



# Championing potential

**A relationship bank for  
a digital world**

**NatWest Group plc  
2022 Pay Gap Report**



**NatWest  
Group**

# Introduction

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When we refreshed our company values last year, we placed ‘inclusive’ right at the top of the list. As we strive to make NatWest an inclusive workplace for everyone, we’re increasing the transparency of our pay gap reporting in line with our diversity, equity and inclusion (“DE&I”) plan.

This is our sixth year of reporting gender pay gaps and our fifth year of reporting ethnicity pay gaps. Making significant, lasting change takes time, perseverance and a commitment to gender and ethnic minority representation throughout the workforce.

Pay gap reporting is a critical part of our fair pay charter with regard to transparency. So, in addition to the regulated gender pay gap reporting for our UK entities, we’ve added the gender pay gap for NatWest Group in the UK, which encompasses the regulated entities and more. Because it’s the first year we’re reporting, we don’t have a comparison to the previous year.

Ethnicity pay gap reporting continues to be voluntary, and to provide further transparency we have this year broken down the calculations by ethnic group. Previous reports shared the overall ethnicity pay gap for UK and Ireland: given our staged withdrawal from the Republic of Ireland, we’re only showing the UK calculations from this year forwards. As a result, we don’t have a comparison for ethnicity in the UK to last year.

As a purpose-led organisation we need to reflect the communities we serve. That’s why we have targets for gender and ethnicity – full gender balance in our CEO-3 and above global roles by 2030 and 14% of colleagues from ethnic minority backgrounds in our CEO-4 and above UK positions by 2025. Since setting these targets we’ve made significant progress: our gender progress has increased by 12% to 41%<sup>(\*)</sup> and our ethnicity progress has increased 3% to 11%. We added a leadership target for Black colleagues in UK roles at CEO-5 and above following the 2020 publication of Banking on Racial Equality and we currently have 1.5% of colleagues who identify as Black against a 2025 target of 3%.

We’re confident that our DE&I plans are the right ones to build inclusion throughout our organisation and we continue to iterate how we do that – for example, by the recent introduction of Partner Leave for fathers and non-birthing parents. Although our inclusion index exceeds the industry average we won’t be satisfied until everyone can bring their whole self to work. We want to give everyone who works here, and every customer who comes into contact with us, the chance to succeed and the support to thrive. And until that’s everyone’s lived experience, we’ll work to make it a reality.

**Jen Tippin**  
Chief People and Transformation Officer  
17 February 2023

<sup>(\*)</sup> Based on NatWest Group’s management structures at the start of 2022, we had 41% women in our CEO-3 and above global roles as at 31 December 2022, an increase of 3% since 31 December 2021. The management structures were revised during 2022 and based on the new structures, the equivalent figure is 40%.



# NatWest Group pay gap report

## What are we seeing? Why?

### Gender

On this page we show the figures for NatWest Group UK for the first time. For our biggest statutory reporting entity, NatWest Bank (see page 4), we have seen an improvement in gender pay gaps but an increase in bonus pay gap, which reflects the 2020 pay year which was impacted by the allocation of reduced bonuses in response to COVID.

### Ethnicity

On this page we show the figures for NatWest Group UK for the first time; previously these calculations have included Ireland.

When we break down ethnic groups, we see a bigger pay gap between Black and White colleagues versus the aggregated view; and low or negative pay gaps between the mixed/multiple ethnic group versus White and other ethnic minority versus White.

This is because of the of the differences in representation of colleagues across each of the quartiles: we have more Black colleagues in lower earning jobs whereas colleagues in the Asian, mixed/multiple ethnic groups and other ethnic minorities earn closer to or more than White colleagues.

### Other UK entities

FreeAgent, a subsidiary of NatWest Group in the UK, also reports their gender pay gap. To read more, head to: [Our commitment to inclusion – FreeAgent.](#)

### Other jurisdictions

In December 2022, we reported our gender pay gap for Ulster Bank colleagues based in the Republic of Ireland on our [Ulster Bank website](#) (see "Gender balance"). The calculation methodology is significantly different from UK regulation – so comparisons aren't possible.

