

NATIONAL AUSTRALIA BANK LTD  
Form 6-K  
November 18, 2005

FILE NO 1-9945

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON DC 20549

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## FORM 6-K

### REPORT OF FOREIGN ISSUER

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of November 2005

## National Australia Bank Limited

ACN 004 044 937

(Registrant's Name)

Level 24

500 Bourke Street

MELBOURNE VICTORIA 3000

AUSTRALIA

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82

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FULL YEAR  
RESULTS

05

[LOGO]

**John Stewart,**

Managing Director  
and CEO

**Michael Ullmer,**

Director, Finance  
and Risk

**November 9, 2005**

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**Agenda**

|                       |                |
|-----------------------|----------------|
| Introduction          | John Stewart   |
| Group Results         | Michael Ullmer |
| Outlook & Update      | John Stewart   |
| Questions and Answers |                |

[LOGO]



**Focus on the fundamentals is delivering**

Culture and People

Regulatory and Compliance

Simplicity

Restart revenue

**Getting costs under control has been the biggest challenge**

**Turnaround is on track**

**Cash earnings before significant items**

[CHART]

Cash earnings up 4.6% to \$1,692m

Ongoing operations up 7.8%

Dividend maintained at 83 cents per share (80% franked)

Net profit for the year \$4,132m, up 30.1% from \$3,177m in 2004

**Agenda**

|                       |                |
|-----------------------|----------------|
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## Group Scorecard

Cash earnings up 4.6% for the half, but down 4.4% year on year

Banking net interest income down 0.6% for the half

Strong growth in other income

Banking cost pressures came through up 11.3%\* for the half, 9.1%\* for the year

Restructure charge of \$838m, with estimated benefits of \$424m by end FY07

Investment program of \$2.5 bn over 3 years

Strong credit quality maintained

Strong capital base notwithstanding AIFRS changes

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\* Excludes Irish banks and one-off losses

**Group Performance**

|                                        | Sep 05<br>HY<br>\$m | Mar 05<br>HY<br>\$m | Group      | Mar 05 HY<br>% Change on<br>Ongoing^ | Sep 04 FY<br>Ongoing^ |
|----------------------------------------|---------------------|---------------------|------------|--------------------------------------|-----------------------|
| Banking net income*                    | 5,760               | 5,659               | 1.8        | 7.0                                  | 4.9                   |
| Banking operating expenses*            | (3,345)             | (3,246)             | (3.0)      | (9.8)                                | (14.5)                |
| <b>Underlying profit</b>               | <b>2,415</b>        | <b>2,413</b>        | <b>0.1</b> | <b>3.5</b>                           | <b>(5.6)</b>          |
| Charge to provide for doubtful debts   | (253)               | (281)               | (10.0)     | 8.0                                  | 2.8                   |
| <b>Banking cash earnings</b>           | <b>1,559</b>        | <b>1,484</b>        | <b>5.1</b> | <b>8.7</b>                           | <b>(6.1)</b>          |
| <b>Wealth Management cash earnings</b> | <b>242</b>          | <b>229</b>          | <b>5.7</b> | <b>5.2</b>                           | <b>35.2</b>           |
| <b>Cash earnings **</b>                | <b>1,692</b>        | <b>1,618</b>        | <b>4.6</b> | <b>7.8</b>                           | <b>(2.3)</b>          |

|                                         |       |       | Sep 05 FY | Sep 04 FY |
|-----------------------------------------|-------|-------|-----------|-----------|
| Diluted cash earnings per share (cents) | 107.1 | 103.0 | 210.1     | 226.0     |
| Cash earnings on average equity**       | 14%   | 14%   | 14%       | 16.2%     |
| Return on average assets**              | 0.91% | 0.76% | 0.83%     | 0.83%     |
| Net interest margin                     | 2.20% | 2.19% | 2.20%     | 2.35%     |

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\* Before inter-divisional eliminations

\*\* Before significant items and after outside equity interest

^ Excludes Irish Banks, UK National Custodian Services and National Australia Life Company

**September 2005 half cash earnings by division**

|                                               | Sep 05<br>HY<br>\$m | Mar 05<br>HY<br>\$m | Change on<br>Mar 05 HY<br>Ongoing^<br>% | Change on<br>Sep 04 FY<br>Ongoing^<br>% |
|-----------------------------------------------|---------------------|---------------------|-----------------------------------------|-----------------------------------------|
| Total Australia*                              | 1,130               | 1,145               | (1.3)                                   | (1.6)                                   |
| Total UK                                      | 229                 | 297                 | (11.9)                                  | (5.9)                                   |
| Total New Zealand                             | 168                 | 163                 | 3.1                                     | 7.8                                     |
| Institutional Markets & Services <sup>+</sup> | 305                 | 308                 | 0.7                                     | 12.8                                    |
| Other (incl Group Funding & Corporate Centre) | (31)                | (200)               | 85.0                                    | (53.9)                                  |
| Distributions                                 | (109)               | (95)                | (14.7)                                  | (9.1)                                   |
| <b>Cash earnings before significant items</b> | <b>1,692</b>        | <b>1,618</b>        | <b>7.8</b>                              | <b>(2.3)</b>                            |

