



# Board Composition Trends in GCC

## Financial Sector Focus



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INSIGHTS

# Board Composition Trends in GCC

## Financial Sector Focus

MEIoD aims to make governance data and trends more visible, accessible and engaging - to facilitate the improvement of corporate governance in the Middle East.



# Headline Statistics

8.02

Average no. of  
Directors

1,147

Total no. of  
Directors

463

Total no. Independent  
Directors

143

Companies

3.8

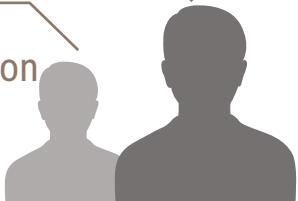
Average no. of  
Independent Directors

52.8

Average Age

113K

Average  
remuneration



36

Total no. of  
Female Directors

0.25

Average no. of  
Female Directors

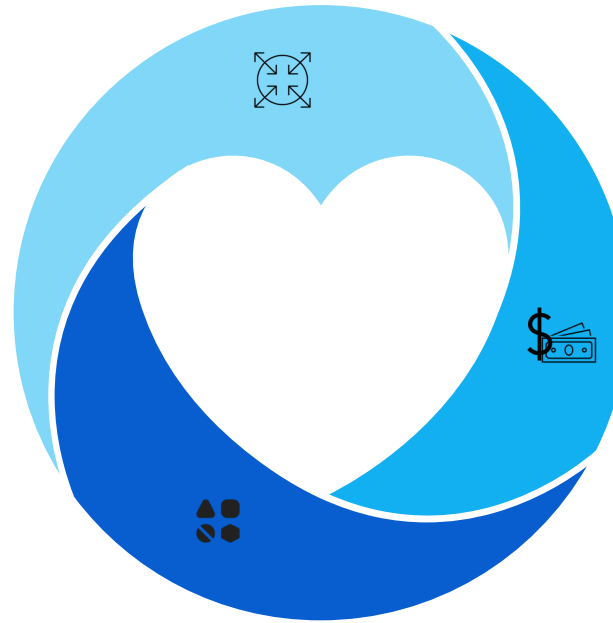




# Key Insights

## Board Size

- The most common board size is 7.
- Odd numbers are preferred.
- Larger boards have more independent directors.
- Women remain underrepresented averaging 0.25 women per board.



## Remuneration

- Director remuneration is in line with the regional average for boards of 8 or fewer members.
- Boards with more than 8 members offer above average remuneration.
- At this level there appears to be a disconnect between the remuneration expectation of Independent Directors and market trends along with corporate potential.

## Gender/ Age Diversity

- Women remain underrepresented averaging 0.25 women per board.
- The majority of board members are 50-60 years of age.
- Increasing presence of independent directors and female directors.

# Scope of the Research

**2021**

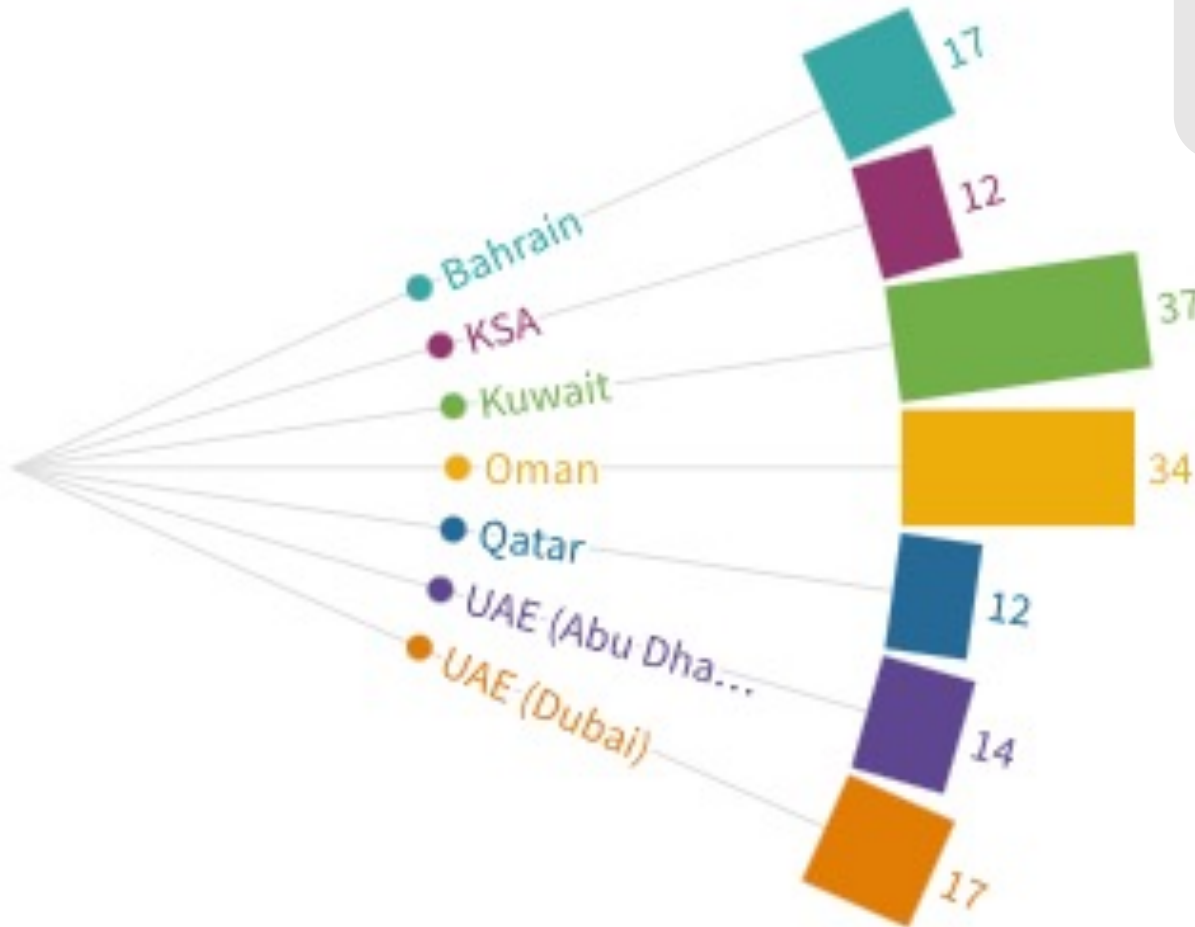
Year

**143**

Listed Financial  
Companies

**7**

GCC countries



## Limitations

Data was collected from annual reports and capital market disclosures where available. No independent validation or verification was made.

There is limited reporting and disclosure. Not all companies reported in the same manner and creating a unified methodology was somewhat challenging—e.g. committees are often called differently for each company; remuneration may be reported on either for the board and per committee or as a total for the board.



