

2021 Risk Survey



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About Bank Director

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EXECUTIVE SUMMARY



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An outsized crisis requires bold action. The banking industry responded in kind when the economy spiraled as a result of the Covid-19 pandemic.

Financial institutions across the country assisted small businesses by issuing Paycheck Protection Program loans. Banks also almost universally modified loans to help borrowers weather the storm, according to Bank Director's 2021 Risk Survey, sponsored by Moss Adams LLP. At the peak of the downturn, 43% of the directors, CEOs, chief risk officers and other senior executives responding to the survey say their bank modified more than 10% of the loans in their portfolio.

Conducted on the heels of a tumultuous 2020 — with the pandemic, social strife and political change continuing into January — the survey reveals high levels of anxiety across the risk spectrum. In particular, respondents indicate greater unease regarding cybersecurity (92%) and credit (89%), as well as strategic (62%) and operational (52%) risks.

Almost half of respondents indicate that some or most of the loan modifications extended into the fourth quarter 2020, and two-thirds reveal concerns about concentrations in their loan portfolio, with most pointing to commercial real estate (43%) and/or the hospitality industry (31%).

Forty-three percent indicate that their bank tightened underwriting standards during the downturn. Looking ahead, many are unsure whether they'll ease their standards to lend to business customers in 2021 and 2022. The challenges to bankers have been deep during the past year.

As the CEO of a small, southeastern community bank put it: "What doesn't kill you makes you stronger."

Despite this uncertainty, bankers express some optimism. More than three-quarters believe that supporting their communities during the pandemic has positively affected their bank's reputation. Eighty-seven percent expect fewer than 10% of their bank's business customers to fail. And 84% will improve their bank's business continuity plan due to what they've experienced.

KEY FINDINGS

➔ More Robust Stress Testing

More than 80% say their bank conducts an annual stress test. Of these, 60% have expanded the quantity and/or depth of economic scenarios examined in response to the Covid-19 pandemic.

➔ Cybersecurity Gaps

Sixty-three percent say their institution increased its oversight of cybersecurity and data privacy in 2020. Most say the bank needs to improve its cybersecurity program by training staff (68%) and implementing technology to better detect or deter threats and intrusions (65%).

➔ Climate Change Still Not a Hot Topic

Just 14% say their board discusses the risks posed by climate change at least annually; this is up slightly from 11% in last year's survey. Fewer than 10% say an executive reports to the board about the risks and opportunities that climate change presents to the institution.

➔ Pandemic Plans Adjusted

Respondents identify several areas where they'll enhance their business continuity plan as a result of the pandemic. The majority point to formalizing remote work procedures and policies (77%), educating and training employees (56%) and/or providing the right tools to staff (55%). Roughly half say that fewer than a quarter of employees will work remotely when the pandemic abates; 25% say that no employees will work remotely.

➔ Banking Marijuana

Forty-one percent of respondents represent a bank headquartered where marijuana use is at least partly legal. Overall, one-third are unsure if their bank would be willing to serve marijuana businesses. Just 7% serve these businesses; 34% have discussed banking this industry but don't work with these companies yet.

CHALLENGES

1. Have your concerns about the following risk categories increased or decreased over the past year?

Compliance					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	13%	11%	9%	6%	9%
Increased somewhat	31%	37%	40%	35%	37%
No change	56%	46%	46%	54%	49%
Decreased somewhat	-	5%	6%	4%	5%
Decreased significantly	-	1%	-	-	1%

Consumer					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	7%	8%	3%	9%	7%
Increased somewhat	29%	36%	51%	51%	42%
No change	57%	51%	46%	40%	48%
Decreased somewhat	7%	4%	-	-	2%
Decreased significantly	-	1%	-	-	1%

Credit					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	19%	37%	29%	15%	27%
Increased somewhat	69%	55%	63%	69%	62%
No change	6%	5%	9%	15%	9%
Decreased somewhat	6%	3%	-	2%	2%
Decreased significantly	-	-	-	-	-

Cybersecurity					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	63%	46%	56%	46%	49%
Increased somewhat	19%	47%	44%	42%	43%
No change	19%	5%	-	13%	8%
Decreased somewhat	-	1%	-	-	1%
Decreased significantly	-	-	-	-	-

Environmental/climate risk					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	7%	7%	3%	8%	6%
Increased somewhat	47%	32%	31%	15%	28%
No change	33%	57%	60%	65%	58%
Decreased somewhat	7%	3%	3%	13%	6%
Decreased significantly	7%	1%	3%	-	2%

Interest rate risk					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	-	12%	23%	27%	17%
Increased somewhat	27%	42%	46%	35%	40%
No change	47%	38%	23%	33%	35%
Decreased somewhat	27%	8%	9%	4%	9%
Decreased significantly	-	-	-	-	-

