
FCE Bank plc

Gender Pay Report

For the 2018 Reporting Period



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Introduction

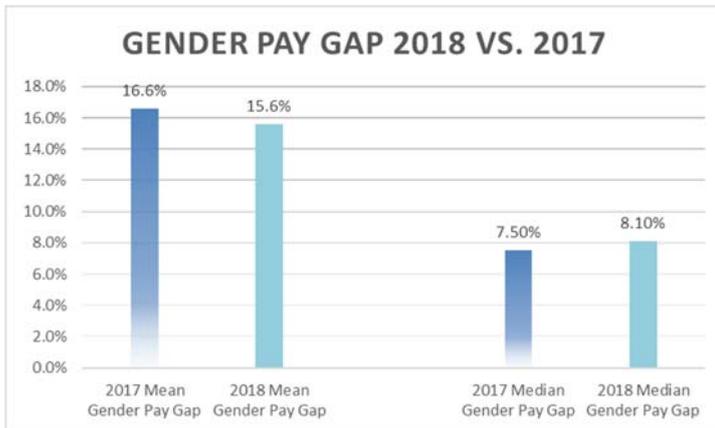
Ford Credit Bank plc (FCE) is a small organisation and has two locations in the UK; a Head Office in Warley, Essex which employs approximately 500 staff and a Manchester Business Centre, employing approximately 300 staff. Both of these sites are different in terms of available roles, for example, our more senior level management positions are based at FCE's Head Office in Warley. In addition, the organisational demographics differ; Warley has an average tenure of 15 years, with an attrition rate of 4%, whilst Manchester employees have an average of 5 years of service and a higher attrition rate of 16%. Across both sites we roughly have an equal split of male and female employees (50% female in Manchester and 47% female in Warley)¹.

FCE are committed to equal opportunities irrespective of gender or other protected characteristics, and want a diverse workforce that reflects its customers.

FCE Bank has a wide range of family-friendly policies. Approximately 20% (circa 170) of the workforce has a formal flexible working arrangement, of which 76% are female employees, as well as numerous employees who work flexibly on an informal basis. Other policies include enhanced Maternity and Adoptive Maternity Pay and Time off for Dependents. Of those employees taking Maternity or Adoption leave in 2017 there was a 100% return to work rate. This illustrates the success of these policies to retain our employees' skills and experience and provide support throughout their working lives.

What is the Gender Pay Gap?

The Gender Pay Gap is a statistical measure comparing average female earnings to average male earnings across an entire organisation. Gender pay gap statistics do not take into account differences in roles and do not compare the pay of people doing the same job.

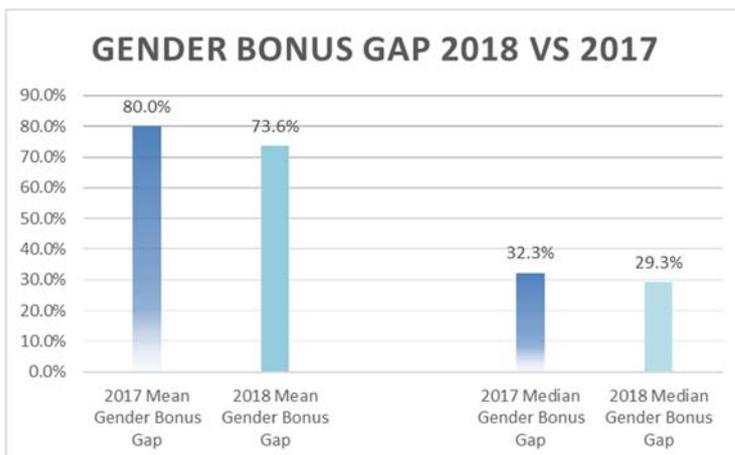


For gender pay reporting purposes, two types of average figures are used:

The Mean average - calculated by adding all of the pay values up and dividing by the number of values in the list.

The Median average - calculated by listing all pay values in numerical order, and taking the middle number on the list (or a mean average of the middle two numbers if there is an even number of values). For each type of average, the percentage gap between women and men is calculated. A positive value reflects female employees having lower pay or bonus than male employees.

The 2018 results indicate that FCE Bank have reduced the mean gender pay gap from 16.6% to 15.6%, compared to the national mean average of 17.1%² for both full and part time workers. The median gender pay gap has risen from 7.5% to 8.1%, which compares to the national median average for both full and part time workers of 17.9%². The 2018 national average of Finance and Insurance companies is 33.4% and 35.7 % and for mean and median respectively².



Bonus Gap: FCE Bank primarily operates three different bonus schemes which are available to different population groups; "On the Spot" recognition awards of gift vouchers (up to the value of £50), the Manchester employee bonus plan and the senior management bonus plan (available to approximately 7% of employees¹). The mean Gender Bonus Gap has reduced from 80% to 73.6%. The bonus gap is driven by the disproportionate number of male to female employees within senior management grades who are eligible for the corporate management bonus plan. The median similarly reduced from 32.3% to 29.3%.

¹ As of April 2018 based on Relevant Employees
² 2018 Office of National Statistics Figures

Whilst some improvements can be seen in both the Gender Pay Gap and Gender Bonus Gap and there is a positive comparison against the national averages, we recognise that we have further to go. Ongoing organisation and culture changes are expected take a number of years before we see significant and sustained improvements in the data.

