

# EGYPT WOMEN ON BOARDS OBSERVATORY

HIGHLIGHTS

ANNUAL  
MONITORING  
REPORT

2020



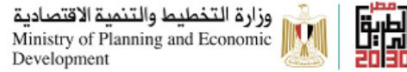
EGYPT WOMEN ON BOARDS  
OBSERVATORY



The American  
University in Cairo

School of Business

## PARTNER ORGANIZATIONS



نبني الجسور لا الحواجز  
Building Bridges not Walls

المعهد القومي للحكومة والتنمية المستدامة  
National Institute for Governance and Sustainable Development



المجلس القومي للمرأة  
THE NATIONAL COUNCIL FOR WOMEN



## REGIONAL NETWORKS



## NATIONAL NETWORKS



## ABBREVIATIONS

<b>AUC</b>	The American University in Cairo
<b>AUC BUS</b>	AUC School of Business
<b>BD</b>	Board Director
<b>CBE</b>	Central Bank of Egypt
<b>CE</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>EGX</b>	The Egyptian Exchange
<b>FRA</b>	Financial Regulatory Authority
<b>MD/CEO</b>	Managing Director/Chief Executive Office
<b>NCW</b>	The National Council For Women
<b>NED</b>	Non-Executive Directors
<b>WoB</b>	Women on Boards

## EXECUTIVE SUMMARY

The Women on Boards Observatory, founded in 2017 by the AUC School of Business, aims to increase the representation of women on corporate boards in Egypt to 30% by 2030. It is recognized as a specialized observatory within the framework of the National Council for Women, Egyptian Women Observatory, that monitors the national strategy for the empowerment of Egyptian women 2030.

The 2020 annual monitoring report contains the analyzed data of the Egyptian Exchange (EGX) listed companies, the banking sector, public enterprise companies and the Financial Regulatory Authority (FRA) companies. The women on boards indicator has significantly improved from 10% in 2019 to 13% in 2020, reflecting a positive improvement towards achieving Egypt's vision 2030 and SDG goals.

The overall performance of female representation on boards indicated a positive and progressive trend, where EGX listed companies marked a positive increase in female representation from 10.1% to 11.2% between 2019 and 2020. The public enterprise sector has, also, encountered a positive improvement reaching 8.7% in 2020 compared to 6.1% in 2019. The Financial Regulatory Authority (FRA) companies<sup>\*1</sup> have, also, significantly improved in female representation on boards reaching 14.7% in 2020 compared to 11.2% in 2019. The banking sector has faced a slight decline in female representation on boards indicator, dropping from 14.7% in 2019 to 13.7% in 2020.

On the other hand, in order to reach the goal of having 30% female representation on boards, approximately 95 women need to be added annually on the boards of companies and banks covered in the report. This 2020 annual calculated gap of 95 women has decreased compared to 113 women in the 2019 estimate.

The upcoming sections of the report give a detailed snapshot of each of the studied categories with respect to female representation on boards in 2020, in addition to comparison to previous years' indicators.

*\*1 - We deducted EGX listed companies' data from the calculation of FRA companies' female representation on boards to avoid duplication.*