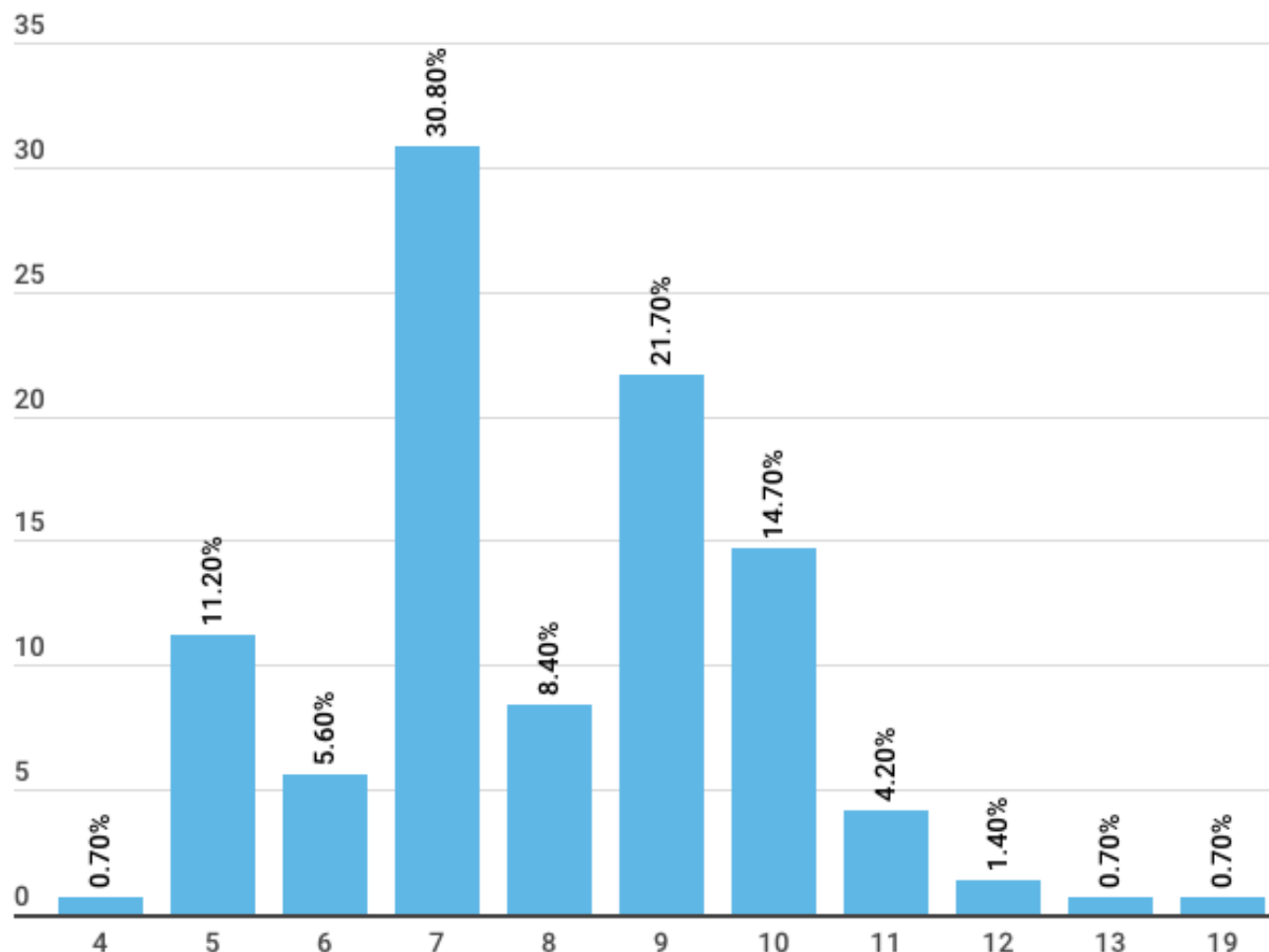
# Board Size

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## Avg. Size of the Board

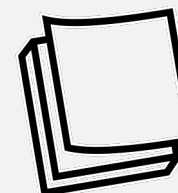


## KEY FINDINGS

**7** is the most common board size with 30.8% of companies reporting that number of directors.

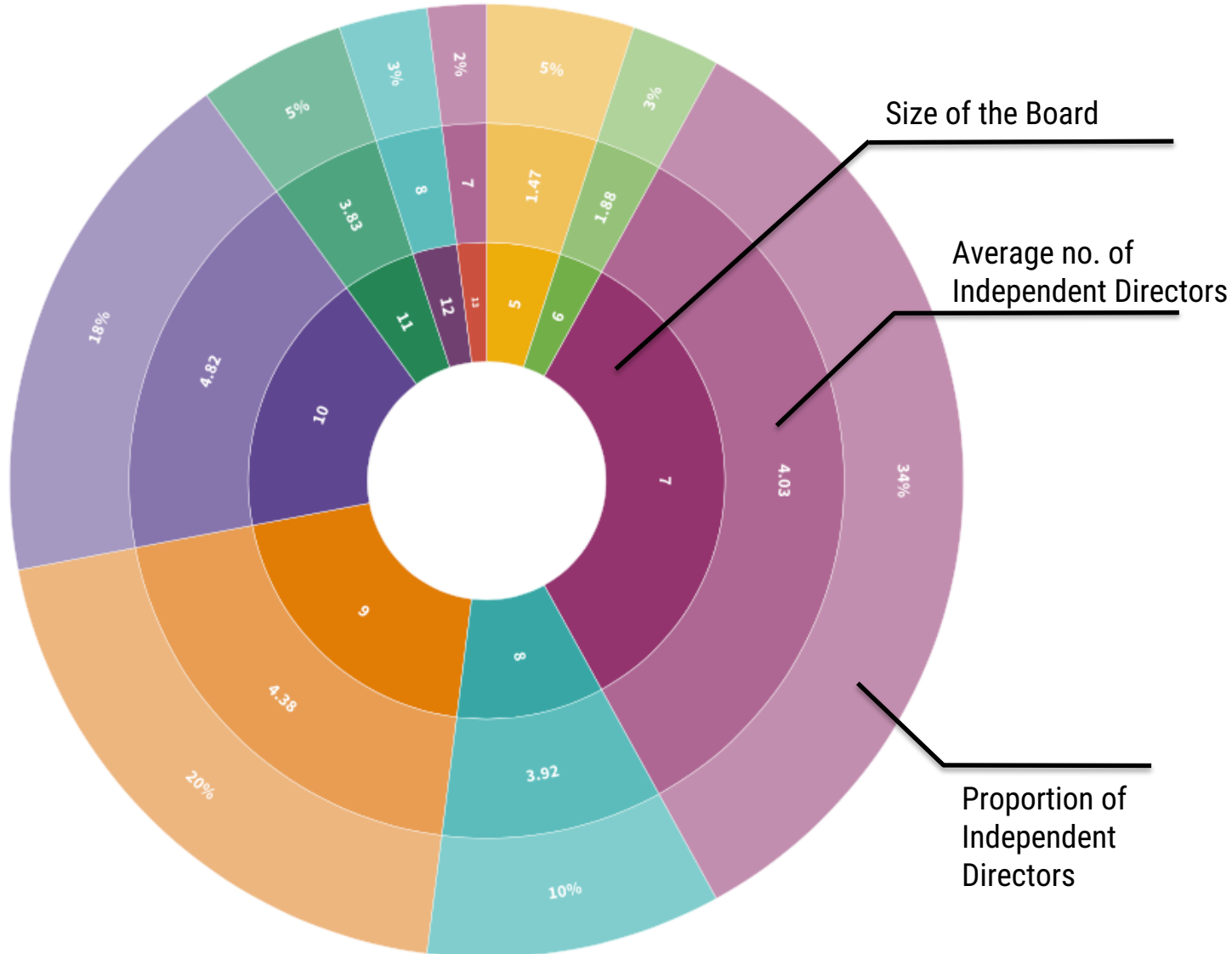


**5-11** is the most common board size with odd numbers being preferred, to avoid ties.



However, there are a significant number of companies with an even headcount

# Independent Directors



## KEY FINDINGS

**34%** of independent directors serve on boards with 7 directors.

**82%** of independent directors serve on boards with 7-9 directors

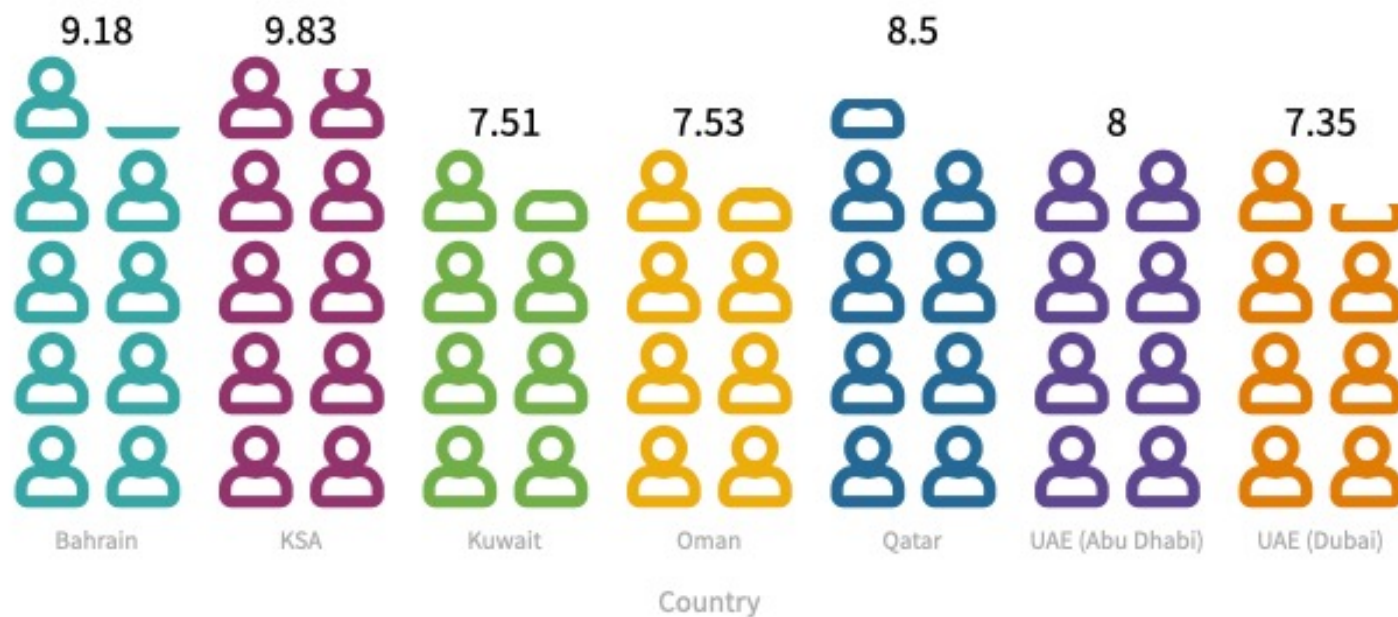
Boards with 10 directors have the highest proportion of independent directors at

**4.82%**

Boards with 12 & 13 directors have a higher average proportion of independent directors but there are limited to 2 companies and 1 company, respectively.



## Avg. Size of the Board by country



## KEY FINDINGS

Different countries across the GCC have different board cultures and practices.

**9.83** is the largest average board size in KSA followed by Bahrain at 9.18

**7.35** is the smallest average board size in UAE (Dubai) followed closely by Kuwait at 7.51 and Oman at 7.53

# Women in the Boardroom

## KEY FINDINGS



44%

of women are on companies  
where the board size is 7 or  
10.

