



EBA REPORT

ON THE BENCHMARKING OF DIVERSITY PRACTICES
AT EUROPEAN UNION LEVEL UNDER ARTICLE 91(11)
OF DIRECTIVE 2013/36/EU (2018 DATA)

EBA/REP/2020/05

EBA

EUROPEAN
BANKING
AUTHORITY

Contents

List of figures	3
1. Executive summary	5
2. Background	7
3. Diversity benchmarking	9
3.1 Diversity policies	10
3.2 Diversity practices	17
3.2.1 Gender diversity	17
3.2.2 Gender diversity and profitability of credit institutions	28
3.2.3 Diversity regarding the age of directors	29
3.2.4 Professional experience and educational background	32
3.2.5 Geographical provenance	35
3.3 Gender and remuneration of the management body	36

List of figures

Figure 1: Institutions (credit institutions (CIs) and investment firms) with and without a nomination committee	10
Figure 2: Percentiles (p) for the number of members of the management body in its management function (executive directors)	12
Figure 3: Percentiles (p) for the number of members of the management body in its supervisory function (non-executive directors without staff representatives)	12
Figure 4: Numbers of institutions and percentages of institutions with a diversity policy and a gender diversity policy in place, 2018 data for each Member State and EU total for 2015 and 2018	13
Figure 5: Level of quantitative gender targets set by institutions based on the representation of women	14
Figure 6: Other aspects of diversity, 2018 data	16
Figure 7: Numbers of institutions that take diversity into account when recruiting members of the management body.	16
Figure 8: Numbers of credit institutions by Member State and governance system and their average numbers of EDs, non-EDs and SRs	18
Figure 9: Numbers of investment firms (IFs) by Member State and governance system and their average numbers of EDs, non-EDs and SRs	20
Figure 10: Numbers and percentages of CEOs and EDs for different age and gender categories, 2018 and 2015 data	21
Figure 11: Numbers and percentages of chairpersons, other non-EDs and SRs for different age and gender categories, 2018 data and totals for 2015	22
Figure 12: Percentages of female EDs in institutions by size (balance-sheet total), 2018 data and totals for 2015	23
Figure 13: Percentages of female non-EDs (without SRs) in institutions by size (balance-sheet total), 2018 data and totals for 2015 and 2018 (including SRs)	24
Figure 14: Numbers and percentages of recently recruited EDs and non-EDs and recently selected SRs	25
Figure 15: Trends in recently recruited directors by gender over time	25
Figure 16: Percentages of recently recruited female directors by Member State	26
Figure 17: Representation of genders in management bodies separately for executive directors, non-executive directors (without SRs) and SRs (%)	27
Figure 18: ROE and gender balance of executive directors for credit institutions	28
Figure 19: Distribution of ROE for credit institutions by gender balance of executive directors and size of credit institution (balance-sheet total)	29

Figure 20: Percentages of executive directors in certain age categories by institution size (balance-sheet total)	29
Figure 21: Percentages of non-executive directors (without staff representatives) in certain age categories by institution size (balance-sheet total)	29
Figure 22: Percentages of staff representatives in certain age categories by institution size (balance-sheet total)	30
Figure 23: Changes compared with 2015 in the age distribution of executive directors in percentage points	30
Figure 24: Changes compared with 2015 in the age distribution of non-executive directors (including staff representatives) in percentage points	30
Figure 25: Percentages of executive directors and non-executive directors (without staff representatives) in certain age categories by Member State	31
Figure 26: Percentages of directors with a given number of years of professional experience	32
Figure 27: Changes compared with 2015 in the percentages of executive directors with a given number of years of professional experience in percentage points	32
Figure 28: Percentages of directors with experience of more than 20 years, by Member State	33
Figure 29: Educational backgrounds of executive directors, non-executive directors (without staff representatives) and staff representatives	34
Figure 30: Percentages of institutions with a management body where, among the executive directors, a given number of different educational backgrounds are present	34
Figure 31: Percentages of institutions with a management body where, among the non-executive directors (including staff representatives), a given number of different educational backgrounds are present	35
Figure 32: Percentages of institutions covering business areas in terms of the geographical provenance of executive directors	36
Figure 33: Percentages of institutions covering business areas in terms of the geographical provenance of non-executive directors (including staff representatives)	36
Figure 34: Percentiles (p) for gender-related pay gaps observed for executive directors and non-executive directors (%)	37

1. Executive summary

This report presents an analysis of the diversity data reported by competent authorities to the European Banking Authority (EBA) under Article 91(11) of Directive 2013/36/EU. The EBA and competent authorities are required to benchmark diversity practices in institutions' management bodies. The data analysed come from a representative sample of credit institutions (in different size categories) and investment firms selected by each national competent authority on the basis of common criteria set out by the EBA.

Directive 2013/36/EU introduced the requirements that institutions take into account the diversity of the management body when recruiting new members and implement a diversity policy. The objective is, among others, to achieve a more appropriate representation of both genders in management bodies. To this end, all institutions are required to have a diversity policy, and significant institutions are required under Article 88(2)(a) of the directive to set a target for the representation of the under-represented gender in the management body and to take measures to increase their number in the management body to meet that target.

More diverse management bodies can help to improve decision-making regarding strategies and risk-taking by incorporating a broader range of views, opinions, experiences, perceptions, values and backgrounds. A more diverse management body reduces the phenomena of 'group think' and 'herd behaviour'. The issue of diversity is not limited to gender; it also concerns the age, professional and educational background, and geographical provenance of the members of the management body. All those factors are important aspects of the composition of the management body.

The EBA collected data from 834 institutions from all the European Union (EU) and European Economic Area (EEA) Member States, separately for credit institutions of different sizes and for investment firms. However, the Czech Republic submitted only a limited set of data.

Despite the legal requirements, a significant proportion of institutions (41.61%) have still not adopted a diversity policy and not all institutions that have a policy promote gender diversity by setting a target for the under-represented gender. The policies adopted differ significantly between Member States, particularly with regard to gender diversity targets. Institutions' diversity policies should actively promote the diverse composition of the management body and, at least for significant institutions that have a nomination committee, include measures to increase the number of directors of the under-represented gender.

The level of diversity in the composition of management bodies in institutions differs significantly between Member States, particularly with regard to gender diversity. The representation of women in management bodies in their management function improved slightly compared with 2015, reaching 15.13% (2015, 13.63%), and their representation in management bodies in their supervisory function improved strongly, reaching 24.02% (2015, 18.90%). In smaller institutions that have a smaller number of members of the management body, the diversity of the management body tends to be even lower. Furthermore, small investment firms are typically run by the owners

or even a single owner, which makes it impossible to achieve diversity within the recruitment process.

Two thirds (66.95%) of institutions have executive directors of only one gender. The representation of women is particularly low in investment firms and small institutions, and in fact in those institutions the proportion of women among members of management bodies even fell between 2015 and 2018. More than two thirds of small credit institutions (2018, 68.57; 2015, 54.24%) do not have any female members of the management body in its management function. By contrast, the situation in significant institutions improved slightly, but 50.63% of them (2015, 60.34%) still have no female members of the management body in its management function. Considering that their numbers of executive directors are higher and that the regulatory requirements on diversity are stricter, the level of gender representation in significant institutions is not satisfactory, even though the proportion of them with a more gender-balanced management function is higher than the average for other institutions. With regard to the supervisory function, 70.78% of institutions had non-executive directors of both genders. Institutions should consider additional measures to promote a more balanced representation of both genders.

Based on the data collected for 2018, the EBA analysed if there is a correlation between the profitability of a credit institution and the composition of the management body in its management function. Credit institutions that have executive directors of both genders seem to have a higher probability of having a return on equity (ROE) at or above the average of 6.42% than credit institutions with executive directors of only one gender. While 54.70% of the credit institutions with more gender-balanced management bodies in their management function have an ROE at or above 6.42%, only 40.69% of those with executive directors of just one gender reach that ROE level. Moreover, the average ROE for institutions with gender-diverse management functions is above the average for other institutions (7.28% versus 5.95% respectively).

Diversity with regard to educational and professional background helps to meet requirements regarding management bodies' collective suitability and has, therefore, already been better addressed in many institutions than other aspects of diversity.

The EBA also collected data on remuneration for each gender in the management body to establish if there is a gender pay gap. In most institutions, the remuneration of male members of the management body is higher than that for female members. This can partly be explained by the fact that only 8.53% of chief executive officers (CEOs) and 9.49% of chairpersons are female, and higher remuneration is usually paid for those functions. However, based on the analysis, the different roles alone cannot explain the observed differences in pay, which are more clearly visible for non-executive directors than for executive directors. Under the amended Directive 2013/36/EU, the EBA is mandated to benchmark gender-neutral remuneration practices, and it will carry out further work in this area.

The EBA will continue to monitor diversity in management bodies and issue periodical benchmark studies on diversity and on gender-neutral remuneration, and it will consider the need to issue guidelines regarding this matter.

2. Background

1. Directive 2013/36/EU¹ introduced the requirement, under Article 91, that institutions take into account the diversity of the management body when recruiting new members. Under Article 88 of the directive, the nomination committee, which is required for significant institutions, should set a target for the representation of the under-represented gender and prepare a policy on how to increase the number of the under-represented gender in the management body. Where such a committee does not exist, the management body should consider setting such a target as part of the institution's diversity policy.
2. Article 91(10) of Directive 2013/36/EU requires institutions to adopt a policy promoting diversity in the management body. Institutions' policies should promote diversity with regard to several aspects, including gender, age, educational and professional background, and, in particular for internationally active institutions, the geographical provenance of members of the management body. In a few Member States, the aspect of geographical provenance is not required to be included in diversity policies. The reason for this is that those Member States consider that this requirement would conflict with national laws intended to prevent discrimination against people based on their origin or ethnicity. Diverse management bodies include members who have different skills, knowledge, experiences, backgrounds, values and perceptions, so that different perspectives are brought to discussions between members.
3. The existence of different perspectives can help to improve decision-making, as a more diverse management body reduces the phenomena of 'group think' and 'herd behaviour'. Diversity can thus help members of the management body to act more efficiently, to achieve a business and risk strategy that is in the best interests of the institution and to ensure sound management of the institution and its staff, including ensuring that the institution's policies are gender neutral and ensuring equal opportunities for all genders.
4. In accordance with Article 91(11) of Directive 2013/36/EU, competent authorities are to collect the information disclosed on diversity policies, as well as on the extent to which their objectives and targets have been achieved, in accordance with Article 435(2)(c) of Regulation (EU) No 575/2013,² and they are to use it to benchmark diversity practices. The competent authorities must provide the EBA with the information collected. The EBA is to use that information to benchmark diversity practices at EU level.