## KEY TAKEAWAYS 2020



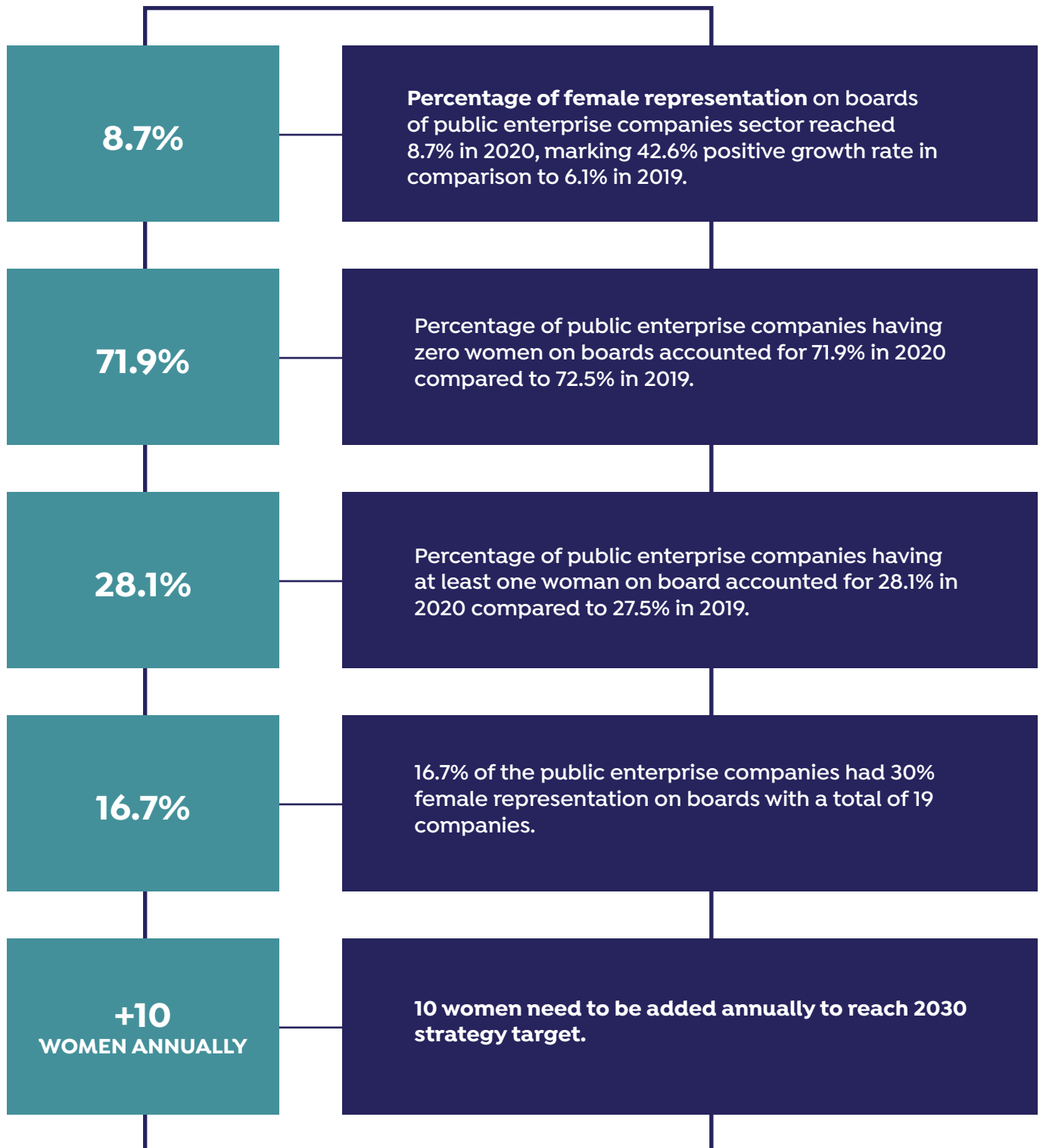
# THE EGYPTIAN EXCHANGE KEY TAKEAWAYS 2020



# THE BANKING SECTOR KEY TAKEAWAYS 2020



# THE PUBLIC ENTERPRISE SECTOR KEY TAKEAWAYS 2020



# THE FINANCIAL REGULATORY AUTHORITY

## KEY TAKEAWAYS 2020

14.7%

Percentage of female representation on boards of FRA companies reached 14.7% in 2020, marking **31.3% positive growth rate compared** to 11.2% in 2019 due to the entry of 80 new women to the boards of FRA companies.

47.5%

Percentage of FRA companies with **zero women on boards decreased from 58.8% in 2019 to 47.5% in 2020.**

52.5%

Percentage of FRA companies with **at least one woman on their boards increased from 41.2% in 2019 to 52.5% in 2020.**

