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ASX Announcement

NAB completes 100% divestment of Great Western Bank

National Australia Bank (NAB) has completed the full divestment of Great Western Bancorp, Inc. (NYSE: GWB), following the sale of 16,486,114, shares or approximately 28.5% of GWB common stock¹.

NAB Group Chief Executive Officer Andrew Thorburn said selling down NAB's remaining GWB stake is a major step in the next stage of its strategy.

"We have successfully executed our strategy to exit Great Western Bank, which will give us the opportunity to continue to refocus on building a stronger core Australian and New Zealand business. Having a clear focus on our Australian and New Zealand business will allow us to invest in our priority segments, to deliver a better experience for customers and improved returns to shareholders," Mr Thorburn said.

Net proceeds from the full sale of GWB will total approximately A\$1.464 billion, representing a A\$396 million loss relative to GWB's book value. A\$329 million of this loss from the initial public offering and second offering were treated as equity transactions and, consistent with relevant accounting standards, recognised in retained earnings in the period of the transactions. The final offering is expected to incur a A\$67 million loss on sale in the September 2015 full year accounts which will be reported as a discontinued business outside of cash earnings.

Full divestment of all common shares in GWB is expected to increase the Group's Common Equity Tier 1 ratio (CET1 ratio) by approximately 34 basis points and is broadly consistent with estimates provided at the 1H15 result for achieving a pro forma CET1 ratio of approximately 10%. The benefit will arise when NAB no longer controls GWB for US bank regulatory purposes which NAB are in the process of confirming².

For further information:

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¹ Subject to settlement of the secondary offering, underwriters' option of 1,256,327 shares and US\$60 million share repurchase by GWB.

² 'Loss of control' is determined in accordance with the US Bank Holding Company Act of 1956, and subject to further discussions with the Federal Reserve. For further information see S-1 filed 16 July 2015.