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\* Includes Wealth Management Asian operations

+ Cash earnings after outside equity interest

^ Excludes Irish Banks, UK National Custodian Services and National Australia Life Company

**Australia cash earnings\* down 1.3% on the March 2005 half**

|                                                  | Sep 05<br>\$m | Half year to<br>Mar 05<br>\$m | Change on<br>Mar 05<br>HY % | Sep 04<br>FY % |
|--------------------------------------------------|---------------|-------------------------------|-----------------------------|----------------|
| <b>Australian Banking</b>                        |               |                               |                             |                |
| Net interest income                              | 1,995         | 1,888                         | 5.7                         | 4.9            |
| Other operating income                           | 1,154         | 1,081                         | 6.8                         | 5.3            |
| <b>Total income</b>                              | <b>3,149</b>  | <b>2,969</b>                  | <b>6.1</b>                  | <b>5.1</b>     |
| Other operating expenses                         | (1,730)       | (1,479)                       | (17.0)                      | (15.8)         |
| <b>Underlying profit</b>                         | <b>1,419</b>  | <b>1,490</b>                  | <b>(4.8)</b>                | <b>(4.7)</b>   |
| Charge to provide for doubtful debts             | (127)         | (130)                         | 2.3                         | (27.9)         |
| Australian Banking cash earnings                 | 910           | 951                           | (4.3)                       | (6.6)          |
| Wealth Management cash earnings <sup>+</sup>     | 220           | 194                           | 13.4                        | 29.4           |
| <b>Total Australia cash earnings<sup>+</sup></b> | <b>1,130</b>  | <b>1,145</b>                  | <b>(1.3)</b>                | <b>(1.6)</b>   |

**Volume Growth**

(quarterly average)

[CHART]

**Net Interest Margin<sup>^</sup>**

[CHART]

\* Before significant items

+ Includes Asian operations

^ Excludes changes to internal capital allocations

**UK ongoing operations<sup>+</sup> cash earnings\* down 10.4% on the March 2005 half**

|                                          | Sep 05<br>£m | Half year to<br>Mar 05<br>£m | Mar 05<br>HY % | Change on<br>Sep 04<br>FY % |
|------------------------------------------|--------------|------------------------------|----------------|-----------------------------|
| Net interest income                      | 350          | 334                          | 4.8            | 0.9                         |
| Other operating income                   | 222          | 183                          | 21.3           | 18.4                        |
| <b>Total income</b>                      | <b>572</b>   | <b>517</b>                   | <b>10.6</b>    | <b>6.8</b>                  |
| Total expenses                           | (374)        | (330)                        | (13.3)         | (9.8)                       |
| <b>Underlying profit</b>                 | <b>198</b>   | <b>187</b>                   | <b>5.9</b>     | <b>1.6</b>                  |
| Charge to provide for doubtful debts     | (53)         | (35)                         | (51.4)         | (10.0)                      |
| <b>UK ongoing operations<sup>+</sup></b> | <b>95</b>    | <b>106</b>                   | <b>(10.4)</b>  | <b>(5.2)</b>                |
| Ireland and Custody                      |              | 15                           | large          | large                       |
| <b>Total UK cash earnings*</b>           | <b>95</b>    | <b>121</b>                   | <b>(21.5)</b>  | <b>(12.9)</b>               |

**Volume Growth**

(quarterly average)

[CHART]

**Net Interest Margin<sup>^</sup>**

[CHART]

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<sup>+</sup> Excludes Irish Banks, UK National Custodian Services and National Australia Life Company

<sup>\*</sup> Before significant items

<sup>^</sup> Excludes changes to internal capital allocations

Note: volume growth reflects changes in classification of products between categories





**New Zealand cash earnings\* up 4.5% on the March 2005 half**

|                                      | Sep 05<br>NZ\$m | Half year to<br>Mar 05<br>NZ\$m | Mar 05<br>HY % | Change on<br>Sep 04<br>FY % |
|--------------------------------------|-----------------|---------------------------------|----------------|-----------------------------|
| Net interest income                  | 428             | 420                             | 1.9            | 4.7                         |
| Other operating income               | 222             | 219                             | 1.4            | (2.6)                       |
| <b>Total income</b>                  | <b>650</b>      | <b>639</b>                      | <b>1.7</b>     | <b>2.1</b>                  |
| Total expenses                       | (353)           | (366)                           | 3.6            | (1.3)                       |
| <b>Underlying profit</b>             | <b>297</b>      | <b>273</b>                      | <b>8.8</b>     | <b>3.1</b>                  |
| Charge to provide for doubtful debts | (28)            | (13)                            | large          | (70.8)                      |
| <b>Cash earnings*</b>                | <b>184</b>      | <b>176</b>                      | <b>4.5</b>     | <b>3.4</b>                  |