18.7%

**18.7%** of FRA companies have **30% female representation on boards** with a total of 109 FRA companies.

**+48  
WOMEN ANNUALLY**

**48 women need to be added annually** to reach 2030 strategy target of FRA companies.



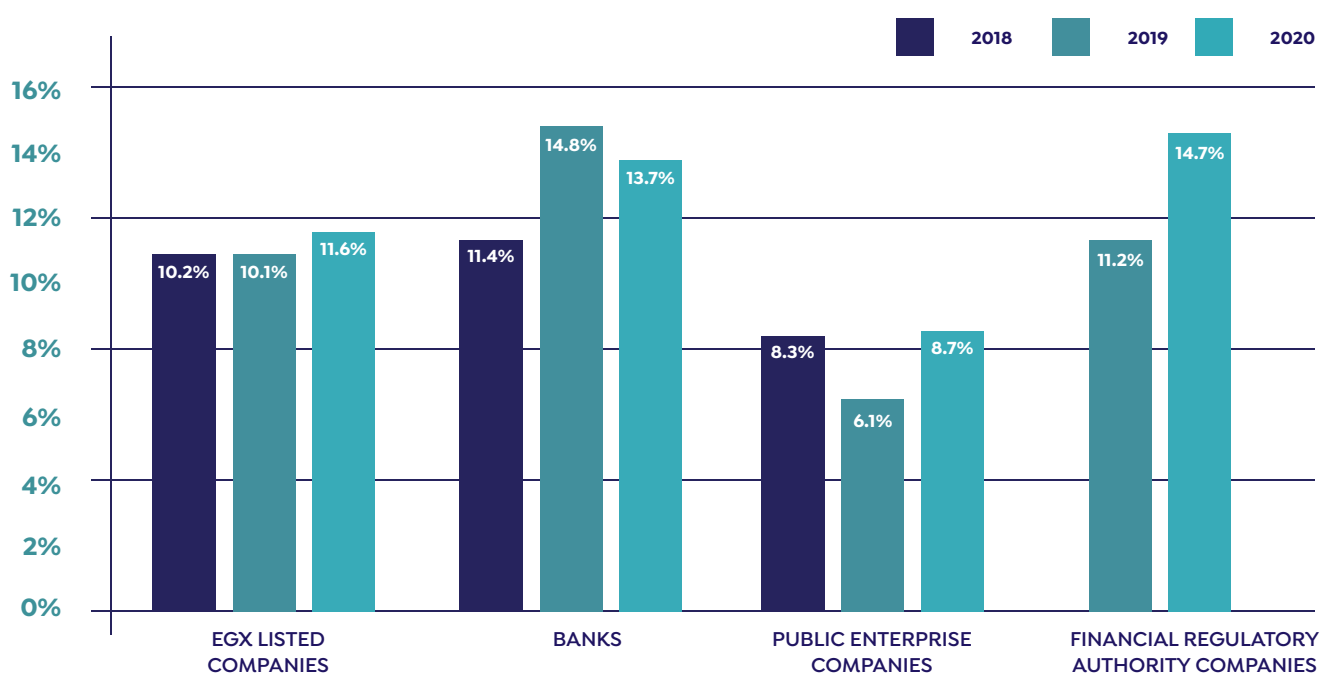
## WOMEN ON BOARDS BY CATEGORY 2020

An overall progress has been witnessed in 2020, where EGX listed companies have marked a positive increase in female representation on boards from 10.1% to 11.6% between 2019 and 2020. The public enterprise sector, also, encountered a positive improvement reaching 8.7% female representation on boards in 2020 compared to 6.1% in 2019. The FRA companies, significantly improved their female representation on boards to 14.7% in 2020 compared to 11.2% in 2019. On the other hand, the banking sector female representation has slightly declined from 14.8% in 2019 to 13.7% in 2020.

	EGX LISTED COMPANIES	BANKS	PUBLIC ENTERPRISE COMPANIES	FINANCIAL REGULATORY AUTHORITY COMPANIES
WOMEN BOARD MEMBERS	214	40	38	454
MEN BOARD MEMBERS	1,628	253	400	2,631
TOTAL NUMBER OF BOARD MEMBERS	1,842	293	438	3,085
PERCENTAGE OF WOMEN BOARD MEMBERS	11.6%	13.7%	8.7%	14.7%

## PERCENTAGE OF WOMEN ON BOARDS BY CATEGORY (2018-2020)

The chart below summarizes female representation on boards from 2018 to 2020. It indicates a positive inclining trend across EGX listed companies, public enterprise companies and FRA companies.\*<sup>2</sup> The banking sector indicator witnessed a slight decrease in 2020 following a positive pattern in previous years.



\*<sup>2</sup> - FRA 2018 data was not available to be included in the comparison.

## 2020 WOMEN ON BOARDS (WOB) INDICATOR IS 13%

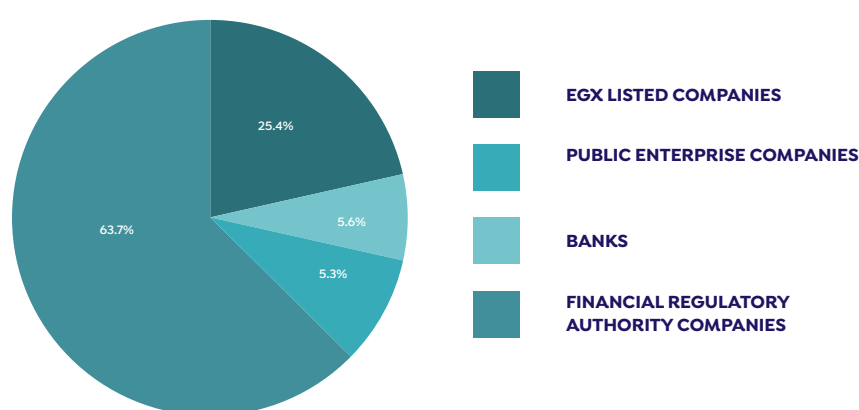
A total of **714** women were serving on boards of all companies and banks during 2020, representing **13%** of total board members.

The following section highlights the 2020 WoB indicator and the progress in the total number of women on boards of companies and banks included in the analysis.

As previously demonstrated, the overall improvements in all studied categories, had a positive effect on the WoB Indicator. The detailed breakdown of the WoB indicator by each category is presented in the following table. The highest female representation on boards was in the FRA companies and the banking sector having 14.7% and 13.7% respectively.

	Total Number of Board Members 2020	Number of Women on Boards 2020
The Egyptian Exchange	1,690	182 <sup>*3</sup>
The Banking Sector	293	40
The Public Enterprise Sector	438	38
The Financial Regulatory Authority	3,085	456 <sup>*4</sup>
<b>Total</b>	<b>5,506</b>	<b>714</b>

