



AL RAYAN BANK

Gender Pay Gap Report



Introduction

Al Rayan Bank is committed to the principle of equal opportunities and equal treatment for all employees, regardless of gender, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

The Bank has a clear policy of paying employees equally for the same or equivalent work, regardless of their gender (or any other characteristic set out above). As such, it evaluates job roles and pay as necessary to ensure a fair structure.

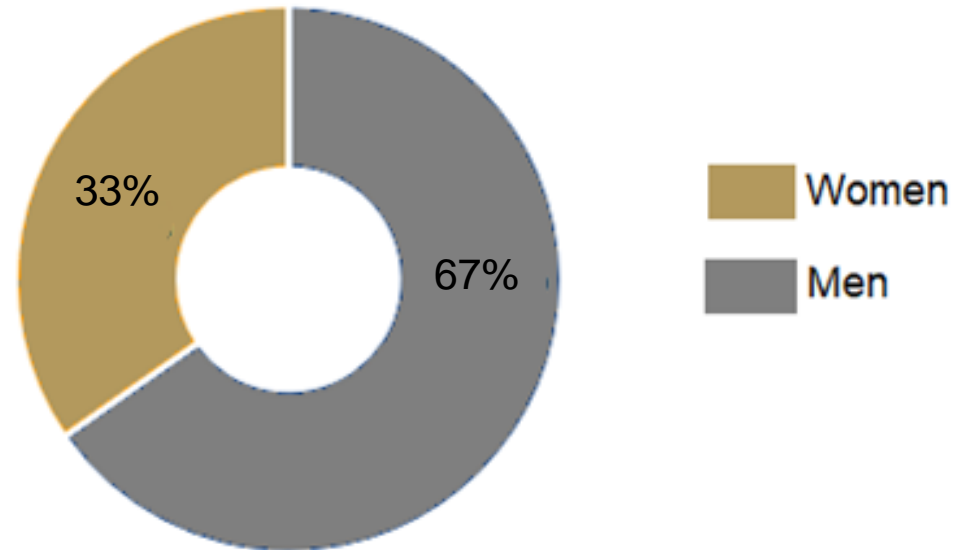
The gender pay gap is not the same as equal pay. Since the Equal Pay Act of 1979, it has been illegal to pay different amounts to men and women who are doing the same work unless there is a genuine material factor for the difference – for example, experience or performance are legitimate reasons for paying differing amounts.

The gender pay gap measures the difference in the hourly rate of pay of all men and women in an organisation, and is expressed as a percentage of the male employee's hourly pay. It is reported on both a mean (average) and median (middle most value in a sample) basis.



Gender Representation

Al Rayan Bank is required by law to publish an annual gender pay gap report. This report is based on the snapshot date of 5 April 2020 where the Bank recorded the following gender split:



The following figures have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Pay Gap

Median: the difference in the median hourly rate of pay between male and female full-pay relevant employees

