

# Gender Pay

## 2024 Report

*The 'snapshot' date for the data  
applied in this report is 5th April 2023*

## **Introduction**

The relationship between the bank and its colleagues is central to the bank's continued growth and success. In order to attract and retain the widest pool of talent, we must ensure there is parity in the remuneration for all employees.

This report discusses our gender pay gap analysis and the methodology behind the calculations. In this, the seventh year of reporting we remain dedicated to continuing to build on the gains of previous years and strengthening our core people strategies to ensure the bank is a more diverse, and even better workplace for our employees.

The partners, board and senior leadership team are continuing to explore and address the underlying reasons for any imbalance in order to further promote gender pay equality. We are committed to ensuring that our culture, our training and our policies all facilitate and enhance the development and promotion of equal opportunities at all levels within the bank.

## **What is the gender pay gap?**

The gender pay gap is the difference between the average pay of men and women across the organisation, irrespective of their role.

Analysis of a gender pay gap is not the same as an analysis of equal pay for equal work. The latter directly compares two or more individuals who carry out the same or similar work – or work of equal value – to check that their pay is equal.

We do have an average overall gender pay gap in favour of men, but we are confident that we do not have issues or inequalities regarding equal pay for equal work. This is because we conduct a detailed annual review of all roles across the bank and we are satisfied that men and women are paid equally for performing the same and/or comparable roles. Any individual pay disparities that emerge (through job changes or external hires) are addressed through our annual remuneration review process.

## How is the gender pay gap calculated?

Gender pay gap calculations are set out according to Government Gender Pay Reporting legislation, which governs gender pay reporting.

The mean and median differences in the hourly rates of pay for male and female employees' ordinary pay and bonus pay are calculated as follows:

$$\frac{\text{average (or median}^1\text{) male hourly pay rate} - \text{average (or median) female hourly pay rate}}{\text{average (or median) male hourly rate}} \times 100$$

*<sup>1</sup> The definition of "median" is the "middle" value in the list of hourly pay rates. To find the median, hourly rates are listed in numerical order from smallest to largest.*

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## **How do you calculate ordinary pay?**

Ordinary pay is not limited to basic salary. It includes other payments such as shift and duty allowances but excludes payments relating to overtime, redundancy or pay in lieu of holiday.

Ordinary pay is an employee's gross pay after any deduction(s) for, by way of example, a salary sacrifice scheme (even if the employee has voluntarily opted into the scheme).

## **How do you calculate discretionary (bonus) pay?**

Gender Pay Reporting requires us to report on any bonuses paid between April 2022 and March 2023.

At the bank, bonus payments were made in May 2022 (our year-end bonus which covers performance year 2021/22) which is the bonus reflected in this report.

*The next few pages outline our gender pay and bonus gap results. Due to regulatory requirements, the data we have published relates to our 2022/23 performance year (April 2022 – March 2023), and principally our pay data at 5th April 2023, being the 'snapshot' date determined by the UK's Gender Pay Reporting legislation.*

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## Historic Results

In line with legislative guidelines, we have been reporting our gender pay gap since 2017. The results for the previous three years are shown on the left to give context to this year's reporting and demonstrate areas where we have improved, and areas where there is room for development.

The results for 2016/2017, 2017/2018 and 2018/2019 can be found in the relevant Gender Pay reports published on the bank's website.

Over the five year period, there was an overall decrease in the ordinary pay gap, but the size of the gap has fluctuated from year to year.

There are a number of different reasons for this, including a fluctuation in the percentage of male employees, higher earners taking a period of parental or similar leave and new joiners/leavers across the company.