## DISTRIBUTION OF WOMEN ON BOARDS BY CATEGORY 2020



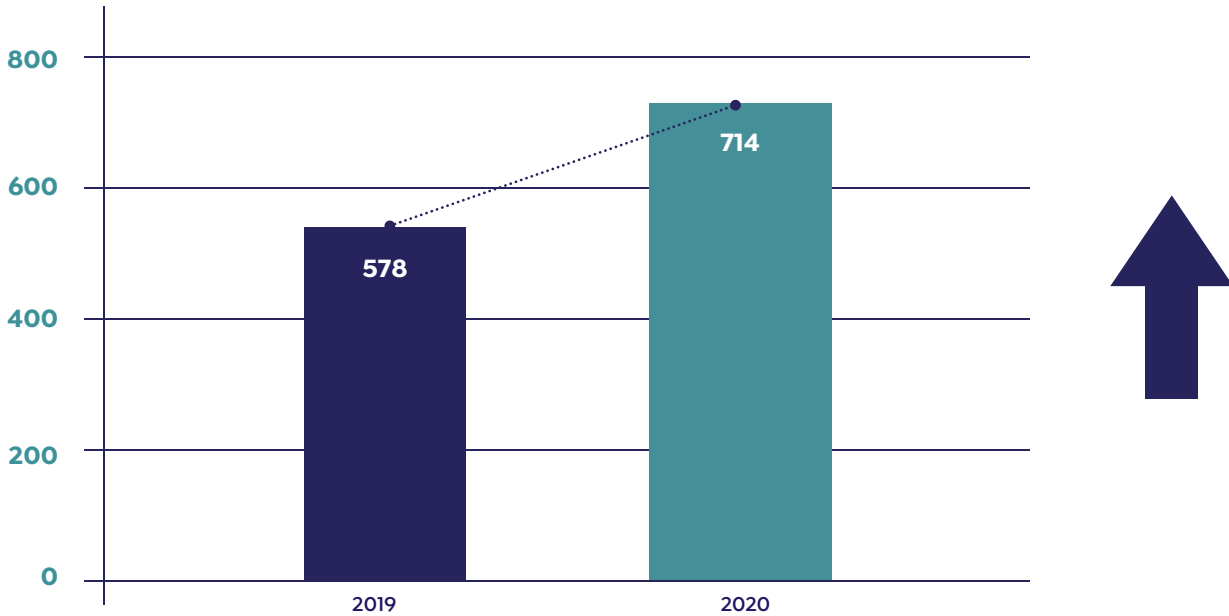
As per the 2020 distribution of women on boards above, almost two thirds of the total number of women were on the boards of FRA companies representing 63.7%. The percentage of women on boards of EGX listed companies, banks and public enterprise companies marked 25.4%, 5.6% and 5.3% respectively.

<sup>\*3</sup> - In the calculation of the women on boards' indicator, a total of 32 women were deducted from EGX listed companies data, 14 women from banks and 18 women from public enterprise companies, to avoid duplication.

<sup>\*4</sup> - In the calculation of the women on boards' indicator, data of EGX listed companies were excluded from total of FRA companies to avoid duplication.

## GROWTH PATTERN IN NUMBER OF WOMEN ON BOARDS (2019-2020)

In 2020, a 23.5% increase was observed in the aggregate number of women on boards (including EGX listed companies, banks, public enterprise companies and FRA companies), reaching 714 women compared to 578 women in 2019.



## WOMEN ON BOARDS (WOB) INDICATOR (2019-2020)

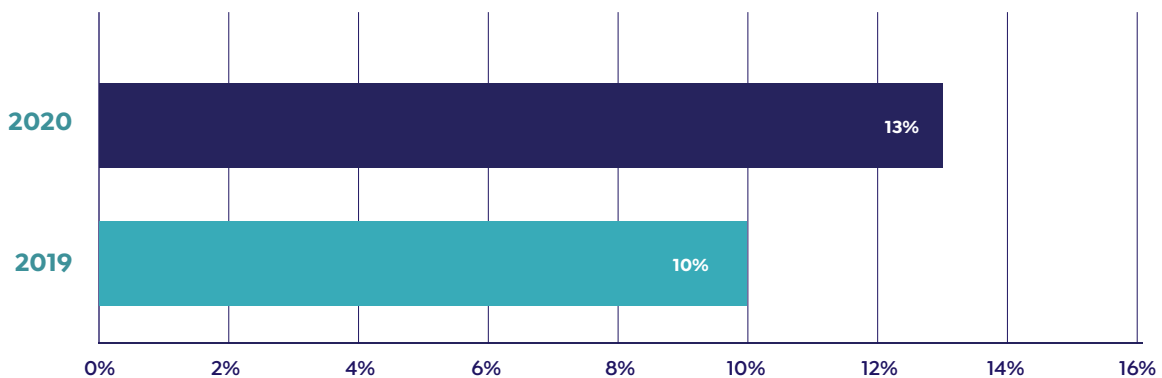
The overall outlook indicated an enhanced 2020 WoB indicator, realizing a positive growth rate of 30%, in only one year. This is attributed to the overall aggregate improved performance of female representation on boards.

	2019	2020	Rate of Change (2019-2020)
Women on Boards Indicator	10%	13%	30%

**30%**  
Positive Growth Rate

## GROWTH PATTERN IN WOMEN ON BOARDS (WOB) INDICATOR (2019-2020)

WOMEN ON BOARDS INDICATOR



## WAY FORWARD

Annually, a total of **95** qualified women are needed to join the boards of EGX listed companies (32 women), banks (5 women), public enterprise companies (10 women) and FRA companies (48 women).

The total cumulative number of women required to achieve the 2030 strategy target of 30% is 945 women, disaggregated as follows; EGX listed companies (320 women), banks (50 women), public enterprise companies (95 women) and FRA companies (480 women), for the upcoming 10 years until 2030.