79.7%

of companies do not have  
female directors

0.25

The overall average number  
of female directors

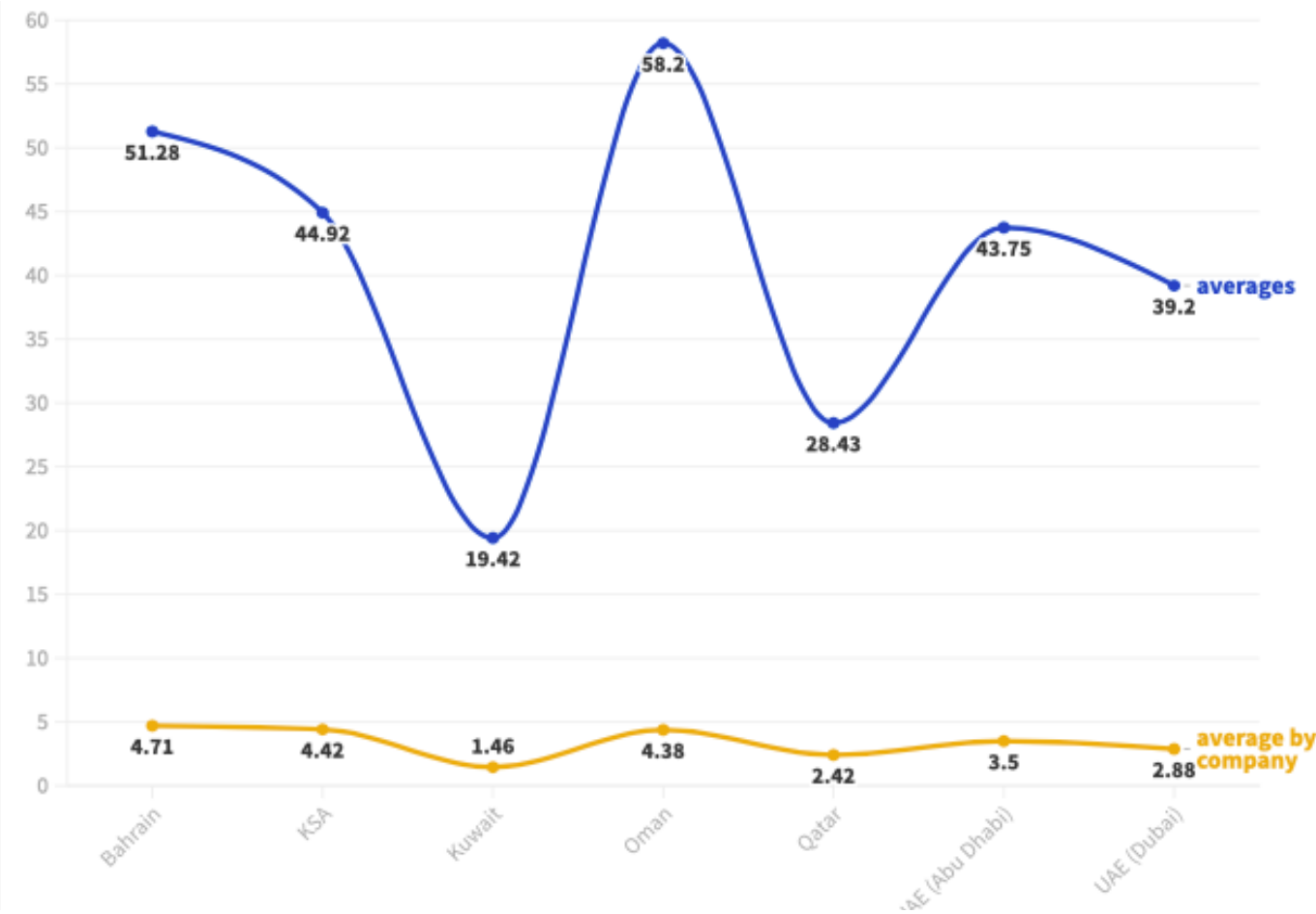
Proportionately in terms of the number of directors vis-à-vis number of women

**UAE (Dubai)** is the highest  
proportion of female directors at 5.6% followed by UAE  
(Abu Dhabi) at 4.46%

In absolute numbers in terms of female directors

**Kuwait** has the most female directors in total  
(10 female directors on 7 company boards). Followed  
closely by Oman with 9 female directors on 7 company  
boards and UAE (Dubai) with 7 female directors on 5  
company boards.

# Independent Directors in the Boardroom



## KEY FINDINGS



**40%**  
of appointed directors  
are independent



**34%** of independent directors serve on  
boards with 7 directors

**Oman** has the highest proportion of  
independent directors at 58.2%.

**Bahrain** has the highest average of  
independent directors by company at 4.71



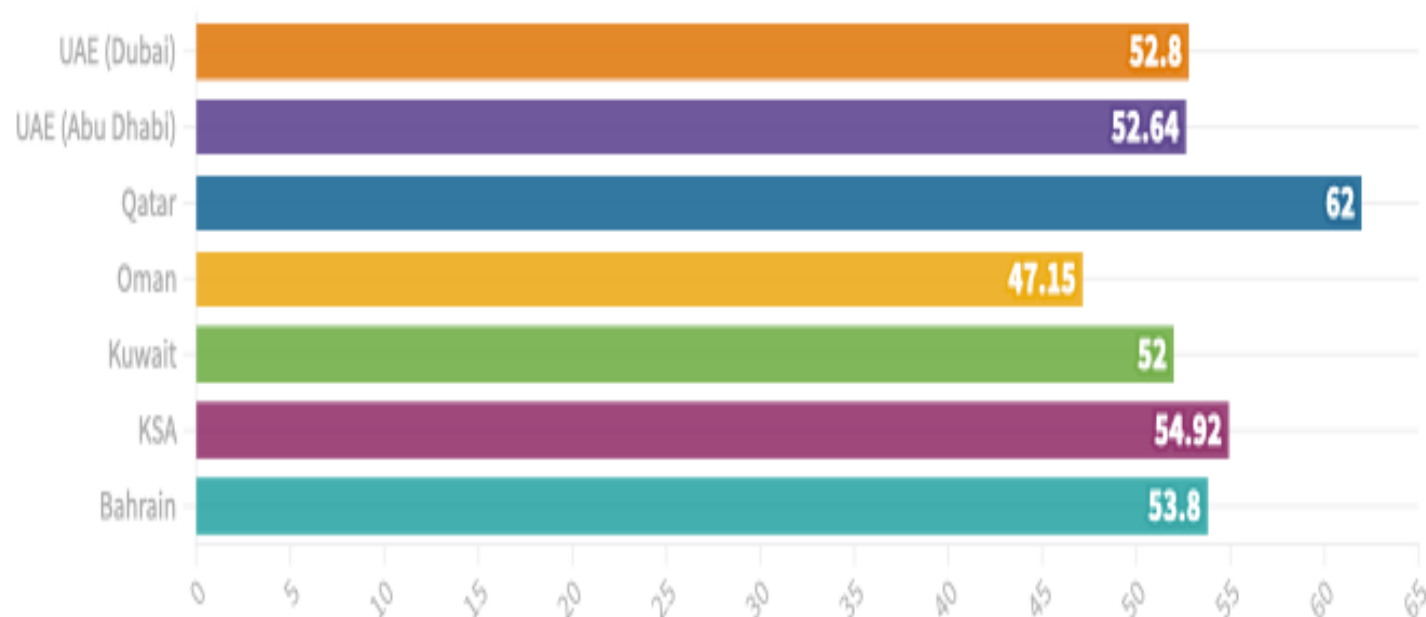


# Age in the Boardroom

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## Avg. Age of Directors by Country



### KEY FINDINGS

**52.18** is the average age of the board members. For independent directors and female directors that average is only slightly lower at 51.39 and 51.14

