

TWO ROADS
DIVERGED IN A
WOOD, AND I,
I TOOK THE ONE
LESS TRAVELED
BY, AND THAT
HAS MADE ALL
THE DIFFERENCE

The road to success.

Annual Report 2011



Great Western Bank[®]

Making Life Great[®]

Member FDIC

The road to success.

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TO OUR SHAREHOLDERS AND CUSTOMERS OF GREAT WESTERN BANK

Taking outstanding care of our customers means setting Great Expectations for ourselves.

The road to success is a path we want every one of our customers to travel. The current economic climate has not made this easy, but we are up to the challenge. We have succeeded in growing our core loan portfolio and are eager to assist our customers to be successful.

We are a strong bank and remain true to our roots: prudent, reliable banking practices backed by a solid financial network. Our parent company, National Australia Bank, continues to be a strong presence in the global financial industry. They were recently ranked as one of the world's 50 Safest Banks by Global Finance Magazine.

I am pleased to introduce our new Mission, Vision and Values of Great Western Bank. They stand for who we are as an organization and how we work to Make Life Great for our customers. Over the years, we've adjusted our Mission and Vision slightly. Our strategy may change over time to meet the needs of the business and adjust for market conditions but our Vision and the message around it remains the same.

I am proud of the employees of Great Western Bank. They strive to provide exceptional service for our customers, sometimes in the face of adversity. For example, we had several branches affected by the devastating Missouri River flood. Some of our employees suffered personal losses, but they continued to work hard to negate the impact to the customer. It's this commitment to our customers that truly makes us great.

On behalf of Great Western Bank, I want to thank our customers, employees and shareholders for another exceptional year. I look forward to navigating the road to success with our customers in 2012.



Ken Karels
President & Chief Executive Officer



Ken Karels
President & CEO
Great Western Bank

Ken is entering his second year as President and CEO of Great Western Bank and is responsible for Making Life Great in nearly 200 locations. Ken brings 35 years of experience in the financial industry to the bank. He leads by example and encourages employees to incorporate our Mission, Vision and Values into their daily work at the bank. Ken currently is a Board Member of SDBA and is actively involved in other groups in his community. Outside of the office, Ken enjoys time with his wife, children and grandchildren.

O'Neill, NE

Jack and Janice Welch have the kind of work ethic and values the Midwest is famous for. They take pride in their work, their home and where they bank. It's this common belief that has formed the basis for a strong working relationship with Great Western Bank.

Their farm is more than just a business; it's a part of their heritage. William and Ellen Dufek (Jack's parents) started the farming operation located northeast of O'Neill and then formed a partnership with Jack and Janice in 1962. And just like family, the Welchs count on Great Western Bank to be there when they need them.

The road to the Welch farm and homestead is a road that Kirk Cisler, Market President in O'Neill, knows very well. Kirk has known Jack and Janice since 1984 and had been calling on them as potential customers for years. That persistence finally paid off in 2007 when the Welchs moved all of their accounts to Great Western Bank.

"We hold our customer appreciation event around Christmas time and I invited Jack and Janice. They were impressed the first time they came and saw the caliber of people we count as customers. I know that other people coming to our events now think the same thing about them," said Kirk.

Jack stated, "Our previous bank was family-owned. We banked there for over 60 years. After it was sold, we decided to change banks. It's been a win-win situation. Great Western Bank has great service and great people." Janice added, "The guidelines they have in place have given us financial direction. That's been extremely helpful. I am confident in their financial abilities."

Jack and Janice are also great advocates of the bank, often making referrals and telling others how their experience has benefitted them personally and their business. "We tell people Great Western Bank is a great lending institution. They can fit anyone's financial needs and they have a great reputation."

Kirk sums up the relationship by saying, "You need a partner and a neighbor when you work with agribusiness. Part of being a true ag lender means you are available to your customers. We have to work with our customers, especially when unexpected events come up. Jack and Janice and I are from the same generation; we understand what real values are all about."



"I tell people Great Western Bank is a great lending institution. They can accommodate anyone's financial needs and they have a great reputation." **Jack Welch**



Leon, IA

The road into Leon takes you past cornfields and farm houses. Exactly what you'd expect from a small Midwestern town. But Leon also holds a little of the unexpected. A short drive into the country brings you to Hassevoort Farms.

Kevin and Liza Hassevoort are at the forefront of aquaponics, a sustainable growing method involving the cultivation of plants using nutrient-rich fish waste water. The Hassevoorts grow vegetables and flowers in their greenhouses. They also raise tilapia, which they sell at the Des Moines Downtown Farmers Market.

Kevin and Liza approached Great Western Bank three years ago about moving their business banking from a previous bank. Keeping their business local was a big part of their decision. "John Henderson, our banker, is local and we know all the staff when we come to the bank," Kevin stated.

"We know everyone that works there on a first-name basis. We have a great relationship with John and the rest of the staff. It just works," said Liza.

At Great Western Bank, we strive to provide our customers the latest banking technology, from Online Banking to Remote Deposit Capture for business customers, while still giving them the friendly customer service and attention to detail rarely experienced in large banks today.

"John has come out to our farm to do our banking because there are times when the business doesn't allow us to come into town. We appreciate the attention to service that John gives us. John caters to our needs."

Great Western Bank is helping customers reach their financial goals by building deep relationships and understanding their needs. Customers benefit from our years of banking experience and the ability to make decisions locally.



"Great Western Bank is small and local, but large enough to offer the latest banking services." **Liza Hassevoort**



Liza and Kevin Hassevoort with John Henderson





Brad Schrock and Chris Trainer with Rick Poccia

Kansas City, MO

360 Architecture, located at the crossroads of the country in Kansas City, is an innovative architecture firm. Their designs span project types, from international sports stadiums to corporate office/mixed use. It's this experience and dedication that makes them a leader in the architectural design industry and has grown the firm to a staff of more than 100.

"Great Western Bank grew just like 360 Architecture: home grown, entrepreneurially founded and both companies have gone through slow but successful growth," said Chris Trainer, 360 Architecture CFO.