¹ Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019.

² Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019.

5. As mandated, the European Commission has reviewed the benchmarking of diversity practices under Directive 2013/36/EU. The recommendations of the review report³ have been taken into account in the 2019 benchmarking exercise.
6. Based on the above recommendations and taking into account proposed changes to Directive 2013/36/EU, the EBA has revised and clarified its methodology. Since the last exercise, benchmarks regarding employee representatives have been added and as part of the 2019 exercise the EBA performed a first benchmarking of the gender pay gap at the level of the management body. The principle of gender-neutral pay is addressed in Directive (EU) 2019/878 of 20 May 2019 amending Directive 2013/36/EU. At the level of the management body, the remuneration levels can be benchmarked now, given that the responsibilities of that group of staff are well defined in Directive 2013/36/EU, EBA guidelines and company law, and therefore pay levels can be compared. However, the results need to be interpreted with care, as remuneration depends on several aspects, including differences between pay levels in different Member States, the size and complexity of the institution, the specific position held (e.g. CEO, executive director, chairperson, non-executive director, employee representative), additional responsibilities (e.g. chairing of committees), and the specific expertise and experience needed and available on the market (e.g. IT experts with sufficient banking knowledge are in particular demand).

³ The report is available at <https://ec.europa.eu/transparency/regdoc/rep/1/2016/EN/COM-2016-774-F1-EN-MAIN.PDF>

3. Diversity benchmarking

8. During the first half of 2019, the EBA received information from competent authorities on diversity policies established by individual institutions and the targets set for the under-represented gender, together with data on the composition of management bodies. The data depict the situation as it was on 30 September 2018. In addition, data on remuneration for the performance year 2017 for members of the management body, separately for each gender, were collected.
9. The EBA received in 2019 information on diversity policies for 834 credit institutions of different sizes and investment firms. However, not all of them provided all the requested information and therefore the number of institutions may slightly differ for different measures covered in the report. In 2015, the EBA collected information from 864 institutions. The slight reduction in the number of institutions is mainly a result of mergers. While overall the sample of institutions has remained stable, individual institutions have been replaced by other institutions. Unlike in 2015, the 2018 sample includes institutions from Poland⁴ and Liechtenstein but does not include institutions in the Czech Republic. For institutions in the Czech Republic the EBA received a limited set of information used for national benchmarking, which was not compatible with the datasets collected from the other Member States and has therefore not been included in the data presented in the report. However, with regard to a few aspects the report refers to the results of the national benchmarking performed by the Czech National Bank.
10. To allow a more granular analysis, credit institutions have been allocated to four different size categories, based on the balance-sheet total (balance-sheet total in EUR: < 1 billion; 1 billion to < 10 billion; 10 billion to < 30 billion; ≥ 30 billion). For each size category, competent authorities collected data, where available, from at least five credit institutions and, separately, most competent authorities⁵ collected data from at least five investment firms (regardless of their size). Data were also collected for the subset of credit institutions and investment firms that are considered significant institutions (global systemically important institutions, other systemically important institutions and other significant institutions as determined by the competent authority). Figures for significant institutions are given separately, as additional requirements apply to them. Significant institutions are mainly a subset of larger institutions, but some smaller institutions are considered significant, depending on the size of the banking system of the Member State. Significant institutions should in any case set a quantitative gender target in line with EBA guidelines. The sample of institutions generally covers at least 10% of all institutions in each Member State, but in a few Member States the number of institutions was limited to 50 institutions per category. Due to changes in the size of institutions, a few institutions now fall into a size category different from that in which they were included in the 2015 exercise. To

⁴ In 2015, the provisions on diversity were not yet in force in Poland.

⁵ A few competent authorities are not responsible for the supervision of investment firms and not all of those competent authorities collected the information from the competent authority supervising investment firms.

maintain at least five institutions in each size category per Member State, a few additional institutions have been added.

3.1 Diversity policies

11. Based on information provided by institutions through the competent authorities, the present report analyses institutions' practices regarding diversity policies. There is a particular focus on gender diversity and the representation of the under-represented gender.

12. Under Directive 2013/36/EU, the management body is responsible for adopting an appropriate diversity policy. The nomination committee, where applicable,⁶ plays an important role in establishing the policy and in particular setting targets for the representation of both genders. The joint EBA and European Securities and Markets Authority (ESMA) guidelines on the assessment of the suitability of members of the management body and key function holders specify that significant institutions should set a quantitative gender diversity target; other institutions may set the target in a qualitative manner, in particular if they have fewer than five members of the management body.

13. As expected, having a nomination committee is more common in larger and significant institutions (Figure 1). However, 26 institutions⁷ that were considered significant responded that they had not established a nomination committee.

Figure 1: Institutions (credit institutions (CIs) and investment firms) with and without a nomination committee

Frequency	CIs < EUR 1 bn	CIs EUR 1 bn to < EUR 10 bn	CIs EUR 10 bn to < EUR 30 bn	CIs EUR ≥ 30 bn	Investment firms	Thereof significant institutions
Number of institutions responding	228	259	100	111	136	241
Nomination committee in place	79	130	83	106	33	215
No nomination committee in place	149	129	17	5	103	26
Percentage of institutions with nomination committee	34.65	50.19	83.00	95.50	24.26	89.21

⁶ Where the management body has no influence on the nomination of candidates, even significant institutions do not need to establish a nomination committee under Article 88(2) of Directive 2013/36/EU.

⁷ The number of significant institutions exceeds slightly the number of institutions that are considered significant for the purposes of supervision under the Single Supervisory Mechanism.

14. Despite the legal requirements, a significant proportion of institutions (41.61%) have still not adopted a diversity policy and not all institutions that have a policy promote gender diversity. Altogether, 487 (58.39%) out of 834 institutions (2015, 307 (35.53%) out of 864 institutions) responded that they had adopted a diversity policy. Only around two thirds (339; 69.61%) of institutions that have a diversity policy in place promote gender diversity by setting a target for the under-represented gender. The majority of those institutions (280; 82.60%) have set a quantitative target for gender diversity in their policy, and 82 of those have set both a quantitative and a qualitative target; just 55 institutions have set only a qualitative target. Of those institutions that have set quantitative targets, the vast majority (247) have set a minimum percentage, and 88 of those have set both a minimum headcount and a minimum percentage; 26 institutions have set a target based only on the minimum headcount for the under-represented gender.
15. For the subset of significant institutions, given the explicitly defined responsibilities of the nomination committee, it is alarming that only 201 (83.40%) out of 241 significant institutions replied that they had already adopted a diversity policy. Moreover, only 172 (71.37%) significant institutions promote gender diversity and as few as 155 (64.32%) of them have set a quantitative gender target as specified in the joint ESMA and EBA guidelines on the assessment of the suitability of members of the management body and key function, while another 17 institutions have set a qualitative target. It should be remembered that the requirement for significant institutions with a nomination committee to have a diversity policy that promotes gender diversity has been in place since 2014.
16. Institutions have different approaches to setting gender targets; some set them for the whole management body, others separately for the management body in its management function (executive directors) and in its supervisory function (non-executive directors). Two thirds of institutions have set a target for the whole management body, while one third have set two separate targets. This is to a large extent also caused by different governance systems used by institutions under national law. A total of 828 institutions provided information on the governance system used (see Figures 7 and 8).
17. To better understand the reported diversity policies and practices, and challenges in achieving diversity, it is important to understand the different sizes of management bodies. A more diverse composition is easier to achieve in larger management bodies. Most institutions reported the numbers of members of the management body in headcount; however, a very few provided figures based on full-time equivalent members. Percentiles for the numbers of executive directors and non-executive directors are provided in Figures 2 and 3. Staff representatives have not been included in the figures as not all Member States require the presence of staff representatives in the management body and therefore the data would not be comparable.

Figure 2: Percentiles (p) for the number of members of the management body in its management function (executive directors)

Institutions	Average	p10	p25	p50	p75	p90
CIs < EUR 1 bn	2.63	1	2	2	3	5
CIs EUR 1 bn to < EUR 10 bn	3.42	1	2	3	5	6
CIs EUR 10 bn to < EUR 30 bn	4.62	1.5	3	4	6	8
CIs ≥ EUR 30 bn	4.69	2	3	4	6	8
Investment firms	2.87	1	2	2	3.5	5
Thereof significant institutions	4.48	2	2	4	6	7

Figure 3: Percentiles (p) for the number of members of the management body in its supervisory function (non-executive directors without staff representatives)

Institutions	Average	p10	p25	p50	p75	p90
CIs < EUR 1 bn	6.09	3	4	5	7	10
CIs EUR 1 bn to < EUR 10 bn	7.67	4	5	7	9	12
CIs EUR 10 bn to < EUR 30 bn	8.96	5	6	7	10	13
CIs ≥ EUR 30 bn	9.98	6	7	9	11	14
Investment firms	3.14	0	1	3	5	6
Thereof significant institutions	8.48	4	6	7	10	12

18. When setting a gender target, around 40% of institutions included staff representatives in the target. Staff representatives are selected by staff, while other members of the management body are selected by the institution, i.e. appointed by its shareholders, its owners or its management body in its supervisory function. The regulatory requirement placed on institutions by Directive 2013/36/EU is that they should take into account diversity when recruiting members of the management body. This requirement is not relevant for the selection of staff representatives, which is subject solely to national laws. While overall a diverse composition of the management body is required, compliance with that requirement cannot be achieved by the selection of staff representatives of the under-represented gender alone. When checking compliance with gender targets, it is more appropriate to take into account only the members of the management body who have been selected by the institutions' relevant governing bodies (e.g. shareholders, nomination committees, the management body in its supervisory function).

