

BankDirector®

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2016 Compensation Survey

MAY 2016 | RESEARCH

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TABLE OF CONTENTS

Executive Summary	3
Executive Retirement & Succession	4
Attracting Talent	8
CEO & Executive Compensation	11
Board Compensation	18
Board Retirement, Succession & Diversity	28
About the Survey	31



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EXECUTIVE SUMMARY

The demise of training programs at the nation's biggest banks, coupled with an aging Baby Boomer population, is resulting in what could be a mini-crisis for the banking industry. There aren't enough commercial lenders, according to the bank executives and directors responding to Bank Director's 2016 Compensation Survey. Without skilled lenders, financial institutions will be hard-pressed to grow their revenue, since lending is still how many banks make most of their money.

Forty percent of survey respondents say that recruiting commercial lenders is a top challenge for 2016. When asked to describe their bank's efforts to attract and retain commercial lenders, 43 percent say there aren't enough talented commercial lenders. The same number say they're willing to pay highly to fill these valuable roles within their organization.

Bank Director's 2016 Compensation Survey is sponsored by Compensation Advisors, a Gulf Breeze, Florida-based member of Meyer-Chatfield Group. In March, Bank Director surveyed online 262 bank directors, chief executive officers, human resources officers and other senior executives. Fiscal year 2015 compensation data for CEOs and directors was also collected from the proxy statements of 105 publicly traded banks.

Twenty-three percent of respondents say that recruiting younger talent is a key challenge this year. Thirty-four percent say they're actively seeking talented millennial employees, between the ages of 18 and 34 years, but have trouble attracting them. Of these, 60 percent say that millennials aren't interested in working for a bank. Fifty-four percent consider their bank's culture to be too traditional.

One-third have a satisfactory plan in place to attract millennials. The majority of these, at 71 percent, credit a culture that millennials feel comfortable in as the reason for their bank's success, as well as a clear path for advancement (59 percent) and reputation (55 percent).

The remaining third say hiring millennials is not currently a focus for their institution.

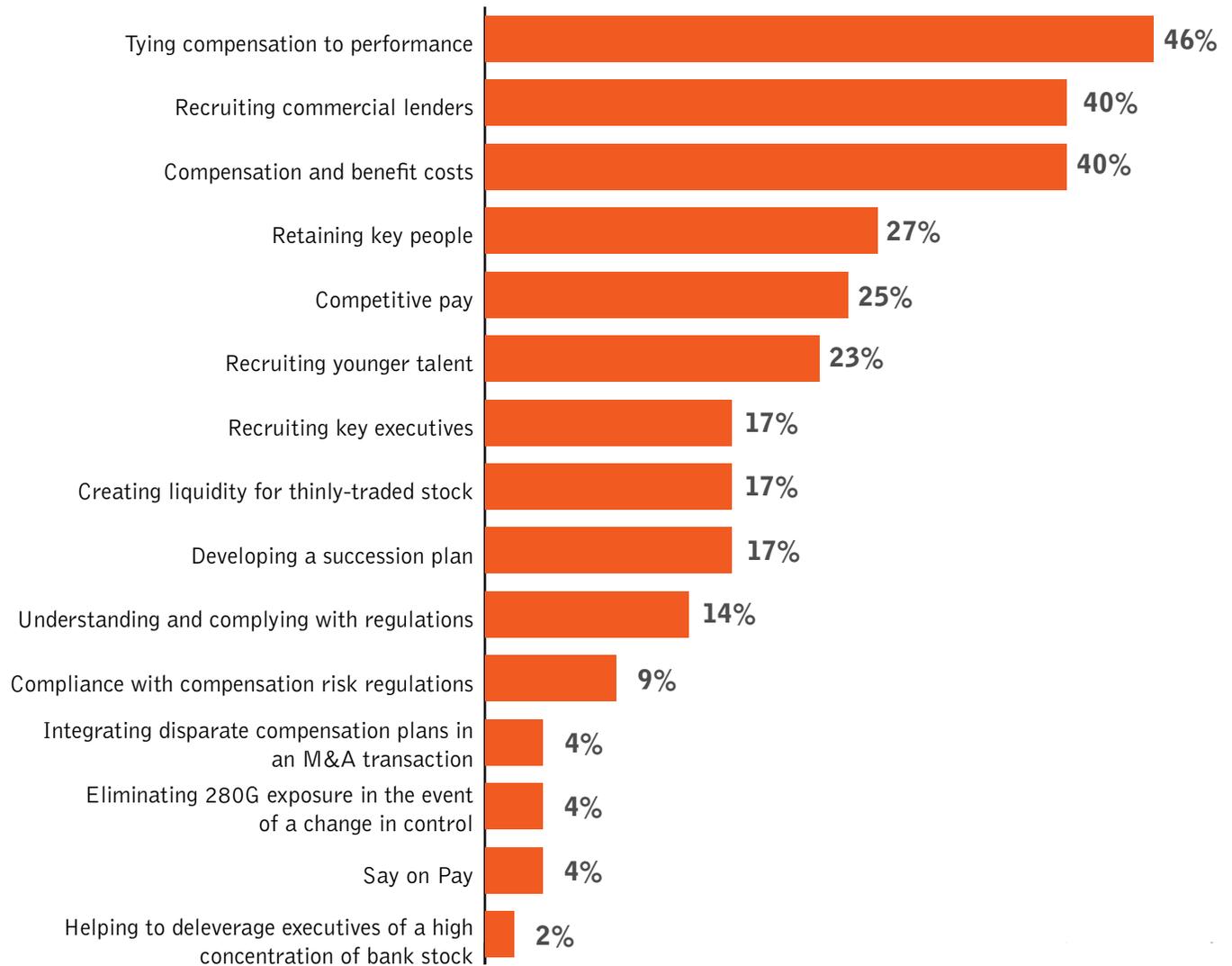
Other key findings:

- Tying compensation to performance remains the top challenge identified by respondents, at 46 percent.
- Sixty percent expect the bank's CEO and/or other senior executives to retire within the next five years. Forty-five percent have both a long-term and emergency succession plan in place for the CEO and all senior executives.
- Respondent opinions are mixed on the value of equity. More than half of executives, at fifty-four percent, indicate that equity is highly valued as part of their own compensation package, but just 36 percent of all respondents say equity on its own, in the form of stock options or grants, is an effective tool to tie executive interests to that of shareholders. Fifty-three percent of CEOs received equity grants in 2015.
- Forty-five percent of respondents indicate that their board most recently raised director pay in 2015 or 2016.
- Almost half of respondents indicate that three or more board members will retire from their position in the next five years.
- Sixty-seven percent indicate their bank has a plan in place to identify prospective new directors.
- Sixty-three percent say their bank will actively seek to create a more diverse board in the next two years.

EXECUTIVE RETIREMENT & SUCCESSION

1. What are your top three compensation challenges for 2016?

Respondents were asked to select up to three.



