

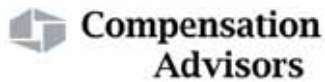
BankDirector®

Strong Board. Strong Bank.

2018 Compensation Survey

JUNE 2018 | RESEARCH

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EXECUTIVE SUMMARY

An effective board starts with having the right members, making board composition a key issue for today's banking industry. Forty-five percent of the directors and executives responding to Bank Director's 2018 Compensation Survey, sponsored by Compensation Advisors, a member of Meyer-Chatfield Group, say that developing a board succession plan is a top challenge related to board composition, followed by the recruitment of tech-savvy directors, at 44 percent.

More than 200 chief executive officers, human resources officers, senior executives and board members participated in the survey, conducted in March and April 2018, which examines the talent challenges faced by the banking industry. The survey also includes data collected from proxy statements to reveal how—and how much—CEOs, directors and chairmen were compensated in fiscal year 2017.

Thirty-five percent of respondents cite the recruitment of female directors as a top board challenge, an area where the industry appears to have made some improvement. Seventy-seven percent of respondents indicate that their board has at least one female member, up from two-thirds last year. However, boards still have progress to make, with just 14 percent indicating that their board has three or more female members. And boards still struggle to represent diverse ethnic backgrounds—77 percent report that their board doesn't have a single ethnically diverse director. They also need to gain more age-diverse views, with just 16 percent reporting they have a director who is aged 40 years old or younger.

Conducting an effective board evaluation—which rates the effectiveness of individual directors, as well as the board—is cited by 42 percent as a top governance challenge. Board evaluations are often touted as effective tools to fuel board diversity efforts, because they identify ineffective directors and help push them out of the boardroom, leaving empty seats to be filled with the skill sets, expertise and backgrounds needed by today's board.

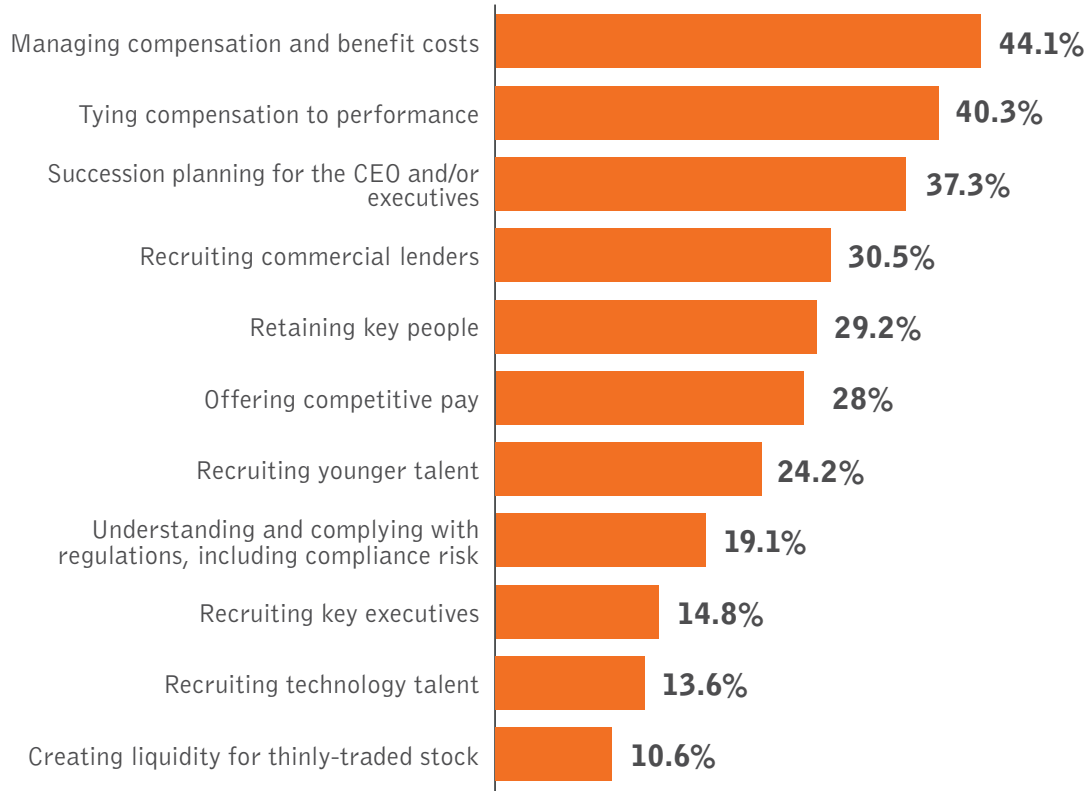
Other key findings:

- Commercial lenders remain in high demand, cited by 68 percent of respondents as an area where they expect to actively recruit employees in 2018, followed by technology, at 38 percent.
- Forty-seven percent indicate their bank has increased salaries over the past three years to attract younger talent. Twenty-seven percent offer more equity compensation or profit-sharing incentives.
- Forty-four percent indicate their bank has dedicated more resources to train young employees. Overall, 80 percent offer external training as a benefit to employees, and 74 percent say their bank has an in-house training program.
- The median age of a bank CEO is 58 years old. The median CEO salary in FY 2017 was \$370,232, with total compensation at \$621,000.
- Paying board members appears to be a low-level concern: Just 14 percent indicate that offering a competitive director compensation package is a top challenge faced by the board.
- Seventy percent of non-executive chairmen and outside directors receive a meeting fee, at a median of \$1,000 per board meeting in FY 2017. More than three-quarters of non-executive chairmen, and 71 percent of outside directors, receive an annual retainer, at a median of \$35,000 and \$24,000, respectively.
- Fifty-one percent most recently increased director compensation in 2017 or 2018, and one-quarter raised director pay in 2016.

TODAY'S TALENT LANDSCAPE

1. What are your top three compensation challenges for 2018?

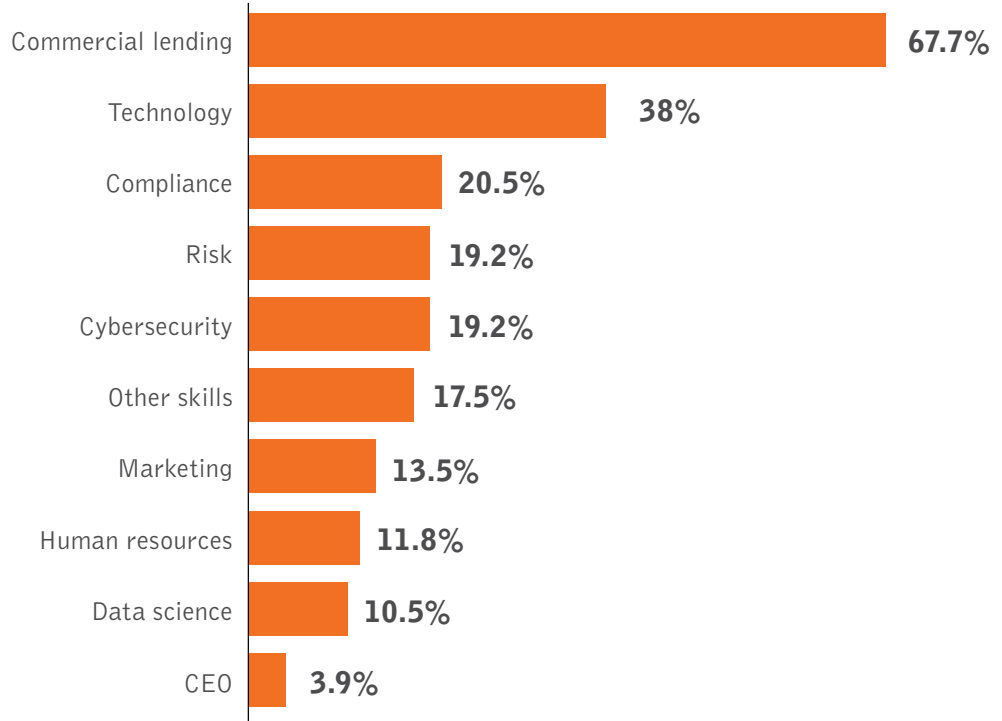
Respondents were asked to select no more than three.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Managing compensation and benefit costs	21.1%	50%	32.8%	53.8%	51.5%	44.1%
Tying compensation to performance	57.9%	41.2%	35.9%	38.5%	39.4%	40.3%
Succession planning for the CEO and/or executives	31.6%	42.6%	34.4%	30.8%	45.5%	37.3%
Recruiting commercial lenders	26.3%	29.4%	32.8%	32.7%	27.3%	30.5%
Retaining key people	21.1%	23.5%	39.1%	28.8%	27.3%	29.2%
Offering competitive pay	42.1%	26.5%	29.7%	25%	24.2%	28%
Recruiting younger talent	15.8%	20.6%	26.6%	25%	30.3%	24.2%
Understanding and complying with regulations, including compliance risk	21.1%	17.6%	21.9%	17.3%	18.2%	19.1%
Recruiting key executives	15.8%	13.2%	17.2%	15.4%	12.1%	14.8%
Recruiting technology talent	15.8%	20.6%	9.4%	15.4%	3%	13.6%
Creating liquidity for thinly-traded stock	–	13.2%	9.4%	15.4%	6.1%	10.6%