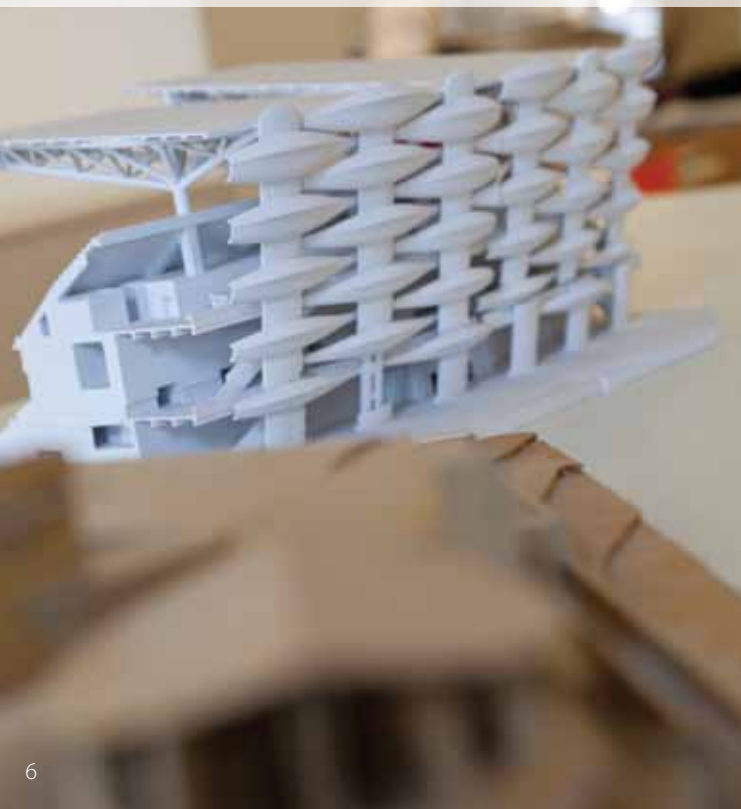
The unique relationship between 360 Architecture and Rick Poccia, Group President in Kansas City, began nearly 20 years ago. When Rick made the decision to move to Great Western Bank, 360 Architecture followed without hesitation. And neither has looked back since. "We would not have found Great Western Bank if Rick had not gone there. We realized that if they were smart enough to pursue and hire Rick, then that's where we wanted to be also."

Rick believes this relationship is an opportunity to offer the highest level of customer service to his customer. "I get to feel like I'm a part of the company and help contribute to their success." Rick is often invited to strategize on projects, providing input from a banker's perspective.

"We bring Great Western Bank to the table and ask them to help us strategize on our projects. As a strategic partner, the bank is sophisticated enough and personalized enough to basically be a member of the firm," stated Chris.

As 360 Architecture has grown and expanded into overseas projects, Great Western Bank has been presented the opportunity to show just how a Midwestern bank has global reach. Our parent company, National Australia Bank, provides international assurance as we grow and have clients working on overseas projects. "The bank is large enough to go wherever we need to go. As we work locally, nationally and abroad, we know that we have the ability to complete any projects we come up against."

"Previous banks we worked with were internally focused and process driven. Great Western Bank is relationship focused."
Chris Trainer, CFO, 360 Architecture



Sioux Falls, SD

Josephine's is the premier floral design studio in Sioux Falls. Founded by Jo Schallenkamp over 20 years ago, Josephine's has built a loyal following among its customers. Her studio is located in the historic 8th & Railroad Center in the heart of Sioux Falls.

After having the best business year in her studio's history, Jo needed help making better use of her cash flow. She made the decision to move to Great Western Bank after speaking with Toni Cranny, a frequent customer who just happens to be the Vice President of Marketing. "Toni Cranny played a big part in my decision. I was watching people that I respected and where they bank. Great Western Bank kept coming up. Toni is a customer of mine and I knew she had just started working for the bank. I saw Toni walking downtown one day and decided to call her. She instantly set up a lunch meeting to introduce me to Todd [Schwartz, South Dakota Regional President] and James [Lee, Business Banker]. I felt they were excited to meet me. That made me feel good to know they were interested. It was a very personal decision. The decision felt like the right thing and I feel very much at ease banking here."

The relationship quickly turned from just banking to financial advice and guidance. Jo received the kind of personal attention from her banker, James, that she thought wasn't possible with a bank our size. "It's a very personal thing... it became more than numbers, it became advice for a better way to do things."

Jo's decision to move to Great Western Bank was solidified during her first financial meeting with the bank. "It was the first time in a long time that I was not treated as a "girl." It's very personal to lay all of your finances on the table. I did not feel judged or uncomfortable. They just helped me figure it out. There is a difference when you're a woman in business. I didn't feel treated any differently here."

Jo's appreciation extends beyond her business ventures; she has made several referrals to the bank. Our personalized financial solutions and service ensure that businesses of any size – from small, self-employed individuals to large commercial enterprises – have the opportunities to succeed in today's economy.



Jo Schallenkamp and James Lee



"I have encouraged other people to at least come and talk to Great Western Bank. I have nothing but good things to say about Great Western Bank."

Jo Schallenkamp, Josephine's

Casa Grande, AZ

Jim and Sharon Shedd have been farming for over fifty years. They know a thing or two about hard work and what it takes to be successful. They see those same qualities in Great Western Bank and their banker, Terry Strain.


The road to success for Jim and Sharon started in 1963, when they formed a banking relationship with Margaret Cummings. The Shedd's continued to bank with Margaret when Great Western Bank acquired Sunstate Bank in 2007. Eventually the relationship transitioned to Terry Strain, Business Banking Vice President.

Terry discovered the Shedd's had accounts with multiple banks and started working with them to bring all of their accounts to Great Western Bank. The Shedd's were concerned about FDIC coverage and were hesitant to move everything to one bank.

Over the years, Terry worked closely with Jim and Sharon to strategically structure their accounts for the maximum FDIC coverage. Gradually, they moved accounts away from several large regional and national banks to Great Western Bank.

"Jim and Sharon are confident that we can handle their accounts and manage their financial goals," said Terry. "They like that they can call me anytime and that the branch is only 10 miles from their farm."