Legal					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	-	1%	6%	4%	3%
Increased somewhat	20%	25%	29%	23%	25%
No change	67%	59%	63%	64%	62%
Decreased somewhat	13%	15%	3%	9%	10%
Decreased significantly	-	-	-	-	-

Liquidity					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	-	4%	6%	2%	4%
Increased somewhat	13%	12%	11%	17%	13%
No change	47%	32%	40%	47%	39%
Decreased somewhat	20%	42%	29%	26%	33%
Decreased significantly	20%	11%	14%	9%	12%

Operational					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	13%	7%	9%	2%	6%
Increased somewhat	40%	36%	59%	52%	45%
No change	40%	53%	29%	35%	42%
Decreased somewhat	7%	5%	3%	10%	6%
Decreased significantly	-	-	-	-	-

Reputational					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	13%	1%	3%	2%	3%
Increased somewhat	38%	20%	40%	19%	25%
No change	38%	66%	51%	71%	62%
Decreased somewhat	13%	8%	3%	6%	7%
Decreased significantly	-	5%	3%	2%	3%

Strategic					
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Increased significantly	25%	5%	9%	8%	9%
Increased somewhat	50%	49%	63%	52%	53%
No change	19%	40%	26%	31%	33%
Decreased somewhat	-	7%	-	8%	5%
Decreased significantly	6%	-	3%	-	1%

CREDIT RISK & LENDING

2. Are you concerned that your bank's loan portfolio is overly concentrated in any of the following areas?

Respondents were asked to select all that apply. Chief information officers, chief technology officers and chief information security officers were not asked this question.

43%



Commercial real estate

34%



We're not concerned about any loan concentrations

31%

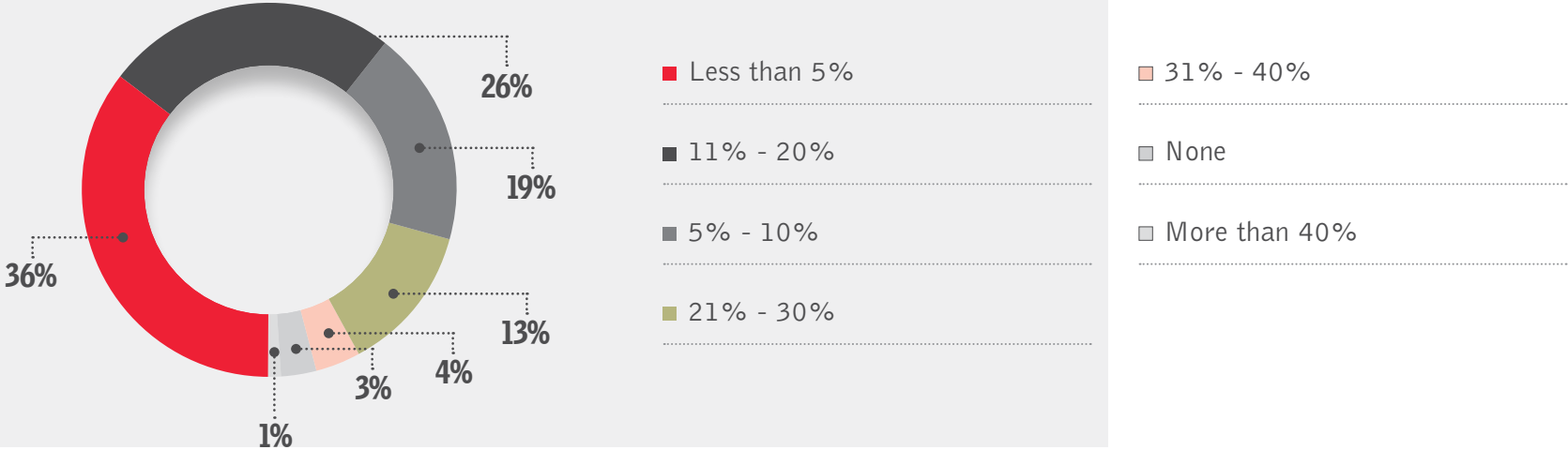


Loans to the hospitality industry, including hotels and restaurants

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Commercial real estate	62%	44%	48%	33%	43%
We're not concerned about any loan concentrations	31%	32%	26%	42%	34%
Loans to the hospitality industry, including hotels and restaurants	15%	36%	44%	19%	31%
Other	15%	9%	-	23%	12%
Commercial & industrial	15%	8%	-	7%	7%
Construction loans	-	9%	4%	7%	7%
Mortgage loans, including home equity loans	-	8%	11%	5%	7%
Paycheck Protection Program/SBA or other small business loans	-	5%	7%	9%	6%
Loans to retailers	15%	5%	-	2%	4%
Energy loans, including oil and gas	-	2%	-	2%	1%

3. At their peak, what percentage of loans were modified in the second and third quarters of 2020 due to the Covid-19 pandemic?

