

Gender Pay Gap reporting

Daiwa Capital Markets Europe Limited is the wholly owned subsidiary of Daiwa Securities Group Inc., one of the largest brokerage and financial services groups in Japan. Daiwa is proud to have had a presence in the City of London for over 50 years, and recognises that by harnessing the skills and experience of a diverse workforce we maximise our strengths and competitive advantage.

We are confident that men and women in our organisation are paid equally, but also recognise that across the financial services industry there are fewer women in the more senior and more highly paid roles than men. The Daiwa senior management team are firmly committed to taking steps to increase the representation of women and reduce the pay gap, although we also recognise that this will take some time to achieve.

I confirm that the below information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Keith Meekins
CEO
March 2019

Gender Pay Gap Statistics – April 2018

The gender pay gap is the difference (mean and median) between average hourly earnings of all men and all women in an organisation, expressed as a percentage of men's earnings. Our figures are taken at the snapshot date of April 5 2018, and incorporate 1/12th of the Company-wide annual bonuses, which were paid in the relevant pay period. This is expressed as the mean or average, and median, which is the difference between the midpoints in the ranges of men's and women's pay.

2017	40.2%	47.7%	77.6%	85.9%	50.0%	69.1%
2018	35.3%	44.3%	82.7%	81.8%	44.2%	64.8%
	Gender Pay Gap Median (Middle)	Gender Pay Gap Mean (Average)	Proportion of men receiving a bonus	Proportion of women receiving a bonus	Gender Bonus Gap Median	Gender Bonus Gap Mean

The gender bonus gap is the percentage difference in total bonus payments received by men and women in the 12 month period prior to the snap shot date. Whilst a higher

proportion of women than men receive a bonus, bonus payments can be higher in more senior roles, and currently Daiwa has more men in those roles than women.

During the period April 2017 to April 2018 the Gender Pay Gap Median **reduced from 40.2% to 35.3%**. In addition, the Bonus Gap Median also **reduced from 50.0% to 44.2%**. Whilst these results are encouraging, there is still much to do to attract more women into the Financial Services industry.

Proportion of men and women in each hourly pay quartile

The information below shows the gender pay distribution across the Company in the UK. The quartiles are a reflection of the fact that we continue to have a higher proportion of women in more junior roles, and a higher proportion of men in more senior and management roles.

	Men		Women	
	2017	2018	2017	2018
Lower Quartile	44%	42%	56%	58%
Lower Middle Quartile	65%	70%	35%	30%
Upper Middle Quartile	76%	76%	24%	24%
Upper Quartile	90%	86%	10%	14%

The statistics show that over the reporting period **the proportion of women in the top quartile for pay increased from 10% to 14%**, while the Upper Middle Quartile remained stable. Despite some improvement, this data continues to support the need for greater representation of women at all senior levels, and the need to attract more women into financial services roles.

Daiwa continues to make steady progress towards increasing the number of women in senior positions, as the above data demonstrates. However, financial services is one of several industries that has a workforce with an under representation of women, and the challenge is to attract and retain women at all levels, starting with the earliest stages of recruitment.

Daiwa's management team is committed to creating and maintaining a working environment where all individuals can achieve their full potential and progress to the most senior positions within the firm.