

We encourage our people to bring their
authentic selves to work every day

Gender pay report 2023

Diversity and inclusion



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Hello,

As Chair of our EMEA Diversity and Inclusion (D&I) Steering Committee, I am pleased to disclose our gender pay gap data for 2023.

In this report, you can learn about our 2023 gender pay gap report and the key diversity and inclusion initiatives that will further support gender diversity at SMBC. You will find relevant data relating to our gender pay gaps for both SMBC BI and our consolidated entities¹, as well as our statutory gender pay gap disclosure for SMBC BI, below.

At SMBC Group, we understand that equity, fairness, and transparency are key to enabling our colleagues to be their most authentic selves at work.

In addition to the statutory pay gaps included in this report we regularly review our remuneration policies and practices to ensure we are meeting our goal of delivering equal pay – namely the legal requirement to pay men and women the same for equal work – which is governed by the Equality Act.

The gender pay gap can be driven by a number of factors, including a lack of women in most senior positions, and it helps us to learn more about the broader drivers of inequality within our organisation and to think of interventions we can put in place to ensure we reach our goal of creating a workforce that enables everyone to thrive.

Our momentum on D&I continues to accelerate, and we have made good progress over the past year.

For our consolidated entities our mean gender pay gap has improved from 27.1% to 26.7% and for SMBC BI from 24.1% to 23.0%, mostly due to increasing the proportion of females at senior levels.

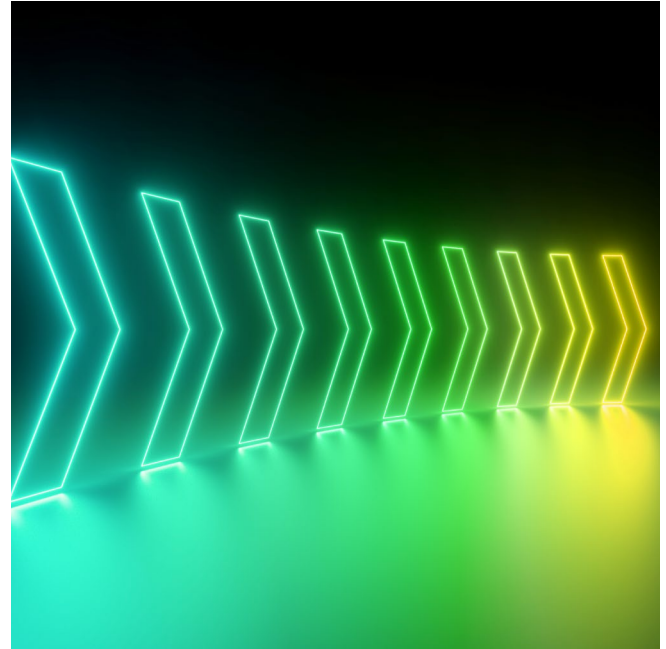
We have an emerging talent strategy and have maintained our commitment to developing a gender balanced pipeline for the future of the Bank. As a result, our median gender pay gap has increased from 25.6% to 26.2% for our consolidated entities, and from 24.1% to 24.3% for SMBC BI. This is because we have continued to hire more females at junior corporate titles.

Our mean and median gender bonus gaps have decreased again this year, both for SMBC BI and our consolidated entities. We recognise that

there is still more to do in this space. We have been increasing female representation at senior levels, but recognise that this should be spread more evenly across the Bank, and we are targeting interventions to specifically address this challenge.

Increasing gender balance across the organisation and supporting the progression of female talent to reduce our gender pay gaps remain key priorities for SMBC. This year we have also enhanced a number of initiatives to maximise their impact. You can read more about these below.

This report focuses on a comparison of female and male pay (as required by UK legislation), but we recognise that many gender identities and expressions exist and we respect all areas of diversity and intersectionality.







¹ Under UK regulation, organisations are required to publish gender pay gap information for any legal entity that employs more than 250 people. As at 5 April 2023, SMBC Group has one entity with more than 250 employees: SMBC BI. However, we have also chosen to voluntarily disclose our UK consolidated figures to provide a more accurate reflection of the gender diversity of SMBC Group in the UK. (NB UK Consolidated figures include SMBC BI London and SMBC Nikko Capital Markets Ltd only).