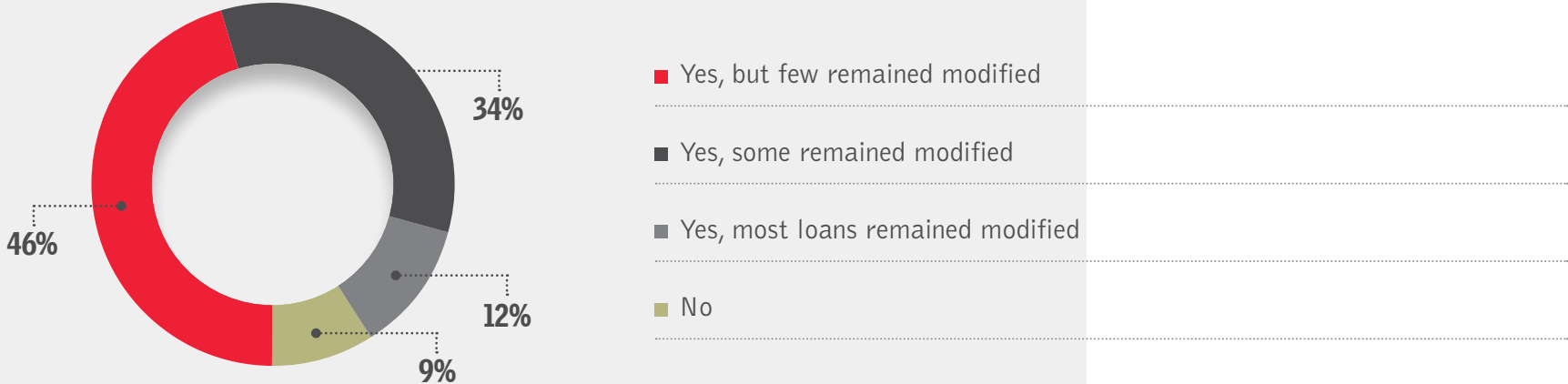
Numbers don't add up to 100% due to rounding. CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Less than 5%	8%	26%	36%	57%	36%
11% - 20%	33%	26%	25%	24%	26%
5% - 10%	33%	22%	18%	11%	19%
21% - 30%	8%	19%	14%	4%	13%
31% - 40%	8%	5%	7%	-	4%
None	8%	2%	-	4%	3%
More than 40%	-	2%	-	-	1%

4. Did the Covid-19 loan modifications extend into fourth quarter 2020?

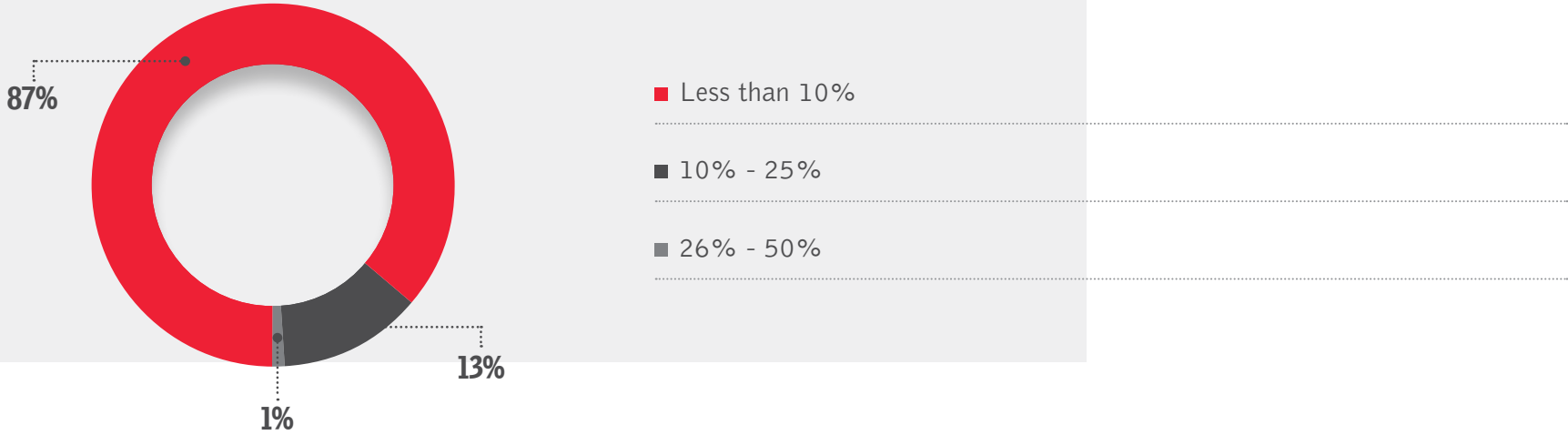
Numbers don't add up to 100% due to rounding. CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes, but few remained modified	55%	38%	54%	50%	46%
Yes, some remained modified	36%	43%	39%	16%	34%
Yes, most loans remained modified	9%	13%	4%	16%	12%
No	-	6%	4%	18%	9%

5. Thinking about your bank’s business customers, what percentage do you believe will be lost due to the failure of their business as a result of this pandemic?