19. Institutions that do not have a diversity policy promoting gender diversity should consider that gender equality and equal opportunities for both genders are important values of today's society that are enshrined in Article 157 of the Treaty on the Functioning of the European Union. Disregarding those principles is not only an issue of non-compliance with regulatory requirements but also detrimental to an institution's reputation. Competent authorities should follow up on cases of non-compliance identified, starting with significant institutions.

20. The extent to which institutions have already adopted diversity policies, and gender diversity policies in particular, differs significantly between Member States, as shown in Figure 4.

Figure 4: Numbers of institutions and percentages of institutions with a diversity policy and a gender diversity policy in place, 2018 data for each Member State⁸ and EU total for 2015 and 2018

Member State	Number of institutions in the sample	Percentage of institutions with diversity policy	Percentage of institutions with gender diversity policy	Thereof, number of significant institutions	Percentage of significant institutions with diversity policy	Percentage of significant institutions with gender diversity policy
AT	59	74.58	50.85	13	100.00	92.31
BE	26	53.85	50.00	13	69.23	69.23
BG	15	46.67	26.67	5	60.00	20.00
CY	12	66.67	50.00	5	100.00	80.00
DE	135	29.63	26.67	24	75.00	66.67
DK	24	100.00	95.83	7	100.00	100.00
EE	11	63.64	9.09	4	75.00	25.00
EL	11	36.36	36.36	4	100.00	100.00
ES	27	74.07	74.07	11	100.00	100.00
FI	10	80.00	60.00	2	100.00	100.00
FR	34	64.71	58.82	18	94.44	88.89
HR	16	100.00	18.75	5	100.00	60.00
HU	11	9.09	0.00	2	0.00	0.00
IE	24	87.50	62.50	7	100.00	100.00
IS	3	100.00	100.00	3	100.00	100.00
IT	70	42.86	28.57	15	73.33	73.33
LI	3	0.00	0.00	3	0.00	0.00
LT	3	100.00	66.67	3	100.00	66.67
LU	36	41.67	19.44	15	53.33	33.33
LV	15	66.67	26.67	5	80.00	40.00
MT	12	25.00	8.33	2	50.00	50.00
NL	25	44.00	36.00	5	100.00	100.00
NO	26	50.00	46.15	2	100.00	100.00
PL	18	61.11	22.22	8	62.50	50.00
PT	22	72.73	59.09	5	80.00	60.00
RO	26	73.08	61.54	9	100.00	100.00
SE	29	93.10	51.72	4	100.00	75.00
SI	15	73.33	46.67	6	100.00	33.33
SK	11	45.45	18.18	5	60.00	40.00
UK	105	70.48	40.95	31	93.55	80.65
EU 2018	834	58.39	40.65	241	83.40	71.37
EU 2015	864	35.53	24.54	–	–	–

⁸ In CZ, 16 out of 19 benchmarked institutions have a diversity policy, and 12 of those have set a target for gender diversity.

21. While Directive 2013/36/EU does not specify a minimum level for the representation of the under-represented gender, many Member States have already implemented such targets for publicly listed companies. With regard to gender diversity, institutions have set a target or separate targets for the management and supervisory functions of the management body for the representation of the under-represented gender as shown in Figure 5.

22. A limited number of institutions have set targets for the supervisory function only, while others have set a joint target combined with an additional specific target for the supervisory function.⁹ Percentages, when targets have been set as minimum headcount, have been calculated based on the numbers of the under-represented gender compared to the number of members of the management body. A few banks have indicated that they set the target as a percentage as well as a minimum headcount, in such cases the higher resulting percentage has been taken into account. A few institutions reported that their target would aim explicitly at a higher representation of women compared to men with regard to their executive directors. While in 2015 many institutions had set a target of 0% for the under-represented gender in the adopted diversity policy, in 2018 this improper practice has not been observed any longer. However, a few institutions that answered that they have set a quantitative target did not provide the set target.

Figure 5: Level of quantitative gender targets set by institutions based on the representation of women

Number of institutions with gender targets	> 0% to 25%	> 25% to 33.4%	> 33.4% to 50%	> 50%
Joint policy for the management body	62	69	55	2
Separate policy for the management function (executive directors)	37	32	29	4
Separate policy for the supervisory function (non-exec. directors)	40	58	59	2
Total in 2018	139	159	143	8
Total in 2015	46	55	55	0
Distribution in 2018 (%)	30.96	35.41	31.85	1.78
Distribution in 2015 (%)	18.55	22.18	22.18	0.00

23. Where qualitative targets have been set, most policies state that there should be an appropriate gender balance, and a few specify the intention to improve the representation of women. In this context, a few institutions pointed to the measures that they were taking to increase the representation of the under-represented gender. Common measures included inviting candidates for interview in a balanced manner and selecting the candidate of the under-represented gender where there were multiple suitable candidates. Some institutions stated that they also applied such policies to key function holders. This is considered good practice, as

⁹ In such cases, both targets have been included in Figure 5, leading to some double-counting effects regarding the number of institutions that have set a gender target.

it helps to implement gender diversity in an institution's management and creates a more diverse pool of potential future candidates for positions in the management body.

24. Overall, the targets set for the representation of the under-represented gender are higher for the supervisory function than for the management function of the management body; this is connected to the fact that, usually, institutions have more non-executive directors than executive directors. A good number of institutions have set targets that are higher than 25% of members of the management body, while nearly one third of institutions still have very low and unambitious targets for the representation of the under-represented gender.
25. While all institutions must take into account diversity when recruiting members of the management body, the nomination committee in significant institutions has to prepare a policy on how to increase the number of the under-represented gender in the management body to meet a specified target. Only 168 of 339 institutions (49.56%), including 100 of 171 significant institutions (58.48%), declared that they had already met their gender targets. Only 25 institutions explicitly stated that they had not met their gender target. However, 106 institutions that do not yet comply with their gender targets responded that they aimed to comply with the targets specified in their policies by 2024, and another 46 institutions responded that they aimed to comply, but did not provide any further information. While this is an improvement in the practices observed compared with 2015, when only around one third complied with their internal policies, more effort is needed to ensure compliance with diversity policies. Moreover, it should be remembered that only 58% of institutions have diversity policies in place.
26. Most institutions provided information on other aspects of diversity, such as diversity regarding age, geographical provenance, and educational and professional background (Figure 6). A limited number of those institutions have policies in place for one or multiple other aspects of diversity but have not yet implemented a gender diversity policy.
27. The aspect most frequently included in such policies is the professional background of members of the management body, followed closely by their educational background. This is not surprising, as institutions must ensure that the members of their management body individually and collectively have sufficient knowledge, skills and experience. The requirement regarding collective knowledge and skills is easier to comply with where members have different educational and professional backgrounds. However, having a diversity policy that is limited to those aspects does not meet supervisory expectations.
28. A few institutions had specified qualitative diversity targets for the age of members of the management body. These targets limit the age of members of the management body at appointment to 65 or 70 years, specify that not all members should be in the same decade of their lives or required that the management body include one younger member under 40 or even 30 years of age.¹⁰

¹⁰ While such practices may lead to greater diversity in the ages of members, care must be taken to comply with national laws, which in some Member States may view such practices as a form of discrimination.

29. Geographical provenance means the region where a person has gained a cultural, educational or prior professional background. It is of particular relevance to internationally active firms, which should strive to match their main business areas with specific expertise in the relevant markets at the level of the management body. Matching business areas and the geographical provenance of members of the management body helps the management body to take into account the cultural values and the legal and market specificities relevant for those areas.

Figure 6: Other aspects of diversity, 2018 data

Aspect	Number of institutions with a diversity policy for the aspect in question	Percentage of institutions having a policy for the aspect in question out of 487 institutions that have a diversity policy	Number of institutions meeting the target set	Percentage of institutions that have a policy meeting the target set
Age	198	40.66	100	50.51
Geographical provenance	198	40.66	116	58.59
Educational background	320	65.71	206	64.38
Professional background	347	71.25	230	66.28

30. Institutions were asked, regardless of if they had adopted a diversity policy, if they took diversity into account when recruiting members of the management body. Several institutions take diversity into account in the recruitment process even though they do not have a diversity policy, but many institutions do not take the aspects of gender or age diversity into account in the recruitment process. However, most significant institutions responded that they did take gender diversity into account when recruiting new members of the management body.

Figure 7: Numbers of institutions that take diversity into account when recruiting members of the management body.

Institutions	Gender	Age	Educational background	Professional background	Geographical provenance
CIs < EUR 1 bn	148	115	174	189	111
CIs EUR 1 bn to < EUR 10 bn	168	134	185	195	117
CIs EUR 10 bn to < EUR 30 bn	86	58	75	83	51
CIs ≥ EUR 30 bn	109	71	96	103	70
Investment firms	74	55	88	102	47
Total	585	433	618	672	396
Thereof significant institutions	225	150	203	219	136

3.2 Diversity practices

31. All 834 (2015, 873) institutions provided information regarding the actual diversity of their management bodies. A few institutions did not provide all the requested information on the members of their management body. However, this has no impact on the findings presented in this report. The percentages were calculated based on the sample of institutions that provided the relevant information.

32. The analysis of diversity practices differentiated between the members of the management body in its management function (executive directors (EDs)) and in its supervisory function (non-executive directors (non-EDs)). As far as possible, the diversity of staff representatives (SRs), who are elected by staff rather than appointed by shareholders, was taken into account separately. However, for 2015 this differentiation was not available and therefore the figures reported include all non-executive directors. Total figures for 2018 are also given, to allow comparisons over time.

33. Gender diversity is a key aspect of diversity, as different typical attitudes and behaviours can be observed in people of different genders. The same holds true for age, as the period during which a person grew up influences his or her values, behaviour and attitude to risk. Geographical provenance is also significant, as it is important that some directors understand the cultural values, market specificities and legal frameworks present in the main business hubs that the institution is active in, to facilitate well-informed decision-making regarding the business strategy in those countries and areas. Naturally, educational and professional background are relevant to the fitness and propriety of the members of the management body, and it is required that the management body collectively understands all relevant economic, legal, managerial and procedural aspects of the institution's activities.