### 2019/20 Differentials between men and women

	Mean	Median
<b>Ordinary Pay</b>	19.1%	28.2%
<b>Discretionary Pay</b>	33.7%	32.7%

### 2020/21 Differentials between men and women

	Mean	Median
<b>Ordinary Pay</b>	2% (-17.1%)	28% (-0.2%)
<b>Discretionary Pay</b>	29% (-4.7%)	29% (-3.7%)

### 2021/22 Differentials between men and women

	Mean	Median
<b>Ordinary Pay</b>	8% (+4%)	22.5% (-5%)
<b>Discretionary Pay</b>	17% (-12%)	30.7% (+1.7%)

## Our Results

For the third year, there has been a decrease in the median pay gap, which is down 0.5% on last year's gap. There has been an increase in the mean pay gap, which has risen from 8% to 13%.

There have been a number of senior personnel changes this year which are reflected in the fluctuation of the mean pay gap.

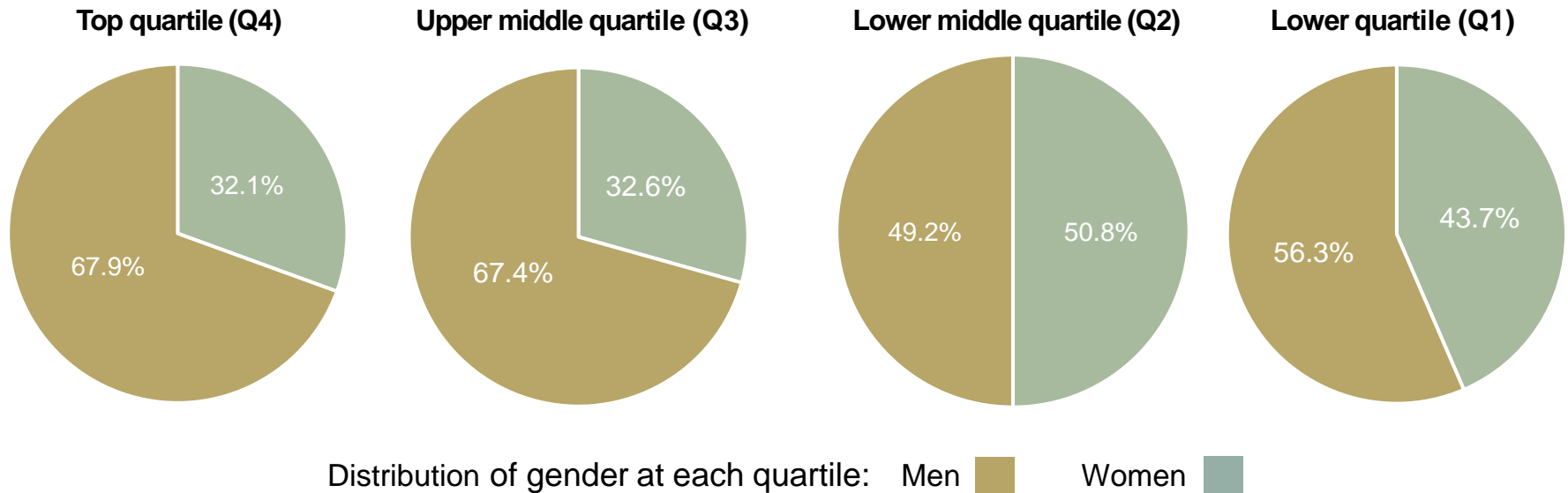
As with many businesses across the financial sector, there are more male employees than female and, notably, more males employed in senior positions as the quartile distribution graphic on page 8 indicates.

2022/23 Differentials between men and women		
	Mean	Median
Ordinary Pay	13% (+5%)	22% (-0.5%)
Discretionary Pay	-1.2% (-18.2%)	21.1% (-9.6%)

Men make up 60% of all employees at the bank (down 2% from last year). This demonstrates that, while there are more men and notably more men in senior roles, the median pay gap continues to decrease.

## What are quartiles?

Quartiles are determined by listing all male and female colleagues in order of pay from the highest paid to the lowest paid. This list is then split into four equal-sized groups, by number of employees, or “quartiles”.



Our report shows that, compared with last year, there has been a slight change in the percentage of female colleagues in the lower quartiles. In the top and upper middle quartile, there has been an increase in female employees of 2.1% and 2.6% respectively.