**Volume Growth**

(quarterly average)

[CHART]

**Net Interest Margin^**

[CHART]

\* Before significant items

^ Excludes changes to internal capital allocations

**Institutional Markets & Services ongoing<sup>+</sup> cash earnings\* up 0.7% on the March 2005 half**

|                            | Sep 05<br>\$m | Half year to<br>Mar 05 <sup>+</sup><br>\$m | Mar 05<br>HY % | Change on <sup>+</sup> | Sep 04<br>FY % |
|----------------------------|---------------|--------------------------------------------|----------------|------------------------|----------------|
| Net interest income        | 262           | 277                                        | (5.4)          |                        | (11.3)         |
| Other operating income     | 433           | 478                                        | (9.4)          |                        | 7.8            |
| <b>Total income</b>        | <b>695</b>    | <b>755</b>                                 | <b>(7.9)</b>   |                        | <b>(0.2)</b>   |
| Total expenses             | (369)         | (361)                                      | (2.2)          |                        | (5.2)          |
| <b>Underlying profit</b>   | <b>326</b>    | <b>394</b>                                 | <b>(17.3)</b>  |                        | <b>(5.1)</b>   |
| Charge to provide for B&DD | 24            | (48)                                       | large          |                        | (80.0)         |
| <b>Cash earnings*</b>      | <b>305</b>    | <b>303</b>                                 | <b>0.7</b>     |                        | <b>12.8</b>    |
| Return on Avg RWA          | 0.87%         | 0.80%                                      | 8.7            |                        | 18.3           |

**Total Income down 7.9%<sup>+</sup>**

[CHART]

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\* Before significant items and after outside equity interest

+ Excludes Irish Banks

**Total banking income<sup>^</sup> showing positive trends**

[CHART]

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Constant exchange rates

<sup>^</sup> Before significant items, excluding Irish Banks and UK National Custodian Services

\* Excludes Irish Banks and UK National Custodian Services

+ Excludes Irish Banks

**Key areas of focus**

1. Margins
2. Expenses
3. Asset Quality
4. Capital

**Key area 1 - Margins**

**Regional declines in line with expectation**

**Group outcome result of portfolio effect**

**Group margin down 15 bps for the year, but up 1 basis point for the half**

|                                  | Sep 04 FY<br>NIM | NIM<br>Contraction | Sep 05 FY<br>NIM | AIEA<br>Sep 05 FY<br>\$Bn | % of Group<br>AIEA |             | Impact on<br>Group NIM |
|----------------------------------|------------------|--------------------|------------------|---------------------------|--------------------|-------------|------------------------|
|                                  |                  |                    |                  |                           | Sep 04 FY          | Sep 05 FY   |                        |
| Australian Banking               | 2.65%            | (14bps)            | 2.51%            | 155                       | 46%                | 48%         | (1bp)                  |
| UK Banking                       | 3.96%            | (24bps)            | 3.72%            | 49                        | 18%                | 15%         | (13bps)                |
| New Zealand Banking              | 2.61%            | (18bps)            | 2.43%            | 32                        | 9%                 | 10%         |                        |
| Institutional Markets & Services | 0.47%            | (6bps)             | 0.41%            | 134                       | 42%                | 42%         | (3bps)                 |
| Other                            | (0.00)%          | (10bps)            | (0.10)%          | (48)                      | (15)%              | (15)%       | 2bps                   |
| <b>Group Impact</b>              | <b>2.35%</b>     |                    | <b>2.20%</b>     | <b>322</b>                | <b>100%</b>        | <b>100%</b> | <b>(15bps)</b>         |

|                                 |       |
|---------------------------------|-------|
| Net Interest Margin Mar 05 Half | 2.19% |
|---------------------------------|-------|

|                                 |       |
|---------------------------------|-------|
| Net Interest Margin Sep 05 Half | 2.20% |
|---------------------------------|-------|

**Key area 2 - Expenses**

**Bow wave of costs coming through**

**Tactical initiatives implemented**

**Restructuring plans developed**

**Comprehensive three year investment slate**



**Banking expenses\* increased \$788m in the September 2005 year**

[CHART]

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\* Before significant items, Irish Banks and exchange rate effects