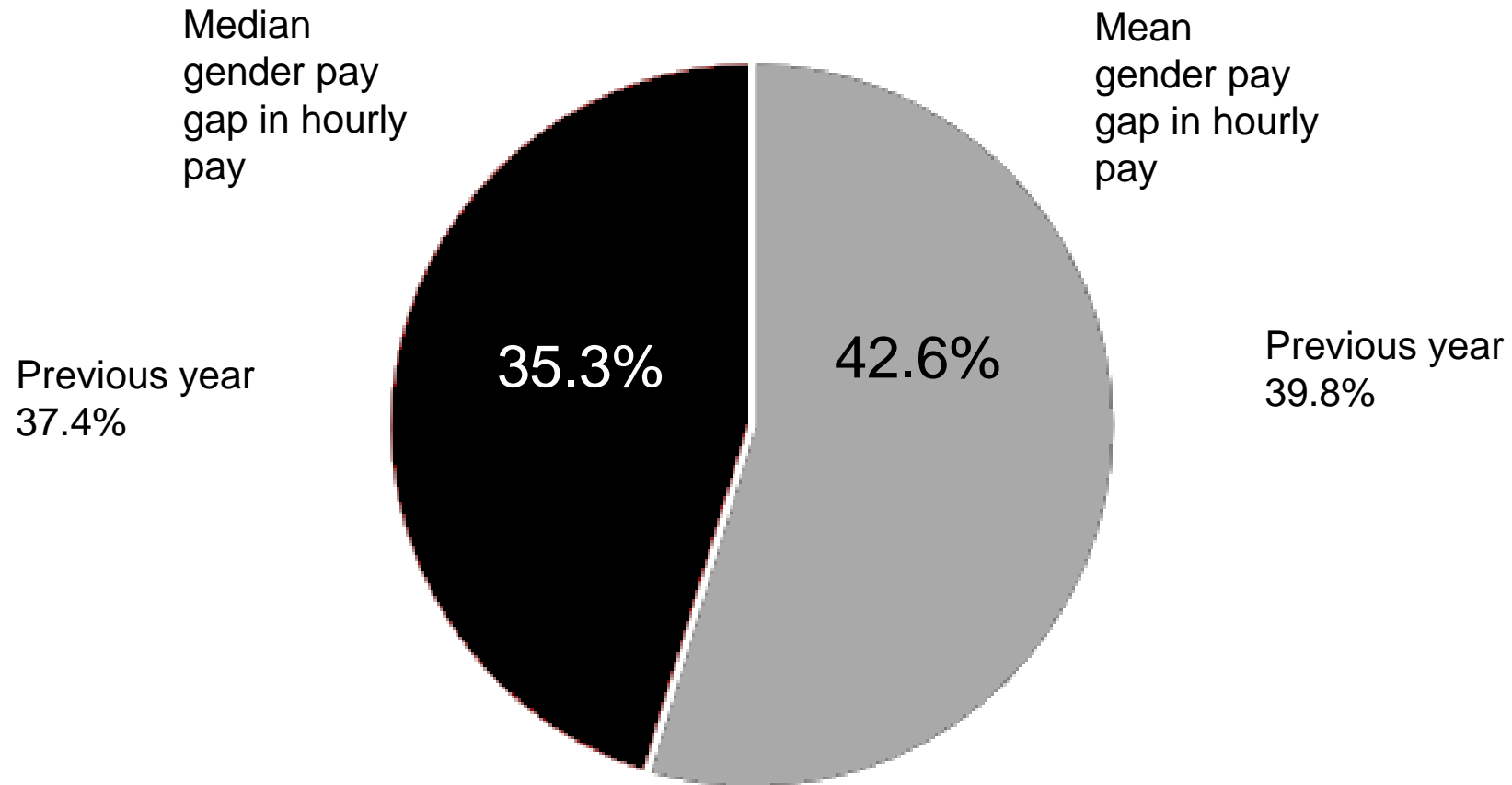
Mean: the difference in the mean hourly rate of pay between male and female full-pay relevant employees

Proportion by gender by quartile: the proportions of male and female full-pay relevant employees in each of the four quartile pay bands



Pay Gap: Median & Mean

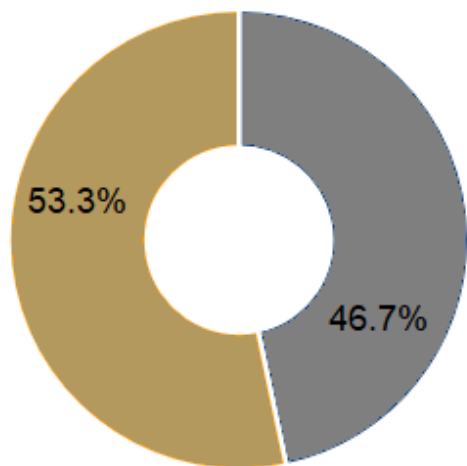
Al Rayan Bank – Year on Year



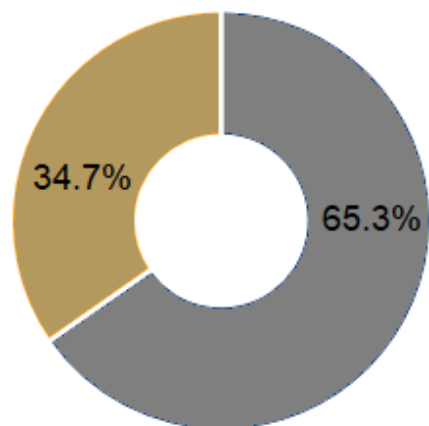
Proportion by Gender Quartile

This shows Al Rayan Bank workforce divided into four equal-sized groups based on hourly pay rates