2. What skills do you expect your bank to actively recruit for in 2018?

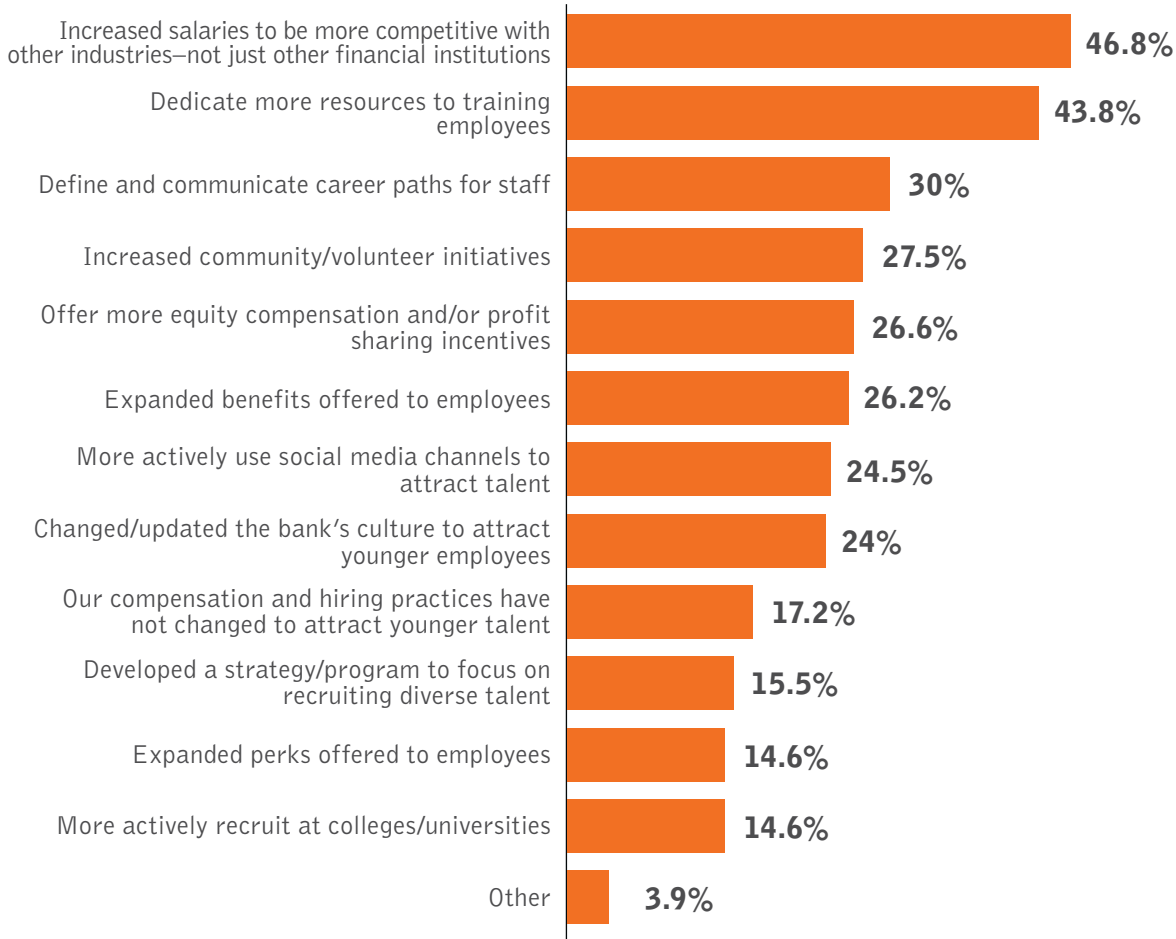
Respondents were asked to select all that apply.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Commercial lending	70.6%	70.1%	68.3%	72.5%	51.6%	67.7%
Technology	58.8%	46.3%	38.1%	35.3%	12.9%	38%
Compliance	23.5%	19.4%	25.4%	23.5%	6.5%	20.5%
Risk	35.3%	19.4%	22.2%	15.7%	9.7%	19.2%
Cybersecurity	41.2%	26.9%	15.9%	13.7%	6.5%	19.2%
Other skills	–	16.4%	19%	17.6%	25.8%	17.5%
Marketing	17.6%	17.9%	11.1%	11.8%	9.7%	13.5%
Human resources	5.9%	14.9%	11.1%	11.8%	9.7%	11.8%
Data science	23.5%	17.9%	7.9%	3.9%	3.2%	10.5%
CEO	–	6%	1.6%	3.9%	6.5%	3.9%

3. How have your bank's compensation and hiring practices changed over the past three years to attract and retain younger talent?

