

LLOYDS
BANKING GROUP



GENDER PAY GAP REPORT 2017

Gender Pay Gap Report 2017

Executive summary

Our purpose is to help Britain prosper. As one of the UK's largest employers, we recognise that supporting gender equality and diversity more broadly will help the success of the UK as a whole.

Lloyds Banking Group has been recognised as a company that promotes inclusion and was the first FTSE 100 employer to make a public commitment to increase the proportion of women in senior roles. In 2014 we set a target to have 40% of senior roles filled by women by 2020. We are progressing well towards that target with 34% of senior roles now filled by women in 2017, up from 29% in 2013.

The average gender pay gap, which is the difference between the average amount that men and women are paid, for the Group is 32.8%. Although this is better than the average for the financial services industry¹, we know that there is still more work to do and we are committed to building a diverse and inclusive workplace. We regularly review our pay levels to ensure that men and women are paid equally for doing equivalent roles across the Group.

Our pay and bonus gaps are principally driven by a higher proportion of women in junior roles and a higher proportion of men in senior roles. Our bonus gap is also partly driven by the fact that bonus calculations are pro-rated for colleagues who work part-time, an option currently taken up by more female colleagues than male. If the composition of our workforce was the same across all grades, the mean pay gap would reduce to 2.5% and the mean bonus gap would reduce to 4.0%.

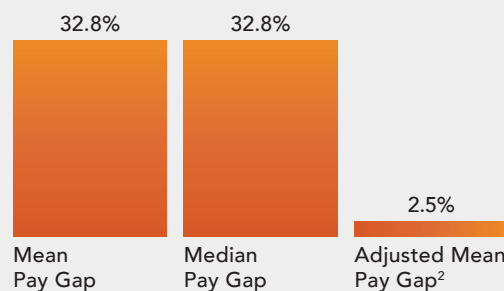
We have published information for our eight employing entities as part of the government's requirements for all companies with over 250 employees to disclose information about their gender pay gap.

Gender pay and bonus gaps

The bar charts below illustrate our overall mean and median gender pay and bonus gaps based on data at 5 April 2017.

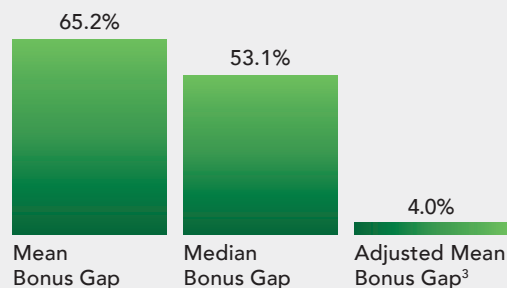
Gender pay gap

Difference between men and women across the Group



Gender bonus gap

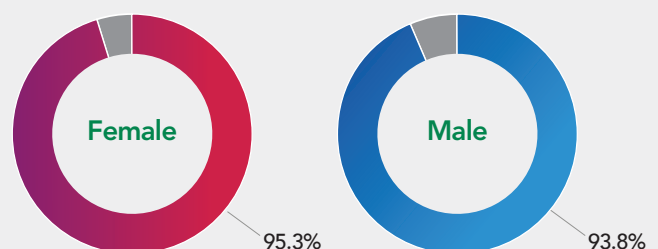
Difference between men and women across the Group



Proportion of colleagues awarded a bonus for 2016

This shows that the percentage of women awarded a bonus for their performance in 2016 was slightly higher than the percentage of men. Individual performance drives the allocation of bonuses to every colleague. Those who do not achieve the high standards we expect at Lloyds Banking Group do not receive a bonus.

Bonus awarded



Glossary of terms:

Mean pay: Average pay of all employees.

Median pay: The mid-point when pay is set out from the highest point to the lowest point, providing a view of the typical pay of the middle earner.

¹ PwC Women In Work Index in 2017 estimated that the average gender pay gap for the Financial Services industry is 34%

² Adjusted for role mix, maternity leave and other leaves of absence

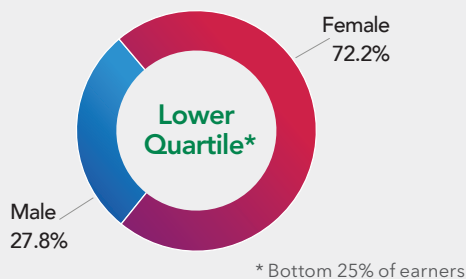
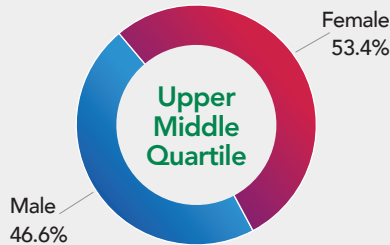
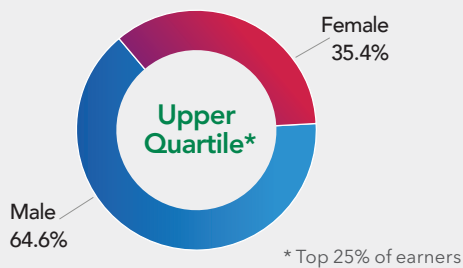
³ Adjusted for role mix, maternity leave, other leaves of absence and working patterns

