

GENDER
PAY GAP
REPORT
2019



VIRGIN MONEY GENDER PAY GAP REPORT 2019

Our colleagues deliver for our customers when they can be themselves at work. So, it goes without saying that inclusion is at the heart of our culture. It is embedded in our values and is being driven through meaningful actions across the business.

We are passionate about fairness, equality and inclusion, and we fully support the UK government initiative to improve equality through collecting and reporting gender pay data.

HOW THE GENDER PAY GAP IS CALCULATED

If all company employees were lined up in a female line and a male line, in order of pay from highest to lowest, the **median gender pay gap** compares the hourly pay of the woman in the middle of their line and the hourly pay of the middle man. The **mean gender pay gap** shows the difference in the average hourly rate of pay between men and women in a company.

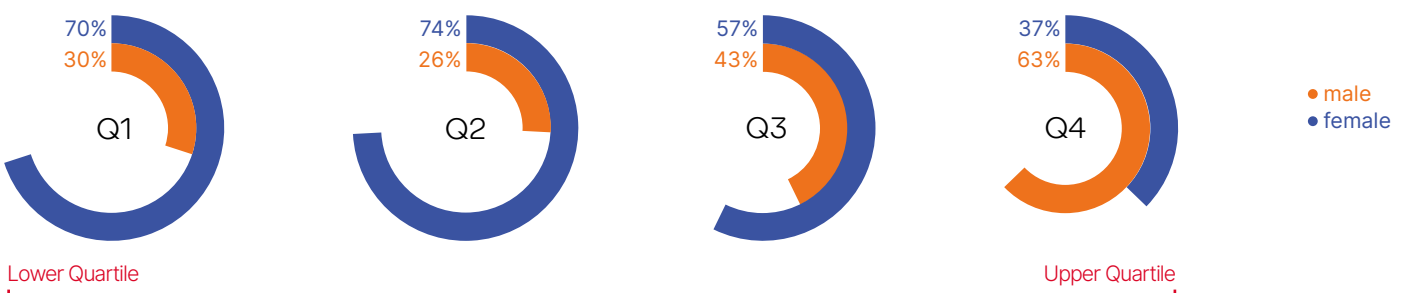
OUR RESULTS

At Virgin Money men and women are paid equally for doing the same or similar jobs. The key drivers behind our pay gap is that overall we still have more men than women in senior roles and more women than men in our customer facing roles, which are often more junior.

Difference between men and women	Mean (average)	Median (middle)
Gender Pay Gap	31.8%	34.0%
Gender Pay Gap Bonus	55.4%	38.6%



Proportion of males and females in each pay quartile



OUR STORY

We're proud to have signed up to the Women in Finance Charter which reflects our commitment to build strong female representation at all levels within our organisation. We've set measurable objectives for achieving gender diversity (with a target of 40% women in senior management by 2020 and a long-term aspiration for gender balance). Our progress towards achieving these objectives is reported to the Board.

We have a large customer service organisation, where many of our colleagues are employed. In our customer

service areas we employ over 70% women. Whereas, overall our upper quartiles are more gender balanced. A large proportion of our customer service roles are part time and we have found that throughout the organisation the majority of part time roles are occupied by females, whereas full time roles are more gender balanced.

We are working hard to narrow our gender imbalance in our customer services areas and create more opportunities for people to progress their career while working part-time. Our current gender split is shown in the table below:

	Female	Male
Board Members	4 (31%)	9 (69%)
Leadership Team	4 (33%)	8 (67%)
Extended Leadership Team	33 (38%)	54 (62%)
All Colleagues	5701 (59%)	3966 (41%)

Employees at 30th September 2019

OUR PLAN

There are a number of steps we are taking to improve our gender balance that we expect to positively impact our gender pay gap, including:

Our Leaders

- Enhancing our recruitment practises and building inclusion into all leadership activity to raise the standards of recruitment.
- Ensuring that our people leaders feel equipped to support and develop a diverse and flexible workforce through the creation of tools, advice and guidance. We know that getting the best from our people means equipping our leaders with the right skills and support to enable this.
- Promoting and role modelling a flexible working culture.

Our People

- Enhancing our inclusive recruitment practises by mandating diverse shortlists for applicant submission, reviewing the make-up of our interview panels and our approach to anonymised selection. We will also review our partnerships to attract a diverse and exciting workforce.
- Continue to support our colleague networks, promoting development opportunities and creating a movement. We will use these networks to share stories and ideas, celebrate differences and showcase talent.
- Enabling our colleagues through technology which encourages flexible working, remote learning and virtual networking.
- Continuing our 'Return to Work' programme, to support women returners.

