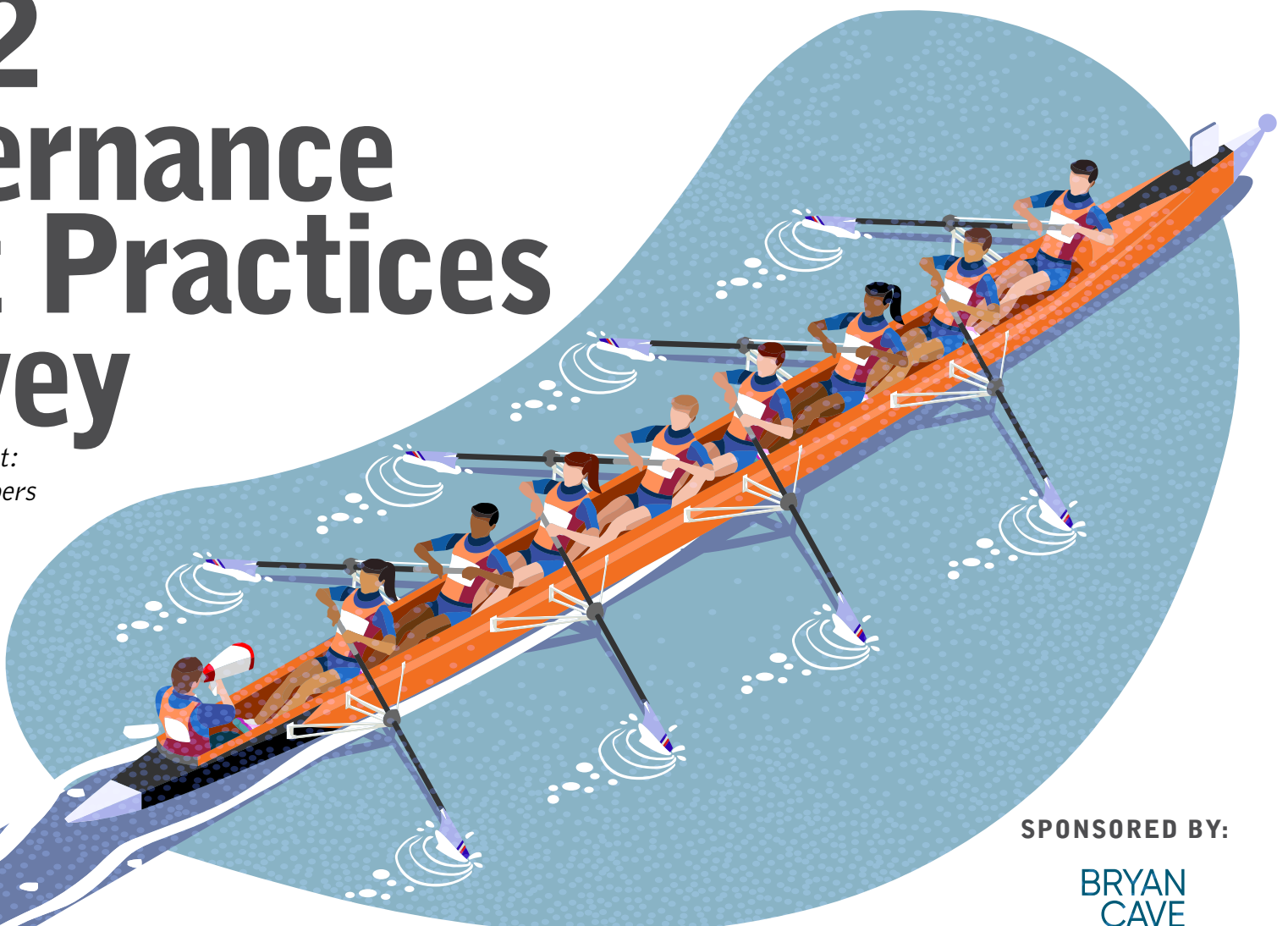


2022 Governance Best Practices Survey

*Exclusive Full Report:
Bank Services Members*



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About Bank Director

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EXECUTIVE SUMMARY



Laura Alix is the director of research for Bank Director, an information resource for directors and officers of financial companies. You can follow her on Twitter or get connected on LinkedIn.

Even the strongest corporate boards benefit from a regular infusion of fresh ideas.

Culture, composition and governance practices — all of these are critical elements for boards to fulfill their oversight role, support management, and maintain the bank’s vision, mission and values. The results of the 2022 Governance Best Practices Survey, sponsored by Bryan Cave Leighton Paisner LLP, suggest that while most directors and CEOs believe their board’s culture is generally solid, they also see room for improvement in certain areas.

Specifically, the majority (54%) say their boardroom culture would benefit from adding new directors who could broaden the board’s perspective. In comments, some expressed a desire to get more tech expertise, greater diversity and younger directors into the boardroom. Others cited a need to retire ineffective directors or cut out micromanagement.

Bringing new perspectives, skills and backgrounds to the table can help boards tackle a host of rapidly evolving challenges, from cybersecurity to environmental or social risks.

Culture can be hard to define, and the survey finds varying opinions about the attributes of a strong board culture. Forty-five percent point to alignment around common goals and 42% value engagement with management on the performance of the bank. Just 30% favor an independent mindset as an important attribute of board culture, something that can be derived through cultivating diverse perspectives in the boardroom.

A majority believe gender, racial and ethnic diversity can improve the board’s performance, similar to previous surveys. Yet, 58% claim it’s difficult to attract suitable board candidates representing diverse racial and ethnic backgrounds.

That’s not necessarily for lack of trying, however. When asked to explain why they find it hard to attract diverse board candidates, many respondents state that they have a limited pool of candidates in their markets or personal networks. But that’s changing as the U.S. population grows more diverse.

“We have a very non-diverse community, although it is changing,” writes one respondent. “I believe the difficulty will lessen with time.”

KEY FINDINGS

→ ESG Oversight

A vast majority – 82% – believe that measuring and understanding where banks stand on environmental, social and governance issues is important for at least some financial institutions, but there's little uniformity when it comes to how boards address ESG. Nearly half – 45% – say their board does not discuss or oversee ESG at all. Forty-four percent say their board and management team has developed or has been working to develop an ESG strategy for their bank.

→ Training Mandates Vary

Forty-nine percent indicate that all directors must meet a minimum training requirement; 36% say training is encouraged but not required of members. Just over half of respondents say their board has an effective onboarding process in place for new directors. However, 27% say their board lacks an onboarding process and 13% say their current onboarding process is ineffective.

→ Knowledge Gaps

Respondents identify cybersecurity, digital banking and commerce, and technology as the top areas where their boards need more knowledge and training. Forty-three percent also believe they could use more education about ESG issues.

→ Board Evaluations

Almost half, or 47%, of respondents conduct board evaluations annually; another 23% assess their board's performance, but not on a yearly basis. Of those that performed assessments, 58% say they then created an action plan to address gaps identified in those evaluations.

→ Assessing Peer Performance

Few boards take advantage of peer-to-peer evaluations, with 51% revealing that their board does not use this tool, nor have they discussed it. Of the 29% of respondents whose bank has conducted a peer evaluation, 83% use the exercise to inform conversations with individual directors about their performance.

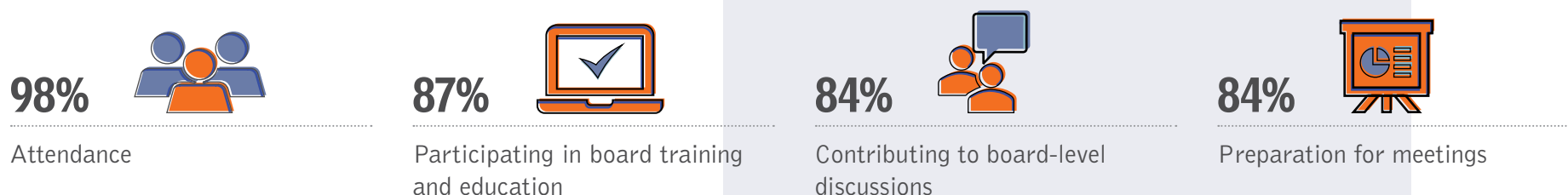
→ Committee Structure

An overwhelming majority of respondents say their board had enough directors to staff all its committees, but 16% say that would no longer be the case if they added more committees. Nearly all respondents say their committees are provided adequate resources to carry out their jobs. The survey reveals continued variation in risk governance practices, with 54% managing audit and risk oversight within separate committees. In boardrooms where there isn't a technology committee, half believe their organization would benefit from one.

BOARD CULTURE

1. Does the board set expectations for individual directors in the following areas?

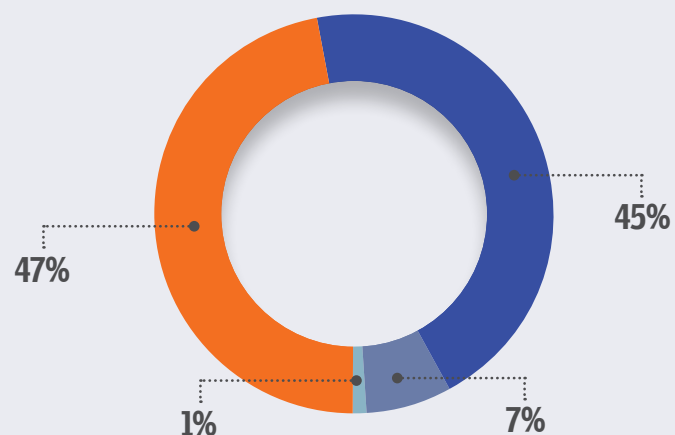
Respondents were asked to select all that apply.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Attendance	100%	100%	100%	96%	95%	98%
Participating in board training and education	88%	95%	88%	84%	85%	87%
Contributing to board-level discussions	77%	85%	89%	80%	83%	84%
Preparation for meetings	82%	85%	89%	77%	80%	84%
Respectful interaction with other board members	82%	95%	86%	73%	83%	83%
Contributing to committee-level discussions	71%	90%	87%	68%	78%	80%
Engaging with bank executives	65%	65%	63%	61%	53%	61%
Using the bank's products and services	12%	55%	43%	50%	60%	46%
Engaging with bank employees	35%	50%	30%	30%	43%	34%
Engaging with shareholders/owners	12%	60%	28%	34%	45%	34%
Engaging with clients	6%	30%	21%	32%	45%	27%

Ownership Structure	Public	Private	Mutual	Total
Attendance	99%	96%	100%	98%
Participating in board training and education	90%	82%	93%	87%
Contributing to board-level discussions	86%	83%	83%	84%
Preparation for meetings	86%	81%	87%	84%
Respectful interaction with other board members	85%	80%	87%	83%
Contributing to committee-level discussions	85%	76%	77%	80%
Engaging with bank executives	64%	58%	60%	61%
Using the bank's products and services	42%	52%	43%	46%
Engaging with bank employees	31%	40%	30%	34%
Engaging with shareholders/owners	33%	42%	13%	34%
Engaging with clients	26%	30%	23%	27%

2. How would you describe your board's culture?



- Our board has a strong culture that helps drive the bank's success
- Our board has a generally good culture that contributes to the bank's success, but there are areas where we need to improve
- Our board culture is adequate, but the board has little/no impact on the bank's success
- Our board has a dysfunctional culture that holds the bank back from being successful

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Our board has a strong culture that helps drive the bank's success	77%	76%	46%	42%	29%	47%
Our board has a generally good culture that contributes to the bank's success, but there are areas where we need to improve	24%	24%	49%	51%	49%	45%
Our board culture is adequate, but the board has little/no impact on the bank's success	-	-	5%	4%	22%	7%
Our board has a dysfunctional culture that holds the bank back from being successful	-	-	-	2%	-	1%

Ownership Structure	Public	Private	Mutual	Total
Our bank has a strong culture that helps drive the bank's success	50%	40%	58%	47%
Our board has a generally good culture that contributes to the bank's success, but there are areas where we need to improve	47%	45%	39%	45%
Our board culture is adequate, but the board has little/no impact on the bank's success	3%	14%	3%	7%
Our board has a dysfunctional culture that holds the bank back from being successful	-	1%	-	1%

3. In which areas could your board's culture be improved?

Respondents were asked to select all that apply.