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Tying compensation to performance	70%	47%	50%	37%	46%	46%
Recruiting commercial lenders	10%	49%	38%	43%	34%	40%
Compensation and benefit costs	30%	45%	36%	41%	37%	40%
Retaining key people	20%	34%	19%	31%	22%	27%
Competitive pay	20%	26%	24%	33%	17%	25%
Recruiting younger talent	20%	19%	24%	16%	37%	23%
Recruiting key executives	10%	21%	26%	4%	22%	17%
Creating liquidity for thinly-traded stock	-	8%	19%	31%	12%	17%
Developing a succession plan	10%	17%	19%	12%	22%	17%
Understanding and complying with regulations	30%	2%	17%	20%	17%	14%
Compliance with compensation risk regulations	20%	-	7%	10%	17%	9%
Integrating disparate compensation plans in an M&A transaction	10%	4%	-	6%	5%	4%
Eliminating 280G exposure in the event of a change in control	-	2%	7%	4%	2%	4%
Say on Pay	30%	2%	2%	-	5%	4%
Helping to deleverage executives of a high concentration of bank stock	-	2%	5%	-	2%	2%

2. Do you expect individuals in any of the following positions within your institution to retire within the next five years?

Respondents were asked to select all that apply.



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Other senior executives	47%	68%	51%	36%	30%	47%
I do not anticipate the retirement of the CEO or any senior executives	33%	22%	39%	52%	50%	40%
CEO	40%	46%	27%	19%	30%	31%

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

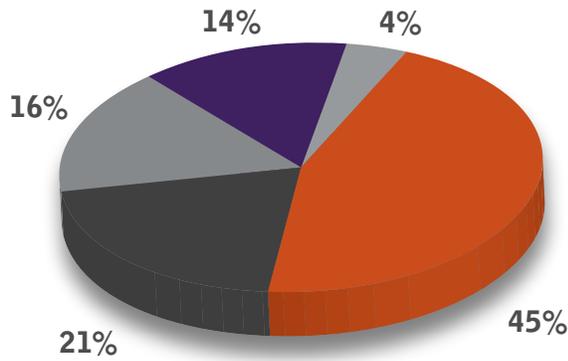
Respondents were asked to enter a value greater than zero or leave the field blank.



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Median CEO Age	60	61	58	55	57	58

Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
32 - 46	8%	4%	9%	15%	24%	12%
47 - 60	42%	44%	62%	65%	46%	53%
61 - 75	50%	53%	30%	20%	30%	35%

4. Do you believe your bank has an appropriate succession plan in place for your bank’s CEO and executive management?

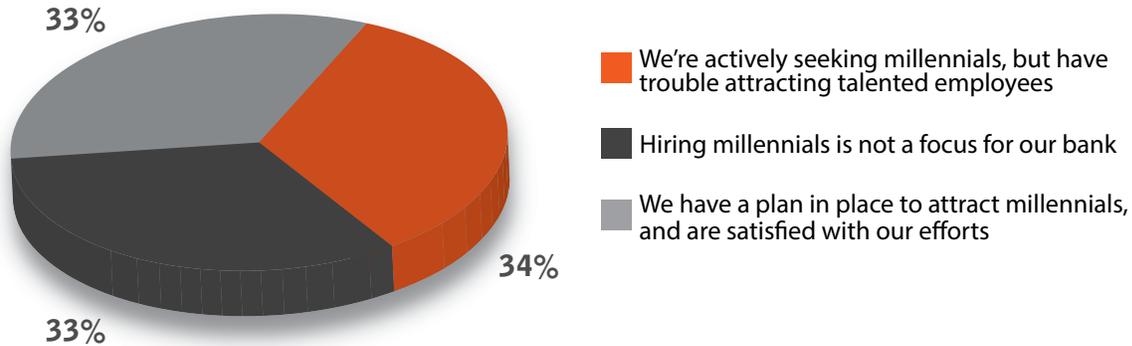


- We are prepared for both the long-term and emergency transition of the CEO and all senior executives
- We are prepared for the emergency transition of the CEO, but have no long-term plan
- We have a detailed plan for the CEO, but not for other senior executives
- We need to do a better job at succession planning
- We have a long-term plan in place, but no emergency plan for the CEO

Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
We are prepared for both the long-term and emergency transition of the CEO and all senior executives	87%	43%	33%	53%	37%	45%
We are prepared for the emergency transition of the CEO, but have no long-term plan	7%	15%	27%	19%	28%	21%
We have a detailed plan for the CEO, but not for other senior executives	-	25%	17%	9%	15%	16%
We need to do a better job at succession planning	7%	15%	19%	12%	13%	14%
We have a long-term plan in place, but no emergency plan for the CEO	-	2%	4%	7%	7%	4%

ATTRACTING TALENT

5. How would you describe your bank's efforts to recruit millennial employees (ages 18-34) to your bank?



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
We're actively seeking millennials, but have trouble attracting talented employees	20%	33%	29%	34%	43%	34%
Hiring millennials is not a focus for our bank	33%	35%	29%	39%	28%	33%
We have a plan in place to attract millennials, and are satisfied with our efforts	47%	32%	41%	27%	28%	33%

6. Which of the following do you believe contribute to the success of your bank's efforts to attract millennials?

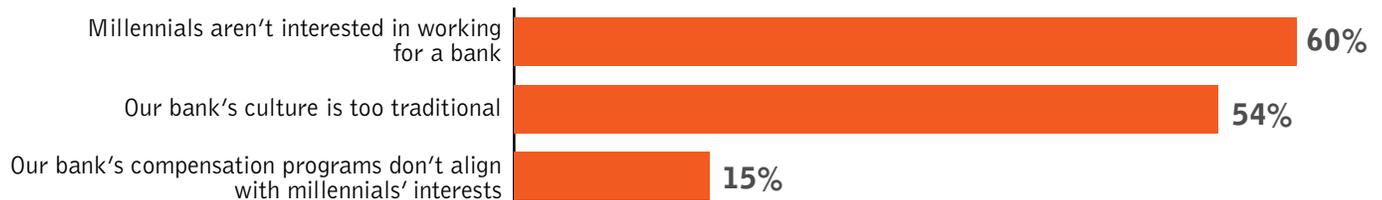
Respondents were asked to select all that apply. Question was only asked of respondents who indicate that bank leadership is satisfied with its efforts to attract millennial employees. **Indicates a base count of less than 10 within a category.



Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
A culture that millennials feel comfortable in	83%	53%	70%	75%	83%	71%
Clear path for advancement within the bank	33%	73%	50%	62%	67%	59%
Reputation	67%	67%	60%	50%	33%	55%
Compensation programs aligned with millennials' interests	67%	40%	60%	31%	50%	48%

7. Why do you believe your bank struggles to attract talented millennials?

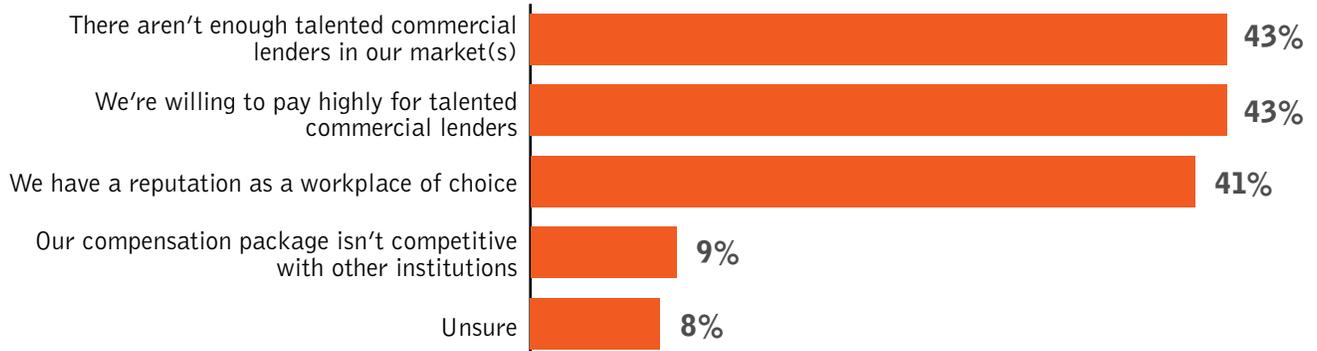
Respondents were asked to select all that apply. Question was only asked of respondents who indicate that the bank has trouble attracting millennial employees. **Indicates a base count of less than 10 within a category.



Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Millennials aren't interested in working for a bank	67%	65%	70%	53%	58%	60%
Our bank's culture is too traditional	-	71%	50%	42%	63%	54%
Our bank's compensation programs don't align with millennials' interests	67%	6%	10%	11%	21%	15%

8. How would you describe your bank’s ability to attract and retain commercial lenders?

Respondents were asked to select all that apply.



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
There aren't enough talented commercial lenders in our market(s)	20%	46%	39%	38%	56%	43%
We're willing to pay highly for talented commercial lenders	40%	42%	43%	50%	34%	43%
We have a reputation as a workplace of choice	50%	48%	48%	42%	20%	41%
Our compensation package isn't competitive with other institutions	10%	4%	11%	4%	20%	9%
Unsure	10%	10%	5%	2%	15%	8%

CEO & EXECUTIVE COMPENSATION

9. How is CEO compensation linked to your bank's performance?

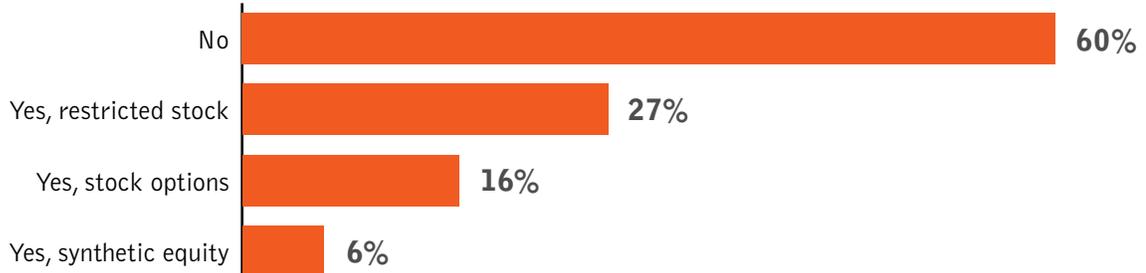
Respondents were asked to select all that apply.



Ownership Structure	Public	Private	Mutual	Total
CEO pay is tied to the strategic plan and/or corporate goals	41%	33%	46%	38%
CEO pay is tied to net income	38%	29%	50%	36%
CEO pay is tied to return on assets	41%	28%	46%	36%
CEO pay is tied to asset quality	37%	26%	50%	34%
CEO pay is tied to return on equity	35%	16%	23%	24%
We do not tie CEO compensation to performance indicators	17%	32%	19%	24%
CEO pay is tied to efficiency	21%	18%	35%	21%
CEO pay is tied to earnings per share growth	23%	11%	-	14%
CEO pay is tied to total shareholder returns	17%	10%	4%	12%
Other metrics	8%	4%	15%	7%

10. Are equity grants allocated to executives on an annual basis?

Respondents were asked to select all that apply.



Ownership Structure	Public	Private	Mutual	Total
No	36%	71%	92%	60%
Yes, restricted stock	55%	12%	-	27%
Yes, stock options	26%	12%	-	16%
Yes, synthetic equity	-	11%	8%	6%

11. Does your bank offer a nonqualified deferred compensation benefit or nonqualified retirement benefit to its senior executives?

Respondents were asked to select all that apply.



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
No, neither	30%	37%	48%	43%	68%	47%
Nonqualified deferred compensation	40%	46%	30%	45%	24%	37%
Nonqualified retirement	40%	29%	25%	24%	12%	24%

12. Excluding a salary, what areas of compensation do you feel are highly valued by executives?

Respondents were asked to select all that apply. Only outside directors and chairmen were asked to respond.

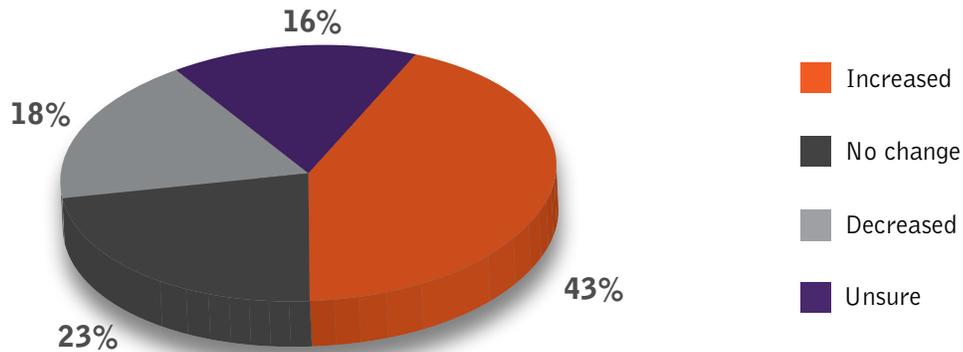


Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Cash bonus	83%	68%	79%	74%	75%	74%
Retirement benefit	50%	73%	68%	74%	75%	71%
Equity	83%	64%	68%	32%	33%	54%
Severance agreement, including change-in-control	50%	36%	58%	37%	17%	40%

Ownership Structure	Public	Private	Mutual	Total
Cash bonus	73%	80%	67%	74%
Retirement benefit	61%	76%	92%	71%
Equity	63%	60%	8%	54%
Severance agreement, including change-in-control	56%	24%	17%	40%

13. Do you believe that the value that executives place on equity as part of their compensation package has increased or decreased in the past decade?

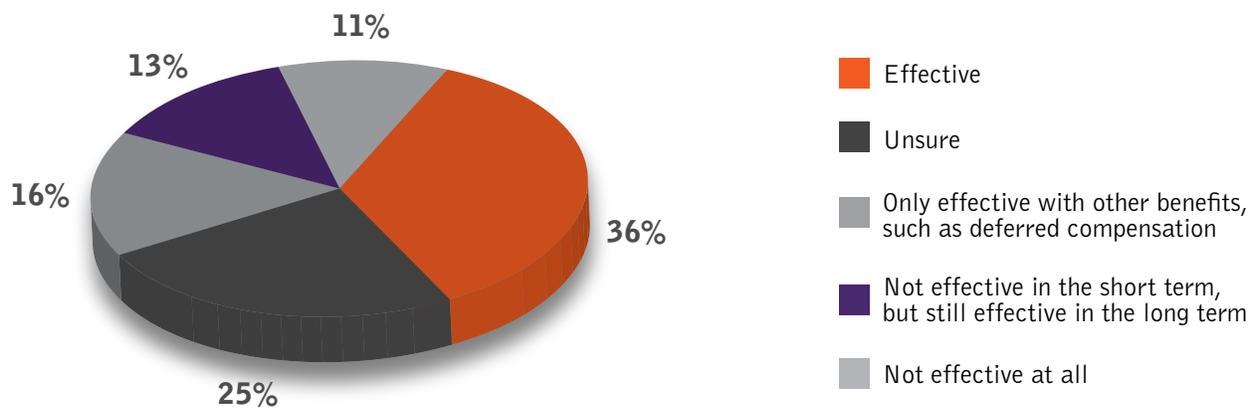
Only outside directors and chairmen were asked to respond.



