

The background of the cover is a grayscale photograph of a lioness and a cub. The lioness is on the right, looking towards the camera. The cub is on the left, looking towards the lioness. The text is overlaid on this image. There are red diagonal accents in the top right and bottom left corners.

**SAYER** HAWORTH

Executive & Board  
Compensation Guide  
UK 2025  
SME Financial Services

BOARD & EXECUTIVE APPOINTMENTS  
EXECUTIVE INTERIM

## About Sayer Haworth

Sayer Haworth is an Executive Search and Advisory firm focused on Small to medium sized Financial Services companies in the UK, we focus on Board and C-suite minus one within these organisations. The firm is founder led by James Sayer with a team that have 75 years of combined experience.

We understand how a Small to Medium sized financial Services company needs to attract certain talent to adapt and be competitive in the ever-changing regulatory environment and with increased competition.

## Foreword

Sayer Haworth Executive Search is pleased to have the opportunity to provide this updated Executive & Board Compensation Guide for 2025. The data within this report has come from searches that Sayer Haworth has been mandated to support with, and from reports in the public domain.

During 2024, we saw a robust demand within SME Financial Services Companies for Board positions and Key Executive roles. When discussing the plans for hiring in 2025, the response is mixed due to a significant level of caution as a result of the impact from the Reeves budget. The increase in Employer National Insurance has resulted in an increase in payroll costs, which has impacted the 2025 expansion plans.

Interest rates have also been a factor affecting decisions where financial services companies are considering expanding and growing headcount. The guidance on the direction of Interest Rates from the Bank of England was a downward trajectory during 2025, and continues to be a view from many of the commentators on this subject; recently Capital Economics had the view that the base rate will fall to 3.5% by early 2026. Capital Economics had previously forecast interest rates falling to 3 per cent by the end of 2026, but have concluded that rates will now fall at a slower rate as a result of the recent budget.

The base rate will be guided on the figures for inflation, when writing this report (Jan 25) the inflation figure was 2.5%.

Within the SME Financial Services firms that we partner with, which includes Building Societies, Established Challenger Banks, New Start-up Banks and Foreign Subsidiary Banks, we are still seeing skills shortages and a high demand for proven SMF profiles.

In this highly competitive market, it is imperative to ensure that as a business the mission and purpose is clear to be an employer of choice in a crowded market.

The increase in packages since the cost of living crisis has eased; we have seen a stabilisation in the increases in packages that Executives would command on making a move to another opportunity. The Office for National Statistics reported in December 2024, that pay grew at 5.2%.

## **Hybrid Working**

The hybrid working dilemma continues in many Board Rooms and Executive meetings. We are seeing a trend of moving to spending more time in the office, our clients based in London are typically 3 days a week in the office, with some firms moving to 4 days and in rare cases, 5 days a week. Our clients based outside of London, are typically 2-3 days a week in the office.

Attrition of employees in businesses that have moved to more than 3 days a week in the office has increased, as employees have external options with the market being so competitive for key roles. The market is going through a normalisation phase to being in the office more than not.

Discussing this subject with Leadership, there is a strong preference within our network to have set anchor days in the office, this removes the need for leadership to be distracted with the need of monitoring versus the more flexible policies. With set anchor days, it creates the atmosphere in the office, and interaction with teams.

## **Diversity, Equity and Inclusion (DE&I) within regulated firms**

Diversity, Equity and Inclusion continues to be an important focus for Financial Services firms and the selection process for Board Members and Executives.

This has also been driven by the regulatory expectation that financial services companies should be monitoring, measuring and reporting their DE&I numbers.

There are a number of bodies that are putting DEI on the agenda; Women Finance, Race at Work Charter, 100% Club, Investing in Women Code, Disability Confident. Sayer Haworth is a signatory to Women in Finance.

## **Environmental, Social and Governance (ESG)**

Environmental, Social and Governance (ESG) has become a priority for most businesses in the UK, where we are seeing Financial Services at the forefront of committing the industry to this important subject.

The PRA and the FCA have asked Boards at regulated firms to be responsible for overseeing how their firms manage climate related financial risks.

Companies are increasingly becoming B Corp certified or signing to Carbon Neutral Britain. As an employer of choice, this has been an increasingly important commitment. Sayer Haworth is supporting Carbon Neutral Britain.