**47.15** is the youngest average of age of board members in Oman

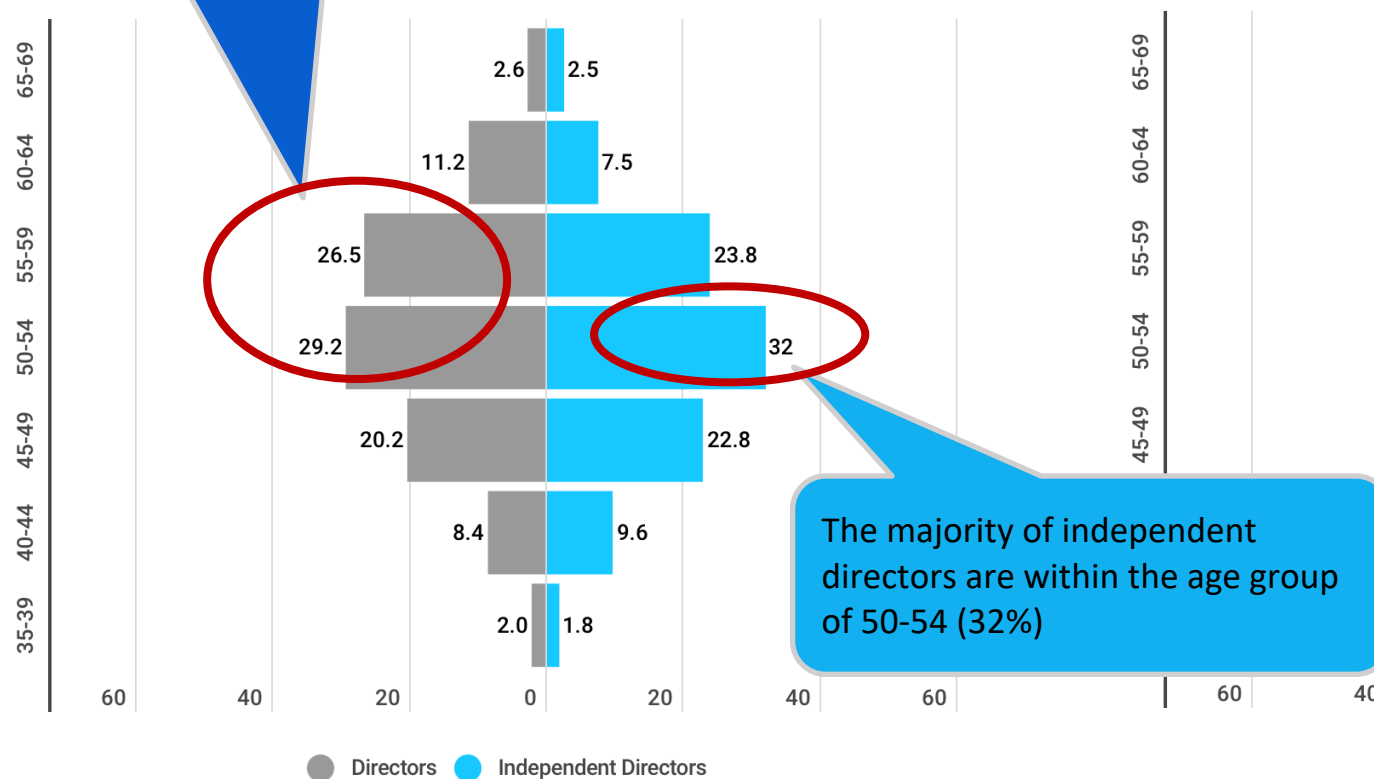
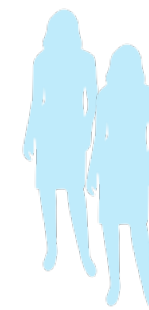
**62** is the oldest average age of board members in Qatar

# Avg. Age of Directors by Type

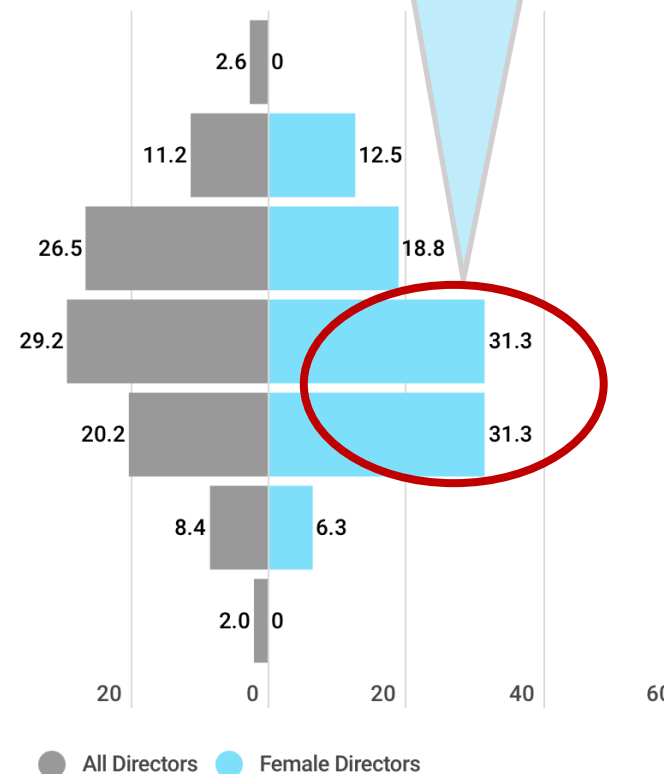
**Two** factors – independence and gender  
bring down the average age of directors.

The majority of directors are within the age group of 50 to 59 (55.3%)

The majority of female directors are within the age group of 45-54 (62.6%)



The majority of independent directors are within the age group of 50-54 (32%)





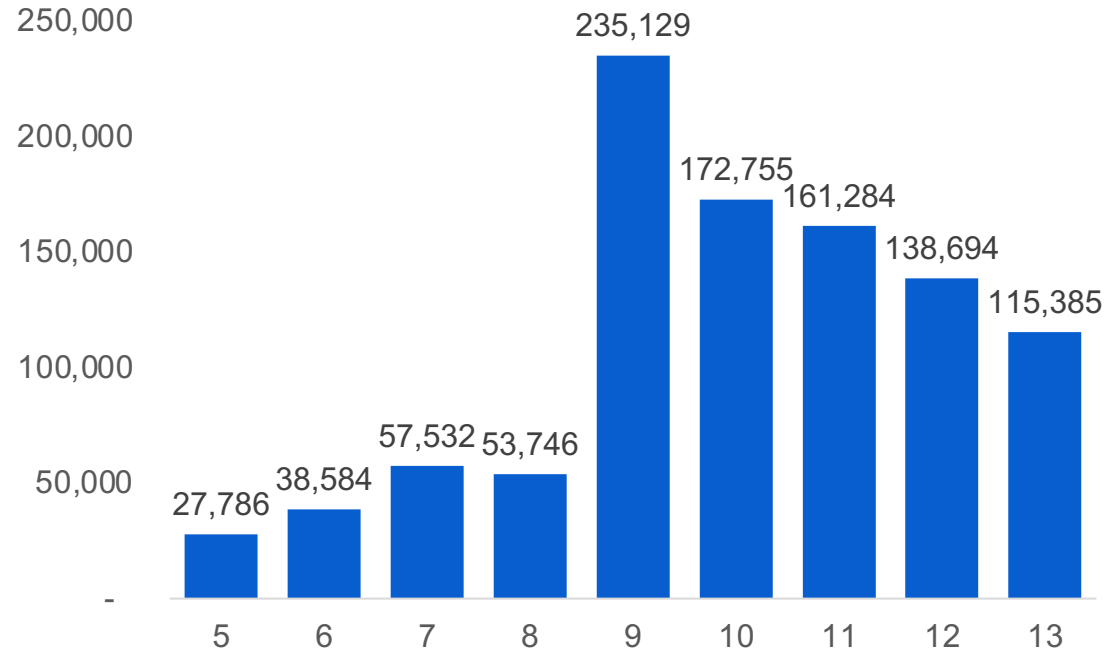
# Remuneration

A close-up photograph of a person's hands typing on a silver laptop keyboard. The person is wearing a white long-sleeved shirt and a brown leather watch. In the background, another person's hands are visible, holding a pen over a document. A small potted plant is on the right side of the desk. The overall scene is a professional office environment.

