

NATIONAL AUSTRALIA BANK LTD
Form 6-K
May 15, 2006

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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 May 2006

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

National Australia Bank Limited ABN 12 004 044 937

This document does not purport to be or contain the Group's financial report or financial statements. For the Group's financial report and financial statements for the six months ended 31 March 2006 refer to the Group's Appendix 4D filed with the ASX.

Results for announcement to the market

Reporting period

6 months ended 31 March 2006

Previous corresponding period

6 months ended 31 March 2005

				March 31 2006 \$m
Revenue	up	7.5%	to	20,309
Profit after tax attributable to members of the Company	down	27.7%	to	1,994
Net profit attributable to members of the Company	down	27.7%	to	1,994

Dividends

	Amount per share	Franked amount per share
Interim dividend	83 cents	80.0%
Previous corresponding period	83 cents	80.0%
Record date for determining entitlements to the interim dividend		June 8, 2006

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Financial Highlights***Cash earnings before significant items (\$m)**

Mar 06	Half Year to Sep 05	Mar 05	Sep 05	% Change on Mar 05
1,840	1,601	1,652	+14.9	+11.4

Net profit attributable to members of the company (\$m)

Mar 06	Half Year to Sep 05	Mar 05	Sep 05	% Change on Mar 05
1,994	1,234	2,758	+61.6	-27.7

Net profit included large significant items in each half year. These included income from the sale of the Irish banks (Mar 05), the cost of restructuring provisions (Mar 05 and Sep 05) and income arising from United Kingdom pensions reforms (Mar 06).

Net profit before significant items of \$1.76 billion was 3.6% higher than the March 2005 half year and 9.2% above the September 2005 half year.

Dividend

The interim dividend is steady at 83 cents and will be 80% franked.

Diluted cash earnings per share (before significant items)

114.5 cents compared with 105.0 cents in the March 2005 half year.

Cash earnings on average equity (before significant items)

17.4% compared with 16.0% in the March 2005 half year.

Total capital ratio

10.73% compared with 11.37% at 31 March 2005.

Net interest margin

2.31% compared with 2.12% in the March 2005 half year.

Cost to income ratio (banking)

55.6% compared with 58.6% in the March 2005 half year.

*Prior period numbers have been adjusted for Australian International Financial Reporting Standards.

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ASX Announcement

Thursday, 11 May 2006

National Australia Bank Increases Cash Earnings by 11.4%

National Australia Bank Group Chief Executive Officer, John Stewart, said the March 2006 half year results shows the National Australia Bank is delivering on its promises.

Cash earnings before significant items were 11.4% higher than the March 2005 half year and 14.9% above the September 2005 half year.

Reflecting the large one-off items in each half year, net profit after significant items fell by 27.7% to \$1.99 billion compared with the March 2005 half year. Net profit increased by 61.6% compared with the September 2005 half year.

The improvement in cash earnings in the United Kingdom by Clydesdale and Yorkshire banks was the highlight of an across-the-board improvement in cash earnings compared with the September 2005 half year, he said.

The progress in the last six months shows our businesses are building momentum but much still remains to be done.

We continue to be focussed on the four areas of culture change, compliance and risk, business efficiency and revenue growth, he said.

Key Performance Measures

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Net operating income increased by 10.9% to \$7.69 billion compared with the March 2005 half year and was 1.5% higher than the September 2005 half year.

Operating expenses, excluding the charge to provide for doubtful debts and significant items, showed a marginal increase to \$3.93 billion from \$3.90 billion in the March 2005 half year and fell 3.9% compared with the September 2005 half year.

Total lending increased by 17.1% to \$322 billion compared with the March 2005 half year and was up 8.2% on the September 2005 half year (excluding foreign exchange impacts).

The overall net interest margin improved 0.19% to 2.31% compared with 2.12% in the March half year. The net interest margin was up 0.17% on the September 2005 half year.

Non-accrual loans as a proportion of the portfolio fell to 0.30%, down from 0.40% in the March 2005 half year and 0.34% in the September 2005 half year.

We continue to monitor asset quality closely but the overall improvement demonstrates no serious credit issues have emerged, Mr Stewart said.

Regional Business Commentary

Australia

Cash earnings increased 8.5% compared with the September 2005 half year reflecting strong expense management and revenue growth, in both banking and wealth management.

The solid overall performance by the Australian region was underpinned by volume growth balanced with careful margin management. Total banking expenses declined by 0.7% compared with the September 2005 half year.

Banking revenue increased by 8.2% compared with the March 2005 half year.

Asset quality remains strong with the ratio of gross non-accrual loans to gross loans and acceptances steady at 0.22%.

The iSaver and Business Cash Maximiser products were central to better than industry growth rate in deposits.

Business lending growth was also ahead of the industry growth rate.

The Australian bank business created a new brand which received extensive exposure as part of the sponsorship of the recent Melbourne 2006 Commonwealth Games.

The National Australia Bank won the Money Magazine/Cannex Bank of the Year for 2006 award and achieved the largest improvement in customer satisfaction ratings among the major banks according to March 2006 Roy Morgan Research.

Cash earnings in wealth management, excluding the loss of transitional tax relief and the introduction of AIFRS, increased by 14.5% on the September 2005 half, with operating expenses falling 3.7%.