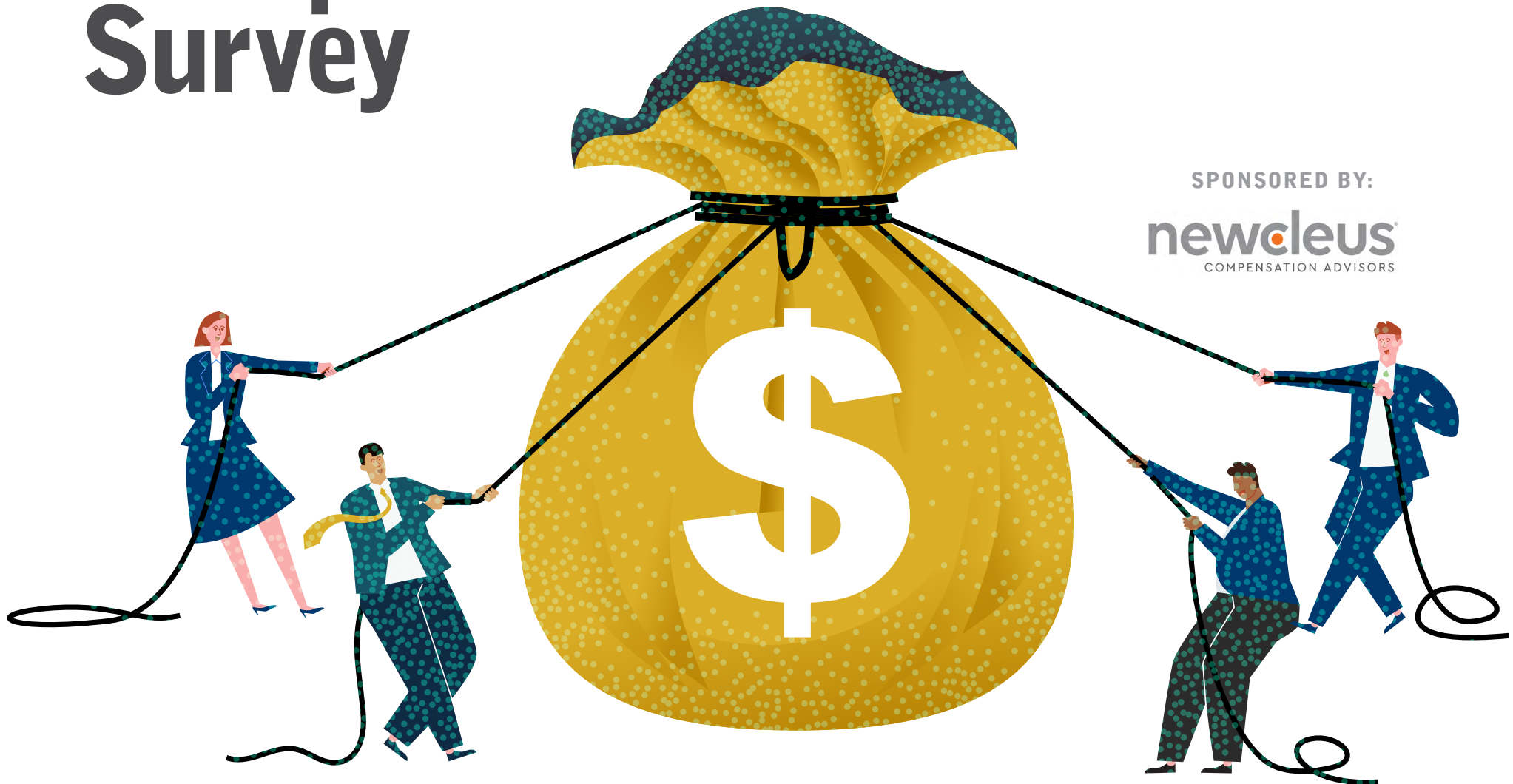


# 2021 Compensation Survey

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## About Bank Director

Bank Director reaches the leaders of the institutions that comprise America's banking industry. Since 1991, Bank Director has provided board-level research, peer-insights and in-depth executive and board services. Built for banks, Bank Director extends into and beyond the boardroom by providing timely and relevant information through Bank Director magazine, board training services and the financial industry's premier event, Acquire or Be Acquired. For more information, please visit [www.bankdirector.com](http://www.bankdirector.com).