Numbers don’t add up to 100% due to rounding. CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Less than 10%	83%	82%	89%	94%	87%
10% - 25%	17%	19%	11%	4%	13%
26% - 50%	-	-	-	2%	1%

6. During the Covid-19 pandemic and resulting economic downturn, how has your bank adjusted its underwriting standards on business and commercial loans, excluding those issued as part of the Paycheck Protection Program?

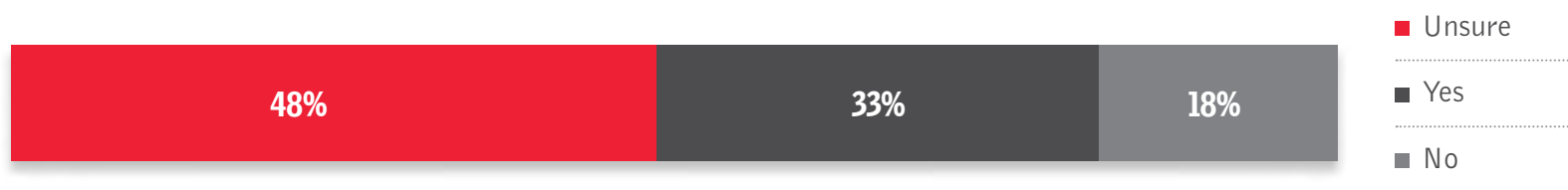
CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
We have not adjusted underwriting standards during this period	58%	51%	61%	57%	55%
Our underwriting standards are more stringent overall	33%	48%	39%	41%	43%
Our underwriting standards have eased overall	8%	2%	-	2%	2%

7. Thinking about your bank's business customers that have struggled through this pandemic, despite satisfactory performance beforehand: Will your bank adjust its underwriting standards to lend to these customers in 2021-22, assuming they need a loan to expand their operations or otherwise improve their business?

Numbers don't add up to 100% due to rounding. CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Unsure	31%	47%	57%	50%	48%
Yes	31%	36%	36%	28%	33%
No	39%	17%	7%	22%	18%

8. How do you believe the pandemic has affected your bank's reputation in its markets?

CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Positively	85%	79%	89%	65%	77%
No change	15%	20%	11%	33%	22%
Negatively	-	2%	-	2%	1%

9. Is the current expected credit loss (CECL) standard in effect at your bank?

CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
My bank doesn't have to implement CECL until 2023	15%	61%	89%	89%	70%
Yes, CECL went into effect on or before January 2020	77%	18%	8%	7%	18%
My bank took advantage of the CARES Act delay	8%	21%	4%	5%	12%

10. Did your bank's CECL allowance negatively impact your bank's capital position, and do you wish you had deferred implementation?

Question only asked of respondents indicating that the CECL standard went into effect at their bank on or before January 2020. CIOs, CTOs and CISOs were not asked this question.



11. Does your bank conduct an annual stress test?

CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes	100%	89%	85%	66%	82%
We conduct a stress test, but it is infrequent	-	8%	12%	11%	9%
No	-	3%	4%	16%	7%
Unsure	-	-	-	7%	2%

12. Has your bank expanded the quantity and/or depth of economic scenarios examined in its stress testing in response to the Covid-19 pandemic?

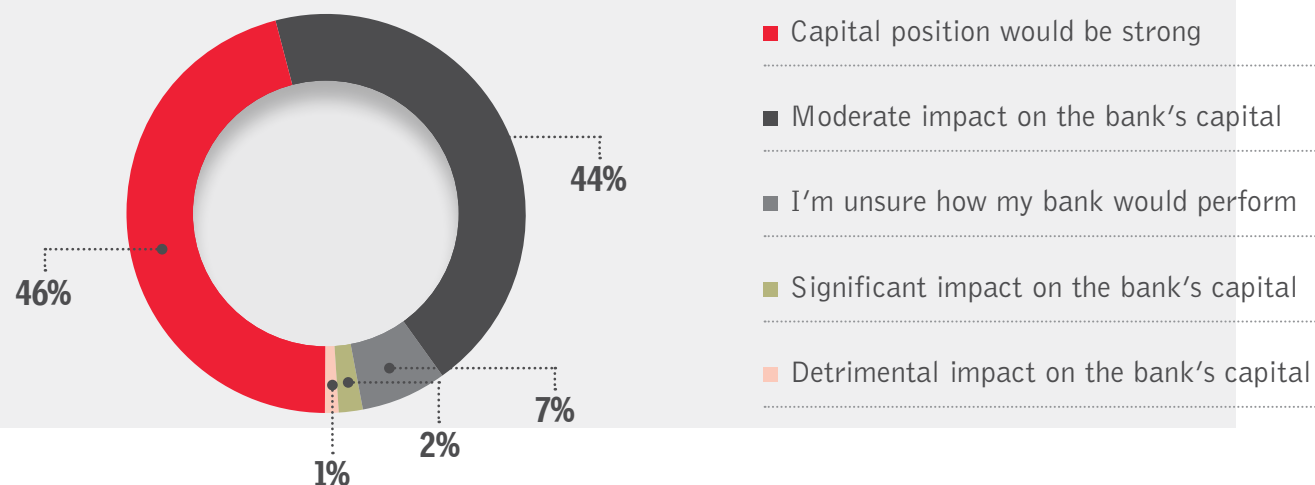
Question only asked of respondents indicating that their bank conducts an annual stress test. CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	<Total
Yes	85%	65%	59%	41%	60%
No	15%	28%	36%	45%	32%
Unsure	-	7%	5%	14%	8%