	The Egyptian Exchange	The Banking Sector	The Public Enterprise Sector	The Financial Regulatory Authority
<b>Total gap of women on boards until 2030</b>	320	50	95	480
<b>Annual gap of women on boards until 2030 <sup>*5</sup></b>	32	5	10	48
<b>New Entrants of WoB 2020</b>	+23	-3	-5	+80

Compared to 2019, the 2020 calculated annual gap decreased by around 12 women.

Although, many companies and banks of the studied categories are true gender diversity champions, but still much effort is needed to reach 2030 strategy target.

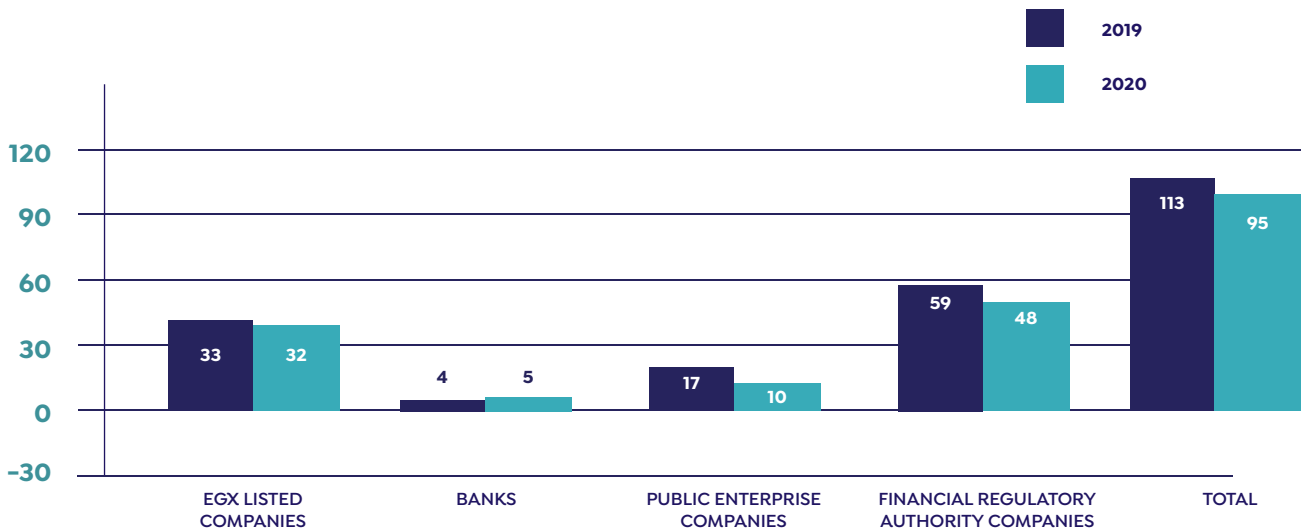
## RATE OF CHANGE IN THE ANNUAL GAP OF WOMEN ON BOARDS UNTIL 2030 (2019-2020)

The aggregate 2020 gap of women on boards witnessed an overall improvement. The gap decreased from 113 to 95 between 2019 and 2020 with a negative growth rate of 16%.

	2019	2020	Rate of Change (2019-2020)
<b>The Egyptian Exchange</b>	33	32	-3%
<b>The Banking Sector</b>	4	5	25%
<b>The Public Enterprise Sector</b>	17	10	-41.2%
<b>The Financial Regulatory Authority</b>	59	48	-18.6%
<b>Total</b>	113	98	-16%

*\*5 - The 2020 annual gap was calculated based on the current total number of women board members for the upcoming 10 years until 2030.*

## RATE OF CHANGE IN THE ANNUAL GAP OF WOMEN ON BOARDS UNTIL 2030 (2019- 2020)



## STATISTICAL ANALYSIS OF WOMEN ON BOARDS BY CATEGORY 2020

The following table compares the categories under study, by total number of women on boards, average number of women per board, maximum number of women per board and percentage of maximum female representation per board.

The highest average number of women per board was 1.2, found in the banking sector, followed by 0.9 in the Egyptian Exchange, then 0.8 in the Financial Regulatory Authority and 0.3 in the public enterprise sector.

The maximum number of women per board was found in the Egyptian Exchange followed by the Financial Regulatory Authority, with 7 and 6 women on boards, respectively. The lowest female representation was in the public enterprise sector, with an average of 0.3.

WOMEN ON BOARDS	THE EGYPTIAN EXCHANGE	THE BANKING SECTOR	THE PUBLIC ENTERPRISE SECTOR	THE FINANCIAL REGULATORY AUTHORITY
Number of Companies	239	34	114	583
Number of Women Board Members	214	40	38	454
Average Number of Women Per Board	0.9	1.2	0.3	0.8
Maximum Number of Women Per Board	7	3	3	6

## FEMALE REPRESENTATION ACCORDING TO THE NUMBER OF WOMEN ON BOARDS BY CATEGORY 2020

The table below demonstrates the female representation indicators according to the number of women on boards and the percentage of the 30% or more women on boards, by category.