**Bank**Director.

## About Newcleus Compensation Advisors

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# EXECUTIVE SUMMARY



**Emily McCormick** is the vice president 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.

## Did Covid-19 create an even more competitive landscape for financial talent?

**Most banks increased pay and expanded benefits during the pandemic, according to Bank Director's 2021 Compensation Survey, sponsored by Newcleus Compensation Advisors. The results provide a detailed exploration of employee benefits, in addition to talent and culture trends, CEO performance and pay, and director compensation.**

Eighty-two percent of respondents say their bank expanded or introduced remote work options in response to Covid-19. Flexible scheduling was also broadly expanded or introduced, and more than half say their bank offers caregiver leave. In addition, most offered bonuses to front-line workers, and 62% say their bank awarded bonuses tied to Paycheck Protection Program loans, primarily to lenders and loan production staff.

And in a year that witnessed massive unemployment, most banks kept employees on the payroll.

Just a quarter of the CEOs, human resources officers, board members and other executives who completed the survey say their bank decreased staff on net last year, primarily branch employees. More than 40% increased the number employed overall in their organization, with respondents identifying commercial and mortgage lending as key growth areas, followed by technology.

The 2021 Compensation Survey was conducted in March and April of 2021. Looking at the same months compared to 2020, the total number of employees remained relatively steady year over year for financial institutions, according to the U.S. Bureau of Labor and Statistics.

Talent forms the foundation of any organization's success. Banks are no exception, and they proved to be stable employers during trying, unprecedented times.

But given the industry's low unemployment rate, will financial institutions — particularly smaller banks that don't offer robust benefit packages like their larger peers — be able to attract and retain the employees they need? The majority — 79% — believe their institution can effectively compete for talent against technology companies and other financial services companies. However, the smallest banks express less confidence, indicating a growing chasm between those that can attract the talent they need to grow, and those forced to make do with dwindling resources.

## KEY FINDINGS

### ⇒ Perennial Challenges

Tying compensation to performance (43%) and managing compensation and benefit costs (37%) remain the top two compensation challenges reported by respondents. Just 27% say that adjusting to a post-pandemic work environment is a top concern.

### ⇒ Cultural Shifts

Thirty-nine percent believe that remote work hasn't changed their institution's culture, and 38% believe the practice has had a positive effect. However, one-quarter believe remote work has negatively affected their bank's culture.

### ⇒ M&A Plans

As the industry witnesses a resurgence of bank M&A, more than half have a change-in-control agreement in place for their CEO; 10% put one in place in the last year.

### ⇒ Commercial Loan Demand

More than one-quarter of respondents say their bank has adjusted incentive plan goals for commercial lenders, anticipating more demand. Ten percent expect reduced demand; 60% haven't adjusted their goals for 2021.

### ⇒ CEO Performance

Following a chaotic and uncertain 2020, a quarter say their board exercised more discretion and/or relied more heavily on qualitative factors in examining CEO performance. More than three-quarters tie performance metrics to CEO pay, including income growth (56%), return on assets (53%) and asset quality (46%). Qualitative factors are less favored, and include strategic goals (56%) and community involvement (29%).

### ⇒ CEO Pay

Median CEO compensation exceeded \$600,000 for fiscal year 2020. CEOs of banks over \$10 billion in assets earned a median \$3.5 million, including salary, incentives, equity compensation, and benefits and perks.

### ⇒ Director Compensation

More than half of directors believe they're fairly compensated for their contributions to the bank. Three-quarters indicate that independent directors earn a board meeting fee, at a median of \$1,000 per meeting. Sixty-two percent say their board awards an annual cash retainer, at a median of \$21,600.

# FUNDAMENTAL CHALLENGES

## 1. What are your top three compensation challenges for 2021?

Respondents were asked to select no more than three options.