## **Psychometric Tests**

Psychometric Tests are becoming increasingly popular within the selection of talent. They can assist employers in identifying the best talent by assessing their skills, personality and emotional intelligence.

When recruiting, the traditional method of reviewing a CV, carrying out an interview and selecting based on “gut feel” is widely acknowledged to have imperfections, and prone to bias – unconscious and otherwise.

Selecting candidates based on aptitude as well as behavioural and personality characteristics is not just more objective, but also more likely to result in hiring the right candidate for the role.

Within a SME Financial Services firm, this can provide extra comfort that before hiring a key individual it can de-risk the potential impact on a small team.

Sayer Haworth Executive Development utilises the Lumina Spark profiling tool.

## **Skills Matrix**

Within an Executive and Non-Executive Search, utilising a Skills Matrix in the selection of a candidate demonstrates the foundation on how the individual was selected.

Within the Boardroom, a skills matrix will also assist in identifying where the current board has skills gaps, ensuring that the new board hire, complements the wider team.

This tool also assists in the creation of a development/training plan, which is typically included within the submission of Long Form A.

# COMPENSATION GUIDES

## NEW START-UP BANK

A new start-up bank would typically be pre-license, or within the mobilisation phase, this guide would also cover banks that come out of mobilisation and are still unprofitable, typically below a £1 Billion Balance sheet.

	25th Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
<b>Chief Executive Officer (SMF1)</b>	275,000	325,000	395,000
<b>Chief Financial Officer (SMF 2)</b>	180,000	225,000	250,000
<b>Chief Operating Officer (SMF 24)</b>	160,000	175,000	240,000
<b>Chief Commercial Officer (SMF 18)</b>	170,000	200,000	220,000
<b>Chief Risk Officer (SMF 4)</b>	190,000	230,000	275,000
<b>Chief People Officer (SMF 18)</b>	110,000	145,000	175,000
<b>Chief Technology Officer (SMF 18,24)</b>	160,000	185,000	225,000

*\* All figures are in £*

## Bonus / Long Term Incentive Plan

Typically an LTIP is offered to the EXCO members, with a cash bonus achievable on a successful launch. In some examples a cash bonus was achievable during the build phase where the Bank was building towards launching. These ranged from 10-50% of base salary.

There are examples of token cash bonuses being achieved on specific milestones being achieved, e.g. gaining license with restrictions, exiting mobilisation. These typically are from 10-30% of base salary.

On launch of the Bank and exiting mobilisation an annual cash bonus is achieved based on achieving set milestones, these on average were up to 50% of base salary.

Within a new-start up Bank a Long Term Incentive Plan is typically offered to offset the lower base salary. This is typically a percentage of the Bank that is awarded to the executive on joining. The average award for the CEO would be 3-5% of the Banks value at the time of the award, the average award for the Executives would be 0.5-1% of the Banks Value at the time of award.

## Established SME Bank

An established SME Bank is a Bank with a multibillion balance sheet and profitable. Typically the balance sheet in this segment would be above £1 billion.

	25 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
Chief Executive Officer (SMF1)	325,000	410,000	525,000
Chief Financial Officer (SMF 2)	265,000	280,000	325,000
Chief Operating Officer (SMF 24)	200,000	240,000	260,000
Chief Commercial Officer (SMF 18)	225,000	240,000	275,000
Chief Risk Officer (SMF 4)	240,000	270,000	295,000
Chief People Officer (SMF 18)	140,000	155,000	175,000
Chief Technology Officer (SMF 18,24)	210,000	240,000	255,000

\* All figures are in £

## Bonus / Long Term Incentive Plan

The typical cash bonus range is up to 50% of base salary for Executive positions. The CEO in some instances would have a bonus potential of up to 100%.

A Company Share or Cash Long term Incentive Plan is on occasions offered within Banks, however, it was dependent on the ownership structure of the business.

Where shares cannot be awarded, we are seeing the use of an all cash LTIP's, this is typically 30-50% of the base salary awarded, with a vesting period. The vesting period is normally over a three year period. There are two scenarios that we see within this structure, an award that fully vests at the end of the three year period, annual awards vesting over three years, where a third of the grant is paid on each anniversary.

