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WOMEN IN UK FINANCIAL SERVICES 2016

PUTTING THE GADHIA REVIEW AND HM TREASURY'S WOMEN IN FINANCE CHARTER IN CONTEXT

June 2016

by Yasmine Chinwala

> Women account for 23% of board members and just 14% of executive committee members across UK-regulated financial services companies – but the government is stepping up pressure on the industry to redress gender imbalance

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What this report is about

Gender balance in UK financial services has leapt up the agenda since the government asked Jayne-Anne Gadhia, chief executive of Virgin Money, to lead a review of women in senior management, and launched HM Treasury's Women in Finance Charter.

In this report, we examine the context of the Review and the Charter and discuss how the industry can engage with these initiatives as an important stepping stone towards permanent, sustainable change.

We present a detailed analysis of the data New Financial provided to the Gadhia Review on female representation on executive committees and boards across UK financial services, as well as a qualitative survey of six of the Charter's founder signatories to draw out common themes signatories face and the anticipated impact of the Charter.

The data analysis includes:
- Average female representation across the industry and within different sectors
- What types of roles women hold on both excos and boards
- The impact of nationality and ownership on excos and boards
- Which companies are already taking a lead on female representation

The survey analysis includes:
- Practical aspects of implementing the Gadhia recommendations and Charter principles
- Common issues that financial services companies face both internally and externally and how they overcome those hurdles
- How companies expect to benefit from becoming a signatory
- Suggestions on best practice for potential signatories

Methodology

New Financial collected data from 200 companies and institutions across 12 different sectors: banking groups, investment banks, challenger banks, building societies, asset managers, diversified financials 1 (a selection of FTSE 350 and AIM-listed companies under the FTSE definition Diversified Financials), diversified financials 2 (market infrastructure, trading platforms, cards and payments systems companies) fintech (financial technology platforms in areas such as investment, payments, alternative lending, crowdfunding, not including information and data), private equity, venture capital, hedge funds. All are regulated in the UK by the Prudential Regulatory Authority and/or the Financial Conduct Authority.

In each sector, we selected UK companies or non-UK companies with significant operations in the UK based on their size, activity, and availability and quality of information. All data was collected in January 2016 from company websites, annual reports, Companies House and other public sources, FCA register data was collected using IMAS, and additional information was requested from companies directly. Our definition of executive committee is the most senior leadership/management team. Where individual exco members were not publicly named, we asked the company to share this information with New Financial. If the company was unable to, we identified senior executives (using the same public sources listed above) to create a proxy exco that was comparable to peers in the dataset. Where a company was a subsidiary of a listed entity and had no board, the parent group board was recorded. For further information on how we chose the sample, please contact us.

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New Financial is a think tank and forum that believes Europe needs bigger and better capital markets to help drive its recovery and growth.

We believe diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change in capital markets.

New Financial launched in September 2014 as a social enterprise. We are funded by institutional memberships.

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All interviews were conducted by Yasmine Chinwala in May 2016. Our sincere thanks to all who participated.

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Highlights of the report

- Nearly a quarter (23%) of board directors of UK financial services companies are women, but only one in seven (14%) executive committee members are female.

- There is a big difference in gender diversity between excos and boards – for example, for investment banks, average female representation on boards at 30% is nearly triple that on excos at just 12%. So far, the UK government's actions (such as the Davies Review) have focused on boards – this has not impacted excos.

- Whether we cut the data by country, ownership, or the number of people on the exco, the average percentage of women on excos hovers stubbornly around 14%, indicating that this is the natural baseline for women on excos in the absence of public pressure. The fact that female representation on FTSE 100 boards was just 12.5% at the launch of the Davies Review in 2011 also illustrates this concept of the natural baseline.

- There is a wide range of gender diversity across different sectors in our sample on both excos (10% for private equity ranging up to 24% for challenger banks) and boards (just 7% for fintech up to 31% for banking groups).

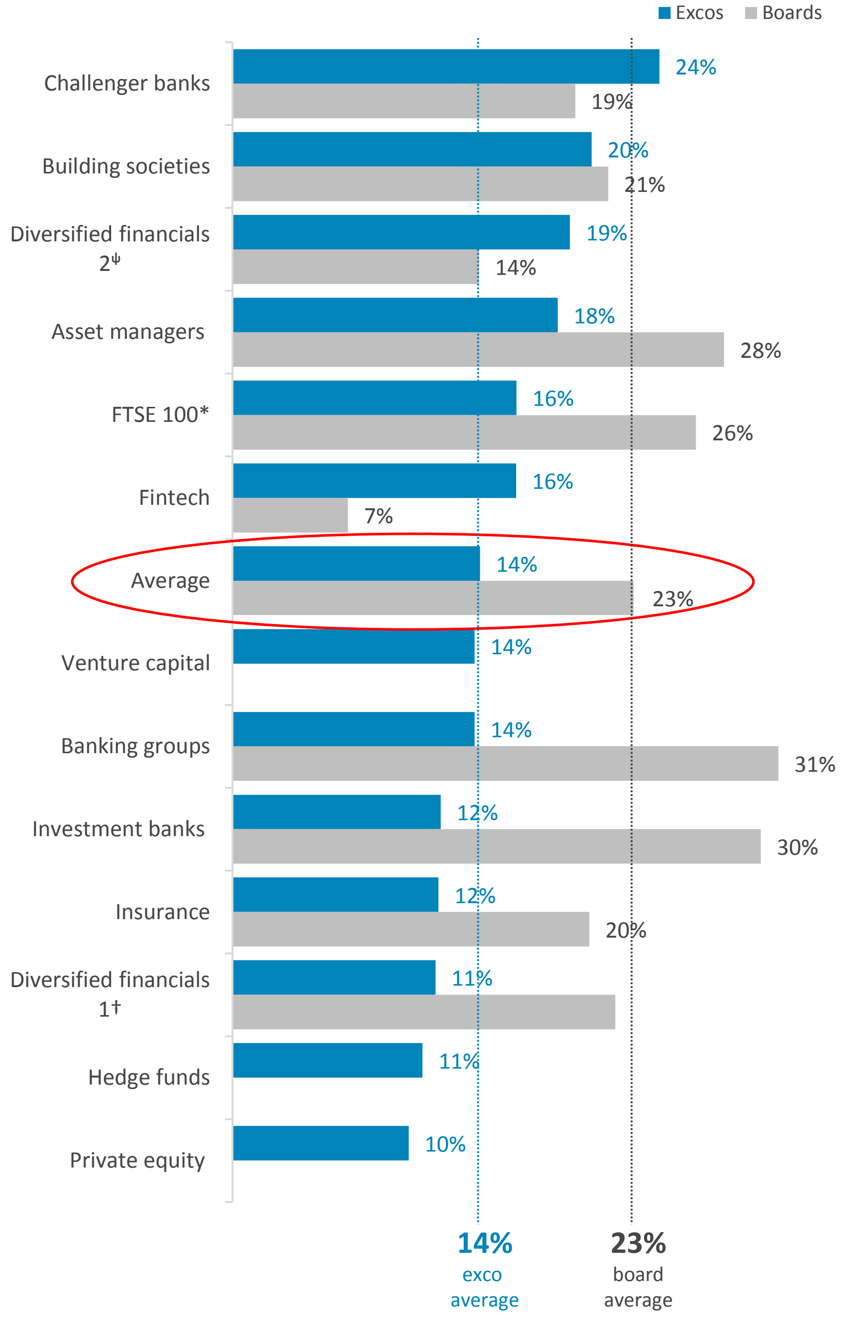
- Female executive committee members tend to be in support roles rather than in the C-suite or revenue generating functions. Nearly two thirds of heads of HR (61%) and more than half of heads of comms (52%) on excos were women, but only 9% of heads of a division or region and just 10% of the C-suite.