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Tying compensation to performance	79%	44%	40%	38%	34%	43%
Managing compensation and benefit costs	7%	40%	33%	38%	50%	37%
Retaining key people	64%	29%	51%	22%	28%	35%
Recruiting commercial lenders	36%	28%	31%	33%	22%	29%
Adjusting to a post-pandemic work environment	50%	31%	22%	24%	22%	27%
Succession planning for the CEO and/or executives	14%	32%	22%	29%	22%	26%
Offering competitive pay	29%	19%	29%	20%	28%	24%
Recruiting young talent	7%	21%	16%	36%	28%	23%
Creating liquidity for thinly-traded stock	-	10%	20%	16%	13%	13%
Recruiting technology talent	7%	18%	7%	13%	9%	12%
Recruiting key executives	-	11%	7%	16%	19%	12%
Understanding and complying with regulations, including compliance risk	7%	7%	13%	11%	16%	11%

## TALENT & CULTURE

### 2. Overall, did your bank increase or decrease employee (non-executive) pay over the past year, during the Covid-19 pandemic?



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
We increased employee pay	71%	82%	84%	80%	78%	81%
We maintained wages at pre-pandemic levels	29%	18%	13%	20%	19%	18%
We decreased employee pay	-	-	4%	-	3%	1%

### 3. Overall, did your bank increase or decrease executive compensation (including cash incentives and equity pay) over the past year, during the Covid-19 pandemic?



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
We increased executive compensation	57%	71%	76%	58%	63%	68%
We maintained executive compensation at pre-pandemic levels	43%	24%	18%	38%	34%	28%
We decreased executive compensation	-	4%	6%	4%	3%	4%

## 4. Did you expand or introduce any of the following benefits in 2020, in response to the Covid-19 pandemic?

Remote work options						
Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Expanded this benefit	57%	54%	38%	41%	13%	41%
Introduced this benefit	43%	41%	33%	48%	44%	41%
Offer, but didn't expand	-	1%	16%	5%	16%	8%
Don't offer this benefit	-	3%	13%	7%	28%	10%

Flexible scheduling						
Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Expanded this benefit	57%	55%	30%	38%	13%	39%
Introduced this benefit	21%	23%	21%	24%	16%	22%
Offer, but didn't expand	-	12%	25%	21%	23%	18%
Don't offer this benefit	21%	10%	25%	17%	48%	22%

Caregiver leave						
Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Expanded this benefit	21%	15%	18%	3%	7%	12%
Introduced this benefit	36%	20%	22%	5%	3%	16%
Offer, but didn't expand	29%	29%	26%	30%	27%	28%
Don't offer this benefit	14%	36%	35%	63%	63%	44%



<b>Sick leave</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Expanded this benefit	29%	30%	25%	21%	33%	27%
Introduced this benefit	14%	2%	6%	5%	10%	5%
Offer, but didn't expand	50%	64%	67%	70%	47%	62%
Don't offer this benefit	7%	5%	2%	5%	10%	5%

<b>Health and/or wellness perks</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Expanded this benefit	21%	27%	14%	10%	10%	17%
Introduced this benefit	36%	5%	6%	10%	3%	8%
Offer, but didn't expand	43%	61%	69%	67%	53%	62%
Don't offer this benefit	-	8%	12%	14%	33%	13%

<b>Mental health support</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Expanded this benefit	14%	20%	8%	5%	7%	11%
Introduced this benefit	36%	5%	4%	-	7%	6%
Offer, but didn't expand	43%	71%	67%	76%	52%	66%
Don't offer this benefit	7%	5%	21%	20%	36%	17%

<b>Financial assistance</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Expanded this benefit	14%	12%	14%	8%	10%	12%
Introduced this benefit	14%	6%	8%	3%	3%	6%
Offer, but didn't expand	36%	42%	33%	33%	24%	35%
Don't offer this benefit	36%	40%	46%	56%	62%	48%

<b>Childcare benefits</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Expanded this benefit	14%	12%	4%	5%	7%	8%
Introduced this benefit	14%	3%	10%	-	4%	5%
Offer, but didn't expand	57%	29%	20%	29%	11%	26%
Don't offer this benefit	14%	56%	67%	66%	79%	61%

<b>Bonuses for front-line workers</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Expanded this benefit	29%	35%	32%	23%	23%	30%
Introduced this benefit	43%	26%	30%	18%	17%	25%
Offer, but didn't expand	7%	13%	26%	43%	33%	25%
Don't offer this benefit	21%	26%	13%	18%	27%	21%