The FRA companies have the highest number and percentage of companies having 30% or more women on boards with 109 companies accounting for 18.7% of the total FRA companies. Nevertheless, almost half of FRA companies had zero women on boards.

The FRA companies are expected to increase the number of women board members within the upcoming year to comply with FRA's decisions <sup>\*6</sup> to appoint at least one woman on their company boards, which will significantly improve the overall WoB Indicator.

The percentage of public enterprise companies with zero women on boards was the highest, accounting for 71.9% of total companies; 16.6% of their companies have 30% or more women on boards

The percentage of companies and banks with 3 or more women on the boards, was the highest amongst EGX listed companies and the banking sector with 5.9% each, respectively, followed by FRA companies with 5.7%.

2020	THE EGYPTIAN EXCHANGE	THE BANKING SECTOR	THE PUBLIC ENTERPRISE SECTOR	THE FINANCIAL REGULATORY AUTHORITY <sup>*7</sup>
Percentage of Women on Boards	11.6%	13.7%	8.7%	14.7%
Zero Women on Boards	42.7%	20.6%	71.9%	47.5%
One Woman on Board	34.7%	47.1%	23.7%	34.5%
Two Women on Boards	16.7%	26.5%	3.5%	12.5%
3 or More Women on Boards	5.9%	5.9%	0.9%	5.7%
30% or More Women on Boards	8.4%	9%	16.6%	18.7%

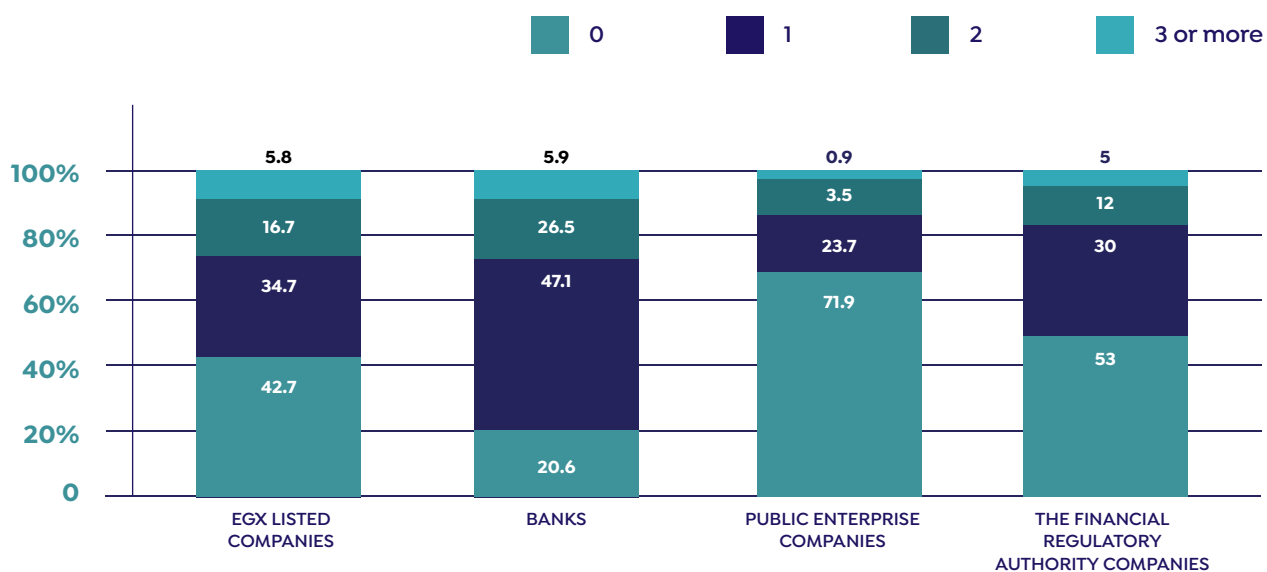
<sup>\*6</sup> - The Financial Regulatory Authority, FRA, board issued decrees 123 and 124 for the year 2019 containing an amendment in the rules of listing and delisting securities to ensure the representation of the female element in the boards of directors of listed companies in the Egyptian Exchange as well as companies operating in the field of non-banking financial activities.

<sup>\*7</sup> - Data of EGX listed companies were deducted from the calculation of FRA companies' female representation on boards to avoid duplication.

## PERCENTAGE OF COMPANIES AND BANKS ACCORDING TO THE NUMBER OF WOMEN ON BOARDS BY CATEGORY 2020

The diagram below summarizes the distribution of categories by number of women on boards in 2020 and a comparison between the percentage of companies and banks according to the number of women on boards.

Banks demonstrated the highest percentage having one woman on board for 47.1% and two women on boards for 26.5%, followed by EGX listed companies having one woman on board for 34.7% and two women on board for 16.7%.



In summary, the previous section has illustrated an increase in both the number of women on boards and the aggregates of female representation on boards, reaching 13% in 2020 and a total of 714 women on boards.

All categories, included in the report, have witnessed an improvement in their female representation on boards except for the banking sector, which encountered a slight decline in its representation from 14.8% in 2019 to 13.7% in 2020.