"What I look for in a bank is their commitment to personal success, for both their customers and their employees. Great Western Bank has helped us be successful with the farm. Because of that, we know we are leaving a strong, secure business operation for our family to one day take over. I get a great deal of peace of mind knowing that," stated Jim.



"I appreciate being able to call the bank and speak to a real person. I don't want to speak to a computer; I want to work with someone who understands me and my business."

Sharon Shedd



Agribusiness

Revier Cattle Company is at the forefront of changing how the beef cattle industry manages production and its impact on the environment. Tom has two new 100,000 square foot buildings currently under construction; both have incorporated several new technologies for the beef cattle industry. By housing the cattle entirely under roof, weather risks are eliminated. Side curtains and open-ridge ventilation in the roof allow for natural wind flow and cooling in the summer. Both buildings utilize an under-the-slat flush flume manure handling system which Revier will incorporate with their current manure production. This will create two very consistent end-products: liquid form and separated solid. This system allows for a higher value product.

Getting to this point has been a long road for Tom, made all the more complicated by the financial crisis in 2008 and the necessity to bank at several small banks. "Up until the fall of 2008, my banking was uneventful. We had our project that we wanted to grow with and it was on track. The financial crisis caused my project to suddenly come to a stop. I was referred by a friend to Rich Bures at Great Western Bank. Rich knew that we wanted to get this project done and off the ground. He told me that it was going to happen, but we needed to be patient and work through everything to ensure its success."

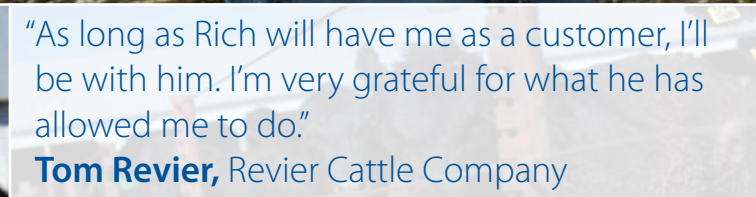
Rich and Tom were able to sit down and map out the long-term financial goals of the company, taking into account the large construction projects that Tom needed to complete in order for his company to move forward. "My business wasn't big enough for the large, national banks and was too big for the small community banks." Rich said, "He was forced to bank at two or three locations to meet his business needs. With us, he has one point of contact." Tom added, "I had to keep track of my assets and it was extremely time-consuming."

Tom acknowledges that he would not have been able to grow his business without the help of Rich and Great Western Bank. "The livestock business took a big hit and no one wanted to deal with us. We had to grow at a time when livestock was not at its best as a business." Rich said to Tom, "We can do this, but it will take time. Stick with me and we'll get it done. The pieces will be ready."

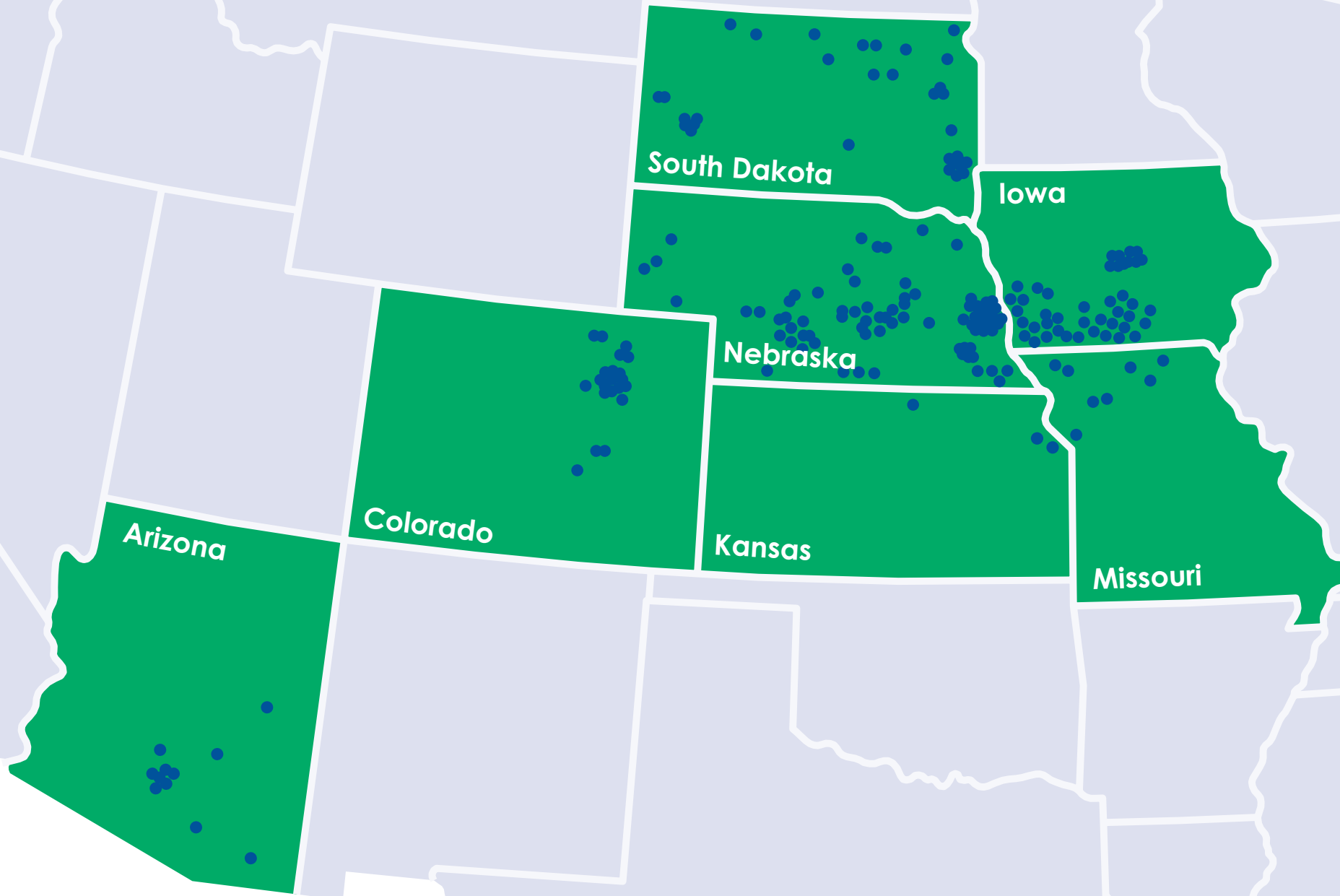


"As long as Rich will have me as a customer, I'll be with him. I'm very grateful for what he has allowed me to do."

