the Bank was the provision of retail banking services including deposit taking, mortgage finance and credit card lending.

There have been no significant changes in the principal activities

REVIEW OF OPERATIONS AND RESULTS

AMP Bank Limited received authority for a banking licence on 18 March 1998. Business under the AMP Bank banner commenced in Australia on 15 June 1998. In October 1998 the Bank established a branch operation in New Zealand. In June 2000 the Bank established a branch operation in the United Kingdom.

The Bank's financial results for the year ended 31 December 2000 are in line with Director's expectations. The result for the year reflects the continued investment required to establish and enhance the bank's international business. At the operational level, the Directors are satisfied that the business infrastructure, product range and servicing capacity will deliver long term value for shareholders, customers and staff.

Net loss after tax ($000)	: $57,388	(1999 $41,609)
Dividends Recommended	: None	
Dividends paid this year	: None	

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the financial year, other than the following:

On 19 June 2000 the Bank made a cash issue of 44,095,330 ordinary shares to meet capital adequacy requirements. The shares were issued at 61.23 cents per share, totalling $27,000,000.00.

DIRECTORS' REPORT (continued)

On 31 October 2000 the Bank made a cash issue of 52,362,356 ordinary shares to meet capital adequacy requirements. The shares were issued at 61.11 cents per share, totalling $32,000,000.00.

ENVIRONMENTAL REGULATION

The company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or State or Territory.

EVENTS OCCURRING AFTER BALANCE DATE

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect:

i) the Bank's operations in future financial years; or
ii) the results of those operations in future financial years; or
iii) the Bank's state of affairs in future financial years.

other than the following:

The Bank received $35 million in additional share capital from its parent on 31 January 2001.

LIKELY DEVELOPMENTS

The Directors do not make any reference to likely developments and expected results, other than as disclosed elsewhere in this report, as such references could be prejudicial to the Bank, except for the following:

On 20 December 1999 the AMP Group acquired the remaining shares in GIO Australia Holdings Ltd, making it a wholly owned subsidiary of the Group. The AMP Group intends to integrate the various GIO businesses with the respective AMP businesses. It is intended that the businesses of GIO Building Society Ltd and GIO Finance Ltd will be integrated with AMP Bank Limited during the 2001 financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Under its Constitution, the Bank has agreed to indemnify all the Directors, secretaries, and executive officers of the Bank against any liability, whether civil or criminal, for which they may be held personally liable. The agreement provides for the Bank to pay an amount where:

(a) the liability does not arise out of conduct involving lack of good faith; or
(b) the liability is for costs or expenses incurred by the Director or officer in defending proceedings in which judgement is given in their favour or in which they are acquitted.

No indemnity is given to present or former employees of the Bank or its subsidiaries against liability incurred in their capacity as an employee unless the giving of the indemnity has been approved by the Board of AMP Limited.

DIRECTORS' REPORT (continued)

During or since the end of the financial year, the Bank has paid or agreed to pay premiums in respect of a contract insuring all the Directors, secretaries and executive officers against certain liabilities as permitted by the Corporations Law. The insurance policy prohibits disclosure of the nature of the liability, the amount of the premium and the limit of the liability.

OPTIONS

No options have been granted over unissued shares in the company.

ROUNDING

The Bank is an entity of the kind referred to in the ASIC Class Order 98/0100 and in accordance with that order, amounts in this Directors' report and the accompanying financial report have been rounded off to the nearest thousand dollars, unless stated to be otherwise.

BOARD COMMITTEES

The Board has established two committees, each of which has responsibility for overseeing and reviewing specific issues and if necessary, providing recommendations to the Board. The committees so formed are the Audit committee and the Compliance committee.

MEETINGS OF DIRECTORS

	Directors' Meetings		Committee Meetings			
			Audit Committee		Compliance Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number attended
Paul Batchelor	6	5	-	-	-	-
Stephen Balme	6	6	-	-	-	-
Marc de Cure	6	6	-	-	-	-
D Thomas Dunton	6	5	3	2	3	3
John Palmer	6	6	3	3	3	3
Paul Leaming	6	6	3	2	3	2
Andrew Mohl	6	5	-	-	-	-
Tim Wade	2	2	-	-	-	-

Signed in accordance with a resolution of the Directors.

Director A. M. MOHL

Director P. D. LEAMING

Sydney, 14 March 2001

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 $'000	1999 $'000
Interest income	2	380,075	195,476
Interest expense	2	314,492	146,750
Net interest income		**65,583**	**48,726**
Non-interest income	3	14,603	9,870
Total operating income		**80,186**	**58,596**
Charge for bad and doubtful debts	8	6,642	4,523
Total operating income after charge for bad and doubtful debts		**73,544**	**54,073**
Non-interest expenses	4	153,608	116,760
Operating loss before tax		**(80,064)**	**(62,687)**
Income tax expense/(benefit)	5	(22,676)	(21,078)
Operating loss after tax		**(57,388)**	**(41,609)**
Retained losses at the beginning of the period		(53,553)	(11,944)
Accumulated losses at the end of the year		**(110,941)**	**(53,553)**

The Profit and Loss statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
AS AT 31 DECEMBER 2000

	Note	2000 $'000	1999 $'000
Assets			
Cash	26	4,818	144,793
Due from other financial institutions	6	256,509	405,265
Investment securities	7	537,560	764,919
Loans and advances	8	4,259,692	3,570,656
Plant and equipment	11	2,271	2,721
Other assets	12	95,234	54,357
Total assets		**5,156,084**	**4,942,711**
Liabilities			
Due to other financial institutions	13	185,933	194,374
Deposits and short term borrowings	14	3,863,525	3,614,063
Medium term debt	15	646,505	748,148
Provisions	17	13,145	8,615
Other liabilities	18	123,917	56,064
Loan Capital	19	100,000	100,000
Total liabilities		**4,933,025**	**4,721,264**
Net assets		**223,059**	**221,447**
Shareholders' equity			
Share capital	20	334,000	275,000
Accumulated losses		(110,941)	(53,553)
Total shareholders' equity		**223,059**	**221,447**

The Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2000

	Note	2000 $'000	1999 $'000
Cash flows from operating activities			
Interest received		374,585	191,735
Interest paid		(309,581)	(138,447)
Fees and commissions received		14,603	9,870
Fees and commissions paid		(7,959)	(3,442)
Staff expenses paid		(59,738)	(50,503)
Occupancy and equipment expenses paid		(8,284)	(7,881)
Other expenses paid net of recoveries		(72,221)	(50,494)
Payment for tax losses		12,798	3,609
Net cash flows used in operating activities	26	**(55,797)**	**(45,553)**
Cash flows from investing activities			
Net decrease/(increase) in investment securities		227,359	(521,380)
Deposits lodged with regulatory authorities		-	10,487
Net increase in loans and advances		(695,678)	(1,913,271)
Acquisitions of plant and equipment		(466)	-
Proceeds on disposal of plant and equipment		40	577
Net (increase)/decrease in other assets		(25,509)	4,902
Net cash flows used in investing activities		**(494,254)**	**(2,418,685)**
Cash flows from financing activities			
Net decrease in due to other financial institutions		(8,441)	(65,307)
Net increase in retail deposits		647,992	225,703
Net increase in subordinated notes		-	100,000
Net (decrease)/increase in bond and note issues		(500,173)	2,591,793
Net increase in other liabilities		62,942	24,000
Capital issued	20	59,000	75,000
Net cash flows from financing activities		**261,320**	**2,951,189**
Net (decrease)/increase in cash held		(288,731)	486,951
Add opening cash brought forward		550,058	63,107
Closing cash carried forward	26	**261,327**	**550,058**