**Finalised restructuring charge**

| <b>Costs</b>     | <b>05 FY<br/>\$m</b> | <b>FTE Related<br/>Reduction</b> |
|------------------|----------------------|----------------------------------|
| Australia        | 409                  | 2,248                            |
| UK               | 266                  | 1,700                            |
| NZ               | 14                   | 38                               |
| IMS              | 121                  | 471                              |
| Corporate Centre | 28                   | 205                              |
| <b>Total</b>     | <b>838</b>           | <b>4,662</b>                     |

| <b>Run- rate benefits<br/>FY ending</b> | <b>05<br/>\$m</b> | <b>06<br/>\$m</b> | <b>07<br/>\$m</b> |
|-----------------------------------------|-------------------|-------------------|-------------------|
| Australia                               | 38                | 117               | 193               |
| UK                                      | 51                | 118               | 165               |
| NZ                                      | 0                 | 1                 | 2                 |
| IMS                                     | 11                | 41                | 50                |
| Corporate Centre                        | 2                 | 12                | 14                |
| <b>Total</b>                            | <b>102</b>        | <b>289</b>        | <b>424</b>        |

**Investment spend**

**Investment spend of \$2.5b over the next three years**

in line with prior years

**Approximately 70% will be in the Australian region**

**Compliance and infrastructure programmes continue to be the focus in the short term**

**Weighting will change in favour of franchise development over time**

**Key area 3 Asset Quality**

**Strong growth in business banking**

**Pick up in mortgage lending**

**UK expansion**

**Devolved credit processes with Group oversight**

**Consistent methodology**

**Portfolio remains sound with write-off levels down and key quality indicators improving**

**Total Net Write-offs to Risk-Weighted Assets (excl Housing)**

[CHART]

**Well Secured lending % of Total Balance\***

[CHART]

**CRS 1-6\* % of Total Balance**

[CHART]

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\* Excludes Housing and all Personal Loans

**Provisioning coverage levels remain sound**

**General Provision to Risk-Weighted Assets**

[CHART]

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**Credit Provisioning will change on transition to AIFRS**

**Transition to AIFRS currently estimated to result in a decrease in the general (collective) provision for doubtful debts of approximately \$350m**

**This would give coverage of non-housing RWA s**

AGAAP 0.99%

IFRS 0.83%

**Key area 4 - Capital**

**Gaining more clarity on AIFRS impacts**

**Some significant issues outstanding**

**Capital base adequate to absorb changes**



**Strong ACE and Tier 1 ratios maintained**

[CHART]

Surplus provides flexibility to cater for expected impact of AIFRS

Continued focus on improving ROE and internal capital allocation

| <b>Targets</b>   | <b>Target Ranges (%)</b> |       | <b>30 Sep 05 Actual</b> |
|------------------|--------------------------|-------|-------------------------|
| ACE/RWA          | 4.75                     | 5.25  | 5.49                    |
| Tier 1           | 7.00                     | 7.50  | 7.86                    |
| Total Regulatory | 10.00                    | 10.50 | 10.45                   |

**AIFRS impact on capital is significant**

|                                     | Estimated impact on Capital |              |
|-------------------------------------|-----------------------------|--------------|
|                                     | ACE                         | Tier 1       |
| Defined benefit schemes             | (1.0)                       | (1.0)        |
| Prepaid pension asset               | (0.6)                       | (0.6)        |
| WM value-in-force, at acquisition   |                             | (1.5)        |
| WM historical adjustment re NAFiM   | (0.2)                       | (0.2)        |
| Revenue recognition effective yield | (0.3)                       | (0.3)        |
| Other                               | (0.3)                       | (0.3)        |
| Hedging                             | 0.1                         | 0.1          |
| Credit provisioning                 | 0.2                         | 0.2          |
| <b>Total</b>                        | <b>(2.1)</b>                | <b>(3.6)</b> |

APRA framework still in draft form

Effective 1 July 2006, but expect transitional relief

APRA hybrid discussion paper released

**Final dividend of 83 cents, 166 cents for the year**

[CHART]

**Current half**

Payout ratio of 77%

Franking of 80%

**Full year**

Payout ratio of 79%

Franking of 80%

**Group Scorecard**

**Our results bottomed in the first half**

**Acceptable growth by each of the regional businesses**

**Franchises being rebuilt and extended**

**Compliance and infrastructure programmes will continue**

**Objective to deliver satisfactory long-term returns to our shareholders**

**Agenda**

|                       |                |
|-----------------------|----------------|
| Introduction          | John Stewart   |
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| Outlook & Update      | John Stewart   |
| Questions and Answers |                |

**Economic environment to soften in our key markets**

Economic outlook is subdued

Slowing credit growth

But business momentum is building

**Headwinds for 2006**

Continuing reinvestment in core infrastructure

Compliance cost

Basel gaps , enforceable undertakings, APRA

Compliance Infrastructure

Internal model re accreditation

Wealth Management transitional tax relief

Current year IORE due to market levels

IMS business continues to rebase

**Regional accountability model**

Refreshed Leadership

Leaders demonstrating the Corporate Principles

Setting high standards for our customers

Rewarding behaviours & results

Clear direction   clear accountabilities



**Corporate Centre**

Emphasis on clear accountability for decisions and outcomes

**Corporate Centre to focus on:**

Value creation

Target/ expectation setting and sign off of proposed strategies

Performance monitoring

Validation and oversight required to provide assurance required for financial and risk governance

