The banking royal commission report has claimed its first high-profile victims, with National Australia Bank’s chief executive officer Andrew Thorburn and chairman Ken Henry quitting their positions.

The two were subject to scathing assessments in the report from commissioner Kenneth Hayne.

Hayne said that after having heard from both men he was “not as confident as I would wish to be that the lessons of the past have been learned.

"More particularly, I was not persuaded that NAB is willing to accept the necessary responsibility for deciding, for itself, what is the right thing to do, and then having its staff act accordingly. I thought it telling that Dr Henry seemed unwilling to accept any criticism of how the board had dealt with some issues.

"I thought it telling that Mr Thorburn treated all issues of fees for no service as nothing more than carelessness combined with system deficiencies … Overall, my fear – that there may be a wide gap between the public face NAB seeks to show and what it does in practice – remains,” Hayne said.

In a statement late Thursday, NAB said Thorburn would finish at the end of this month while Henry would leave the board once a new CEO had been appointed.

The board will search internationally for a CEO while also considering internal candidates, the statement said.

Philip Chronican, a NAB director with extensive banking experience will act as CEO from March 1 until a replacement is found.

It has been speculated that Mike Baird, former NSW premier, a senior executive at NAB could get the CEO post.

Thorburn, who has been CEO since 2005, said he had had a number of conversations with Henry this week.

“I acknowledge that the bank has sustained damage as a result of its past practices and comments in the royal commission’s final report about them.

"As CEO, I understand accountability. I have always sought to act in the best interests of the bank and customers and I know that I have always acted with integrity. However, I recognise there is a desire for change.”

Sydney Morning Herald journalist Bevan Shields tweeted: “NAB boss Andrew Thorburn effectively says in a call just now that he was sacked by the board and didn’t voluntarily resign”.

Thornburn appeared to be fighting for his job early this week, cancelling leave, but he admitted on Tuesday that he could not guarantee he would still have his position on Friday.

Henry, a former secretary of the federal treasury, said he and the board had recognised change was needed.

“The timing of my departure will minimise disruption for customers, employees and shareholders,” he said.

He said the board should have the opportunity to appoint a new chair as NAB “seeks to reset its culture and ensure all decisions are made on behalf of customers.

"I am enormously proud of what the bank has achieved and equally disappointed about what the royal commission has brought to light in areas where we have not met customer expectations.

"Andrew and I are deeply sorry for this. My decision is not made in reaction to any specific event, but more broadly looking at the bank's needs in coming months and years."

The Board is to recruit new non-executive directors "to increase diversity of thinking and experience". It will also establish a board committee for customer outcomes.

Chronican, who joined the NAB board in 2016, said he was "confident in our existing strategy to transform the bank to be better for customers".

"Our strategy and the self-assessment we completed into our culture, governance and accountability set out clearly the steps we need to take to change and we are committed to them," he said.

*Michelle Grattan owns shares in banks and other financial institutions.*

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