

NATIONAL AUSTRALIA BANK LTD  
Form 6-K  
March 16, 2005

FILE NO 1-9945

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON DC 20549

---

## 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 March 2005

## National Australia Bank Limited

ACN 004 044 937

(Registrant's Name)

Level 24

500 Bourke Street

MELBOURNE VICTORIA 3000

AUSTRALIA

Edgar Filing: NATIONAL AUSTRALIA BANK LTD - Form 6-K

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

---

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

**Searchable text section of graphics shown above**

---

**Citigroup Australia & NZ Investment Conference**

**NAB in the UK**

Lynne Peacock, CEO Europe

10 March 2005

[GRAPHIC]

[LOGO]

---

## National Australia Group Overview

## Key Comparative Data

## FY04

	NAB Group	UK
<b>Profit &amp; Loss</b>		
Net Interest Income (£m)	2,916	710
Total Income (£m)*	5,632	1,140
Profit before Tax (£m)	1,922	266
Profit after Tax (£m)**	1,288	188
Net interest margin (%)	2.35	2.41
<b>Key Operational Data</b>		
Customers (m)	10.7	2.7
Branches	1,579	460
Other outlets	639	50
FTEs	43,517	10,022

Source: NAB. Europe (excl. Ireland) is proforma for FY04

Exchange rate 0.4055

---

\*Total income includes net interest income, net life insurance income, other banking and financial services income, movement in the excess of net market value over net assets of life insurance, controlled entities and significant revenue

\*\*Represents net profit attributable to members of the company

## NAB in Europe

Good value acquisitions in the UK

Clydesdale, Northern & National Irish banks acquired in 1987 from Midland Bank (now HSBC)

Yorkshire acquired in 1990

Edgar Filing: NATIONAL AUSTRALIA BANK LTD - Form 6-K

Northern Bank and National Irish Banks sold in December 2004 and completed in February 2005

Proforma FY04 profit after tax (excluding Ireland) of c.£190 million

UK (excluding Ireland) contributed c.15% to NAB Group earnings in 2004

Portfolio Review

Europe Banks Portfolio Options

	Pros	Cons
<p><b>1. Retain All</b></p> <p style="padding-left: 40px;"><b>GB:</b></p> <p style="padding-left: 40px;"><b>Ireland:</b></p>	<p style="padding-left: 40px;">Regional coverage</p> <p style="padding-left: 40px;">Cost synergies from integration</p>	<p style="padding-left: 40px;">Complexity and delivery risk</p> <p style="padding-left: 40px;">Significant costs to implement compliance and infrastructure programs</p>
<p><b>2. Sell All</b></p> <p style="padding-left: 40px;"><b>GB:</b></p> <p style="padding-left: 40px;"><b>Ireland:</b></p>	<p style="padding-left: 40px;">Refocus on core Australian operations</p>	<p style="padding-left: 40px;">Not the highest value option</p> <p style="padding-left: 40px;">Removes exposure to larger and more stable growth of UK market</p> <p style="padding-left: 40px;">Makes any further international investment difficult</p>
<p><b>3. Shrink to Grow on a Single Franchise</b></p> <p style="padding-left: 40px;"><b>GB:</b></p> <p style="padding-left: 40px;"><b>Ireland:</b></p>	<p style="padding-left: 40px;">Reduces investment requirement and complexity</p> <p style="padding-left: 40px;">Reduced delivery risk profile</p>	<p style="padding-left: 40px;">Significant complexity to undo the existing CB/YB integration</p>
<p><b>= Retain</b>      <b>= Sell</b></p>		

Europe Banks  
Portfolio Options

Pros

Cons

4. Retain GB, Sell Irish

Greater management  
focus  
Ireland not central to new  
strategy  
GB market is attractive  
Highest value option

Separation and transitional  
arrangements add complexity in  
short term

GB:

Ireland:

= Retain

= Sell

Rationale for UK presence

**Key Comparative Data**

	<b>Australia</b>	<b>UK</b>
GDP 2003 (£bn)	307	929
Population (m)	20	60
Mortgages Outstanding (£bn)	194	882
Credit Cards Outstanding (£bn)	10	54
Other Personal Credit (incl. Personal Loans) (£bn)	24	129

Source: OECD, National Statistics, Bank of England

The UK market is very large

UK market supports multiple business model

Key differentiation for Group and diversity of income flows

The issues that we are addressing with our strategy are company specific, not market related