The calculated annual gap, to reach 30% female representation on boards of companies and banks by 2030, has decreased from 113 women to 95 women between 2019 and 2020.

Detailed analysis is in the full report.

## ABOUT THE WOMEN ON BOARDS OBSERVATORY

The Women on Boards Observatory was founded in 2017 by a consortium initiated by the American University in Cairo, School of Business. The Women on Boards Observatory is recognized as a specialized observatory within the framework of the National Council for Women, Egyptian Women Observatory and advocates for the presence of 30% women on boards in Egypt by 2030.

Partners of the Women on Boards Observatory represent a unique partnership, bringing together government, business associations, research institutions, international organizations and non-government organizations.

### PARTNER ORGANIZATIONS:

- The Ministry of Public Enterprise
- The Ministry of Planning and Economic Development
- The Central Bank of Egypt, CBE
- The Financial Regulatory Authority, FRA
- The Egyptian Exchange, EGX
- The National Council for Women
- The International Finance Corporation, IFC, in Egypt
- UN Women in Egypt
- The American University in Cairo School of Business
- The Women in Business Committee of The American Chamber of Commerce in Egypt
- European Bank for Reconstruction and Development, EBRD, in Egypt
- The Women and Memory Forum
- National institute for Governance and Sustainable Development
- The Swedish International Development Agency (SIDA)



## REGIONAL NETWORKS

### 30% CLUB MENA



The Women on Boards Observatory is a member of the 30% Club MENA. The 30% Club MENA is one of the global chapters of the UK-based 30% Club, which launched in London in 2010 with a goal of achieving 30% women on FTSE 100 boards by the end of 2015 (that goal was met in 2018). The 30% Club is a voluntary campaign driven by multi-sector business leaders working together to increase the participation of women on boards and in C-Level and Executive positions. With 14 chapters globally, the 30% Club has over 160 members representing multinational organizations, educational institutions, family-owned businesses and governments. The Women on Boards Observatory, in partnership with the 30% Club, is working to emulate the model across selected countries in the region in 2020.

### THE BOARDROOM AFRICA



The Women on Boards Observatory signed a MoU with The Boardroom Africa. The Boardroom Africa (TBR Africa) promotes exceptional female talent to boards across the continent. They break down barriers to help organizations realize the benefits of increased diversity on boards by accelerating the placement of female board directors. TBR Africa connects peer- endorsed, board-ready women with CEOs and Board Executives across Africa for access to board and investment committee service.

## NATIONAL NETWORKS

### BUSINESS WOMEN OF EGYPT 21 (BWE21)



BWE21 is a national platform for economic development, attracting partners and donors to design and implement national and international business initiatives to serve the growth of Egyptian businesswomen. Members come from a wide range of business backgrounds. They seek to positively impact businesswomen and the Egyptian economy through their business development services, networking and international partnerships. They help women by developing their skills and strengthening their economic power for the sake of their career growth.

### TOP 50 MOST INFLUENTIAL WOMEN FORUM



The Forum acts as a growing network of Egypt's most influential women in business, who are committed to a holistic approach of empowering women and strengthening their decision-making power and participation in the country's reform processes. Today, the Top 50 Women Forum has a current membership of over 200 most prominent and influential female ministers and executives in Finance, Banking, Investment, Trade, Tourism, Technology, Media, etc. By 2019, the Forum plans to include prominent women leaderships in the Middle East and North Africa.

## FLAGSHIP ACTIVITIES

### WOMEN ON BOARDS ANNUAL MONITORING REPORT

The report provides a snapshot of the representation of women on boards in different categories and provides an indicator for Women on Boards in Egypt. It, also, identifies the gap of women on boards in the sectors studied, with an aim to reach the target of the 2030 strategy.

### EGYPTIAN BOARD READY WOMEN DATABASE

The database of the Women on Boards Observatory is designed to support the placement of women on company boards based on their expertise. The database currently hosts records of women who are already serving on public and private company boards as well as candidates ready to be placed, with their economic sectors, areas of expertise, educational background and other parameters. The database is supported by UN Women in Egypt.<sup>8</sup>

### BOARD PLACEMENT SERVICE

The Women on Boards Observatory helps place and promote female talents on boards and connects board-ready women with CEOs and Board Executives using the Board Ready Women Database. A board placement service is offered to companies across several sectors encouraging them to realize the benefits of increased diversity on boards.

### CAPACITY BUILDING AND AWARENESS

Awareness and training activities are carried out for both male and female board members, as well as women in the pipeline for board membership. Programs are conducted with regional and international partners such as, the Financial Regulatory Authority, FRA, European Bank for Reconstruction and Development, EBRD, UN Women in Egypt and the International Finance Corporation, IFC, in Egypt.