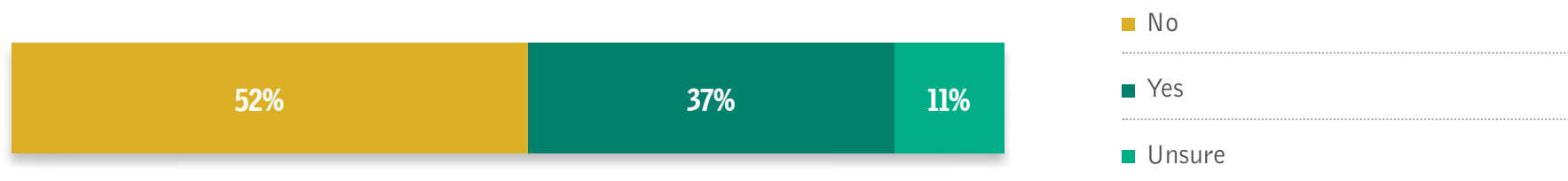
## 5. How do you believe remote work has affected your bank's culture?

Numbers don't add up to 100% due to rounding. Question asked of respondents indicating their bank offers remote work options.



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Our culture hasn't changed	36%	33%	43%	40%	48%	39%
Positively	43%	48%	26%	38%	30%	38%
Negatively	21%	19%	32%	23%	22%	24%

## 6. Compared to 2019, did your bank focus more on diversity, equity and inclusion initiatives and/or programs in 2020?



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No	21%	41%	62%	52%	74%	52%
Yes	79%	52%	24%	34%	13%	37%
Unsure	-	7%	15%	14%	13%	11%

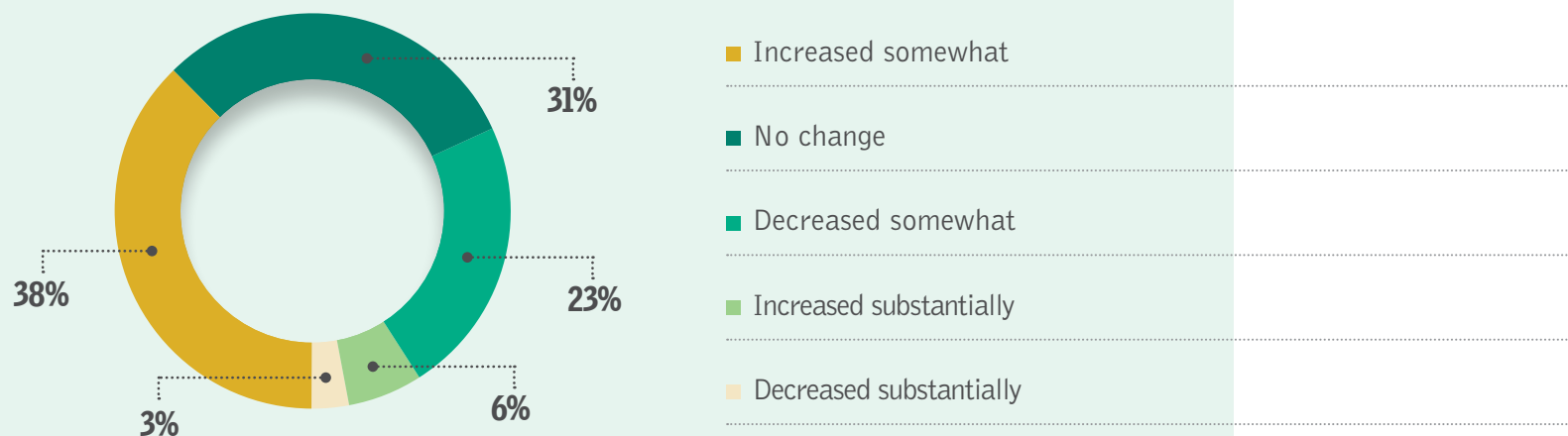
## 7. Does the bank measure any of the following when evaluating its diversity & inclusion (D&I) progress or initiatives?

Respondents were asked to select all that apply.