Background

**Key European Issues Early 2003**

Strategy, Leadership and Structure

Distribution

Products and Pricing

Infrastructure and Process

Cost Base

Strategy Summary

**2002**

**CB            YB**

**NB            NIB**

**Do what we do, but  
do it better**

**One efficient  
GB business**

**Do what we do, but  
do it better**

**Differentiated  
GB business**

**Playing a  
different game**

6

---

Summary of Our Approach

<b>Do What We Do But Do It Better</b>	<b>Impact</b>
Realignment of distribution footprint including small business	Volume growth above systems for most products in Retail
Increase capability of staff	Other Operating Income growth cross sale and fee collection
Simplified and reinvigorated product set	Margins in line with market
Refreshed brands and improved customer understanding	Costs reduce
Efficient back office	

**Playing a Different Game**

Focus on relationship managed integrated  
financial solutions for Business / Premium customers  
National IFS programme  
  
Third Party Distribution

**Impact IFS / Third Party**

Significant customer acquisition, asset and  
revenue growth, with Third Party supporting IFS  
  
Growth into new areas

Status Retail

**Results so far**

Increase in new customers and decrease in customer attrition

Increase in insurance cross sales

Increased variable pay

**Impact**

Above systems growth in core products

Further Increases in cross sales levels

Productivity improvements

Reduced cost to serve

**Work still to do**

Branch realignment

Transaction migration

Increase sales effectiveness

Rationalise and Align: CYB Product Portfolio

**2002 Product Set**

[CHART]

**Rationalised Product Set**

[CHART]

Status Products

**Results so far**

Products rationalised

Margins managed down

New products fit for purpose

Sale of National Australia Life / L&G alliance

**Impact**

Margin contraction to continue through current financial year

Volume growth to offset margin decline over time

Single and simple product set

**Work still to do**

Continue margin management

Further product rationalisation

Develop new products

Status Marketing

**Results so far**

Developed and rolled out National Leads  
Development of outbound call centre lead generation  
Introduction of CVM to improve customer understanding  
Brand revitalisation and brand values

**Impact**

Improved direct channel capability  
Improved customer acquisition and attrition  
Positive brand metrics  
Incremental lead generation

**Work still to do**

Improve customer understanding and analytics  
On-going brand reinvigoration  
Upgrade on-line channels  
Franchise marketing models for IFS centres allowing greater local control

Status Operations

**Results so far**

Legal entity merger  
Centralisation of processes and workload  
removal  
Selective outsourcing  
Technology Front End / platform upgrade

**Impact**

Improved processing efficiencies  
£60m in cost savings identified to date  
  
Increased flexibility  
Products quicker to market

**Work still to do**

Complete work on restructuring initiatives  
Complete CYB convergence  
Move to more variable cost basis  
Processes aligned across CYB from 17% to  
95%  
In branch processing reduced from 75% to  
<40% workload

Status IFS

**Results so far**

12 sites opened in the South East

Over 200 hires circa 65% external

Attractive incentive system

**Impact**

Payback timeframe for new sites circa 2 years

Expect PBT per new site of £4m per annum  
in steady state

Expect a significant improvement in  
converted sites

**Work still to do**

Development of another 20 sites in the South  
East

Complete retro-fitting of IFS into Clydesdale  
and Yorkshire Business Banking activities

Status Third Party Distribution

**Results so far**

Capability built

£125m business written in FY04 since launch in April 2004

**Impact**

Expect Third Party channel to contribute £800m + mortgage growth in current year

Well established channel with strong broker relationships

Key introduction source of premium customers to IFS

**Work still to do**

Increase volumes

Further development of products tailored for Third Party channel

Improved processing

Performance Outlook

Targeting return to sector growth rates and profitability

Facing headwinds from several issues in current year

Ongoing margin decline

Built in costs and ongoing investment

Early results are positive but 05 earnings are expected to show a decline on 04

2 to 3 year turnaround timeframe remains achievable

Further details on provisioning and costs saves to be provided in May

Summary

UK market is attractive

Developing business will create more value than selling

Why we will be successful

Leadership team with proven track record in UK market

Clear and differentiated strategy

Disclaimer

The preceding material is a presentation of general background information about the National's activities current at the date of the presentation, March 10, 2005. It is information given 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.

**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**

*Susan Crook*

Edgar Filing: NATIONAL AUSTRALIA BANK LTD - Form 6-K

Date: 11 March 2005

Title: *Associate Company Secretary*

---