

Great Western Bancorp, Inc.  
Form 10-Q  
February 12, 2015

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2014

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-36688

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Great Western Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

47-1308512

(IRS Employer  
Identification Number)

100 North Phillips Avenue

Sioux Falls, South Dakota

(Address of principal executive offices)

(605) 334-2548

Registrant's telephone number, including area code

57104

(Zip Code)

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Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$0.01 par value per share

Securities registered pursuant to Section 12(g) of the Act:

None

Name of Each Exchange on Which Registered

New York Stock Exchange

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  
(Do not check if a smaller company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of February 6, 2014, the number of shares of the registrant's Common Stock outstanding was 57,886,114.

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GREAT WESTERN BANCORP, INC.  
QUARTERLY REPORT ON FORM 10-Q

For the Three Months Ended December 31, 2014

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#### EXPLANATORY NOTE

Except as otherwise stated or the context otherwise requires, references in this Quarterly Report on Form 10-Q to:

“we,” “our,” “us” and our “company” refer to:

Great Western Bancorporation, Inc., an Iowa corporation, and its consolidated subsidiaries, for all periods prior to the Formation Transactions; and

Great Western Bancorp, Inc., a Delaware corporation, and its consolidated subsidiaries, for all periods after the completion of the Formation Transactions;

“Great Western” refer to Great Western Bancorporation, Inc. but not its consolidated subsidiaries, for all periods prior to the Formation Transaction, and Great Western Bancorp, Inc. but not its consolidated subsidiaries, for all periods after the completion of the Formation Transaction;

our “bank” refer to Great Western Bank, a South Dakota banking corporation;

“NAB” refer to National Australia Bank Limited, an Australian public company and our controlling stockholder;

our “states” refer to the seven states (South Dakota, Iowa, Nebraska, Colorado, Arizona, Kansas and Missouri) in which we currently conduct our business;

our “footprint” refer to the geographic markets within our states in which we currently conduct our business; and

the “Formation Transactions” means a series of transactions completed on October 17, 2014 and undertaken in preparation for our initial public offering comprised of:

the cash contribution by National Americas Holdings LLC to Great Western Bancorp, Inc. in an amount equal to the total stockholder’s equity of Great Western Bancorporation, Inc.;

the sale by National Americas Investment, Inc. of all outstanding capital stock of Great Western Bancorporation, Inc. to Great Western Bancorp, Inc. for an amount in cash equal to the total stockholder’s equity of Great Western Bancorporation, Inc.; and

the merger of Great Western Bancorporation, Inc. with and into Great Western Bancorp, Inc., with Great Western Bancorp, Inc. continuing as the surviving corporation and succeeding to all the assets, liabilities and business of Great Western Bancorporation, Inc.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” “annualized” and “outlook,” or the negative version of words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors identified in “Item 1A. Risk Factors” or “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” or the following:

- current and future economic and market conditions in the United States generally or in our states in particular, including the rate of growth and employment levels;
- changes in market interest rates;
- the geographic concentration of our operations, and our concentration on originating business and agribusiness loans;
- the relative strength or weakness of the agricultural and commercial credit sectors and of the real estate markets in the markets in which our borrowers are located;
- declines in the market prices for agricultural products;
- our ability to effectively execute our strategic plan and manage our growth;
- our ability to successfully manage our credit risk and the sufficiency of our allowance for loan loss;
- our ability to attract and retain skilled employees or changes in our management personnel;
- our ability to effectively compete with other financial services companies and the effects of competition in the financial services industry on our business;
- changes in the demand for our products and services;
- the effectiveness of our risk management and internal disclosure controls and procedures;
- fluctuations in the values of our assets and liabilities and off-balance sheet exposures;
- our ability to attract and retain customer deposits;
- our access to sources of liquidity and capital to address our liquidity needs;
- possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations;
- our ability to identify and address cyber-security risks;
- any failure or interruption of our information and communications systems;
- our ability to keep pace with technological changes;
- our ability to successfully develop and commercialize new or enhanced products and services;
- possible impairment of our goodwill and other intangible assets, or any adjustment of the valuation of our deferred tax assets;
- the effects of problems encountered by other financial institutions;
- the effects of geopolitical instability, including war, terrorist attacks, and man-made and natural disasters;
- the effects of the failure of any component of our business infrastructure provided by a third party;
- the impact of, and changes in applicable laws, regulations and accounting standards and policies;