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Percentage of women at different levels of the bank	92%	58%	49%	35%	25%	49%
Percentage of minorities at different levels of the bank	92%	58%	45%	30%	18%	46%
We lack a formal D&I program and don't measure these metrics	8%	29%	42%	60%	68%	42%
Gender pay gap	77%	26%	26%	20%	21%	28%
Percentage of veterans at different levels of the bank	39%	35%	25%	13%	7%	24%
Percentage of employees with disability at different levels of the bank	31%	26%	23%	13%	4%	20%
Participation in D&I-focused education and training	77%	19%	19%	5%	4%	18%
Participation by women and/or minorities in internal/external training/mentorship programs	46%	9%	15%	18%	4%	14%
Other	15%	7%	9%	5%	4%	7%
Participation in and/or formation of employee affinity groups	46%	6%	4%	3%	-	6%

## 8. On net, did your bank increase or decrease its total number of employees in 2020?

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



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Increased somewhat	8%	41%	42%	37%	36%	38%
No change	42%	24%	30%	32%	43%	31%
Decreased somewhat	50%	19%	19%	29%	18%	23%
Increased substantially	-	10%	8%	2%	4%	6%
Decreased substantially	-	6%	2%	-	-	3%

## 9. Did your bank increase or decrease staff in the following areas in 2020?

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

<b>Technology/IT</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	-	9%	2%	3%	-	4%
Increased somewhat	40%	43%	42%	18%	7%	33%
No change	50%	43%	56%	77%	86%	60%
Decreased somewhat	10%	2%	-	-	-	1%
Not applicable	-	3%	-	3%	7%	3%

<b>Cybersecurity</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	10%	5%	-	3%	-	3%
Increased somewhat	40%	34%	21%	10%	4%	22%
No change	50%	57%	73%	85%	86%	71%
Not applicable	-	5%	6%	3%	11%	5%

**Commercial/business lending**

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Increased substantially	-	4%	9%	8%	-	6%
Increased somewhat	30%	52%	38%	33%	39%	41%
No change	70%	35%	47%	50%	54%	46%
Decreased somewhat	-	7%	6%	5%	-	5%
Not applicable	-	2%	-	5%	7%	3%

**Mortgage/consumer lending**

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Increased substantially	10%	9%	9%	3%	7%	8%
Increased somewhat	20%	46%	25%	43%	19%	34%
No change	50%	34%	55%	50%	63%	48%
Decreased somewhat	20%	4%	6%	-	4%	5%
Decreased substantially	-	2%	-	-	-	0.5%
Not applicable	-	6%	6%	5%	7%	6%

<b>Branch staff</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	-	3%	-	-	4%	2%
Increased somewhat	-	10%	19%	23%	11%	15%
No change	80%	44%	57%	48%	59%	52%
Decreased somewhat	20%	35%	21%	23%	11%	25%
Decreased substantially	-	3%	4%	3%	-	3%
Not applicable	-	4%	-	5%	15%	5%

<b>Call center staff</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	-	3%	-	-	-	1%
Increased somewhat	10%	27%	12%	8%	7%	15%
No change	80%	51%	58%	43%	15%	47%
Decreased somewhat	10%	2%	4%	3%	-	3%
Not applicable	-	18%	27%	48%	78%	34%



<b>Risk/compliance</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	-	10%	-	5%	-	5%
Increased somewhat	30%	27%	29%	22%	11%	24%
No change	70%	60%	71%	71%	85%	69%
Not applicable	-	3%	-	2%	4%	2%