Tom Revier, Revier Cattle Company



Our Footprint



Great Western Bank at a glance:

- Nearly 200 locations in seven states
- Over 20,000 surcharge-free ATMs
- Nearly 1,500 employees
- \$8.3 billion in assets and capital of over \$1.2 billion*
- 264,763 checking accounts
- 198,964 savings accounts and CDs
- 70,947 loan accounts
- 7th largest agribusiness lender in the nation**

*As of 6/30/2011
**Source: Ag Lending

Company Background

Great Western Bank was founded in 1907 as a hometown, community bank. Now a regional leader with nearly 200 locations and over 20,000 surcharge-free ATMs, we've grown dramatically, but retain our position as a hometown bank in the communities we serve. As the flagship for the United States banking operations of our parent company, National Australia Bank Limited (NAB), we're proud to be part of a AA rated financial institution and hold a strong, reliable banking presence in the Midwest and Arizona.

- Agribusiness
- Consumer & Mortgage Loans
- Wealth Management
- Personal Banking
- Commercial & Business Banking



Our Mission

Make Life Great by taking outstanding care of our customers and creating long-term relationships.

Our Vision

To become one of the leading banks in the Midwestern United States through a commitment to organic growth and acquisitions aligned to strategy.

Our Values

- Be authentic and respectful.
- Do the right thing.
- Drive performance and results.
- Put the customer first.
- Get the basics right.
- Empower locally, think globally.

Speak Up, Step Up.

At Great Western Bank, we believe that culture plays an important role in our success. Through an initiative called Speak Up, Step Up, we annually measure our progress to ensure we are Making Life Great for our employees.

These efforts are aimed at empowering employees to speak up and then step up, improving the culture and work environment at Great Western Bank. Measurement and planning center around three core areas:

- **Engagement.** How connected employees feel to the bank.
- **Enablement.** How technology, processes and policies assist employees in doing their job.
- **Diversity.** How employees feel the bank has progressed toward creating a diverse and inclusive workforce.

Great Western Bank is helping customers find their road to success by building long-term relationships built around our customers' needs. We are committed to improving the quality of life for the people and the communities we serve. We actively invest in our employees through talent management and advanced training to ensure that our employees grow professionally. As a result, we continue to offer our customers the highest level of customer service and the financial tools to guide them down the path of financial success.

Our recent APECS® customer ratings, a national rating service that measures customer satisfaction and loyalty, show that our customers have a 91.5 overall satisfaction index. The national average is 89.5. Great Western Bank is above the national average in every measurable category.

We provide a full range of financial services to our customers, from free checking to complex wealth management and trust services. We continue to grow with our customers, in many cases working with different generational needs within one family.

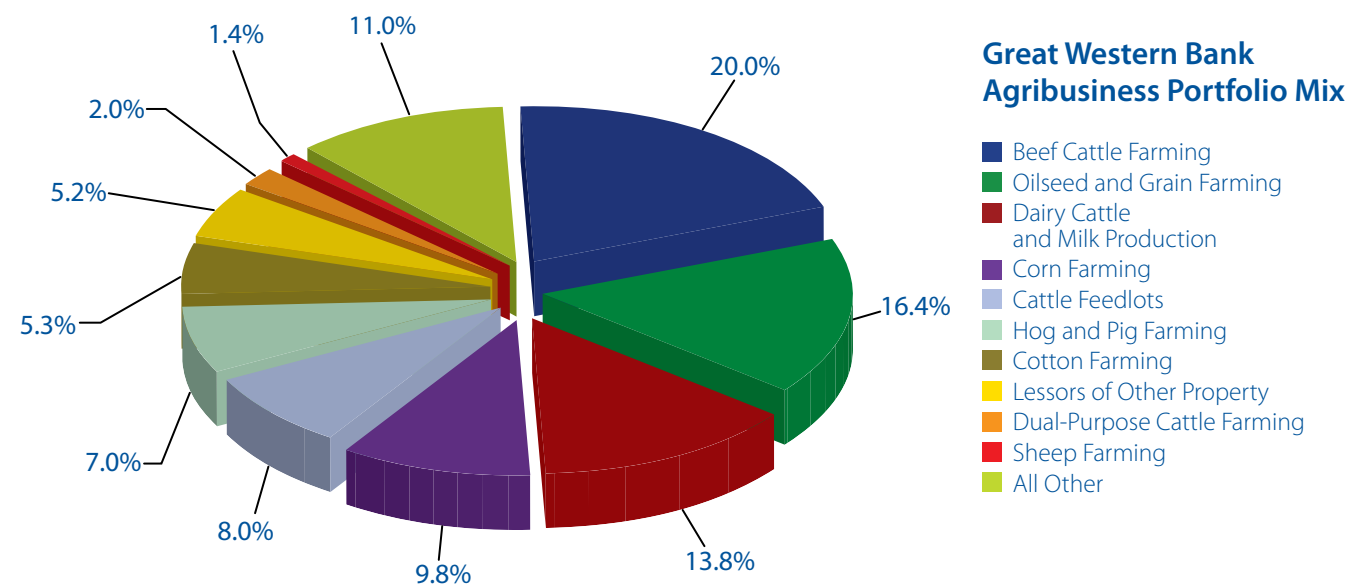
We are extremely proud of the continued success of our agribusiness program. Great Western Bank is ranked as the 7th largest agribusiness bank in the United States.*

*Source: FDIC 6/30/2011

Agribusiness is one of the most diverse, but stable industries in the world. We are proud to call ourselves experts and, with our parent company National Australia Bank (NAB), offer over 150 years of proven experience and success to our customers. Agribusiness demands intimate knowledge and customer understanding. What sets Great Western Bank apart is our commitment and passion for this business.