54% Add new directors to broaden the board's perspective

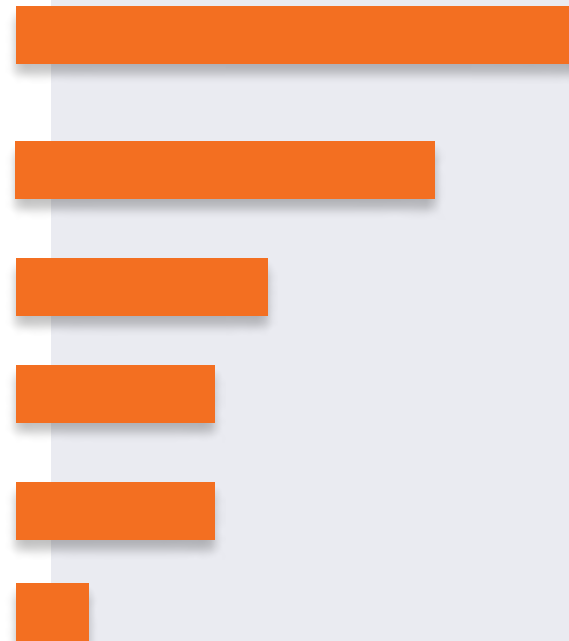
40% Encourage participation from certain directors who rarely engage in discussions

24% Hold management more accountable

19% Focus more on the bank's financial performance

19% Other

7% Develop a more collegial atmosphere



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Add new directors to broaden the board's perspective	44%	65%	54%	50%	58%	54%
Encourage participation from certain directors who rarely engage in discussions	38%	29%	44%	39%	38%	40%
Hold management more accountable	19%	12%	22%	16%	43%	24%
Focus more on the bank's financial performance	19%	6%	16%	9%	40%	19%
Other	-	18%	18%	23%	23%	19%
Develop a more collegial atmosphere	19%	-	7%	7%	5%	7%

Ownership Structure	Public	Private	Mutual	Total
Add new directors to broaden the board's perspective	49%	56%	63%	54%
Encourage participation from certain directors who rarely engage in discussions	42%	39%	33%	40%
Hold management more accountable	24%	29%	7%	24%
Focus more on the bank's financial performance	23%	19%	4%	19%
Other	14%	21%	26%	19%
Develop a more collegial atmosphere	10%	6%	-	7%

4. What are the three most important attributes of a strong board culture?

Respondents were asked to select no more than three options.

45% Alignment around a common set of goals

42% Engaged with management on the performance of the bank

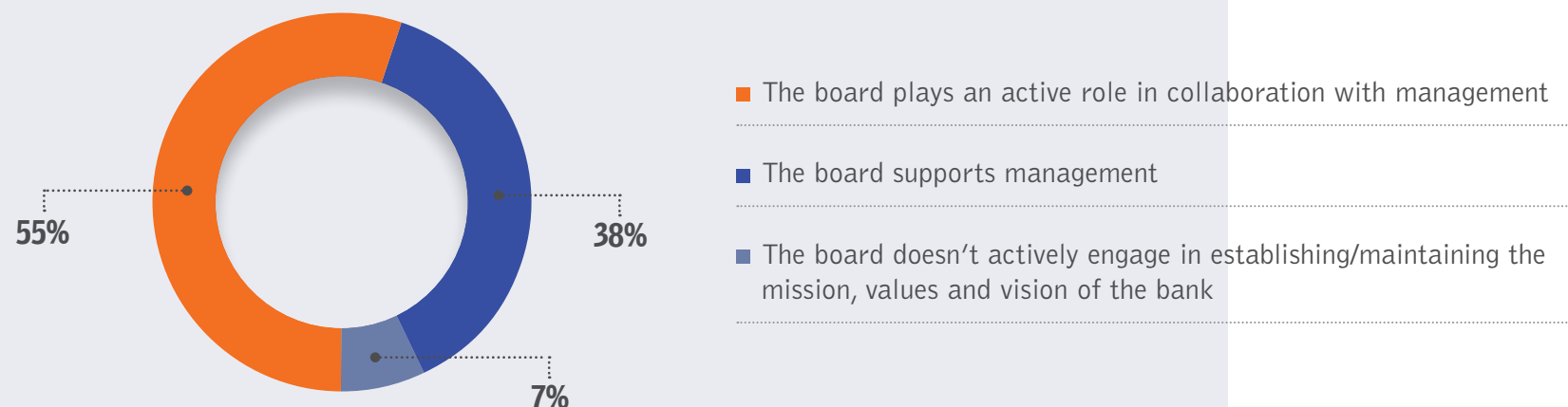
41% Take fiduciary responsibility to shareholders seriously



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Alignment around a common set of goals	29%	48%	51%	58%	24%	45%
Engaged with management on the performance of the bank	35%	33%	39%	60%	34%	42%
Take fiduciary responsibility to shareholders seriously	47%	48%	38%	27%	56%	41%
Directors are willing to put in the time and work hard	29%	57%	32%	40%	37%	37%
Focused on safety and soundness	41%	29%	29%	33%	56%	36%
Board holds itself accountable for its performance	24%	33%	39%	33%	37%	36%
Independent mindset	35%	29%	35%	22%	24%	30%
Top objective of the board is to have a high performing bank	41%	24%	29%	11%	27%	26%
Collegiality	6%	-	7%	13%	5%	7%

Ownership Structure	Public	Private	Mutual	Total
Alignment around a common set of goals	43%	42%	61%	45%
Engaged with management on the performance of the bank	42%	39%	48%	42%
Take fiduciary responsibility to shareholders seriously	48%	45%	7%	41%
Directors are willing to put in the time and work hard	37%	34%	42%	37%
Focused on safety and soundness	30%	42%	39%	36%
Board holds itself accountable for its performance	31%	37%	48%	36%
Independent mindset	30%	32%	23%	30%
Top objective of the board is to have a high performing bank	31%	21%	19%	26%
Collegiality	6%	7%	10%	7%

5. How would you describe your board's role in establishing and maintaining the bank's values, mission and vision?

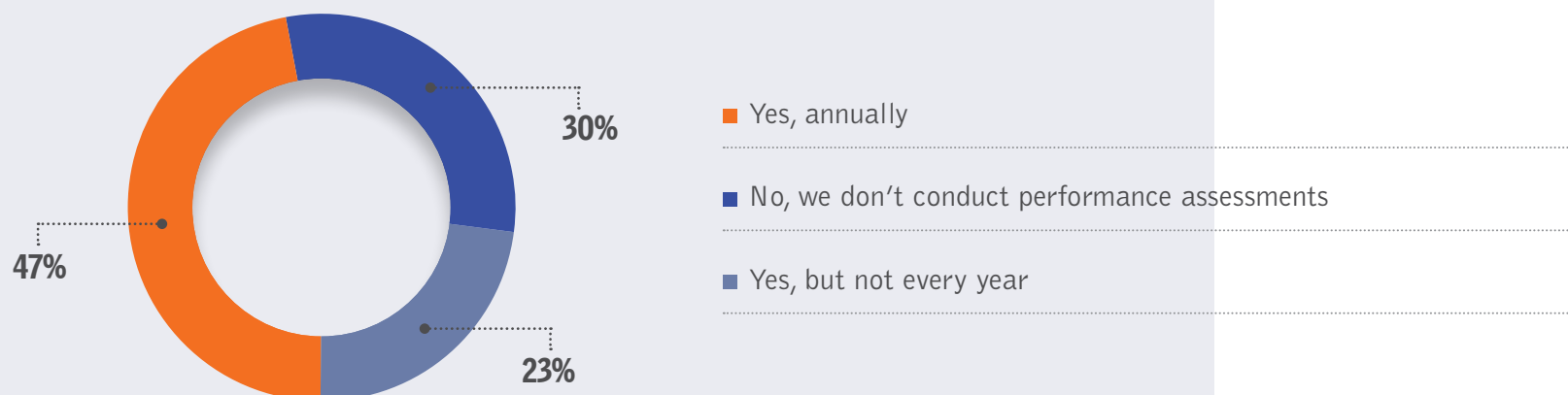


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
The board plays an active role in collaboration with management	65%	71%	49%	58%	51%	55%
The board supports management	35%	24%	49%	31%	32%	38%
The board doesn't actively engage in establishing/maintaining the mission, values and vision of the bank	-	5%	2%	11%	17%	7%

Ownership Structure	Public	Private	Mutual	Total
The board plays an active role in collaboration with management	62%	47%	52%	55%
The board supports management	36%	39%	45%	38%
The board doesn't actively engage in establishing/maintaining the mission, values and vision of the bank	2%	14%	3%	7%

EVALUATING PERFORMANCE

6. Does your board conduct performance assessments?

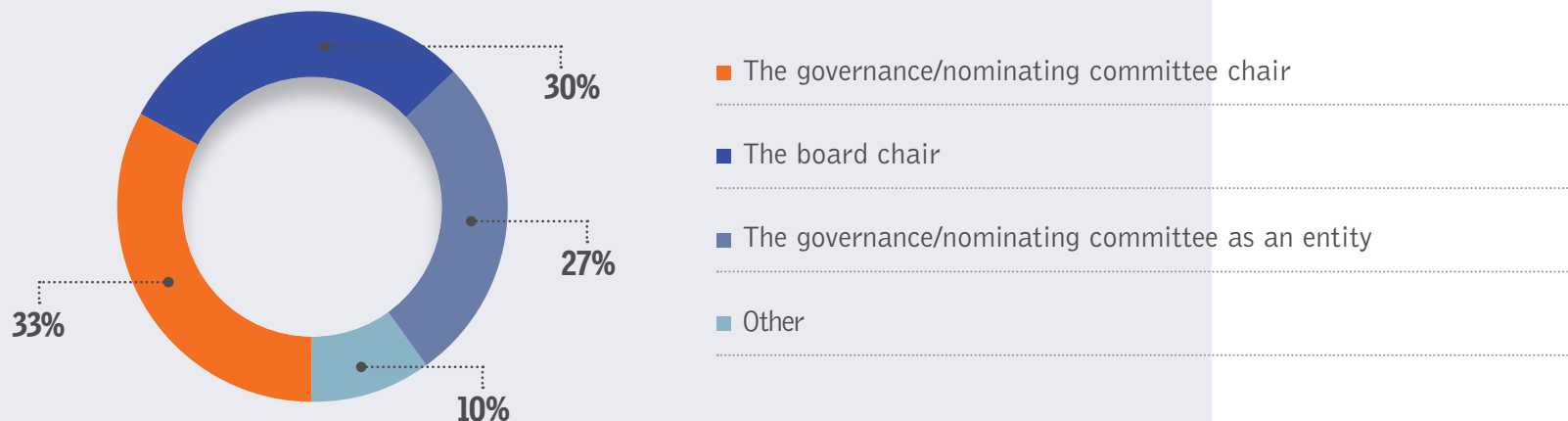


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes, annually	88%	52%	51%	41%	28%	47%
No, we don't conduct performance assessments	6%	5%	28%	33%	55%	30%
Yes, but not every year	6%	43%	21%	26%	18%	23%

Ownership Structure	Public	Private	Mutual	Total
Yes, annually	62%	31%	48%	47%
No, we don't conduct performance assessments	13%	51%	28%	30%
Yes, but not every year	26%	18%	24%	23%

7. Who leads the board evaluation process?

Question asked of respondents indicating their board conducts a performance assessment.

