



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

SMBCE

2018 Gender Pay Gap Report





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Chair, Diversity and Inclusion
Steering Committee

Hello,

SMBC Group is committed to diversity and inclusion because it recognises that **diversity of people, opinions and perspectives** is good for business and workplace culture.

In June 2016 I was appointed chair of the Diversity and Inclusion Steering Committee, and it is in this capacity that I am responsible for signing the **SMBCE Gender Pay Gap Report 2018**.

Following the release of our first report in March 2017, I am encouraged to see that in the last year our gender pay gap has decreased in both mean **(-1.9%)** and median **(-1.8%)** terms. Although this is a positive trend, I do not underestimate the significant challenges that remain and work required to reduce our existing pay and bonus gaps further.

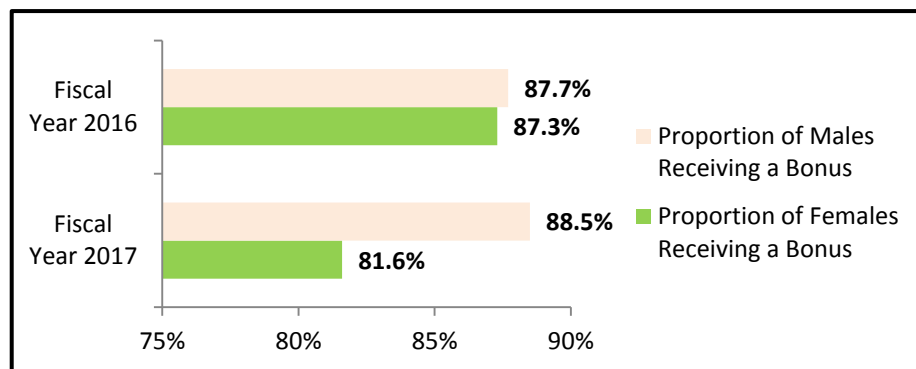
In 2017 we also signed the **HM Treasury Women in Finance Charter** and set the target to increase senior female representation to 30% by March 2022. I am pleased to see that the proportion of women in senior roles has risen from **22.7%** (March, 2017) to **27.1%** (July, 2018), and believe that it is through continuing to address the gender balance at senior levels that we will further reduce our gender pay gap.

1 Mean and median gender pay gap

	April 5 th 2018		Variance (vs. April 5 th 2017)	
	Mean	Median	Mean	Median
Gender Pay Gap	32.3%	33.1%	↓ 1.9%	↓ 1.8%
Gender Bonus Gap	46.6%	62.1%	↑ 3.1%	↓ 0.5%

The 2018 data shows a decrease in the gender pay gap mean ↓ 1.9% and median ↓ 1.8% as well as gender bonus gap median ↓ 0.5% figures. There was an increase in gender bonus gap mean ↑ 3.1% due to acquisition related pay awards made in FY17.

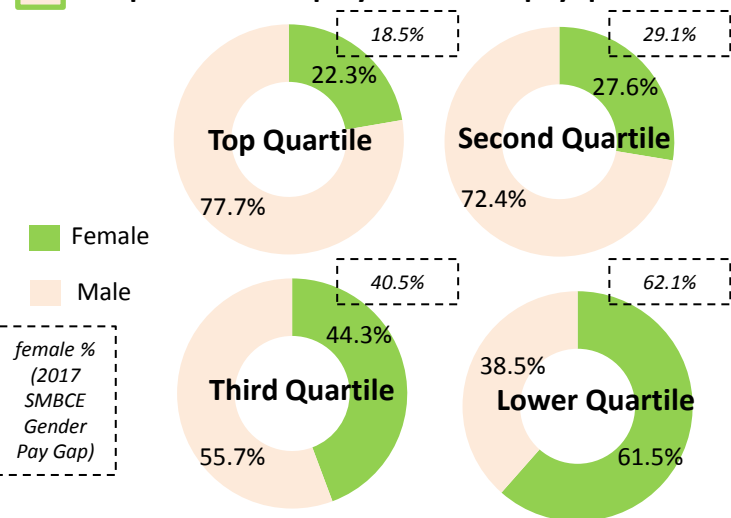
2 Proportion of employees receiving a bonus



The 2018 data shows a 5.7% decrease in the proportion of female employees receiving a bonus. This is as a result of the Bank hiring more women who joined after the bonus eligibility cut-off date (of the 118 employees who did not receive a bonus, 110 were new hires who were ineligible for a bonus)

Data

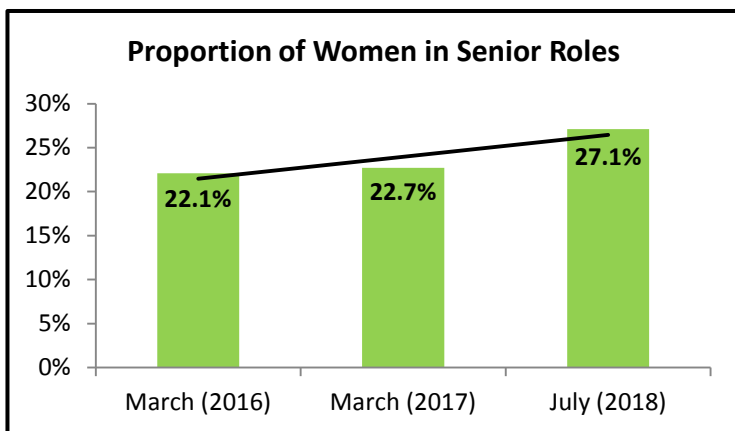
3 Proportion of employees in each pay quartile



Summary

- In accordance with the regulations, the data contained in this report is for all UK based SMBCE employees at the snapshot date of **April 5th 2018**
- The SMBCE 2018 gender pay gap has decreased in both mean (↓ 1.9%) and median (↓ 1.8%) calculations
- The gender bonus gap median has decreased (↓ 0.5%) however the gender bonus gap mean has increased (↑ 3.1%)
- The proportion of female employees in the top pay quartile has **increased by 3.8%** from 2017 (18.5%) to 2018 (22.3%)

1 Signed the Women in Finance Charter



SMBCE signed the Women in Finance Charter in February 2017 and set the target to increase senior female representation to a minimum of 30% by March 2022

2 Growing our Employee Networks



Under the overall **DRIVE** umbrella brand, the Bank's employee-led networks continue to thrive across EMEA.

3 Building a Diverse and Inclusive Workplace

- To continue to **attract, develop** and **retain** diverse talent, here are some of the actions that have been taken:
 - **1654 colleagues** across 19 EMEA sites completed Inclusion and Respect training
 - A requirement for balanced shortlists supported **52% of EMEA new hires** being female (FY 2017)
 - **24 Directors** completed the 5-day "Elevate" female leadership development programme
 - A new **Agile Working policy** was developed to encourage more flexible ways of working

Actions

Summary

- Following the Bank becoming a signatory to the Women in Finance Charter, senior female representation has **increased in SMBC EMEA Division by 4.4%** from March 2017 (22.7%) to July 2018 (27.1%)
- Employee-led networks **WIN** (Women's Inclusion Network) and **NIJI** (LGBTQA) continue to grow in momentum, holding 15 events in 2017-18 with over 2100 requests to attend
- The Bank will continue to drive a diverse and inclusive workplace by focusing on inclusive **recruitment, development, communication** and **ways of working**