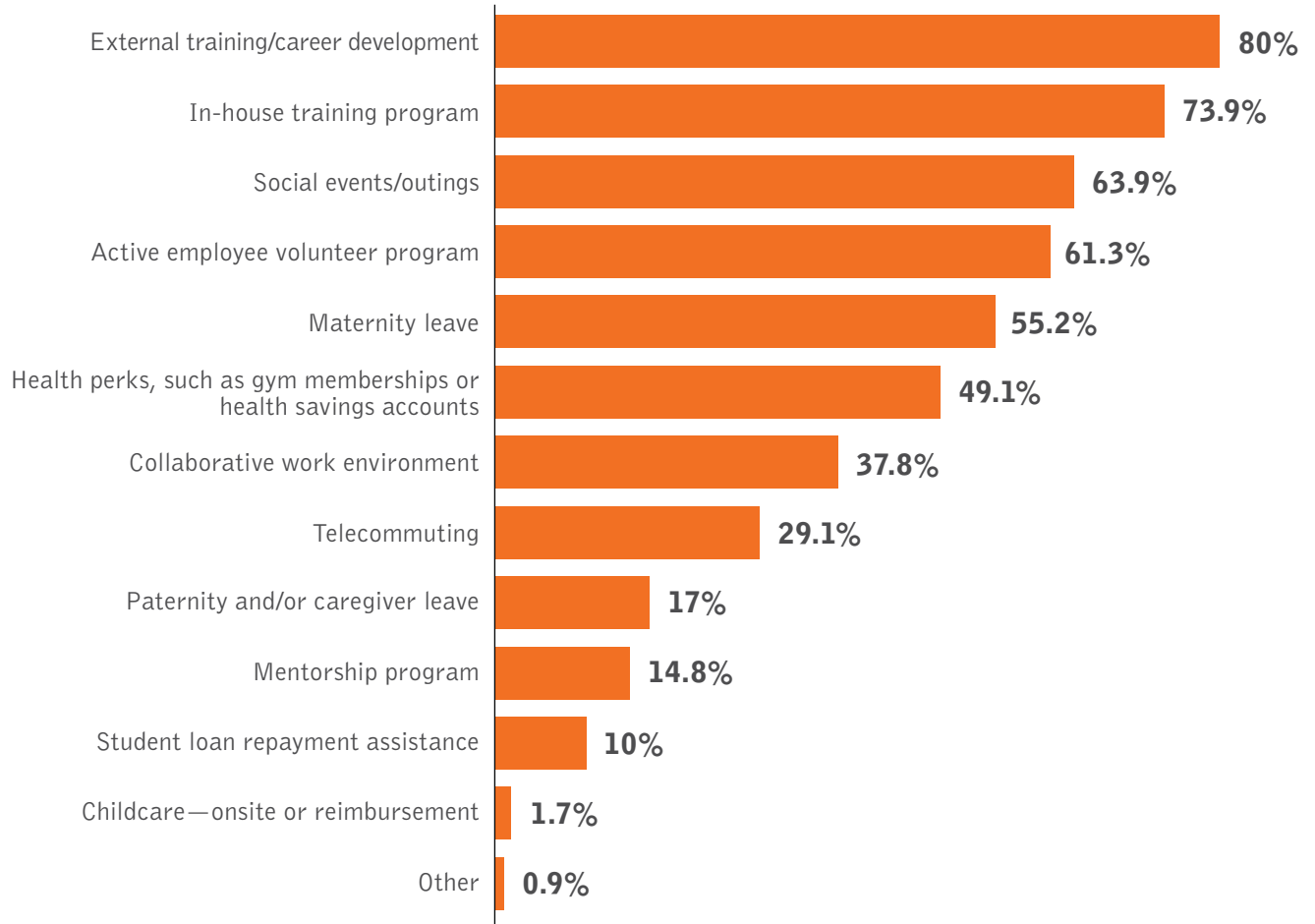
Respondents were asked to select all that apply.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Increased salaries to be more competitive with other industries—not just other financial institutions	23.5%	61.2%	37.5%	50%	42.4%	46.8%
Dedicate more resources to training employees	58.8%	41.8%	45.3%	46.2%	33.3%	43.8%
Define and communicate career paths for staff	41.2%	25.4%	34.4%	28.8%	27.3%	30%
Increased community/volunteer initiatives	17.6%	31.3%	28.1%	26.9%	24.2%	27.5%
Offer more equity compensation and/or profit sharing incentives	41.2%	26.9%	28.1%	25%	18.2%	26.6%
Expanded benefits offered to employees	11.8%	17.9%	26.6%	34.6%	36.4%	26.2%
More actively use social media channels to attract talent	17.6%	38.8%	17.2%	23.1%	15.2%	24.5%
Changed/updated the bank's culture to attract younger employees	17.6%	34.3%	18.8%	25%	15.2%	24%
Our compensation and hiring practices have not changed to attract younger talent	23.5%	17.9%	15.6%	17.3%	15.2%	17.2%
Developed a strategy/program to focus on recruiting diverse talent	29.4%	17.9%	14.1%	13.5%	9.1%	15.5%
Expanded perks offered to employees	–	4.5%	18.8%	19.2%	27.3%	14.6%
More actively recruit at colleges/universities	11.8%	22.4%	10.9%	17.3%	3%	14.6%
Other	11.8%	1.5%	3.1%	3.8%	6.1%	3.9%

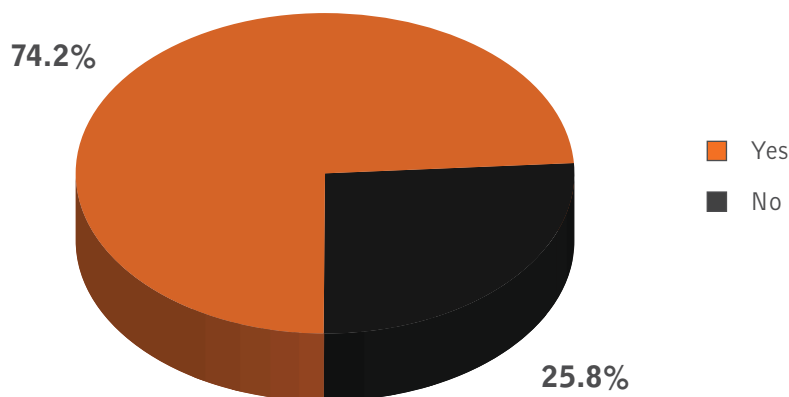
4. Which of the following perks does the bank offer for at least some of its employees?

Respondents were asked to select all that apply.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
External training/career development	66.7%	85.1%	84.6%	72.5%	78.1%	80%
In-house training program	73.3%	88.1%	67.7%	62.7%	75%	73.9%
Social events/outings	46.7%	73.1%	63.1%	64.7%	53.1%	63.9%
Active employee volunteer program	80%	77.6%	56.9%	45.1%	53.1%	61.3%
Maternity leave	73.3%	58.2%	52.3%	51%	53.1%	55.2%
Health perks, such as gym memberships or health savings accounts	66.7%	40.3%	56.9%	54.9%	34.4%	49.1%
Collaborative work environment	40%	49.3%	32.3%	27.5%	40.6%	37.8%
Telecommuting	46.7%	34.3%	29.2%	25.5%	15.6%	29.1%
Paternity and/or caregiver leave	46.7%	22.4%	13.8%	11.8%	6.3%	17%
Mentorship program	40%	28.4%	1.5%	7.8%	12.5%	14.8%
Student loan repayment assistance	–	16.4%	12.3%	7.8%	–	10%
Childcare—onsite or reimbursement	–	3%	1.5%	–	3.1%	1.7%
Other	–	1.5%	1.5%	–	–	0.9%

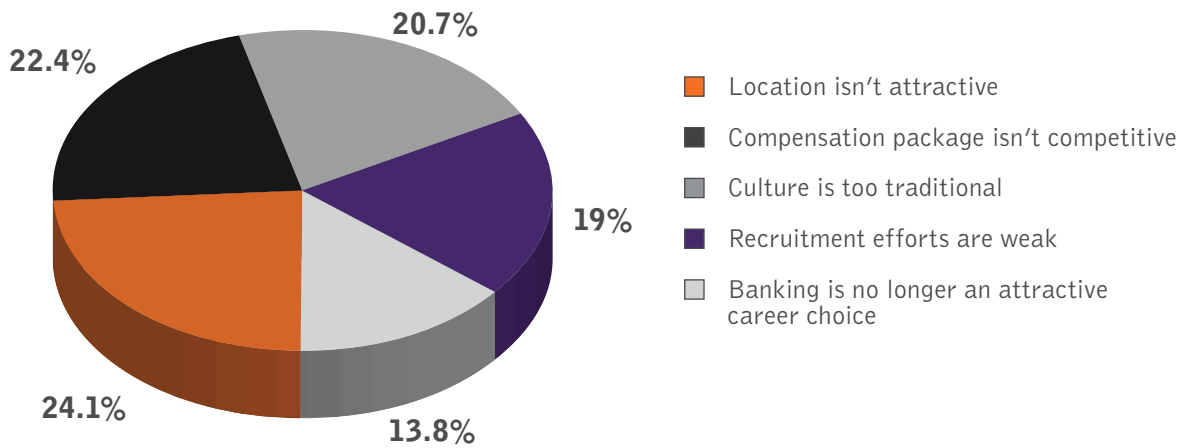
5. Are you satisfied with the bank’s ability to attract and retain the talent needed to ensure the future success of the bank?



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	88.2%	73.5%	78.1%	70.6%	66.7%	74.2%
No	11.8%	26.5%	21.9%	29.4%	33.3%	25.8%

6. What is the primary barrier that prevents your bank from attracting and retaining the talent it needs?

Question was only asked of respondents who indicated dissatisfaction with their bank’s ability to attract and retain talent.



CEO COMPENSATION

7. The CEO at my bank received the following types of compensation in FY 2017.

Respondents were asked to select all that apply. Proxy data included.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Salary	98.3%	100%	100%	100%	100%	99.7%
Cash incentive	91.4%	86.7%	84.6%	80.4%	71.9%	84.6%
Other benefits & perks	79.3%	76.5%	78.2%	60.9%	59.4%	73.4%
Equity grants	86.2%	61.2%	50%	21.7%	21.9%	53.2%
Nonqualified deferred compensation and/or retirement benefit	53.4%	51%	52.6%	52.2%	31.3%	50%

Ownership Structure	Public	Private	Mutual	Total
Salary	99.4%	100%	100%	99.7%
Cash incentive	88.3%	77.2%	94.4%	84.6%
Other benefits & perks	81.7%	62.3%	61.1%	73.4%
Equity grants	75.6%	26.3%	–	53.2%
Nonqualified deferred compensation and/or retirement benefit	53.3%	41.2%	72.2%	50%

8. Enter the cash compensation amounts for the CEO of your bank for FY 2017.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank. *Indicates a count of less than 10 within a field.