3.2.1 Gender diversity

34. Establishing diverse management bodies can be particularly challenging when the management body or its functions have a low number of members. The number of members depends not only on the nature, size and complexity of an institution but also on the chosen governance structure and cultural differences between Member States. In some jurisdictions, small investment firms are allowed to have only one executive director. The report examines gender representation in various dimensions, looking for differences corresponding to governance system, size of institution and age bracket.

Gender representation and governance structures

35. The sample is nearly equally populated by institutions using one-tier structures (434) and two-tier structures (394); one-tier structures are more common in smaller investment firms. A few institutions did not provide this information. Overall, it can be observed that for credit institutions the overall size of the management body (both functions) is, even without staff representation, larger in a two-tier system (with an average of 12.31 people) than in a one-tier

system (with an average of 10.04 people). Moreover, in countries with two-tier systems, the requirement to have staff representatives is more common. For investment firms, board sizes do not differ significantly between different governance systems; however, many investment firms are located in Member States (Ireland, Luxembourg, Sweden and the United Kingdom) where a one-tier structure is prescribed or more common.

36. Given that investment firms are more concentrated in a few Member States with a one-tier system, country-by-country information on gender representation by governance system and Member State is provided separately in Figure 8 for credit institutions and in Figure 9 for investment firms.

37. The representation of female directors in credit institutions' management bodies differs significantly between Member States but is on average, at around 20%, relatively low, with one-tier institutions having a slightly lower level of representation of female executive directors (14.65%) but a higher level of representation of non-executive directors (26.36%) than credit institutions with a two-tier structure (15.80% and 21.02%). The representation of women among staff representatives is significantly higher (one-tier, 42.42%; two-tier, 35.05%). However, those members are selected by staff and not nominated under institutions' diversity policies. Having staff representatives in the management body is not required in all Member States. Staff representatives were reported only by institutions in the following Member States: Austria, Denmark, France, Germany, Hungary, Luxembourg, the Netherlands, Norway, Slovakia, Spain, Sweden and the United Kingdom.

Figure 8: Numbers of credit institutions by Member State and governance system and their average numbers of EDs, non-EDs and SRs

Member State	Governance system	Number of CIs	Average number EDs	Female executive directors (%)	Average number non-EDs without SRs	Female non-EDs without SRs (%)	Average number SRs	Female SRs (%)
AT	2-tier system	59	2.80	9.70	8.47	16.20	3.07	35.91
BE	1-tier system	21	4.52	13.68	7.90	23.49	0.00	–
BG	2-tier system	10	4.40	40.91	4.70	17.02	0.00	–
CY	1-tier system	12	1.83	4.55	7.75	16.13	0.00	–
DE	1-tier system	2	2.50	0.00	0.00	–	0.00	–
DE	2-tier system	126	3.37	6.84	10.67	18.36	3.33	33.57
DK	1-tier system	7	2.43	5.88	6.29	22.73	2.43	29.41
DK	2-tier system	12	2.58	6.45	6.92	16.87	3.08	45.95
EE	2-tier system	8	4.63	24.32	5.75	21.74	0.00	–
EL	1-tier system	11	3.27	2.78	7.55	8.43	0.27	0.00
ES	1-tier system	26	2.65	11.59	10.12	23.57	0.27	28.57

Member State	Governance system	Number of CIs	Average number EDs	Female executive directors (%)	Average number non-EDs without SRs	Female non-EDs without SRs (%)	Average number SRs	Female SRs (%)
ES	2-tier system	1	8.00	0.00	8.00	25.00	1.00	0.00
FI	1-tier system	3	7.00	33.33	5.00	46.67	0.00	–
FI	2-tier system	2	7.00	28.57	7.50	40.00	0.00	–
FR	1-tier system	15	2.13	12.50	9.60	36.81	1.33	45.00
FR	2-tier system	14	3.71	19.23	11.57	43.21	1.57	31.82
HR	2-tier system	11	3.82	14.29	5.73	19.05	0.00	–
HU	2-tier system	7	5.29	10.81	5.14	27.78	0.57	25.00
IE	1-tier system	16	1.88	26.67	6.06	24.74	0.00	–
IS	2-tier system	3	7.33	50.00	6.67	45.00	0.00	–
IT	1-tier system	62	2.42	8.67	7.11	21.77	0.00	–
IT	2-tier system	1	6.00	33.33	16.00	37.50	0.00	–
LI	1-tier system	2	6.00	16.67	8.00	25.00	0.00	–
LI	2-tier system	1	4.00	0.00	5.00	20.00	0.00	–
LT	2-tier system	3	5.67	35.29	6.00	27.78	0.00	–
LU	1-tier system	20	3.50	10.00	6.15	14.63	0.65	15.38
LU	2-tier system	6	5.67	2.94	9.50	10.53	1.17	42.86
LV	2-tier system	15	4.53	27.94	5.00	22.67	0.00	–
MT	1-tier system	9	1.11	0.00	6.67	8.33	0.00	–
NL	2-tier system	20	4.40	19.32	5.00	23.00	0.45	55.56
NO	1-tier system	10	8.70	24.14	6.00	38.33	2.00	55.00
NO	2-tier system	10	7.10	40.85	5.70	45.61	1.70	47.06
PL	2-tier system	18	6.89	19.35	10.17	24.04	0.00	–
PT	1-tier system	4	6.00	12.50	7.25	20.69	0.00	–
PT	2-tier system	13	5.00	6.15	7.38	15.63	0.00	–
RO	1-tier system	18	4.11	22.97	5.11	18.48	0.00	–
RO	2-tier system	6	5.17	16.13	5.00	30.00	0.00	–
SE	1-tier system	21	2.19	34.78	7.10	36.91	0.90	68.42
SI	1-tier system	1	2.00	50.00	5.00	40.00	0.00	–
SI	2-tier system	14	3.36	21.28	6.14	23.26	0.00	–
SK	2-tier system	11	4.55	16.00	3.64	20.00	1.91	23.81
UK	1-tier system	64	2.72	11.49	6.22	28.14	0.00	–
EU	1-tier system	324	3.01	14.65	7.03	24.36	0.31	42.42
EU	2-tier system	371	3.99	15.80	8.32	21.02	1.94	35.05

38. Overall, the representation of female directors is lower in investment firms than in credit institutions, although representation also varies considerably between Member States. One-tier investment firms have a higher level of representation of female executive directors (13.92%) and non-executive directors (21.53%) than investment firms with a two-tier structure (11.43% and 14.10%).

Figure 9: Numbers of investment firms (IFs) by Member State and governance system and their average numbers of EDs, non-EDs and SRs

Member State	Governance system	Number of IFs	Average number EDs	Female executive directors (%)	Average number non-EDs without SRs	Female non-EDs without SRs (%)	Average number SRs	Female SRs (%)
BE	1-tier system	5	4.20	9.52	4.20	28.57	0.00	–
BG	1-tier system	5	2.00	10.00	1.40	42.86	0.00	–
DE	1-tier system	2	2.50	20.00	0.00	–	0.00	–
DE	2-tier system	5	2.00	10.00	3.60	22.22	0.00	–
DK	1-tier system	4	2.00	0.00	3.25	7.69	0.50	0.00
EE	2-tier system	3	2.33	28.57	3.33	30.00	0.00	–
FI	1-tier system	5	4.20	23.81	3.40	23.53	0.00	–
FR	1-tier system	1	2.00	0.00	2.00	50.00	0.00	–
FR	2-tier system	2	3.00	16.67	9.50	10.53	0.00	–
HR	1-tier system	3	2.00	50.00	0.00	–	0.00	–
HR	2-tier system	2	2.00	0.00	2.50	40.00	0.50	100.00
HU	2-tier system	4	3.00	25.00	1.25	0.00	2.25	55.56
IE	1-tier system	8	2.50	15.00	3.25	26.92	0.00	–
IT	1-tier system	7	2.00	14.29	5.14	19.44	0.00	–
LU	1-tier system	9	3.00	14.81	4.00	5.56	0.00	–
LU	2-tier system	1	8.00	0.00	7.00	0.00	0.00	–
MT	1-tier system	3	1.33	0.00	4.00	0.00	0.00	–
NL	1-tier system	1	2.00	0.00	0.00	–	0.00	–
NL	2-tier system	4	2.25	0.00	0.50	0.00	0.25	0.00
NO	1-tier system	6	5.33	9.38	3.17	15.79	0.17	0.00
PT	2-tier system	5	2.80	7.14	2.40	0.00	0.00	–
SE	1-tier system	8	1.50	0.00	4.13	12.12	0.00	–
UK	1-tier system	41	3.22	15.15	2.85	29.91	0.15	16.67
EU	1-tier system	108	2.93	13.92	3.14	21.53	0.08	11.11
EU	2-tier system	26	2.69	11.43	3.00	14.10	0.42	54.55

Gender representation and age

39. The relationship between age of directors and gender representation is particularly interesting.

The role and position of women in society have changed over time and therefore the pool of suitable female candidates for positions in management bodies continues to grow. Gender representation is in general and to some extent more balanced in Scandinavian and eastern European Member States. No further analysis of the underlying factors has been done, but there is reason to assume that this is linked to the fact that the inclusion of women in the workforce and the availability of childcare facilities have been greater in the past in those regions. Institutions' inclusion and diversity policies for all staff and the facilitation of equal opportunities by institutions and Member States should help to improve over time the representation of women not only in institutions' management bodies but also in other managerial and key positions.

40. In the EU, the number of male executive directors far exceeds the number of female executive directors. Only 8.53% (2015, 11.06%) of 739 CEOs are female. With regard to other executive directors, the level of representation of the female gender is higher, at 17.44%, but still low. All in all, 15.13% of executive directors (2015, 13.63%) are female. **Two thirds (66.95%) of institutions (2015, 69.42%) had executive directors of only one gender.** Gender representation figures by age category show that, within the group of younger executive directors, the representation of women is not as low as in the highest age brackets; the representation of women has improved slightly overall since 2015.