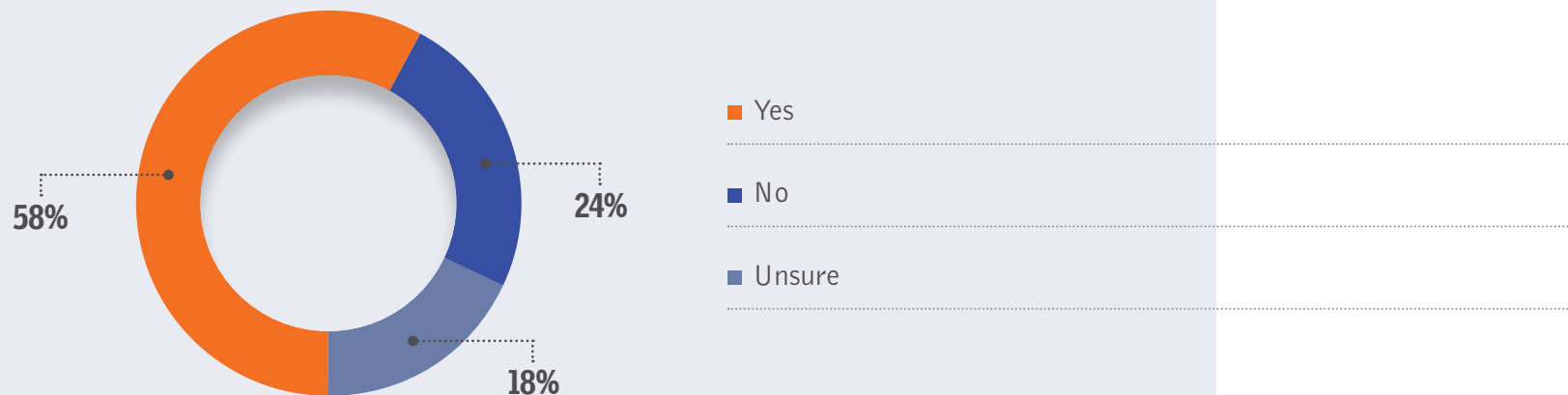


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
The governance/nominating committee chair	38%	37%	41%	21%	17%	33%
The board chair	13%	26%	20%	43%	67%	30%
The governance/nominating committee as an entity	38%	37%	28%	18%	17%	27%
Other	13%	-	11%	18%	-	10%

Ownership Structure	Public	Private	Mutual	Total
The governance/nominating committee chair	36%	24%	38%	33%
The board chair	28%	42%	19%	30%
The governance/nominating committee as an entity	29%	22%	29%	27%
Other	7%	12%	14%	10%

8. Does the board member or committee responsible for the performance assessment – or the board as a whole – create an action plan to address gaps and issues identified in the assessment?

Question asked of respondents indicating their board conducts a performance assessment.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	81%	79%	55%	44%	50%	58%
No	13%	5%	20%	37%	44%	24%
Unsure	6%	16%	25%	19%	6%	18%

Ownership Structure	Public	Private	Mutual	Total
Yes	64%	44%	65%	58%
No	19%	37%	15%	24%
Unsure	17%	20%	20%	18%

9. How does the board use the results of its assessment?

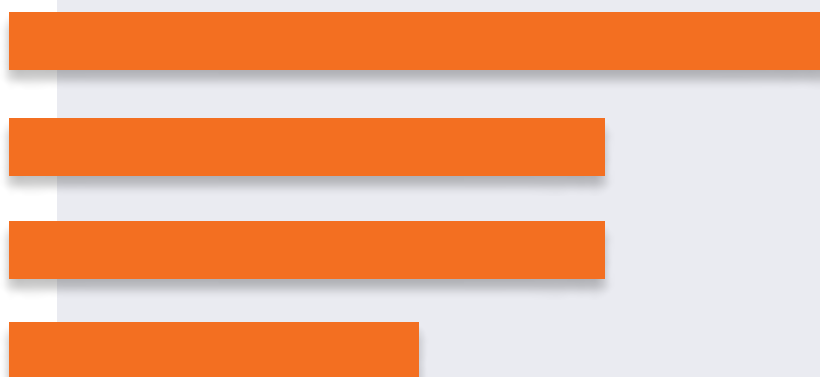
Respondents were asked to select all that apply. Question asked of respondents indicating their board conducts a performance assessment.

79% To assess the effectiveness of the board as a whole

57% To identify training needs for the board

57% To improve governance processes

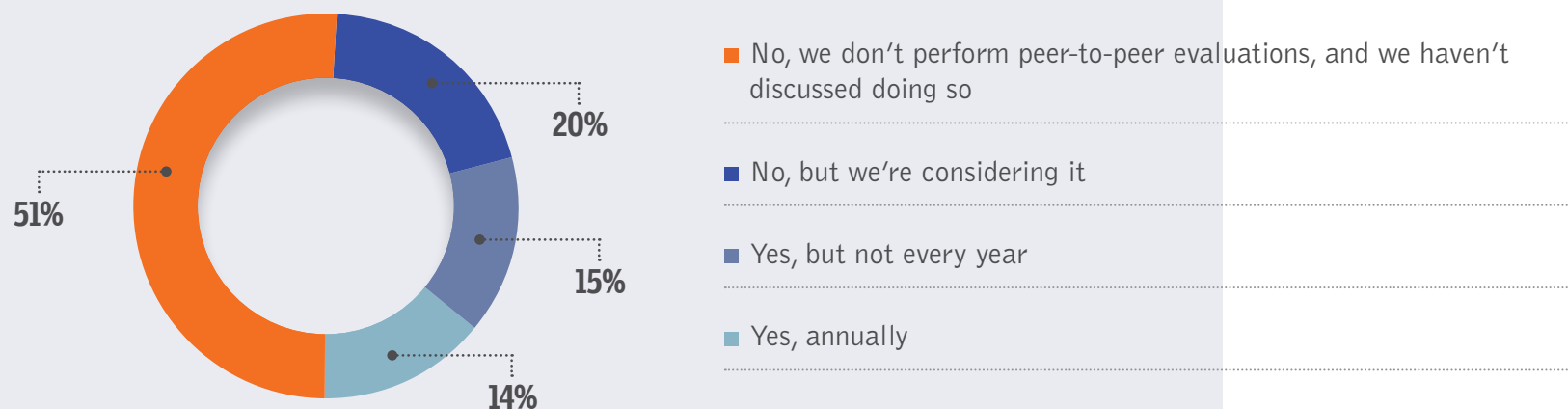
39% To assess committee performance



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
To assess the effectiveness of the board as a whole	81%	74%	83%	78%	72%	79%
To identify training needs for the board	25%	63%	65%	63%	44%	57%
To improve governance processes	63%	68%	54%	56%	56%	57%
To assess committee performance	44%	58%	44%	26%	11%	39%
To identify underperforming directors	25%	16%	49%	26%	28%	35%
To conduct one-on-one conversations with directors	25%	16%	46%	30%	28%	34%
To modify the board's composition	31%	26%	29%	4%	22%	23%
To inform the strategic plan	6%	21%	11%	22%	28%	16%
To identify a need for external consultants/advisors	13%	11%	8%	11%	22%	11%
Other	13%	-	5%	7%	11%	6%

Ownership Structure	Public	Private	Mutual	Total
To assess the effectiveness of the board as a whole	78%	75%	90%	79%
To identify training needs for the board	53%	50%	90%	57%
To improve governance processes	53%	63%	65%	57%
To assess committee performance	47%	18%	45%	39%
To identify underperforming directors	35%	33%	40%	35%
To conduct one-on-one conversations with directors	35%	38%	25%	34%
To modify the board's composition	21%	23%	35%	23%
To inform the strategic plan	17%	13%	20%	16%
To identify a need for external consultants/advisors	12%	13%	5%	11%
Other	6%	10%	-	6%

10. Does your board conduct peer-to-peer evaluations of its members?

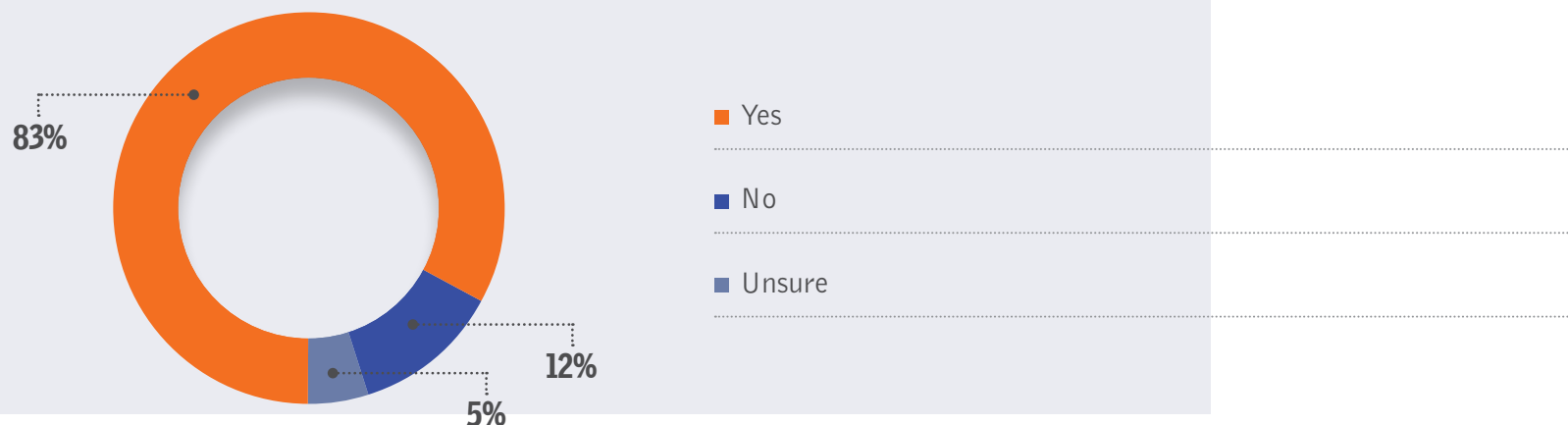


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
No, we don't perform peer-to-peer evaluations, and we haven't discussed doing so	35%	43%	43%	60%	73%	51%
No, but we're considering it	18%	19%	22%	24%	10%	20%
Yes, but not every year	12%	24%	19%	10%	8%	15%
Yes, annually	35%	14%	16%	7%	10%	14%

Ownership Structure	Public	Private	Mutual	Total
No, we don't perform peer-to-peer evaluations, and we haven't discussed doing so	35%	69%	55%	51%
No, but we're considering it	25%	16%	14%	20%
Yes, but not every year	19%	13%	7%	15%
Yes, annually	22%	2%	24%	14%

11. Does the board chair or another individual on the board use the results of the peer evaluations to inform conversations with individual board members about their performance?

Question asked of respondents indicating that their board conducts peer evaluations. *Indicates a count of less than 10 within a category.