In terms of the median bonus gaps – the calculation where the middle colleague of each population is compared – the middle colleague in each of the White, Asian, mixed/multiple and other ethnic minority populations received identical bonuses, explaining the 0% gap. The median bonus gap between Black and White colleagues compares a Black colleague who received a recognition voucher against a White colleague who received a bonus award.

### What are we doing about our pay gaps?

We regularly benchmark our progress and our approach to diversity, equity and inclusion with external partners, and monitor our inclusion index internally through our engagement survey<sup>(1)</sup>. We review external guidance to help inform our plans and guide our future focus, adjusting our approach to ensure we are focussed on the interventions that will make the most difference. These include:

- A focus on recruitment, retention and advancement
- Building an inclusive culture, behaviour and leadership capability
- Continuing to create inclusive and accessible practices and policies

In January 2023, our new market-leading partner leave policy went live across our operations in the UK, Offshore, Republic of Ireland, US, Poland and India. The policy supports eligible colleagues – both same-sex and heterosexual parents – with significantly enhanced pay and time away from work to help their partner look after their new child, whether the child has arrived through birth, adoption or surrogacy. This ultimately champions the potential of both parents and promotes gender equality in the workplace.

(1) Latest score as at September 2022: 93.

	Median	Mean
Gender pay gap	32.3%	31.8%
Gender bonus gap, excluding recognition vouchers	18.9%	43.5%
Ethnicity pay gap	10.3%	7.2%
Ethnicity bonus gap, excluding recognition vouchers	16.9%	21.8%

This is the first time we've published figures for NatWest Group UK for both gender and ethnicity pay gaps – we'll share year on year changes from next year.

**The pay gap isn't the same as equal pay – we are committed to equal pay for the same job and regularly check that this is the case.**

**More information can be found on pages 48-49 of our Annual Report.**

### Declaration, February 2023

We confirm that NatWest Group's gender pay calculations are accurate and meet the requirements of the Regulations. We've followed advice from KPMG on our methodology and data, in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Whilst signatures are not shown in this version of the document, it was signed in accordance with relevant regulations.

Alison Rose, Chief Executive Officer, National Westminster Bank Plc

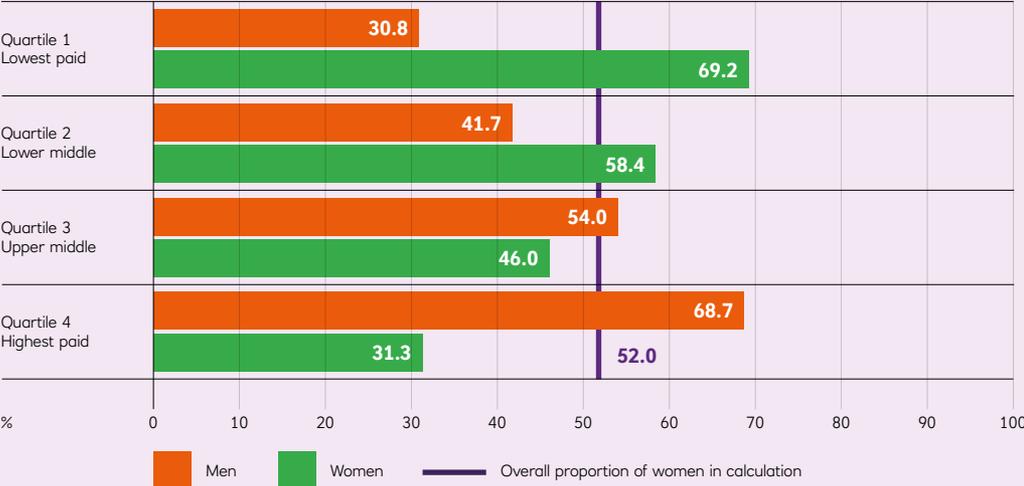
Robert Begbie, Chief Executive Officer, NatWest Markets Plc