The Statement of Cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Banking Act, Corporations Law, including applicable Accounting Standards, other mandatory reporting requirements so far as the requirements are considered appropriate to a banking corporation. All amounts are expressed in Australian currency.

b) Historic cost

The financial report has been prepared on the accruals basis of accounting using historical cost accounting except where otherwise indicated. The carrying amounts of all non-current assets are assessed as at the reporting date to ensure that they do not exceed their recoverable amounts. Recoverable amount is determined as the net amount expected to be recovered from the cash flows arising from the continued use and subsequent disposal of the asset or group of assets. In determining their recoverable amount the expected net cash flows have not been discounted to their present value unless otherwise stated.

c) Financial instruments

The Bank is a financial institution offering various financial services and products to its customers. These services and products are undertaken and offered on a commercial basis. The accounting policies for these services and products are discussed in notes 1(d) to 1(i).

d) Investment securities

Investment securities are securities purchased with the intention to hold until maturity. They include short term public, bank and other securities including bills of exchange, commercial paper and negotiable certificates of deposit. The securities are recorded at cost (discount to face value) and the discount applied over the term of the security so that it attains its redemption value at maturity. Interest is taken to account in the profit and loss when earned. Any gain or loss on disposal prior to maturity is capitalised and amortised over the period to its maturity date.

e) Loans and advances

Loans and advances are carried at recoverable amount, after assessing required provisions for impairment. Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable. Interest is taken to profit and loss on an accruals basis.

Provision for doubtful debts
The Bank has a policy of writing off bad debts as they arise. The Bank also maintains general provisions for bad and doubtful debts to cover non-identified potential losses and latent risks inherent in the overall portfolio of advances. The provisions are determined having regard to the general risk profile of the credit portfolio, economic conditions and a range of other criteria.

The amounts required to bring the provisions for impairment to their assessed levels are taken to profit and loss. The balance of provisions for impairment and movements therein are set out in Note 9.

f) Deposits and short term borrowings
The Bank as part of its banking activities, takes deposits from retail clients and wholesale money market counterparties. Deposits taken are recorded as liabilities in the balance sheet. Interest on these deposits is accrued as an expense over the term of the deposit.

Negotiable Certificates of deposits (NCDs)
NCDs have been issued by the Bank. These liabilities are valued in the accounts at the face value of the NCDs less any discount yet to accrue from balance date to maturity.

g) Securities purchased under repurchase agreement

Securities purchased under repurchase agreement ("repo's") are accounted for on a straight line accruals basis. Interest income is calculated on a simple interest basis on the purchase price of the repo and charged to the profit and loss daily. The carrying value of repo's is the purchase price plus accrued interest.

Repo's have been included in "short term deposits" within "amounts due from other financial institutions".

h) Loan securitisation
The Bank, through its loan securitisation program, sells mortgage loans to securitisation vehicles that in turn issue asset backed securities to investors. In such transactions the Bank receives fees for various services provided to the program on an arms-length basis, including servicing fees and management fees. These fees are recognised over the period in which the services are provided. The Bank also provides arms-length interest rate swaps and loan facilities to the program in accordance with the APRA Prudential Guidelines. In addition, the Bank is entitled to residual income from the program, comprising mortgage loan interest (net of swap payments) less interest due to investors and other expenses of the securitisation program.

The timing and amount of the swap cashflows and the residual income receipts cannot be reliably measured because of the significant uncertainties inherent in estimating future movements in the repayment rates on the underlying mortgage loans and the mortgage loan interest margins. Consequently, the swap and the residual income receivable are not recognised as assets and no gain is recognised on the sale of the loans. The swap income/expense and residual income are therefore recognised when receivable /payable.

i) Derivative Financial Instruments held for Hedging purposes

The principal objective of using derivative financial instruments for hedging purposes is to minimise financial risk from movements in interest rates and foreign exchange rates. To achieve this objective, a combination of derivatives including swaps, futures, forwards and options in the interest rate and foreign exchange markets may be used.

All financial instruments are held for risk management purposes. The Bank does not have a trading portfolio. Interest rate derivatives are used to minimise interest rate risk from the Bank's interest bearing assets and liabilities. Foreign exchange derivatives are used to minimise foreign exchange risk from foreign currency borrowings.

Hedging derivatives must be efficient at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. Accordingly, changes in fair value of the hedging contract must be closely correlated with the changes in the fair value of the underlying exposure at inception of the hedge and over the term of the hedged exposure. Hedged interest rate derivatives are accounted for on an accruals basis, as this is consistent with the treatment of the hedged items. Hedged foreign exchange derivatives are accounted for on a mark to market basis, as required by AASB 1012.

The net income or expense on derivatives used to manage interest rate exposures is recorded in Net Interest Income on an accruals basis. The net income or expense on derivatives used to manage foreign exchange exposures is recorded in Net Interest Income on a mark to market basis. If a derivative that is used to manage an interest rate exposure is terminated early, any resulting gain or loss is deferred within Other Assets or Other Liabilities and amortised to Net Interest Income over the remaining period originally covered by the terminated contract.

Interest receivables and payables for interest rate swaps with the same counterparty are reported on a net basis as Other Assets or Other Liabilities where a legal set off exists.

j) Foreign currency translations

The foreign currency assets and liabilities of the Bank's foreign branches are converted in accordance with the temporal method. Foreign currency translation gains and losses are taken to the profit and loss as the branch operations are integrated with the operations of the Australian Bank. The Bank maintains a substantially matched level of foreign assets and liabilities so the foreign currency exposure is not significant for the Bank.

k) Fee income

Fees received represent cost recovery or charges for services and are taken to income as earned.

l) Plant and equipment

Plant and equipment are shown at cost less accumulated depreciation.
Depreciation is provided on a straight line basis on all plant and equipment.
Major depreciation periods are:

- Leasehold improvements: 7 years
- Plant and equipment: 6 years

Leasehold rentals are charged to the profit and loss account, whilst improvements to leasehold properties are amortised on a straight line basis over the lower of remaining useful life or the unexpired term of the lease.

Operating leases are not capitalised and rental payments are expensed as incurred.

All systems development costs are expensed.

m) Income tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

n) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include salaries and wages, annual leave and long service leave.

