

Wednesday, 15 October 2014

NAB prices Great Western Bank IPO

National Australia Bank (NAB) has announced the final pricing of the initial public offering (IPO) of its US-based subsidiary Great Western Bank (GWB).

The offer comprises 16 million shares or 27.6% of GWB's outstanding common stock at a price of US\$18 per share. Gross proceeds realised by NAB will be US\$288 million.

NAB has also granted the underwriters a 30-day option to purchase up to an additional 2.4 million shares of GWB's common stock. If the underwriters' option is exercised in full, the total offer would comprise 18.4 million shares or 31.8% of GWB's outstanding common stock and the gross proceeds realised by NAB would be US\$331 million.

After the completion of this offering NAB will beneficially own 72.4% of GWB's outstanding common stock (or 68.2% if the underwriters' option is exercised in full).

NAB Group Chief Executive Officer Andrew Thorburn said: "Today is an important step in the next stage of our strategy in focusing on building a stronger core Australian and New Zealand franchise.

"While the price is lower than expectations the IPO had strong demand despite the recent volatility in the US equities market. Pleasingly the deal attracted strong representation from a broad range of quality investors with the book well covered. We are now on our way towards executing our plan to sell 100% of GWB."

GWB's common stock is expected to begin trading on the New York Stock Exchange (NYSE) on 15 October 2014 US time, under the ticker symbol 'GWB'.

As announced on 29 August 2014, NAB plans to sell 100% of its ownership of GWB over time, subject to market conditions. The timing of subsequent sales of GWB shares is unknown and is subject to customary sale restrictions in the US, including an initial 180-day lock-up period.

The progressive sale of GWB is expected to increase the Group's Common Equity Tier 1 capital ratio, however the recognition and timing of this benefit remains subject to APRA's determination.

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About Great Western Bank

Great Western Bank is a full-service regional bank focused on relationship-based business and agribusiness banking. The bank services its customers through 162 branches in seven states: South Dakota, Iowa, Nebraska, Colorado, Arizona, Kansas and Missouri.