

Internal

Brussels, 12 April 2023

Annex 2 to the communication NBB_2023_04

Summary of the responses received at Belgian level as part of the EBA diversity and gender pay gap benchmarking exercise

The Bank participated in the EBA benchmarking exercise and collected information from a sample of 28 financial institutions (23 credit institutions and 5 stockbroking firms governed by Belgian law), in accordance with the EBA's instructions (2021 data).

The main findings of the analysis of the results obtained at Belgian level can be summarised as follows:

1. Regarding the obligation to develop a diversity policy, 20.02% of the Belgian financial institutions in the sample did not have a diversity policy in 2021¹. This average result is only slightly better than at the European level (better if we focus on credit institutions alone).
2. Regarding the representation of the under-represented gender in the management bodies of the Belgian financial institutions in the sample, the results show that:
 - women represented on average 17.59%² of the executive directors in the Belgian institutions in the sample (worse than the European average);
 - women represented on average 32.91%³ of the non-executive directors (slightly better than the European average).

Out of the 47 new executive directors appointed in 2021 in the 28 financial institutions in the sample, 36 were men and 11 were women. Out of the 79 new non-executive directors, 48 were men and 31 were women.

3. Regarding the gender pay gap in the 28 financial institutions in the sample, without taking into account the remuneration of the CEO and based on the median remuneration, it was found that male executive directors earn on average 7.07% more than their female colleagues (4.30% more for non-executive directors). This result is slightly better than at the European level, but is still not in line with the neutrality objective imposed by law.

¹ Specifically, 86.96% of the Belgian credit institutions and 40% of the Belgian stockbroking firms in the sample had a diversity policy, giving an overall average of 79.98%.

² More specifically, the representation of women among executive directors was 17.92% in the Belgian credit institutions in the sample and 15.79% in the Belgian stockbroking firms in the sample.

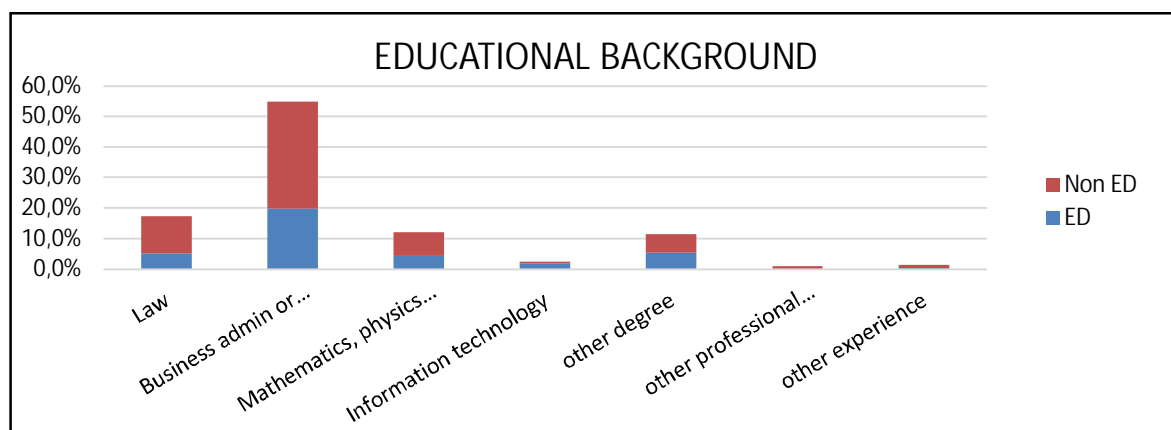
³ More specifically, there were 33.68% female non-executive directors in the Belgian credit institutions in the sample and 26.92% in the Belgian stockbroking firms in the sample.

4. Regarding the other dimensions included in the prudential definition of diversity, the results for the 28 financial institutions in the sample can be summarised as follows:

- Situation in terms of age:
 - a. Average age of executive directors:
 - i. < 40 years: 2.40%
 - ii. Between 41 and 60 years: 88%
 - iii. > 60 years: 9.60%
 - b. Average age of non-executive directors:
 - i. < 40 years: 1.85%
 - ii. Between 41 and 60 years: 48.15%
 - iii. > 60 years: 50%