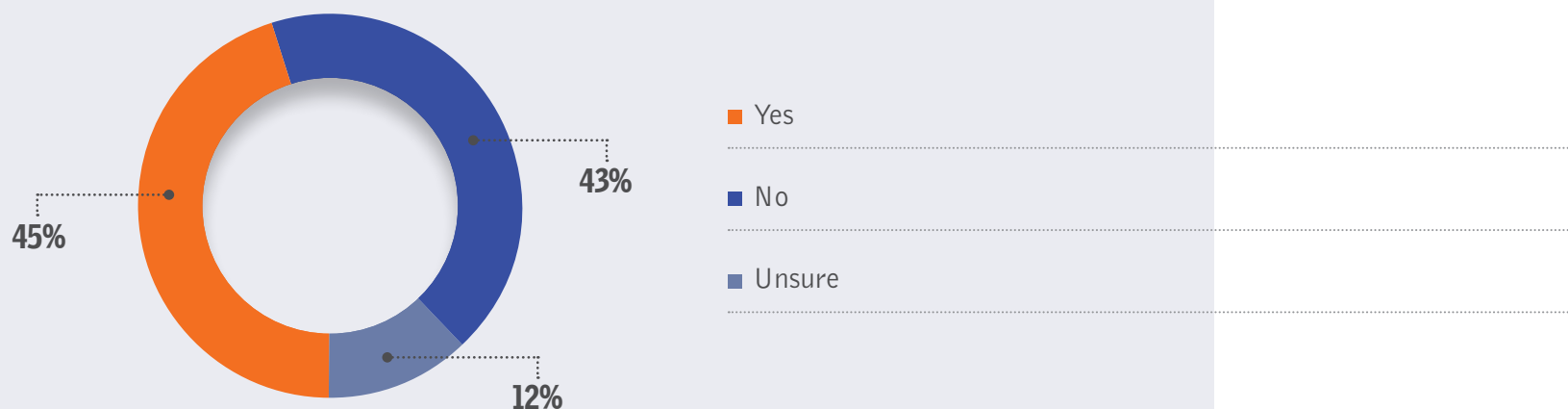


Bank Asset Size	>\$10B*	\$5B-\$10B*	\$1B-\$5B	\$500M-\$1B*	<\$500M*	Total
Yes	100%	86%	81%	71%	86%	83%
No	-	14%	13%	14%	14%	12%
Unsure	-	-	7%	14%	-	5%

Ownership Structure	Public	Private	Mutual*	Total
Yes	90%	69%	78%	83%
No	8%	23%	11%	12%
Unsure	3%	8%	11%	5%

12. Has your board used a peer evaluation process to specifically address a problem director(s)?

Question asked of respondents indicating that their board conducts peer evaluations. *Indicates a count of less than 10 within a category.



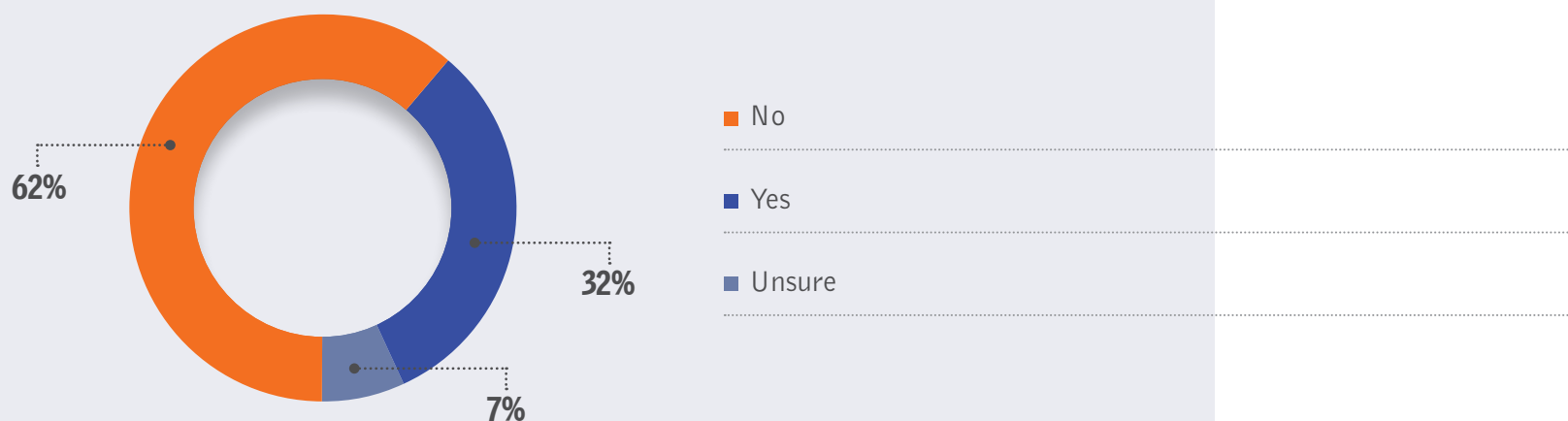
Bank Asset Size	>\$10B*	\$5B-\$10B*	\$1B-\$5B	\$500M-\$1B*	<\$500M*	Total
Yes	38%	14%	52%	43%	57%	45%
No	38%	71%	39%	43%	43%	43%
Unsure	25%	14%	10%	14%	-	12%

Ownership Structure	Public	Private	Mutual*	Total
Yes	37%	62%	56%	45%
No	50%	23%	44%	43%
Unsure	13%	15%	-	12%

13. Have the results of a peer evaluation led to the resignation or departure of a board member?

Question asked of respondents indicating that their board conducts peer evaluations. Numbers don't add up to 100% due to rounding.

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



Bank Asset Size	>\$10B*	\$5B-\$10B*	\$1B-\$5B	\$500M-\$1B*	<\$500M*	Total
No	38%	57%	68%	86%	43%	62%
Yes	50%	29%	26%	14%	57%	32%
Unsure	13%	14%	7%	-	-	7%

Ownership Structure	Public	Private	Mutual*	Total
No	63%	54%	67%	62%
Yes	26%	46%	33%	32%
Unsure	11%	-	-	7%

BUILDING KNOWLEDGE

14. How would you rate your independent directors' knowledge of banking?

- Most of our independent directors know enough about banking to provide effective oversight
- Some of our independent directors know enough about banking to provide effective oversight, but others do not
- Most of our independent directors lack sufficient knowledge about banking to provide effective oversight



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Most of our independent directors know enough about banking to provide effective oversight	87%	67%	74%	67%	56%	70%
Some of our independent directors know enough about banking to provide effective oversight, but others do not	13%	33%	24%	31%	33%	27%
Most of our independent directors lack sufficient knowledge about banking to provide effective oversight	-	-	2%	3%	10%	3%

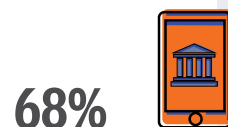
Ownership Structure	Public	Private	Mutual	Total
Most of our independent directors know enough about banking to provide effective oversight	76%	59%	79%	70%
Some of our independent directors know enough about banking to provide effective oversight, but others do not	25%	33%	18%	27%
Most of our independent directors lack sufficient knowledge about banking to provide effective oversight	-	7%	4%	3%

15. In which areas does the board as a whole need more knowledge and training?

Respondents were asked to select all that apply.



Cybersecurity



Digital banking/commerce



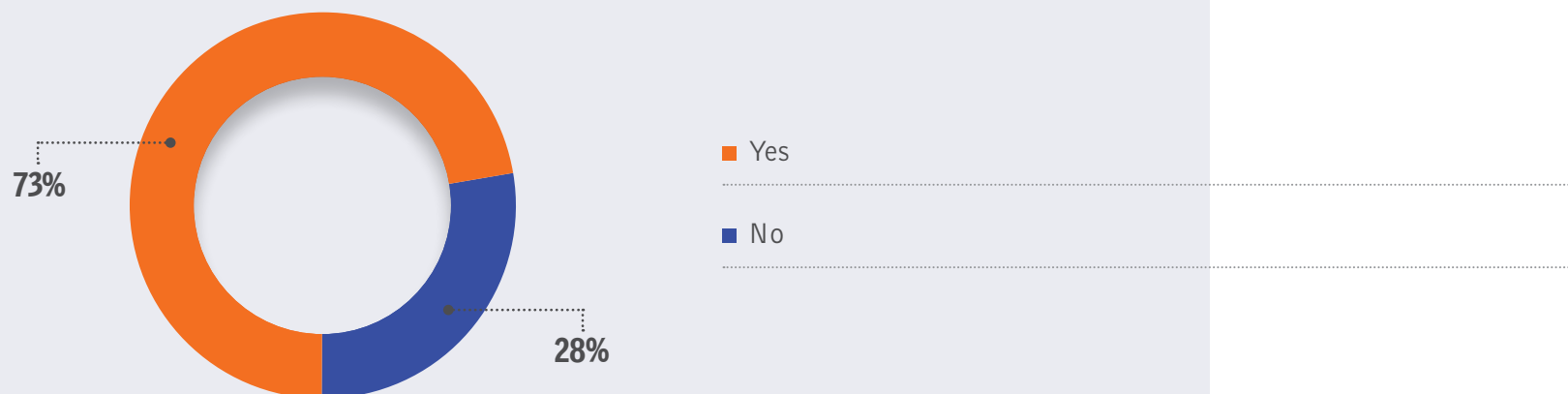
Technology

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Cybersecurity	67%	81%	70%	74%	74%	72%
Digital banking/commerce	67%	81%	72%	72%	47%	68%
Technology	60%	48%	62%	54%	63%	59%
Environmental, social and governance (ESG) oversight	33%	57%	51%	36%	29%	43%
Risk	7%	10%	36%	36%	55%	35%
M&A	7%	-	28%	33%	40%	27%
Regulatory issues	7%	14%	24%	31%	29%	24%
Audit matters	20%	24%	10%	23%	32%	19%
Customer experience	7%	19%	15%	18%	11%	14%
Human resources and talent matters	7%	14%	14%	10%	24%	14%
Other	-	-	2%	-	5%	2%

Ownership Structure	Public	Private	Mutual	Total
Cybersecurity	77%	68%	69%	72%
Digital banking/commerce	77%	59%	62%	68%
Technology	51%	69%	59%	59%
Environmental, social and governance (ESG) oversight	51%	34%	45%	43%
Risk	25%	44%	41%	35%
M&A	25%	34%	14%	27%
Regulatory issues	18%	31%	21%	24%
Audit matters	16%	24%	14%	19%
Customer experience	12%	16%	17%	14%
Human resources and talent matters	10%	23%	7%	14%
Other	-	5%	-	2%

16. Does the board regularly (at least annually) bring in outside experts to educate the board on relevant topics?

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



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	80%	95%	71%	70%	64%	73%
No	20%	5%	29%	30%	36%	28%

Ownership Structure	Public	Private	Mutual	Total
Yes	80%	59%	86%	73%
No	20%	41%	14%	28%

17. Does the board mandate or encourage training for its members?

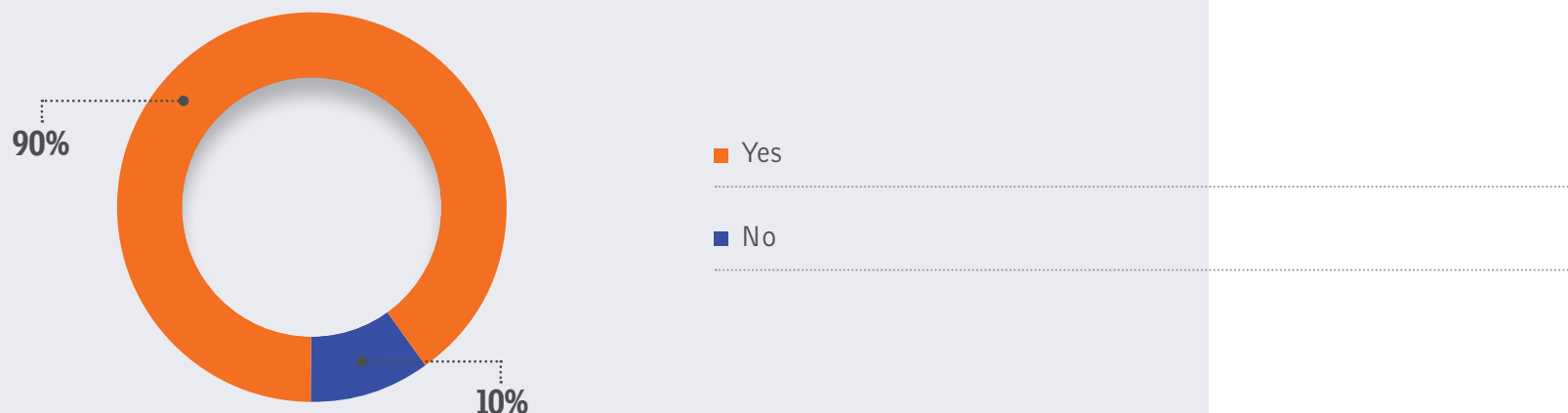
- All directors must meet a minimum training requirement set by the board
- Training isn't required but is encouraged for members
- Training is required for new directors but only encouraged for legacy members
- Our board neither mandates nor encourages external training