Liabilities arising in respect of salaries and wages, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their (non-discounted) nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlement expenses arising in respect of the following categories:

- salaries and wages, non-monetary benefits, annual leave, long service leave and other leave entitlements; and,
- other types of employee entitlements,

are charged against profits on a net basis in their respective categories.

o) Rounding

The Bank is an entity of the kind referred to in the ASIC Class Order 98/0100 and in accordance with that order, amounts in the accompanying financial report have been rounded off to the nearest thousand dollars, unless stated to be otherwise.

p) Consolidation

The Bank has one controlled entity as disclosed in Note 27. Consolidated financial statements have not been prepared, as the entity concerned is not material.

q) Comparatives

Where necessary, prior year comparatives have been restated in order to conform to the current year's presentation

2. AVERAGE BALANCE SHEET AND RELATED INTEREST

The following table shows the average balances for each of the major categories of interest bearing assets and liabilities, the related amount of interest revenue and expense and the average interest rate.

	Year Ending 31 December 2000		
	Average Balance $'000	Interest $'000	Average Interest rate
Average Asset Balances, Interest Revenues and Rates			
Interest earning assets			
Cash	25,300	1,269	5.02%
Due from other financial institutions	540,915	32,310	5.97%
Investments	713,992	42,709	5.98%
Loans and advances	3,845,560	303,787	7.90%
Deposits with regulatory authorities	-	-	-
Total interest earning assets	5,125,767	380,075	7.41%
Non-interest earning assets	91,294		
Total assets	**5,217,061**	**380,075**	**7.29%**
Average Liability Balances, Interest Expenses and Rates			
Interest bearing liabilities			
Due to other financial institutions	240,825	15,554	6.46%
Retail deposits	633,555	38,276	6.04%
Short term borrowings	3,226,583	198,920	6.17%
Medium term & subordinated borrowings	854,431	51,199	5.99%
Hedge Costs	-	10,543	
Total interest bearing liabilities	4,955,394	314,492	6.35%
Non-interest bearing liabilities	38,203	-	
Total liabilities	4,993,597	314,492	6.30%
Shareholders' equity	223,464	-	
Total liabilities and shareholders' equity	**5,217,061**	**314,492**	**6.03%**

	Year Ending 31 December 1999		
	Balance $'000	**Interest $'000**	**Interest Rate**
Average Asset Balances, Interest Revenues and Rates			
Interest earning assets			
Cash	17,467	674	3.9%
Due from other financial institutions	278,217	13,503	4.9%
Investments	581,953	30,475	5.2%
Loans and advances	2,152,327	150,825	7.0%
Deposits with regulatory authorities	7,313	-	-
Total interest earning assets	3,037,277	195,477	6.4%
Non-interest earning assets	53,626	-	
Total assets	**3,090,903**	**195,477**	**6.3%**
Average Liability Balances, Interest Expenses and Rates			
Interest bearing liabilities			
Due to other financial institutions	113,557	5,372	4.7%
Retail deposits	217,156	11,124	5.1%
Short term borrowings	2,065,262	101,371	4.9%
Medium term & subordinated borrowings	475,699	29,599	6.2%
Hedge Costs		(716)	
Total interest bearing liabilities	2,871,674	146,750	5.1%
Non-interest bearing liabilities	30,770	-	
Total liabilities	2,902,444	146,750	5.1%
Shareholders' equity	188,459	-	
Total liabilities and shareholders' equity	**3,090,903**	**146,750**	**4.8%**

3. OTHER INCOME

	2000 $'000	1999 $'000
Fees and commissions revenues	14,603	9,870
	14,603	**9,870**

4. NON-INTEREST EXPENSES

	2000	1999
Fees and commissions expenses	7,959	3,443
Staff expenses:		
Salaries, wages & contractors	48,971	44,877
Superannuation contributions	1,551	1,651
Employee entitlements	721	1,538
Other staff costs	7,327	6,482
Equipment and occupancy expenses:		
Depreciation of plant and equipment	876	394
Rental on operating leases	8,284	7,881
Other expenses:		
Systems development	10,300	16,258
Systems support	16,272	9,291
Communications	4,759	3,563
Data processing	2,206	2,135
Other administration expenses	44,382	19,247
	153,608	**116,760**

5. INCOME TAX

The prima facie tax credit, using tax rates applicable in the country of operation, on operating loss differs from the income tax credit disclosed in the accounts as follows:

	2000 $'000	1999 $'000
Operating loss before income tax	(80,064)	(62,687)
Prima facie income tax credit @34% (1999 @ 36%)	(27,222)	(22,567)
Add back:		
Tax effect of different foreign tax rates	594	383
	(26,628)	(22,184)
Add back:		
Tax effect of permanent differences	3,682	1,169
Under / Over provision in prior years	(141)	(719)
Change in future tax rates	411	656
Income tax credit	**(22,676)**	**(21,078)**
Income tax credit comprises:		
Current tax provision	-	(230)
Future income tax benefit		
Tax losses	(20,478)	(18,104)
Timing differences	(2,198)	(2,744)
	(22,676)	**(21,078)**

6. DUE FROM OTHER FINANCIAL INSTITUTIONS

	2000 $'000	1999 $'000
Short term deposits	256,509	405,265
	256,509	**405,265**

7. INVESTMENT SECURITIES

	2000 $'000	1999 $'000
Treasury notes	104,144	115,260
Bank accepted bills of exchange	194,207	359,970
Bank issued certificates of deposit	209,372	239,845
Promissory Notes	29,834	49,841
Shares – unlisted	3	3
	537,560	**764,919**

8. LOANS AND ADVANCES

	2000 $'000	1999 $'000
Housing loans	3,879,159	3,282,141
Credit card advances	161,659	96,898
Secured personal loans	231,698	201,419
	4,272,516	3,580,458
Less: provision for impairment	(12,824)	(9,802)
	4,259,692	**3,570,656**
General provision for impairment		
Opening balance	9,559	3,758
Adjustments for exchange rate fluctuations	28	(44)
Doubtful debts expense	3,020	3,807
Bad debts written off	-	-
Acquired provision	-	2,038
Closing balance	**12,607**	**9,559**
Specific provision for impairment		
Opening balance	243	-
Adjustments for exchange rate fluctuations	-	-
Doubtful debts expense	(26)	159
Bad debts written off	-	-
Acquired provision	-	84
Closing balance	**217**	**243**
Bad and Doubtful debts expense comprises:		
Movement in General provision	3,020	3,807
Movement in Specific provision	(26)	159
Bad debts written off directly to profit & loss	3,648	557
	6,642	**4,523**
General Provision as a percentage of total risk weighted assets	0.45%	0.40%

Maturity details for loans and advances are included in the maturity profile at Note 29(b).

Securitisation
At 31 December 2000 the Bank had outstanding securitised assets amounting to $341 million (1999 $470 million) via the Progress 1997-1 Trust after allowing for amortisation of the initial assets securitised.

The securities issued by the securitisation program do not represent deposits or other liabilities of the Bank or Parent Entity. Neither the Bank or Parent Entity in any way stands behind the capital value and/or performance of the securities or the assets of the program except to the limited extent provided in the transaction documents for the program through the provision of arms length services and facilities (refer Note 1h). The Bank does not guarantee the payment of interest or the repayment of principal due on the securities. The Bank is not obliged to support any losses that may be suffered by the investors and does not intend to provide such support. The Bank has no right to repurchase any of the securitised loans and no obligation to do so.