13. Regarding your bank's capital position, how would you expect your bank to perform in a severely adverse economic scenario?

Respondents were asked to answer based on the following scenario outlined by the Federal Reserve in September 2020: a roughly three-point rise in the unemployment rate, peaking at 12.5% at the end of 2021, and a 3% drop in GDP from the third quarter 2020 to the end of 2021. CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Capital position would be strong, with a minimum common equity tier 1 ratio above 10%	50%	39%	58%	48%	46%
Moderate impact on the bank's capital—tier 1 ratio between 7% and 9.9%	42%	52%	35%	41%	44%
I'm unsure how my bank would perform in such a severe economic downturn	8%	5%	8%	9%	7%
Significant impact on the bank's capital—tier 1 ratio between 4% and 6.9%	-	5%	-	-	2%
Detrimental impact on the bank's capital—tier 1 ratio below 4%	-	-	-	2%	1%

CYBERSECURITY

14. Has your bank significantly increased its oversight of cybersecurity and data privacy since the beginning of the Covid-19 pandemic (March 2020)?

Numbers don't add up to 100% due to rounding. Chief credit officers and chief lending officers were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes	79%	64%	73%	49%	63%
No	14%	28%	23%	49%	32%
Unsure	7%	9%	4%	2%	6%

15. Where do you see room to improve your bank's cybersecurity program?

Respondents were asked to select all that apply. Chief credit officers and CLOs were not asked this question.

68% Training for bank staff

65% Technology to better detect and/or deter cyber threats and intrusions

38% Internal controls

31% Attracting/retaining cybersecurity personnel

17% More focus by the board

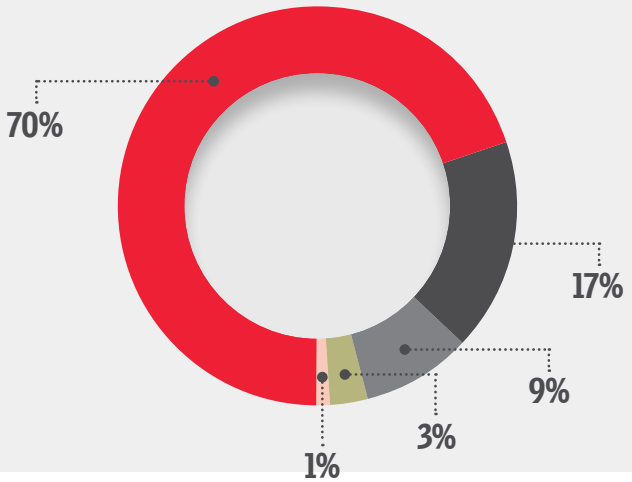
6% Other



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Training for bank staff	50%	70%	62%	75%	68%
Technology to better detect and/or deter cyber threats and intrusions	71%	68%	69%	55%	65%
Internal controls	36%	36%	39%	40%	38%
Attracting/retaining cybersecurity personnel	50%	43%	23%	15%	31%
More focus by the board	7%	17%	8%	25%	17%
Other	14%	9%	4%	3%	6%

16. Has your bank conducted an assessment using the FFIEC Cybersecurity Assessment Tool?

Chief credit officers and CLOs were not asked this question.



- Yes, our bank has completed an assessment using the FFIEC’s tool

- Unsure

- Our bank has completed a cybersecurity assessment, but did not use the FFIEC’s tool