Capital and balance sheet management

Mergers and acquisitions

**Businesses largely stabilised**

[CHART]

**IMS**

Focus on 5 strategies

*In Decline*      *Stabilising*

[GRAPHIC]

[LOGO]

Reduce reliance on low ROE lending

Increase capital velocity

Align presence to market potential

Drive efficiency

Create products for the new capital pools

UK

**United Kingdom**

Providing the evidence of a healthy growing business

*Rebuilding Capability*

[GRAPHIC]

Continued management of margins, product simplification and rationalisation

Grow retail deposit and CB wholesale funding volumes

Continue Cost Reduction Programme

Increase staff satisfaction

Embed National IFS model with circa 78 sites across the UK

Complete the redefinition of the retail branch footprint, moving to a branch network of 343 with 57 Flagship branches

Expanding Third Party Distribution

**Australia**  
Helping our customers fulfil their aspirations

**Australia**  
**Retail Wealth B&P**  
*Rebuilding Capability*

[GRAPHIC]

**Australian Region Retail**  
Rebuilding through people capability

**Retail Wealth B&P**

*Rebuilding Capability*

[GRAPHIC]

Major rebuilding program across the entire Retail network

Focusing our brand on key customer segments and geographic locations

Focus on building sales capabilities in key branches

Customer driven product innovation including wealth products

Distribution model with executives having full P&L accountability and ownership of their local market

**Australian Region Wealth**

Improve returns and leverage bank channels

**Retail Wealth B&P**

*Rebuilding Capability*

[GRAPHIC]

Accelerate insurance sales by broadening distribution

Offer our bank customers simple, integrated solutions

Assert our Manager of Managers credentials and build new investment offers

Continue to develop our leading platform proposition

**Australian Region - Business & Private**

Lead the market, grow through innovation

**Retail Wealth B&P**

*Rebuilding Capability*

[GRAPHIC]

Greater banker empowerment, quick decisions, decentralised, streamlined servicing process

New client segment businesses and specialisation- health and education

New Sales & Service program Go National

Innovative products, quick to market:

CBIB Transaction Banking Platform (internet)

New protected loans (integrating insurance)

Alternative investments



**New Zealand**  
Focus on key markets

**New Zealand**  
*Truly Competitive*

[GRAPHIC]

Capitalise on consistent strategy

Strength in middle business, agri, cards

SME focus

Housing increase share in personal markets

Youth

Leverage cultural change already evident via six sigma

**Summary**

Revenue momentum is building

Costs are under control

Turnaround is on track

**Agenda**

|                       |                |
|-----------------------|----------------|
| Introduction          | John Stewart   |
| Group Results         | Michael Ullmer |
| Outlook & Update      | John Stewart   |
| Questions and Answers |                |

FULL YEAR  
RESULTS

05

[LOGO]

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**Appendix**

Group Performance

Divisional Performance

Asset Quality

Capital & Funding

Other Matters

Economic Outlook

[LOGO]

FULL YEAR  
RESULTS 05

[LOGO]

## Group Performance

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**Volume growth across the Group**

**Group Lending Growth\*<sup>^</sup>**  
(quarterly average)

[CHART]

**Retail Deposits Growth\***  
(quarterly average)

[CHART]

- 
- \* At constant exchange rates
  - <sup>^</sup> Excludes Irish Banks and UK National Custodian Services
  - + Excludes securitisation

[LOGO]

## Net interest margin up 1 bp on the March 2005 half

|                                  | Mar 05 HY<br>NIM | NIM<br>Contraction | Sep 05 HY<br>NIM | AIEA<br>Sep 05 HY<br>\$Bn | % of Group<br>AIEA |             | Impact on<br>Group NIM |
|----------------------------------|------------------|--------------------|------------------|---------------------------|--------------------|-------------|------------------------|
|                                  |                  |                    |                  |                           | Mar 05 HY          | Sep 05 HY   |                        |
| Australian Banking               | 2.52%            | (3bps)             | 2.49%            | 160                       | 46%                | 50%         | 8bps                   |
| UK Banking                       | 3.68%            | 9bps)              | 3.77%            | 44                        | 17%                | 14%         | (10bps)                |
| New Zealand Banking              | 2.50%            | (14bps)            | 2.36%            | 33                        | 10%                | 10%         | 1bp                    |
| Institutional Markets & Services | 0.40%            | 1bp                | 0.41%            | 128                       | 43%                | 40%         | (1bp)                  |
| Other                            | (0.00)%          | (22bps)            | (0.22)%          | (45)                      | (16)%              | (14)%       | 3bps                   |
| <b>Group Impact</b>              | <b>2.19%</b>     |                    | <b>2.20%</b>     | <b>320</b>                | <b>100%</b>        | <b>100%</b> | <b>1bp</b>             |