9. ASSET QUALITY

Impaired assets

	2000 $'000	1999 $'000
Non-accrual loans	1,173	1,671
Restructured loans	-	-
Past-due loans	11,800	7,142
	12,973	**8,813**

Non-accrual loans are loans and advances where the recovery of all interest and principal is considered to be reasonably doubtful, and hence provisions for impairment are recognised.

Restructured loans arise when the borrower is granted a concession due to continuing difficulties in meeting the original terms and the revised terms are not comparable to new facilities offered to other normal customers. Loans with revised terms are included in non-accrual loans when impairment provisions are required.

Past-due loans are loans where payments of principal and/or interest are at least 90 days in arrears. Full recovery of both principal and interest is expected. If an impairment provision is required, the loan is included in non-accrual loans.

10. CREDIT CONCENTRATION OF ASSETS

Risk concentration by asset class as at 31 December 2000

	Investment securities $'000	Loans and advances $'000	Contingent liabilities* $'000	Derivatives* $'000	Total $'000
Australia					
Government and public authorities	64,612	-	-	-	64,612
Financial, investment and insurance	337,877	-	-	12,080	349,957
Real estate – mortgage	-	1,789,476	-	-	1,789,476
Personal	-	354,257	-	-	354,257
Total Australia	402,489	2,143,733	-	12,080	2,558,302
New Zealand					
Government and public authorities	39,532	-	-	-	39,532
Financial, investment and insurance	63,366	-	-	14,730	78,096
Real estate – mortgage	-	1,750,103	-	-	1,750,103
Other commercial	-	242,477	-	-	242,477
Total New Zealand	102,898	1,992,580	-	14,730	2,110,208
United Kingdom					
Government and public authorities	-	-	-	-	-
Financial, investment and insurance	32,173	-	-	2,300	34,473
Real estate – mortgage	-	89,937	-	-	89,937
Personal	-	33,442	-	-	33,442
Total United Kingdom	32,173	123,379	-	2,300	157,852
Gross Balances	537,560	4,259,692	-	29,110	4,826,362
Other risk concentrations:					
Receivables due from other financial Institutions					256,509
Total gross credit risk					5,082,871

* Risk concentration for contingent liabilities and derivatives is based on the credit equivalent balance in Note 21, Other Commitments and Note 29(a), Derivatives respectively.

Risk concentration by asset class as at 31 December 1999

	Investment securities $'000	Loans and advances $'000	Contingent liabilities* $'000	Derivatives* $'000	Total $'000
Australia					
Government and public authorities	91,588	-	-	-	91,588
Financial, investment and insurance	538,845	-	-	17,187	556,032
Real estate – mortgage	-	1,490,366	-	-	1,490,366
Personal	-	294,557	-	-	294,557
Total Australia	630,433	1,784,923	-	17,187	2,432,543
New Zealand					
Government and public authorities	23,672	-	-	-	23,672
Financial, investment and insurance	110,814	-	-	27,740	138,554
Real estate – mortgage	-	1,616,199	-	-	1,616,199
Other commercial	-	169,534	-	-	169,534
Total New Zealand	134,486	1,785,733	-	27,740	1,947,959
Gross Balances	764,919	3,570,656	-	44,927	4,380,502
Other risk concentrations:					
Receivables due from other financial Institutions					405,265
Total gross credit risk					4,785,767

* Risk concentration for contingent liabilities and derivatives is based on the credit equivalent balance in Note 21, Other Commitments and Note 29(a), Derivatives respectively.

11. PLANT AND EQUIPMENT

	2000 $'000	1999 $'000
Leasehold improvements		
At cost	2,914	2,531
Deduct: accumulated depreciation	1,119	450
	1,795	2,081
Office equipment		
At cost	1,109	833
Deduct: accumulated depreciation	633	193
	476	640
	2,271	**2,721**

12. OTHER ASSETS

	2000 $'000	1999 $'000
Accrued interest	26,974	21,484
Future income tax benefit	33,017	23,139
Related party loan balances	16,201	5,875
FX forward hedge revaluation	1,409	-
Other assets	17,633	3,859
	95,234	**54,357**

13. DUE TO OTHER FINANCIAL INSTITUTIONS

	2000 $'000	1999 $'000
Short term money market deposits	185,933	194,374
	185,933	**194,374**

14. DEPOSITS AND SHORT TERM BORROWINGS

	2000 $'000	1999 $'000
Retail deposits	1,032,382	384,390
Certificates of deposit	2,084,736	2,505,263
Commercial Paper	746,407	724,410
	3,863,525	**3,614,063**

Maturity details are included in the maturity profile at Note 29 (b).

15. MEDIUM TERM DEBT

	2000 $' 000	1999 $' 000
Medium Term Notes	596,505	593,148
Floating Rate Notes	50,000	155,000
	646,505	748,148

16. CONCENTRATION OF DEPOSITS, BORROWINGS & LOAN CAPITAL

Risk concentration by liability class as at 31 December 2000

	Due to other Financial Institution $'000	Deposits & short term borrowings $'000	Medium Term debt $'000	Loan Capital $'000	Total $'000
Australia					
Capital market – Domestic	185,933	1,074,194	646,505	100,000	2,006,632
Capital market – Euro	-	746,407	-	-	746,407
Retail market – Domestic	-	614,844	-	-	614,844
Total Australia	185,933	2,435,445	646,505	100,000	3,367,883
New Zealand					
Capital market – Domestic	-	1,010,541	-	-	1,010,541
Retail market – Domestic	-	323,981	-	-	323,981
Total New Zealand	-	1,334,522	-	-	1,334,522
United Kingdom					
Capital market – Domestic	-	-	-	-	-
Retail market – Domestic	-	93,558	-	-	93,558
Total United Kingdom	-	93,558	-	-	93,558
Gross Balances	185,933	3,863,525	646,505	100,000	4,795,963

Risk concentration by liability class as at 31 December 1999

	Due to other Financial Institution $'000	Deposits & short term borrowings $'000	Medium Term debt $'000	Loan Capital $'000	Total $'000
Australia					
Capital market – Domestic	189,785	1,729,034	748,148	100,000	2,766,967
Capital market – Euro	-	724,410	-	-	724,410
Retail market – Domestic	-	163,730	-	-	163,730
Total Australia	189,785	2,617,174	748,148	100,000	3,655,107
New Zealand					
Capital market – Domestic	4,589	776,229	-	-	780,818
Retail market – Domestic	-	220,660	-	-	220,660
Total New Zealand	4,589	996,889	-	-	1,001,478
Gross Balances	194,374	3,614,063	748,148	100,000	4,656,585

17. OTHER PROVISIONS

	2000 $' 000	1999 $' 000
Employee entitlements	3,801	4,969
Other provisions	9,344	3,646
	13,145	**8,615**

18. OTHER LIABILITIES

	2000 $' 000	1999 $' 000
Accrued interest	17,184	12,272
Related party loan balances	5,567	8,315
FX forward hedge revaluation	55,356	12,257
Other liabilities	45,810	23,220
	123,917	**56,064**

19. LOAN CAPITAL

	2000 $' 000	1999 $' 000
Floating Rate Subordinated Notes	100,000	100,000
	100,000	**100,000**

20. SHARE CAPITAL

	2000 $'000	1999 $'000
Paid-up capital		
394,362,119 fully paid ordinary $1 shares	334,000	275,000
(1999 - 297,904,433 fully paid ordinary $1 shares)		
	334,000	**275,000**
Opening Balance	275,000	200,000
Shares issued during the year		
97,904,428 on 31 October 1999 at $0.7661 each	-	75,000
44,095,330 on 19 June 2000 at $0.6123 each	27,000	-
52,362,356 on 31 October 2000 at $0.6111 each	32,000	-
	334,000	**275,000**

The Bank is wholly owned by AMP Financial Investment Group Holdings Limited. The ultimate holding company is AMP Limited.