- The 23% average female representation on boards disguises the lack of women in executive directorships. The proportion of female non-execs (27%) is nearly four times that of female executive board directors (7%).

- The UK government is now focused on increasing the number of women in the executive pipeline. The Gadhia Review and HM Treasury Charter are catalysts not only for discussion but also provide a clear set of action points – including setting targets – designed to shift the dial.

Fig. 1 Where are we now?

Average female representation on boards and executive committees across the UK financial services industry by sector



Boards were not included for venture capital, hedge funds and private equity due to inadequate data

* FTSE 100 boards figure from *Women on boards, Davies Review, Five year summary*, October 2015, FTSE100 exco figure taken from Cranfield University's *The Female FTSE Board Report 2014* (this is the most recent data available on FTSE 100 excos)

† Diversified financials 1 consists of a selection of FTSE 350 and AIM-listed brokers and asset managers under the FTSE definition Diversified Financials

ᵠ Diversified financials 2 consists of market infrastructure, trading platforms, cards and payments systems

Location: by country

How does female representation in UK financial services compare to other countries? Fig. 2 shows the UK sits in the middle of its peers for boards, but is further behind on excos.

The Nordic region leads, and is often cited as a role model for gender equality in society. Norway was the first country in the world to introduce a quota for women on boards, Sweden and Finland have a "comply and explain" approach, and Danish companies have to set themselves gender diversity targets. Female exco representation is highest for Nordic financial services companies, but the average of 25% is still much lower than the board average of 34%. Excos lagging boards is a persistent theme across all of the data we analysed.

France and Germany both have board quotas for women and do better than UK boards, but again female executive committee representation lags, particularly in Germany, where the proportion of women on boards at 27% is more than three times that of excos at 8%.

Location: by owner

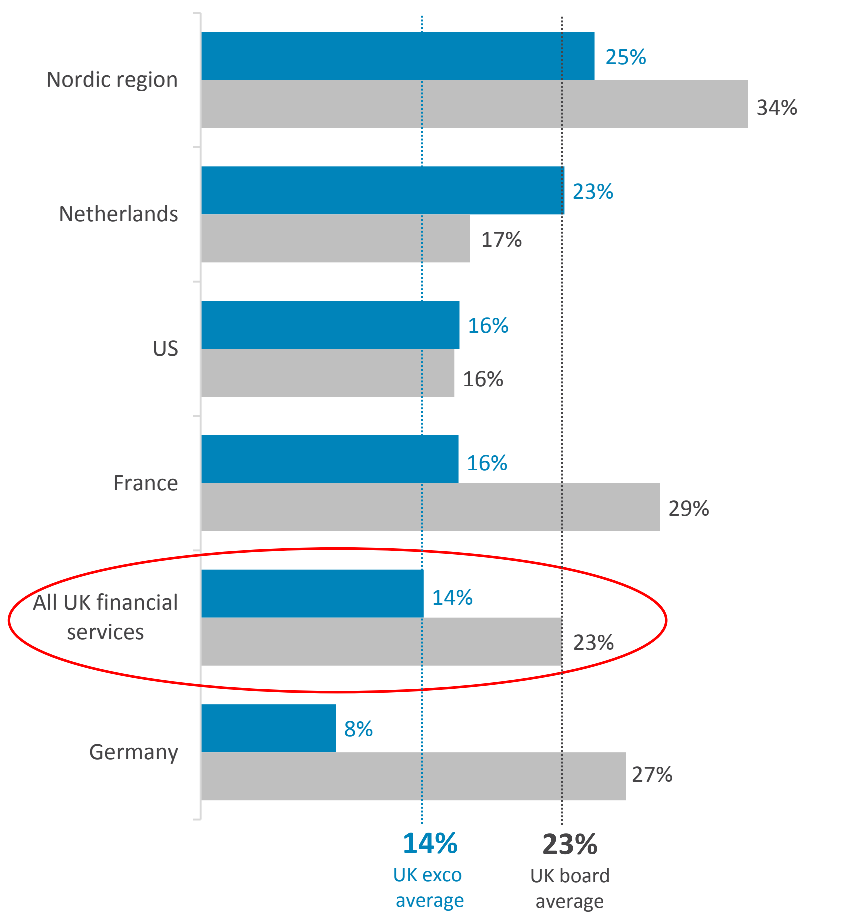
Being owned by a non-UK parent company has a positive impact on female board representation (Fig. 3). This is because 90% of the non-UK boards are of listed companies, whereas only half of the UK sample is listed. Efforts to improve gender balance have focussed on listed companies (see Fig. 5 overleaf). However women fare better on UK-owned excos.

Location: the London effect

Being headquartered outside London appears to be good for women on excos, with female representation rising from 13% to 18%. A fifth of our sample is based outside London, and most of these are building societies, challenger banks, a mixture of diversified financials and a handful of insurers.

Fig. 2 How the UK compares with other countries

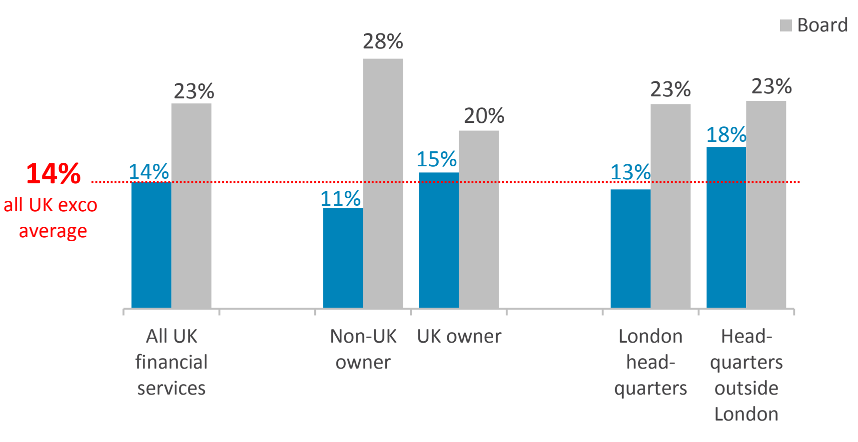
Average female representation on excos and boards by country or region*



*Country and region data sourced from New Financial's report *Counting Every Woman 2016*
NB: The number and sector composition of companies in the UK sample and how we chose them is slightly different to the regional data here, however it is still indicative of the trend. See *Counting Every Woman 2016* for full methodology of regional data.

Fig. 3 The effect of ownership and headquarter location

Average female representation on excos and boards by ownership and headquarters



A wide range

The levels of gender diversity on excos and boards across our sample vary from no women at all at one end of the scale up to female representation of 50% at the other, and everything in between (Fig. 4).