**Banking net interest income reflects strong volume growth.**

[CHART]

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^ Excludes Irish Banks

**Banking other operating income\* up \$217m in the September 2005 half**

[CHART]

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\* Before significant items, Irish Banks and exchange rate effects

^ Excludes Irish Banks

FULL YEAR  
RESULTS 05

[LOGO]

## **Divisional Performance**

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**Australian banking net interest margin down 14bps in the September 2005 year**

[CHART]

[LOGO]

**Australian banking net interest margin down 3bps in the September 2005 half**

[CHART]

**Australian Banking: market share**

| Market share                                             | Sep 05 | Mar 05 | Sep 04 | Mar 04 | Rank at Sep 05* |
|----------------------------------------------------------|--------|--------|--------|--------|-----------------|
| Business Lending (incl Bills <sup>^</sup> ) <sup>+</sup> | 24.3%  | 22.9%  | 21.6%  | 22.0%  | #1              |
| Housing (incl Securitisation)                            | 16.7%  | 16.6%  | 16.5%  | 17.0%  | #2              |
| Credit Cards                                             | 15.4%  | 16.3%  | 16.7%  | 17.8%  | #4              |
| Business Deposits                                        | 26.9%  | 26.7%  | 27.8%  | 27.7%  | #1              |
| Household Deposits                                       | 13.3%  | 13.3%  | 13.4%  | 13.6%  | #3              |

---

+ Includes Institutional Markets & Services

<sup>^</sup> Excludes Bank Held Bills

\* Ranking among authorised banks

Source: APRA Monthly Banking Statistics / National (September 2005)

**Wealth Management Australia+ underlying cash earnings\* up 13.4% on the March 2005 half**

|                                                                                       | Sep 05<br>HY<br>\$m | Mar 05<br>HY<br>\$m | Mar 05 HY<br>% | Change on<br>Sep 04 FY<br>% |
|---------------------------------------------------------------------------------------|---------------------|---------------------|----------------|-----------------------------|
| Investments                                                                           | 105                 | 115                 | (8.7)          | 10.6                        |
| Insurance                                                                             | 85                  | 74                  | 14.9           | (3.6)                       |
| Other (incl. regulatory programs)                                                     | (37)                | (42)                | 11.9           | (25.4)                      |
| <b>Profit from operations (after tax)</b>                                             | <b>153</b>          | <b>147</b>          | <b>4.1</b>     | <b>(0.3)</b>                |
| Investment earnings shareholders retained profits & capital from life business (IORE) | 67                  | 47                  | 42.6           | 65.2                        |
| <b>Underlying operating profit after tax &amp; OEI</b>                                | <b>220</b>          | <b>194</b>          | <b>13.4</b>    | <b>11.9</b>                 |
| Prior year adjustments                                                                |                     |                     |                | large                       |
| <b>Cash earnings*</b>                                                                 | <b>220</b>          | <b>194</b>          | <b>13.4</b>    | <b>29.4</b>                 |
| <b>Revaluation profit/ (loss) after tax</b>                                           | <b>294</b>          | <b>51</b>           | <b>large</b>   | <b>large</b>                |

---

+ Includes Asian operations

\* Before significant items

**Wealth management revaluation profit**

[CHART]

|                                         |    |      |
|-----------------------------------------|----|------|
| Revaluation profit before tax:          | \$ | 335m |
| Tax (incl. Impact of tax consolidation) | \$ | 10m  |
| Revaluation profit after tax            | \$ | 345m |

Changes in  
Assumptions &  
Experience

Higher investment earnings generating higher FUM

Ongoing robust cost containment

Lower assumed margins for retail and corporate funds management products



**Wealth Management Australia market share**

**Masterfund market share plus flows**

[CHART]

**Insurance - Retail Risk Market Share**

[CHART]

Source: Plan for Life Australian Retail & Wholesale Investments Market Share & Dynamics Report as at 30 June 2005

**Wealth Management Australia inflows and attrition**

**Share of annual inflows**

[CHART]

**Attrition rate**

[CHART]

Source: Plan for Life Australian Retail & Wholesale Investments Market Share & Dynamics Report as at 30 June 2005

**UK banking ongoing operations<sup>^</sup> net interest margin down 14bps in the September 2005 half**

[CHART]

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<sup>^</sup> Excludes Irish Banks and UK National Custodian Services

**UK banking ongoing operations<sup>^</sup> net interest margin down 32bps in the September 2005 year**

[CHART]

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<sup>^</sup> Excludes Irish Banks and UK National Custodian Services

**New Zealand banking net interest margin down 14bps in the September 2005 half**

[CHART]

**New Zealand banking net interest margin down 18bps in the September 2005 year**

[CHART]

