

2017 RBC UK GENDER PAY REPORT



Our Diversity & Inclusion Vision

To be among the most inclusive and successful companies, putting diversity into action to help employees, clients and communities thrive.

Diversity & Inclusion is one of RBC's core values that guide, unite and inspire us in our day-to-day actions and decision-making. We are a people business and diversity & inclusion enable us to innovate and grow as an organization.

Our [RBC Diversity & Inclusion Blueprint 2020](#) sets the direction and our priorities, objectives and commitments in Canada, the UK and other countries in which we operate. It aligns with our organizational purpose of helping clients thrive and communities prosper. It focuses on attracting and developing the best talent, providing advice and solutions for diverse client markets, and enabling the social and economic development of our communities through partnerships, research, volunteerism and corporate citizenship.

RBC has played a leadership role in promoting board diversity and is a member of the 30% Club, an organization founded in the UK that is focused on increasing the proportion of women on boards of directors. The Board of Directors of Royal Bank of Canada has in place a Board Diversity Policy to assist in meeting our diversity objectives, which include increasing gender representation on the RBC Board and the boards of directors of its subsidiaries. Women currently comprise 38% of RBC's Board of Directors, including the Chair of the Board.

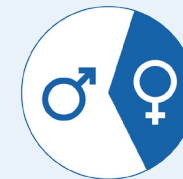
The representation of women in executive and senior manager roles is another important measure of our progress in building a diverse leadership pipeline for senior leadership positions. We are

focused on accelerating the development of women to strengthen our succession bench through a number of different initiatives, including our Women in Leadership Program that offers coaching, workshops and forums for high potential women.

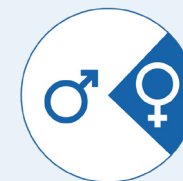
In the UK we provide diversified financial services, including capital markets, investor services and wealth management. Within each business we are committed to pay equity - paying men and women equally for work of equal value. We also recognize that at RBC in the UK there is a greater proportion of men than women in senior roles. This results in differences between average pay and bonuses paid to all men and women. The gender representation in our UK-based senior leadership positions reinforces the importance of the work we have underway to further the career development and progression of women. In 2017, we signed the Women in Finance Charter and set an initial target of having 25% of senior roles (director level and above) held by women by 2020.

We will continue to attract talented women at all levels and provide support to retain them throughout their career journey. We provide all employees with a number of supportive policies, leaves of absence for various family responsibilities, and flexible working arrangements. We also promote a healthy work life balance and support employee well-being through annual wellness campaigns. For us, gender diversity and the engagement of women is a key enabler to innovate and grow as an organisation.

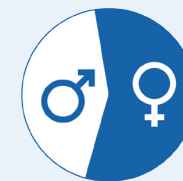
Gender representation on Boards of our legal entities with UK employees



Directors of Royal Bank of Canada
38% women



Directors of RBC Europe Limited
25% women



Directors of RBC Investor Services Trust
57% women

Gender pay difference at a glance

Gender pay reporting refers to the legal requirements for UK employers to publish the difference between the average pay paid to men and women, the proportion of men and women who received a bonus, and the proportion of men and women within each quartile pay band.

Gender pay difference

The gender pay gap is the difference between the average pay for men and women as a proportion of average men's pay.

	Median	Mean
Hourly Pay Difference	39%	42%
Bonus Difference	69%	64%

Mean pay is total pay for all employees divided by the number of employees in the entity. **Median pay** is the middle of the pay distribution, with half of employees in the entity earning more and half earning less.

Note: This table shows the combined information for the Royal Bank of Canada (London Branch), RBC Europe Limited and RBC Investor Services Trust.

Understanding the gender pay difference

We are committed to pay equity - paying men and women the same for work of equal or equivalent value. Unlike pay equity, the gender pay differences in this report compare the average hourly pay and bonuses for all men and women regardless of role, level and experience.

As indicated in the table above, the median hourly pay gap indicates that on average women at RBC in the UK earn 39% less than men. This gender pay gap does not compare individual men and women with the same jobs, similar jobs or work of equal value. Rather, it compares the average pay for all women to all men and reveals a gender pay gap because there are proportionally fewer women than men in higher paying, senior roles. The difference between the genders in average bonus is greater than the difference in average hourly rates because bonuses for senior roles are a larger proportion of total remuneration.