A quarter of companies have no women on their exco, and one in six have no women on their board. The distribution is weighted towards zero for executive committees. More than 60% of the sample have between 0 and 15% female representation on their exco, whereas gender diversity on boards is more evenly spread around the average of 23%.

Excos stuck at 14%

The main focus of regulators, governments and pressure groups has been on the boards of the biggest listed companies – and it is working. Female representation on listed company boards at 26% is nearly twice that for privately-held companies in our sample (Fig. 5). However, female representation on listed company excos at 12% is less than half that of boards, and it is around the same level as privately-held company excos and boards. This indicates that the 14% overall exco average is the natural baseline for female representation in the absence of a concerted push towards gender balance.

Privately-held companies in our sample are mainly asset managers, building societies, fintech, hedge funds, investment banks, private equity, VC firms and half of the insurers in the sample. Many fintech, hedge funds, private equity and VC firms will not be captured by HM Treasury's Charter as they have fewer than 250 staff, however HM Treasury is keen for firms of all sizes to sign up.

Fig. 6 shows that as a board increases in size, so does female representation. However, the same is not true for excos, which sit stubbornly around the 14% natural baseline even as excos get bigger. Figs. 7 and 8 overleaf explain why.

Fig. 4 Starting from a low base

The distribution of all UK-regulated financial services companies in our sample by percentage of female representation on excos and boards

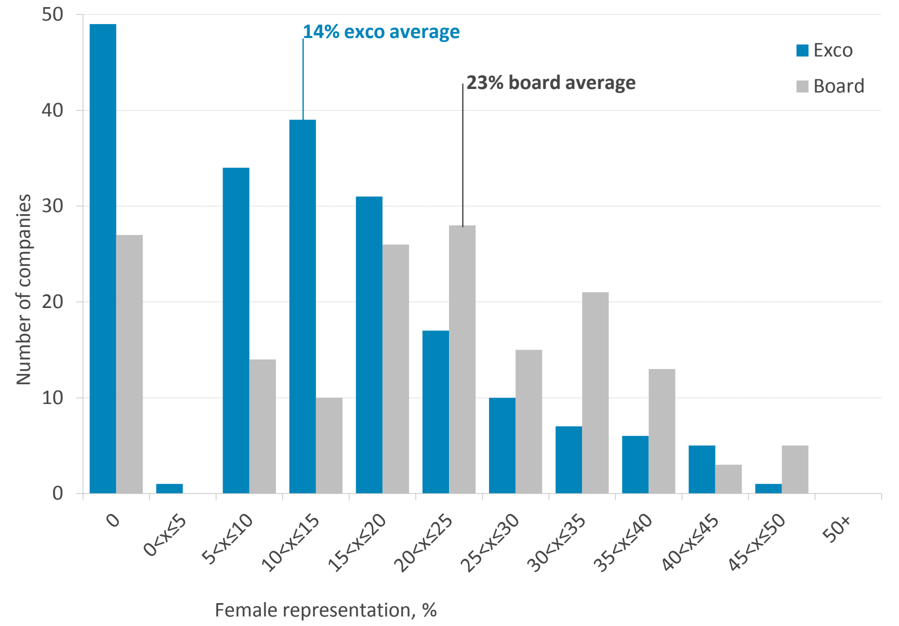


Fig. 5 Public vs private

Female representation on excos and boards by company type

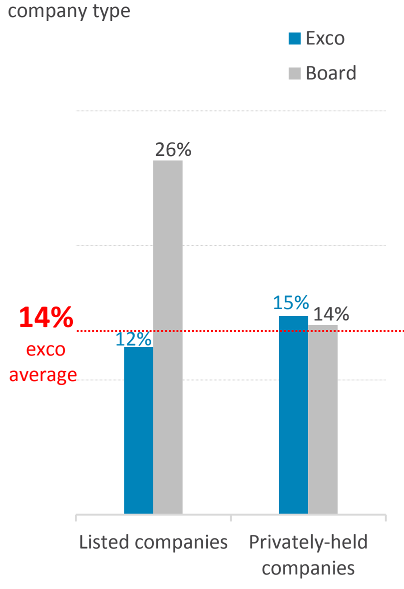
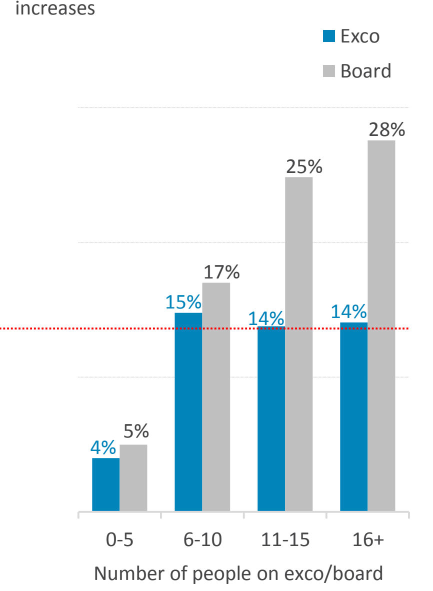


Fig. 6 Does size matter?

Female representation as exco and board size increases



More women in support roles…

Where women do sit on executive committees, what types of job do they do? Our analysis shows women tend to be in support roles – such as HR, communications, legal and compliance, marketing, strategy, treasury, audit, policy and corporate affairs – rather than front line revenue generating roles.

When the head of HR did sit on the exco, nearly two-thirds (61%) were women, and more than half of heads of communications (52%), but only 9% of heads of a division or region and just 10% of the C-suite are female (Figs. 7 and 8).

…but excos favour business roles

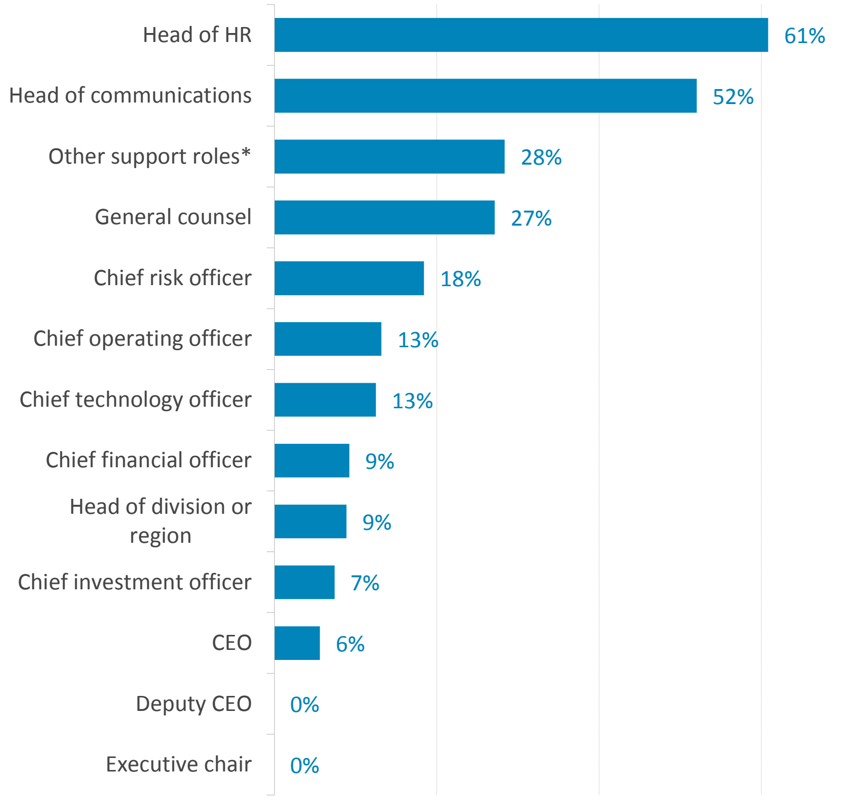
While there tend to be more women in support functions than in any other job, such roles are often not represented on executive committees. Unsurprisingly, the main focus of executive committee roles is on the C-suite and revenue generating functions. In total, support roles account for a quarter (25%) of all exco roles in our sample, with the rest divided fairly evenly between C-suite (37%) and P&L functions (39%).

