

NATIONAL AUSTRALIA BANK LTD
Form 6-K
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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 November 2005

National Australia Bank Limited

ACN 004 044 937

(Registrant's Name)

Level 24

500 Bourke Street

MELBOURNE VICTORIA 3000

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AUSTRALIA

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



Appendix 4E

National Australia Bank Limited

Preliminary final consolidated report

Financial year ended September 30, 2005

National Australia Bank Limited ABN 12 004 044 937 (the **Company**)

A reference in this Appendix 4E to the **Group** is a reference to the **Company** and its controlled entities.

This preliminary final report is given to Australian Stock Exchange Limited (ASX) under Listing Rule 4.3A.

All currency amounts are expressed in Australian dollars unless otherwise stated.

References in this document to 2005 are references to the **Company**'s financial year ended September 30, 2005.

Other financial years are referred to in a corresponding manner.

Results for announcement to the market

Reporting period

12 months ended on September 30, 2005

Previous corresponding period

12 months ended on September 30, 2004

				2005 \$m
Revenue from ordinary activities	up	23.9%	to	37,406
Profit from ordinary activities after tax attributable to members of the Company	up	30.1%	to	4,132
Net profit attributable to members of the Company	up	30.1%	to	4,132

Dividends

	Amount per share	Franked amount per share
Final dividend	83 cents	80%
Interim dividend	83 cents	80%
Record date for determining entitlements to the final dividend		November 25, 2005

Performance has been impacted by a range of factors and a number of significant items including the net profit on the sale of Northern Bank Limited and National Irish Bank Limited (the Irish Banks) and restructuring expenses.

The increase in revenue from ordinary activities includes the proceeds from the sale of the Irish Banks of \$2,493 million and strong growth in investment revenue for Wealth Management, partly offset by the proceeds from the sale of strategic shareholdings in the prior corresponding period of \$993 million.

For further details refer to the Management Discussion and Analysis on page 4.

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Management discussion & analysis**Performance summary**

	September 30 2005 \$m	Year to September 30 2004 \$m
Net profit attributable to members of the Company	4,132	3,177
Net profit attributable to outside equity interest	610	374
Net profit	4,742	3,551
Adjust for significant items:		
Significant revenue	(2,493)	(993)
Significant expenses	2,209	1,675
Attributable income tax benefit	(87)	(298)
Significant (profit)/loss after tax	(371)	384
Net profit before significant items	4,371	3,935
Net profit attributable to members of the Company	4,132	3,177
Adjust for:		
Distributions	(204)	(187)
Significant (profit)/loss after tax	(371)	384
Movement in the excess of net market value over net assets of life insurance controlled entities	(335)	137
Attributable income tax benefit	(10)	(153)
Amortisation of goodwill	98	103
Cash earnings before significant items	3,310	3,461

Cash earnings is a key performance measure and financial target used by the Group. Dividends paid by the Group are based on after-tax cash earnings (excluding significant items). Cash earnings is a key performance measure used by the investment community, as well as by those Australian peers of the Group with a similar business portfolio. Management considers that the exclusion of the intangible and other items detailed above from net profit is a prudent and useful indicator of the Group's underlying operating performance. Cash earnings does not refer to, or in any way purport to represent the cash flows, funding or liquidity position of the Group. It does not refer to any amount represented on a Statement of Cash Flows.

Review of operations

Net profit attributable to members of the Company of \$4,132 million in 2005, increased \$955 million or 30.1% compared with 2004. Net profit of \$4,742 million in 2005, increased \$1,191 million or 33.5% compared with 2004.

Significant items are those individually significant items included in net profit. The current year result includes the following after-tax significant items:

net profit of \$1,043 million on the sale of Northern Bank Limited and National Irish Bank Limited (the Irish Banks);

restructuring costs of \$606 million;

provision for settlement of tax dispute on TrUEPrSSM of \$97 million;
reversal of a provision in relation to foreign currency options trading losses of \$24 million; and
reversal of prior year restructuring provisions of \$7 million.