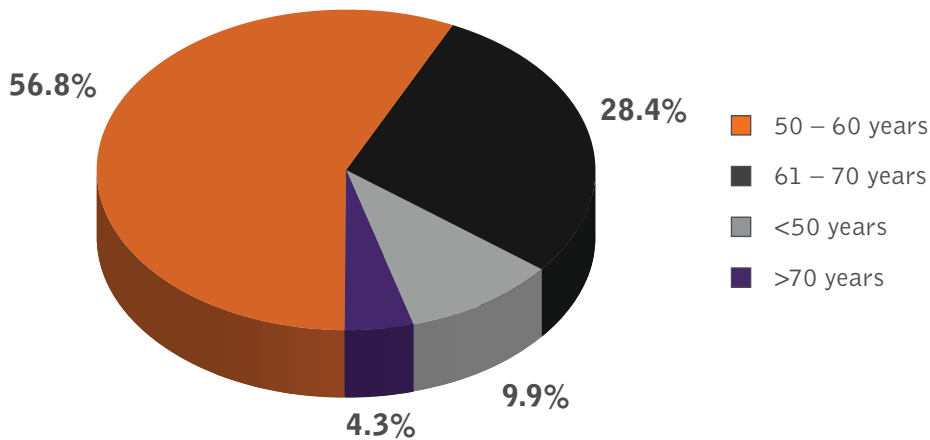
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Salary	\$800,000	\$420,000	\$330,000	\$237,500	\$175,000	\$370,232
Cash incentive	\$991,000	\$179,310	\$91,500	\$49,750	\$33,100	\$124,200
Equity grants (fair market value)	\$1,561,760	\$160,000	\$81,438	\$22,500	\$25,475*	\$162,784
Benefits & perks	\$158,048	\$54,657	\$32,500	\$25,000	\$12,760	\$40,000
Total CEO compensation	\$3,334,673	\$767,141	\$476,750	\$311,000	\$229,500	\$621,000

Ownership Structure	Public	Private	Mutual	Total
Salary	\$443,456	\$247,500	\$325,000	\$370,232
Cash incentive	\$217,000	\$65,000	\$52,900	\$124,200
Equity grants (fair market value)	\$212,300	\$68,000	\$37,910*	\$162,784
Benefits & perks	\$54,657	\$24,000	\$30,000	\$40,000
Total CEO compensation	\$875,213	\$362,500	\$417,000	\$621,000

Region	South	Northeast	Midwest	West	Total
Salary	\$353,106	\$425,000	\$306,859	\$350,000	\$370,232
Cash incentive	\$127,800	\$179,310	\$75,000	\$200,000	\$124,200
Equity grants (fair market value)	\$169,219	\$184,450	\$105,314	\$140,000	\$162,784
Benefits & perks	\$35,000	\$64,422	\$30,000	\$50,000	\$40,000
Total CEO compensation	\$537,450	\$808,935	\$462,000	\$660,000	\$621,000

9. What is the age of your bank’s CEO?

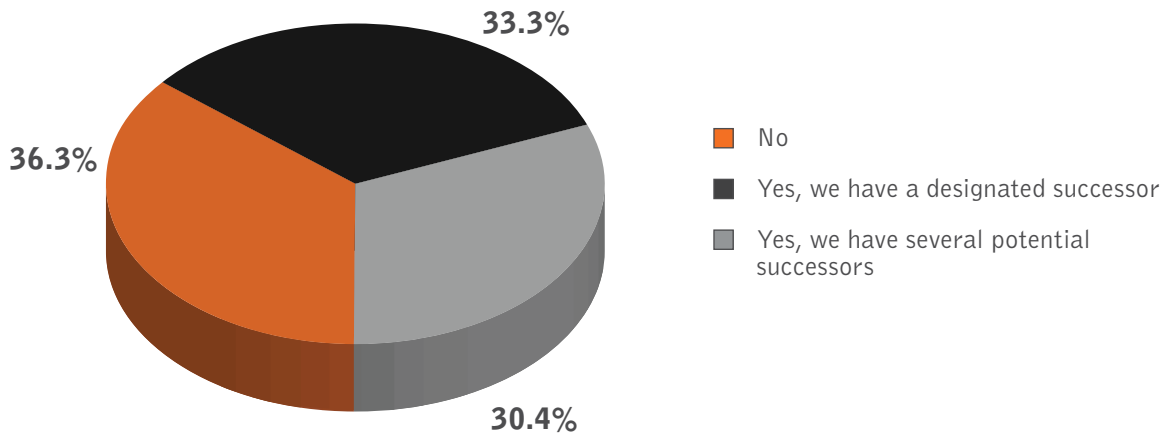
Proxy data included.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Median CEO Age	59	57	58	56	59	58

Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
<50 years	5.3%	5.2%	15.5%	8.3%	23.3%	9.9%
50 – 60 years	54.4%	69.1%	50.7%	62.5%	33.3%	56.8%
61 – 70 years	38.6%	24.7%	33.8%	22.9%	33.3%	28.4%
>70 years	1.8%	1%	–	6.3%	10%	4.3%

10. Has your bank identified a successor or potential successors for the CEO?



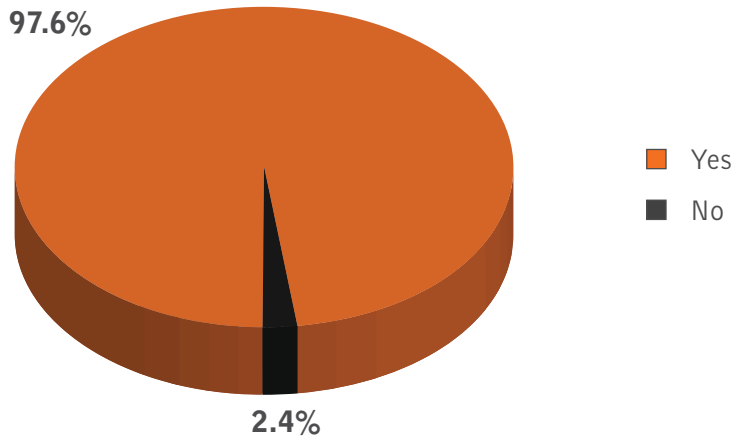
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No	12.5%	47.4%	29.3%	37.2%	40%	36.3%
Yes, we have a designated successor	62.5%	26.3%	27.6%	37.2%	36.7%	33.3%
Yes, we have several potential successors	25%	26.3%	43.1%	25.6%	23.3%	30.4%

Ownership structure	Public	Private	Mutual	Total
No	32.5%	40.4%	27.8%	36.3%
Yes, we have a designated successor	37.7%	26.6%	55.6%	33.3%
Yes, we have several potential successors	29.9%	33%	16.7%	30.4%

BOARD COMPENSATION

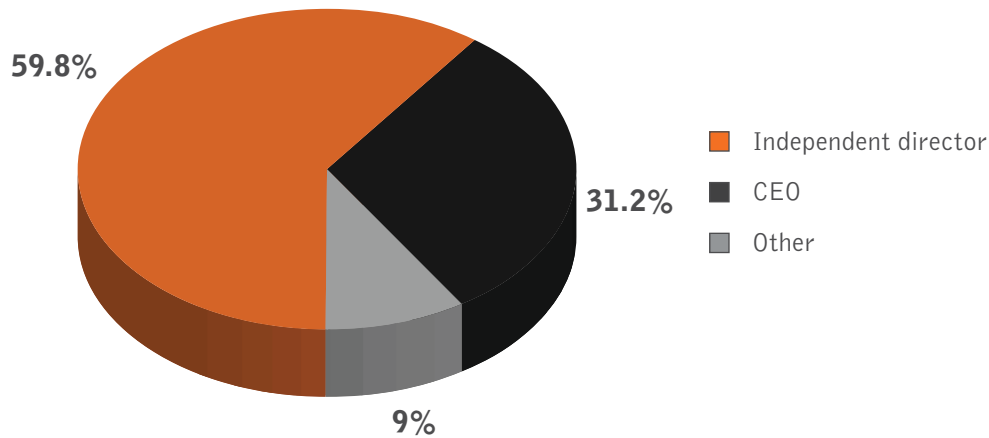
11. Do your directors and/or non-executive chairman receive compensation for board service?