Our Insight

- Driving accountability by using our insights to understanding the make-up of our workforce from recruitment to retirement to pinpoint leaks in the talent lifecycle, allowing us to track progress and shape direction.
- Engaging with our networks to share ideas and experiences to break down barriers and maximise opportunities.

Our role in society

- Continuing with our commitment to build relationships with our local communities and schools to deliver our STEM schools programme to encourage more females at an early age to take an interest in science, technology, engineering and maths career paths.

We are encouraged that the changes we are making are having an impact; we are proud that 88% of colleagues told us they can be themselves at work in the recent myVoice survey.

However, we recognise that there is still a lot more to be done and we will continue to shape a more diverse and inclusive culture at the Bank.

This statement was approved by the Virgin Money UK Group Human Resources Director

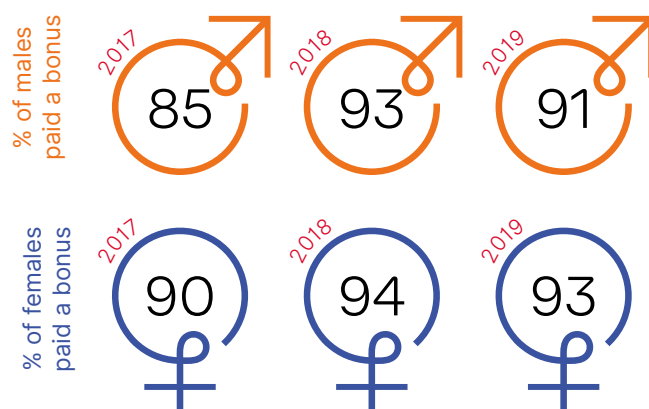
APPENDIX: REPORTING BY ENTITY

As at 5th April 2019 Virgin Money UK had two employing entities operating in the UK– Clydesdale Bank PLC and Virgin Money PLC.

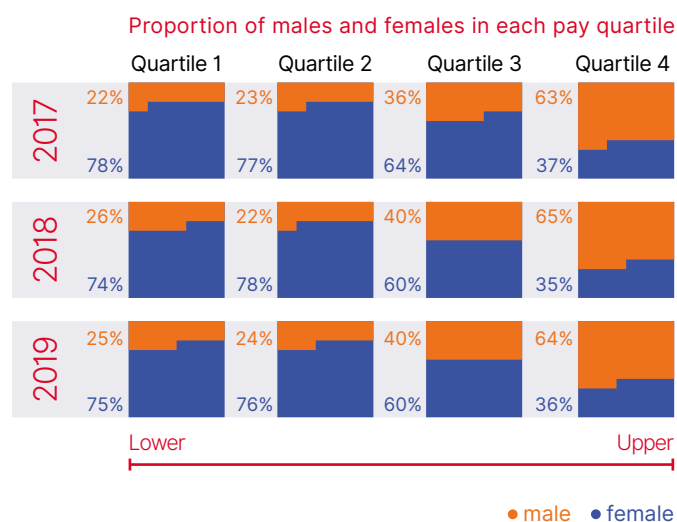
Clydesdale Bank PLC

Difference between men and women	Mean (average)			Median (middle)		
	2017	2018	2019	2017	2018	2019
Gender Pay Gap	37.0%	35.6%	35.9%	36.0%	37.7%	37.7%
Gender Pay Gap Bonus	58.0%	55.6%	62.2%	39.0%	41.3%	44.6%

Proportion of employees receiving 2017-2019 bonus



Pay Quartiles

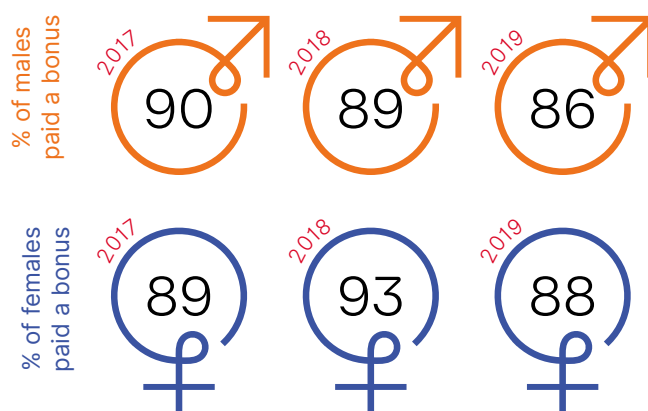


APPENDIX: REPORTING BY ENTITY

Virgin Money PLC

Difference between men and women	Mean (average)			Median (middle)		
	2017	2018	2019	2017	2018	2019
Gender Pay Gap	32.5%	29.7%	23.6%	38.4%	35.0%	30.4%
Gender Pay Gap Bonus	45.3%	48.7%	40.6%	40.7%	40.6%	31.3%

Proportion of employees receiving 2017-2019 bonus



Pay Quartiles