Figure 10: Numbers and percentages of CEOs and EDs for different age and gender categories, 2018 and 2015 data

Role/gender	< 30	30-40	41-50	51-60	61-70	> 70	Total
CEOs	1	35	210	382	103	8	739
Male CEOs	100.00%	91.43%	89.05%	92.15%	94.17%	87.50%	91.47%
Female CEOs	0.00%	8.57%	10.95%	7.85%	5.83%	12.50%	8.53%
Other EDs	1	145	832	905	208	31	2 122
Male other EDs	100.00%	77.93%	78.97%	83.98%	91.35%	100.00%	82.56%
Female other EDs	0.00%	22.07%	21.03%	16.02%	8.65%	0.00%	17.44%
Male EDs 2018	100.00%	80.56%	81.00%	86.40%	92.28%	97.44%	84.87%
Female EDs 2018	0.00%	19.44%	19.00%	13.60%	7.72%	2.56%	15.13%
Male EDs 2015	83.33%	79.75%	83.20%	89.10%	93.75%	96.88%	86.37%
Female EDs 2015	16.67%	20.25%	16.80%	10.90%	6.25%	3.13%	13.63%

41. Data for non-executive directors were collected at a more granular level in 2018 to analyse separately gender representation in different roles. In the EU, the number of male non-executive directors far exceeds the number of female non-executive directors. However, the overall representation of female non-executive directors has improved strongly, from 18.90% in 2015 to 24.02% in 2018. Within the group of younger non-executive directors, the

representation of women is higher than in the higher age brackets. Only 9.49% of chairpersons (2015, 8.06%) are female. More than one third of staff representatives (35.82%) are female. **More than two thirds (70.78%) of institutions (2015, 60.82%) had at least one non-executive director of each gender in 2018, without taking into account staff representatives who are elected by staff and not appointed by shareholders.** However, it should be borne in mind that the number of non-executive members is higher than the number of executive members and, therefore, a gender-diverse composition of the supervisory function is easier to achieve.

Figure 11: Numbers and percentages of chairpersons, other non-EDs and SRs for different age and gender categories, 2018 data and totals for 2015

Role/gender	< 30	30-40	41-50	51-60	61-70	> 70	Total
Chairpersons	–	8	112	256	305	99	780
Male chair	–	62.50%	87.50%	87.11%	93.11%	96.97%	90.51%
Female chair	–	37.50%	12.50%	12.89%	6.89%	3.03%	9.49%
Other non-EDs	9	223	1 043	1 940	1 503	315	5 033
Male other non-EDs	66.67%	69.96%	65.77%	73.45%	83.10%	91.43%	75.70%
Female other non-EDs	33.33%	30.04%	34.23%	26.55%	16.90%	8.57%	24.30%
SRs	6	92	280	389	76	–	843
Male SRs	50.00%	61.96%	67.50%	62.47%	64.47%	–	64.18%
Female SRs	50.00%	38.04%	32.50%	37.53%	35.53%	–	35.82%
All male non-EDs 2018	60.00%	67.49%	67.80%	73.15%	83.97%	92.75%	75.98%
All female non-EDs 2018	40.00%	32.51%	32.20%	26.85%	16.03%	7.25%	24.02%
All male non-EDs 2015	60.00%	72.42%	73.55%	78.89%	89.89%	95.50%	81.10%
All female non-EDs 2015	40.00%	27.58%	26.45%	21.11%	10.11%	4.50%	18.90%

Gender representation and size of institutions

42. The level of representation of women is particularly low in investment firms and small institutions, and the proportion of women among members of management bodies in those institutions even fell in between 2015 and 2018. More than two thirds of small credit institutions (2018, 68.57; 2015, 54.24%) do not have any female members of the management body in its management function. By contrast, the situation in significant institutions improved slightly, but 50.63% of them (2015, 60.34%) still have no female members of the management body in its management function. However, considering that their numbers of executive directors are higher and that the regulatory requirements on diversity are stricter, the level of gender representation in significant institutions is not satisfactory, even though the proportion of them with a more gender-balanced management function is higher than that of other institutions.

43. While the majority of institutions do not have any female executive directors, a small proportion (21.09%) has achieved representation of female executive directors of more than 25%. In only very few institutions are men less represented than women. Significant institutions in particular should determine and implement measures to achieve a better level of gender diversity.

Figure 12: Percentages of female EDs in institutions by size (balance-sheet total), 2018 data and totals for 2015

Institutions	0	> 0 to 25	> 25 to 33.4	> 33.4 to 50	> 50 to 66.7	> 66.7 to 100
CIs < EUR 1 bn	68.57	9.05	5.71	12.38	2.38	1.90
CIs EUR 1 bn to < EUR 10 bn	66.02	13.67	7.42	7.81	2.73	2.34
CIs EUR 10 bn to < EUR 30 bn	54.64	25.77	6.19	11.34	1.03	1.03
CIs ≥ EUR 30 bn	52.25	25.23	9.91	11.71	0.90	0.00
Investment firms	71.97	7.58	8.33	9.85	0.76	1.52
Thereof significant institutions	50.63	23.85	9.62	13.39	2.09	0.42
Total 2018	64.39	14.52	7.32	10.30	1.86	1.61
Total 2015	68.57	9.05	5.71	12.38	2.38	1.90

44. Gender diversity should be achieved in the supervisory function not only by the selection of staff representatives but also by appointing candidates to positions in a balanced way; therefore, gender representation has been analysed without taking into account staff representatives. However, total figures, including staff representatives, are also provided to ensure comparability with 2015 data.

45. In significant and larger credit institutions, the representation of women in the supervisory function is significantly higher than in smaller credit institutions and investment firms; this may be correlated to the larger size of management body that can very often be found in larger institutions. While there has overall been an improvement in the representation of women in the supervisory function, many institutions should still aim to improve the representation of the

under-represented gender. Only 36.52% of institutions have a group of non-executive directors that is more than 25% female (excluding staff representatives).

Figure 13: Percentages of female non-EDs (without SRs) in institutions by size (balance-sheet total), 2018 data and totals for 2015 and 2018 (including SRs)

Institutions	0	> 0 to 25	> 25 to 33.4	> 33.4 to 50	> 50 to 66.7	> 66.7 to 100
CIs < EUR 1 bn	33.63	39.91	11.66	13.00	1.35	0.45
CIs EUR 1 bn to < EUR 10 bn	19.84	44.75	14.79	17.51	1.95	1.17
CIs EUR 10 bn to < EUR 30 bn	14.14	45.45	16.16	20.20	4.04	0.00
CIs ≥ EUR 30 bn	4.55	32.73	26.36	31.82	4.55	0.00
Investment firms	54.31	15.52	6.90	14.66	2.59	6.03
Thereof significant institutions	10.46	35.98	24.27	25.52	3.77	0.00
Total, excluding SRs, 2018	25.84	37.64	14.53	18.14	2.48	1.37
Total, including SRs, 2018	22.65	37.62	16.58	19.18	2.60	1.36
Total, including SRs, 2015	33.63	39.91	11.66	13.00	1.35	0.45

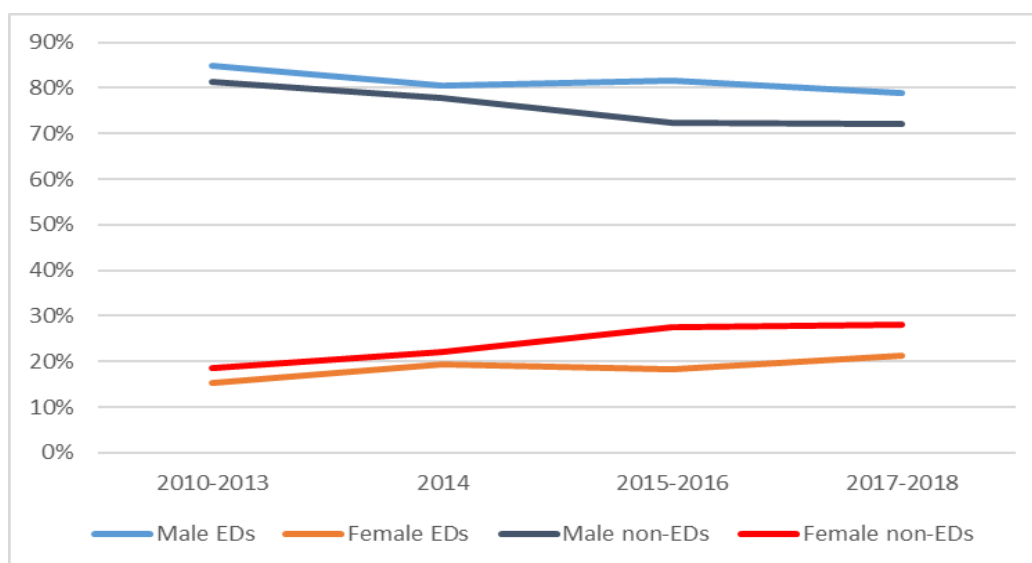
Recently appointed directors

46. Institutions provided information on the numbers of directors recruited in recent years. The figures exclude reappointments of members of the management body. It can be observed that there has been a slight change in the proportions of male and female directors recruited, leading to a slightly higher level of representation of women in management bodies over time (Figures 14 and 15).

Figure 14: Numbers and percentages of recently recruited EDs and non-EDs and recently selected SRs

Gender	EDs 2015-2016	EDs 2017-2018	Non-EDs 2015-2016	Non-EDs 2017-2018	SRs 2015-2016	SRs 2017-2018
Total	809	883	1 501	1 597	178	229
Male	81.71%	78.82%	72.35%	72.01%	58.99%	64.63%
Female	18.29%	21.18%	27.65%	27.99%	41.01%	35.37%

Figure 15: Trends in recently recruited directors by gender over time



47. The vast majority of recently appointed directors are male in most Member States. However, in a few Member States a strong increase in the percentage of women being recruited can be observed (Figure 16). In contrast, institutions in other Member States reported that fewer women were being recruited than had been the case in previous years (figures shown in red). However, particularly in Member States with a relatively low number of institutions, the results will be volatile over time due to the relatively low number of new appointments. No further analysis of the underlying drivers that may well be found in past cultural values, the inclusion of women in the workforce, working conditions and the availability of childcare facilities has been done.