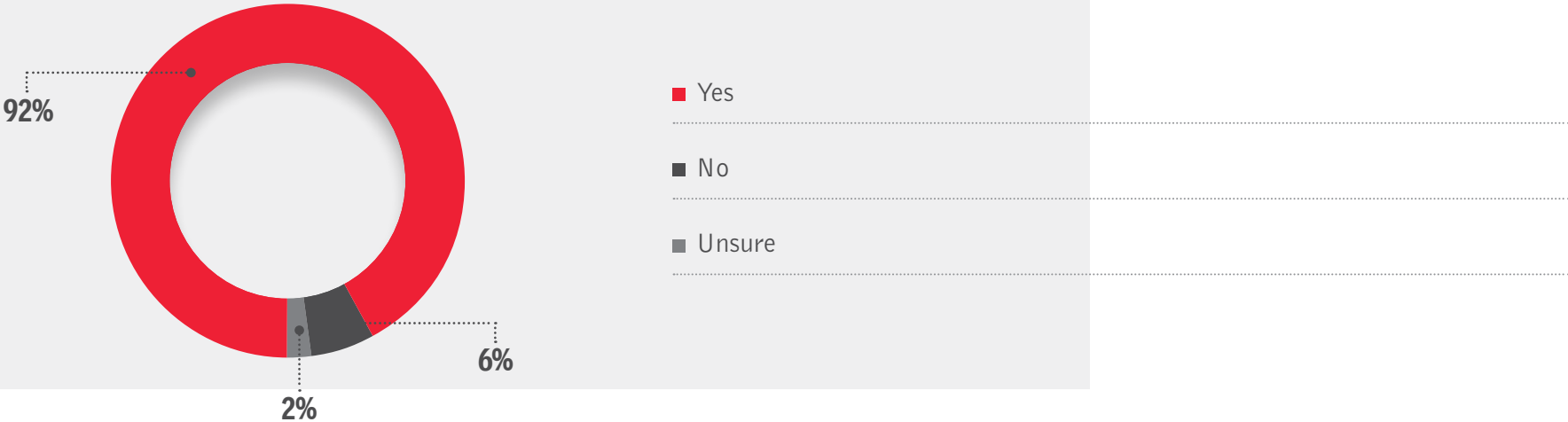
- No, but our bank plans to complete a cybersecurity assessment

- No, and our bank doesn’t plan to complete an assessment

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes, our bank has completed an assessment using the FFIEC’s tool	79%	72%	69%	66%	70%
Unsure	7%	26%	19%	10%	17%
Our bank has completed a cybersecurity assessment, but did not use the FFIEC’s tool	14%	2%	12%	12%	9%
No, but our bank plans to complete a cybersecurity assessment	-	-	-	10%	3%
No, and our bank doesn’t plan to complete an assessment	-	-	-	2%	1%

17. Has the bank implemented a plan to address weaknesses identified in its most recently completed cybersecurity assessment?

Question only asked of respondents indicating that their bank has completed a cybersecurity assessment. Chief credit officers and CLOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes	92%	91%	86%	97%	92%
No	-	9%	10%	3%	6%
Unsure	8%	-	5%	-	2%

18. Are any of the following activities part of the board's oversight of the bank's cybersecurity risk management program?

Respondents were asked to select all that apply. Chief credit officers and CLOs were not asked this question.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Board participates in training to understand cyber risks	93%	76%	69%	83%	79%
Ensures management works to improve the program	79%	85%	77%	71%	78%
Understands and is apprised of deficiencies in the bank's cybersecurity risk program	86%	67%	69%	63%	69%
Reviews current/needed resources/tools as part of the budget process	71%	59%	65%	56%	61%
Understands the impact a cyber incident would have on the bank's financial position	71%	61%	54%	61%	61%
Reviews/approves a cyber risk appetite statement	64%	65%	54%	44%	56%
Incorporates cyber threat analysis as part of the ERM function	71%	61%	46%	42%	53%
Considers short and long-term perspectives when developing its cybersecurity strategy	71%	57%	46%	39%	50%
Uses data/relevant metrics to facilitate strategic decisions/monitor cyber risk	50%	39%	31%	17%	32%
Reviews metrics/scorecards that outline cyber incidents	71%	35%	31%	12%	31%
Holds business units accountable for managing related cyber risks	29%	37%	15%	27%	28%
Considers the impact of the bank's cyber risks to other critical entities	43%	33%	19%	20%	27%
Benchmarks cybersecurity staffing against peers	43%	9%	4%	5%	10%

19. How much has your bank budgeted for cybersecurity expenses, including personnel and technology, for fiscal year 2021?

Median values reported. Chief credit officers and CLOs were not asked this question. *Indicates a count of less than 10 within a category.



Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Median cybersecurity budget	\$3,000,000	\$400,000	\$250,000	\$100,000	\$200,000

BUSINESS CONTINUITY

20. Were you able to conduct a test run of the bank’s pandemic plan in early 2020, in advance of implementing the plan to respond to Covid-19?

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



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
No	50%	56%	52%	41%	50%
Yes	43%	32%	41%	45%	39%
We did not have a pandemic plan before Covid-19 hit our community	7%	13%	7%	14%	12%

21. Have you made, or do you plan to make changes to your bank’s business continuity plan based on your experience during the Covid-19 pandemic?

Question only asked of respondents indicating they had a pandemic plan in place before Covid-19 hit their community.



