

EBA CHAIRPERSON KEYNOTE SPEECH AT EP'S ECON
AND FEMM CONFERENCE

Brussels, 24/10/2023

Women in Economics and Finance

Debate on next challenges in the EU

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Dear Members of Parliament of the ECON and FEMM committee,

Thank you for inviting me to this very special event.

I remember well the European Parliament's resolution of March 2019 on gender balance in EU economic and monetary affairs nominations¹, which almost coincided with my very own appointment as Chairperson of the European Banking Authority.

To be clear, it is still important that everybody subscribes to the ambition outlined in this resolution.

Gender diversity is a strategic issue, that helps to achieve better results overall. This is particularly true for the sector of financial services where women remain underrepresented.

First, I will outline the banking landscape in terms of gender equality and how the EBA mandates banks to promote gender equality, as part of banks' sound governance arrangements.

Second, I will briefly explain how the EBA promotes gender equality inside the organisation and across a coalition with other agencies, institutions and stakeholders.

(1) Gender equality in the banking landscape

Let me start with the overall picture of women in the banking sector.

¹ https://www.europarl.europa.eu/doceo/document/TA-8-2019-0211_EN.html

Since the EBA started to work on this issue in 2015, the situation has improved but we still have a long road ahead of us.

More concretely, the EBA has been monitoring and benchmarking diversity practices in the banking sector and we have published three diversity EBA benchmarking reports since 2015. Our analysis is based on a growing sample, which now stands at 800 EEA institutions²

Let me highlight three key findings.

First, let's start with the representation of women in the banking sector. Here we see that 56% of institutions in the sample don't have a single female executive director.

Looking at the key executive positions, the situation is even more challenging: only 18. %³ of executive directors are women⁴ and the ratio is only at 11%. for women CEOs, and 10% for Chairwomen.

However, there are signs that gender balance is getting better

Looking at recently recruited directors, 24% of newly recruited executive directors and 32% of non-executive directors were women.

⁵In addition, the EBA has specified requirements so that institutions need to quantify the targeted participation of the under-represented gender and outline an appropriate timeframe within which the target should be met and how it will be met.⁶

Second, despite the principle of equal pay for women and men in EU treaties, our analysis shows that gender imbalances in remuneration of directors exist. On average, women executive directors⁷ receive 9% less remuneration than their men colleagues, for non-executive directors the average gender pay-gap is at 6%.

The persistence of the gender pay gap is cause for concern. We will continue to monitor and collect further data to determine the pay gap for all staff and separately for risk takers.

Third, an essential tool in overcoming existing shortcomings is the adoption of corporate diversity policies, ideally with quantitative gender balance targets. Our findings to date are that the share of institutions with a diversity policy is increasing⁸. However, 27% of institutions still lacked the mandatory diversity policy at the end of 2021.

² Number of sample: 2015: 873, 2018: 834, 2021 after Brexit: 79

³ 2018:24.02%, 2015: 18.9%

⁴ In contrast, already 27.75% % (2018: 24.02%, 2015: 18.90%) of non-executive directorships are held by women.

⁵ between 2019-2021: 24% of newly recruited executive directors and 32% of non-executive directors were women.

⁶ EBA and ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders (July 2021)

⁷ even if not considering the pay of the CEO and basing the calculation on their median remuneration

⁸ 41.61% in 2018 and 64.47% in 2015

(2) Gender equality as EBA internal ambition

Equality between women and men is one of the values on which the EU is founded and it is also at the core of the EBA's mission.

We fully support the EU Commission's Gender Equality Strategy and we have signed the EU Agencies' network Charter on Diversity and Inclusion.

Since end 2020, the EBA has been advancing on the issue of gender balance for its own organisation. We have been advancing in different phases.

At the start, we strived to embed gender equality in our culture and in all we do. Within only a few years, thanks to its commitment and active involvement, the EBA has achieved a gender-equal leadership. The numbers say it all: Our overall staff composition is almost 50:50 and I am happy to report that our efforts on more diverse recruitment in senior management are showing positive results. The share of women at management level in our organisation has increased to 43%.

But this was only one dimension of our efforts. Fostering gender equality makes our EBA team stronger in working towards common values and goals.

Our staff survey has shown that it has strengthened a sense of belonging. In that regard, we have mainstreamed gender issues through our organisation with concrete initiatives. For instance, we encourage training on unconscious bias and are striving towards mechanisms and policies to promote gender equality in our own governance bodies.

Finally, the EBA is investing in awareness programmes on the importance of gender balance within its own staff and beyond. To date, we have organised two conferences targeted to staff from EU agencies with distinguished speakers from the European Parliament as well as other agencies, competent authorities and the private sector. This helps to build a broader coalition with the network of agencies and other stakeholders in the EU.

We also liaise and coordinate on a global level on the issue of diversity and inclusion.

In the context of the G7 objective to promote continuous, coordinated and targeted efforts on gender equality policy, we have joined regular exchanges with Financial Supervisory Authorities from G7 countries. It is a great opportunity to align forces to make progress towards a gender-equal world.

Conclusion

Let me conclude. The European Parliament's constant watchful eye and loud voice has certainly helped that gender diversity is no longer a mere box-ticking exercise. It has become a more strategic issue which helps to bring about better outcomes, while fostering innovation and performance.

Going forward, we need to translate our objectives into concrete actions. For that purpose, we all need to cooperate closely in order to make sure that our actions bring about the results we strive for