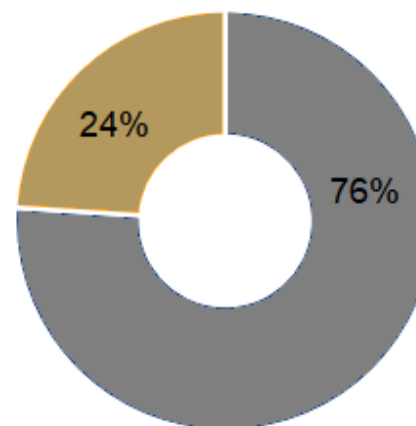
Lower Quartile



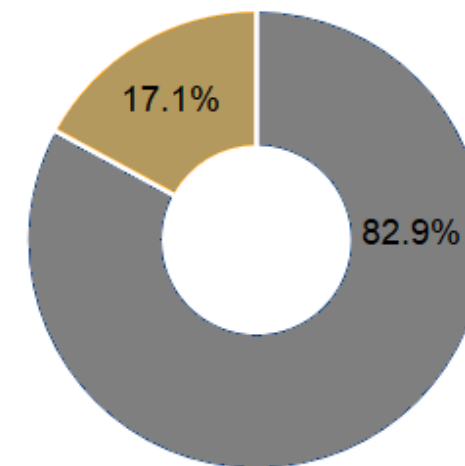
Lower Middle Quartile



Upper Middle Quartile



Upper Quartile



Women Men

The lower quartile includes the lowest-paid 25% of employees. Within Al Rayan Bank, 53.3% of the employees in the Lower pay band are women (compared to last year's 60%) and 46.7% men (compared to last year's 40%).

The percentage of male employees increases throughout the remaining quartiles/pay bands, from 65.3% in Lower Middle quartile (compared to last year's 58.7%).

To 76% (compared to last year's 84%) of employees in the Top Middle quartile are male versus only 24% of employees who are female (compared to last year's 16%).

In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band

The Top or upper quartile covers the highest-paid 25% of employees.

There is a significant disproportion of men; 82.9% (previously 82%) compared to 17.1% for women (previously 18%) in the top paid roles at Al Rayan Bank.



Bonus Gap

Mean: the difference in mean bonus pay between male and female relevant employees

Median: the difference in median bonus pay between male and female relevant employees

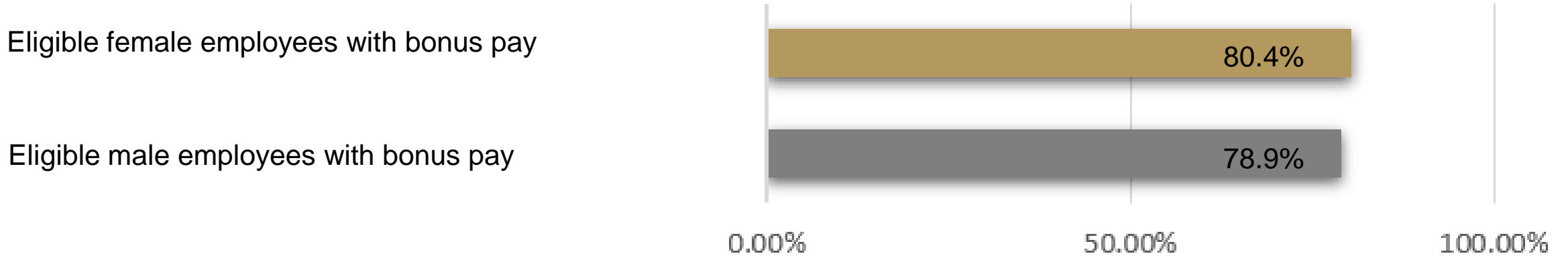
Proportion of recipients by gender: the proportions of male and female relevant employees who received bonus pay