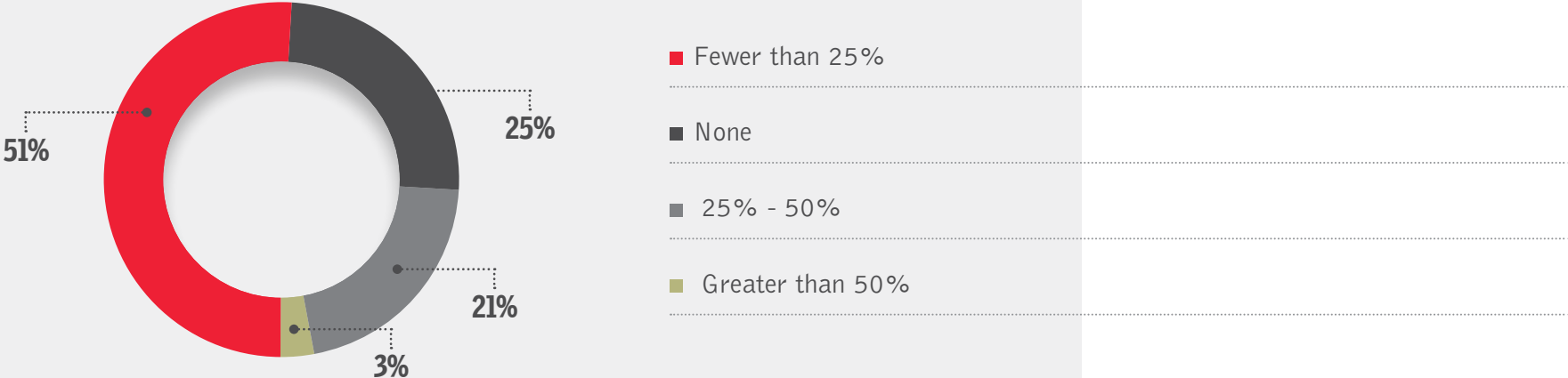
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes, we have made changes	54%	61%	76%	61%	63%
Yes, we plan to make changes	15%	22%	20%	22%	21%
No	31%	17%	4%	17%	16%

22. Where do you see room to improve your bank's pandemic/business continuity plan?

Respondents were asked to select all that apply. Question only asked of respondents indicating that their bank has made or plans to make changes to its business continuity plan due to the pandemic. *Indicates a count of less than 10 within a category.

Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Formalizing remote work procedures/policies	78%	78%	83%	70%	77%
Educating and training employees	56%	53%	50%	63%	56%
Providing the right tools to staff	33%	58%	58%	53%	55%
Ensuring the bank's IT infrastructure can adapt in a crisis	44%	44%	54%	27%	41%
Working with service providers/vendors	56%	31%	29%	30%	32%
Measuring the risks to the institution	33%	25%	29%	33%	29%
Monitoring threats	22%	33%	33%	20%	28%
Documenting and defining the bank's strategic response	22%	19%	29%	37%	27%
Communicating with stakeholders, including shareholders/owners, customers and employees	11%	33%	29%	20%	26%
Creating an effective testing program	33%	22%	33%	13%	23%
Ensuring appropriate oversight	11%	17%	38%	13%	20%
Developing a comprehensive framework to continue critical operations	11%	14%	25%	17%	17%
Communicating with regulators	-	14%	17%	3%	10%
Coordinating with government agencies	11%	6%	4%	13%	8%

23. What percentage of your bank’s employees do you anticipate will continue to work remotely after the vaccine has been widely deployed?



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Fewer than 25%	50%	57%	52%	43%	51%
None	-	15%	19%	50%	25%
25% - 50%	50%	24%	26%	5%	21%
Greater than 50%	-	4%	4%	2%	3%

COMPLIANCE

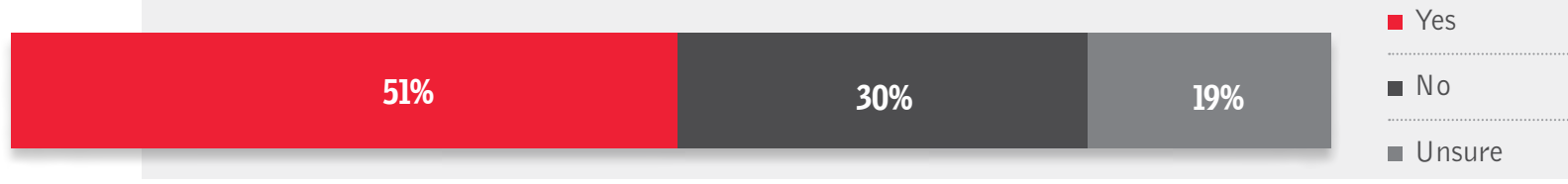
24. Has your bank undergone a virtual exam by its primary regulator during the pandemic period, beginning March 2020?