Head of HR was a named exco member for more than half (56%) of those organisations who disclosed their executive committees (either publicly or to us). Head of comms was on nearly a fifth (19%) of excos and general counsel was present on more than half (53%).

One quick way to increase female representation on executive committees would be to elevate high-profile support functions to the exco – but such an approach would not resolve the underlying issue of a lack of senior women in frontline business roles, and as we will see in Fig. 10 overleaf, it is these exco roles that lead ultimately to executive board directorships.

Fig. 7 Gender breakdown of positions on executive committees

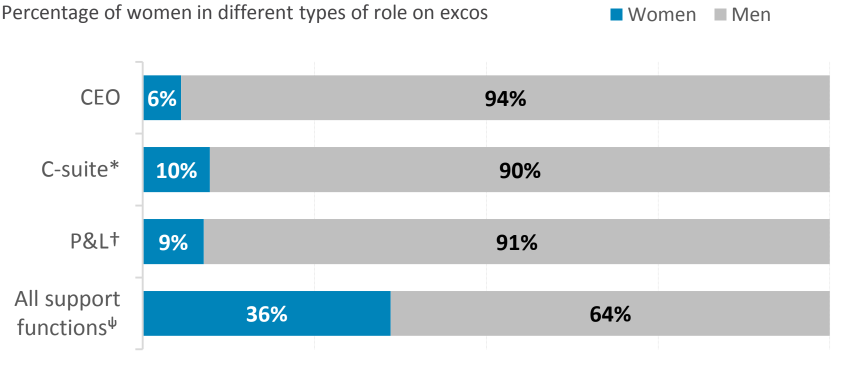
Percentage of women in different exco positions at organisations that disclose their executive committee (or equivalent) publicly or to New Financial privately



*Includes central support functions such as marketing, strategy, policy, corporate affairs, excludes roles listed above

Fig. 8 More women in support functions

Percentage of women in different types of role on excos



*includes CEO, deputy CEO, CFO, COO, CRO, CTO , executive chair, and for asset managers CIO
†profit and loss functions, i.e. revenue generating roles, including divisional or regional business responsibility
ᵠincludes communications, HR, legal and other central support functions such as marketing, strategy, policy, corporate affairs

Adding female NEDs is a quick fix

The 23% average figure for female representation on boards disguises the under-representation of women in executive directorships. Fig. 9 shows the proportion of female non-executive directors (27%) is nearly four times that of female executive directors (7%).

The ratio of exec directors to non-execs on boards is 1:3 for all board members in our sample. However for women that ratio rises to 1:12. Boards have been the main focus of voluntary and regulatory approaches to improve gender diversity in the corporate world, and appointing female non-exec directors is the quickest way to boost female representation.

Employee representatives are only present on six boards in our sample, all of which are non-UK banking groups, however it is interesting to note that these roles are equally held by men and women. Employee representatives are often elected by other employees or unions rather than by company management.

Boards need business leaders

So if a woman aspires to become an executive board director, what type of job should she be aiming for? Fig. 10 breaks down all executive board directors in our sample by function. Three-quarters of executive board members are CEOs, CFOs or heads of business lines – however, less than half of female executive directors in our sample hold these roles.

As shown already in Fig. 8's exco analysis, female executives are more likely to sit in support functions than C-suite or P&L jobs. If companies, regulators and governments are serious about bringing more women into executive board directorships, they need to nurture female talent in business leadership roles.

Fig. 9 Gender breakdown of board positions

Percentage of women in different board positions

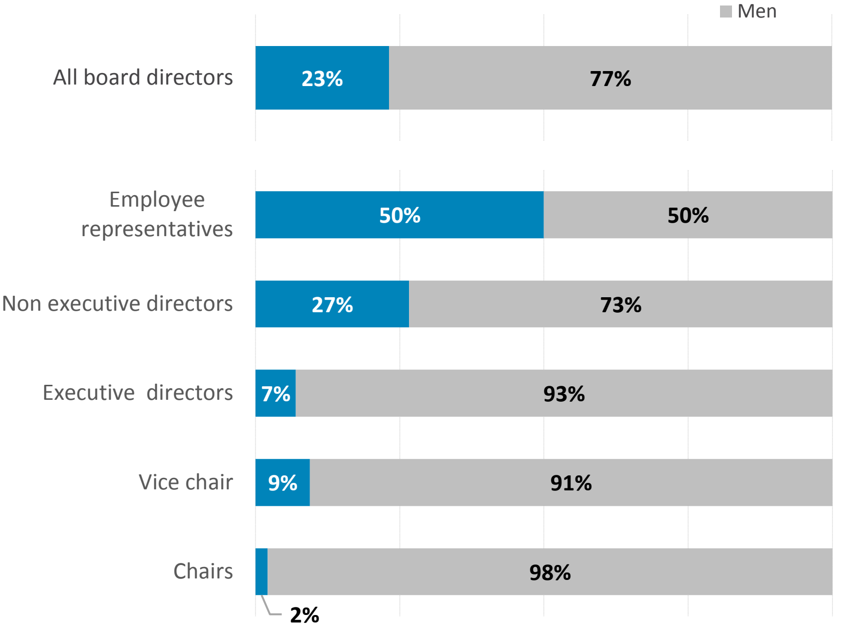
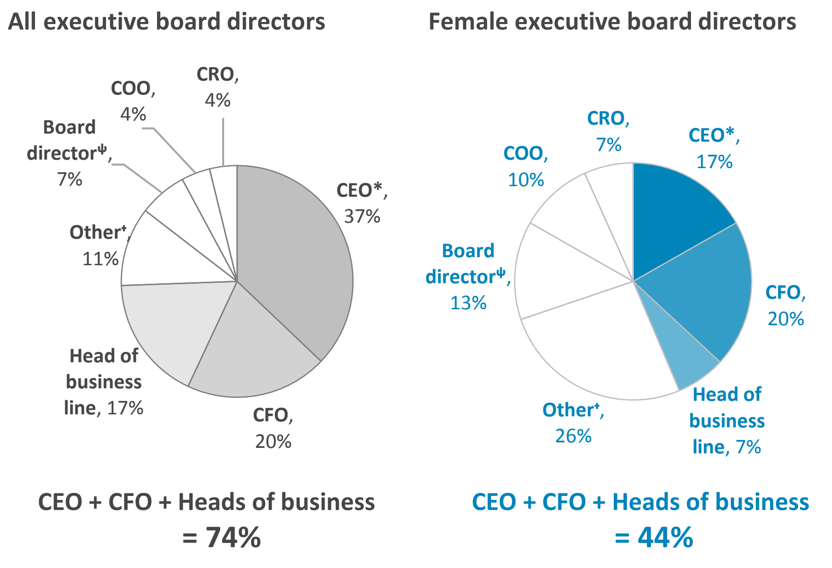


Fig. 10 The types of job that win executive board directorships

Percentage of executive board directors in the sample by function and gender



*CEO includes executive chair and those holding both chair and CEO simultaneously
†Other includes deputy CEO, CTO, CIO and other support roles such as communications, HR, legal, marketing, strategy, policy, corporate affairs
ᵠBoard director includes all other executive directors where we were unable to identify their role

The numbers aren't great, so now what?