Oliver Holbourn, Chief Executive Officer, RBS International Ltd

# NatWest Group gender pay gap

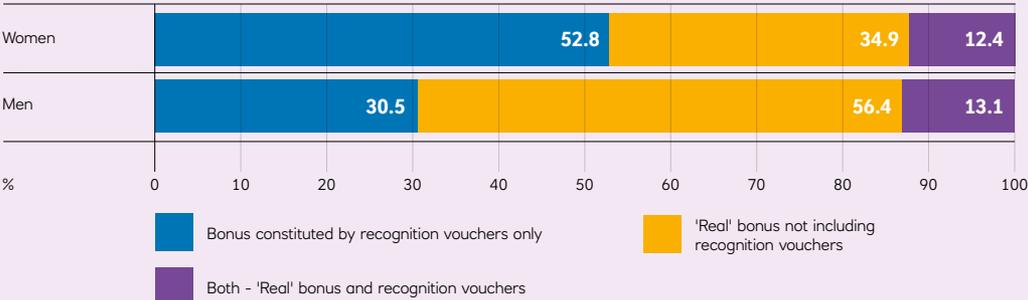
## Men and women at each pay quartile, NatWest Group

The pay gap is caused by proportionately more men in the higher paid roles, and/or more women in the lower paid roles. By showing the proportion of men and women in each pay quartile, we can see that both are the case in NatWest Group.



## Our bonus gaps

59.9% of men in NatWest Group received a bonus compared with 49.7% of women. Of those receiving some form of bonus award, a greater proportion of women received only recognition vouchers compared with men.



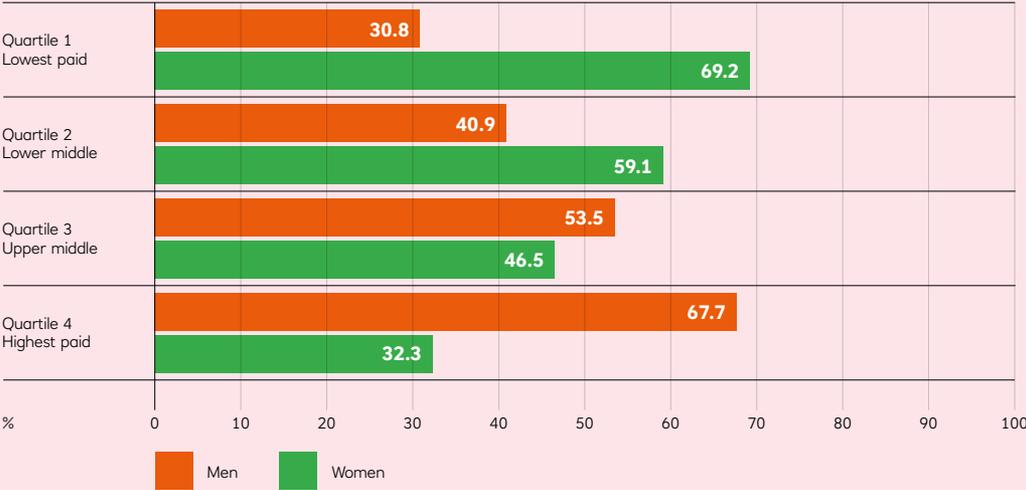
**UK gender pay gap regulation requires bonus gap calculations to include any additional financial award – including recognition vouchers, which reward colleagues for championing each other, our customers and our communities.**

**This means that even those who received a small award – for example £10 – are included, even though they may be on fixed pay. As a result, we also show the bonus pay gap after taking out colleagues who only receive recognition vouchers.**

# NatWest Bank gender pay gap

## NatWest Bank

	Median	Mean
Pay gap	<b>31.6%</b>	<b>28.7%</b>
Change versus previous year	<b>-2.6%</b>	<b>-1.4%</b>
Bonus gap, excluding recognition vouchers	<b>17.5%</b>	<b>30.4%</b>
Change versus previous year	<b>+5.0%</b>	<b>+4.4%</b>
Bonus gap, including recognition vouchers	<b>90.2%</b>	<b>52.5%</b>
Change versus previous year	<b>-2.6%</b>	<b>+2.1%</b>