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
All directors must meet a minimum training requirement set by the board	40%	52%	43%	60%	51%	49%
Training isn't required but is encouraged for members	53%	38%	40%	23%	33%	36%
Training is required for new directors but only encouraged for legacy members	7%	10%	10%	13%	3%	9%
Our board neither mandates nor encourages external training	-	-	7%	5%	13%	6%

Ownership Structure	Public	Private	Mutual	Total
All directors must meet a minimum training requirement set by the board	54%	41%	52%	49%
Training isn't required but is encouraged for members	33%	40%	38%	36%
Training is required for new directors but only encouraged for legacy members	5%	12%	10%	9%
Our board neither mandates nor encourages external training	7%	7%	-	6%

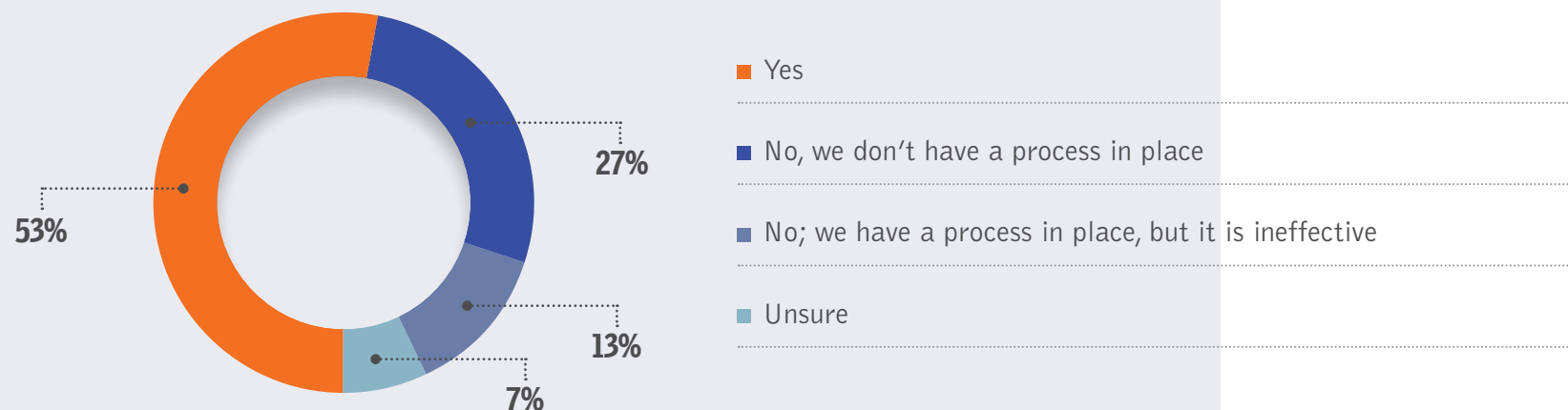
18. Does the board provide training materials and share opportunities for outside education with members of the board?



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	100%	95%	90%	90%	85%	90%
No	-	5%	10%	10%	15%	10%

Ownership Structure	Public	Private	Mutual	Total
Yes	93%	84%	100%	90%
No	7%	16%	-	10%

19. Does the board have an effective onboarding process in place for new directors?

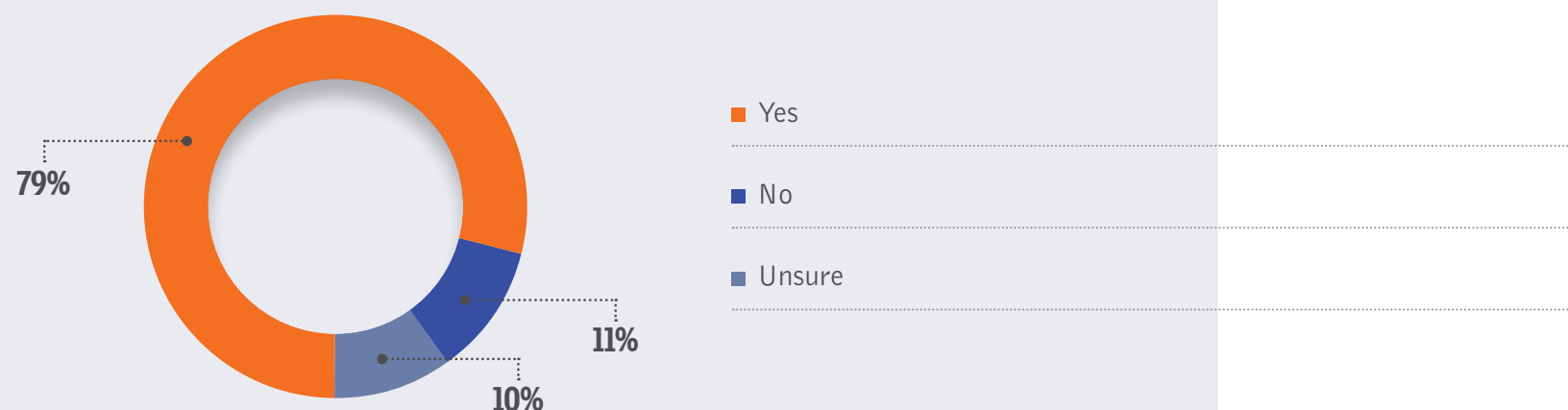


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	67%	91%	53%	50%	31%	53%
No, we don't have a process in place	7%	-	25%	35%	46%	27%
No; we have a process in place, but it is ineffective	13%	5%	12%	8%	23%	13%
Unsure	13%	5%	10%	8%	-	7%

Ownership Structure	Public	Private	Mutual	Total
Yes	62%	40%	62%	53%
No, we don't have a process in place	19%	40%	17%	27%
No; we have a process in place, but it is ineffective	10%	19%	7%	13%
Unsure	10%	3%	14%	7%

20. Does the onboarding process for new directors include training on bank terminology and key measurements for bank performance?

Question asked of respondents indicating their board has an onboarding process for new directors.

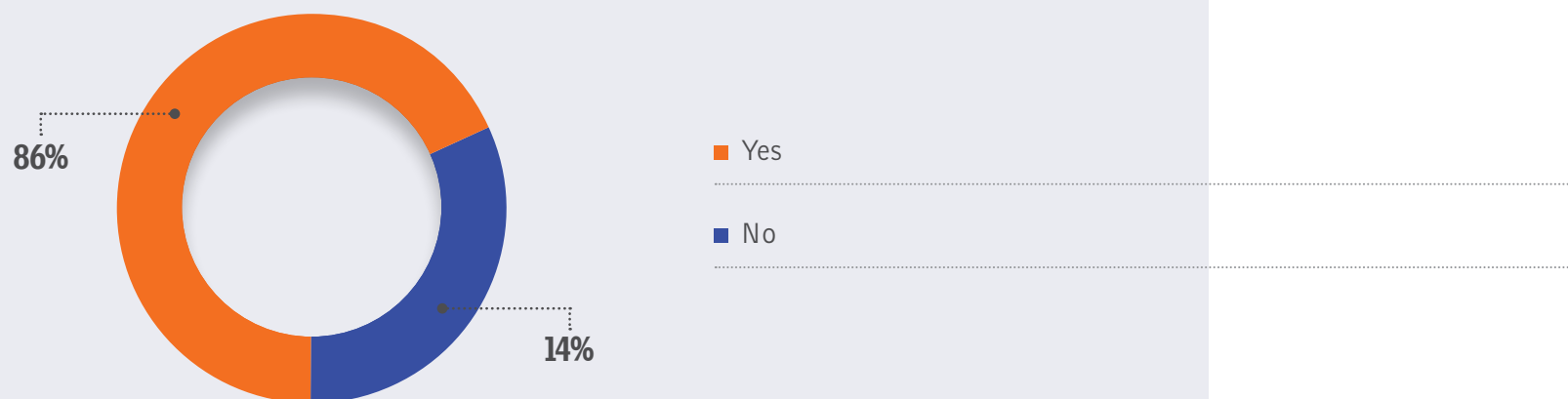


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	75%	74%	79%	87%	76%	79%
No	8%	16%	10%	9%	14%	11%
Unsure	17%	11%	10%	4%	10%	10%

Ownership Structure	Public	Private	Mutual	Total
Yes	77%	79%	85%	79%
No	9%	15%	10%	11%
Unsure	14%	6%	5%	10%

21. Are you satisfied with the training and educational opportunities offered to you as a board member?

Question asked of independent directors, independent chairs and lead directors.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	100%	73%	89%	83%	84%	86%
No	-	27%	11%	17%	16%	14%

Ownership Structure	Public	Private	Mutual	Total
Yes	92%	80%	83%	86%
No	8%	20%	17%	14%

22. Have you personally used any of the following training resources over the past 18 months?

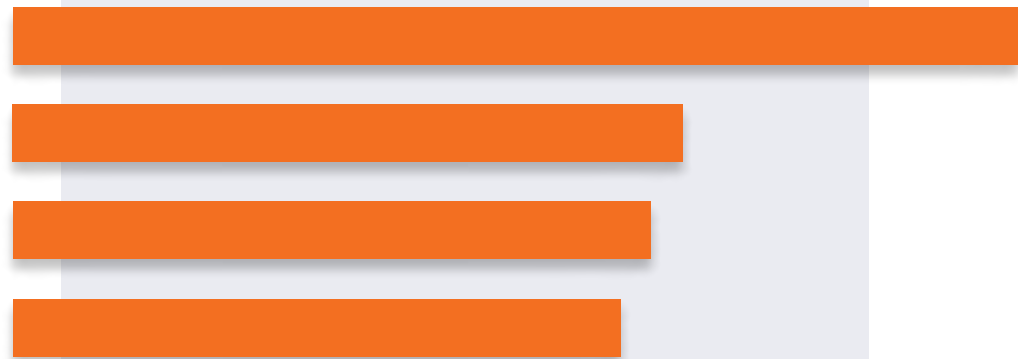
Respondents were asked to select all that apply. Question asked of independent directors, independent chairs and lead directors.