Figure 16: Percentages of recently recruited female directors by Member State

Member State	Female executive directors (%)	Female executive directors (%)	Change (percentage points)	Female non-executive directors without staff representatives (%)	Female non-executive directors without staff representatives (%)	Change (percentage points)
	2015-2016	2017-2018		2015-2016	2017-2018	
AT	11.90	12.12	0.22	21.50	17.69	-3.80
BE	19.35	14.29	-5.07	45.65	34.55	-11.11
BG	55.56	23.53	-32.03	21.43	15.38	-6.04
CY	6.67	23.53	16.86	15.63	36.84	21.22
DE	10.84	10.77	-0.07	22.91	21.78	-1.13
DK	0.00	16.67	16.67	26.47	26.67	0.20
EE	45.45	34.78	-10.67	21.43	19.05	-2.38
EL	10.00	0.00	-10.00	19.51	15.79	-3.72
ES	0.00	15.00	15.00	26.87	33.85	6.98
FI	0.00	33.33	33.33	53.85	36.36	-17.48
FR	19.44	26.53	7.09	47.17	49.52	2.35
HR	26.32	11.76	-14.55	6.25	20.00	13.75
HU	0.00	8.33	8.33	33.33	25.00	-8.33
IE	18.18	20.00	1.82	30.95	28.13	-2.83
IS	100.00	50.00	-50.00	50.00	66.67	16.67
IT	10.67	11.29	0.62	27.72	28.13	0.41
LI	100.00	20.00	-80.00	50.00	16.67	-33.33
LT	50.00	60.00	10.00	16.67	27.27	10.61
LU	17.24	14.63	-2.61	15.09	20.00	4.91
LV	43.75	33.33	-10.42	30.43	32.50	2.07
MT	0.00	0.00	0.00	30.00	0.00	-30.00
NL	13.64	32.50	18.86	23.08	27.78	4.70
NO	25.53	33.33	7.80	39.39	45.95	6.55
PL	20.83	15.25	-5.58	23.53	25.40	1.87
PT	7.69	15.63	7.93	13.16	24.62	11.46
RO	29.27	17.95	-11.32	18.92	24.53	5.61
SE	31.82	35.71	3.90	44.64	29.41	-15.23
SI	21.43	22.73	1.30	26.19	23.68	-2.51
SK	6.25	25.00	18.75	16.67	30.00	13.33
UK	17.24	23.29	6.05	28.78	32.66	3.89
EU	18.29	21.18	2.88	27.65	27.99	0.34

48. At national level, the representation of women in management bodies differs significantly, as shown in Figure 17. The higher numbers for some Member States underline that it is possible to increase the representation of women in management bodies. However, increasing the representation of women in management positions is the responsibility not only of institutions but also of Member States in terms of developing a social framework that supports equal opportunities, e.g. by removing the glass ceiling and providing equal education and career opportunities and appropriate support for families.

Figure 17: Representation of genders in management bodies separately for executive directors, non-executive directors (without SRs) and SRs (%)

Member State	Male executive directors	Female executive directors	Male non-executive directors	Female non-executive directors	Male SRs	Female SRs
AT	90.30	9.70	83.80	16.20	64.09	35.91
BE	87.07	12.93	75.94	24.06	n/a	n/a
BG	64.81	35.19	79.63	20.37	n/a	n/a
CY	95.45	4.55	83.87	16.13	n/a	n/a
DE	93.02	6.98	81.58	18.42	66.43	33.57
DK	94.74	5.26	82.52	17.48	60.71	39.29
EE	75.00	25.00	76.79	23.21	n/a	n/a
EL	97.22	2.78	91.57	8.43	100.00	0.00
ES	89.47	10.53	76.38	23.62	75.00	25.00
FI	71.43	28.57	63.83	36.17	n/a	n/a
FR	83.33	16.67	60.41	39.59	61.36	38.64
HR	82.69	17.31	79.41	20.59	0.00	100.00
HU	85.71	14.29	75.61	24.39	53.85	46.15
IE	78.00	22.00	74.80	25.20	n/a	n/a
IS	50.00	50.00	55.00	45.00	n/a	n/a
IT	90.00	10.00	77.89	22.11	n/a	n/a
LI	87.50	12.50	76.19	23.81	n/a	n/a
LT	64.71	35.29	72.22	27.78	n/a	n/a
LU	91.37	8.63	88.34	11.66	75.00	25.00
LV	72.06	27.94	77.33	22.67	n/a	n/a
MT	100.00	0.00	93.06	6.94	n/a	n/a
NL	82.83	17.17	77.45	22.55	50.00	50.00
NO	72.11	27.89	61.76	38.24	50.00	50.00
PL	80.65	19.35	75.96	24.04	n/a	n/a
PT	92.23	7.77	84.67	15.33	n/a	n/a
RO	79.09	20.91	79.84	20.16	n/a	n/a
SE	72.41	27.59	67.58	32.42	31.58	68.42
SI	77.55	22.45	75.82	24.18	n/a	n/a
SK	84.00	16.00	80.00	20.00	76.19	23.81
UK	86.97	13.03	71.46	28.54	83.33	16.67
EU	84.89	15.11	77.66	22.34	64.05	35.95

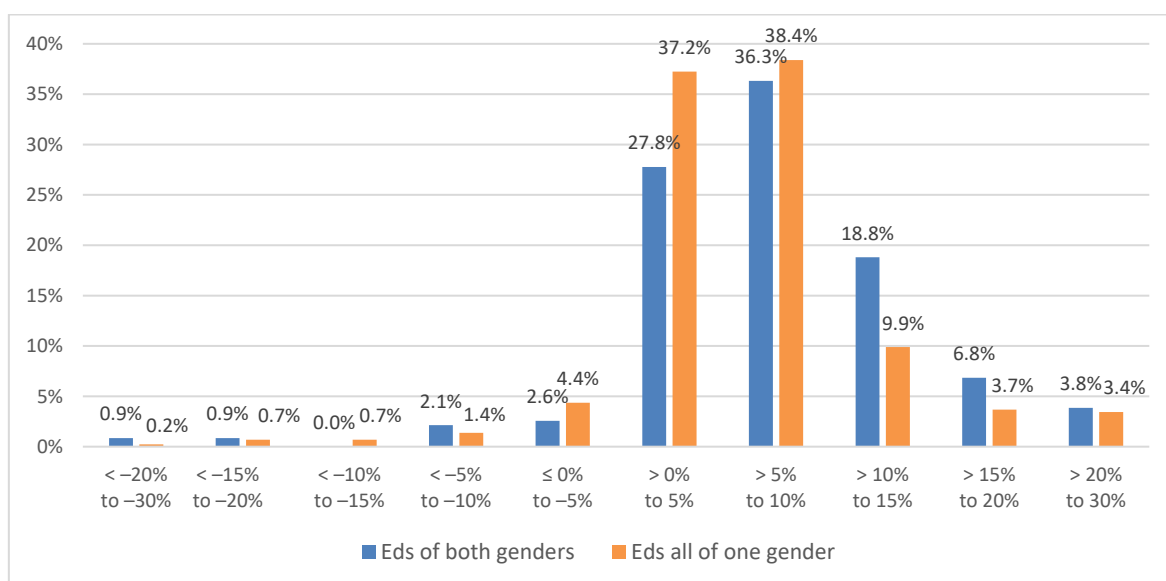
3.2.2 Gender diversity and profitability of credit institutions

49. The EBA analysed if there is a correlation between the profitability of a credit institution expressed as ROE¹¹ and gender diversity of executive directors.

50. The analysis was limited to credit institutions, as investment firms have other own funds requirements and some of them have only one person directing the business. In addition, some statistical outliers were excluded, including credit institutions with specific business models, including development banks (not subject to the same capital requirements) and credit institutions that did not correctly report all the requested information (and therefore showed unrealistic ROE values of below -30% or above 30%). Altogether, 669 credit institutions were included in the sample analysed, 234 of which had executive directors of both genders, 433 of which had only male executive directors and 2 of which had only female executive directors.

51. The average ROE of the sample is 6.42%. Credit institutions that have executive directors of both genders seem to have a higher probability of having an ROE at or above average than credit institutions with executive directors of only one gender. While 54.70% of credit institutions with a more gender-balanced management body in its management function have an ROE at or above 6.42%, only 40.69% of those with executive directors of just one gender have such an ROE. Moreover, the average ROE for institutions with a gender-diverse management function is, at 7.28%, above the average of 5.95% for other institutions. Figure 18 shows the distribution of the ROE of credit institutions with executive directors of only one and both genders. Figure 19 provides an overview of the figures for credit institutions of different sizes.

Figure 18: ROE and gender balance of executive directors for credit institutions



¹¹ The equity was determined based on the definition of own funds in Regulation (EU) No 575/2013.

Figure 19: Distribution of ROE for credit institutions by gender balance of executive directors and size of credit institution (balance-sheet total)

Credit institution size and gender balance of directors	ROE > 10%	ROE 0% - 10%	ROE < 0%
< EUR 1 bn, both genders represented	18.97%	67.24%	13.79%
< EUR 1 bn, all directors one gender	14.29%	75.97%	9.74%
EUR 1 bn to < EUR 10 bn, both genders represented	29.63%	65.43%	4.94%
EUR 1 bn to < EUR 10 bn, all directors one gender	20.81%	75.14%	4.05%
EUR 10 bn to < EUR 30 bn, both genders represented	44.19%	53.49%	2.33%
EUR 10 bn to < EUR 30 bn, all directors one gender	16.00%	74.00%	10.00%
≥ EUR 30 bn, both genders represented	26.92%	69.23%	3.85%
≥ EUR 30 bn, all directors one gender	13.79%	77.59%	8.62%

3.2.3 Diversity regarding the age of directors

52. Credit institutions with a balance-sheet total of less than EUR 10 billion and particularly investment firms have a higher number of executive directors in the lower age bands compared with larger and significant institutions (Figure 20). Correspondingly, large and significant institutions have a higher percentage in the higher age brackets. The same holds true with regard to non-executive directors (Figure 21). The population of staff representatives (Figure 22) is, as expected, younger than the population of other non-executive directors.