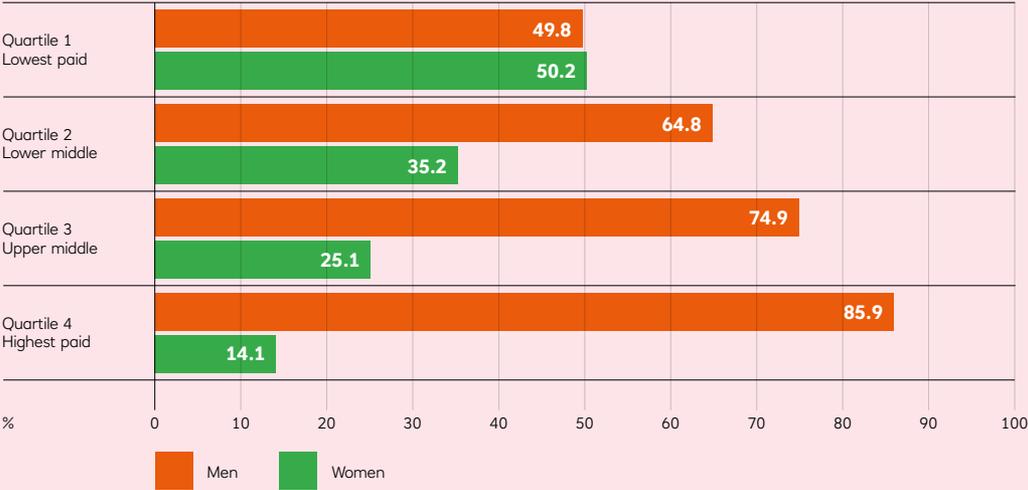


The proportion of those receiving a bonus was **58.9%** (men) and **49.3%** (women)

# NatWest Markets gender pay gap

**NatWest Markets**

	Median	Mean
<b>Gender pay gap</b>	<b>31.9%</b>	<b>38.4%</b>
Change versus previous year	+3.4%	+0.2%
<b>Gender bonus gap, excluding recognition vouchers</b>	<b>65.7%</b>	<b>63.2%</b>
Change versus previous year	+15.7%	+4.1%
<b>Gender bonus gap, including recognition vouchers</b>	<b>70.6%</b>	<b>63.6%</b>
Change versus previous year	+20.6%	+4.5%



The proportion of those receiving a bonus was 90.9% (men) and 85.6% (women)

# RBS International gender pay gap

RBSI	Median	Mean
Gender pay gap	<b>23.5%</b>	<b>26.1%</b>
Change versus previous year	<b>-2.1%</b>	<b>-0.3%</b>
Gender bonus gap, excluding recognition vouchers	<b>20.0%</b>	<b>42.4%</b>
Change versus previous year	<b>-13.3%</b>	<b>-0.6%</b>
Gender bonus gap, including recognition vouchers	<b>35.5%</b>	<b>54.9%</b>
Change versus previous year	<b>+3.8%</b>	<b>+14.0%</b>

The data set for RBSI includes only those colleagues working in Great Britain and excludes colleagues working in other locations including the Channel Islands, and is therefore not representative of the RBSI population as a whole.



**The proportion of those receiving a bonus was 60.9% (men) and 50.0% (women)**

# NatWest Group ethnicity pay gap

## All colleagues from ethnic minority backgrounds vs White colleagues

	Median	Mean
Pay gap	10.3%	7.2%
Bonus gap, excluding recognition vouchers	16.9%	21.8%
Bonus gap, including recognition vouchers	0%	30.1%

We're voluntarily publishing the details on ethnicity pay gaps for NatWest Group in the UK and this year we have also broken down the data to show comparisons from Asian, Black, mixed/multiple, and other ethnic minority colleagues to White colleagues in Great Britain.