Great Western Bank approaches agribusiness from a relationship perspective. We get to know our customers and their business. Relationship lending creates strong customer loyalty and enhances our opportunity to provide them the right financial tools and products for success. This loyal customer base provides ongoing referrals which are necessary to build our loan portfolio and enhance the Great Western Bank reputation within our footprint. Loyal customers and employees attract new customers and employees to Great Western Bank.

How are we investing in our customers and their future? Great Western Bank has made the investment in talent by hiring some of the most experienced and reputable ag lending staff available. These ag lenders continue to attract and service some of the best agricultural producers and processors in the world.





Our Community and Environment

Great Western Bank employees took the high road in 2011 by giving their time, donations, and other support to organizations and people in need and by committing to environmental initiatives to help ensure the future viability of our communities.

Giving Back

Great Western Bank employees donated thousands of hours to organizations such as the Make-A-Wish Foundation, American Cancer Society, and the American Red Cross. In addition, Great Western Bank gave over \$975,000 back to its communities in the form of donations and sponsorships.

Carbon Footprint

Great Western Bank tracks and reports our carbon consumption and impact on the environment. Unavoidable emissions are counterbalanced through purchasing of quality carbon offsets.

Helping Hands

When the water of the Missouri River overflowed its banks this summer, employees throughout Nebraska, Iowa, and South Dakota lent a hand to those in need through sandbagging, food service, and other relief efforts.

Shredding our Environmental Impact

Great Western Bank entered into a contract with a centralized shredding service provider during 2011 and is proud to report that 100% of our shredded paper is now recycled.

Biking for a Cause

Three members of the Great Western Bank team pedaled the back-roads across South Dakota and Nebraska to raise money for cancer awareness. Additionally, Great Western Bank sponsored CASA Bike for Hope, a challenging ride throughout the Colorado Rocky Mountains to benefit children in need.

Smart Purchasing

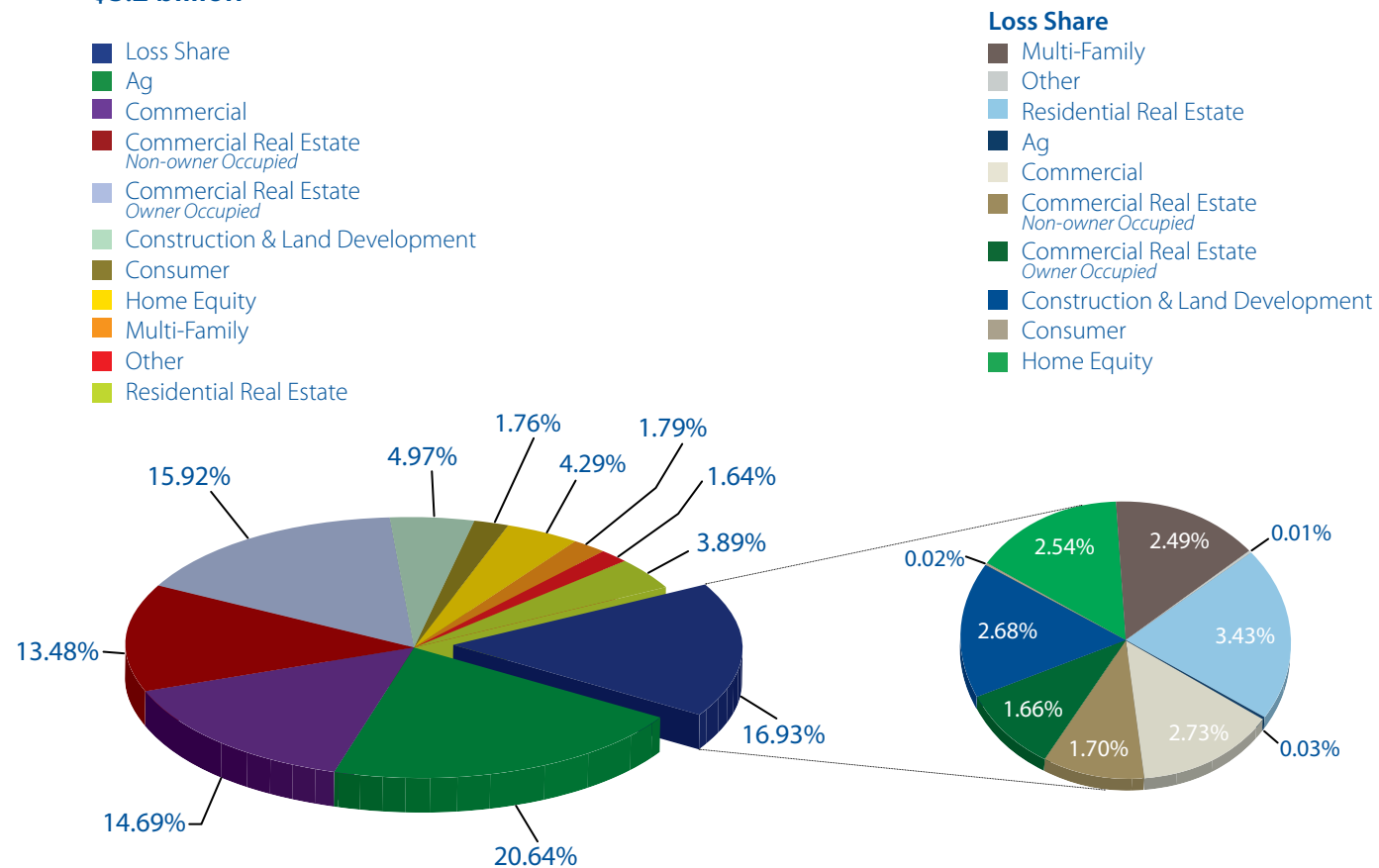
Our Executive Board strengthened its commitment to the environment. By 2012 all paper products purchased by the bank will be recycled.

Risk Management

Through the fiscal year ending September 30, 2011, Great Western Bank concentrated on fully integrating the two acquisitions consummated in April and June of 2010 as well as continuing to protect and preserve the Bank's balance sheet and earnings in the face of a weak and deteriorating economic environment. This involved a continued focus on diversification of the loan portfolio.