Proxy data included.



12. Is the chairman of the board also the CEO or an independent director?

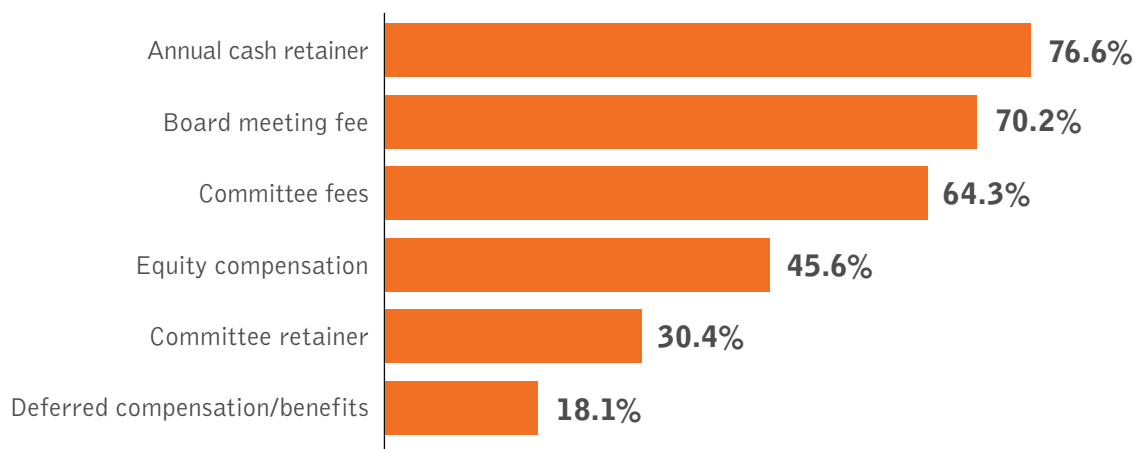
Proxy data included.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Independent director	41.2%	63.1%	67.4%	64.3%	55.8%	59.8%
CEO	47.1%	23.8%	28.4%	27.1%	39.5%	31.2%
Other	11.8%	13.1%	4.2%	8.6%	4.7%	9%

13. The non-executive chairman at my bank receives the following types of compensation.

Respondents were asked to select all that apply. Proxy data included. Question was only asked of respondents who indicate that the chairman is an independent director and that the directors and/or non-executive chairman receive compensation.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Annual cash retainer	95.8%	96.7%	60.5%	58.1%	46.2%	76.6%
Board meeting fee	45.8%	61.7%	81.4%	90.3%	69.2%	70.2%
Committee fees	50%	71.7%	65.1%	64.5%	53.8%	64.3%
Equity compensation	66.7%	51.7%	48.8%	22.6%	23.1%	45.6%
Committee retainer	87.5%	36.7%	16.3%	6.5%	–	30.4%
Deferred compensation/benefits	4.2%	28.3%	14%	16.1%	15.4%	18.1%

Ownership structure	Public	Private	Mutual	Total
Annual cash retainer	88.5%	51.9%	84.6%	76.6%
Board meeting fee	62.5%	83.3%	76.9%	70.2%
Committee fees	64.4%	63%	69.2%	64.3%
Equity compensation	63.5%	16.7%	23.1%	45.6%
Committee retainer	47.1%	5.6%	–	30.4%
Deferred compensation/benefits	17.3%	13%	46.2%	18.1%

14. Enter the cash compensation amounts for non-executive chairmen at your bank for FY 2017.

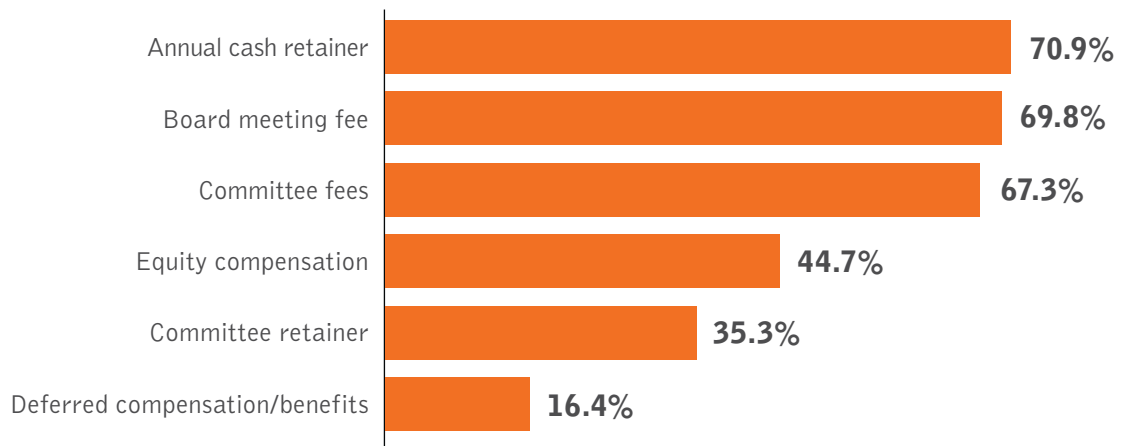
Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank. Question was only asked of respondents who indicate that the directors and/or non-executive chairman receive compensation. *Indicates a count of less than 10 within a field.

NON-EXECUTIVE CHAIRMAN						
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Fee per board meeting	\$1,500	\$775	\$1,000	\$800	\$800*	\$1,000
Annual cash retainer	\$95,000	\$45,000	\$27,550	\$8,400	\$4,000*	\$35,000
Equity compensation	\$46,975	\$25,000	\$18,532	\$10,000*	\$8,866*	\$22,500

NON-EXECUTIVE CHAIRMAN				
Ownership structure	Public	Private	Mutual	Total
Fee per board meeting	\$1,000	\$1,000	\$1,000*	\$1,000
Annual cash retainer	\$46,175	\$12,000	\$27,460	\$35,000
Equity compensation	\$25,000	\$14,000	\$2,600*	\$22,500

15. Outside directors at my bank receive the following types of compensation.

Respondents were asked to select all that apply. Proxy data included. Question was only asked of respondents who indicate that the directors and/or non-executive chairman receive compensation.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Annual cash retainer	96.1%	86.8%	51.5%	47.6%	52%	70.9%
Board meeting fee	39.2%	68.1%	84.8%	92.9%	60%	69.8%
Committee fees	51%	73.6%	75.8%	73.8%	44%	67.3%
Equity compensation	80.4%	47.3%	39.4%	23.8%	12%	44.7%
Committee retainer	88.2%	40.7%	15.2%	9.5%	4%	35.3%
Deferred compensation/benefits	7.8%	23.1%	15.2%	16.7%	12%	16.4%

Ownership structure	Public	Private	Mutual	Total
Annual cash retainer	84.2%	50.5%	53.3%	70.9%
Board meeting fee	61.2%	83.2%	80%	69.8%
Committee fees	65.5%	70.5%	66.7%	67.3%
Equity compensation	64.8%	13.7%	20%	44.7%
Committee retainer	53.3%	9.5%	–	35.3%
Deferred compensation/benefits	16.4%	12.6%	40%	16.4%