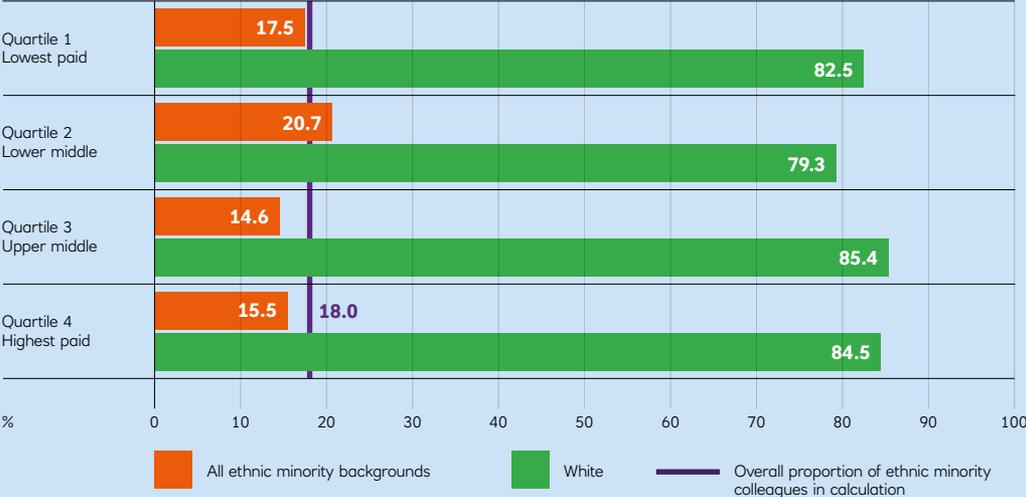
Negative numbers indicate that colleagues from some ethnic minority groups have higher average hourly earnings than their White counterparts.

We follow the same methodology for bonus gap calculations as for our gender pay gap reporting.

This year our aggregate ethnic minority calculation excludes Republic of Ireland so there is no year on year comparison.

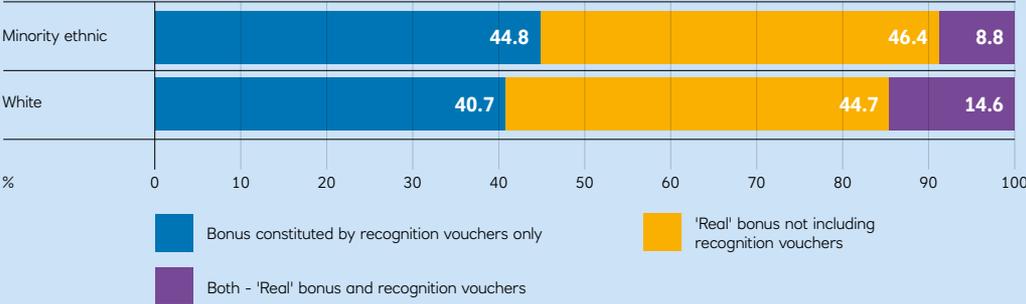
## Colleagues at each pay quartile, NatWest Group

The pay gap is caused by proportionately more White colleagues in the higher paid roles, and/or more colleagues from ethnic minority backgrounds in the lower paid roles, than their overall proportion of the pay gap calculation population. By showing the proportion of colleagues from ethnic minority backgrounds in each pay quartile, we can see that both are the case in NatWest Group.



## Our bonus gaps

56.9% of White colleagues in NatWest Group received a bonus compared 46.2% of colleagues from ethnic minority backgrounds. Of those receiving some form of bonus award, a greater proportion of colleagues from ethnic minority backgrounds received recognition vouchers only compared with White colleagues.



(\*) Due to rounding some figures may add up to more than 100%.