As our data has shown, the UK financial services sector is a long way from gender parity in senior management. Following the success of the Davies Review of women on boards, which increased female representation on FTSE 100 boards from 12.5% in 2011 to 26% over five years without resorting to regulation, the UK government has turned its attention to improving gender balance throughout the executive pipeline. It launched two initiatives specifically targeting UK financial services – the Gadhia Review and HM Treasury's Women in Finance Charter.

What is the Gadhia Review?

Last year, the UK government commissioned Jayne-Anne Gadhia, CEO of Virgin Money, to lead a review of women in senior management across UK financial services. The Review team published their findings in March 2016 in the report *Empowering Productivity: Harnessing the talents of women in financial services* (see http://uk.virginmoney.com/virgin/women-in-finance).

The Review's main recommendations are:
• Firms should set their own internal targets against which they publicly report progress
• An executive must be accountable for improving gender diversity at all levels of their organisation and in all business units
• Executive bonuses should be explicitly tied to achieving internal gender diversity targets

The Review suggests companies publicly report on five criteria:
1) Statement on the firm's diversity policy
2) Name and role of the executive accountable for diversity and summary of impact of diversity performance on variable pay
3) Annual progress update
4) Summary of aims and targets for the coming year
5) Data metrics with year-on-year comparisons on 12 measures (see Fig.17 on page 12 for full list of metrics)

What is HM Treasury's Women in Finance Charter?

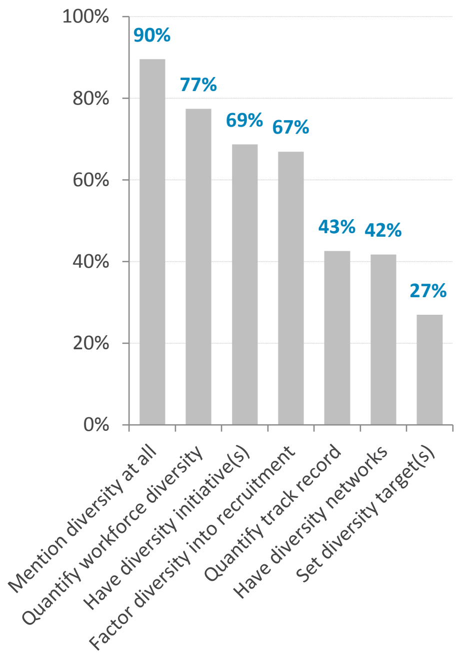
In support of the Gadhia Review's recommendations, the UK government launched the HM Treasury Women in Finance Charter in March 2016. The Charter is targeting UK-regulated financial services firms with more than 250 staff, but encourages firms of any size to sign. Firms sign the Charter on a voluntary basis.

In becoming a Charter signatory, firms pledge to promote gender diversity by:
• Having one member of the senior executive team who is responsible and accountable for gender diversity and inclusion
• Setting internal targets for gender diversity in senior management
• Publishing progress annually against these targets in reports on the company's website
• Having an intention to ensure the pay of the senior executive team is linked to delivery against these internal targets on gender diversity

In order to sign up to the Charter, firms have to submit an online firm at https://womeninfinance.org.uk.

Fig. 11 Diversity on the agenda

Percentage of organisations that disclose diversity information on the following criteria:



Source: New Financial's *Diversity Disclosure**

Getting to grips with the Gadhia Review and Treasury Charter

In May 2016, New Financial interviewed six of the founder signatories to HM Treasury's Women in Finance Charter – Columbia Threadneedle Investments, HSBC UK, Legal & General, Lloyds Banking Group, RBS and Virgin Money – to better understand why and how they had become Charter signatories, to identify the common obstacles they faced, and how they overcame them, in order to guide other potential signatories. The 10 themes that emerged from their responses are below. (To see the full set of survey questions, visit www.newfinancial.eu)

1) Consistency with an existing direction of travel

Founder signatories interviewed were already tackling gender diversity within their organisations long before the Gadhia Review or the Charter. While different companies were at different stages of progress with their diversity and inclusion work, improving gender balance was firmly on their agenda.

All respondents were already taking part in various diversity initiatives or networks, both formally and informally, such as the 30% Club, Business Disability Forum, City Parents, Interbank, The Network of Networks, Out Leadership, OUTstanding, Stonewall Index, Think Act Report, Women on the Wharf.

Given the broad spectrum of company types, sizes and activities covered by the Charter, there will be wide divergence in whether any groundwork on gender diversity has been laid. For those who have begun thinking about it, the Charter is a more logical progression, for others, they will first need to work out why diversity is important to their own strategy.

New Financial's *Diversity Disclosure** report shows that 90% of companies mention diversity somewhere in their annual reporting (see Fig. 11). Many of the 5,000 companies that come under the remit of the Charter will be at the very beginning of the educational process of why and how diversity is important to them.

2) Industry-wide approach

Respondents were very supportive of the Charter's industry-wide approach, and bought into the idea of better gender balance across financial services as a whole. By becoming signatories, they wanted to demonstrate leadership in diversity and inclusion, and share best practice with other companies. The most forward-looking companies see the Charter as an opportunity to network and collaborate on what works well and what doesn't.

3) Reputational benefit

Putting the company's name against something external is a different level of engagement on diversity – it's a statement of intent and a firm public commitment. Respondents felt having a public goal sends a strong message to existing and prospective employees and expected a positive impact on recruitment and retention. They also felt it would be beneficial to relationships with potential investors and customers who want their financial services providers to share their values.