The 2004 year result included the following after-tax significant items:

\$315 million profit relating to the sale of strategic shareholdings in St George Bank Limited, AMP Limited and HHG Plc.;

\$307 million write-down of impaired application software;

\$252 million loss attributable to foreign currency options trading losses;

\$204 million charge to provide for doubtful debts as a result of a revision of an accounting estimate; and

\$64 million profit from the writeback of a provision for SR Investment, Inc. (the parent entity of HomeSide Lending, Inc.) in respect of selling-related costs.

Net profit before significant items of \$4,371 million in 2005, increased \$436 million or 11.1% compared with 2004. Cash earnings (before significant items) of \$3,310 million in 2005, decreased \$151 million or 4.4% compared with 2004.

Net interest income of \$7,082 million in 2005, was \$109 million or 1.5% lower than 2004, reflecting a decline in margins in all regions and the impact of the sale of the Irish Banks on February 28, 2005. The decrease in the net interest margin from 2.35% to 2.20% for the Group was partly offset by underlying volume growth.

Net life insurance income increased by \$660 million from \$1,012 million in 2004 to \$1,672 million in 2005. This was driven by an increase in investment earnings resulting from continued strong performance in global equity markets and favourable claims experience, partly offset by a decrease in premium revenue.

Other banking and financial services income of \$5,102 million in 2005, was \$271 million or 5.6% higher than 2004. This outcome reflects:

proceeds from sale of part of the Clydesdale Bank head office building in September 2005;

growth in loans fees from banking, reflecting bill fee growth in Australia and the impact of growth from introduction of the third party distribution channels and expansion of Integrated Financial Solutions in the UK;

growth in trading income from foreign exchange and interest rate derivatives;

growth in other income relating to transitional service income from Danske Bank A/S connected to the sale of the Irish Banks;

growth in management fee income in Wealth Management; partly offset by

the impact of the sale of the UK custodian business to the Bank of New York in September 2004.

The movement in the excess of net market value over net assets of life insurance controlled entities was a profit of \$335 million in 2005, an increase of \$472 million from 2004, impacted by the effect of assumption and experience changes underlying the valuation. The favourable impact from the change in assumptions and experience is due to:

growth in market value after allowing for changes in shareholder net assets driven by anticipated growth in market values utilising the assumptions adopted at the previous valuation (\$321 million); and

changes to assumptions/experience since the previous valuation (\$56 million) reflecting the positive impact from higher than expected investment earnings and ongoing expense control, partly offset by the impact of lower assumed margins for retail and corporate funds management products.

Personnel, occupancy and general expenses of \$7,304 million in 2005, were \$492 million or 7.2% higher than 2004. This outcome reflects:

growth in personnel expenses (excluding superannuation) reflecting higher annual salaries net of a reduction in average staff numbers, and higher performance-based remuneration in the 2005 year;

higher superannuation expenses due to a superannuation contribution holiday in Australia having reduced the prior year pension fund expense;

higher occupancy costs as a result of the full occupation of the second Docklands building in Melbourne;

higher general costs of \$56 million associated with the Northern Bank Limited robbery in December 2004 and costs of \$49 million awarded against the Group associated with the outcome of a legal action in South Korea; and

an increase of \$98 million in the charge to provide for non-lending losses primarily reflecting costs relating to fee refunds for the Choice package, BAD tax and fixed rate interest only loans.

The charge to provide for doubtful debts of \$534 million in 2005, was \$25 million or 4.5% lower than 2004, reflecting a continued focus on credit quality across the business in conjunction with stable market conditions.

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Income tax expense relating to ordinary activities of \$1,797 million in 2005, was \$607 million or 51.0% higher than 2004, reflecting higher profits before tax and increased tax expense attributable to the statutory funds of the life insurance business. In addition, in 2005, income tax expense has been favourably impacted by a once-off tax benefit in relation to the non-assessable profit on the sale of Irish Banks of \$289 million and non assessable income of \$110 million relating to wealth management revaluation income, partly offset by the significant income tax item in respect of the provision for settlement of a tax dispute with the Australian Taxation Office of \$97 million in respect of the TrUEPrSSM tax matter. Income tax expense is also impacted by wealth management products and international activities, to which a wide range of tax rates are applied.

A more detailed discussion of the results is set out in the 2005 full year results announcement.

Segment information

A detailed discussion of segment information is set out in the 2005 full year results announcement.

Shareholder returns

Note	September 30 2005 Cents	Year to	September 30 2004 Cents
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