Great Western Bank has a well-diversified loan portfolio with exposure across industry sectors and diversification within sectors. The Agricultural portfolio in particular is well diversified between crop, livestock and geography. The growth in commercial and agricultural lending has assisted in significantly diluting the Bank's exposure to non-owner occupied commercial real-estate and land development. Loans acquired as part of the TierOne acquisition and covered by the loss share agreement with the FDIC continue to perform largely within expectations.

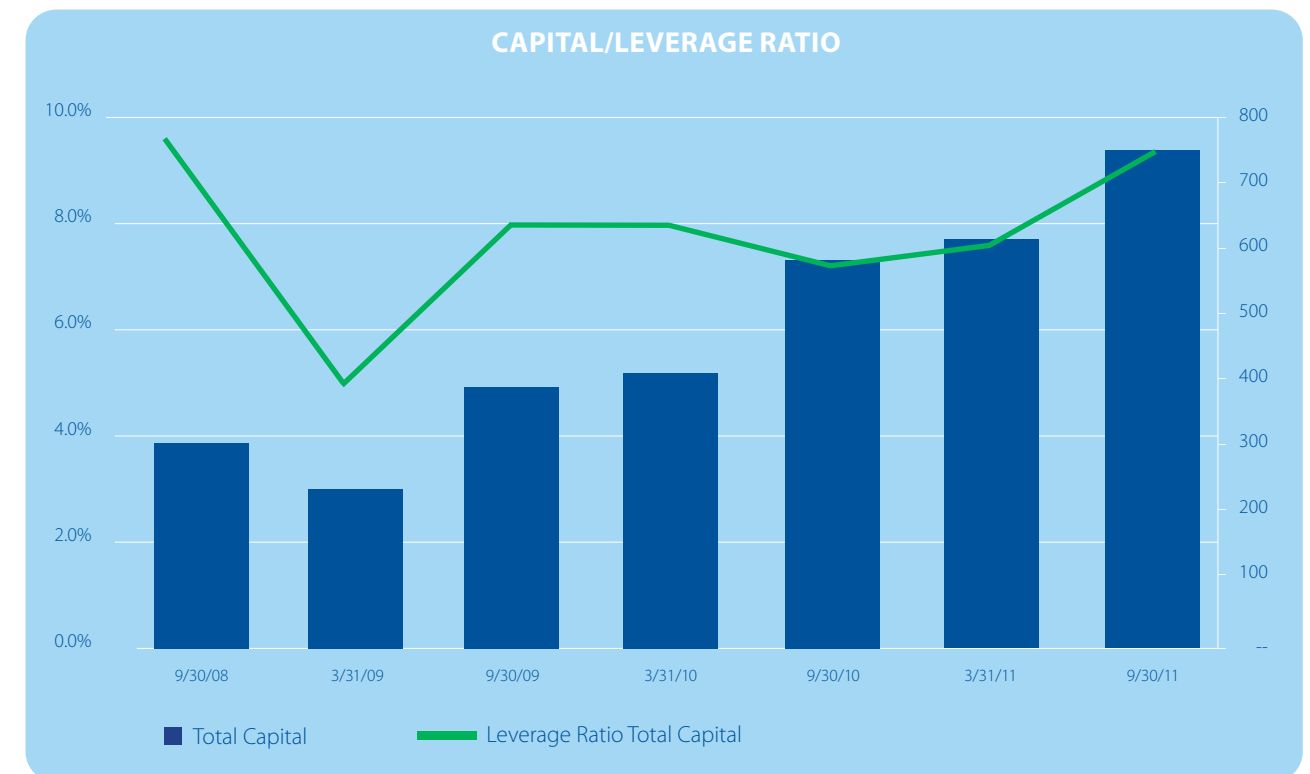
9/30/2011 Loan Portfolio \$5.2 billion



Strong Capital Position

Great Western Bank finished the fiscal year with growth in earnings, largely supported by the full year impact of acquisitions made in 2010, contributing to additional capital reserves. In addition Great Western Bank's parent, National Australia Bank, also invested a further \$100 million of additional tier one capital in the year. Great Western Bank holds over 15% total risk based capital, more than 150% of the regulatory requirement of 10% to be considered well capitalized.

Great Western Bank is proud to have continued to grow in size and earnings through the recent recession and continued economic uncertainty. Great Western Bank has always been considered well capitalized and has never participated in government sponsored bank bailouts such as TARP.



BALANCE SHEET¹

(\$000's)

Assets	2011	2010
Cash and cash equivalents	370,096	193,049
Securities	1,509,245	1,413,694
Loans, net of allowance for loan losses and fair value adjustment	5,152,908	5,365,100
Other repossessed property	99,640	132,988
FDIC indemnification asset	109,194	175,616
Goodwill	697,807	691,166
Core deposits and other intangibles	67,191	87,620
Other Assets	196,535	226,569
Total assets	8,202,616	8,285,802
Liabilities and Stockholders' Equity		
Deposits	6,271,749	6,436,920
Other Liabilities	567,269	625,142
Stockholders' Equity	1,363,598	1,223,740
Total liabilities and stockholders' equity	8,202,616	8,285,802