96% Banking publications

64% Online training videos

61% Conferences

58% Webinars



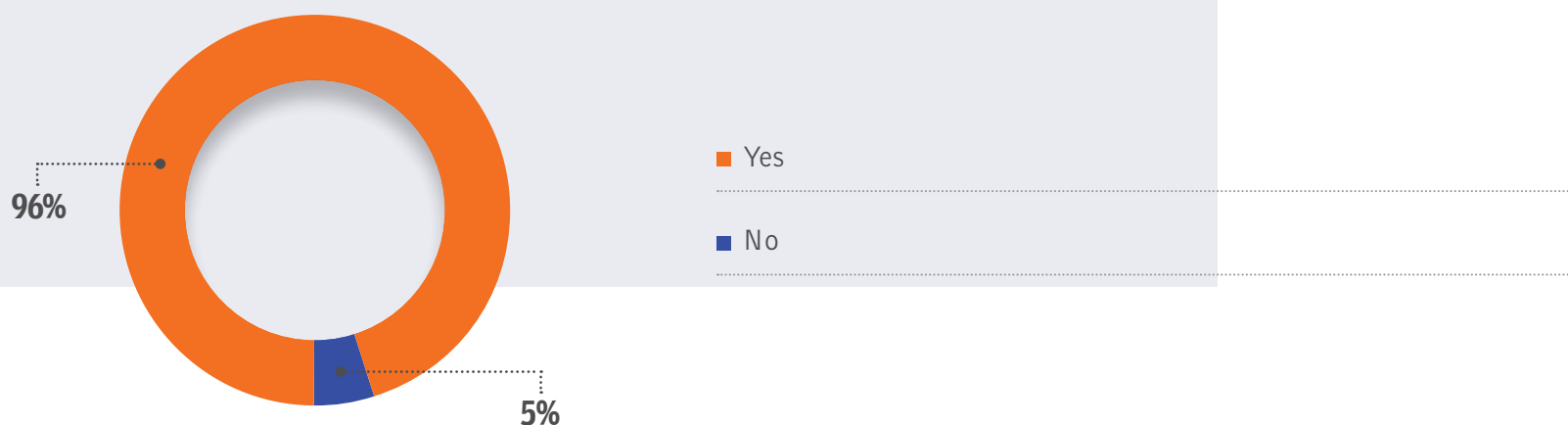
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Banking publications	100%	87%	95%	96%	100%	96%
Online training videos	60%	67%	66%	71%	53%	64%
Conferences	60%	93%	59%	54%	47%	61%
Webinars	70%	67%	59%	46%	58%	58%
In-person board training	20%	80%	56%	38%	47%	52%
Independent consultants	-	53%	39%	46%	26%	37%
I haven't used any training resources over the past 18 months	-	-	2%	-	-	1%
Other	-	-	-	-	5%	1%

Ownership Structure	Public	Private	Mutual	Total
Banking publications	99%	92%	94%	96%
Online training videos	71%	53%	72%	64%
Conferences	66%	55%	56%	61%
Webinars	65%	51%	56%	58%
In-person board training	52%	51%	50%	52%
Independent consultants	35%	35%	50%	37%
I haven't used any training resources over the past 18 months	-	2%	-	1%
Other	2%	-	-	1%

COMMITTEE STRUCTURE

23. Considering the opportunities, risks and challenges facing your bank, do you believe your board's committee structure allows it to effectively oversee the institution?

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

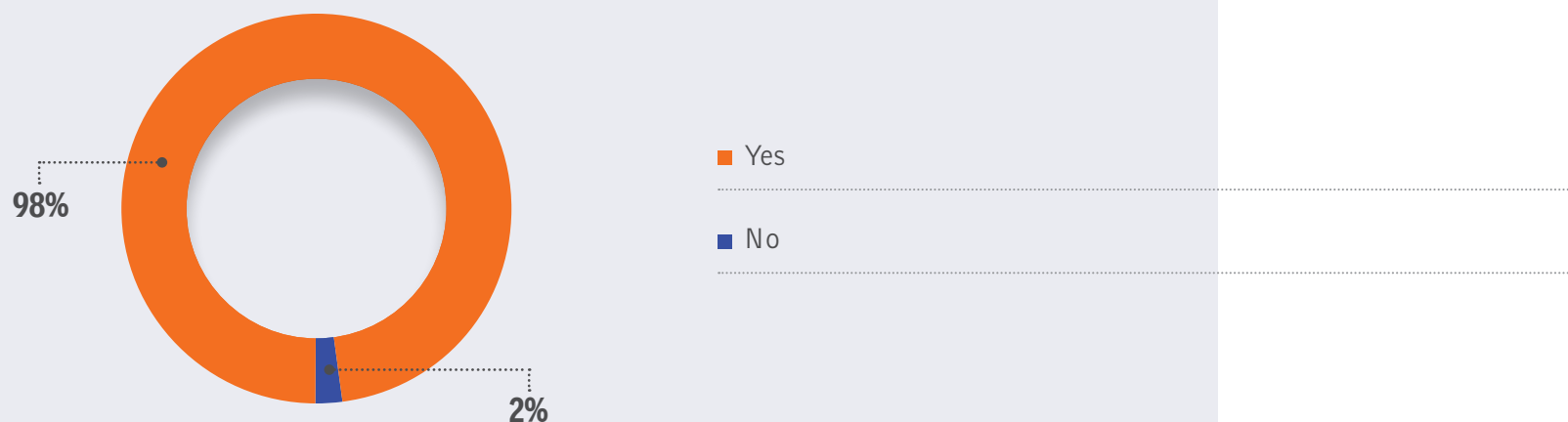


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	100%	100%	94%	97%	92%	96%
No	-	-	6%	3%	8%	5%

Ownership Structure	Public	Private	Mutual	Total
Yes	97%	92%	100%	96%
No	3%	8%	-	5%

24. Based on your experience, are the committees of your board provided with adequate resources to carry out their responsibilities?

Question asked of independent directors, independent chairs and lead directors. *Indicates a count of less than 10 within a category.



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	100%	100%	98%	100%	94%	98%
No	-	-	2%	-	6%	2%

Ownership Structure	Public	Private	Mutual	Total
Yes	100%	96%	100%	98%
No	-	4%	-	2%

25. Does your board have a sufficient number of directors to adequately staff its committees?

- Yes, we have enough directors to staff our current committees
- Yes, we have enough directors to staff our current committees, but not if we add another committee
- No, we don't have enough directors to staff our current committees



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes, we have enough directors to staff our current committees	100%	100%	85%	72%	63%	81%
Yes, we have enough directors to staff our current committees, but not if we add another committee	-	-	13%	28%	26%	16%
No, we don't have enough directors to staff our current committees	-	-	2%	-	11%	3%

Ownership Structure	Public	Private	Mutual	Total
Yes, we have enough directors to staff our current committees	82%	78%	86%	81%
Yes, we have enough directors to staff our current committees, but not if we add another committee	16%	17%	14%	16%
No, we don't have enough directors to staff our current committees	2%	5%	-	3%

26. Are audit and risk oversight managed within separate committees?



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes, we have separated the audit and risk committees	93%	85%	56%	44%	29%	54%
No, risk oversight and audit are managed within the same committee	7%	10%	31%	41%	40%	31%
No, we address risk as a full board	-	5%	13%	15%	32%	15%

Ownership Structure	Public	Private	Mutual	Total
Yes, we have separated the audit and risk committees	60%	49%	46%	54%
No, risk oversight and audit are managed within the same committee	28%	33%	36%	31%
No, we address risk as a full board	12%	18%	18%	15%

27. Which of the following tasks and responsibilities are part of risk oversight by your board and/or the applicable committee?

Respondents were asked to select all that apply.

83% Regularly reviewing the bank's risk profile

73% Ensuring that management can identify, measure, monitor, control and report about the risks facing the bank

72% Monitoring compliance with the risk governance framework



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Regularly reviewing the bank's risk profile	100%	95%	87%	80%	64%	83%
Ensuring that management can identify, measure, monitor, control and report about the risks facing the bank	79%	90%	74%	74%	61%	73%
Monitoring compliance with the risk governance framework	71%	80%	76%	77%	53%	72%
Reviewing, approving and monitoring risk limits	86%	75%	75%	67%	61%	71%
Approving the bank's risk governance framework	71%	75%	70%	56%	44%	63%
Holding management accountable for adhering to the risk governance framework	64%	85%	63%	62%	44%	62%
Reviewing and approving the bank's risk appetite statement	79%	90%	66%	46%	31%	59%

Ownership Structure	Public	Private	Mutual	Total
Regularly reviewing the bank's risk profile	86%	76%	89%	83%
Ensuring that management can identify, measure, monitor, control and report about the risks facing the bank	73%	69%	86%	73%
Monitoring compliance with the risk governance framework	69%	70%	86%	72%
Reviewing, approving and monitoring risk limits	81%	56%	79%	71%
Approving the bank's risk governance framework	63%	59%	71%	63%
Holding management accountable for adhering to the risk governance framework	65%	52%	75%	62%
Reviewing and approving the bank's risk appetite statement	66%	48%	64%	59%

28. Do you believe your current committee structure allows the bank to effectively oversee risk?



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	100%	100%	87%	90%	68%	86%
No	-	-	11%	5%	8%	7%
Unsure	-	-	2%	5%	24%	7%

Ownership Structure	Public	Private	Mutual	Total
Yes	87%	82%	96%	86%
No	7%	11%	-	7%
Unsure	7%	8%	4%	7%

29. Do you believe that it would benefit the board to have a standing technology committee?

Question asked of respondents indicating their board doesn't have a technology committee. *Indicates a count of less than 10 within a category.

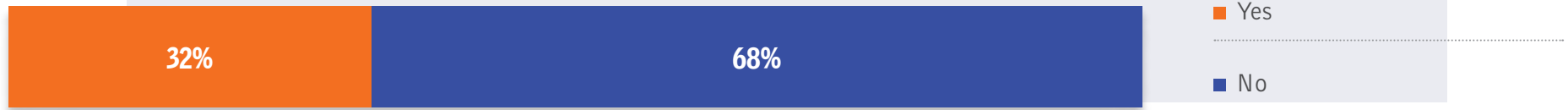


Bank Asset Size	>\$10B*	\$5B-\$10B*	\$1B-\$5B	\$500M-\$1B*	<\$500M*	Total
Yes	67%	63%	47%	33%	50%	50%
No	33%	38%	53%	67%	50%	50%

Ownership Structure	Public	Private	Mutual	Total
Yes	44%	57%	60%	50%
No	56%	43%	40%	50%

30. Do you believe that it would benefit the board to have a standing cybersecurity committee?

Question asked of respondents indicating their board doesn't have a technology committee. *Indicates a count of less than 10 within a category.




Bank Asset Size	>\$10B*	\$5B-\$10B*	\$1B-\$5B	\$500M-\$1B*	<\$500M*	Total
Yes	33%	40%	25%	50%	50%	32%
No	67%	60%	75%	50%	50%	68%

Ownership Structure	Public	Private	Mutual	Total
Yes	26%	43%	38%	32%
No	74%	57%	63%	68%

31. Is the governance/nominating committee responsible for any of the following?

Respondents were asked to select all that apply. Question asked of respondents indicating their board has a governance/nominating committee.
*Indicates a count of less than 10 within a category.