*\*8 - Under the framework of the joint UN Women- ILO programme on promoting productive employment and decent work for women in Egypt, Jordan and Palestine that is implemented in partnership with the National Council for Women (NCW) and is generously funded by the Swedish International Development Agency (SIDA). Within this programme, UN Women partnered with the AUC to equip and expand a pool of women to be placed on boards through capacity building activities, releasing an observatory report on women on boards in Egypt and developing Egyptian board ready women database.*

## THE NATIONAL STRATEGY FOR THE EMPOWERMENT OF EGYPTIAN WOMEN 2030

The National Strategy for the Empowerment of Egyptian Women 2030, which adopts a rights-based approach and is grounded in the SDGs and Egypt's Sustainable Development Strategy 2030, was endorsed by the President in March 2017. The strategy promotes the leadership roles of women and holding key positions in public institutions and companies, setting the target for women in senior management posts by 2030 at 30%.

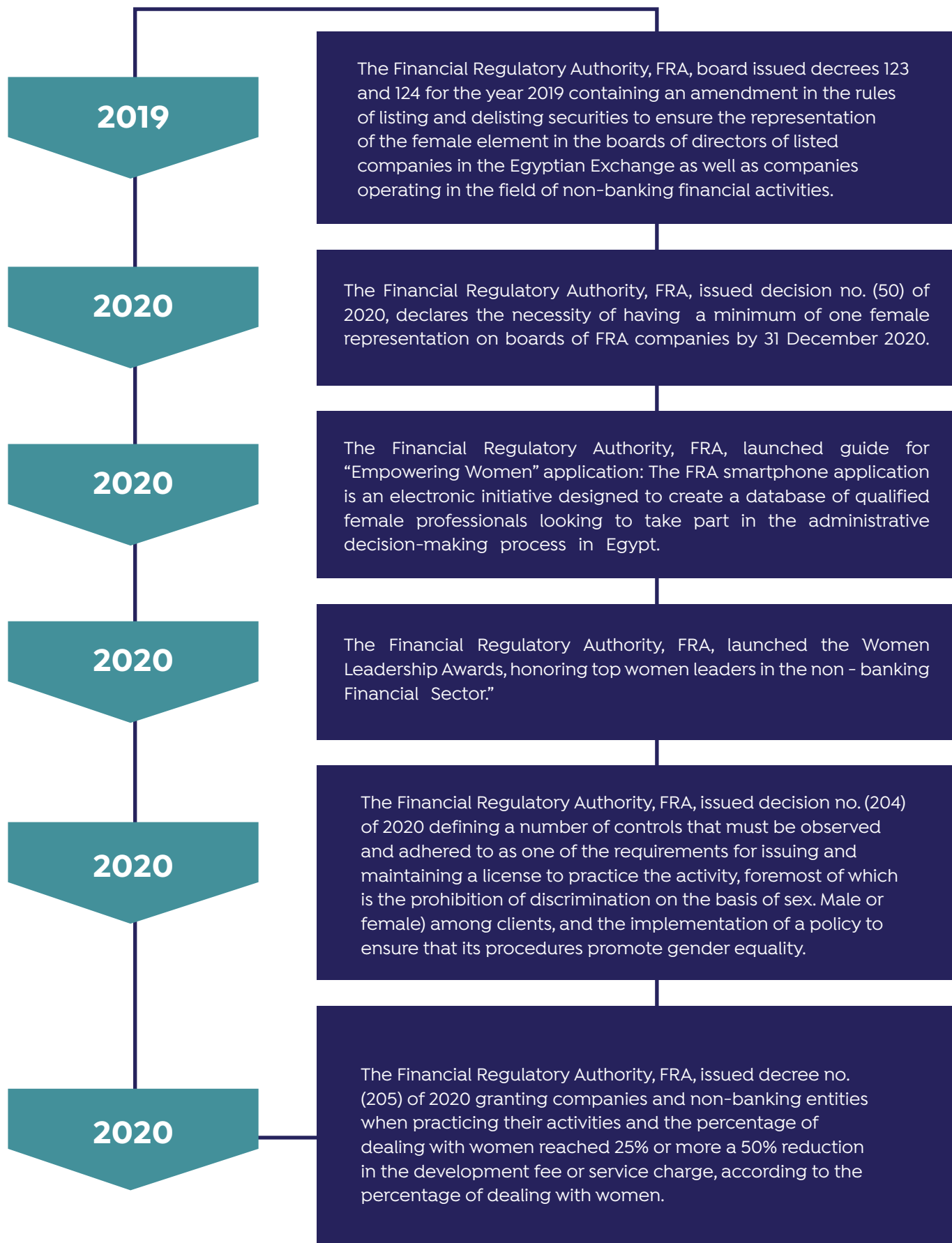
This target is closely aligned with the global 30% coalition movement for women on boards. Research shows that three women on a board is the “critical mass” that normalizes the presence and voice of women on boards.

“ One woman is a token,  
two is presence,  
three is voice. ”<sup>\*9</sup>

## THE FINANCIAL REGULATORY AUTHORITY'S (FRA) INITIATIVES TO ENHANCE FEMALE REPRESENTATION ON BOARDS

The Women on Boards Observatory considers the Financial Regulatory Authority's initiatives for non-banking financial services an important step to improve corporate governance practices and increase female representation on boards for EGX listed companies and FRA companies. They will , also, allow for a wider conversation with regards to the criteria and the processes for board membership for both men and women, so that all board directors are held accountable to the same standards.

<sup>\*9</sup> - Terjesen et al, 2009





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