

**House of Representatives Standing Committee on Economics
Review of the Four Major Banks (Second Report)
National Australia Bank (NAB)**

NAB09QON: Hansard p29-30

Mr HOGAN: ...I know you raised earlier, too, that 88 per cent of your staff are not, you are saying, exposed to incentives to sell products or services to a customer. I would say that that is quite a distortion, because of course many of your employees would not have customer contact, whether they be back office staff, IT staff et cetera. And I would probably say—and I will ask you on notice, if I need to—the percentage of your staff who do have face-to-face customer contact, how many of them receive financial incentives. I would say that would be much, much higher than the 12 per cent that you are alluding to with your answer. So, I will give that to you on notice, if you do not have that in front of you.

Answer

As stated at the hearing, NAB has committed to implementing recommendations contained within the independent Retail Banking Remuneration Review, conducted by Stephen Sedgwick.

Of NAB's workforce:

- 48% have direct customer facing roles.

Of this group:

- 19% of these customer facing roles participate in a direct product related incentive plan. These are incentive plans that directly reward individuals for product sales;
- 3% of customer facing roles participate in a non-direct product related specialist incentive plan. These are typically plans that reward individuals for contribution towards an overall measure such as ROE or cash earnings for a particular business; and
- 78% of customer facing roles participate in the Group STI plan. This plan rewards individuals for performance against a balanced scorecard of objectives including customer, risk, financial and people related outcomes.

At NAB, conduct and values are key elements of our performance framework. Accordingly, all plans referenced above include assessment of conduct, behaviour and values as part of the overall construct of each plan.