92% 

Identifying and evaluating possible candidates for board membership

89% 

Recommending directors for nomination to the board

81% 

Developing qualifications and criteria for board membership

Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M*	Total
Identifying and evaluating possible candidates for board membership	100%	100%	91%	93%	75%	92%
Recommending directors for nomination to the board	89%	100%	90%	87%	75%	89%
Developing qualifications and criteria for board membership	100%	100%	77%	73%	75%	81%
Assessing the skills and expertise needed on the board	89%	100%	67%	80%	63%	74%
Reviewing the size and composition of each committee	89%	73%	63%	53%	38%	63%
Determining the overall effectiveness of the board	89%	73%	54%	60%	50%	60%
Making recommendations for improving the board	78%	100%	49%	53%	38%	57%
Reviewing the performance of current directors	44%	55%	58%	47%	38%	53%
Determining whether new committees should be added	89%	55%	42%	47%	-	45%
Reviewing the performance of the bank's CEO	44%	27%	32%	67%	63%	40%

Ownership Structure	Public	Private	Mutual	Total
Identifying and evaluating possible candidates for board membership	95%	82%	100%	92%
Recommending directors for nomination to the board	93%	75%	100%	89%
Developing qualifications and criteria for board membership	91%	61%	81%	81%
Assessing the skills and expertise needed on the board	77%	64%	81%	74%
Reviewing the size and composition of each committee	70%	50%	63%	63%
Determining the overall effectiveness of the board	64%	46%	69%	60%
Making recommendations for improving the board	61%	43%	69%	57%
Reviewing the performance of current directors	61%	43%	44%	53%
Determining whether new committees should be added	45%	43%	50%	45%
Reviewing the performance of the bank's CEO	32%	57%	38%	40%

32. Do directors contribute to the development of committee meeting agendas?

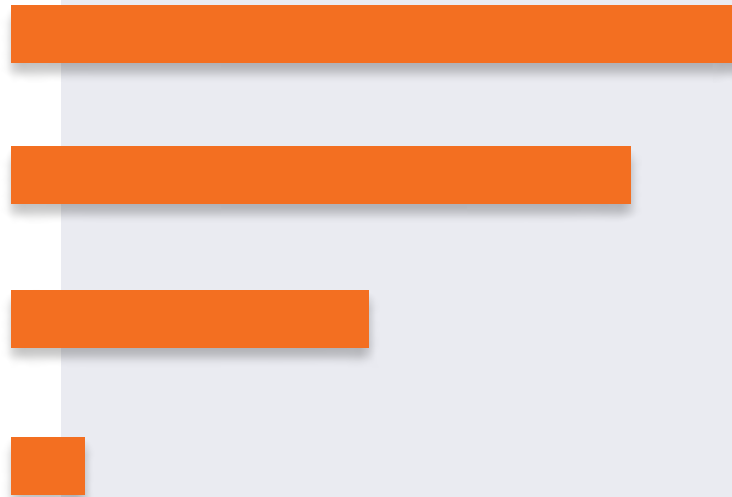
Respondents were asked to select all that apply. Question asked of independent directors, independent chairs and lead directors. *Indicates a count of less than 10 within a category.

70% A committee member or chair is actively involved in developing the committee agenda

59% Independent directors can request that an item be placed on the committee agenda

34% There is an open spot on the committee agenda where any independent director can ask a question on any topic

7% No, directors cannot contribute as indicated above



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
A committee member or chair is actively involved in developing the committee agenda	89%	93%	76%	55%	39%	70%
Independent directors can request that an item be placed on the committee agenda	67%	64%	58%	59%	56%	59%
There is an open spot on the committee agenda where any independent director can ask a question on any topic	22%	36%	36%	46%	22%	34%
No, directors cannot contribute as indicated above	-	-	5%	18%	11%	7%

Ownership Structure	Public	Private	Mutual	Total
A committee member or chair is actively involved in developing the committee agenda	78%	58%	71%	70%
Independent directors can request that an item be placed on the committee agenda	65%	47%	71%	59%
There is an open spot on the committee agenda where any independent director can ask a question on any topic	37%	31%	35%	34%
No, directors cannot contribute as indicated above	2%	13%	12%	7%

ESG IN THE BOARDROOM

33. How are environmental, social and governance (ESG) issues comprehensively addressed in the boardroom?

Respondents were asked to select all that apply.

45% The board doesn't discuss or oversee ESG

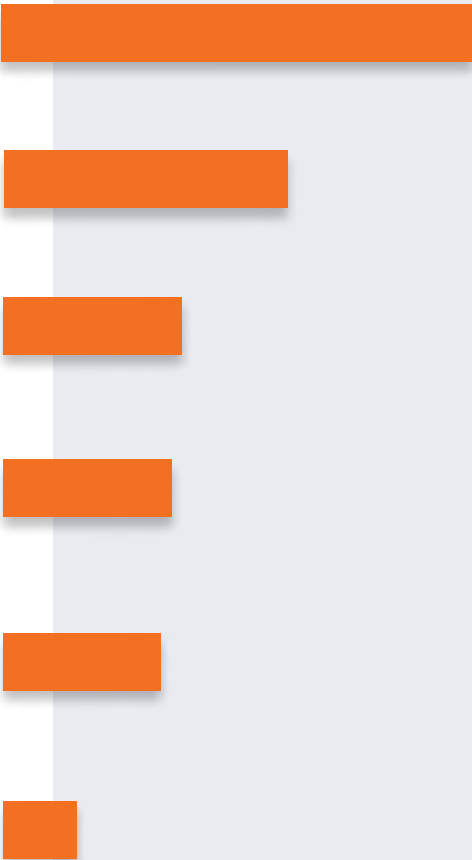
27% The board and management team are developing or will soon develop an ESG strategy

17% Responsibility for ESG has been assigned to one or more committees

16% The board and management team have developed an ESG strategy and defined goals for the organization

15% The board and/or management team engage with company stakeholders on ESG to understand their concerns

7% The board has set goals and incentives around ESG matters for the management team



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
The board doesn't discuss or oversee ESG	-	25%	38%	64%	69%	45%
The board and management team are developing or will soon develop an ESG strategy	29%	35%	39%	14%	11%	27%
Responsibility for ESG has been assigned to one or more committees	43%	30%	18%	8%	8%	17%
The board and management team have developed an ESG strategy and defined goals for the organization	43%	35%	15%	8%	6%	16%
The board and/or management team engage with company stakeholders on ESG to understand their concerns	29%	25%	16%	8%	8%	15%
The board has set goals and incentives around ESG matters for the management team	-	10%	5%	11%	6%	7%

Ownership Structure	Public	Private	Mutual	Total
The board doesn't discuss or oversee ESG	30%	58%	59%	45%
The board and management team are developing or will soon develop an ESG strategy	37%	16%	26%	27%
Responsibility for ESG has been assigned to one or more committees	28%	7%	7%	17%
The board and management team have developed an ESG strategy and defined goals for the organization	27%	7%	4%	16%
The board and/or management team engage with company stakeholders on ESG to understand their concerns	17%	15%	11%	15%
The board has set goals and incentives around ESG matters for the management team	4%	6%	15%	7%

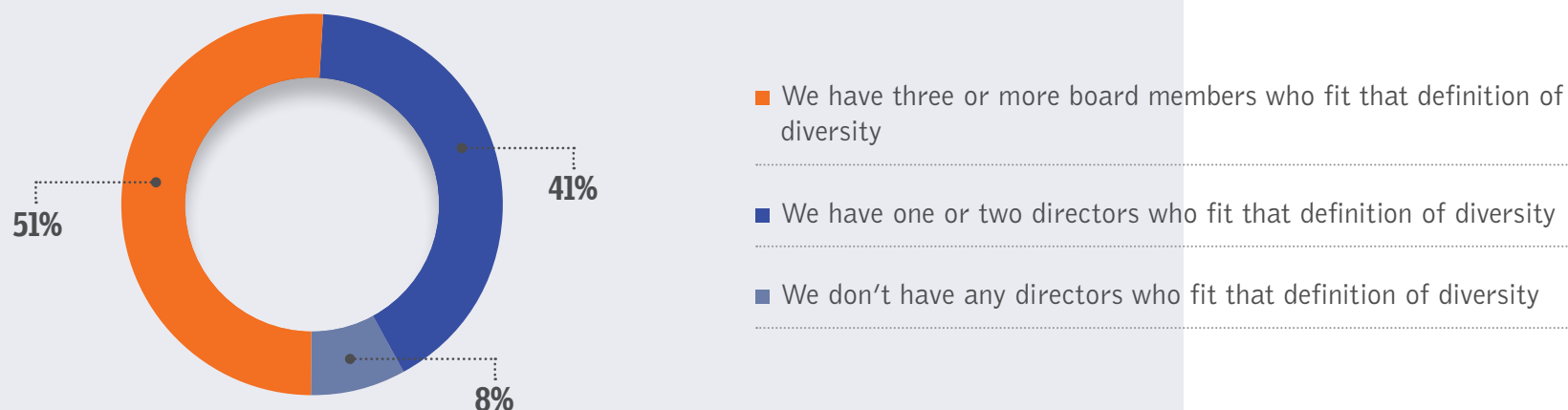
34. Do you believe that it's important for financial institutions to comprehensively measure and understand where they stand on ESG?



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes, I believe this is important for all financial institutions	39%	55%	58%	51%	39%	51%
It's important for publicly traded entities and mission-oriented banks, but not all financial institutions	46%	35%	23%	37%	33%	31%
No, I think ESG is a waste of time	15%	10%	19%	11%	28%	18%

Ownership Structure	Public	Private	Mutual	Total
Yes, I believe this is important for all financial institutions	56%	44%	56%	51%
It's important for publicly traded entities and mission-oriented banks, but not all financial institutions	27%	37%	26%	31%
No, I think ESG is a waste of time	18%	19%	19%	18%

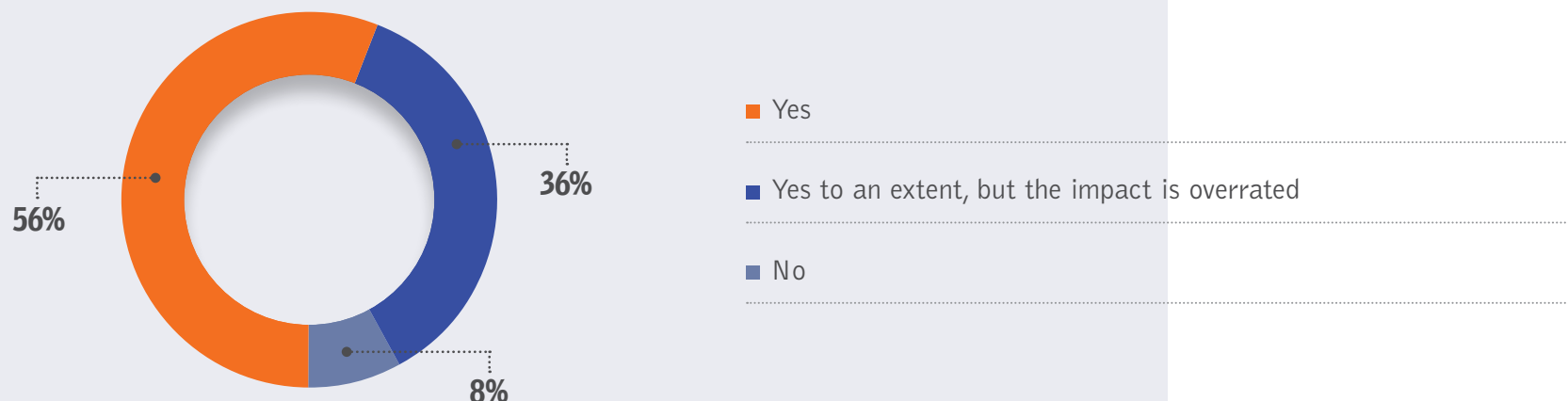
35. How would you characterize your board's diversity as defined by race, gender or ethnicity?