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes	93%	57%	56%	50%	58%
No	7%	43%	44%	50%	42%

25. Do you believe the virtual exam was as rigorous as previous in-person regulatory examinations?

Question only asked of respondents indicating that their bank has undergone a virtual exam.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	<Total
Yes	62%	43%	47%	57%	51%
No	15%	33%	40%	29%	30%
Unsure	23%	23%	13%	14%	19%

26. How much has your bank budgeted for compliance, including personnel and technology, for FY 2021?

Median values reported. Chief credit officers, CLOs, CIOs, CTOs and CISOs were not asked this question. *Indicates a count of less than 10 within a category.

\$200,000

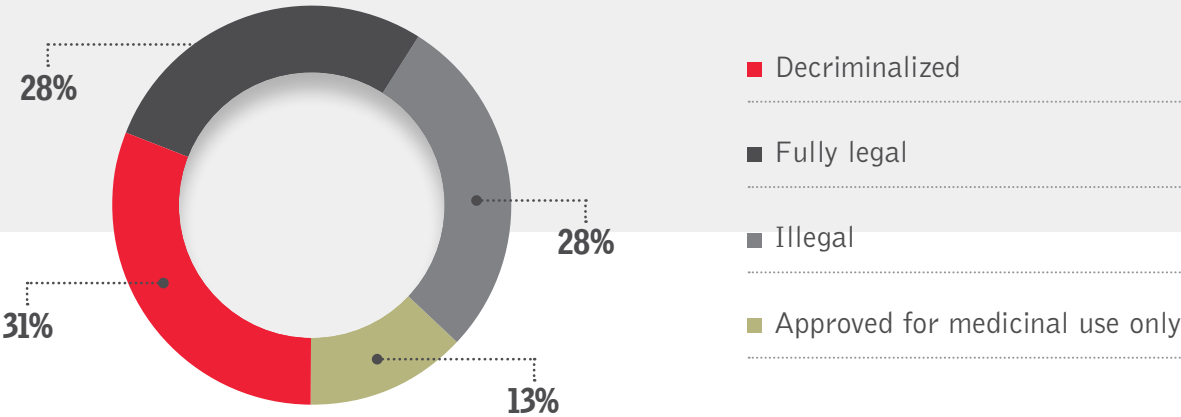
Median amount budgeted for compliance expenses

Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Median compliance budget	\$3,000,000	\$500,000	\$200,000	\$125,000	\$200,000

EMERGING RISKS

27. Is your bank headquartered in a state where the use of marijuana is ... ?

When respondents answered this question, marijuana use was full legal in Alaska, Arizona, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, Oregon, South Dakota, Vermont, Washington and Washington, D.C.; decriminalized in Connecticut, Delaware, Hawaii, Maryland, Minnesota, Mississippi, Missouri, New Mexico, New York, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island and Virginia; approved for medicinal use in Arkansas, Florida, Louisiana, Utah and West Virginia; and illegal in Alabama, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, South Carolina, Tennessee, Texas, Wisconsin and Wyoming.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Decriminalized	8%	32%	41%	32%	31%
Fully legal	69%	26%	26%	20%	28%
Illegal	15%	26%	19%	42%	28%
Approved for medicinal use only	8%	17%	15%	7%	13%

28. Would your bank be willing to serve marijuana businesses, including dispensaries, assuming it were legal to do so?

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



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Unsure	43%	35%	22%	38%	34%
Yes, we have discussed it but don't work with these businesses yet	14%	30%	44%	38%	34%
No	21%	26%	30%	24%	26%
Yes, we already bank marijuana businesses	21%	9%	4%	-	7%

29. At least annually, does the board discuss climate change as part of its analysis and understanding of the risks facing the institution?

Chief credit officers, CLOs, CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	<Total
No	62%	86%	91%	90%	86%
Yes	39%	14%	9%	10%	14%

30. Does an executive report to the board at least annually about the risks and opportunities that climate change presents to the institution?

Chief credit officers, CLOs, CIOs, CTOs and CISOs were not asked this question.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	<Total
No	77%	86%	91%	100%	91%
Yes	23%	14%	9%	-	9%

31. In November 2020, the Office of the Comptroller of the Currency proposed a rule barring large banks from refusing to lend to businesses including oil and gas companies, gun manufacturers, large farming operations and family planning centers. Do you believe that banks have the right to refuse to lend to certain businesses due to perceived reputational and social risks?



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	<\$500M	Total
Yes	86%	70%	63%	63%	68%
No	14%	30%	37%	37%	32%

ABOUT THE SURVEY

Bank Director’s 2021 Risk Survey, sponsored by Moss Adams LLP, surveyed 188 independent directors, chief executive officers, chief risk officers and other senior executives of U.S. banks below \$50 billion in assets. The survey was conducted in January 2021, and focuses on the key risks facing the industry today and how banks will emerge from the pandemic environment. Fifty-two percent represent a bank over \$1 billion in assets.

TITLE

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

ASSET SIZE