# NatWest Group ethnicity pay gap – broken down by ethnic group

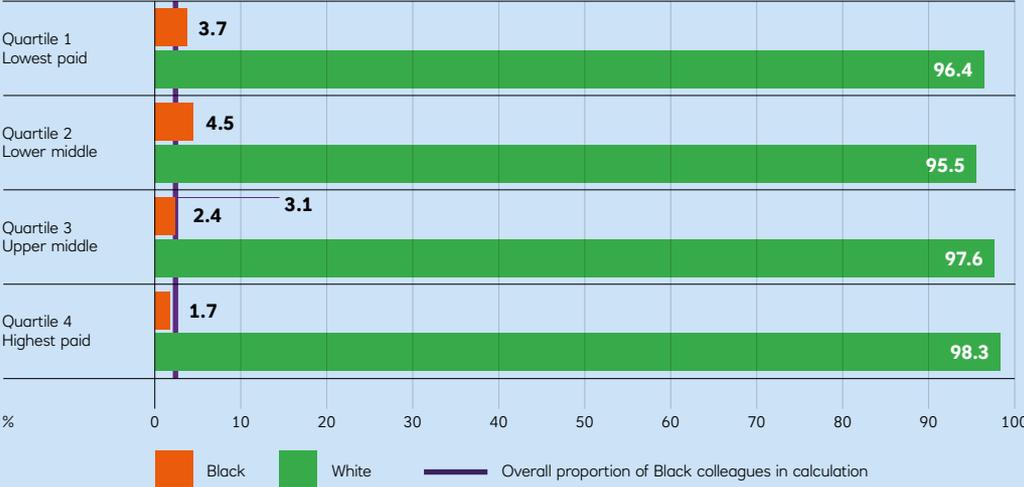
## Asian vs White colleagues

	Median	Mean
Pay gap	<b>9.7%</b>	<b>7.1%</b>
Bonus gap, excluding recognition vouchers	<b>12.5%</b>	<b>25.1%</b>
Bonus gap, including recognition vouchers	<b>0.0%</b>	<b>33.2%</b>



## Black vs White colleagues

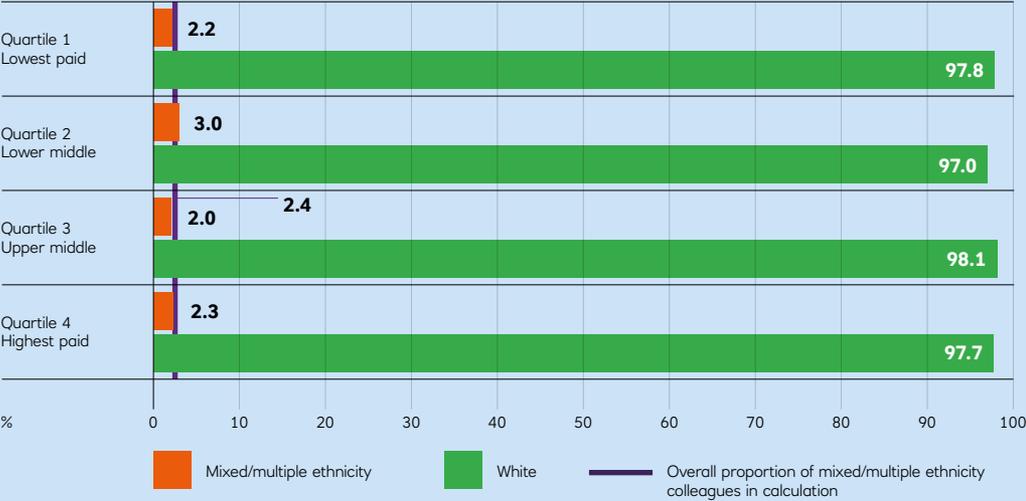
	Median	Mean
Pay gap	<b>20.5%</b>	<b>21.7%</b>
Bonus gap, excluding recognition vouchers	<b>50.0%</b>	<b>53.3%</b>
Bonus gap, including recognition vouchers	<b>95.0%</b>	<b>68.3%</b>



# NatWest Group ethnicity pay gap – broken down by ethnic group continued

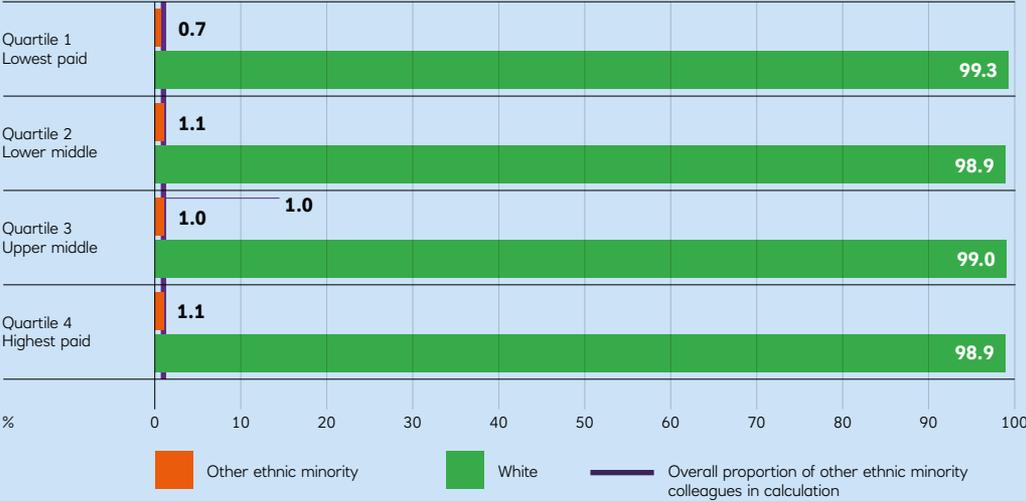
## Mixed/multiple ethnicity vs White colleagues