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Pay quartiles

The charts below show the gender distribution across four quartiles, each containing just under 20,000 colleagues. The charts highlight that there is a high proportion of women in junior roles and a high proportion of men in senior roles. We are taking actions to increase the proportion of women in senior roles.

Gender distribution



Our commitment

Our focus is on improving the gender pay and bonus gaps by increasing the proportion of women in senior roles. In doing so, the gender gaps will reduce over time. We believe that companies with diverse senior management teams perform better. With this in mind, the Group will continue to take a lead in gender diversity.

Our progress

- In 2014, we were the first FTSE 100 company to make a public commitment to increase the proportion of women in senior management roles. We have already increased the percentage of senior roles held by women from 29% in 2013 to 34% in 2017.
- A comprehensive plan is in place to ensure we achieve our target of 40% by 2020. This is reviewed on a regular basis by our Chief Executive and the Executive team, who also mentor and sponsor talented high potential women. The plan includes:
 - A recruitment process which requires all senior management shortlists to be diverse.
 - A new approach to agile hiring whereby all vacancies advertised are required to specify how the role could be done in an agile way, encouraging a broader range of working patterns.
 - A 'Returners' programme to support colleagues on career breaks (many of whom are women) in returning to the workplace.
 - Agile working training delivered to every line manager and unconscious bias training delivered to every colleague.
 - A 'Women in Leadership' programme for mid-level managers to strengthen the female talent pipeline.
- We were amongst the first signatories to the Women in Finance Charter and actively support other external initiatives to help the progression of women in the UK workplace. The work we are doing has been recognised externally:



Top 50 Employers for Women



Top Employer for Working Mums



Top 10 Employer for Working Families



World's Best Bank for Diversity and Inclusion

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Employing companies with over 250 colleagues

Lloyds Banking Group is made up of a number of employing companies, eight of which have more than 250 employees. Whilst we manage our gender strategy at a Group level, and all policies and action plans apply to every one of our brands, the UK Gender Pay Gap Reporting legislation requires us to report separately for each of our employing companies, as set out below:

	Pay										Bonus			
	Mean Gender Pay Gap	Median Gender Pay Gap	Upper Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile		Mean Gender Pay Gap (Bonus)	Median Gender Pay Gap (Bonus)	Proportion with a bonus	
			Male	Female	Male	Female	Male	Female	Male	Female			Male	Female
Lloyds Banking Group	32.8	32.8	64.6	35.4	46.6	53.4	33.8	66.2	27.8	72.2	65.2	53.1	93.8	95.3
Cheltenham & Gloucester Plc	16.7	18.8	58.2	41.8	42.2	57.8	41.2	58.8	26.8	73.2	34.8	38.3	97.0	95.2
Hbos Plc	25.9	26.4	59.3	40.7	41.6	58.4	33.3	66.7	26.4	73.6	54.1	48.0	96.7	97.6
Lloyds Bank Plc	37.6	42.7	68.5	31.5	50.9	49.1	34.0	66.0	27.2	72.8	70.4	60.7	91.6	93.2
Lloyds Bank Asset Finance Ltd	24.2	28.8	71.1	28.9	54.9	45.1	42.1	57.9	27.3	72.7	48.4	58.2	96.6	94.9
Lloyds Bank International Ltd (Isle of Man)	7.6	8.2	48.1	51.9	33.3	66.7	31.4	68.6	38.1	61.9	32.3	19.0	84.9	90.3
Lloyds Bank Commercial Finance Ltd	27.6	27.6	80.8	19.2	55.1	44.9	52.6	47.4	24.4	75.6	49.8	51.8	92.8	95.4
Lloyds Bank International Ltd (Jersey)	22.7	25.0	59.4	40.6	42.9	57.1	27.1	72.9	20.3	79.7	54.2	54.3	92.4	94.1
Scottish Widows Services Ltd	19.5	16.5	62.4	37.6	51.0	49.0	43.1	56.9	46.4	53.6	49.5	33.0	91.9	93.5

Declaration

I confirm that the Lloyds Banking Group Gender Pay Gap calculations featured in the above report are accurate.



Jen Tippin
Group People & Productivity Director