21. OTHER COMMITMENTS

a) Commitments to provide credit

	Face Value 2000 $'000	Credit Equivalent 2000 $'000	Face Value 1999 $'000	Credit Equivalent 1999 $'000
Commitments to provide credit	817,030	-	566,729	-
	817,030	-	566,729	-

Commitments to provide credit include all obligations on the part of the Bank to provide funding facilities

b) Lease expenditure commitments

	2000 $'000	1999 $'000
Operating leases		
Due within one year	6,454	6,110
Due within one to two years	6,577	5,612
Due within two to five years	12,182	13,147
Due later than five years	-	1,741
	25,213	**26,610**

Contingent Rentals
Leases agreements over premises include clauses for the Bank to contribute to the outgoing associated with the operation of the building.

Renewal and Purchase Options
The Bank, as lessee of premises, has options to extend the terms of certain leases for periods of three and five years.

Escalation Clauses
A number of the leases over premises include clauses for the escalation of rents on an annual basis. A number of escalation factors are used which include a fixed percentage, consumer price index and movement to market value.

Financial Covenants
The Bank is not subject to any financial covenants under any of its leases.

22. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability disclosed in Note 17 is comprised of:

	2000 $' 000	1999 $' 000
Provision for long service leave	328	408
Provision for annual leave	1,608	1,650
Other provisions	1,865	2,911
	3,801	4,969

Superannuation commitments
The Bank contributes to two superannuation plans in respect of employees. One of these plans, the AMP Officers Provident Fund, is a defined benefits superannuation fund for employees of various entities in the AMP Group.

Contributions by the Bank to that fund, on a basis recommended by the actuaries to the fund, amounted to $Nil in the period. Contributions are charged against profits when due. At 30 June 1999, being the date of the latest actuarial valuation of the fund:

	$M
Accrued benefits	493
Net market value of fund assets	671
Net surplus	178

The AMP Officers Provident Fund is a general fund for employees of the AMP group and it is not practical to determine the Bank's share of the plan.

23. DIRECTORS' REMUNERATION

	2000 $' 000	1999 $' 000
Income paid or payable or otherwise made available, in respect of the period, to all directors of AMP Bank Limited, directly or indirectly from the Entity or any related entity	8,982	4,490

The number of directors of AMP Bank Limited whose income (including superannuation contributions) falls within the following bands is:	2000 Number	1999 Number
$30,000-39,999	1	2
$50,000-59,999	1	-
$60,000-69,999	-	1
$130,000-139,999	1	-
$500,000-509,999	1	-
$600,000-609,999	-	1
$650,000-659,999	1	-
$680,000-689,999	-	1
$1,190,000-1,199,999	-	1
$1,430,000-1,439,999	1	-
$1,540,000-1,549,999	1	-
$1,870,000-1,879,999	-	1
$4,600,000-4,609,999	1	-
	8	7

24. AUDITORS' REMUNERATION

	2000 $' 000	1999 $' 000
Amounts paid or due and payable to the auditors for		
Auditing the accounts	227	254
Other services	295	249
	522	**503**

25. RELATED PARTY TRANSACTIONS

Australian banks have been exempted (subject to certain conditions), under an Australian Securities and Investments Commission ("ASIC") Class Order No. 98/0110 dated 10 July 1998, from making disclosure of:

- any loan made, guaranteed or secured by a bank to related parties (other than directors); and
- financial instrument transactions between related parties (other than in respect of shares and share options), where a director of the relevant entity is not party and where the loan or financial instrument transaction is lawfully made and occurs in the ordinary course of banking business on either an arms-length basis or with approval of a general meeting of the relevant entity and its ultimate chief entity.

The exemption does not cover transactions relating to the supply of goods and services to a bank, other than financial assets or services.

The Class Order does not apply to a loan or financial instrument transaction which any director of the Bank should reasonably be aware that, if not disclosed would have the potential to adversely affect the decisions made by users of the financial statements about the allocation of scarce resources.

A condition of the Class Order is that the Bank must lodge with the ASIC, a statutory declaration, signed by two directors, confirming compliance with the provisions of the Class Order. The Bank will be lodging such a declaration with the ASIC in its Annual Return in respect of the year ended 31 December 2000.

Directors:

The directors of the company during the period and the dates of appointments and resignations during the period are:

P J Batchelor	
S W Balme	*(resigned 13/2/01)*
C W Dunn	*(appointed 13/2/01)*
M de Cure	*(appointed 17/2/00)*
D T Dunton	
J L Palmer	
P D Leaming	
A M Mohl	
T C Wade	*(appointed 19/10/00)*

Loans to directors:

	2000 ($'s)	1999 ($'s)
Aggregate amount of loans outstanding as at year end:	2,519,072	119,136
Aggregate loan advances and repayments during the period:	2,399,936	-

Other transactions of directors and their director related entities:

Financial instrument transactions
Financial instrument transactions with the directors of the Bank occur in the ordinary course of business of the Bank on an arm's length basis, and are considered to be trivial or domestic transactions as they are in the nature of normal banking transactions.

Transactions with related parties

AMP Limited and companies within its group provided the Bank with certain administrative and management services including treasury, payroll, property and computing facilities. The services were provided in the normal course of business and on normal commercial terms and conditions or on a full cost recovery basis. The Bank recovered costs from related parties within the wholly owned group on normal commercial terms and conditions.

The Bank provides AMP Limited transactional banking services on normal commercial terms.

On 14th May 1998 AMP Limited entered into a deed with AMP Bank Limited which provides interalia, arrangements to provide certain capital and liquidity support to the Bank.

The Bank has received guarantees from companies within the AMP Group relating to the receipt of interest and principal on "loans on life policies".

The Bank has issued securities to related parties within the wholly owned group on normal commercial terms in the ordinary course of business.