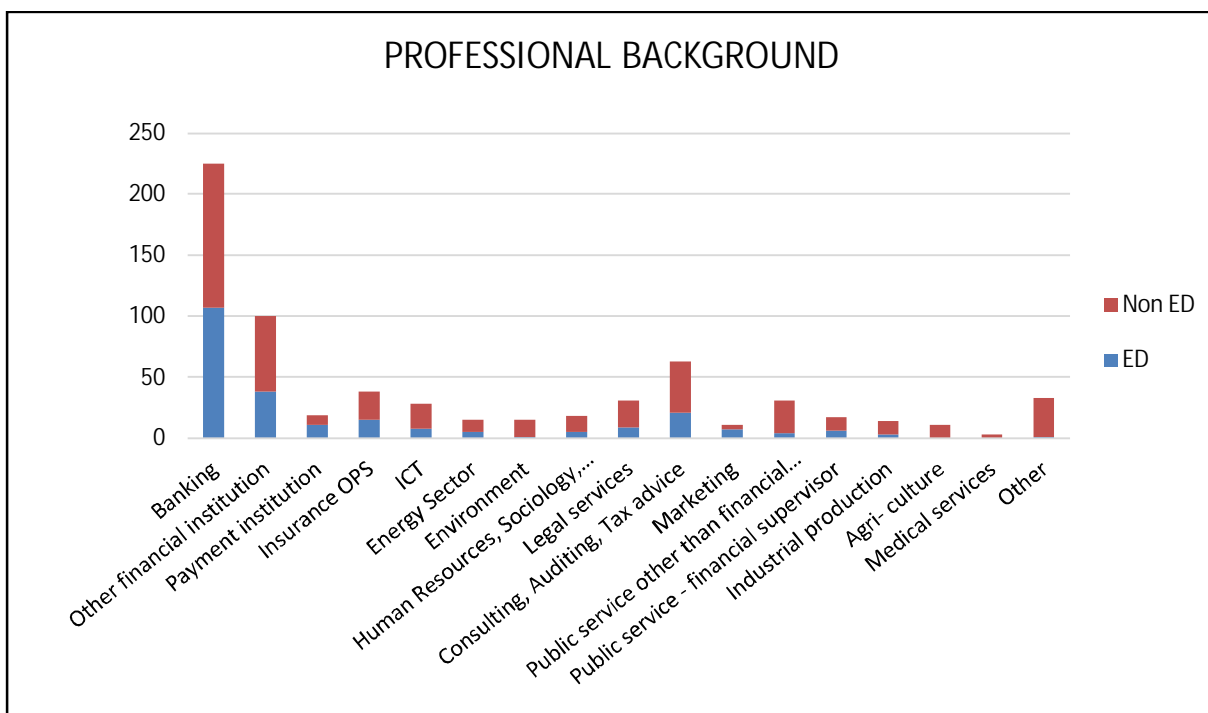
The Bank notes a very high concentration in one age category among executive directors and in two age categories among non-executive directors.

- Situation in terms of educational background:



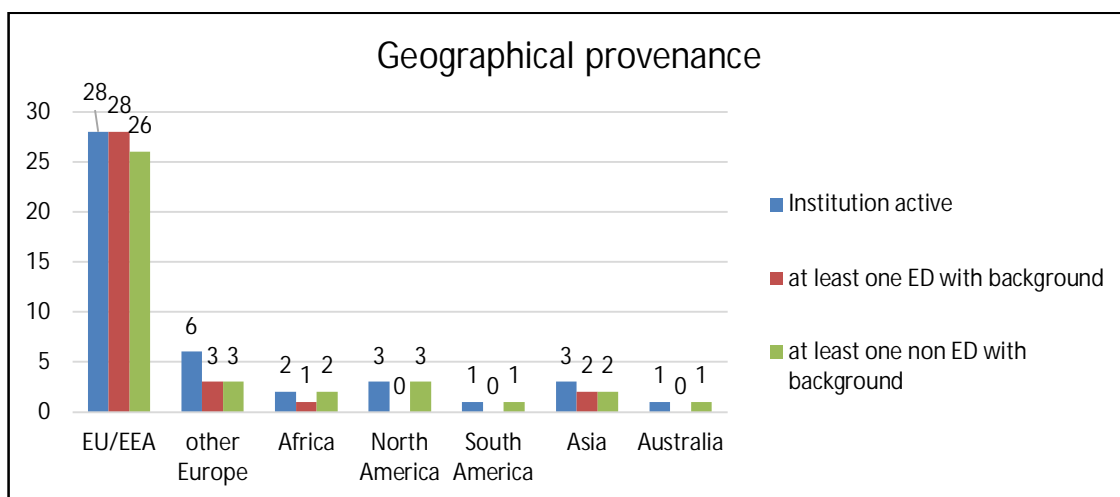
It appears that very few executive and non-executive directors have an educational background in IT. In this respect, the Bank refers to paragraphs 2:91 and 3:87 of its Fit & Proper Manual (as updated on 22 December 2022), where it is recommended that, as of 1 January 2024, not only executive but also non-executive directors should have at least one person with knowledge, skills and specific experience in the area of information technology and security, taking into account the business model of the institution concerned.

- Situation in terms of professional background:



The situation in terms of professional experience shows that, to date, there is very limited experience in the environmental field among directors (both executive and non-executive). The Bank reminds financial institutions that paragraphs 2:91 and 3:87 of its Fit & Proper Manual now emphasise the need for management bodies to have collective knowledge, skills and experience in the area of environmental and climate risk management, taking into account the business model of the institution concerned.

- Situation in terms of geographical provenance⁴:



The representation of different world regions in the management bodies of institutions with international activities is currently limited.

⁴ As a reminder, the term “geographical provenance” refers to the region where a person has gained a cultural, educational or professional background. This aspect is particularly important for institutions that are active internationally.