

Board of Directors and Bank Performance in United Arab Emirates

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This paper is for an empirical work about the corporate governance of the financial institutions in United Arab Emirates (UAE). The purpose of this research is to analyze what influence the structure of the board of directors has on the performance of the commercial banks in UAE.

To examine what control in the Board of Directors by a particular family effect the bank management, we estimated several models where dependent variable is ROA or ROE, independent variables are Board of Directors variables and control variables are bank management variables.

As our estimate results, it considers that the Board of Directors are partially effective functioning on corporate governance in the UAE banks. Our results show that the control of the bank management by ruler family has a good effect on bank profitability. Our results conclude the possibility that directly bank control by ruler family through Board complement the inadequacy of corporate governance system in the UAE.