Ownership Structure	Public	Private	Mutual	Total
Increased	49%	44%	18%	43%
No change	12%	40%	27%	23%
Decreased	24%	12%	9%	18%
Unsure	15%	4%	45%	16%

14. In the current environment, how effective are stock options or equity grants as tools to tie the interests of executive management to those of shareholders/owners??

Only outside directors and chairmen were asked to respond.



Ownership Structure	Public	Private	Mutual	Total
Effective	46%	32%	-	36%
Unsure	24%	12%	60%	25%
Only effective with other benefits, such as deferred compensation	17%	16%	10%	16%
Not effective in the short term, but still effective in the long term	10%	20%	10%	13%
Not effective at all	2%	20%	20%	11%

15. Excluding a salary, what areas of compensation and benefits do you highly value for your own compensation?

Respondents were asked to select all that apply. Only executives were asked to respond. **Indicates a base count of less than 10 within a category.

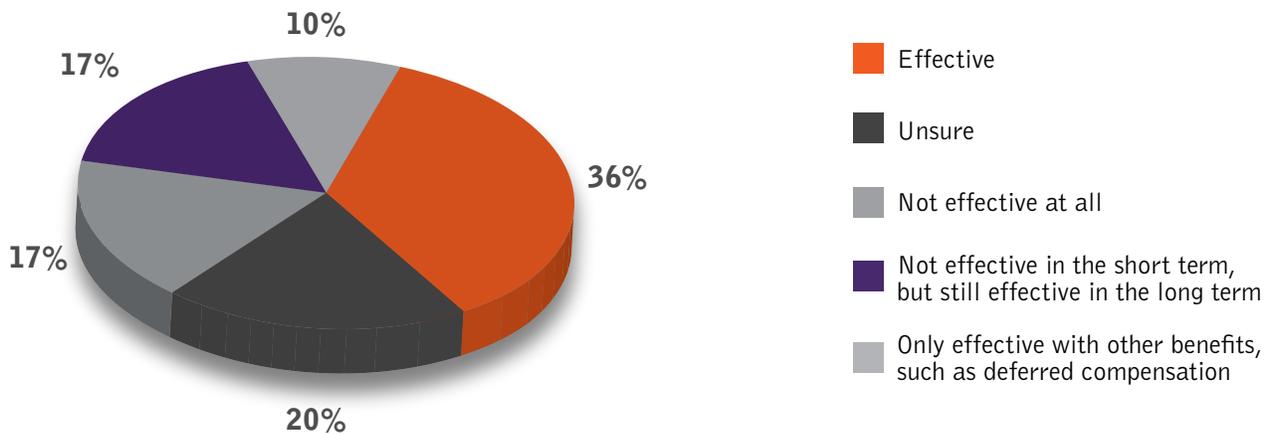


Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Cash bonus	75%	71%	92%	81%	69%	78%
Retirement benefit	75%	57%	60%	68%	69%	64%
Equity	75%	68%	56%	55%	34%	54%
Severance agreement, including change-in-control	25%	39%	56%	61%	31%	46%

Ownership Structure	Public	Private	Mutual	Total
Cash bonus	68%	80%	93%	78%
Retirement benefit	54%	65%	86%	64%
Equity	70%	52%	21%	54%
Severance agreement, including change-in-control	57%	44%	29%	46%

16. In the current environment, how effective are stock options or equity grants as tools to tie YOUR interests to those of shareholders/owners?

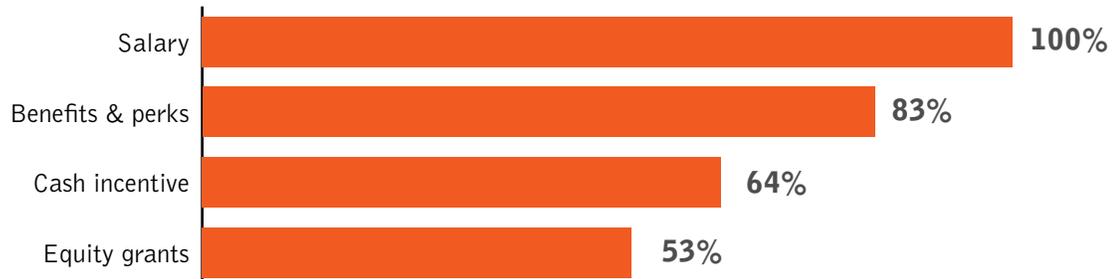
Only executives were asked to respond. **Indicates a base count of less than 10 within a category.



Ownership Structure	Public	Private	Mutual	Total
Effective	51%	30%	21%	36%
Unsure	3%	26%	36%	20%
Not effective at all	8%	18%	36%	17%
Not effective in the short term, but still effective in the long term	27%	14%	7%	17%
Only effective with other benefits, such as deferred compensation	11%	12%	-	10%

17. The CEO at my bank received the following types of compensation in FY 2015.

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



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Salary	100%	100%	100%	100%	98%	100%
Benefits & perks	87%	84%	91%	77%	69%	83%
Cash incentive	42%	65%	70%	81%	62%	64%
Equity grants	77%	69%	48%	36%	14%	53%

Ownership Structure	Public	Private	Mutual	Total
Salary	100%	99%	100%	100%
Benefits & perks	86%	73%	92%	83%
Cash incentive	56%	72%	88%	64%
Equity grants	69%	31%	17%	53%

18. Enter the cash compensation amounts for the CEO of your bank for FY 2015.

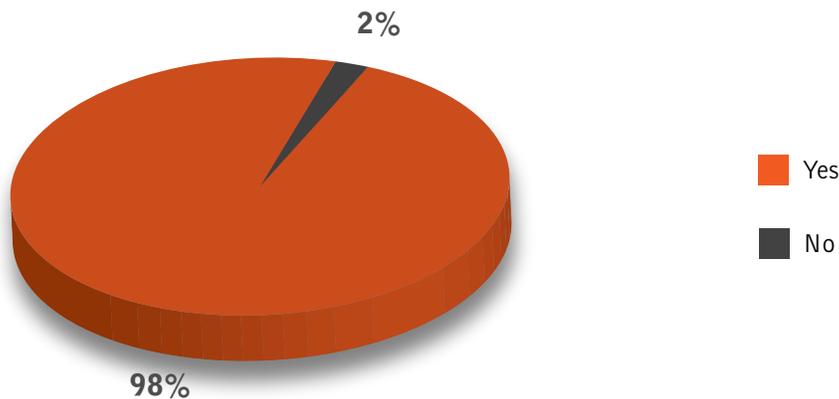
Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank. *Indicates a count of less than 10 within a field.

Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Salary	\$808,000	\$417,500	\$310,431	\$221,000	\$148,200	\$345,000
Cash incentive	\$582,500	\$140,610	\$75,000	\$50,000	\$15,000	\$51,732
Potential cash incentive	\$1,162,191	\$215,000	\$109,080	\$40,000	\$26,500*	\$231,250
Equity grants (fair market value)	\$1,129,145	\$200,000	\$68,640	\$35,000	\$27,500*	\$227,807
Benefits & perks	\$84,306	\$31,114	\$30,000	\$17,000	\$10,000	\$25,474

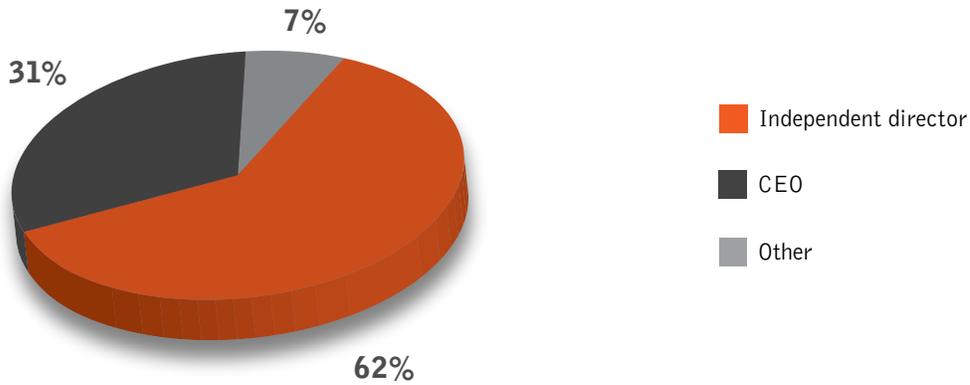
Ownership Structure	Public	Private	Mutual	Total
Salary	\$437,625	\$206,500	\$320,000	\$345,000
Cash incentive	\$100,190	\$41,586	\$50,000	\$51,732
Potential cash incentive	\$380,848	\$62,500	\$55,250*	\$231,250
Equity grants (fair market value)	\$298,448	\$50,000	\$50,500*	\$227,807
Benefits & perks	\$38,738	\$20,000	\$13,500	\$25,474

BOARD COMPENSATION

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



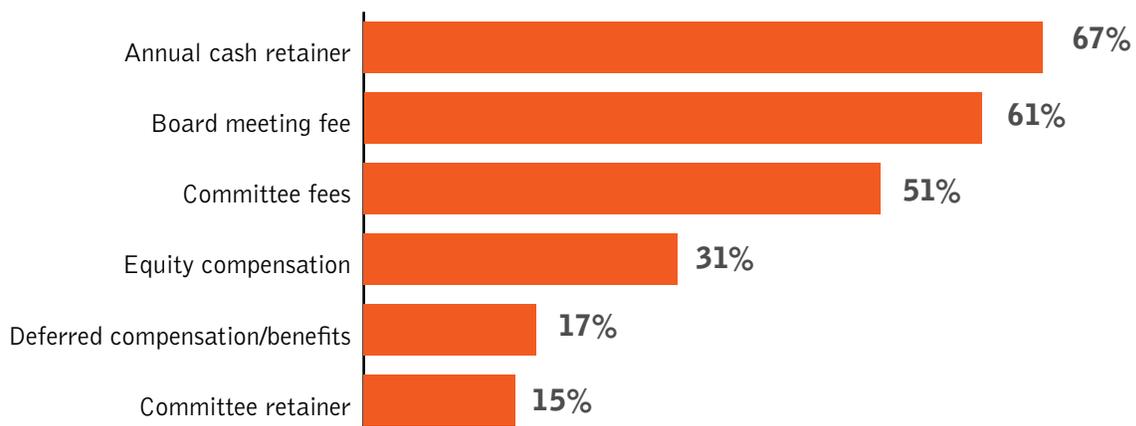
20. Is the chairman of the board also the CEO, or an independent director?



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Independent director	43%	58%	70%	73%	70%	62%
CEO	57%	34%	23%	18%	20%	31%
Other	-	8%	7%	8%	11%	7%

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

Proxy data included. Respondents were asked to select all that apply. Only respondents indicating that the chairman is an independent director were asked to respond.



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Annual cash retainer	95%	81%	83%	50%	19%	67%
Board meeting fee	24%	60%	49%	88%	77%	61%
Committee fees	14%	60%	46%	68%	50%	51%
Equity compensation	57%	34%	31%	21%	15%	31%
Deferred compensation/benefits	-	19%	17%	26%	15%	17%
Committee retainer	38%	19%	14%	6%	-	15%

Ownership Structure	Public	Private	Mutual	Total
Annual cash retainer	78%	38%	79%	67%
Board meeting fee	49%	83%	68%	61%
Committee fees	43%	60%	68%	51%
Equity compensation	44%	11%	11%	31%
Deferred compensation/benefits	13%	19%	32%	17%
Committee retainer	22%	4%	5%	15%

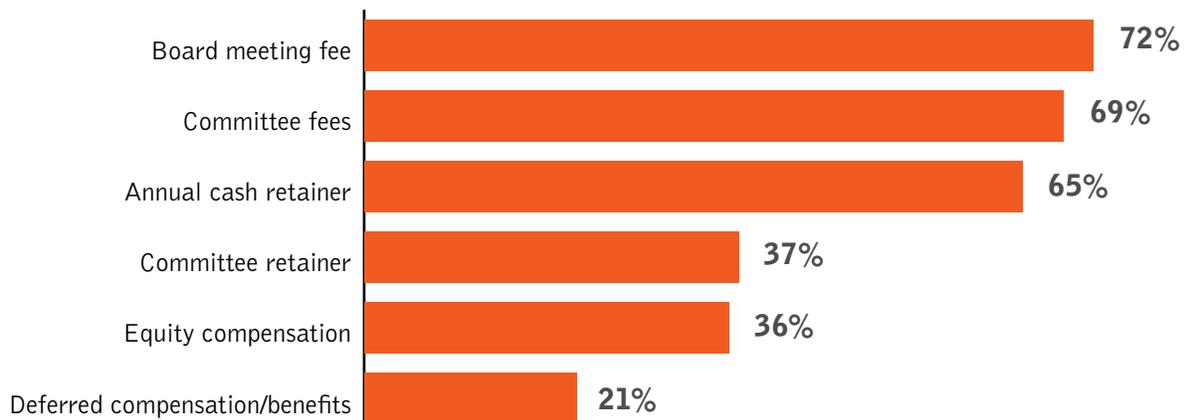
22. Enter the cash compensation amounts for the non-executive chairman at your bank for FY 2015. Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank. *Indicates a count of less than 10 within a field. **Indicates a base count of less than 10 within a category.

Non-Executive Chairman						
Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Fee per board meeting	\$1,250*	\$1,100	\$1,200	\$600	\$500	\$7,00
Annual cash retainer	\$60,000	\$22,400	\$25,000	\$7,200	\$8,000*	\$25,000
Equity compensation	\$38,000*	\$14,892*	\$6,172*	\$1,200*	\$6,000*	\$9,500
Deferred compensation/benefits **	**	**	**	**	**	\$5,000*
Other cash compensation	-	\$24,000*	\$23,500*	\$6,750*	-	\$3,875

Non-Executive Chairman				
Ownership Structure	Public	Private	Mutual	Total
Fee per board meeting	\$950	\$600	\$1,000*	\$700
Annual cash retainer	\$25,000	\$17,000	\$29,180	\$25,000
Equity compensation	\$14,892	\$1,425*	2,000*	\$9,500
Deferred compensation/benefits**	**	**	**	\$5,000*
Other cash compensation	\$24,000*	\$1,000*	\$7,501*	\$3,875

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

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



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Board meeting fee	51%	73%	68%	90%	88%	72%
Committee fees	59%	78%	74%	69%	56%	69%
Annual cash retainer	94%	76%	76%	41%	12%	65%
Committee retainer	71%	46%	30%	10%	3%	37%
Equity compensation	69%	41%	28%	15%	9%	36%
Deferred compensation/benefits	25%	27%	16%	26%	6%	21%