- market perceptions associated with our separation from NAB and other aspects of our business;
- our likelihood of success in, and the impact of, litigation or regulatory actions;
- our inability to receive dividends from our bank and to service debt, pay dividends to our common stockholders and satisfy obligations as they become due;
- the effect of NAB's control over us as a result of its continuing beneficial ownership of a majority of our outstanding common stock;
- the incremental costs of operating as a standalone public company;
- our ability to meet our obligations as a public company, including our obligations under Section 404 of the Sarbanes-Oxley Act of 2002;
- our ability to retain service providers to perform oversight or control functions or services that have otherwise been performed in the past by NAB; and
- damage to our reputation from any of the factors described above, in "Item 1A. Risk Factors" or in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations."

The foregoing factors should not be considered an exhaustive list and should be read together with the other cautionary statements included in this Quarterly Report on Form 10-Q or our Annual Report on Form 10-K for the fiscal year ended September 30, 2014. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

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## GREAT WESTERN BANCORP, INC.

## Consolidated Balance Sheets (Unaudited)

(In Thousands, Except Share and Per Share Data)

	December 31, 2014	September 30, 2014
Assets		
Cash and due from banks	\$428,186	\$256,639
Securities	1,263,983	1,341,242
Investment in affiliates	1,683	1,683
Loans, net of allowance for loan losses of \$51,820 and \$47,518 at December 31, 2014 and September 30, 2014, respectively (includes \$195,545 and \$234,036 of loans covered by FDIC loss share agreements at December 31, 2014 and September 30, 2014, respectively, \$1,023,281 and \$985,411 of loans and written loan commitments at fair value under the fair value option at December 31, 2014 and September 30, 2014, respectively, and \$9,387 and \$10,381 of loans held for sale at December 31, 2014 and September 30, 2014, respectively)	6,934,945	6,739,949
Premises and equipment	102,462	103,707
Accrued interest receivable	38,201	42,609
Other repossessed property (includes \$10,602 and \$10,628 of property covered under FDIC loss share agreements at December 31, 2014 and September 30, 2014, respectively)	43,442	49,580
FDIC indemnification asset	22,162	26,678
Goodwill	697,807	697,807
Core deposits and other intangibles	11,916	14,229
Net deferred tax assets	44,759	44,703
Other assets	51,715	52,603
Total assets	\$9,641,261	\$9,371,429
Liabilities and stockholders' equity		
Deposits:		
Noninterest-bearing	\$1,381,887	\$1,303,015
Interest-bearing	5,857,319	5,749,165
Total deposits	7,239,206	7,052,180
Securities sold under agreements to repurchase	190,585	161,687
FHLB advances and other borrowings	575,085	575,094
Related party notes payable	41,295	41,295
Subordinated debentures	56,083	56,083
Fair value of derivatives	32,409	13,092
Accrued interest payable	4,812	5,273
Income tax payable	12,563	4,915
Accrued expenses and other liabilities	37,853	40,720
Total liabilities	8,189,891	7,950,339
Stockholders' equity		
Common stock, \$0.01 par value, authorized 500,000,000 shares; issued and outstanding at December 31, 2014 and September 30, 2014 - 57,886,114 shares	579	579
Additional paid-in capital	1,260,592	1,260,124
Retained earnings	193,241	166,544
Accumulated other comprehensive income (loss)	(3,042)	(6,157)
Total stockholders' equity	1,451,370	1,421,090
Total liabilities and stockholders' equity	\$	\$