*New Financial's *Diversity Disclosure* report was published in September 2015. We looked at public reporting (in annual reports, corporate and social responsibility reports, diversity reports and company websites) on a wide range of diversity criteria by 115 companies and institutions across European capital markets. To read the report in full, visit www.newfinancial.eu

Fig. 12 A rising tide lifts all boats

Correlation between disclosure scores on gender criteria and non-gender criteria

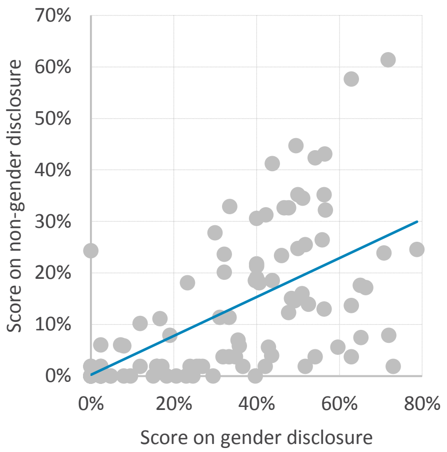
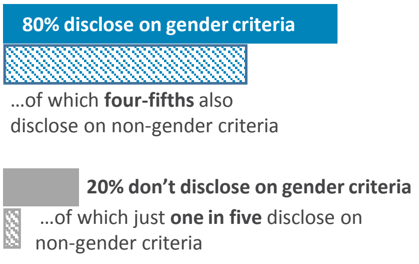


Fig. 13 Gender does not crowd out non-gender diversity

Comparison of organisations that do or do not disclose on any gender criteria and whether they do or do not disclose on any other criteria



Source: New Financial's *Diversity Disclosure*

4) A catalyst for discussions and actions on gender and beyond

The fact that the Gadhia Review was commissioned as part of the UK government's productivity plan and the Women in Finance Charter is owned by HM Treasury make a clear statement that gender diversity is a business issue. Respondents felt that while diversity was being discussed internally beforehand, the Review and the Charter have influenced and focussed the nature of those discussions, and crystallised words into action on more diversity and inclusion initiatives, including and beyond gender.

New Financial's *Diversity Disclosure* research shows a focus on gender does not crowd out wider diversity actions. As disclosure on gender diversity increases, so does disclosure on non-gender criteria (see Fig. 12 and Fig. 13), and here we use disclosure as a proxy for material actions. The majority of companies in our sample that disclosed on gender criteria also disclose something on other diversity characteristics, while the majority of those that say nothing about their female workers also disclose nothing about any other diversity type.

5) Internal governance process and time frame

Having buy-in to the Charter's goals from the very top of the organisation was essential to all respondents. While becoming a Charter signatory was discussed among HR, legal and compliance, corporate affairs and diversity and inclusion teams, it was ultimately signed off by the CEO, usually with the support of the executive committee and board of directors.

The founder signatories faced an accelerated time frame to commit to the Charter, deciding within a matter of days in order to attach their names to the Charter's launch in March 2016. The signatories agreed with the principles of the Charter at the time of signing, and are now in the process of working out what reporting is required to who and when.

However, there was acceptance from respondents that this is not how financial services companies usually work – they require adequate lead time to work out what they are committing to, how they will comply with that commitment and make sure a coherent proposal is presented to the CEO, exco and board for approval. One respondent said they would expect the approvals process under normal circumstance to have taken two to three months. For all signatories, HM Treasury will allow three months from signing to going live with their Charter commitments on their company website.

While the Charter's remit is UK financial services, it does cover international companies with a significant UK presence. They face additional hurdles from a non-UK head office, board and exco, as well as pushback on data disclosure from other jurisdictions, particularly the US, so will likely take longer to become signatories.

6) Executive accountability

The clear focus of both the Gadhia Review and the Charter on accountability at senior level was a positive for all survey respondents. All of the signatories interviewed said having an executive accountable for gender diversity was not a challenge, nor was publishing the target(s) and annually reporting against it, as once they have committed to it, the reporting just becomes part of the process.

Fig. 14 Number of targets

% of organisations disclosing any type of targets

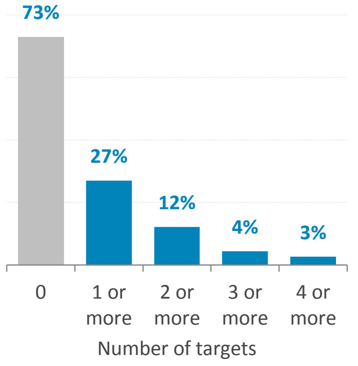


Fig. 15 Different types of targets

% of organisations that disclose the following types of target *excludes board

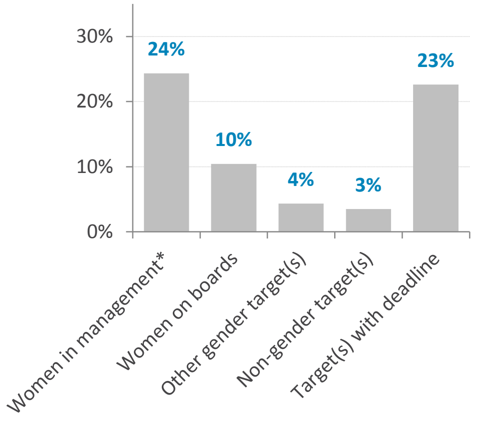
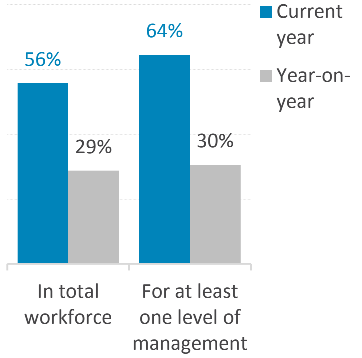


Fig. 16 Track record on gender

% of organisations that disclose comparable gender ratios for the current year and previous year(s)



Source: New Financial's *Diversity Disclosure*

7) The big debate on targets: achievable vs aspirational

The big hurdle to overcome for all signatories was setting the target(s) in the first place. New Financial's *Diversity Disclosure* research shows just 27% of companies publicly disclose any kind of diversity target, 26% disclose a gender-based target, 24% disclose a target for women in management and 10% a target for women on boards (see Fig. 14 and Fig. 15).

No company would set a fuzzy sales target of "year-on-year improvement". A target needs to be a number in order to focus efforts, and the financial services mindset is to not only achieve but exceed the target. Similarly, Charter signatories worked towards setting clear numerical diversity targets. However, within companies, internal views vary as to where the target should sit on the spectrum of realistically achievable to ambitiously aspirational.

Some respondents had already gone public with an aspirational target of 50:50, but for others the addition of linking the target to pay prompted a rethink. Once pay is involved, there is greater scrutiny of achievability and the methodology of target setting needs to be robust, just as it would be for any other performance metric. Respondents said they had undertaken complex modelling of the various recruitment, retention and promotion factors that contribute to their management pipeline at different layers of their businesses.

The company also has to take into account its risk appetite for public accountability of the target – a difficult question for companies in the wake of the financial crisis, nervous of creating yet another rod for their own backs. New Financial's *Diversity Disclosure* research found only 43% of our sample disclosed any diversity data with comparable data points from previous years and so many avoid having to account for a lack of progress year-on-year. Our research found the most disclosed data point was women in at least one level of management, which 64% of the sample disclosed, however only 30% published comparable historical data (see Fig. 16).

The balance between achievable and ambitious ultimately depends on decisions made at the most senior level around what messages management wants to send and the company-specific culture of motivation. The general consensus was to set a target that is achievable but only with concerted effort over an extended period of time.

Ideally, targets need to be set by function and seniority at each business line, as aggregate numbers can be fudged. But again, only a handful of companies are at the stage where they are able to take such a granular approach so will initially focus on a more general target.

8) How the target is incorporated into pay

For most survey respondents, the logical way for internal diversity targets to be linked to variable pay was to add diversity to the part of the balanced scorecard related to how performance was delivered (often referred to as values, personal objectives or culture) rather than the performance metrics themselves, in order to encourage supportive behaviours rather than just hitting numbers. Only one respondent said gender diversity was very clearly positioned as a business imperative for their company so for them it was a natural step to include their targets as a business objective.