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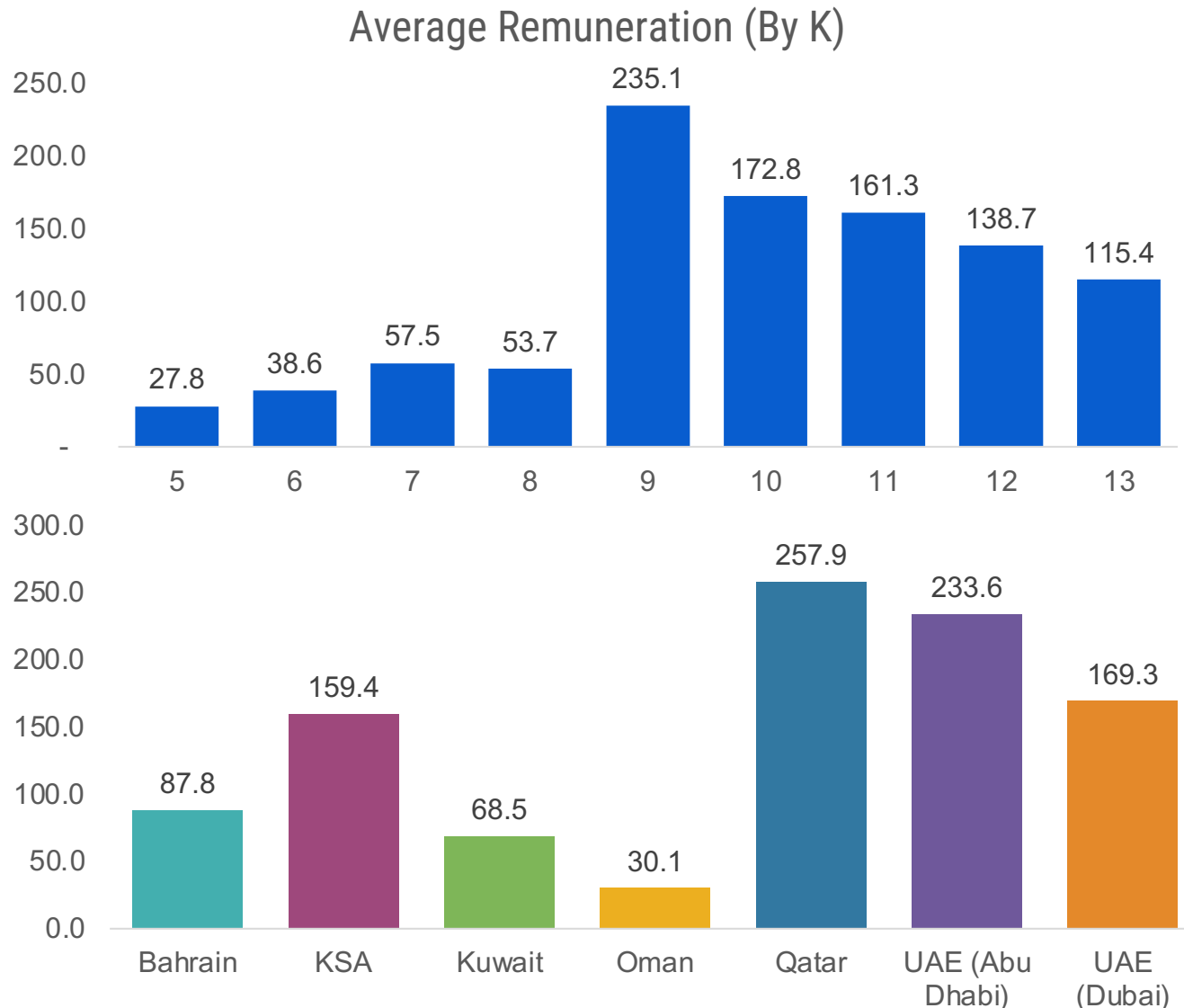
## Avg. Remuneration vs No. of Directors



### KEY FINDING

**B**oards of 9 directors have the highest average board remuneration whilst boards with 5 directors report the lowest.

## Avg. Remuneration by No. of Directors and by country



### KEY FINDINGS

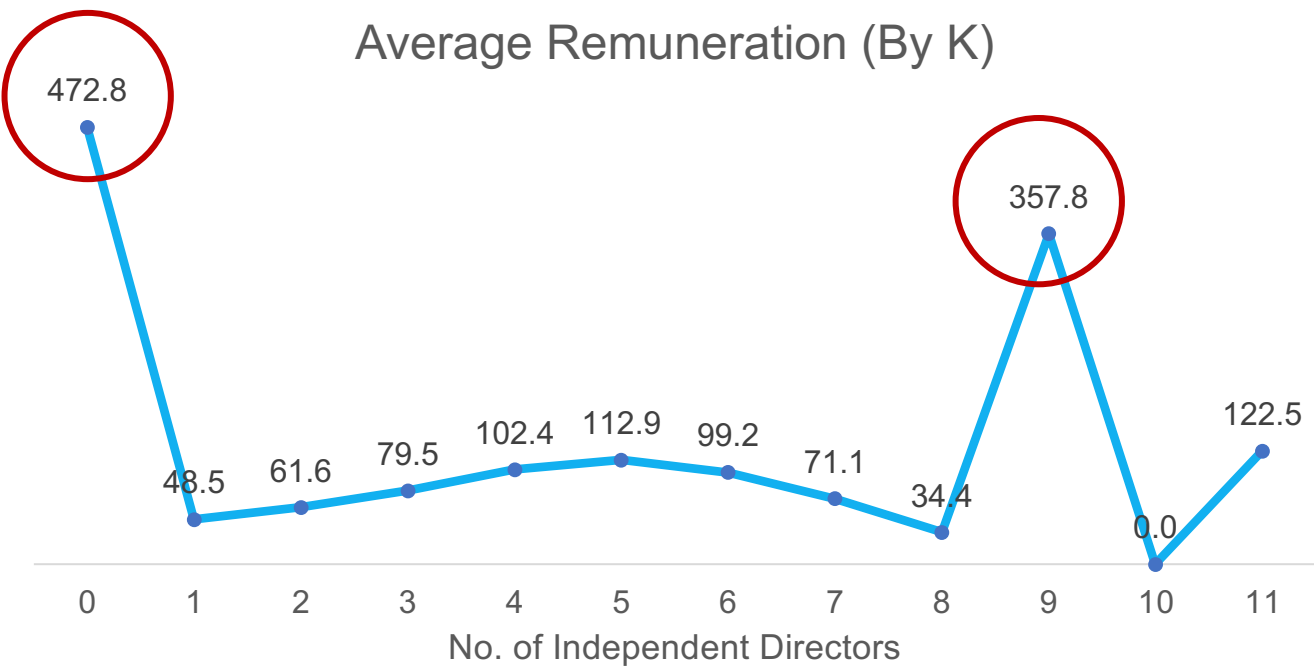
**B**oards of 9 directors have the highest average board remuneration whilst boards with 5 directors report the lowest.