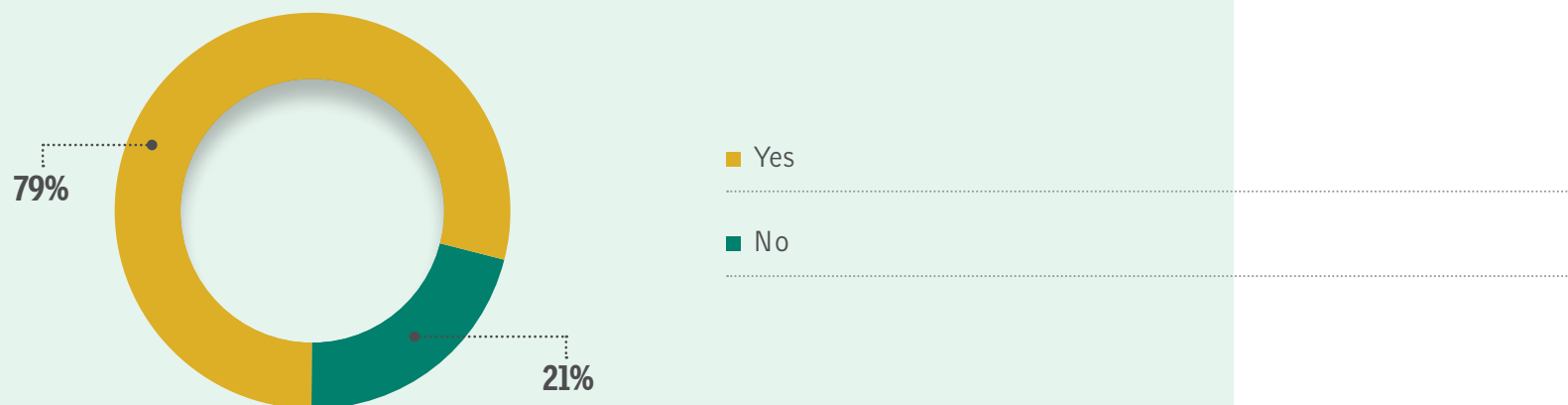
<b>Audit/accounting</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	-	3%	-	3%	-	2%
Increased somewhat	-	33%	21%	15%	4%	20%
No change	100%	54%	79%	75%	89%	72%
Decreased somewhat	-	8%	-	5%	4%	4%
Decreased substantially	-	2%	-	-	-	0.5%
Not applicable	-	2%	-	3%	4%	2%

<b>Human resources</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	10%	-	-	2%	-	1%
Increased somewhat	10%	16%	14%	5%	4%	11%
No change	70%	76%	79%	85%	93%	81%
Decreased somewhat	10%	5%	8%	2%	-	5%
Not applicable	-	3%	-	5%	4%	3%

<b>Marketing</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	-	3%	-	-	-	1%
Increased somewhat	10%	14%	14%	20%	4%	13%
No change	70%	67%	81%	65%	78%	72%
Decreased somewhat	20%	11%	4%	3%	-	6%
Decreased substantially	-	3%	2%	-	-	2%
Not applicable	-	3%	-	13%	19%	6%

<b>Wealth/asset management</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B*</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M</b>	<b>Total</b>
Increased substantially	11%	3%	-	-	-	2%
Increased somewhat	11%	22%	12%	-	-	11%
No change	67%	41%	56%	53%	31%	47%
Decreased somewhat	-	2%	2%	5%	-	2%
Decreased substantially	-	-	2%	-	-	0.5%
Not applicable	11%	32%	29%	43%	69%	37%

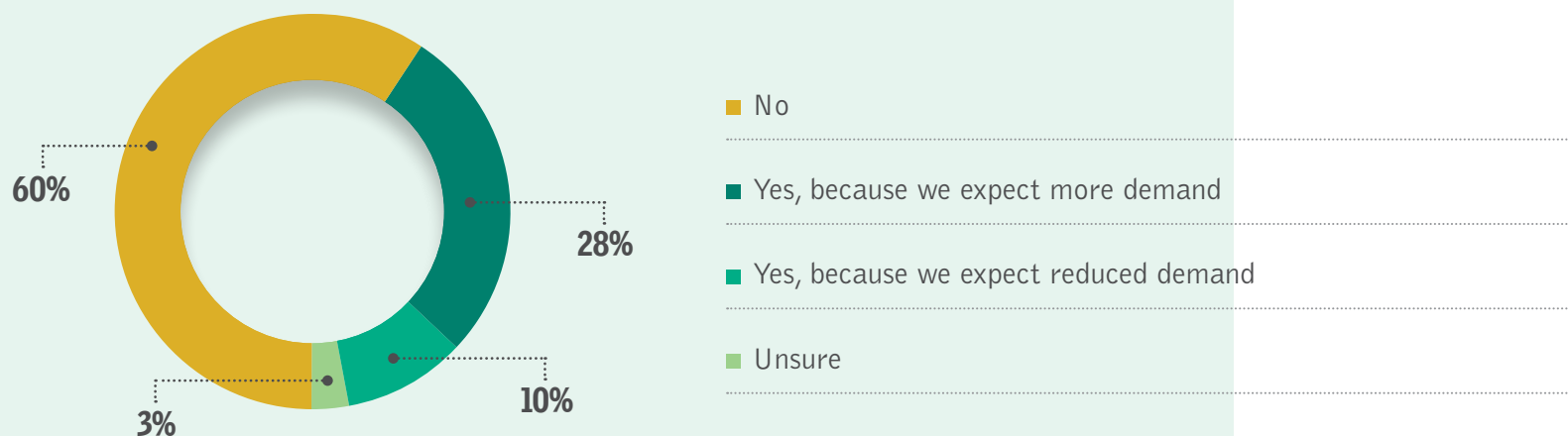
## 10. Does your bank effectively compete for talent against technology companies, credit unions and other financial services companies?