9) Granular diversity data measuring and reporting

The Gadhia Review suggests companies consider reporting publicly on 12 data metrics (Fig. 17). Respondents all said there is no single action that can resolve gender imbalance, and the wide reach of these 12 data points reflects the multi-pronged nature of the problem and its solutions.

As most of the founder signatories are big listed companies, they are already accustomed to high levels of transparency and voluntarily disclose diversity data in their annual reporting. Respondents said they track most of these metrics, but were yet to decide whether to report on them publicly. However, the Review is aimed at all UK-regulated financial services companies, many of which are unlisted and/or small, unused to capturing detailed data on their workforce, let alone reporting it.

The table below lists the data metrics suggested in the Gadhia Review and the percentage of our *Diversity Disclosure* sample that disclosed against them. This offers some perspective on the size of the challenge firms face in disclosing such a granular level of data. Recording these metrics internally would be a good start on the path to identifying where problems lie and towards greater transparency.

Fig . 17	Gadhia Review data metrics	% of sample that disclosed*
1	Gender ratio of total workforce	56%
2	Gender ratio of board	35%
3	Gender ratio of leadership team	17%
4	Gender ratio by each business unit in the UK	†
5	Gender ratio by function	†
6	Gender ratio by organisational level	
	Gender ratio of at least one level of management (other than board or exco)	64%
	Gender ratio at 2 or 3 levels of management	47%
	Gender ratio at 4 or more levels of management	22%
7	Gender ratio of all new hires	8%
8	Gender ratio of employees promoted	†
9	% of company in flexible working roles	†
10	Gender ratio of employees in flexible working roles	†
11	% of maternity/paternity/shared parental leave returnees	†
12	Gender ratio of leavers	†

* Data source: New Financial's *Diversity Disclosure*
† Not commonly disclosed so was not one of our disclosure criteria

10) Permanent sustainable change for the industry

Respondents expect the Charter to have a positive impact on the financial services industry in the UK by asking companies to commit to greater transparency around their gender diversity efforts. By asking for sponsorship from the top, it should enable companies to put in place activities to make permanent and sustainable changes.

Its success will depend on whether more companies – particularly younger, smaller, less mature organisations that face the biggest challenge – are willing and able to demonstrate the same level of commitment as the most forward-looking early adopters of the Charter.

Fig. 18 Top 20 UK-regulated financial services companies for gender diversity

These tables rank our sample by percentage of female representation on their excos and boards. It would be easy to name and shame the worst performers as well, but this report is about encouraging better gender diversity, not exposing a lack of it.

NB: Company secretaries were excluded from the board count to maintain consistency across the sample. Any exco or board with fewer than six members was excluded from this ranking.

* Group level

Executive committees

Rank	Name	Sector	% Female
1	Virgin Money	Challenger banks	50%
=2	Lloyds of London	Insurance	44%
	Visa Europe	Div fin 2	44%
	WorldRemit	Fin tech	44%
5	Capital One UK	Div fin 2	43%
6	MBNA Limited	Div fin 2	42%
=7	FundingCircle	Fin tech	38%
	Nottingham Building Society	Building societies	38%
	TSB	Challenger banks	38%
=10	Clydesdale Bank	Challenger banks	36%
	Standard Chartered	Banking groups	36%
	T Rowe Price International	Asset managers	36%
=13	Admiral Group Plc	Insurance	33%
	Close Brothers	Div fin 1	33%
	Fidelity International	Asset managers	33%
	Metro Bank	Challenger banks	33%
	Starling	Fin tech	33%
	SVG Capital	Private equity	33%
19	Santander UK	Banking groups	31%
=20	American Express Europe	Div fin 2	30%
	Paragon Group	Div fin 1	30%

Boards

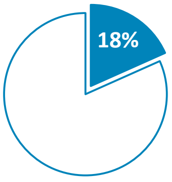
Rank	Name	Sector	% Female
1	Societe Generale	Banking groups	50%
2	BNP Paribas	Banking groups	47%
3	Virgin Money	Challenger banks	44%
4	Atom Bank	Fin tech	43%
5	Admiral Group Plc	Insurance	42%
6	Jupiter Fund Management	Asset managers	40%
=7	3i	Private equity	38%
	Brewin Dolphin	Div fin 1	38%
	Direct Line Group	Insurance	38%
	TSB	Challenger banks	38%
11	HSBC Holdings	Banking groups	37%
=12	Old Mutual	Insurance	36%
	Royal Bank of Scotland	Banking groups	36%
=14	Commerzbank	Banking groups	35%
	Deutsche Bank	Banking groups	35%
	UniCredit	Banking groups	35%
=17	Allianz Global Investors/ PIMCO*	Asset managers	33%
	Close Brothers	Div fin 1	33%
	Columbia Threadneedle Investments, EMEA*	Asset managers	33%
	Hargreaves Lansdown	Div fin 2	33%
	Henderson Group	Asset managers	33%
	Natixis (wholesale)*	Investment banks	33%
	Skipton Building Society	Building societies	33%
	SVG Capital	Private equity	33%

Fig. 19 Average female representation on excos and boards and top 5 companies ranked by female representation in each sector

* Group level † Fewer than six members

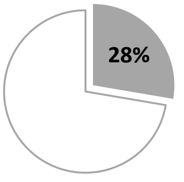
Asset managers

Excos



1	T Rowe Price International	36%
2	Fidelity International (FIL Holdings UK)	33%
3	HSBC Global Asset Management	27%
=4	Jupiter Fund Management, Legal & General Investment Management	25%

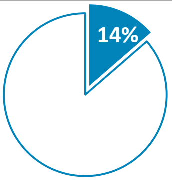
Boards



1	BNP Paribas Investment Partners*	47%
2	Jupiter Fund Management	40%
3	HSBC Global Asset Management*	37%
=4	Allianz Global Investors/Pimco*, Columbia Threadneedle Investments, EMEA*, Henderson Group, UBS Global Asset Management*	33%

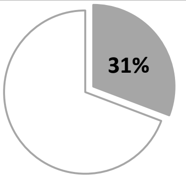
Banking groups

Excos



1	Standard Chartered	36%
2	Santander UK	31%
3	Bank of Ireland UK	22%
=4	Nordea Bank, AIB Group	20%

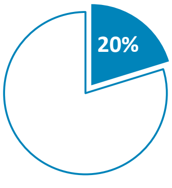
Boards



1	Societe Generale	50%
2	BNP Paribas	47%
3	HSBC Holdings	37%
4	Royal Bank of Scotland	36%
5	UniCredit	35%

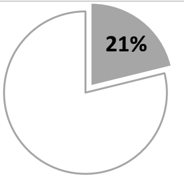
Building societies

Excos



1	Nottingham	50%
2	Principality	38%
3	Newcastle	27%
=4	Nationwide, Cumberland	25%

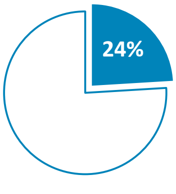
Boards



1	Skipton	33%
2	Nationwide	27%
3	Leeds	25%
=4	Nottingham, Principality	22%

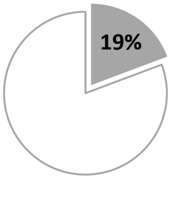
Challenger banks

Excos



1	Virgin Money	50%
2	TSB	38%
3	Clydesdale Bank	36%
4	Metro Bank	33%
5	Aldermore	25%

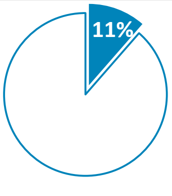
Boards



1	Virgin Money	44%
2	TSB	38%
=3	Clydesdale Bank, Sainsbury's Bank	23%
=5	Aldermore, Cooperative Bank, One Savings, Shawbrook	18%

