

Paper # 5

Islamic banks board independence and its relation to performance in GCC countries

Abstract

This study aims to investigate the impact of board independence on performance of Islamic Banks in Gulf Cooperation Council (GCC). The study used panel data of 30 Islamic banks for the period (2012–2014) from Bahrain bourse, Saudi stock exchange 'Tadawul', Abu Dhabi securities exchange and Dubai financial market, Kuwait stock exchange, Qatar stock exchange and Muscat securities market. The study also used several econometric techniques to confirm its results such as fixed-effect panel data regression. The study found that there is an inverse effect of board independence on Islamic banks performance which was measured using: ROA and ROE.

Keywords: board independence; Islamic banks performance; GCC countries.