

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

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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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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 |
|-----------------------------|-----------|--------|
| Profit & Loss | | |
| 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 |
| Key Operational Data | | |
| 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

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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>1. Retain All</p> <p style="padding-left: 40px;">GB:</p> <p style="padding-left: 40px;">Ireland:</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>2. Sell All</p> <p style="padding-left: 40px;">GB:</p> <p style="padding-left: 40px;">Ireland:</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>3. Shrink to Grow on a Single Franchise</p> <p style="padding-left: 40px;">GB:</p> <p style="padding-left: 40px;">Ireland:</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>= Retain = Sell</p> | | |

**Europe Banks
Portfolio Options**

4. Retain GB, Sell Irish

Pros

Cons

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

| | Australia | UK |
|----------------------------------------------------|------------------|-----------|
| 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

| Do What We Do But Do It Better | Impact |
|----------------------------------------------------------------|-------------------------------------------------------------|
| 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

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Date: 11 March 2005

Title: *Associate Company Secretary*