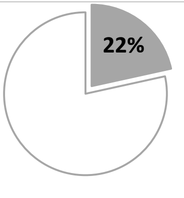
Diversified financials 1

Excos



1	Close Brothers	33%
2	Paragon Group	30%
3	IG Group	29%
4	Old Mutual	27%
5	Intermediate Capital Group	22%

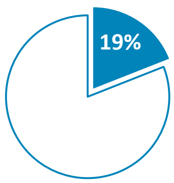
Boards



1	Brewin Dolphin	38%
2	Old Mutual	36%
3	Close Brothers	33%
=4	IG Group, Provident Financial	29%

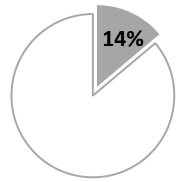
Diversified financials 2

Excos



1	Visa Europe	44%
2	Capital One UK	43%
3	MBNA Limited	42%
4	American Express Europe	30%
=5	Tullett Prebon, BATS Global Markets	14%

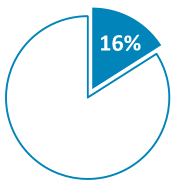
Boards



1	Hargreaves Lansdown	33%
2	MBNA Limited*	31%
=3	American Express Europe*, Tullett Prebon	25%
5	London Stock Exchange Group	23%

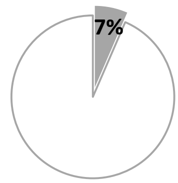
Financial technology

Excos



1	WorldRemit	44%
2	FundingCircle	38%
3	Starling	33%
4	Bankable	25%
=5	Azimo†, Currency Cloud†	20%

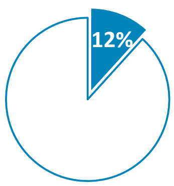
Boards



1	Atom Bank	43%
2	Starling	29%
=3	Calastone† WorldRemit†	20%
5	Azimo	17%

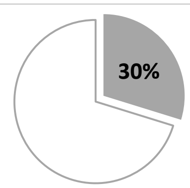
Investment banks

Excos



1	UBS IB	29%
2	Credit Agricole CIB	25%
3	Credit Suisse IB (UK exco)	23%
4	Bank of America Merrill Lynch	20%
5	JP Morgan CIB	15%

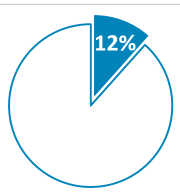
Boards



1	Societe Generale CIB*	50%
2	BNP Paribas Corporate and Institutional Banking*	47%
3	HSBC Global Banking and Markets*	37%
4	RBS CIB*	36%
5	UniCredit CIB*	35%

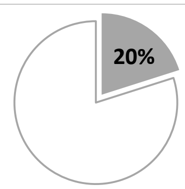
Insurance

Excos



1	Lloyd's of London	44%
2	Admiral Group plc	33%
3	Ageas (UK) Limited	29%
4	Aviva plc	25%
5	Prudential	18%

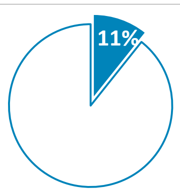
Boards



1	Admiral Group plc	42%
2	Direct Line Group	38%
3	Standard Life	31%
4	Hiscox Ltd	30%
5	Legal & General	27%

Hedge funds

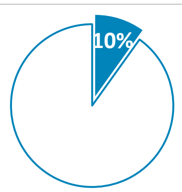
Excos



1	Cheyne Capital Management	23%
2	AKO Capital	18%
3	Brevan Howard	16%
4	Egerton Capital	15%
=5	BlueCrest Capital Management, Cantab Capital Partners, GAM	14%

Private equity

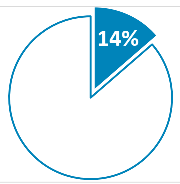
Excos



1	SVG Capital	33%
2	Coller Capital	25%
3	Permira	21%
4	Pantheon	20%
5	Carlyle Group	17%

Venture capital

Excos



1	Balderton Capital	27%
2	Accel Partners	25%
=3	Amadeus Capital Partners, Business Growth Fund	20%
5	Imperial Innovations	15%

New Financial believes that diversity in its broadest sense is not only essential to running a sustainable business but a fundamental part of addressing cultural change in capital markets.

As part of our aim to move the diversity debate forward, we host seminars and workshops on different aspects of diversity, and we publish surveys and research.

If you have any feedback on this report or are interested in taking part in our events programme, please contact:

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10 suggestions for debate

The UK government has a clear agenda to improve gender balance at the highest levels in financial services. But there is no silver bullet. This report is a starting point for a wider discussion on diversity and the constant search for best practice in developing a more sustainable business model for the industry. Here are some suggestions to feed into the debate:

1. Whether the UK financial services industry likes it or not, the government has set its sights on bringing more women into senior management positions. HM Treasury's Women in Finance Charter is voluntary, but if companies fail to show willing and make real progress, the industry could face the spectre of quotas.

2. Nearly a quarter of UK financial services companies in our sample still have no women on their executive committee, and one in six have no women on their board. These organisations need to urgently reconsider their position as the Charter is wide-reaching – it applies to 5000 UK-regulated companies.

3. While many will find aspects of the Charter daunting, its principles were not plucked from thin air and are not unreasonable. The Gadhia Review's recommendations are based on extensive consultation across financial services to find approaches that demonstrate best practice and deliver results.

4. The starting point for each company – regardless of size, sector, or current gender ratios – is to work out why diversity is important to it and how improving diversity fits into its overall strategy. The Review and Charter provide a framework of action points to catalyse change.

5. The Charter's principles offer considerable flexibility to signatories – companies decide for themselves who will be their accountable executive, what their target(s) is and how to link diversity to pay. If the industry fights the Charter as yet another piece of regulation, it could end up dealing with a far more prescriptive approach.

6. All companies need to measure and record female participation throughout the pipeline; the data will reveal both problems and potential solutions. Taking the next step of making this data public is an opportunity to acknowledge a difficult starting point and prompt more open discussions between peers and sectors.

7. Improving female representation is not really rocket science. It requires companies to do a bit of everything. None of these actions are new, but it will take hard work to motivate the incumbent workforce to apply them consistently.

8. Setting diversity targets need not be as frightening as it first appears. Having targets helps to focus people's minds and turns improving diversity into a business objective. No financial services company would expect sales to improve without setting a target and having a strategy to achieve it.

9. There could be easy wins to improve female representation on executive committees: where companies have senior women in support functions such as HR and communications, they could consider elevating those roles to the exco. Such moves would be a powerful signal of intent, but would not resolve the bigger problem of bringing more women into business leadership roles.

10. Is it really a competitive disadvantage for the UK to take a lead on gender diversity in financial services? The UK has been long been a standard bearer for this sector. Companies that get on the front foot with improving gender balance will be better positioned as other jurisdictions are likely to follow.