	Median	Mean
Pay gap	<b>7.2%</b>	<b>0.0%</b>
Bonus gap, excluding recognition vouchers	<b>7.5%</b>	<b>-9.8%</b>
Bonus gap, including recognition vouchers	<b>0.0%</b>	<b>-3.3%</b>



## Other ethnic minority vs White colleagues

	Median	Mean
Pay gap	<b>-6.8%</b>	<b>-3.0%</b>
Bonus gap, excluding recognition vouchers	<b>22.5%</b>	<b>30.7%</b>
Bonus gap, including recognition vouchers	<b>0.0%</b>	<b>26.8%</b>



# Methodology and definitions

## Methodology

- The data period covered is 6<sup>th</sup> April 2021 to 5<sup>th</sup> April 2022
- The calculations cover data from colleagues in Great Britain – England, Wales and Scotland
- UK gender pay gap regulatory reporting requirements cover entities based in GB with over 250 employees – for us, that's NatWest Bank, NatWest Markets, RBS International and FreeAgent. This year, we've added a NatWest Group view – 96% of colleagues included in NatWest Group calculations are employed by NatWest Bank
- Gender calculations include all colleagues employed within those entities; ethnicity calculations only cover those colleagues who have disclosed their ethnicity (83%)
- The smaller the population included in calculation, the more volatile the numbers will be year to year, as can be seen with NatWest Markets, RBSI and FreeAgent
- There is no regulation governing ethnicity pay gaps, so we use the same calculation methodology as for UK gender pay gap regulation
- Negative numbers indicate that colleagues from some ethnic minority groups have higher average hourly earnings than their White counterparts
- Bonus gap calculations: under UK gender pay gap regulation, bonuses include any additional financial award – including recognition vouchers, which reward colleagues for championing each other, our customers and our communities. This means that even those who received a small award – for example £10 – are included, even though they may be on fixed pay. As a result, we also show the bonus pay gap after taking out colleagues who only receive recognition vouchers
- Gender pay gap reporting in the Republic of Ireland follows a different calculation methodology and numbers cannot be compared to UK pay gaps.  
[Read Ulster Bank's pay gaps on their website](#)

## Definitions

- **Pay gap:** the percentage difference in the average hourly pay across all employees from a particular group (e.g. men, White colleagues) and all employees from another group (e.g. women, colleagues from ethnic minority backgrounds)
- **Bonus gap:** the percentage difference between the bonus paid to all employees from a particular group (e.g. men, White colleagues) and all employees from another group (e.g. women, colleagues from ethnic minority backgrounds)
- **Pay quartiles:** these are found by listing all colleagues from highest hourly pay to lowest hourly pay and dividing them into four equal groups
- **Mean:** the average, when all pay or bonuses for a particular group are added together and divided by the number of people in that group
- **Median:** when all pay or bonuses for a particular group are listed in numerical order, the median number is the value in the middle of the list
- **Gender:** while we recognise a spectrum of gender identities and expressions, our gender pay gap is calculated using the approach required by UK legislation, which compares the pay of females and males
- **Ethnicity:** we've used the same definitions as the UK's Office for National Statistics
  - a. 'Asian' colleagues refers to those who identify as Bangladeshi, Chinese, Indian, Pakistani and any other Asian background
  - b. 'Black' colleagues refers to those who identify as Black African, Black Caribbean and any other Black background
  - c. 'Mixed/multiple ethnicity' refers to those who identify as mixed White/Asian, mixed White/Black African, mixed White/Black Caribbean, and mixed other
  - d. 'Other ethnic minority' refers to those who identify as Arab or other
  - e. 'Ethnic Minority' refers to ALL colleagues who identify as being from an ethnic minority background, on aggregate, i.e. all of the above combined'
  - f. 'White' refers to those who identify as White British, White Irish, White Gypsy/Traveller, and White other.





**NatWest**  
Group