

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

NAB54QW: How regularly and with what specific frequency does the Bank's senior executives formally meet to address risk factors and ensure the implementation of risk mitigation factors? Who is accountable at a senior executive level for the implementation of such risk mitigation mechanisms?

Answer

The NAB Group CEO has overall accountability for the management of risk. Group Executives are accountable for the ownership and management of risk and controls within their areas and across the value chain, in line with risk appetite. This includes identifying, assessing, monitoring, testing and reporting of controls being executed on a day to day basis.

Risk management performance (including risk factors and mitigation actions) are reviewed and oversighted at the Group's Risk Return Management Committee (GRRMC). The GRRMC meets on a regular basis (typically eleven meetings a year) and is chaired by the Group CEO.

Membership of the Committee comprises:

- Group CEO (Chairman)
- Group Chief Customer Officer – Consumer and Wealth
- Group Chief Customer Officer – Business and Private
- Group Chief Risk Officer
- Chief People Officer
- Group Chief Financial Officer
- Group Chief Customer Officer – Corporate and Institutional
- Group Treasurer
- Group Chief Operating Officer – Product, Strategy and Innovation
- Group Chief Technology and Operations Officer
- Managing Director and Chief Executive Officer – New Zealand

The Committee fulfils its responsibilities by:

- Establishing risk frameworks, objectives, policies and measures of success;
- Testing the robustness of risk initiatives;
- Monitoring performance and ensuring action is taken on risk issues;
- Creating and supporting Group wide risk processes and innovation; and
- Contributing towards an open, trusted and constructive relationship with regulators and community stakeholders.

The performance and effectiveness of the Committee is reviewed annually.

To enable the Board to fulfil its duties and responsibilities, the GRRMC, through the Chair and the Group Chief Risk Officer, provides the Board Risk Committee (BRC), and, where appropriate, the Board, with reports on the Group's risk profile and risk management performance, within the context of the Board determined risk appetite. These responsibilities include:

- Reviewing management's plans to mitigate risks faced by the Group;
- Oversight of the implementation and operation of the RMF; and
- Reviewing the RMF at least annually, to confirm that it continues to be sound and appropriate.