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
We have three or more board members who fit that definition of diversity	79%	85%	54%	39%	25%	51%
We have one or two directors who fit that definition of diversity	21%	15%	42%	47%	56%	41%
We don't have any directors who fit that definition of diversity	-	-	5%	14%	19%	8%

Ownership Structure	Public	Private	Mutual	Total
We have three or more board members who fit that definition of diversity	64%	34%	50%	51%
We have one or two directors who fit that definition of diversity	34%	51%	39%	41%
We don't have any directors who fit that definition of diversity	2%	16%	11%	8%

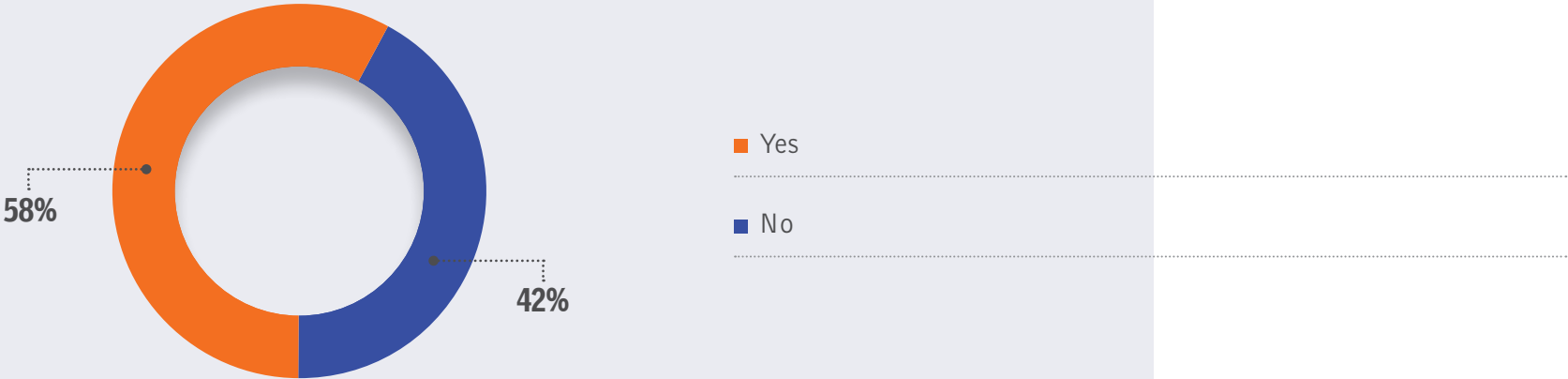
36. Do you believe that greater diversity defined by race, gender and ethnicity improves the performance of a corporate board?



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	57%	70%	48%	67%	56%	56%
Yes to an extent, but the impact is overrated	43%	30%	42%	28%	31%	36%
No	-	-	11%	6%	14%	8%

Ownership Structure	Public	Private	Mutual	Total
Yes	58%	48%	68%	56%
Yes to an extent, but the impact is overrated	39%	35%	29%	36%
No	3%	17%	4%	8%

37. Do you believe it's difficult to attract candidates with diverse racial and ethnic backgrounds to serve on your bank's board?



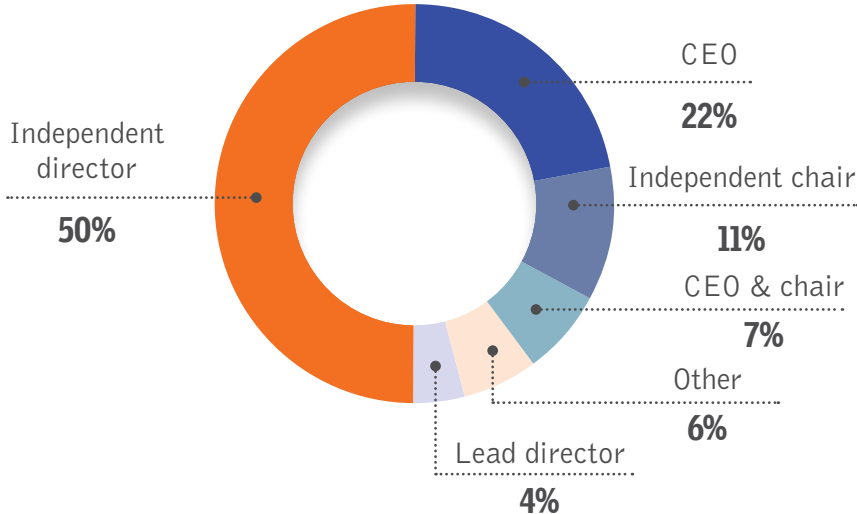
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	<\$500M	Total
Yes	14%	50%	65%	64%	58%	58%
No	86%	50%	35%	36%	42%	42%

Ownership Structure	Public	Private	Mutual	Total
Yes	50%	69%	61%	58%
No	51%	31%	39%	42%

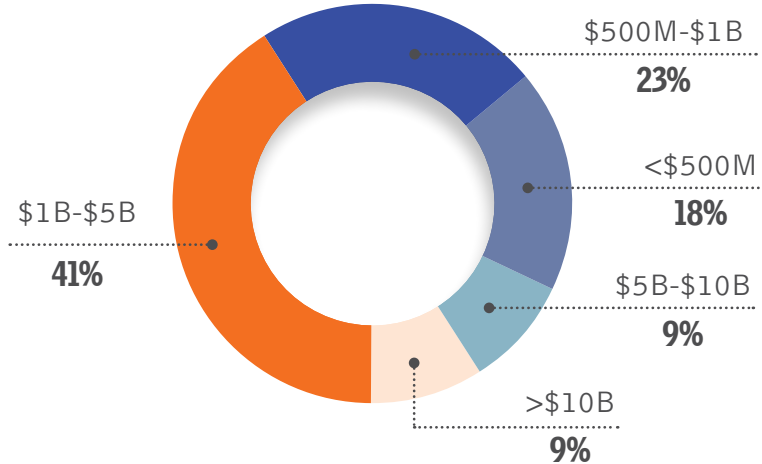
ABOUT THE SURVEY

Bank Director’s 2022 Governance Best Practices Survey, sponsored by Bryan Cave Leighton Paisner, surveyed 234 independent directors, chairs and chief executives of U.S. banks below \$100 billion in assets, with the majority of respondents representing regional and community banks. The survey regularly explores the fundamentals of board performance, and this year examined board culture, committee structure, and how ESG is governed in the boardroom, along with practices such as evaluations and training that help boards improve their performance. The survey was conducted in February and March 2022.

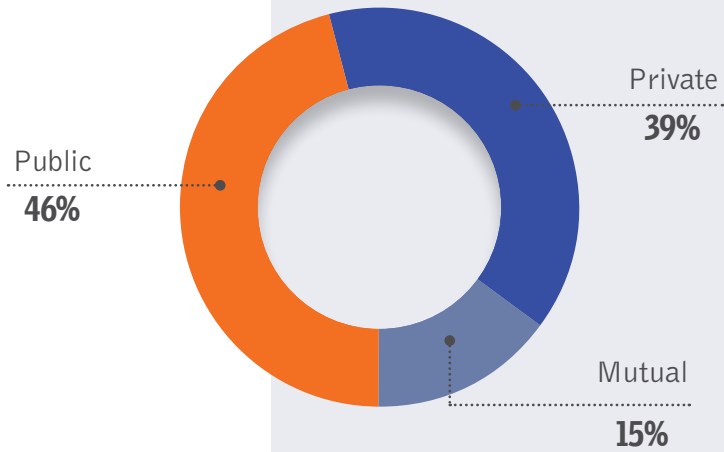
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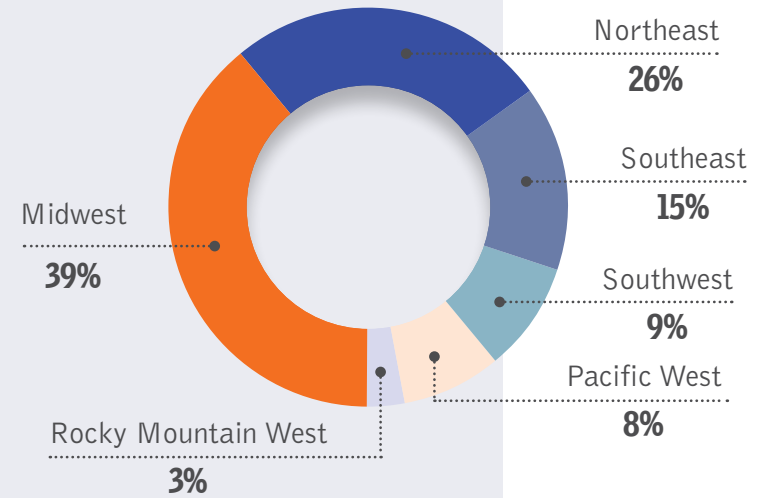
ASSET SIZE



OWNERSHIP STRUCTURE

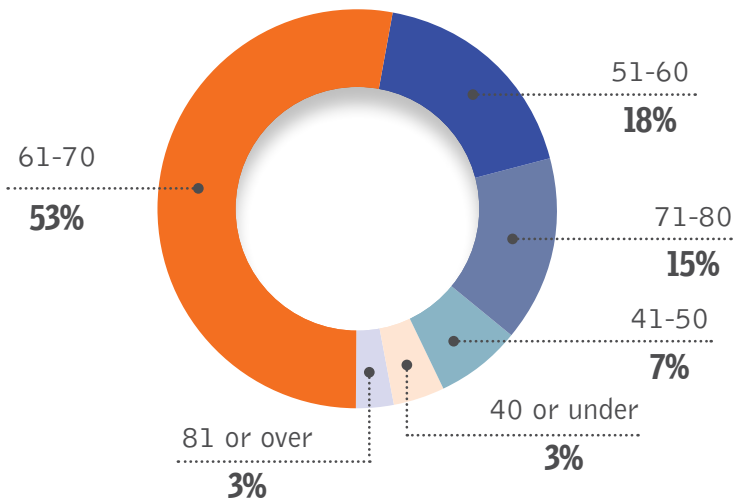


REGION*



RESPONDENT AGE

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



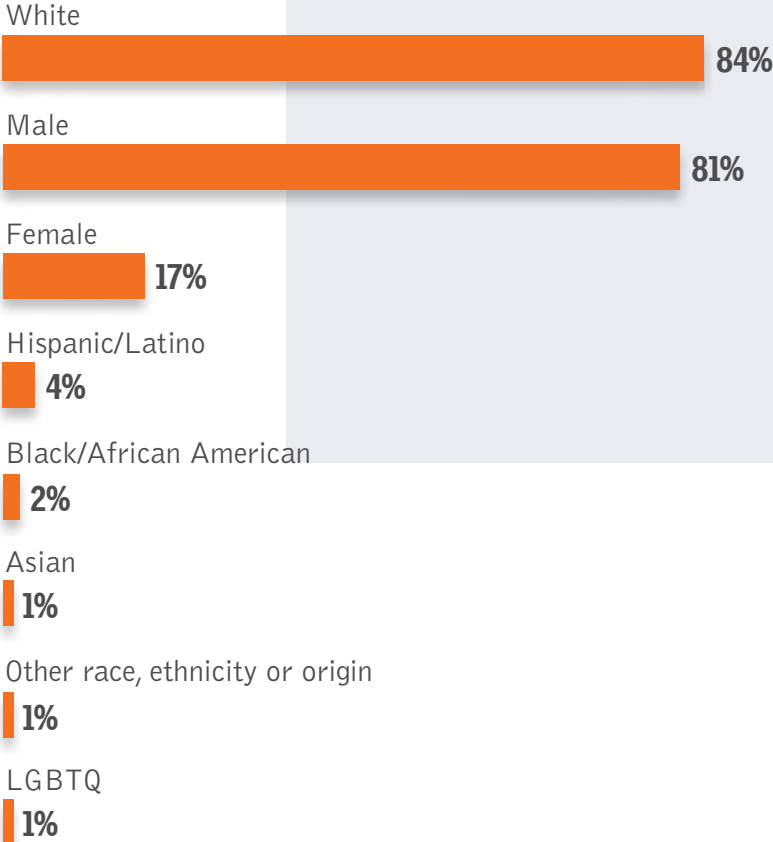
BOARD TENURE

15

Median Years Served on the Board

*Regions defined as follows: Midwest (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI); Northeast (CT, ME, MA, NH, NJ, NY, PA, RI, VT); Pacific West (AK, CA, HI, OR, WA); Rocky Mountain West (CO, ID, MT, NV, UT, WY); Southeast (AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, SC, TN, VA, WV); Southwest (AZ, NM, OK, TX)

RESPONDENT BACKGROUND



COMMITTEE MEMBERSHIP