Ownership Structure	Public	Private	Mutual	Total
Board meeting fee	62%	89%	83%	72%
Committee fees	70%	65%	78%	69%
Annual cash retainer	81%	32%	78%	65%
Committee retainer	53%	10%	17%	37%
Equity compensation	50%	14%	11%	36%
Deferred compensation/benefits	25%	14%	28%	21%

24. Enter the cash compensation amounts for outside directors at your bank for FY 2015.

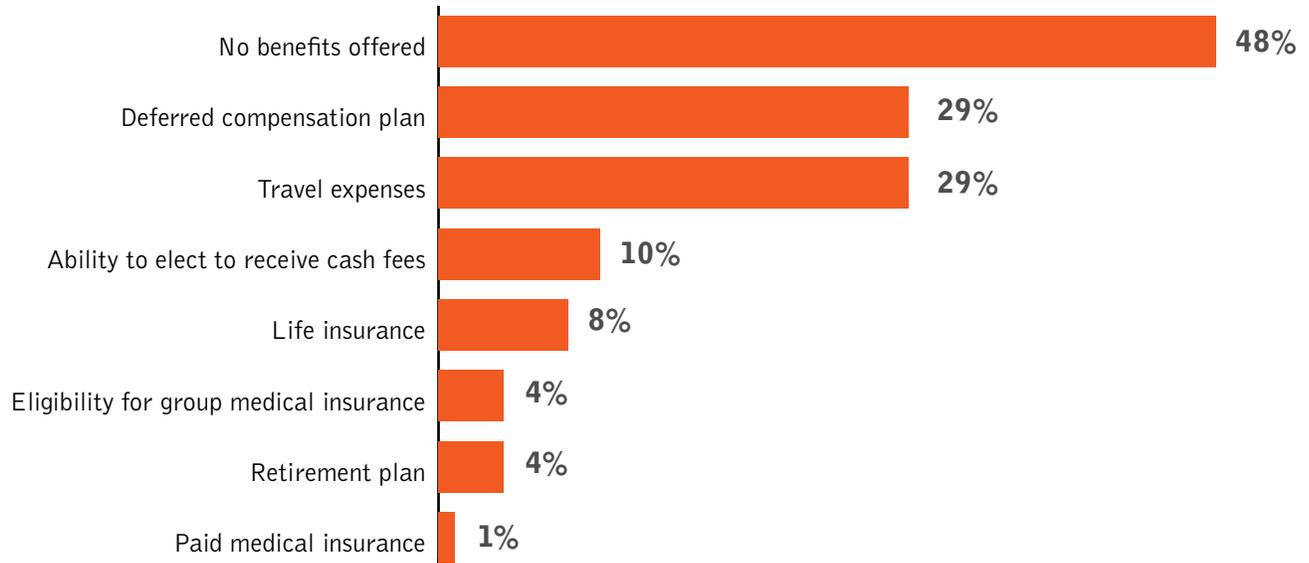
Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank. *Indicates a count of less than 10 within a field. **Indicates a base count of less than 10 within a category

Outside Director						
Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Fee per board meeting	\$1,750	\$1,000	\$1,000	\$700	\$500	\$1,000
Annual cash retainer	\$35,000	\$20,000	\$15,000	\$7,500	\$3,000*	\$20,000
Equity compensation	\$51,175	\$17,350	\$12,250	\$2,000*	\$6,000*	\$22,500
Deferred compensation/benefits **	**	**	**	**	**	\$5,000*
Other cash compensation	\$12,500*	\$1,000*	\$10,000*	\$6,000*	\$500*	\$3,000

Outside Director				
Ownership Structure	Public	Private	Mutual	Total
Fee per board meeting	\$1,000	\$600	\$738	\$1,000
Annual cash retainer	\$24,000	\$10,000	\$14,500	\$20,000
Equity compensation	\$25,000	\$4,000	\$2,000*	\$22,500
Deferred compensation/benefits**	**	**	**	\$5,000*
Other cash compensation	\$12,500*	\$1,000*	\$10,000*	\$3,000

25. Which of the following are offered to outside directors?

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



Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
No benefits offered	51%	42%	45%	46%	61%	48%
Deferred compensation plan	29%	39%	19%	34%	17%	29%
Travel expenses	24%	28%	30%	34%	31%	29%
Ability to elect to receive cash fees	6%	11%	11%	12%	8%	10%
Life insurance	6%	9%	11%	5%	6%	8%
Eligibility for group medical insurance	-	7%	9%	-	3%	4%
Retirement plan	2%	8%	2%	5%	-	4%
Paid medical insurance	-	-	2%	2%	3%	1%

26. 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. 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	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Hours per month	22*	20	25	14	15*	20

27. How many times do the following meet annually?

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	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Holding company board	8	10	12	5	4	8
Lead bank board	8*	12	12	12	12	12
Audit committee	8	6	5	4	4	5
Compensation committee	6	5	4	3	2	4
Executive committee	5	3	3	4	12	4
Governance/nominating committee	4	3	3	2	4	3
Loan committee	12*	12	21	15	12	14
Risk committee	5	4	4	4	4	4
Technology committee	4*	4	6	4	4	4

28. How many board members serve on each?

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	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Holding company board	12	11	9	8	8	10
Lead bank board	10*	11	9	8	8	9
Audit committee	5	4	4	4	4	4
Compensation committee	5	4	4	4	3	4
Executive committee	6	5	5	5	4	5
Governance/nominating committee	4	4	4	4	4	4
Loan committee	5*	5	5	6	4	5
Risk committee	6	4	4	4	4	5
Technology committee	4*	3*	2*	4	3	3

29. Enter the per-meeting fees your bank paid in FY 2015 for each committee.

Median values reported. Proxy data included for committee member but not committee chairman.

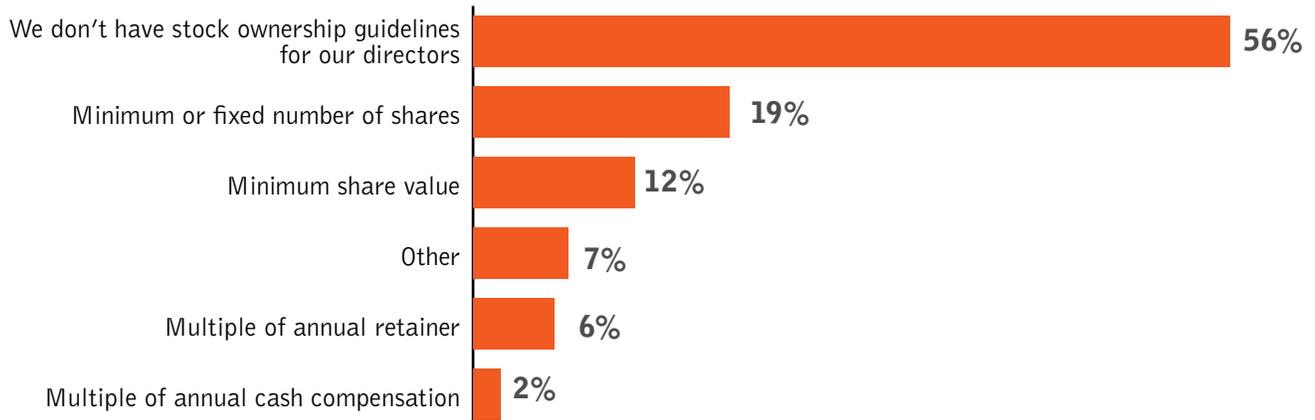
Respondents were asked to enter a value greater than zero or leave the field blank. *Indicates a count of less than 10 within a field.