The following aggregate amounts are the related party transactions for the financial year:

	2000 ($'s)	1999 ($'s)
Balances due from related parties within the wholly owned group:	26,222,236	5,928,049
Balances due to related parties within the wholly owned group:	433,828,409	429,728,168
Income from transactions with related parties within the wholly owned group:	770,579	6,166,913
Expenses from transactions with related parties within the wholly owned group:	45,299,655	31,113,499

26. NOTES TO THE STATEMENT OF CASH FLOWS

i) Reconciliation of the operating loss after tax to the net cash flows from operations:

	2000 $' 000	1999 $' 000
Operating loss after income tax	(57,388)	(41,609)
Increase in interest receivable	(5,490)	(3,742)
Increase in interest payable	4,911	8,304
Depreciation expense	876	395
Increase in reserve for doubtful debts	6,642	4,523
Increase in provisions	4,530	3,815
Increase in future tax benefits	(9,878)	(17,239)
Net cash flows from operating activities	**(55,797)**	**(45,553)**

ii) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash at banks, settlement account balances with banks and deposits at call with other financial institutions:

Settlement account balances with banks	4,818	144,793
Deposits with other financial institutions (Note 6.)	256,509	405,265
Cash and cash equivalents at end of year	**261,327**	**550,058**

iii) Unutilised credit lines

The Bank has unutilised committed short-term credit facilities of $400 million (1999 $400 million).

iv) Acquisition of assets

During the financial year, the Bank acquired the loan on policy portfolio and retail deposit portfolio from Pearl Assurance PLC.

During the previous financial year, the Bank acquired the loan portfolio from AMP Ergo Mortgage &Savings Ltd and the loan portfolio from Waratah Receivables Corporation NZ Limited.

	2000 $' 000	1999 $' 000
Cash consideration	(27,228)	1,108,108
Assets & Liabilities Purchased:		
Loans & Advances	25,293	1,254,294
Interest Receivable	8,677	4,002
Retail Deposits	(61,101)	(139,568)
Interest Payable	-	(4,205)
General Provision	-	(2,038)
Specific Provision	-	(84)
Derivatives	-	(3,724)
Other Liabilities	(97)	(569)
Net assets acquired	**(27,228)**	**1,108,108**

27. CONTROLLED ENTITIES

Investment in controlled entities:

Name	Country of Incorporation	Issued Capital	% Held	Book value of parent Investment	Contribution To Profit	Accumulated Profits
Priority One Agency Services Pty Ltd	Australia	$2	100	-	-	-

28. MARKET RISK

The Bank is exposed to adverse events in financial markets, known as market risks, which may result in a loss of earnings. These include liquidity risk, funding risk, interest rate risk and foreign exchange risk.

i) Liquidity risk

Liquidity risk is the risk of being unable to meet financial commitments as they fall due. The Bank carries a conservative level of high-quality, liquid assets, according to policy approved by the Board, and in excess of prudential minimums. The Bank also ensures a positive cash flow (maturing assets and committed standby lines exceed maturing liabilities) for at least the next 5 business days of operations. Where possible and within set cost targets, the Bank raises long term liabilities to minimise its exposure.

ii) Funding risk

Funding risk arises from a concentration of funding in one particular market. Consequences can include the inability to rollover or raise new funds, or volatility of cost. The major technique to avoid funding risk is to diversify sources across different markets, including retail and wholesale, domestic and international, short and long term, and divergent types of institutions. The Bank has established a wide diversity of programmes and relationships. The Bank has established the following programmes:

- AUD1 billion Medium Term Note programme
- USD750 million Euro-Commercial Paper programme.
- USD1 billion Domestic-Commercial Paper programme
- Australian Domestic Negotiable Certificate of Deposit Programme (unlimited)
- New Zealand Domestic Negotiable Certificate of Deposit Programme (unlimited)

iii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse impact on the net interest income of the Bank. The risk arises from the structure and repricing characteristics of assets and liabilities, both on- and off-balance sheet. The objective of interest rate risk management is to ensure stable earnings, with variations within limits set by the Bank's Asset and Liability Committee (ALCO), and approved by the Board.

There is no trading book separate from the balance sheet position.

The Bank uses a 'value at risk' approach to manage interest rate risk. This approach measures the potential change in net present value of assets and liabilities due to mismatches in the repricing profile. The Bank assumes an immediate 1% parallel shift in the yield curve as a conservative estimate of a move in interest rates. The Bank's Asset and Liability Committee ("ALCO") sets conservative levels for the maximum 'value at risk', and Treasury must ensure actual usage falls within this limit, for the entire Australian dollar, New Zealand dollar and British pounds balance sheets. The total limit for all books is less than $2 million.

iv) Foreign exchange risk

The Bank does not take unhedged foreign exchange exposures. There is no trading in currencies, and any funding raised in a non-domestic currency (Australian dollars, New Zealand dollars or British pounds) is immediately hedged into the domestic currency.

29. DISCLOSURES IN RELATION TO FINANCIAL INSTRUMENTS

(a) Derivatives

The following table details the Bank's outstanding derivative contracts as at the end of the year. Derivatives transactions are entered into in order to manage the risks arising from non traded assets, liabilities and commitments in Australia and New Zealand.

The 'face value' is the notional or contractual amount of the derivatives. This amount is not necessarily exchanged and predominantly acts as reference value upon which interest payments and net settlements can be calculated and on which revaluation is based.

The 'credit equivalent' is a number calculated using a standard Australian Prudential Regulation Authority formula and is disclosed for each product class. This amount is a measure of the on-balance sheet loan equivalent of the derivative contracts, which includes a specified percentage of the face value of each contract plus the market value of all contracts with an unrealised gain at balance date. The credit equivalent does not take into account any benefits of netting exposures to individual counterparties.

The accounting policy for derivative financial instruments is set out in Note 1(i).

	Face Value 2000	Credit Equivalent 2000	Face Value 1999	Credit Equivalent 1999
	$'000	$'000	$'000	$'000
Foreign Exchange rate related contracts				
Forwards	1,610,819	18,560	1,571,620	20,940
	1,610,819	18,560	1,571,620	20,940
Interest rate related contracts				
Forwards	87,601	-	2,322,262	222
Swaps	2,665,324	10,560	3,472,812	23,728
Options	-	-	10,000	37
	2,752,925	10,560	5,805,074	23,987

(b) Maturity profile

The maturity distribution of assets and liabilities is based on contractual terms.

Year Ended 31 December 2000

	At call $'000	0 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Not specified $'000	Total $'000
Assets							
Cash and liquid assets	4,818	-	-	-	-	-	4,818
Due from other financial institutions	256,509	-	-	-	-	-	256,509
Investment securities	-	527,745	9,812	-	-	3	537,560
Loans and advances	149,806	260,863	92,981	487,989	3,268,053	-	4,259,692
Deposits with regulatory authorities	-	-	-	-	-	-	-
Total interest earning assets	411,133	788,608	102,793	487,989	3,268,053	3	5,058,579
Non-interest earning assets	-	-	-	-	-	97,505	97,505
Total assets	411,133	788,608	102,793	487,989	3,268,053	97,508	5,156,084
Liabilities							
Due to other financial institutions	-	185,933	-	-	-	-	185,933
Deposits and short term borrowings	631,467	2,695,867	491,155	45,036	-	-	3,863,525
Medium term debt	-	50,000	-	397,670	198,835	-	646,505
Loan Capital	-	-	-	-	100,000	-	100,000
Total interest bearing liabilities	631,467	2,931,800	491,155	442,706	298,835	-	4,795,963
Non-interest bearing liabilities	-	-	-	-	-	137,062	137,062
Total liabilities	631,467	2,931,800	491,155	442,706	298,835	137,062	4,933,025