**Total IMS Return on Risk Weighted Assets<sup>+</sup> (RWA) and Total IMS External Assets Vs RWA**

[CHART]

Strong improvement in Return on Risk Weighted Assets

Reduction of \$565m (14.5%) in capital since September 2004 \*

Reduction of \$29Bn (23.2%) in External Assets since September 2004

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\* Based off the mid-point of the ACE target range

+ Excludes Irish Banks

FULL YEAR  
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[LOGO]

## Asset Quality

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**Non-accrual levels stable**

**Gross Non-Accrual Loans**

[CHART]

**90+ Delinquency and Gross 12 Month Rolling Write Off Rates Total Personal Lending**

[CHART]

[LOGO]

### Australian Housing metrics

#### Low Doc Loans

\$1.3bn outstanding

LVR capped at 60%

#### Inner City Apartments

\$2.0bn outstanding

90 days past due improving

#### Origination source

|             | Mar 05 | Sep 05 |
|-------------|--------|--------|
| Proprietary | 72%    | 70%    |
| Introducer  | 10%    | 12%    |
| Broker      | 18%    | 18%    |

**Housing Segmentation - Australia**

**Majority of growth attributable to owner occupied housing.**

**Housing portfolio segmentation  
for Australia March 2005**

[CHART]

**Housing portfolio segmentation  
for Australia September 2005**

[CHART]

FULL YEAR  
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[LOGO]

## Capital & Funding

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**Core capital movement**

**Movement in ACE ratio**

[CHART]

70

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FULL YEAR  
RESULTS 05

[LOGO]

## Other Matters

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**Pro-forma cash earnings under AIFRS**

|                                                                     | \$m          |
|---------------------------------------------------------------------|--------------|
| <b>Cash earnings under AGAAP for the year to 30 September 2005</b>  | <b>3,310</b> |
| Defined Pension benefits adjustment                                 | 36           |
| Share based payment expense                                         | (66)         |
| Wealth Management revenue and expense recognition                   | (12)         |
| Other                                                               | 24           |
| Tax effect impact                                                   | 10           |
| <b>*Cash earnings under AIFRS for the year to 30 September 2005</b> | <b>3,302</b> |

Indicative cash earning impact is a decrease of \$8m or 0.3%.

Excludes impact of IFRS standards applying from 1 October 2005 onward (refer next slide).

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\* Definition of AIFRS cash earnings under review

[LOGO]

**Pro- forma cash earnings under AIFRS**

Indicative impact of a reduction of \$8 million driven largely by recognition of expense for share based payments of \$66 million, offset by a decrease in pension expense of \$36 million, together with a number of other small adjustments.

These numbers will form the basis of comparatives within 2006 results.

Definition of AIFRS cash earnings under review. For the purposes of this slide this excludes the impact of Treasury shares (movement in value of Wealth Management trusts holdings in NAB own shares).

Excludes impact of AIFRS standards that do not apply until 1 October 2005 onwards.

Primary area of impact from 1 October 2005 is Financial Instruments standard AASB 139. This covers loan loss provisioning and hedging. This is likely to give rise to increased volatility in cash earnings going forward.



**Project / investment spend - IFRS and Basel II**

| <b>IFRS Project (\$m)</b>           | <b>Global/<br/>Aust</b> | <b>Wealth<br/>Management</b> | <b>Europe</b> | <b>NZ</b> | <b>Total</b> |
|-------------------------------------|-------------------------|------------------------------|---------------|-----------|--------------|
| Enabling Infrastructure             | 40                      | 2                            | 6             |           | 48           |
| Process Automation                  | 10                      |                              | 4             | 2         | 16           |
| Compliance Delivery                 | 33                      | 11                           | 18            | 3         | 65           |
| <b>Total Cash Budget</b>            | <b>83</b>               | <b>13</b>                    | <b>28</b>     | <b>5</b>  | <b>129</b>   |
| Operational Expense                 |                         |                              |               |           | 94           |
| Capital Budget                      |                         |                              |               |           | 35           |
| Cash spend to date (September 2005) |                         |                              |               |           | 120          |
| Estimated Completion                |                         |                              |               |           | Dec 05       |

| <b>Basel II and similar Projects (\$m)</b> | <b>Global/<br/>Aust</b> | <b>Wealth<br/>Management</b> | <b>Europe</b> | <b>NZ</b> | <b>Total</b> |
|--------------------------------------------|-------------------------|------------------------------|---------------|-----------|--------------|
| Enabling Infrastructure                    | 13                      |                              | 35            | 1         | 49           |
| Process Automation                         | 72                      | 1                            | 38            | 9         | 120          |
| Compliance Delivery                        | 89                      | 2                            | 20            | 3         | 114          |
| Other                                      | 22                      |                              |               |           | 22           |
| <b>Total Cash Budget</b>                   | <b>196</b>              | <b>3</b>                     | <b>93</b>     | <b>13</b> | <b>305*</b>  |
| Operational Expense                        |                         |                              |               |           | 223          |
| Capital Budget                             |                         |                              |               |           | 82           |
| Cash spend to date (September 2005)        |                         |                              |               |           | 193          |
| Estimated Completion                       |                         |                              |               |           | Dec 07       |