53. Overall, the population of executive directors became older and in particular the percentage of younger executive directors went down (Figure 23). The same can be observed for non-executive directors (Figure 24).

Figure 20: Percentages of executive directors in certain age categories by institution size (balance-sheet total)

Institutions	< 30	30-40	41-50	51-60	61-70	> 70
CIs < EUR 1 bn	0.00	10.00	35.33	41.50	10.83	2.33
CIs EUR 1 bn to < EUR 10 bn	0.00	5.76	39.16	42.10	11.96	1.02
CIs EUR 10 bn to < EUR 30 bn	0.00	3.25	37.88	47.40	11.04	0.43
CIs ≥ EUR 30 bn	0.00	2.32	28.57	54.63	11.97	2.51
Investment firms	0.51	10.74	40.41	41.18	6.91	0.26
Thereof significant institutions	0.09	4.74	39.65	44.75	9.38	1.39

Figure 21: Percentages of non-executive directors (without staff representatives) in certain age categories by institution size (balance-sheet total)

Institutions	< 30	30-40	41-50	51-60	61-70	> 70
CIs < EUR 1 bn	0.50	3.82	23.83	34.63	28.87	8.35
CIs EUR 1 bn to < EUR 10 bn	0.10	5.28	21.24	36.69	29.74	6.95

CIs EUR 10 bn to < EUR 30 bn	0.00	4.02	21.09	38.84	29.91	6.14
CIs ≥ EUR 30 bn	0.00	1.08	11.73	41.43	39.35	6.41
Investment firms	0.00	5.77	19.17	41.34	25.87	7.85
Thereof significant institutions	0.00	3.33	19.57	39.33	32.09	5.68

Figure 22: Percentages of staff representatives in certain age categories by institution size (balance-sheet total)

Institutions	< 30	30-40	41-50	51-60	61-70	> 70
CIs < EUR 1 bn	2.42	21.77	37.90	33.06	4.84	0.00
CIs EUR 1 bn to < EUR 10 bn	0.32	11.39	33.54	44.62	10.13	0.00
CIs EUR 10 bn to < EUR 30 bn	0.00	9.43	32.08	49.06	9.43	0.00
CIs ≥ EUR 30 bn	0.90	6.31	27.48	54.95	10.36	0.00
Investment firms	0.00	0.00	68.18	31.82	0.00	0.00
Thereof significant institutions	0.62	8.41	28.35	53.58	9.03	0.00

Figure 23: Changes compared with 2015 in the age distribution of executive directors in percentage points

Institutions	< 30	30-40	41-50	51-60	61-70	> 70
CIs < EUR 1 bn	-0.11	-3.01	-0.27	5.24	-1.85	-0.01
CIs EUR 1 bn to < EUR 10 bn	0.00	-7.11	-4.01	6.86	4.03	0.24
CIs EUR 10 bn to < EUR 30 bn	0.00	-5.71	4.55	-0.63	2.44	-0.65
CIs ≥ EUR 30 bn	0.00	-2.66	-2.00	3.68	-0.59	1.56
Investment firms	-0.15	-1.05	-3.69	3.63	1.45	-0.18
Thereof significant institutions	0.09	-2.66	0.51	2.86	-1.60	0.79

Figure 24: Changes compared with 2015 in the age distribution of non-executive directors (including staff representatives) in percentage points

Institutions	< 30	30-40	41-50	51-60	61-70	> 70
CIs < EUR 1 bn	-0.36	-4.10	0.34	-2.16	2.85	2.33
CIs EUR 1 bn to < EUR 10 bn	-0.07	-0.68	-1.30	-1.82	2.97	0.90
CIs EUR 10 bn to < EUR 30 bn	0.00	0.23	0.91	1.30	0.13	-2.58
CIs ≥ EUR 30 bn	0.15	-0.23	-3.20	1.77	2.79	-1.29
Investment firms	-0.47	-1.75	-8.37	4.90	4.76	0.93
Thereof significant institutions	0.04	-0.30	-1.19	2.27	0.47	-1.29

54. The demographic structures of directors differ significantly between Member States, as shown in Figure 25. A few Member States have on average significantly younger directors in institutions and therefore have a much more diverse age structure within the overall population of directors. The Member States with an on average younger population of directors are mostly the same ones that show a higher level of representation of female directors.

55. On average, non-executive directors are older than executive directors. However, in a few Member States there are more non-executive directors than executive directors who are under the age of 40.

56. There are a few Member States with notably higher average ages of directors than other Member States (Greece, Hungary, Italy, Portugal and Spain).

Figure 25: Percentages of executive directors and non-executive directors (without staff representatives) in certain age categories by Member State

Member State ¹²	Age of executive directors (years)			Age of non-executive directors (years)		
	≤ 40	41-60	> 60	≤ 40	41-60	> 60
AT	4.24	86.67	9.09	4.60	61.00	34.40
BE	3.45	87.93	8.62	3.21	51.87	44.92
BG	7.41	85.19	7.41	5.56	62.96	31.48
CY	0.00	81.82	18.18	7.53	46.24	46.24
DE	1.80	84.68	13.51	3.45	57.23	39.33
DK	3.51	84.21	12.28	2.10	65.03	32.87
EE	29.55	65.91	4.55	14.29	76.79	8.93
EL	0.00	52.78	47.22	4.82	40.96	54.22
ES	1.33	74.67	24.00	2.21	43.54	54.24
FI	14.29	76.79	8.93	19.15	61.70	19.15
FR	6.86	82.35	10.78	3.23	52.79	43.99
HR	9.62	82.69	7.69	8.82	55.88	35.29
HU	2.04	65.31	32.65	9.76	80.49	9.76
IE	4.00	94.00	2.00	0.81	60.98	38.21
IS	4.55	95.45	0.00	0.00	75.00	25.00
IT	4.71	54.12	41.18	3.85	55.38	40.77
LI	12.50	87.50	0.00	0.00	90.48	9.52
LT	35.29	64.71	0.00	16.67	83.33	0.00
LU	3.60	86.33	10.07	3.14	63.23	33.63
LV	30.88	69.12	0.00	6.67	68.00	25.33
MT	50.00	42.86	7.14	5.56	41.67	52.78
NL	2.02	89.90	8.08	0.98	46.08	52.94
NO	8.42	83.68	7.89	3.68	63.97	32.35
PL	10.48	85.48	4.03	9.29	73.22	17.49
PT	3.88	73.79	22.33	3.65	50.36	45.99
RO	10.00	81.82	8.18	3.88	59.69	36.43
SE	1.72	93.10	5.17	3.30	59.89	36.81
SI	4.08	91.84	4.08	12.09	72.53	15.38
SK	2.00	96.00	2.00	12.50	70.00	17.50
UK	6.54	85.29	8.17	1.73	55.28	42.99
EU 2018	6.37	81.38	12.25	4.13	57.65	38.22
EU 2015	11.32	77.61	11.07	6.80	61.71	31.49

¹² In CZ the following figures were observed: EDs, 8.23%/82.82%/7.35%; non-EDs, 10.17%/64.41%/25.42%.

3.2.4 Professional experience and educational background

57. Institutions provided information on the length of experience of their directors. Around half of directors have professional experience of 20 years or more.

Figure 26: Percentages of directors with a given number of years of professional experience

Roles	Less than 1 year	1-5 years	6-10 years	11-15 years	16-20 years	More than 20 years
Executive directors, financial sector experience	0.78	3.64	6.72	11.60	18.18	59.07
Executive directors, management experience	1.69	6.75	12.03	18.93	20.58	40.03
Non-executive directors, financial sector experience	8.07	10.10	10.55	10.17	11.01	50.10
Non-executive directors, academic experience	16.67	17.71	8.62	8.29	9.18	39.53
Staff representatives	2.93	4.27	7.94	10.74	17.34	56.78

58. It is consistent with the finding that overall the population of executive directors has aged that it can be observed that directors' length of professional experience has increased since 2015 (Figure 27). Due to the different approach to collecting data for non-executive directors and staff representatives, an analysis of changes in their professional experience over time has not been pursued, as, for staff representatives, separate data on professional experience are not available for 2015.

Figure 27: Changes compared with 2015 in the percentages of executive directors with a given number of years of professional experience in percentage points

Roles	Less than 1 year	1-5 years	6-10 years	11-15 years	16-20 years	More than 20 years
Executive directors, financial sector experience	0.00	0.24	-2.00	-3.47	2.87	2.35
Executive directors, management experience	0.17	0.07	-3.45	-1.34	0.69	3.86
Non-executive directors, financial sector experience	-0.95	-0.97	-0.48	-2.46	-1.18	6.03
Non-executive directors, academic experience	-17.91	4.47	1.51	-0.43	0.98	11.39

59. In Member States where directors have, on average, a lower number of years of experience, the representation of women is often higher. Logically, experience is also linked to the average age of directors and therefore in those Member States a slightly lower percentage of directors with very long professional experience can be observed. Figure 28 depicts the percentages of directors with experience of more than 20 years for each Member State. The percentages for non-executive directors exclude staff representatives.

Figure 28: Percentages of directors with experience of more than 20 years, by Member State

Member State	Executive directors, financial sector experience	Executive directors, management experience	Non-executive directors, financial sector experience	Non-executive directors, academic experience	Staff representatives
AT	66.67	39.86	53.97	48.70	62.92
BE	67.83	50.44	63.01	50.00	–
BG	42.59	19.23	48.98	100.00	–
CY	76.67	43.33	61.80	87.50	–
DE	65.02	30.25	27.40	21.30	57.14
DK	75.00	50.00	45.45	59.02	57.14
EE	22.73	10.81	21.82	50.00	–
EL	82.14	50.00	68.00	66.67	33.33
ES	88.31	67.57	45.92	44.26	37.50
FI	52.73	40.00	41.94	25.00	–
FR	53.47	55.67	64.60	32.08	55.56
HR	34.62	20.00	48.33	32.14	0.00
HU	32.86	25.86	17.14	27.27	40.00
IE	78.00	78.26	80.83	77.78	–
IS	27.27	18.18	31.58	50.00	–
IT	52.00	58.33	34.60	39.76	0.00
LI	62.50	43.75	31.25	9.09	–
LT	35.29	12.50	44.44	–	–
LU	73.72	43.85	69.08	27.27	68.42
LV	25.37	13.79	54.05	66.67	–
MT	35.71	14.29	65.67	63.64	–
NL	69.70	46.88	56.12	36.11	50.00
NO	38.73	18.99	25.45	37.21	39.47
PL	33.63	22.40	37.23	26.32	–
PT	79.00	55.67	50.40	63.41	–
RO	54.95	33.02	64.23	43.75	–
SE	55.56	44.58	49.12	58.16	60.87
SI	40.82	21.28	31.71	15.38	0.00
SK	53.06	37.21	54.29	25.00	55.00
UK	72.79	60.90	78.34	25.58	80.00
EU 2018	59.07	40.03	50.10	39.53	56.78

60. Institutions provided information on the educational background of the members of their management bodies. Some members have multiple degrees. Business administration and economics are the most common educational backgrounds. Compared with 2015, there were no material changes, but there was a significant reduction in non-executive directors falling into the category 'Other experience – professional background in the financial sector', from 13.60% to 6.70%, as a relatively high percentage of staff representatives have relevant practical experience rather than a degree.