2023 data

Mean and median gender pay gap

Mean and median gender pay gap. These figures show the difference between the hourly rate of pay of female and male employees at SMBC BI, reported on both a mean (average) and median (mid-point on a distribution) basis.

	2023	2022
Gender pay gap		
mean	 23.0%	24.1%
median	 24.3%	24.1%
Gender bonus gap		
mean	 38.4%	44.7%
median	 45.9%	54.3%

Data summary

In accordance with the regulations, the data contained in this report is for all UK based SMBC BI employees as at 5 April 2023.

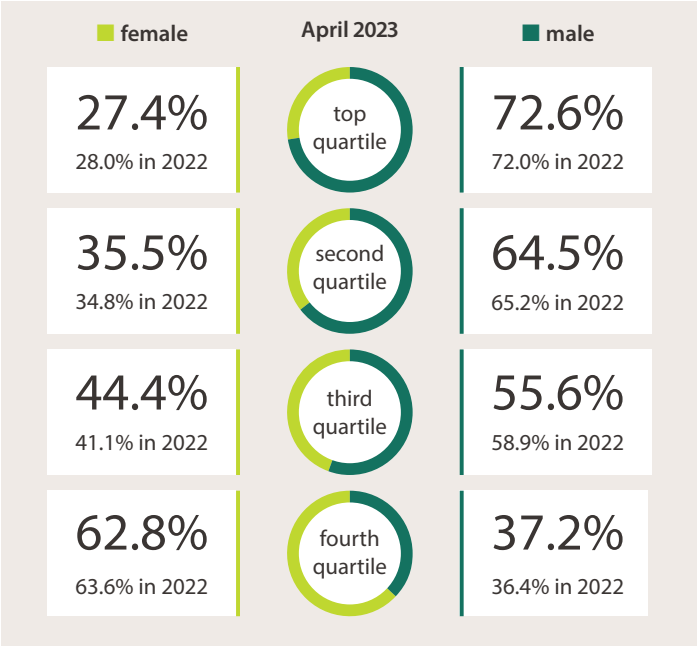
Key points

- At a high level, most of our gender pay metrics have improved relative to last year.
- The SMBC BI 2023 gender pay gap has improved in the mean calculation (↓ 1.1%) and increased in the median calculation (↑ 0.3%). The gender bonus gap has improved in the mean calculation (↓ 6.3%) and in the median calculation (↓ 8.4%). We are pleased that the mean gender pay gap has improved mostly due to an increase in female hires and promotions at senior levels. The increase in the median is due to a consistent focus on building a pipeline of female talent resulting in a greater proportion of females in junior roles.

2023 data

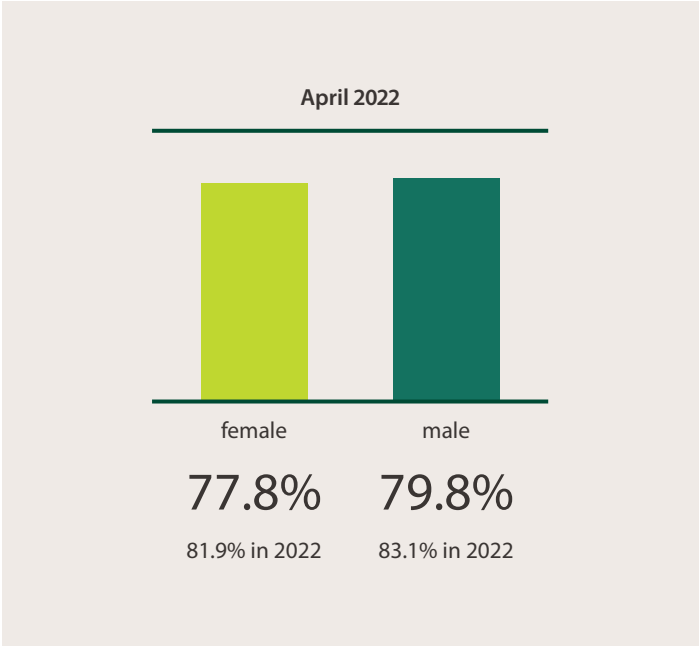
Proportion of employees in each pay quartile

These charts show the gender split for each pay quartile of the SMBC BI population, if all employees were ranked from highest to lowest hourly pay.