Proportion of men and women who receive a bonus



98% of men
received a bonus in 2017



99% of women
received a bonus in 2017

Proportion of men and women within each quartile pay band

	Women	Men
Lower quartile pay band	57%	43%
Lower-middle quartile pay band	37%	63%
Upper-middle quartile pay band	23%	77%
Upper quartile pay band	13%	87%

Note: Each quartile pay band contains 470 employees.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

- All UK employers with 250 or more employees must publish
 - the difference between the average hourly rate of pay paid to men and women
 - the difference between the average bonus paid to men and women
 - the proportions of men and women who receive bonuses, and
 - the relative proportions of men and women in each quartile pay band of the workforce
- Hourly rates of pay are calculated as of 5 April 2017
- Bonuses are calculated over the 12 month period ending 5 April 2017

How we are addressing the gender pay difference

The advancement of women into senior roles is a key priority. In the UK and elsewhere, we are focused on attracting and retaining talented women, and supporting their development and advancement into leadership roles. Actions we are taking to achieve this include:



Championing Diversity & Inclusion

Our Regional Diversity Leadership Council, chaired by Harry Samuel, CEO of RBC Investor and Treasury Services and Chair of RBC's European Executive Committee, has a mandate to advance diversity and inclusion throughout the UK.



Attracting best talent

In 2017, we signed HM Treasury's Women in Finance Charter and committed to publishing annual updates on our progress against our target of 25% women in senior roles (director level and above) by 2020. The performance goals of the senior executive team are linked to achieving progress in female representation rates.



Eliminating unconscious bias

In 2017, 100% of our people managers in the UK were assigned training on how to address unconscious bias.



Involving employees

We have active employee resource groups that promote the interests of women and parents, including RWomen and i-CARE. Women@RBC is a forum on RBC's internal social networking platform, which acts as a central hub for sharing resources, tools and research.



Leveraging community partners

We embrace the opportunity to make change in society and believe collaboration results in better outcomes. On gender issues, we partner in the UK with Business in the Community, Women in Banking and Finance, Working Families, Parenting for Professionals and City Mothers and City Fathers. We also support employee volunteerism and give donations and sponsorships for initiatives that support diversity and inclusion.



Accelerating the development of women leaders

Every year, select women in the UK attend the Women in Leadership program, which offers coaching, workshops and forums to strengthen the leadership skills of high potential women. Other initiatives include the European Mentoring Program and the Sponsorship Program.



Embracing work/life flexibility practices

We continually review our work/life flexibility practices and recognize the importance of allowing all employees to care for children and family members without impacting their pay progression over the long term. Our efforts include raising awareness and profiling employee stories to demonstrate our supportive work environment.

RECOGNITION & AWARDS

Stonewall Workplace Equality Index 2016:

RBC ranked 7th out of the top 16 Investment and Asset Management banks included in the index.

Business in the Community Gender Benchmarking Survey 2016:

RBC received a Silver award and rated 7% ahead of the average score.

Working Families:

RBC was rated a Top 30 Employer in the Working Families 2017 Benchmark Report.

Bloomberg Financial Services Gender Equality Index:

RBC is one of over 100 companies from ten sectors to join the inaugural 2018 Bloomberg Gender-Equality Index. The reference index measures gender equality.

Regulatory Reporting

	RBC INVESTOR SERVICES TRUST		ROYAL BANK OF CANADA (LONDON BRANCH)		RBC EUROPE LTD.	
	Mean	Median	Mean	Median	Mean	Median
Gender pay gap	26%	28%	35%	30%	51%	57%
Bonus gender pay gap	46%	62%	64%	60%	65%	86%
PROPORTION OF MEN AND WOMEN IN EACH QUARTILE PAY BAND						
	Men	Women	Men	Women	Men	Women
Upper	73%	27%	86%	14%	92%	8%
Upper middle	74%	26%	77%	23%	80%	20%
Lower middle	60%	40%	67%	33%	61%	39%
Lower	36%	64%	47%	53%	39%	61%
PROPORTION OF MEN AND WOMEN RECEIVING A BONUS PAYMENT						
	Men	Women	Men	Women	Men	Women
Bonus received	95%	99%	98%	99%	100%	100%
No bonus received	5%	1%	2%	1%	0%	0%

Note: Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we are required to report gender pay statistics individually for each legal entity with 250 or more employees. The table above therefore reports gender pay information for Royal Bank of Canada (London Branch), RBC Europe Limited and RBC Investor Services Trust.

We confirm the above information is accurate.

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CEO, RBC Europe Limited, and
Head, Royal Bank of Canada (London Branch)

Joanna Meager
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