## Discretionary Pay (Bonuses)

### Those who received a bonus:

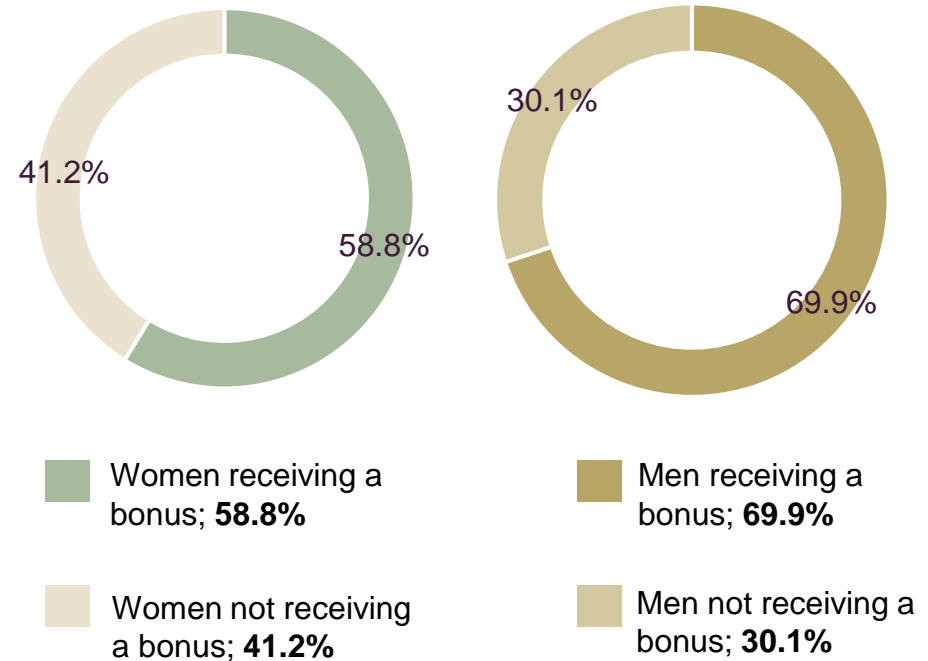
69.9% of men and 58.8% of women received a bonus in 2022/23.

*This is an 11.1 percentage point gap in favour of men which is a 9.1 percentage point increase from last year.*

Our data indicates that the proportion of women who received a bonus during the reporting period is lower (by 11.1 percentage points) than the proportion of men who received a bonus. Male employees are still receiving higher bonus awards based on the median, but this number has decreased by 9.3 percentage points compared with last year's results.

This senior level is still largely made up of male employees as shown in the pie chart for the top quartile (on page 8), thus accounting for the disparity in the number.

The mean discretionary pay gap has reduced significantly this year by 18.2 percentage points and is now marginally in favour of women.



## Next Steps

We are proud to see a reduction in our median pay gap and both our median and mean discretionary pay gaps. We can attribute this to ongoing initiatives within the bank including:

- Establishing a Women's Network – this is an employee-led committee which invites external speakers to create awareness of issues impacting the female workforce.
- We have invested in external experts to deliver leadership development training across our workforce.
- This year has seen the introduction of a new senior leadership team, which has led to broader collaboration and has a good level of female representation.

While we have seen an increase in our mean gender pay gap during 2022/23 , the overall trend continues to be an overall reduction in the pay gap.

For male employees, we have increased the paternity leave allowance and have seen an increase in male colleagues using their shared parental leave benefit, which we hope will continue year on year.

We are determined to further narrow the gender pay gap at the bank and will achieve this through the evolution of our culture, and the delivery of key initiatives that create an inclusive place to work. We are also committed to continuing to undertake regular pay reviews, which will ensure our pay and reward structures are fair and appropriate.



**Diana Brightmore-Armour**  
Chief Executive Officer

“I confirm that the data reported is accurate”

A handwritten signature in black ink that reads "Diana Brightmore-Armour".