

News Release

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Sales incentives to be removed from 1 October 2018

ANZ Bank New Zealand is to remove all its frontline retail sales incentives from 1 October 2018.

ANZ's Managing Director Retail and Business Banking Antonia Watson said today that the "balanced scorecard" approach to frontline staff incentives, which included about 25 percent based on sales, would be changed.

"In 2017 we changed our staff incentives to a 'balanced scorecard' with a mix of measures such as customer feedback, service, product knowledge and sales. People have about 75 percent of their incentive around non-sales targets and can get a bonus without meeting sales targets," Ms Watson said.

"As we've seen this financial year under the 'balanced scorecard' approach, most staff have embraced the cultural change away from sales targets while still ensuring the bank continues to be a high performing organisation.

"We've even been trialling no sales targets in parts of our call centre this year and it's working well."

She said there was some concern that sales targets might cause retail staff to sell products that don't meet customers' needs.

"We trust our staff to do the right thing by our customers and we know they consider customers' genuine needs when they talk with them. Removing sales targets altogether will give our customers total confidence that we're focused on doing the right thing by them.

"The environment is clearly changing and the feedback we're getting and what we're seeing in Australia suggests this is the right approach, regardless of how direct or indirect our sales targets were or how minimal."

She said it was important all customers who had ANZ New Zealand financial products had them for the right reasons and not because any staff member felt pressured – real or otherwise - to sell them to meet any targets.

"From the new financial year on 1 October 2018 frontline retail staff will still be incentivised around good customer service and other aspects of banking such as product knowledge but there will be no sales component.

"We have a culture in ANZ New Zealand where staff are focussed on the well-being of our customers. If our customers are satisfied and get ahead in

their lives because of the products we've given them then it's in our long term interests too.

"But most importantly, we want our customers to know they can depend on us to do the right thing for them and that this is the absolute focus of our employees."

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