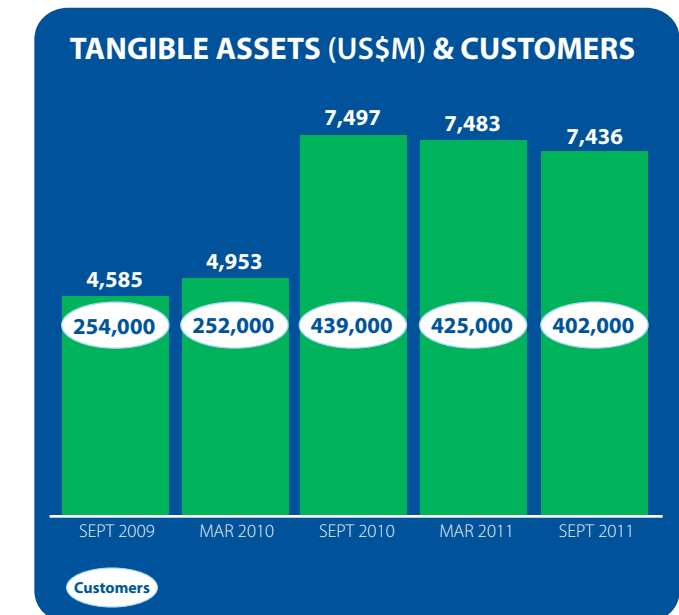
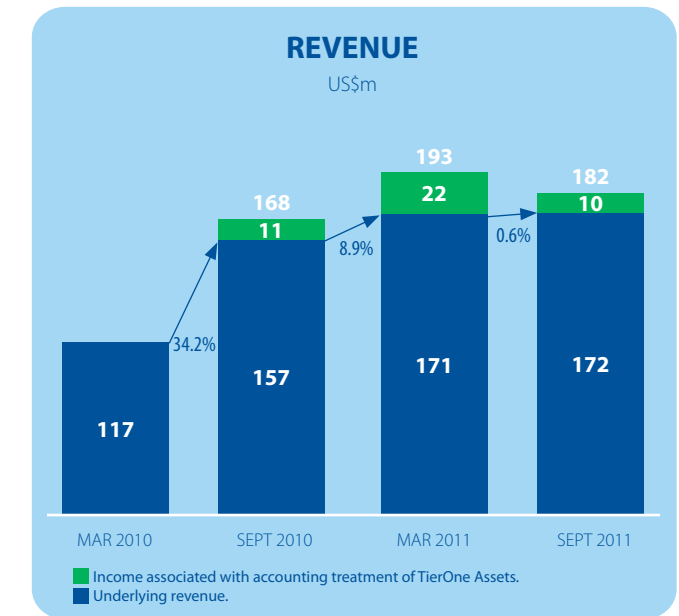
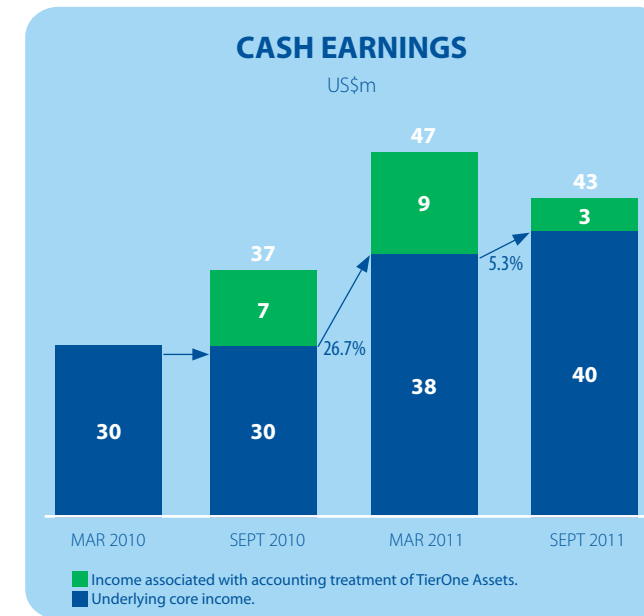
INCOME STATEMENT¹

	2011	2010
Interest income	359,536	307,268
Interest expense	67,927	73,445
Net interest income	291,609	233,823
Provision for loan losses and unfunded commitments	57,415	48,711
Net interest income after provision for loan losses and unfunded commitments	234,194	185,112
Noninterest income	83,492	67,009
Noninterest expense	201,128	170,025
Income before income taxes	116,558	82,096
Provision for income taxes	42,431	28,138
Net income	74,127	53,958
Cash earnings²	89,911	66,530