## Phantom Stock Plan

There are instances where a business cannot award any further stock or shares, we have seen in this instance a Phantom Stock Plan being implemented. The Phantom Stock Plan works in the same way a standard stock plan would operate. Shadow shares, also known as phantom shares, are a type of compensation that gives employees a cash bonus instead of actual company stock. The bonus is based on the company's stock price performance over a set period of time.

## Foreign Subsidiary Bank

A foreign subsidiary bank in this category is a Branch or a Subsidiary of the foreign parent. The Balance Sheet for these business varies considerably.

	25th Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
Chief Executive Officer (SMF1, 19)	275,000	345,000	475,000
Chief Financial Officer (SMF 2)	200,000	260,000	280,000
Chief Operating Officer (SMF 24)	180,000	225,000	245,000
Chief Commercial Officer/Front Office/Origination (SMF 18)	210,000	245,000	280,000
Chief Risk Officer (SMF 4)	210,000	250,000	295,000
Chief People Officer (SMF 18)	120,000	145,000	170,000
Chief Technology Officer/Head of Technology (SMF 18,24)	125,000	145,000	180,000
Private Banking Lead (SMF18)	180,000	205,000	230,000

\* All figures are in £

### Bonus / Long Term Incentive Plan

The typical cash bonus range is up to 50% of base salary. The CEO in some instances would have a bonus potential of up to 100%. Typically, there are no Long Term Incentive Plans within a Small to Medium sized Foreign Subsidiary Bank due to the ownership structure of the Bank.

We have seen examples within some Foreign Subsidiary Banks the introduction of an all cash LTIP, this is typically 30-50% of the base salary awarded, with a typical 3 year vesting period; after the 3 years, another award would be granted. This is used for key EXCO and SMF positions within the Bank.

## Large Building Societies

Within this segment, building societies with a balance sheet above £3 billion are being referenced, with the largest building societies captured in this data.

	25th Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
<b>Chief Executive Officer (SMF1)</b>	375,000	690,000	785,000
<b>Chief Financial Officer (SMF 2)</b>	240,000	338,000	485,000
<b>Chief Operating Officer (SMF 24)</b>	220,000	262,000	308,000
<b>Chief Commercial Officer/Front Office/Origination (SMF 18)</b>	220,000	280,000	362,000
<b>Chief Risk Officer (SMF 4)</b>	210,000	250,000	295,000
<b>Chief People Officer (SMF 18)</b>	180,000	225,000	255,000
<b>Chief Technology Officer/Head of Technology (SMF 18,24)</b>	215,000	245,000	274,000
<b>Chief Customer/Savings Officer (SMF24)</b>	210,000	242,000	286,000
<b>Chief Internal Audit Officer (SMF5)</b>	140,000	167,000	176,000

\* All figures are in £

### Bonus / Long Term Incentive Plan/Medium Term Incentive Plan

The typical cash bonus range is between 30- 50% of base salary. The CEO in some instances would have a bonus potential of up to 100%.

The development of Long Term Incentive/Share Equivalent Plans vary between the Societies. The typical award is between 20-50% of the Base Salary, with a typical 3 year vesting period. This is typically an all cash incentive due to the ownership structure of the society.

The typical structure is to receive an annual award, which vest evenly across a three year period.



## Small Building Societies

This segment references Building Societies below the £3 Billion Balance sheet level.

	25th Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
Chief Executive Officer (SMF1)	180,000	245,000	312,000
Chief Financial Officer (SMF 2)	146,000	175,000	210,000
Chief Operating Officer (SMF 24)	124,000	145,000	176,000
Chief Commercial Officer/Front Office/Origination (SMF 18)	120,000	132,000	175,000
Chief Risk Officer (SMF 4)	135,000	145,000	182,000
Chief People Officer (SMF 18)	110,000	123,000	140,000
Chief Technology Officer/Head of Technology (SMF 18,24)	126,000	135,000	148,000
Chief Customer/Savings Officer (SMF24)	132,000	146,000	178,000
Chief Internal Audit Officer (SMF5)	90,000	134,000	157,000

\* All figures are in £

### Bonus / Long Term Incentive Plan (LTIP)

The typical cash bonus range is between up to 30% of base salary, on occasions this can rise to 50%. Some Building Societies in this segment do not pay any bonuses.

Within this segment we have seen the introduction of an LTIP or a Medium Term Incentive Plan. This is a percentage of the Base Salary and ranges from 20-40%, with a typical vesting period of three years.