16. Enter the cash compensation amounts for independent directors at your bank for FY 2017.

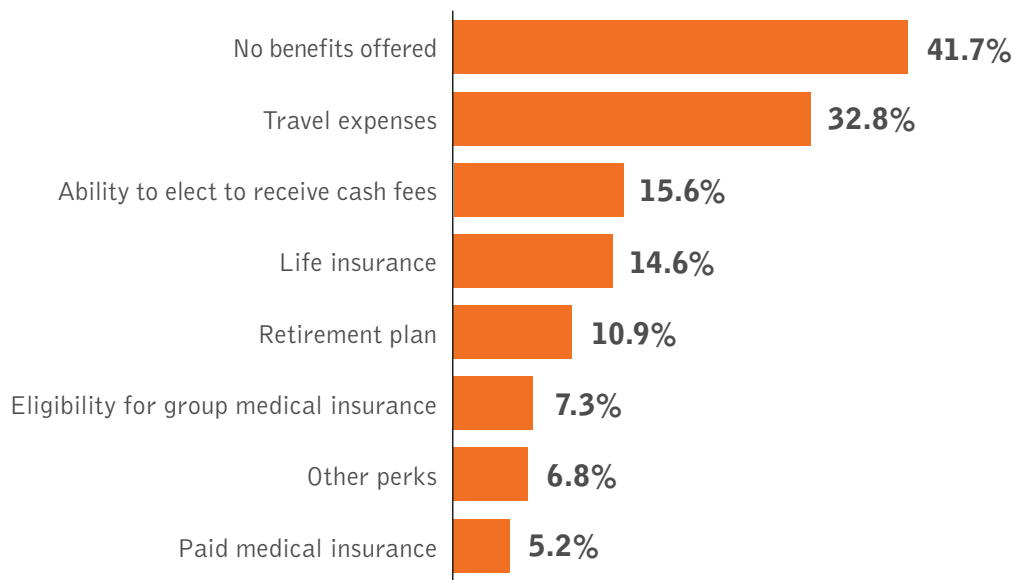
Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank. Question was only asked of respondents who indicate that the directors and/or non-executive chairman receive compensation. *Indicates a count of less than 10 within a field.

INDEPENDENT DIRECTOR						
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Fee per board meeting	\$1,500	\$850	\$1,000	\$725	\$800	\$1,000
Annual cash retainer	\$60,000	\$25,000	\$12,500	\$5,175	\$12,000	\$24,000
Equity compensation	\$65,450	\$21,292	\$14,160	\$4,443	\$14,000*	\$27,738

INDEPENDENT DIRECTOR				
Ownership structure	Public	Private	Mutual	Total
Fee per board meeting	\$1,000	\$800	\$1,000	\$1,000
Annual cash retainer	\$31,500	\$11,150	\$17,750*	\$24,000
Equity compensation	\$29,949	\$8,500	\$2,600*	\$27,738

17. Which of the following benefits and perks are offered to independent directors?

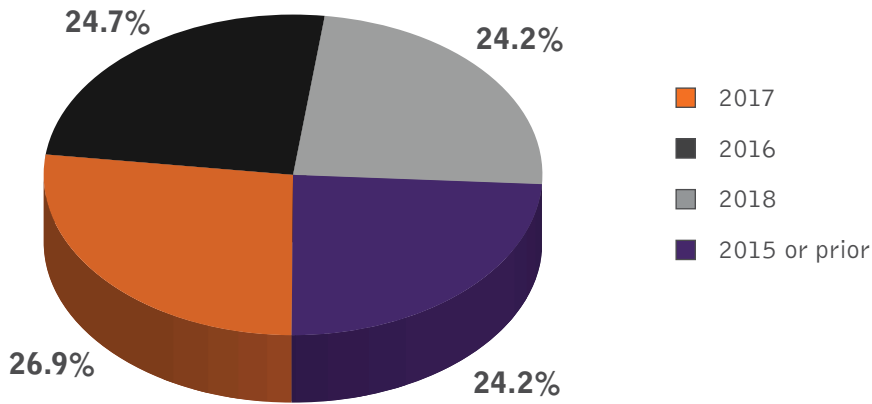
Respondents were asked to select all that apply. Proxy data included where available



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No benefits offered	23.5%	36.2%	39.2%	52.4%	54.2%	41.7%
Travel expenses	58.8%	36.2%	37.3%	19%	20.8%	32.8%
Ability to elect to receive cash fees	29.4%	15.5%	23.5%	4.8%	8.3%	15.6%
Life insurance	11.8%	17.2%	13.7%	16.7%	8.3%	14.6%
Retirement plan	11.8%	10.3%	15.7%	7.1%	8.3%	10.9%
Eligibility for group medical insurance	11.8%	3.4%	9.8%	9.5%	4.2%	7.3%
Other perks	–	10.3%	2%	7.1%	12.5%	6.8%
Paid medical insurance	–	5.2%	5.9%	4.8%	8.3%	5.2%

18. When did the board last raise director pay?

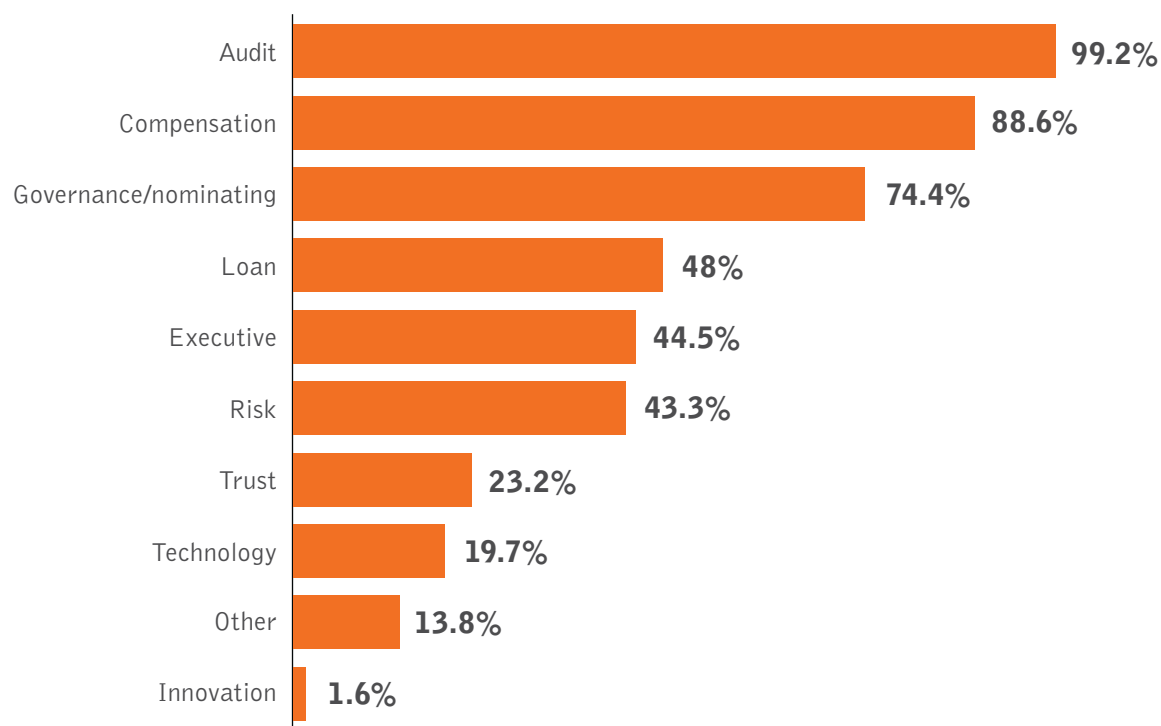
Question was only asked of respondents who indicate that the directors and/or non-executive chairman receive compensation.



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
2017	57.1%	28.8%	36.7%	12.2%	11.5%	26.9%
2016	14.3%	30.8%	14.3%	34.1%	23.1%	24.7%
2018	14.3%	25%	26.5%	22%	26.9%	24.2%
2015 or prior	14.3%	15.4%	22.4%	31.7%	38.5%	24.2%

19. Which board-level committees does your bank have?

Respondents were asked to select all that apply. Proxy data included



Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	97.9%	98.9%	100%	100%	100%	99.2%
Compensation	97.9%	96.6%	91.8%	63.9%	68.2%	88.6%
Governance/nominating	95.8%	92%	65.6%	38.9%	40.9%	74.4%
Loan	8.3%	40.2%	65.6%	75%	72.7%	48%
Executive	41.7%	47.1%	41%	47.2%	45.5%	44.5%
Risk	77.1%	42.5%	31.1%	33.3%	22.7%	43.3%
Trust	10.4%	28.7%	27.9%	22.2%	18.2%	23.2%
Technology	14.6%	16.1%	19.7%	25%	36.4%	19.7%
Other	12.5%	10.3%	16.4%	22.2%	9.1%	13.8%
Innovation	2.1%	1.1%	3.3%	–	–	1.6%

20. How many times did the following meet in FY 2017?

Median value reported. Proxy data included. *Indicates a count of less than 10 within a field.

Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Holding company	9	12	12	6	9	10
Lead bank	9	12	12	12	12	12
Audit committee	10	5	5	4	4	5
Compensation committee	7	4	4	3	2	4
Executive committee	5	4	4	10	4*	4
Governance/nominating committee	5	3	3	3	2*	4
Loan committee	12*	12	15	12	12	12
Risk committee	6	5	4	4	6*	5
Technology committee	5*	4	4*	4*	2*	4
Trust committee	4	4	4	12*	4*	4

21. How many board members currently serve on each?

Median value reported. Proxy data included. *Indicates a count of less than 10 within a field.

Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Holding company	12	12	9	7	7	10
Lead bank	12	12	10	8	7	10
Audit committee	5	4	4	4	4	4
Compensation committee	4	4	4	4	4	4
Executive committee	6	5	5	4	5*	5
Governance/nominating committee	4	4	4	3	3*	4
Loan committee	5*	6	5	5	6	5
Risk committee	6	4	5	5*	4*	5
Technology committee	4*	4	3*	5*	3*	4
Trust committee	6	4	4	3*	4*	4

22. Enter the per-meeting fees your bank paid in FY 2017 for each committee.

Median value reported. Proxy data included. *Indicates a count of less than 10 within a field.

COMMITTEE MEMBER						
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	\$1,500	\$600	\$375	\$300	\$225	\$500
Compensation	\$1,500	\$500	\$375	\$275	\$300*	\$500
Executive	\$1,500*	\$500	\$500	\$300*	\$138*	\$500
Governance/nominating	\$1,500	\$500	\$338	\$300*	\$300*	\$500
Loan	\$1,500*	\$450	\$350	\$250	\$130*	\$300
Risk	\$1,500	\$600	\$375	\$225*	\$188*	\$500
Technology	\$2,000*	\$350*	\$250	\$125*	\$393*	\$350
Trust	\$1,375*	\$500	\$300	\$175*	\$350*	\$350

COMMITTEE CHAIRMAN						
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	\$1,500*	\$650	\$500	\$400	\$300*	\$500
Compensation	\$1,000*	\$638	\$475	\$400	\$325*	\$500
Executive	\$2,000*	\$625	\$450*	\$400*	\$200*	\$500
Governance/nominating	\$1,250*	\$625	\$400	\$400*	\$300*	\$500
Loan	–	\$450	\$400	\$300	\$250*	\$400
Risk	\$1,500*	\$638	\$425	\$350*	\$300*	\$500
Technology	\$2,000*	\$350*	\$450	\$150*	\$435*	\$375
Trust	–	\$500	\$375	\$300*	\$350*	\$443

23. Enter the retainer your bank paid in FY 2017 for each committee.*Median value reported. Proxy data included. *Indicates a count of less than 10 within a field.*

COMMITTEE MEMBER						
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	\$10,000	\$6,000	\$1,500*	\$6,000*	\$2,125*	\$7,500
Compensation	\$6,000	\$6,000	\$1,500*	\$8,750*	\$4,000*	\$6,000
Executive	\$5,000*	\$22,898*	\$1,500*	\$6,000*	–	\$6,750
Governance/nominating	\$6,500	\$4,500	\$1,500	\$7,260*	\$4,000*	\$5,000
Loan	\$12,000*	\$6,000*	\$5,750*	\$4,500*	\$12,000*	\$6,000
Risk	\$10,000	\$23,000*	\$1,500*	–	–	\$10,000
Technology	\$15,000*	\$2,000*	\$1,500*	–	\$10,001*	\$2,000*
Trust	\$3,250*	\$19,500*	\$1,500*	–	\$12,000*	\$11,250

COMMITTEE CHAIRMAN						
Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	\$17,500	\$8,000	\$5,000	\$5,500*	\$12,000	\$10,000
Compensation	\$12,000	\$5,000	\$1,950	\$8,750*	\$20,000*	\$8,000
Executive	\$20,000	\$11,500*	\$3,750*	\$6,000*	–	\$12,500
Governance/nominating	\$13,500	\$5,000	\$2,500	\$8,760*	\$20,000*	\$6,000
Loan	\$12,000*	\$8,000*	\$7,500*	\$6,000*	\$20,000*	\$9,000
Risk	\$20,000	\$7,500	\$2,500*	–	–	\$15,000
Technology	\$20,000*	\$6,000*	\$2,500*	–	\$20,000*	\$20,000*
Trust	\$6,250*	\$6,000*	\$1,500*	–	\$20,000*	\$5,500

24. Approximately how many hours per month do you devote to bank board activities? Include time spent for board and committee meetings, business development, education, etc.

Median values reported. Question was only asked of outside directors, lead directors and chairmen.

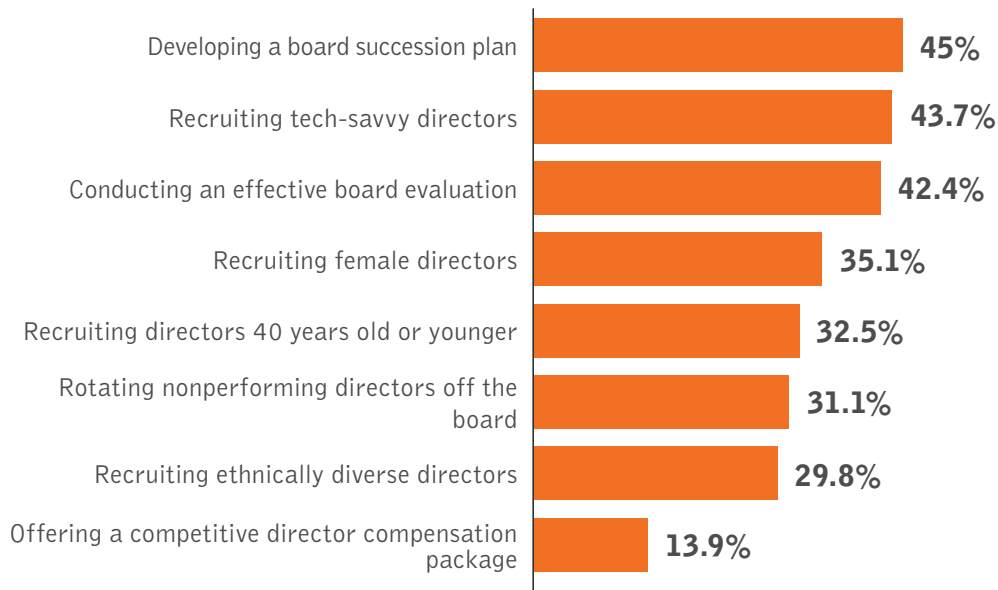
**Indicates a count of less than 10 within a field.*

Bank Asset Size	>\$5B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Hours per month	25*	25	15	8*	12*	20

BOARD COMPOSITION

25. Relative to the composition of the board through 2019, what are your top three challenges?

*Respondents were asked to select up to three options. **Indicates a base count of less than 10 within a category.*



Bank Asset Size	>\$5B**	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Developing a board succession plan	28.6%	36.4%	44.4%	41.2%	76.2%	45%
Recruiting tech-savvy directors	57.1%	61.4%	33.3%	44.1%	23.8%	43.7%
Conducting an effective board evaluation	28.6%	34.1%	42.2%	55.9%	42.9%	42.4%
Recruiting female directors	42.9%	34.1%	40%	26.5%	38.1%	35.1%
Recruiting directors 40 years old or younger	14.3%	29.5%	31.1%	41.2%	33.3%	32.5%
Rotating nonperforming directors off the board	14.3%	34.1%	24.4%	32.4%	42.9%	31.1%
Recruiting ethnically diverse directors	71.4%	43.2%	33.3%	14.7%	4.8%	29.8%
Offering a competitive director compensation package	42.9%	6.8%	15.6%	11.8%	19%	13.9%

