

ASX ANNOUNCEMENT

Friday 29 August 2014

NAB initiates sale of Great Western Bank via IPO

National Australia Bank (NAB) announced it intends to sell a minority stake in its US-based subsidiary Great Western Bank (GWB) through an initial public offering (IPO) of shares in the US.

It is customary in the US to sell a minority stake initially if exiting a business via the public markets.

NAB plans to sell 100% of its ownership of GWB over time, subject to market conditions.

It is anticipated that the IPO will launch in the 4th quarter of the 2014 calendar year, with the relevant dates, pricing and volume information, and the related NAB Group financial impacts to be available around the time of launch.

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.

NAB Group Chief Executive Officer Andrew Thorburn said plans to sell Great Western Bank were consistent with NAB's strategy to focus on its core franchises in Australia and New Zealand.

"We have been clear that our strategic direction is to concentrate on building a stronger core Australian and New Zealand business and improving the experience for our customers. The IPO of the US-based Great Western Bank provides us with the opportunity to further focus our attention on our core business," Mr Thorburn said.

"As we continue to strengthen our core Australian and New Zealand franchises we've made the decision that now is the right time for a staged sale of Great Western Bank."

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 is subject to APRA's determination.

Completion of the IPO remains subject to a range of conditions.

Deutsche Bank Securities and BofA Merrill Lynch are acting as joint book-running managers and underwriters.

The registration statement and prospectus (Form S-1) outlining the terms of the IPO has been publicly filed with the US Securities and Exchange Commission (SEC). The Form S-1 has not yet become effective, and no securities may be sold, nor may offers to buy be accepted, prior to the time the Form S-1 becomes effective. This media release shall not constitute an offer to sell, or the solicitation of an offer to buy, these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

For further information:

Media

Brian Walsh

M: +61 (0) 411227 585

Emily Ritchie

M: +61 (0) 477389438

Investor Relations

Ross Brown

M: +61 (0) 477 302 010

Belinda Bowman

M: +61 (0) 416752 597

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.