**Qatar** has the highest average board remuneration followed by UAE (Abu Dhabi)

**Qatar** has the second lowest average of independent directors and the highest remuneration



# Avg. Remuneration by Independent Directors



## KEY FINDINGS

**W**ith no clarity on specific number of independent directors the average remuneration of directors is the highest. With 9 independent directors there is an anomaly with one company.

**8** or less independent directors, director remuneration is within the regional average.

**113K** is the average board remuneration. The independence of directors is a variable to keep remuneration closest to the average.

A photograph of a business meeting around a white table. Several people are seated, with their hands and arms visible. On the table are several sheets of paper featuring various financial charts, including bar graphs, line graphs, and pie charts. A silver pen lies on one of the papers. A glass of water is also present. The scene is brightly lit, suggesting an indoor office environment.

# Disclosures

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# Disclosures (Remuneration & Evaluation)

## *Evaluation*

**69%** of companies  
disclose some information  
about their board evaluation.

**33%** is the  
highest number of total  
disclosures in Kuwait.

**Bahrain** has the  
highest number of  
companies disclosing at 94%  
followed by Kuwait at 86.5%  
- proportionally to the  
number of companies.

## *Remuneration*

**97.2%** of companies disclose  
on their board remuneration. However,  
there are still several companies that do  
not provide a breakdown of remuneration  
by member, by committee or by type.

**H**aving independent  
directors and female  
directors increases  
disclosures.

**113K** is the average  
board remuneration. The  
independence of directors is a  
variable to keep remuneration  
closest to the average.



A high-angle photograph of a business meeting. Three people are gathered around a white table. One person's hand is pointing at a tablet displaying a pie chart and bar graphs. Another person is holding a pen over an open notebook. A third person is holding a pen over a document with financial data. The scene is brightly lit, suggesting a window nearby. The overall tone is professional and collaborative.

# Regional Analysis

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#### Kuwait

- Most common board size is 5 (approx. 27% of companies) followed by board size of 7 (approx. 22% of companies)
- The majority of directors are within the age group 40-45 with the highest average of independent directors
- Board remuneration is below the regional average at around 69,000 US\$

#### KSA

- Board sizes are between 9-11 directors
- The average age of the board increases with the number of independent directors.
- Remuneration is within the regional average and gradually increases with the number of independent directors

#### Oman

- Half the companies have a board size of 7
- Number of independent directors increases with the size of the board up to a board size of 9
- The number of women on board increases with the size of the board
- Almost 70% of the directors are between the ages of 40-50
- Board remuneration increases with the size of the board and remains at all times below the regional average at around 30,000 US\$
- There is limited board evaluation disclosure

#### Bahrain

- Most common board size is 10 (approx. 30% of companies)
- Over 50% of the directors are between the ages of 55-60
- Board remuneration is below the regional average at around 88,000 US\$

#### Qatar

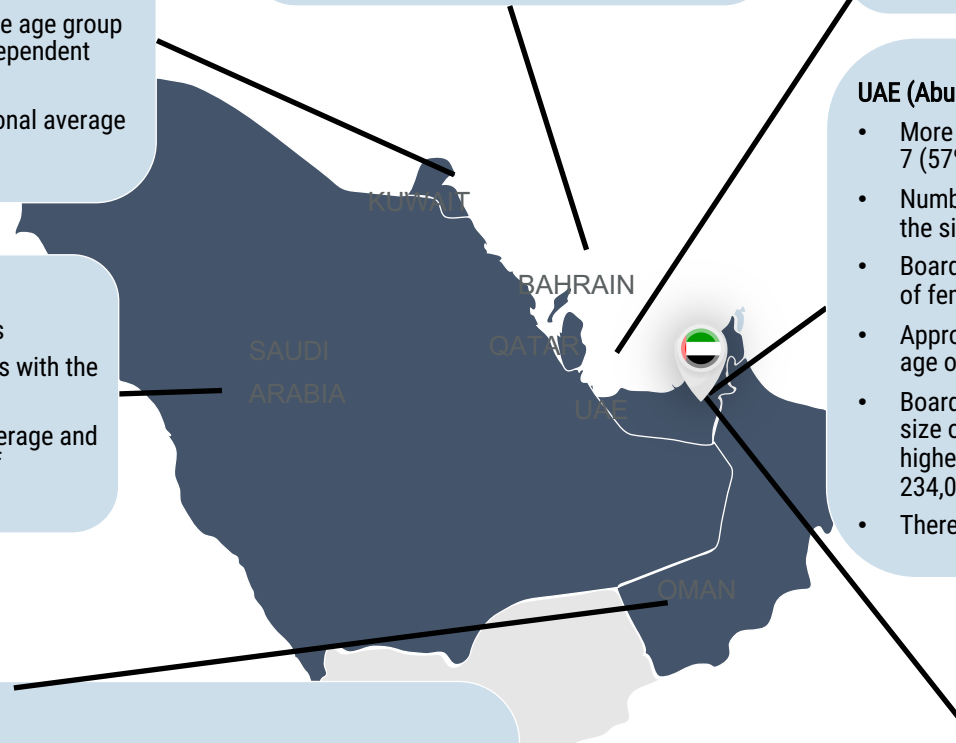
- Half the companies have a board size of 9
- Directors are within the age group 60-65
- Board remuneration is above the regional average at around 260,000 US\$
- Remuneration declines with the increased number of independent directors

#### UAE (Abu Dhabi):

- More than half the companies have a board size of 7 (57%)
- Number of independent directors increases with the size of the board
- Boards with 9 directors have the highest average of female directors (0.67)
- Approximately 55% of the directors are below the age of 55
- Board remuneration is the highest with a board size of 9 directors and the average remuneration is higher than the regional average at around 234,000 US\$
- There is limited board evaluation disclosure