Year Ended 31 December 1999

	At call $'000	0 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Not specified $'000	Total $'000
Assets							
Cash and liquid assets	144,793	-	-	-	-	-	144,793
Due from other financial institutions	405,265	-	-	-	-	-	405,265
Investment securities	-	731,406	33,510	-	-	3	764,919
Loans and advances	100,709	221,926	87,281	467,513	2,693,227	-	3,570,656
Deposits with regulatory authorities	-	-	-	-	-	-	-
Total interest earning assets	650,767	953,332	120,791	467,513	2,693,227	3	4,885,633
Non-interest earning assets	-	-	-	-	-	57,078	57,078
Total assets	650,767	953,332	120,791	467,513	2,693,227	57,081	4,942,711
Liabilities							
Due to other financial institutions	140,927	53,447	-	-	-	-	194,374
Deposits and short term borrowings	42,832	2,976,169	573,219	21,843	-	-	3,614,063
Medium term debt	-	-	155,000	593,148	-	-	748,148
Loan Capital	-	-	-	-	100,000	-	100,000
Total interest bearing liabilities	183,759	3,029,616	728,219	614,991	100,000	-	4,656,585
Non-interest bearing liabilities	-	-	-	-	-	64,679	64,679
Total liabilities	183,759	3,029,616	728,219	614,991	100,000	64,679	4,721,264

Unutilised funding programmes

AUD 400 million in standby facilities disclosed in Note 26(iii).

(c) Interest sensitivity

The following table represents the contractual repricing characteristics of assets and liabilities for the Bank, as at 31 December 2000, within the time periods indicated. The Bank may modify this information in its interest rate management process, as the contractual obligations may not reflect the expected repricing characteristics in all cases.

Contractual repricing period from 31 December 2000

	Balance sheet total $'000	0 to 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Not interest bearing $'000	Weighted average rate %
Assets							
Cash	4,818	4,818	-	-	-	-	5.02%
Due from other financial institutions	256,509	256,509	-	-	-	-	5.97%
Investment securities	537,560	447,298	80,447	9,812	-	3	5.98%
Loans and advances	4,259,692	2,432,143	364,641	626,533	836,375	-	7.90%
Total interest earning assets	5,058,579	3,140,768	445,088	636,345	836,375	3	7.41%
Non interest earning assets	97,505	-	-	-	-	97,505	N/a
Total assets	5,156,084	3,140,768	445,088	636,345	836,375	97,508	7.29%
Liabilities							
Due to other financial institutions	185,933	185,933	-	-	-	-	6.46%
Deposits and short term borrowings	3,863,525	1,665,015	1,662,319	491,155	45,036	-	6.15%
Medium term debt	646,505		50,000	397,670	198,835	-	5.99%
Loan Capital	100,000	100,000	-	-	-	-	5.99%
Total interest bearing liabilities	4,795,963	1,950,948	1,712,319	888,825	243,871	-	6.35%
Non-interest bearing liabilities	137,062	-	-	-	-	137,062	N/a
Total liabilities	4,933,025	1,950,948	1,712,319	888,825	243,871	137,062	6.30%
Shareholders' equity	223,059	-	-	-	-	223,059	N/a
On balance sheet sensitivity	-	1,189,820	(1,267,231)	(252,480)	592,504	(262,613)	N/a
Off balance sheet items							
Interest rate swaps	n/a	368,304	245,697	9,258	(623,259)	-	N/a
Forward rate agreements	n/a	-	-	-	-	-	N/a
Off balance sheet sensitivity	n/a	368,304	245,697	9,258	(623,259)	-	N/a
Net mismatch	n/a	1,558,124	(1,021,534)	(243,222)	(30,755)	(262,613)	N/a
Cumulative mismatch	n/a	1,558,124	536,590	293,368	262,613	-	N/a

All interest bearing assets and liabilities are due for repricing within five years.

Contractual repricing period from 31 December 1999

	Balance sheet total $'000	0 to 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Not interest bearing $'000	Weighted average rate %
Assets							
Cash	144,793	144,793	-	-	-	-	3.9%
Due from other financial institutions	405,265	405,265	-	-	-	-	4.7%
Investment securities	764,919	287,163	444,243	33,510	-	3	5.2%
Loans and advances	3,570,656	1,952,370	112,847	707,941	797,498	-	7.0%
Deposits with regulatory authorities	-	-	-	-	-	-	-
Total interest earning assets	4,885,633	2,789,591	557,090	741,451	797,498	3	6.4%
Non interest earning assets	57,078	-	-	-	-	57,078	N/a
Total assets	4,942,711	2,789,591	557,090	741,451	797,498	57,081	6.3%
Liabilities							
Due to other financial institutions	194,374	194,374	-	-	-	-	4.9%
Deposits and short term borrowings	3,614,063	1,210,468	1,808,533	573,219	21,843	-	4.9%
Medium term debt	748,148	130,000	25,000	-	593,148	-	6.1%
Loan Capital	100,000	100,000	-	-	-	-	6.1%
Total interest bearing liabilities	4,656,585	1,634,842	1,833,533	573,219	614,991	-	5.1%
Non-interest bearing liabilities	64,679	-	-	-	-	64,679	N/a
Total liabilities	4,721,264	1,634,842	1,833,533	573,219	614,991	64,679	4.8%
Shareholders' equity	221,447	-	-	-	-	221,447	N/a
On balance sheet sensitivity	-	1,154,749	(1,276,443)	168,232	182,507	(229,045)	N/a
Off balance sheet items							
Interest rate swaps	n/a	454,602	270,722	(470,533)	(254,791)	-	N/a
Forward rate agreements	n/a	(708,352)	424,442	283,910	-	-	N/a
Off balance sheet sensitivity	n/a	(253,750)	695,164	(186,623)	(254,791)	-	N/a
Net mismatch	n/a	900,999	(581,279)	(18,391)	(72,284)	(229,045)	N/a
Cumulative mismatch	n/a	900,999	319,720	301,329	229,045	-	N/a

All interest bearing assets and liabilities are due for repricing within five years.

(d). Net fair values of financial instruments

These amounts represent estimates of net fair values at the end of the financial year.