Proportion of employees receiving a bonus

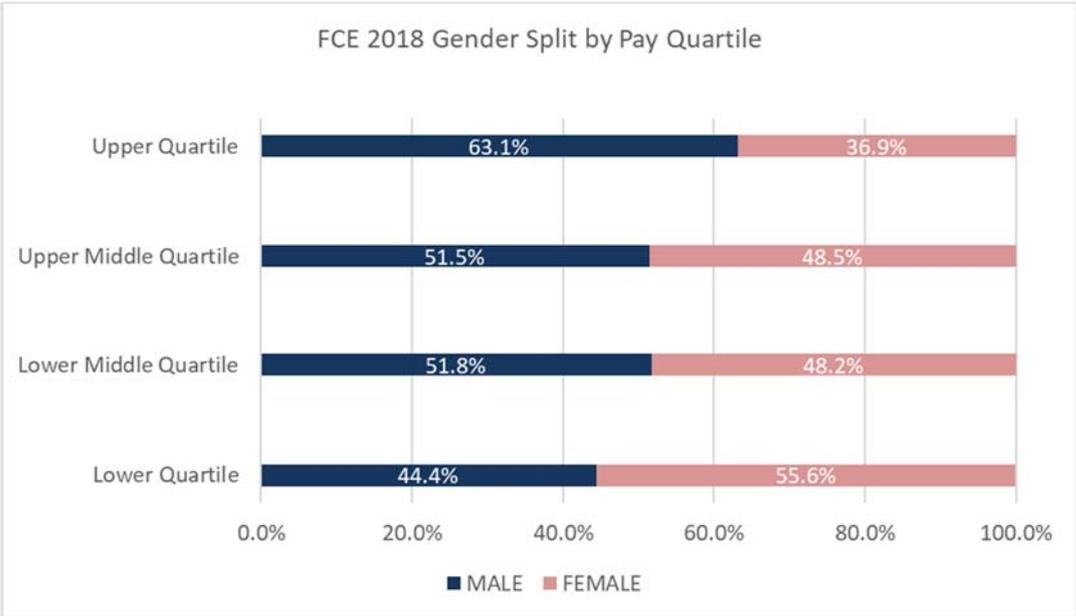
The charts below show the proportions of males and females receiving a bonus primarily from one of the three bonus schemes in FCE Bank; “On the Spot” recognition awards⁴, Manchester employee bonus plan and the senior management bonus plan. In 2018, FCE included a discretionary performance related lump sum payment which was given to all eligible first level management.



The proportion of employees receiving a bonus increased from 39% to 52% for females and from 46% to 50% for males. Whilst the bonus amounts are on average higher amongst males versus females, this is due to the disproportionate number of male to female employees within senior management grades.

Proportion of males and females in each Pay Quartile

The chart below shows the proportions of male and female employees in four quartile bands. The quartiles are determined by ranking all hourly pay from lowest to highest, and then dividing this into four equal number sections (or as close as possible to this).



⁴On the Spot Award value is £25. An employee can receive up to two awards per year

Equal Pay

Equal Pay is different from the Gender Pay Gap reporting. Equal Pay deals with the pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

FCE Bank is committed to treating employees fairly and we are confident that FCE's male and female employees are paid equally for doing jobs of equal value through a job evaluation and grading process. Pay data analysis within FCE's grading structure and between different contract type shows a population weighted average pay lead of 0.48% for women.

FCE will continue to ensure pay practices are fair and consistent irrespective of gender.

What actions are we taking?

FCE is confident that there is no systematic gender bias during the employee life cycle (e.g. recruitment, merit allocation or succession) but are conscious of the underrepresentation of women at senior levels and are taking steps to address this issue.

We are taking steps to improve the gender pay gap through building a talent pipeline that is more reflective of FCE's workforce and customer base. We have broadly equal gender representation at first level management. In 2018, 45% of our first level management positions were held by women (44% in 2017). Over time we expect the number of females in our higher management positions to increase. However given the relatively low levels of employee turnover (in particular at Warley Head Office) and size of business, the actions we are taking will take time to significantly alter the gender pay gap.

Since the last gender pay gap report (in 2017) incremental actions include:

- Senior Leadership championing initiatives e.g. International Women's Day, Lean in Circles, Employee Resource Group initiatives.
- Employee focus groups to better understand the experience and perceptions on women's progression.
- Numerous actions supporting Diversity, Inclusion and Vibrancy as a top culture priority.
- Additional questions in our Employee Engagement survey to better understand culture perceptions that impact diversity issues.
- Enhanced FCE's already-progressive Flexible Working Policy e.g. extending part time and flexible working which supports those that have dependent/caring responsibilities e.g. returning from Maternity Leave.
- Continued inclusive training initiatives supporting fairness in recruitment, employee development and pay decisions e.g. Unconscious Bias Training.
- New Diversity and Inclusion action plan ready for 2019, which will continue to address Gender Pay issues by continuing to create a more flexible and representative organisation.

I can confirm the accuracy of the information presented above in respect of FCE required by Equality Act 2010 (Gender Pay Gap) Regulations 2017.



Charles Bilyeu
CEO – FCE Bank Plc