The typical structure is to receive an annual award, which vest evenly across a three year period.

## Publicly Listed SME Bank

Within this segment, SME Banks that have a listing on one of the public stock markets in the UK are being included. The Balance Sheet of these Banks are multi billion in size. This does not include the Tier 1 high street Banks.

	25th Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
Chief Executive Officer (SMF1)	444,000	765,000	1,200,000
Chief Financial Officer (SMF 2)	286,000	366,000	850,000
Chief Operating Officer (SMF 24)	220,000	310,000	365,000
Chief Commercial Officer/Front Office/Origination (SMF 18)	210,000	245,000	276,000
Chief Risk Officer (SMF 4)	215,000	256,000	320,000
Chief People Officer (SMF 18)	185,000	215,000	250,000
Chief Technology Officer/Head of Technology (SMF 18,24)	224,000	265,000	285,000

\* All figures are in £

### Bonus / Long Term Incentive Plan

The typical cash bonus range is up to 50–80% of base salary for the Executive team. The CEO in some instances would have a bonus potential of up to 100%. As these firms are listed, it is normal to award restricted shares to key executives within the business. The award of these shares is typically a percentage of the Base Salary; we have seen this in the range of 50–100% of salary. They are then exercisable after a specific vesting period, which is typically over a 3 years period.

### Phantom Stock Plan

There are instances where a business cannot award any further stock or shares, we have seen in this instance a Phantom Stock Plan being implemented. The Phantom Stock Plan works in the same way a Standard Stock Plan would operate. Shadow Shares, also known as Phantom Shares, are a type of compensation that provides employees with a cash bonus instead of actual company stock.

## **EXECUTIVE – MAIN BENEFITS**

### **Pension**

The typical pension is between 8-12% non-contributory from the company

### **Medical Insurance**

The medical insurance benefit has become increasingly important for employees, we are seeing this covering all employees within a company, in some instances we see the Executive level having dependents covered under the scheme offered. Typically any dependents can be added onto a medical scheme at a discounted rate.

### **Holidays**

Holiday allowances are typically from 28-30 days, with the added benefit of being able to buy or sell holidays, we have seen 5 days being the typical number for individuals to buy or sell.

### **Life Insurance**

4 – 6 times base salary and dependent on the Group Policy.

### **Critical Illness**

Varies from company to company and dependent on the policies agreed.

## INDEPENDENT NON-EXECUTIVE DIRECTOR

The following compensation guide is for Independent Non-executive Directors within regulated financial services companies.

	Fixed Fee INED £	Median £
Small Foreign Subsidiary Bank	45,000 – 75,000	65,000
Large Foreign Subsidiary Bank	65,000 – 100,000	77,500
Established SME Bank	50,000 - 80,000	67,500
Large Building Societies	57,000 – 80,000	75,000
Small Building Societies	30,000 - 57,000	42,000
Listed SME Bank	65,000 - 100,000	76,500
New Start-up Bank	50,000 - 75,000	60,000

## Independent Non-executive Chair

The following compensation guide is for Independent Non-executive Chairs within regulated financial services companies.

	Fixed Fee Chairperson £	Median £
Small Foreign Subsidiary Bank	75,000 – 130,000	100,000
Large Foreign Subsidiary Bank	125,000 – 200,000	175,000
Established SME Bank	125,000 - 250,000	180,000
Large Building Societies	121,000 - 260,000	190,000
Small Building Societies	40,000 - 76,000	66,000
Listed SME Bank	125,000 – 257,000	225,000
New Start-up Bank	90,000 - 150,000	125,000

## Senior Independent Director (SID)

SIDs serve as a sounding board for the Chair and act as an intermediary for other directors. They are responsible for holding annual meetings with non-executives, without the Chair present, to appraise the Chair's performance independently. They would also be expected to meet with the non-executives on other such occasions as necessary. (Source: Institute of Directors)

The SID is on occasions also referred to as the Deputy/Vice Chair.

The SID would typically command a higher base fee with the increased responsibilities. Not all organisations have this position within the Board, it would depend on the size and current status of the business. Typically the SID would bring expertise within the Asset Class of the business.