On-balance sheet	Carrying Value 2000 $'000	Net Fair Value 2000 $'000	Carrying Value 1999 $'000	Net Fair Value 1999 $'000
Financial assets				
Cash	4,818	4,818	144,793	144,793
Due from other financial institutions	256,509	256,509	405,265	405,265
Investment securities	537,560	537,579	764,919	764,919
Loans and advances	4,259,692	4,202,429	3,570,656	3,551,817
Deposits with regulatory authorities	-	-	-	-
Total financial assets	5,058,579	5,001,335	4,885,633	4,866,794
Financial liabilities				
Due to other financial institutions	185,933	185,933	194,374	194,374
Retail deposits	1,032,382	1,040,467	384,390	384,390
Certificates of deposit	2,084,736	2,085,330	2,505,263	2,505,263
Commercial paper	746,407	747,037	724,410	724,410
Medium term notes	596,505	592,932	593,148	573,782
Floating rate notes	50,000	50,193	155,000	155,841
Subordinated notes	100,000	104,931	100,000	101,005
Total financial liabilities	4,795,963	4,806,823	4,656,585	4,639,065

Derivatives	Carrying Value 2000 $'000	Net Fair Value 2000 $'000	Carrying Value 1999 $'000	Net Fair Value 1999 $'000
Financial assets				
Interest rate swap agreements	-	761	-	15,419
Forward rate agreements	-	89	-	222
Interest rate options	-	-	-	37
Foreign exchange swaps	1,409	1,409	-	4,140
Total financial assets	1,409	2,259	-	19,818
Financial liabilities				
Interest rate swap agreements	-	14,649	-	36,426
Forward rate agreements	-	62	-	364
Foreign exchange swaps	55,356	55,356	12,257	16,397
Total financial liabilities	55,356	70,067	12,257	53,187

The net fair value estimates were determined by the following methodologies and assumptions:

1. *On-balance sheet*

Cash, liquid assets and due from other financial institutions
The carrying values of cash and liquid assets and receivables due from financial institutions approximate their net fair value as they are short term in nature or are receivable on demand.

Investment securities
The carrying value of bank accepted bills, negotiable certificates of deposit and Treasury notes held as liquidity approximate their net fair value as they are short term in nature.

Loans and advances
For variable rate loans and credit card advances, the contractual balance is a reasonable estimate of net fair value.

For fixed rate loans, the net fair value was calculated by utilising a discounted cash flow model (ie. the net present value of the future principal and interest cash flows), based on the repayment schedule of the loans. The discount rates applied were based on the current benchmark rate for the remaining term of the loans.

Due to other financial institutions
The carrying values of deposits from other financial institutions approximate their net fair value as they are short term in nature.

Retail deposits
For retail deposits the carrying amount is a reasonable estimate of net fair value.

Certificates of deposit, Commercial Paper, Medium Term Notes, Floating Rate Notes and Subordinated notes.
The fair value of the above mentioned securities is calculated based on quoted market prices.

2. *Off-balance sheet*

Interest rate swap agreements
The net fair value of interest rate swap agreements is determined as the difference in present value of the future interest cash flows. The discount rates applied were based on quoted market prices.

FX Forward rate agreements
The net fair value of forward rate agreements is determined as the difference in present value of the future cash flows. The discount rates applied were based on quoted market prices. Any assets or liabilities that are hedged by FX forward rate agreements are carried in the balance sheet at net fair value. The FX forward rate agreements are also carried at fair value in the balance sheet.

Foreign exchange swaps
The net fair value of foreign exchange swap agreements is determined as the gain or loss, at balance date, by applying the closing quoted market spot rate.

Interest Rate Options
The net fair value of interest rate options is calculated using Black and Scholes option pricing model. The interest rate and volatility used in the calculation are sourced from closing quoted market interest rates and implied volatility.

30. FINANCIAL REPORTING BY SEGMENTS

Geographic segments

	2000 $'000	2000 %	1999 $'000	1999 %
Assets				
Australia	3,715,670	72%	3,940,448	80%
New Zealand	2,129,353	41%	1,947,503	39%
United Kingdom	200,801	4%	-	
Elimination	(889,740)	-17%	(945,239)	-19%
	5,156,084		**4,942,712**	
Operating Revenue				
Interest Income				
Australia	271,058	68.3%	159,559	77.7%
New Zealand	154,255	38.9%	58,622	28.6%
United Kingdom	6,638	1.7%	-	
Elimination	(49,692)	-12.5%	(22,705)	-11.1%
Non-Interest Income				
Australia	12,082	3.0%	8,856	4.3%
New Zealand	2,280	0.5%	1,014	0.5%
United Kingdom	241	0.1%	-	
	396,862		**205,346**	
Operating profit/(loss) before tax				
Australia	(45,517)	57%	(49,911)	80%
New Zealand	(26,254)	33%	(12,776)	20%
United Kingdom	(8,293)	10%	-	-
	(80,064)		**(62,687)**	
Operating profit/(loss) after tax				
Australia	(33,633)	59%	(33,581)	81%
New Zealand	(17,890)	31%	(8,028)	19%
United Kingdom	(5,865)	10%	-	-
	(57,388)		**(41,609)**	

Industry segments
The Bank operates predominantly in the banking and finance industry.

31. CAPITAL ADEQUACY

The capital adequacy ratios of AMP Bank are as follows:

	2000	1999
Tier 1 capital ratio	6.75%	8.16%
Total capital ratio	10.58%	12.64%

	2000 $' 000	1999 $' 000
Tier 1 capital:		
Share Capital	334,000	275,000
Retained Earnings	(110,941)	(53,553)
Less: Goodwill & intangible assets	1,897	4,442
Less: Future Income Tax Benefits	33,017	23,139
	188,145	193,866
Tier 2 capital:		
General Provision for doubtful debts	12,607	9,559
Loan Capital	100,000	100,000
Loan Capital (ineligible component)	(5,928)	(3,067)
	106,679	106,492
Total Capital	294,824	300,358

	Risk Weights	Face Value 2000 $'000	Face Value 1999 $'000	Risk Weighted Balance 2000 $'000	Risk Weighted Balance 1999 $'000
On Balance Sheet Assets					
	0%	225,058	545,134	-	-
	10%	-	-	-	-
	20%	601,945	751,335	120,389	150,267
	50%	3,373,842	2,861,641	1,686,921	1,430,821
	100%	973,589	785,456	973,589	785,456
		5,174,434	4,943,566	2,780,899	2,366,544
Off Balance Sheet Assets					
	0%	816,590	566,729	-	-
	10%	-	-	-	-
	20%	29,120	44,927	5,824	8,985
	50%	-	-	-	-
	100%	-	-	-	-
		845,710	611,656	5,824	8,985
Total Risk Assets		6,020,144	5,555,222	2,786,723	2,375,529

32. ULTIMATE HOLDING COMPANY

The immediate holding company of AMP Bank Limited is AMP Financial Investment Group Holdings Limited.

The ultimate holding company of AMP Bank Limited is AMP Limited.

On 14th May 1998 AMP Limited entered into a deed with AMP Bank Limited which provides interalia, arrangements to provide certain capital and liquidity support to the Bank.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of AMP Bank Limited, I state that:

(1) In the opinion of the Directors:

(a) the financial statements and notes of the company are in accordance with the Corporations Law, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2000 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

.... Director A. M. MOHL

.... Director R. D. LEAMING

Dated 14 March 2001

ERNST & YOUNG

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INDEPENDENT AUDIT REPORT

To the members of AMP Bank Limited

Scope

We have audited the financial report of AMP Bank Limited for the financial year ended 31 December 2000, as set out on pages 5 to 42, including the Directors' Declaration. The Company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of AMP Bank Limited.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of AMP Bank Limited is in accordance with:

(a) the Corporations Law including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2000 and its performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations; and

(b) other mandatory professional reporting requirements.

Ernst & Young

Ernst & Young

Darryl Newton
Partner

Sydney
Date: 14 March 2001