Committee Member						
Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Audit	\$1,750	\$750	\$500	\$250	\$150	\$600
Compensation	\$1,500	\$625	\$450	\$250	\$130*	\$600
Executive	\$1,500	\$480*	\$300	\$150	\$300*	\$490
Gov./Nominating	\$1,500	\$625	\$338	\$250	\$400*	\$600
Loan	\$450*	\$500	\$312	\$212	\$100	\$250
Risk	\$1,500	\$600	\$300	\$250*	\$125*	\$650
Technology	\$300*	\$900*	\$250*	\$150*	\$100*	\$150

Committee Chairman						
Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Audit	\$2,000*	\$750	\$500	\$250	\$150	\$400
Compensation	\$1,500*	\$750	\$450	\$250	\$150*	\$500
Executive	\$1,500*	\$480*	\$300*	\$225*	\$475*	\$300
Gov./Nominating	\$1,500*	\$695	\$400*	\$250*	\$400*	\$500
Loan	-	\$550	\$400	\$250*	\$125*	\$300
Risk	\$1,500*	\$550*	\$400	\$250*	\$150*	\$350
Technology	-	\$750*	\$250*	\$150*	\$100*	\$150

30. Please indicate the requirements included in the stock ownership guidelines for outside directors.

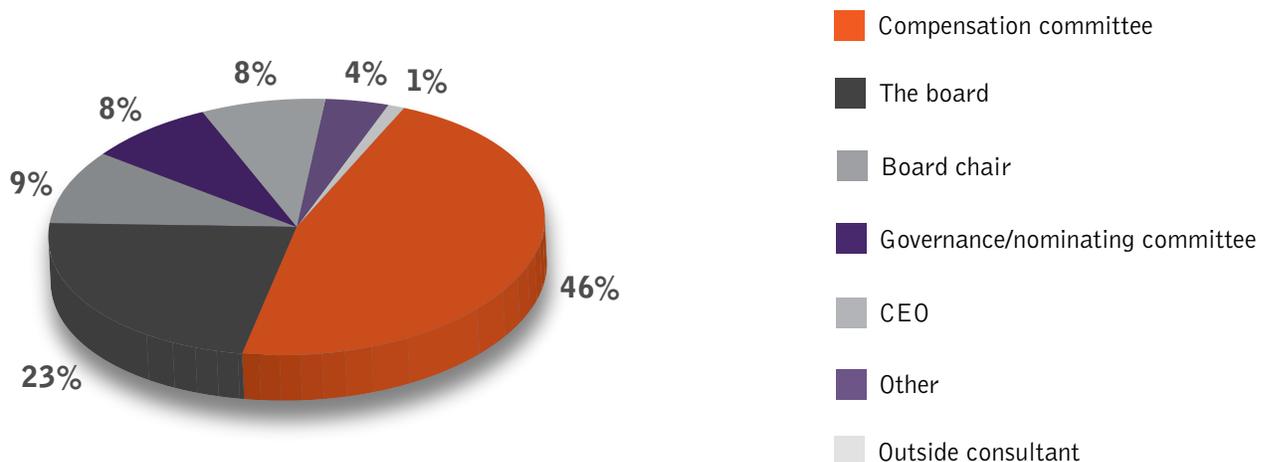
Respondents were asked to select all that apply.



Bank Asset Size	Public	Private	Mutual	Total
We don't have stock ownership guidelines for our directors	38%	65%	83%	56%
Minimum or fixed number of shares	23%	18%	8%	19%
Minimum share value	23%	6%	-	12%
Other	2%	9%	17%	7%
Multiple of annual retainer	15%	-	-	6%
Multiple of annual cash compensation	2%	3%	-	2%

31. Who is primarily responsible for setting director compensation levels at your bank?

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



Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Compensation committee	50%	67%	58%	41%	21%	46%
The board	12%	21%	16%	27%	27%	23%
Board chair	-	3%	3%	11%	21%	9%
Governance/nominating committee	25%	6%	13%	5%	6%	8%
CEO	12%	3%	6%	11%	12%	8%
Other	-	-	-	5%	9%	4%
Outside consultant	-	-	3%	-	3%	1%

32. When did the board last raise director pay?

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

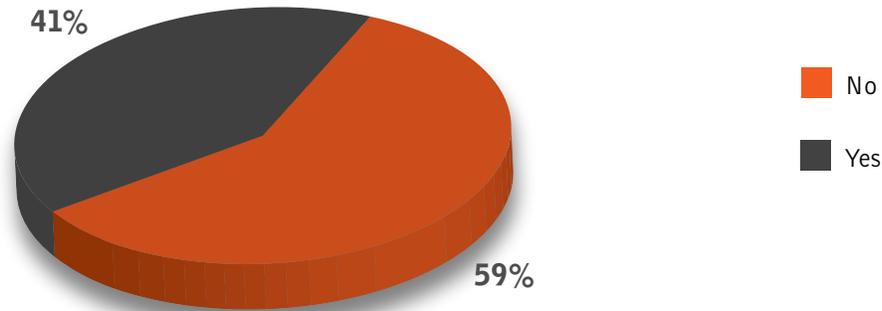


Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
2016	12%	18%	17%	22%	12%	17%
2015	12%	26%	34%	30%	27%	28%
2014	25%	38%	24%	22%	15%	25%
2013	12%	6%	7%	5%	9%	7%
2012 or prior	38%	12%	17%	22%	36%	23%

BOARD RETIREMENT, SUCCESSION & DIVERSITY

33. Does your board have a mandatory retirement age?

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



Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
No	25%	50%	63%	58%	72%	59%
Yes	75%	50%	37%	42%	28%	41%

34. What is the mandatory retirement age for board members? **72**

Median value reported. Question only asked of respondents who indicate their board has a mandatory retirement age.

35. What is the age of your bank's:

Median value reported.

Oldest board member? 73

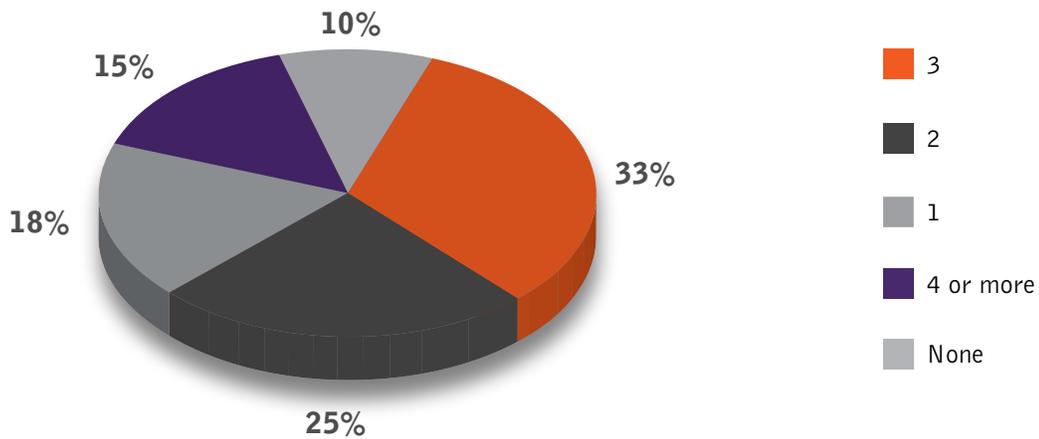
Youngest board member? 49

Oldest Board Member						
Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
60 - 75	62%	63%	71%	65%	69%	67%
76 - 91	38%	37%	29%	35%	31%	33%