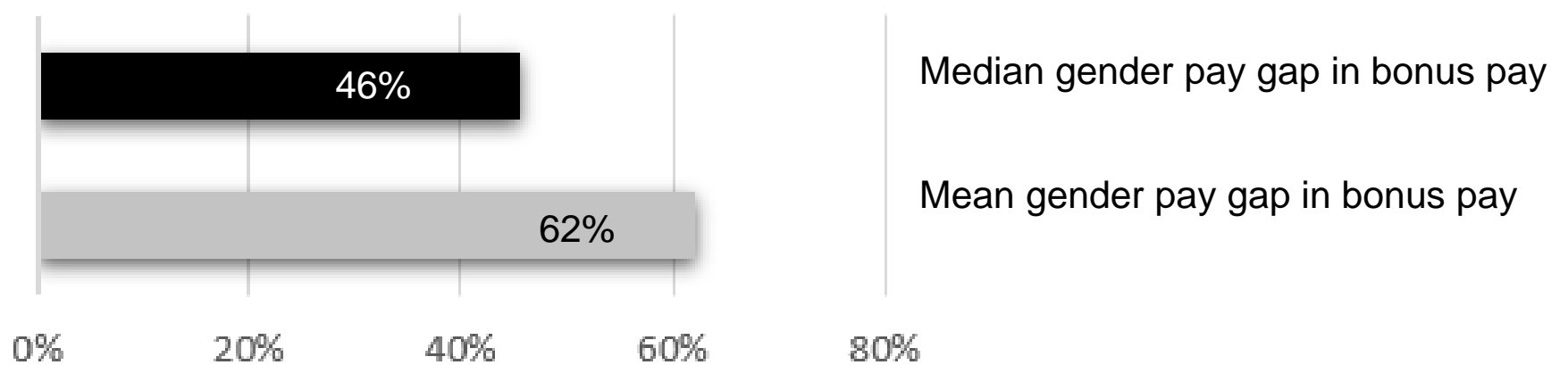
Bonus Pay

Based on end of year ratings there were 96 female colleagues and 164 male colleagues eligible for a 2020 bonus payment.

This chart shows the proportion of eligible women and men that received a bonus payment in 2020.



This chart shows the median and mean gender pay gaps in bonus pay:





Commentary

The vast majority of organisations have a gender pay gap, however Al Rayan Bank's gap is significantly higher than the UK average as well as the Financial Services sector. When reviewing our gender pay gap across quarterlies (employee earnings from the lowest to the highest) the proportion of men and women in each quartile becomes less balanced as pay increases. Encouragingly the proportion of female relevant employees with bonus pay is higher than the proportion of male relevant employees with bonus pay.

Al Rayan Bank is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy as a whole, men are more likely than women to be in senior roles whilst women are more likely than men to be in front-line roles. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that may have impacted their career progression or working part-time to care for dependents.

This pattern from the UK economy as a whole is reflected in the make-up of Al Rayan Bank's workforce, where the majority of front-line customer service and sales roles are held by women, whilst the majority of managerial roles and highly paid roles are held by men.

We know there is much more to do to narrow the gaps and improve diversity across the business which is now being addressed in the newly defined Diversity & Inclusion strategy.



Gender Commitments

- As part of the recruitment process continue to shortlist at least one female candidate for interview for management positions (or above) as well as female representation on the interview panels for final stages.
- Ensure gender is a key factor and is monitored within our Talent Pool and Succession Planning – with long-term pipeline up to Executive Leadership Team and the Leadership Development Programme includes a higher proportion of women (min 50%).
- Create a women's network which provides opportunities for better understanding and appreciation of experiences and challenges of female colleagues supports the launch of an informal mentoring programme and networking events with motivational guest speakers/coaches through potential affiliations to Women in Finance and Women in Business groups .
- Changes at the top; ensure that the recent improvement in gender diversity across the Board are also replicated in the senior management team.
- Ensure that employee representative committee, first aiders (including mental health) and fire marshals are representative of gender
- Continue to monitor and report equal and gender pay gap, as well as bonus payment allocation and pay review by gender and make relevant changes to the remuneration policy to reflect this.
- Review maternity policy and pay in line with other small financial services companies (monitor number of mothers who return to work after leave).
- Flexible working policy to be reviewed, especially in terms of carer responsibilities. Line managers should also be trained and supported on adopting flexible working practices as part of our new ways of working.
- Each year celebrate the achievements of our female colleagues as part of International Women's Day
- Aim for a 50/50 gender split across the entire workforce and work towards a more diverse split across leadership and senior management positions by the end of 2023