Figure 29: Educational backgrounds of executive directors, non-executive directors (without staff representatives) and staff representatives

Educational background	Percentage of executive directors	Percentage of non-executive directors	Percentage of staff representatives
Law (master's, bachelor's or comparable)	8.65	14.12	5.80
Business administration or economics (master's, bachelor's or comparable)	61.63	44.07	29.35
Mathematics, physics, engineering, other natural science (master's, bachelor's or comparable)	9.00	11.74	1.97
Degree in another subject (master's, bachelor's or comparable)	9.98	12.37	8.47
Other experience – professional background in the financial sector, e.g. professional training in banking (only directors for whom none of the above educational backgrounds apply)	8.09	6.70	45.48
Other experience (only directors for whom none of the above educational backgrounds apply)	2.65	11.00	8.93

61. In many institutions, all executive directors have the same educational background. Large and significant institutions show greater diversity in this regard than smaller institutions. Having multiple perspectives can improve decision-making in the management body. However, as knowledge is gained over time and not only based on educational background, having executive directors of only one educational background does not necessarily lead to questions about the collective suitability of the management body.

Figure 30: Percentages of institutions with a management body where, among the executive directors, a given number of different educational backgrounds are present

Institutions	Number of different educational backgrounds					
	No answer provided	1	2	3	4	5
CIs < EUR 1 bn	8.77	43.42	34.65	11.40	1.32	0.44
CIs EUR 1 bn to < EUR 10 bn	1.16	51.35	32.05	9.65	4.63	1.16
CIs EUR 10 bn to < EUR 30 bn	3.00	28.00	39.00	25.00	5.00	0.00
CIs ≥ EUR 30 bn	0.00	20.72	39.64	27.93	10.81	0.90
Investment firms	5.15	36.76	40.44	11.76	2.94	2.94
Thereof significant institutions	0.41	28.22	39.00	23.24	7.88	1.24

62. The educational backgrounds of non-executive directors are more diverse than those of executive directors. This is partly caused by the higher number of non-executive directors. However, in some institutions only one educational background is present in the management body in its supervisory function.

Figure 31: Percentages of institutions with a management body where, among the non-executive directors (including staff representatives), a given number of different educational backgrounds are present

Institutions	Number of different educational backgrounds						
	No answer provided	1	2	3	4	5	6
CIs < EUR 1 bn	4.39	11.84	27.19	30.70	19.30	6.14	0.44
CIs EUR 1 bn to < EUR 10 bn	2.32	5.79	20.46	30.50	18.53	16.22	6.18
CIs EUR 10 bn to < EUR 30 bn	3.00	4.00	16.00	23.00	35.00	15.00	4.00
CIs ≥ EUR 30 bn	1.80	1.80	11.71	27.93	31.53	18.92	6.31
Investment firms	14.71	26.47	31.62	19.12	6.62	0.74	0.74
Thereof significant institutions	1.24	3.73	21.99	29.46	26.56	13.28	3.73

3.2.5 Geographical provenance

63. Institutions that are internationally active should have a management body that is diverse in terms of the geographical provenance of its members. For the data collection, the EBA specified the following areas: EU/EEA; Europe (non-EU/EEA); Africa; North America; South America; Asia and Australia.

64. Figures 32 and 33 show the extent to which the professional and cultural backgrounds of the executive directors and non-executive directors match the areas in which institutions conduct business activities. Main business areas should be covered by having directors who have an appropriate understanding of the relevant specificities of those areas.

65. For smaller firms, it can be assumed that the level of international activity is very limited and consequently for them geographical provenance is a less relevant factor. Institutions that are active internationally should have directors who are familiar with the cultures, languages, market specificities and legal frameworks of the regions they are active in.

66. Among large and significant institutions, there is a high percentage of institutions in which the geographical business activities and the geographical provenance of the directors do not fully match, with slightly better coverage in the supervisory function than in the management function of the management body.

Figure 32: Percentages of institutions covering business areas in terms of the geographical provenance of executive directors

Institutions	All areas covered	All but 1 area covered	All but 2 areas covered	All but 3 areas covered	4 or more areas not covered
CIs < EUR 1 bn	88.60	8.77	0.88	1.32	0.44
CIs EUR 1 bn to < EUR 10 bn	87.26	7.72	2.32	0.77	1.93
CIs EUR 10 bn to < EUR 30 bn	78.00	14.00	3.00	4.00	1.00
CIs ≥ EUR 30 bn	58.56	16.22	6.31	8.11	10.81
Investment firms	67.65	16.18	5.88	7.35	2.94
Thereof significant institutions	68.05	14.52	5.39	4.98	7.05

Figure 33: Percentages of institutions covering business areas in terms of the geographical provenance of non-executive directors (including staff representatives)

Institutions	All areas covered	All but 1 area covered	All but 2 areas covered	All but 3 areas covered	4 or more areas not covered
CIs < EUR 1 bn	92.54	4.82	1.75	0.44	0.44
CIs EUR 1 bn to < EUR 10 bn	86.87	8.88	1.93	1.16	1.16
CIs EUR 10 bn to < EUR 30 bn	84.00	7.00	5.00	2.00	2.00
CIs ≥ EUR 30 bn	63.96	10.81	12.61	9.91	2.70
Investment firms	60.29	18.38	8.82	6.62	5.88
Thereof significant institutions	70.95	12.86	7.47	4.98	3.73

3.3 Gender and remuneration of the management body

67. Under Directive 2013/36/EU as amended (CRD V), institutions must establish gender-neutral remuneration policies. As part of the diversity benchmarking exercise, information on the average remuneration of members of the management body was collected and analysed. The EBA also collected data on remuneration for each gender in the management body to establish if there is a gender pay gap.

68. When analysing the existence of a pay gap, it needs to be considered that members of the management body have different functions (CEO or chairperson, member of a committee, etc.) and may receive different pay levels for this reason. A more granular data collection to isolate the remuneration of CEOs and chairpersons was not conducted, for data protection reasons. Not all institutions have a CEO or chairperson, while others reported two or even three such functions, including also deputy chairperson or deputy CEO.

69. To avoid any influence on the analysis of different pay levels in Member States or based on the complexity of the institution or its performance, the pay gap was calculated in terms of percentages for each institution where there are both male and female members of a given function in the management body. To provide an overview of the existence of pay gaps, percentiles for the pay gap were calculated. The upper end of the percentiles has been set at the 80th percentile, as some institutions seem to have reported total remuneration figures for male and female directors rather than averages. The 80th and 10th percentiles roughly correspond to the proportions of institutions that have a male or female CEO or chairperson. Remuneration for staff representatives was in most cases reported as the additional salary and in other cases as the total salary. Given this and the relatively low number of staff representatives, no such analysis is presented for staff representatives.

70. While there is a low number of institutions in which the remuneration of the female directors is higher than the remuneration of the male directors, the majority of firms reported figures that indicate that male directors receive higher total remuneration than female directors.

Figure 34: Percentiles (p) for gender-related pay gaps observed for executive directors and non-executive directors (%)

Role	Mean	p10	p25	p50	p75	p80
Executive directors	16.71	-31.12	0.00	14.78	35.09	40.33
Non-executive directors	18.69	-6.76	0.00	13.55	35.64	42.42

71. At the 10th percentile, higher remuneration for female directors can be observed; this corresponds roughly with the representation of female CEOs and chairpersons. At the 25th percentile, no gender pay difference can be observed. At higher percentiles, the differences observed indicate higher pay for male executive directors and an even higher difference in pay for non-executive directors of different genders as than at the 10th percentile.

72. The differences in pay at the 75th and 80th percentiles (35.09% and 40.33%) for male executive directors compared with female directors are greater than the difference observed at the 10th percentile (-31.12%) that indicates higher pay for female executive directors. Overall, it is plausible to assume that the difference in remuneration for executive directors of different genders is to a large extent driven by the usually higher remuneration of CEOs. However, in some institutions with pay ratios that fall into the highest percentiles, it must be assumed that there is a pay gap between executive directors of different genders that is caused by factors other than having a male CEO. However, such differences may be caused by factors other than the genders of the directors.

73. For non-executive directors, a relatively large difference exists between the 10th percentile, where a 6.76% higher remuneration for female non-executive directors can be observed, and the 80th percentile, where a 42.42% higher remuneration for male non-executive directors can be observed. Even assuming that the differences observed are partly driven by the gender of

the chairperson, the magnitude of the differences observed between the remuneration of male and female non-executive directors could suggest that male non-executive directors indeed receive systematically higher remuneration than female non-executive directors in the same institution. However, a more detailed data collection is required to analyse whether this is the case or whether there are other factors that have led to the differences observed.

74. Under the amended Directive 2013/36/EU, the EBA is mandated to benchmark gender-neutral remuneration practices, and it will carry out further work in this area.



EUROPEAN BANKING AUTHORITY

Tour Europlaza, 20 avenue André Prothin CS 30154
92927 Paris La Défense CEDEX, FRANCE

Tel. +33 1 86 52 70 00

E-mail: info@eba.europa.eu

<https://eba.europa.eu>