	Fixed Fee £	Median £
Large Foreign Subsidiary Bank	75,000 – 95,000	80,000
Established SME Bank	80,000 – 105,000	85,000
Large Building Societies	74,000 - 129,000	91,000
Listed SME Bank	90,000 – 110,000	100,000

### Chair of Committee Fees

In the instance where an individual holds a Chair of a Committee (Audit, Risk, Nominations, Remuneration) or is a Senior Independent Director (SID), which carries an SMF responsibility, there is an average additional annual fee of between £6,000 – £15,000 on top of the standard annual fee for all INED's. In the instance with the SID, this would only apply if there has not been a separate standard fee agreed. Within the small building societies, the general trend was no additional fees for extra responsibilities.

### Membership of a Committee Fee

Membership of a committee Fee levels range from £5,000 – £7,500 per annum. The small building societies, the general trend was no additional fee for extra responsibilities. This also varied within business, where a number of organisations offer an all in flat fee, with no additional payments for being a member of a committee.

## **INED Fee Payments & Expenses**

There has been noise in this area with HMRC. The guidance that we have seen on many publications and from our clients is that HMRC takes the view that the directors fees paid as remuneration for their services as officers of the company should be taxed in the same way as an employee. This would also cover any expenses that would be included on a P11D.

NOTE: Sayer Haworth are not a Tax Advisory Firm, you would need to seek professional tax advice if you have detailed questions on this subject.

## **Summary**

As a firm we have positioned our proposition to SME Banks, we take a commercial approach that is fair and equitable for both parties, knowing as an SME ourself, SME Banks that we partner with, deserve the same standards and delivery that you would expect.

At the heart of our industry are people, we believe at Sayer Haworth that every individual is treated with the upmost respect and provided with regular communication to ensure they know where they stand in any process, this is the same for candidates and clients.

To discuss any details within this report or on a particular role please contact James Sayer who leads the executive search practice for Sayer Haworth.



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## Example track record Board Appointments

Chairman – UK Challenger Bank / Chairman – New Start Bank / Senior Independent Director – Challenger Bank UK / Independent Non-executive Director – Foreign Subsidiary Bank London / Independent Non-executive Director – Islamic Bank – London / Chair of Audit Committee – New Start Up Bank – North East  
Chair of Audit Committee – SME Bank – Manchester

Chair of Risk Committee – SME Bank – Manchester / Chair of Risk Committee – SME Bank – London / Shareholder Non-Executive Director – New Start Up Bank / Chair of Risk & Audit Committee – New Start Up Bank / Non-executive Director – Foreign Subsidiary Bank / Chair of Nominations Committee – Foreign Subsidiary Bank / Chair of Audit – SME Bank / Chair of Risk – SME Bank

## Example of track record EXCO Appointments

Chief Executive Officer – SME Bank / Chief Executive Officer – SME Bank / Chief Executive Officer – New start-up Bank (SME) / Chief Executive Officer – New start-up Bank – UK / Chief Executive Officer – Commercial Lender / Chief Executive Officer – Foreign Sub Bank, Paris / Chief Executive Officer – Foreign Sub Bank, UK  
Chief Executive Officer – Foreign Sub Bank, UK

Chief Financial Officer – New start-up Bank – UK / Chief Financial Officer – SME Bank – UK / Chief Financial Officer – Charity Bank / Chief Financial Officer – Corporate Bank / Chief Financial Officer – Building Society / Chief Financial Officer – Challenger Bank – UK / Chief Financial Officer – Foreign Subsidiary – UK

Chief Lending Officer – Corporate Bank / Chief Customer Officer – Building Society  
Chief Commercial Officer – Building Society / Chief Operating Officer – Foreign Subsidiary Bank / Chief Operating Officer – SME Bank / Chief Financial Officer – Corporate Bank / Regional Chief Risk Officer – CIB / Chief Risk Officer – CIB, London  
Chief Risk Officer – Foreign Sub Bank / Chief Lending Officer – SME Lender – UK /  
General Counsel – Building Society

## Example Track Record – Interim

Interim Chief Risk Officer – Challenger Bank / Interim Chief Financial Officer – Foreign Subsidiary Bank / Interim Chief Risk Officer – Foreign Sub Bank / Interim Chief Operating Officer – SME Lender / Interim Chief Risk Officer – SME Bank / Interim Head of Compliance & MLRO – Foreign Subsidiary Bank / Interim COSEC – Building Society / Interim Chief Financial Officer – Building Society / Interim Chief Customer Officer – Building Society