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\* Includes Risk Appetite work, internal model and Basel II Gap functionality

**Taxation**

|                                    | Potential<br>Amount in<br>Dispute | Status                    | Amount<br>Provided |
|------------------------------------|-----------------------------------|---------------------------|--------------------|
| TrUEPrs capital raising            | \$ 210 million                    | In-principle<br>agreement | \$ 96.5million     |
| ExCapscapital raising              | \$ 552 million*                   | In dispute                | \$ Nil             |
| NZ structured finance transactions | NZ\$ 533 million**                | In dispute                | \$ Nil             |

TrUEPrS tax dispute - in-principle agreement to settle with ATO for \$96.5 million

ExCaps remains in dispute confidence of legal merits of case reinforced by recent *Macquarie Finance* decision

NZ structured finance transactions remain in dispute underlying transactions have all terminated following legislative change effective 1 July 2005

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\* Includes primary tax, penalties and interest (net of tax)

\*\* Includes primary tax and interest (net of tax) but not the possible imposition of penalties

## **Economic Outlook**

The following slides contain forward looking statements. Refer to disclaimer on page 82

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**Global economy strong and only marginally weaker in 2006**

**World GDP Growth**

[CHART]

Global growth strong

Growth underpinned by US, China and India

Inflationary concerns remain

Upward bias on rate rises

European growth to remain sluggish

[LOGO]

## **Economic outlook**

### **Economic environment to soften in our key market:**

Overall, sustained income and credit growth, albeit at a bit slower. Slightly higher unemployment & inflation. Monetary conditions remain about neutral .

2005/06 GDP growth is forecast to be 3% in Australia, 2.5% in the UK & 2.2% in NZ

In Australia, some moderation in domestic activity (largely household spending) offset by a pick up in exports.

In NZ, domestic conditions are forecast to moderate significantly during the next year, due to tighter financial conditions & slower immigration.

In the UK, business activity is expected to ease back to trend reflecting some moderation in household spending & external demand.

**Sustained growth & low unemployment**

**Economic Growth & Unemployment**

**Australia**

[CHART]

**New Zealand**

[CHART]

**UK**

[CHART]

**Group - Asset Wtg**

[CHART]

**Credit growth to moderate slightly**

**System Credit Growth**

**Australia**

[CHART]

**New Zealand**

[CHART]

**UK**

[CHART]

**Group - Asset Wtg**

[CHART]

**Economic outlook estimates**

**Group Weighted Key Assets**

| Growth                 | Annual average % |      |      |
|------------------------|------------------|------|------|
|                        | 2005             | 2006 | 2007 |
| <b>Real GDP</b>        | 2.3              | 2.8  | 3.1  |
| <b>System Credit</b>   | 13.3             | 10.3 | 8.8  |
| <b>Housing Credit</b>  | 12.9             | 10.4 | 9.7  |
| <b>Other Personal</b>  | 11.4             | 9.7  | 9.2  |
| <b>Business Credit</b> | 12.0             | 8.8  | 5.6  |



**Macro risks to outlook estimates**

**Geo politics** - Both political, oil & trade tensions overhang the outlook.

**Unbalanced global growth** Much still depends on the US & Asia. Continental Europe continues to lag.

**Australia, New Zealand and UK household leverage** Increased household gearing, low savings and expensive housing leaves some consumers vulnerable to higher interest rates & sustained loss of jobs.

**Financial instability** As interest rates rise to more normal levels, some asset valuations may become volatile & lead to instability amongst investors and institutions.

**Oil prices** - Sustained high prices would prove a headwind to the global recovery under way.

**Bird flu** Likely to be contained, albeit watch for human pandemic.

## Disclaimer

This document is a presentation of general background information about the Group's activities current at the date of the presentation, 9 November, 2005. It is information in a summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and the US Private Securities Litigation Reform Act of 1995. The words anticipate, believe, expect, project, estimate, intend, should, could, may, target, plan and other similar expressions are intended to identify forward-looking statements. Indications of and guidance on future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. For further information relating to the identification of forward-looking statements and important factors that could cause actual results to differ materially from those projected in such statements, see Presentation of Information - Forward-Looking Statements and Risk Factors in the Group's Annual Report on Form 20-F filed with the US Securities & Exchange Commission.

**SIGNATURE PAGE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

**NATIONAL AUSTRALIA BANK LIMITED**

*/s/ Brendan T. Case*

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Date: 14 November 2005

*Brendan T. Case*  
Title: *Associate Company Secretary*

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