Proportion of employees receiving a bonus

The data below shows the proportion of employees that received a bonus during the relevant period between 6 April 2022 to 5 April 2023.



Signature actions

Our external commitments

SMBC Group is a proud signatory of the Women in Finance Charter, and this year achieved its target to have 30% of all roles at Director and above filled by females by 2023. In recognition of the importance of sustaining our focus on gender diversity, and in order to further accelerate our progress, the Bank set a new target at the more senior level of Executive Director and above of 30% by 2027. We have adjusted the population covered by our Women in Finance Charter target to focus more directly on building a strong pipeline for senior leadership roles. Progress towards this target is linked to Executive performance and compensation to ensure accountability for driving change.

SMBC is also a proud signatory to the UK's Race at Work Charter and to the Valuable 500 initiative, and this year we also joined the UK Government's Disability Confidence Scheme.



Building a diverse and inclusive workplace

Consistent monitoring of our recruitment and talent development processes has enabled us to sustain our progress on gender diversity, driving the positive uplift in female representation at both senior and junior levels.

To support gender balance in our growing technology workforce, we have partnered this year with Code First Girls, whose purpose is to introduce more women into IT, in order to successfully bring young female technology talent into the organisation.

Now in its third year, the 2023 cohort for our Corporate and Investment Banking Programme, 'Kaika' was 60% female. Improving access to careers in financial services for all underrepresented groups is a key focus of the Bank's early talent programmes. Of those joining the Kaika programme in London, 70% of participants identified as minority ethnic, 90% had attended state schools and 40% were from the first generation in their family to attend university.

Our IT Apprenticeship programme was 50% female and our UK industrial placement programme intake for 2023 was 44% female, with students joining us from 17 universities. 31% of Industrial Placement Students from our 2022 intake have since accepted offers at SMBC and will join us in 2024. 50% of those who will be joining us are female.

Our female networking and mentoring programme, 'InspirHer!'; which supports female talent progression has continued for further year with 79% of participants indicating they would recommend participation to colleagues at the end of the programme. Participants valued the support from senior female leaders on how to navigate their careers, take ownership for their own development and progress into senior roles.

Signature actions

An inclusive culture where everyone can thrive

Our ambition is to create an environment in which everyone can be their authentic self at work. Recognising the importance of flexibility in supporting the retention and progression of female talent and other underrepresented groups, we continue to offer hybrid working to all employees in addition to formal flexible working options.

We have further strengthened the connection between performance in relation to diversity & inclusion and overall reward to drive greater accountability. The D&I metric in senior management performance evaluation accounts for approximately 10% of variable remuneration and serves to increase their ownership of our firmwide diversity targets and expectation that they role model inclusive leadership to create psychological safety, foster allyship and support belonging.

EMEA Inclusion Month which took place in September focused on

practical actions employees can take to increase inclusion across the organisation. As part of the month-long campaign, we launched team exercises to support inclusive teams and employees joined events on the impact of bias on inclusive behaviour and our collective responsibility for allyship.

Our DRIVE (diversity, respect, inclusion, value and equality) employee resource groups continue to play a key role in creating inclusive communities to build awareness of the different experiences people may have as a result of their identity. Aligned with our commitment to reducing inequality, this year we introduced a new Social Mobility Network, focused on driving engagement with our colleagues to support initiatives taking place across the bank to widen access to careers in financial services through our CSR and Early Careers activities.



Statutory gender pay gap disclosure

	Pay										Bonus			
	Gender pay gap		Proportion of employees in each pay quartile								Gender pay gap		Proportion of employees receiving a bonus	
	Hourly rate		Lower		Lower middle		Upper middle		Upper		Bonus amounts			
	Mean	Median	Female	Male	Female	Male	Female	Male	Female	Male	Mean	Median	Female	Male
SMBC UK consolidated entities	26.7%	26.2%	37.7%	62.3%	56.6%	43.4%	65.5%	34.5%	74.6%	25.4%	43.6%	48.6%	80.5%	78.0%
SMBC BI London	23.0%	24.3%	37.2%	62.8%	55.6%	44.4%	64.5%	35.5%	72.6%	27.4%	38.4%	45.9%	79.8%	77.8%

2022 data

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