

NATIONAL AUSTRALIA BANK LTD
Form 6-K
August 31, 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 August 2005

National Australia Bank Limited

ACN 004 044 937

(Registrant's Name)

Level 24
500 Bourke Street
MELBOURNE VICTORIA 3000
AUSTRALIA

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

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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

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

Brendan Case

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Date: 29 August 2005

Title: *Associate Company Secretary*

Institutional Markets & Services

National Australia Bank Limited

ABN 12004044937

ASX Announcement

500 Bourke Street

Melbourne

Victoria 3000 Australia

Melbourne, 29 August 2005

Institutional Markets & Services Briefing

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National Australia Bank's Executive General Manager, Institutional Markets & Services (IMS), Mr John Hooper, will this week update the investment community and media on the strategic focus and key initiatives for the IMS division.

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Attached is a copy of the presentation that will be the basis for discussions with the investment community. A copy is also available at www.nabgroup.com.

We are making good progress but we are in year one of a two to three year turnaround, he said.

Mr Hooper said the key issues for IMS are to:

simplify the business;

deliver sustainable revenue growth;

create the right environment for our people to excel; and

embed ownership of effective risk practices within Institutional Markets & Services

Mr Hooper reiterated the guidance provided at the half year results announcement that IMS is expecting flat half on half earnings for the year to 30 September 2005, and potentially lower earnings in 2006 as capital is released from the business.

For further information contact:

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Institutional Markets & Services
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Or visit www.nabgroup.com

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August 2005

Institutional Markets & Services

Overview and Update

John Hooper

Executive General Manager

[LOGO]

Overview of the IMS Business

Clients **Financial Institutions: Banks, Insurance, Fund Managers, Governments, and Corporates and Business Clients managed by other parts of the Group**

| Products | Debt Financing | Risk Management | Investment |
|--------------------------|--|--|---|
| | Syndications Debt Capital Markets Securitisation Project Finance Structured Finance Asset Finance Leveraged Finance Mezzanine Finance Corporate Lending* | Interest Rate Currency Commodity Equity Derivatives Credit Derivatives | Deposits/CDs/CP/Bills Bonds & ABS Mezzanine Structured Property Private Equity Capital Protection Structured Credit Alternative Investment |
| Services | Portfolio Management Marketing & Communications Technology | People & Culture Operations Program Office | Finance and Risk Management Quantitative Services Client Business Services |
| What's out of IMS | Trade Finance | Transactional Banking | Custodian Services |

Note: *In Australia, Corporate Lending is to the Top 500 Corporates with an annual turnover greater than \$350M

The issues IMS faced can be grouped into four core themes

Business
Inefficiency

People

Unsustainable
revenue growth

Ineffective risk
Practices

IMS focus was on risk capital at the expense of actual capital

| | FY 2001[^] | FY 2002[^] | FY 2003 | FY 2004 |
|---|----------------------------|----------------------------|----------------|----------------|
| Net Operating Income | ~A\$1,820m | ~A\$1,810m | A\$1,782m | A\$1,484m |
| Operating Expenses | ~A\$650m | ~A\$660m | A\$643m | A\$705m |
| Net Profit after Tax | ~A\$700m | ~A\$790m | A\$840m | A\$558m |
| Average Interest Earning Assets - External | ~A\$92b | ~A\$101b | A\$104.5b | A\$96.8b |
| Staff Numbers (Spot)* | ~1,950 | ~1,900 | 1,904 | 2,073 |

[^]2001 and 2002 not comparable to 2003 and 2004. These are indicative numbers adjusted to reflect current operating model

Note: Operating Expenses exclude Bⅅ Net Profit After Tax is before significant items and after Outside Equity Interests; *Full Time Equivalent Employees

c.70% of IMS contribution is from Australia and NZ with less than 50% of the capital deployed

**Regional profit contribution and capital usage
as at 30 Sep 2004**

[CHART]

5

c.60% of IMS revenue comes from Australia and NZ

Revenue by Product
(September 2004)

[CHART]

Revenue by Region
(September 2004)

[CHART]

FI = Financial Institutions

CL = Corporate Lending

Note: Corporate Lending income, expenses and NPAT are booked in IMS as the product provider of the Corporate Lending product; Corporate Lending relationship management in Australia resides within the Australian region

The issues IMS faced can be grouped into four core themes

Business inefficiency

Risk capital focus (EVA / RAROC) at expense of actual capital

Unsustainable revenue growth

Declining margins in volume products
High reliance on one-off fees and peaks in non-sustainable income streams

People

Key senior management changes
Lack of clear accountability

Ineffective risk practices

Ineffective engagement between the business and Risk

IMS is creating a competitive growth platform

Focus on key segments across core markets Australia, New Zealand and UK