Youngest Board Member						
Bank Asset Size	>\$5B	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
25 - 34	-	3%	-	-	6%	2%
35 - 45	25%	23%	29%	30%	49%	33%
46 - 55	62%	70%	54%	57%	34%	54%
56 - 66	12%	3%	18%	11%	11%	11%

36. How many board members at your bank do you expect to retire from their positions within the next five years?

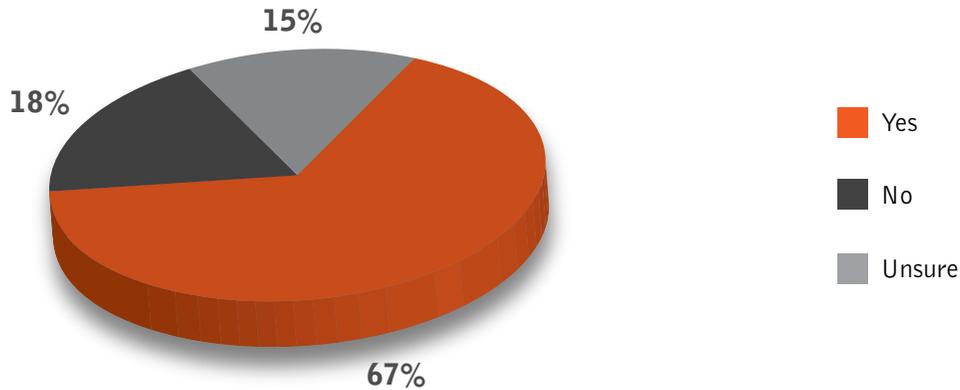
***Indicates a base count of less than 10 within a category*



Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
3	38%	38%	26%	32%	33%	33%
2	50%	22%	26%	19%	28%	25%
1	-	12%	16%	32%	14%	18%
4 or more	12%	22%	23%	5%	11%	15%
None	-	6%	10%	11%	14%	10%

37. Is there a plan in place to identify prospective new directors?

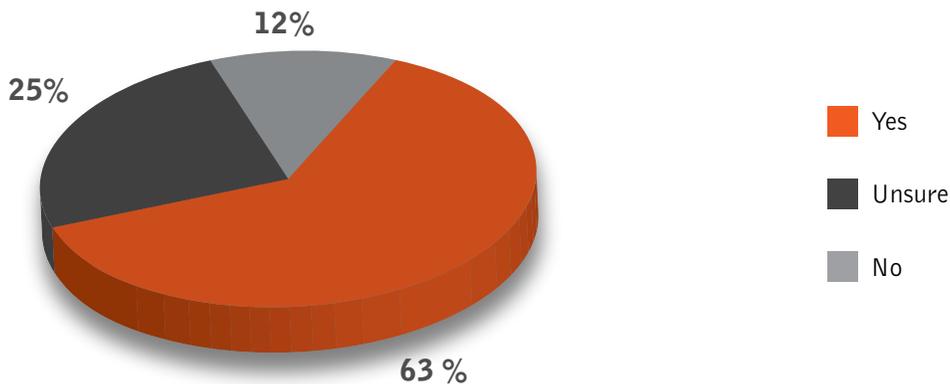
***Indicates a base count of less than 10 within a category.*



Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Yes	62%	84%	59%	68%	58%	67%
No	12%	10%	17%	19%	28%	18%
Unsure	25%	6%	24%	14%	14%	15%

38. Will your board actively seek to create a more diverse board, on the basis of age, gender or race, in the next two years?

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

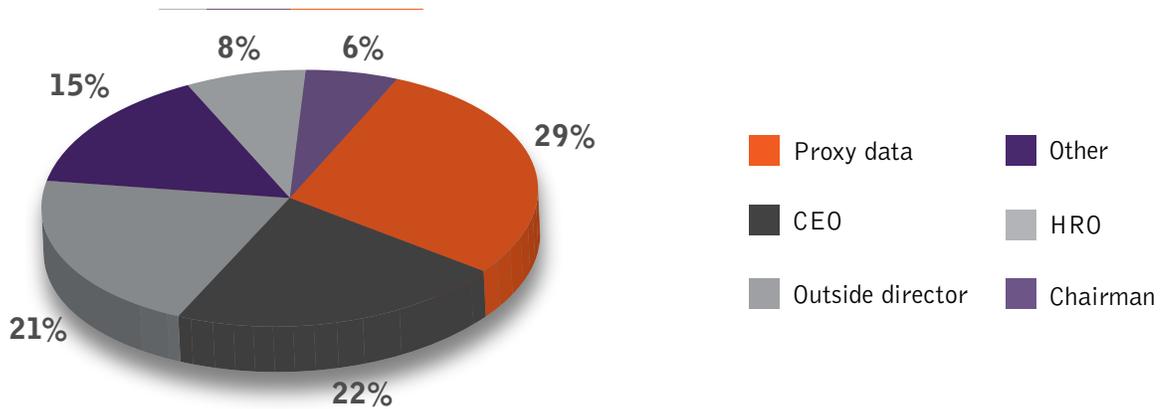


Bank Asset Size	>\$5B**	\$1.1B - \$5B	\$501M - \$1B	\$251M - \$500M	<\$250M	Total
Yes	38%	72%	53%	57%	75%	63%
Unsure	25%	19%	37%	30%	17%	25%
No	38%	9%	10%	14%	8%	12%

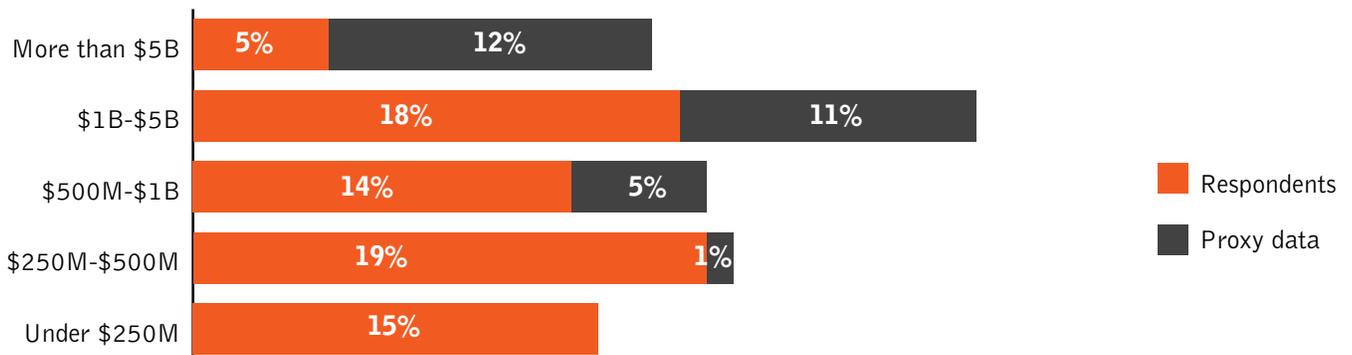
ABOUT THE SURVEY

Bank Director’s 2016 Compensation Survey, sponsored by Compensation Advisors, a member of Meyer-Chatfield Group, surveyed 262 outside directors, chief executive officers, human resources officers and other senior executives of U.S. banks to examine trends in executive and board compensation. The online survey was conducted in March 2016. During that time, CEO and director compensation data for fiscal year 2015 was also collected from the proxy statements of 105 publicly traded institutions. Thirty percent of the data represents institutions between \$1 billion and \$5 billion in assets.

Title



Bank Asset Size



Bank Ownership