26. How many of the following are represented on your board?

**Indicates a base count of less than 10 within a category.

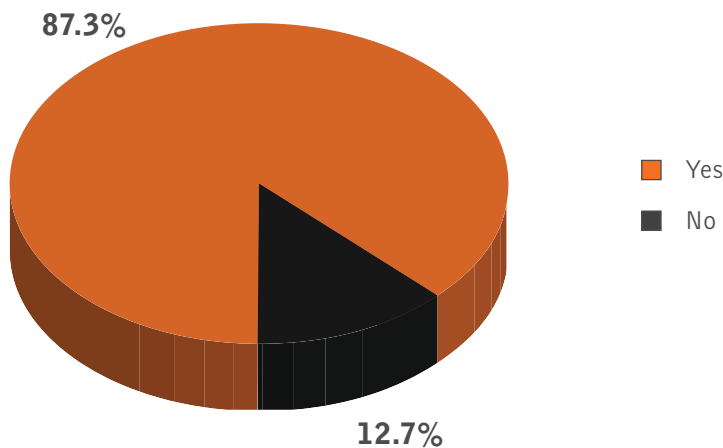
FEMALE DIRECTORS						
Bank Asset Size	>\$5B**	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
None	–	10.6%	31.1%	27.8%	30.4%	22.6%
1	25%	31.9%	31.1%	44.4%	56.5%	37.7%
2	25%	38.3%	24.4%	19.4%	13%	25.8%
3	25%	14.9%	11.1%	2.8%	–	9.4%
4 or more	25%	4.3%	2.2%	5.6%	–	4.4%

YOUNGER DIRECTORS (40 YEARS OLD OR YOUNGER)						
Bank Asset Size	>\$5B**	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
None	100%	86.7%	82.2%	77.8%	86.4%	83.9%
1	–	6.7%	15.6%	16.7%	9.1%	11.6%
2	–	6.7%	2.2%	5.6%	4.5%	4.5%
3	–	–	–	–	–	–
4 or more	–	–	–	–	–	–

ETHNICALLY DIVERSE DIRECTORS						
Bank Asset Size	>\$5B**	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
None	25%	75.6%	75%	86.1%	85%	76.5%
1	25%	17.8%	18.2%	11.1%	10%	15.7%
2	25%	2.2%	–	2.8%	–	2.6%
3	25%	–	4.5%	–	–	2.6%
4 or more	–	4.4%	2.3%	–	5%	2.6%

27. Do you personally believe that diversity on the board—through age, race and gender—generally has a positive impact on the performance of the bank?

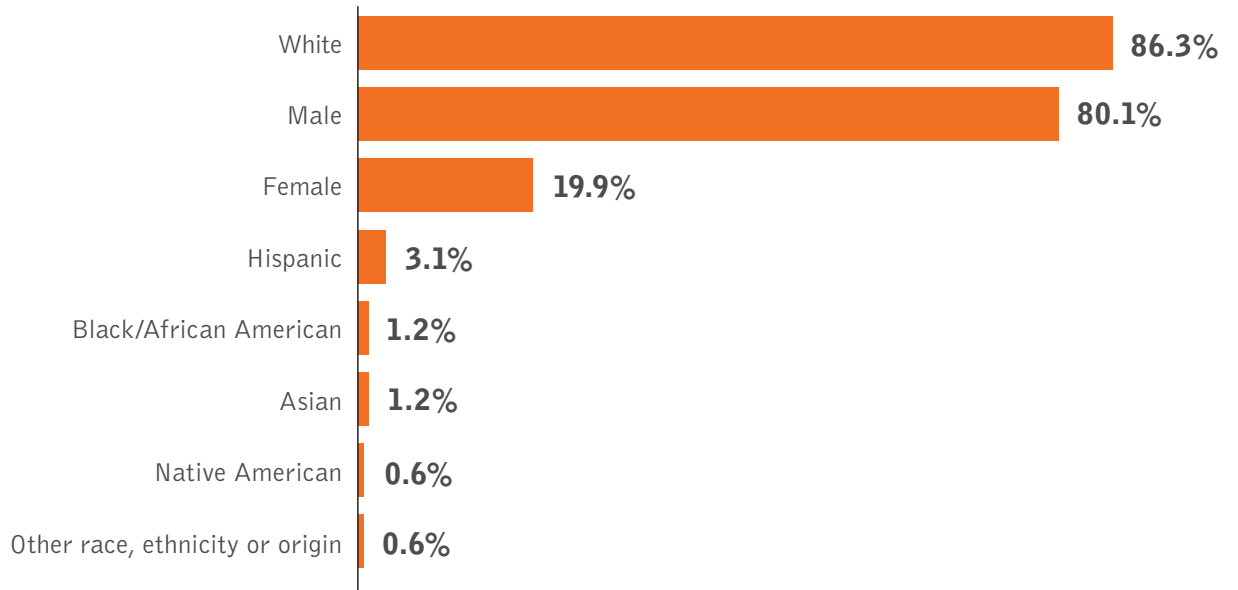
***Indicates a base count of less than 10 within a category.*



Bank Asset Size	>\$5B**	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	75%	87%	81.8%	91.7%	95.7%	87.3%
No	25%	13%	18.2%	8.3%	4.3%	12.7%

28. Which of the following describe your background?

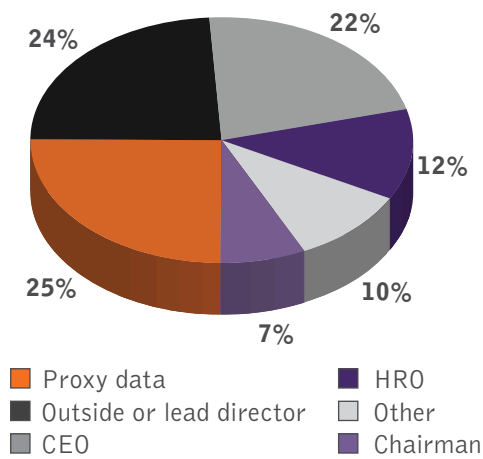
Respondents were asked to select all that apply.



ABOUT THE SURVEY

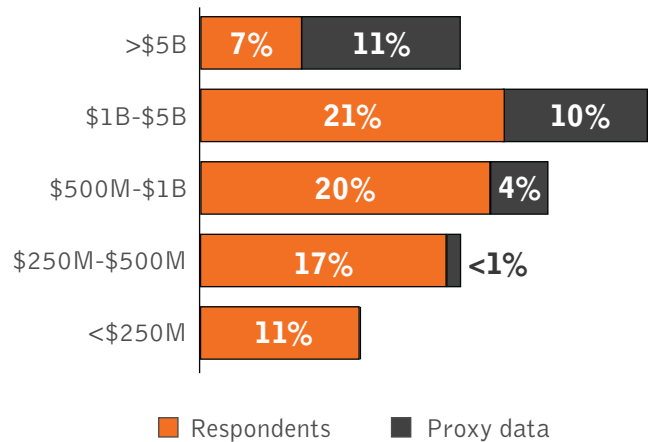
Bank Director’s 2018 Compensation Survey, sponsored by Compensation Advisors, a member of Meyer-Chatfield Group, surveyed 236 independent directors, chief executives, human resources officers and other senior executives of U.S. banks to examine the talent landscape for the banking industry, including bank boards, as well as trends in director and CEO compensation. The survey was conducted in late March and throughout April 2018. Concurrently, CEO and director compensation data for fiscal year 2017 was collected from the proxy statements of 100 publicly traded financial institutions. Fifty-four percent of the data represents publicly traded companies.

Title Breakdown

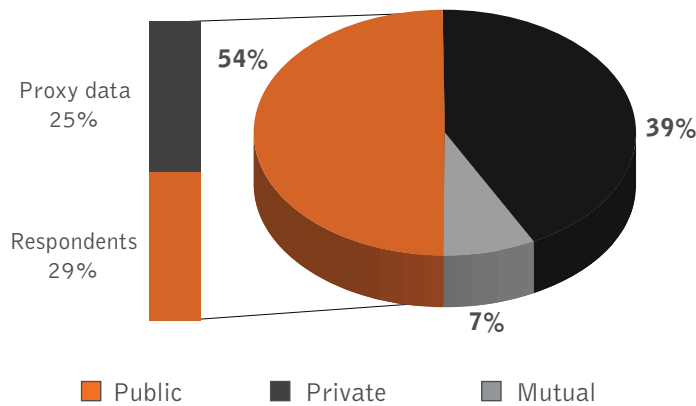


Bank Asset Size

Numbers don't add up to 100% due to rounding.



Bank Ownership



Region