#### UAE (Dubai)

- Most preferred board size is 7 (approx. 47% of the companies)
- There is a positive correlation between the number of independent directors and average of female directors
- Approximately 80% of the directors are below the age of 55
- Remuneration is within the regional average and increases with the number of independent directors
- There is limited board evaluation disclosure



# United Arab Emirates



TOTAL AREA  
83,600 KM<sup>2</sup>



CAPITAL  
ABU DHABI



POPULATION  
9,269,612

UAE (Abu Dhabi)		GCC Average	UAE (Abu Dhabi) Compared to GCC
Board size	8	8	average
Average age	53	52	above average
Remuneration	\$234,000	\$113,000	above average
Female directors	0.38	0.25	above average
Independent directors	5.44	3.8	above average

- UAE (Abu Dhabi):
  - More than half the companies have a board size of 7 (57%)
  - Number of independent directors increases with the size of the board
  - Boards with 9 directors have the highest average of female directors (0.67)
  - Approximately 55% of the directors are below the age of 55
  - Board remuneration is the highest with a board size of 9 directors and the average remuneration is higher than the regional average at around 234,000 US\$
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- There is a positive correlation between the number of independent directors and average of female directors
- Approximately 80% of the directors are below the age of 55
- Remuneration is within the regional average and increases with the number of independent directors
- There is limited board evaluation disclosure

UAE (Dubai)		GCC Average	UAE (Dubai) Compared to GCC
Board size	7.35	8	below average
Average age	53	52	above average
Remuneration	\$169,000	\$113,000	above average
Female directors	0.41	0.25	above average
Independent directors	4.45	3.8	above average





# Kingdom of Saudi Arabia



TOTAL AREA  
2,149,690 KM<sup>2</sup>



CAPITAL  
RIYAD



POPULATION  
32,275,687



KSA		GCC Average	KSA Compared to GCC
Board size	10	8	above average
Average age	55	52	above average
Remuneration	\$159,400	\$113,000	above average
Female directors	0.17	0.25	below average
Independent directors	4.42	3.8	above average

- Board sizes are between 9-11 directors
- The average age of the board increases with the number of independent directors.
- Remuneration is within the regional average and gradually increases with the number of independent directors

# Bahrain



TOTAL AREA  
778,3 KM <sup>2</sup>



CAPITAL  
AL MANĀMA



POPULATION  
1,425,171

Bahrain		GCC Average	Bahrain Compared to GCC
Board size	9	8	above average
Average age	54	52	above average
Remuneration	\$88,000	\$113,000	below average
Female directors	0.06	0.25	below average
Independent directors	4.71	3.8	above average

- Most common board size is 10 (approx. 30% of companies)
- Over 50% of the directors are between the ages of 55-60
- Board remuneration is below the regional average at around 88,000 US\$



# Kuwait



TOTAL AREA  
17,818 KM <sup>2</sup>



CAPITAL  
AL KUWAIT



POPULATION  
4,563,969

Kuwait		GCC Average	Kuwait Compared to GCC
Board size	7.51	8	below average
Average age	52	52	average
Remuneration	\$69,000	\$113,000	below average
Female directors	0.27	0.25	above average
Independent directors	1.86	3.8	below average

- Most common board size is 5 (approx. 27% of companies) followed by board size of 7 (approx. 22% of companies)
- The majority of directors are within the age group 40-45 with the highest average of independent directors
- Board remuneration is below the regional average at around 69,000 US\$



# Oman



TOTAL AREA  
309,500 KM<sup>2</sup>



CAPITAL  
MUSCAT



POPULATION  
4,424,762



Oman		GCC Average	Oman Compared to GCC
Board size	7.53	8	below average
Average age	47	52	below average
Remuneration	\$30,000	\$113,000	below average
Female directors	0.26	0.25	above average
Independent directors	4.38	3.8	above average

- Half the companies have a board size of 7
- Number of independent directors increases with the size of the board up to a board size of 9
- The number of women on board increases with the size of the board
- Almost 70% of the directors are between the ages of 40-50
- Board remuneration increases with the size of the board and remains at all times below the regional average at around 30,000 US\$
- There is limited board evaluation disclosure



# Qatar



TOTAL AREA  
11,581 KM<sup>2</sup>



CAPITAL  
DOHA

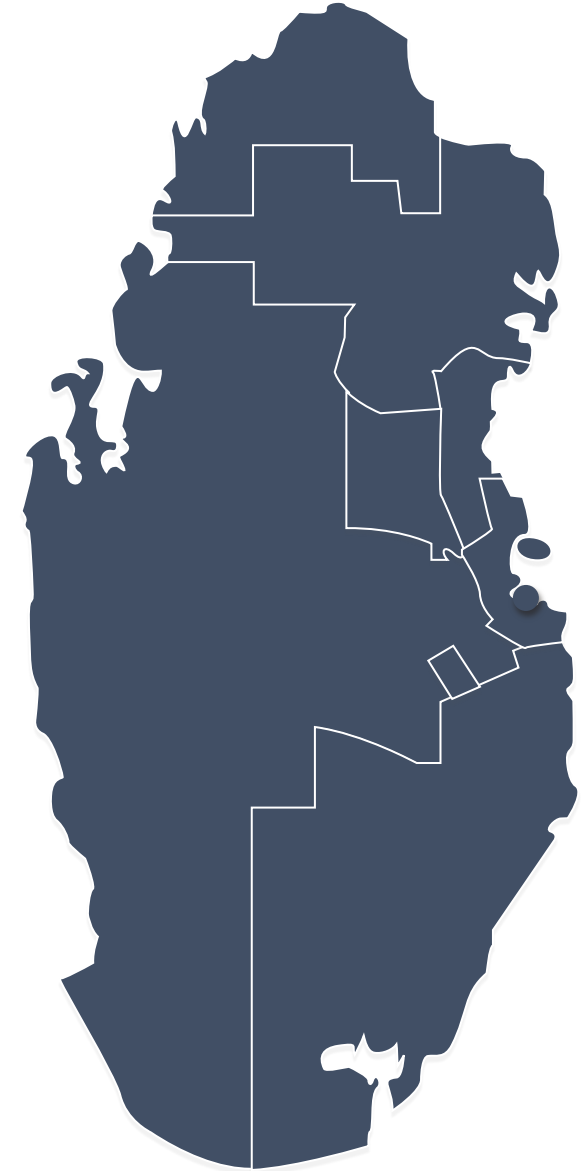


POPULATION  
2,641,669



Qatar		GCC Average	Qatar Compared to GCC
Board size	8.5	8	above average
Average age	62	52	above average
Remuneration	\$258,000	\$113,000	above average
Female directors	0.17	0.25	below average
Independent directors	2.9	3.8	below average

- Half the companies have a board size of 9
- Directors are within the age group 60-65
- Board remuneration is above the regional average at around 260,000 US\$
- Remuneration declines with the increased number of independent directors



# Thank you



## Your Governance Partners



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