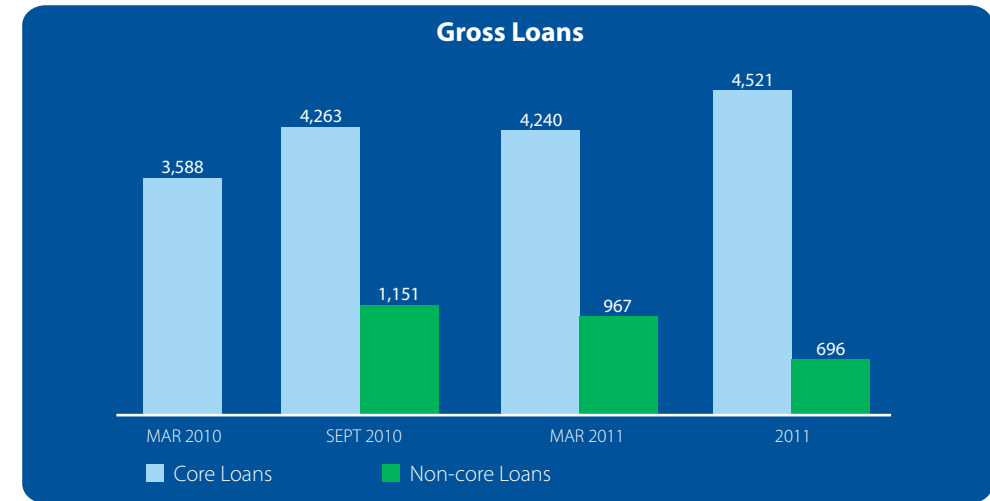
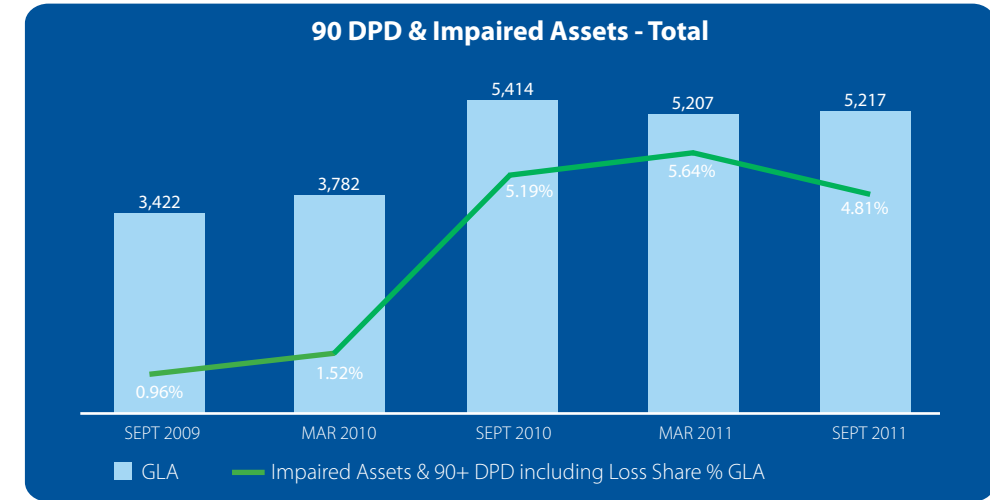
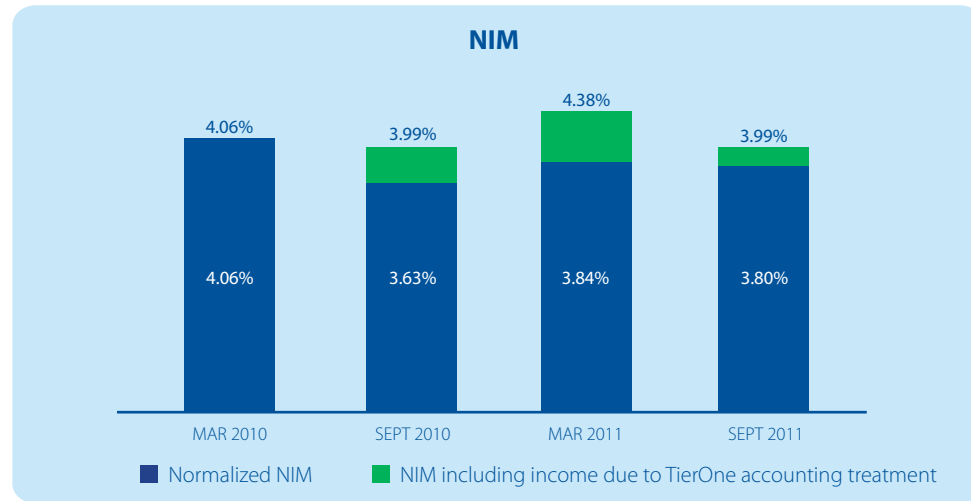
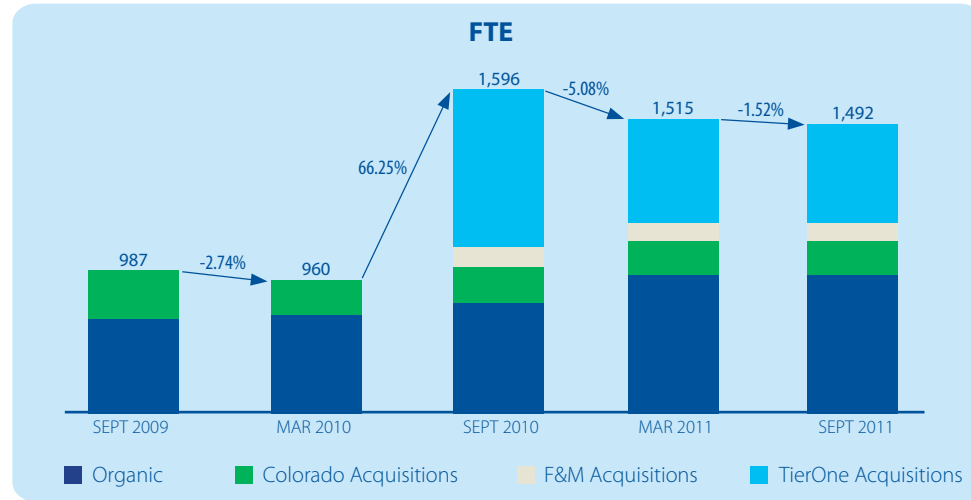
¹Summary Financial Statements are prepared in accordance with International Financial Accounting Standards and all amounts in thousands.

²Cash Earnings excludes some items in order to better reflect the underlying performance of the Bank. Specifically excluded are integration costs related to acquisitions and amortization of acquired intangible assets.

Loan & Deposit Growth



Financial Performance



Cash earnings for the full year to September 30, 2011 grew by 34.3% to \$90 million. This largely reflects the successful integration of the acquisitions made in 2010 together with a disciplined approach to managing cost and asset quality. Increased core earnings in the business allowed Great Western Bank to absorb additional charges for loan loss allowance in the year without jeopardizing the bank's overall performance. Key highlights for the year include:

- Consistent half yearly increments in underlying core cash earnings when excluding accounting treatment of acquired loans.
- Consistent half yearly increments in underlying revenue, though matched by incremental cost increases, largely driven by the write-down of the value of foreclosed property.
- Maintaining strong underlying net interest margin while at the same time holding conservative positions in the Bank's large investment portfolio and increased competition for quality loans.
- Invested over \$10 million in the integration and development of the F&M and TierOne franchises acquired in 2010.

Great Western Bank's loan portfolio continues to be completely funded by customer deposits. While net loans have remained relatively static when compared with 2010, significant progress has been made with the reduction in loans acquired through TierOne that are not considered to be core to the continuing business of Great Western Bank. Core loans grew from \$4,263 million to \$4,521 million in an economy where overall loan volumes shrank. Asset quality has improved, with the reduction in non-core loans from \$1,151 million to \$696 million. Importantly the overwhelming majority of the non-core loans continue to be covered by a loss share agreement with the FDIC following the TierOne acquisition.

The allowance for loan loss grew from \$49 million to \$59 million in the year reflecting the continued economic stress in the United States; however this has stabilized in the second half of the financial year with total impaired assets (non-accrual loans) as a percentage of total loans falling from 5.64% to 4.81% in the second half. Again, it is important to note that over 50% of the impaired assets are covered by the loss share agreement with the FDIC.



Great Western Bank is dedicated to our responsibility to protect and preserve our environment. We are proud to print this report on paper that is Forest Stewardship Certified (FSC). That means the fibers come from forests that are carefully managed, responsibly harvested and adhere to strict environmental and socioeconomic standards.



Great
Western
Bank®

Making Life Great®

Member FDIC