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	83%	86%	82%	81%	46%	79%
No	17%	14%	18%	20%	54%	21%

## 11. Compared to 2020, has your bank adjusted its incentive plan goals for commercial lenders for 2021?

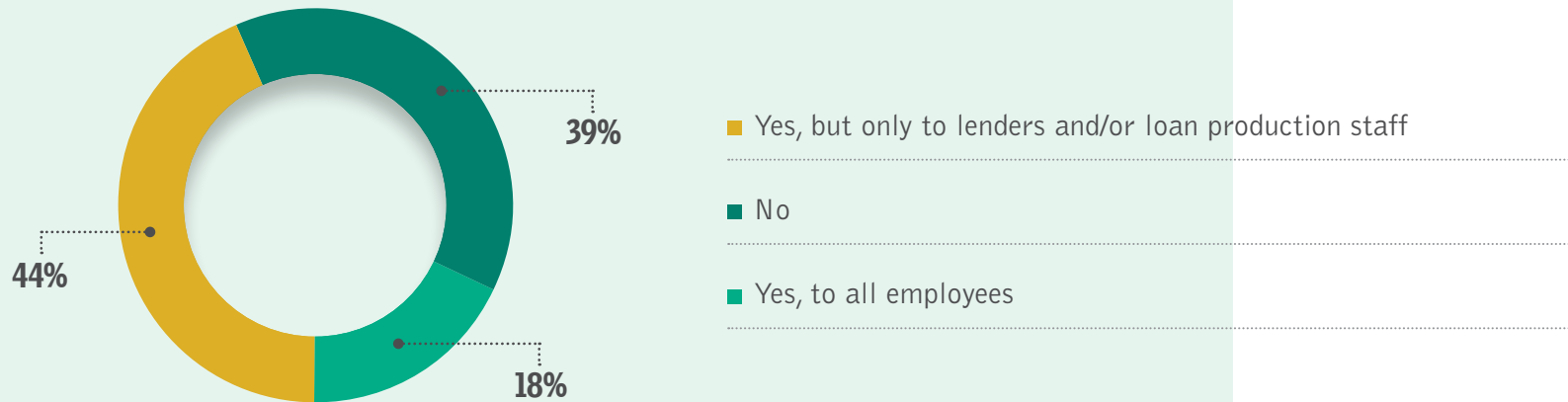
Numbers don't add up to 100% due to rounding.



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No	58%	54%	55%	66%	77%	60%
Yes, because we expect more demand	25%	31%	30%	27%	19%	28%
Yes, because we expect reduced demand	17%	12%	13%	2%	4%	10%
Unsure	-	3%	2%	5%	-	3%

## 12. Did your bank award bonuses for Paycheck Protection Program production?

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



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes, but only to lenders and/or loan production staff	50%	45%	47%	42%	37%	44%
No	25%	40%	36%	34%	52%	39%
Yes, to all employees	25%	15%	17%	24%	11%	18%

## CEO PAY & PERFORMANCE

### 13. The CEO at my bank received the following types of compensation in fiscal year 2020.

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

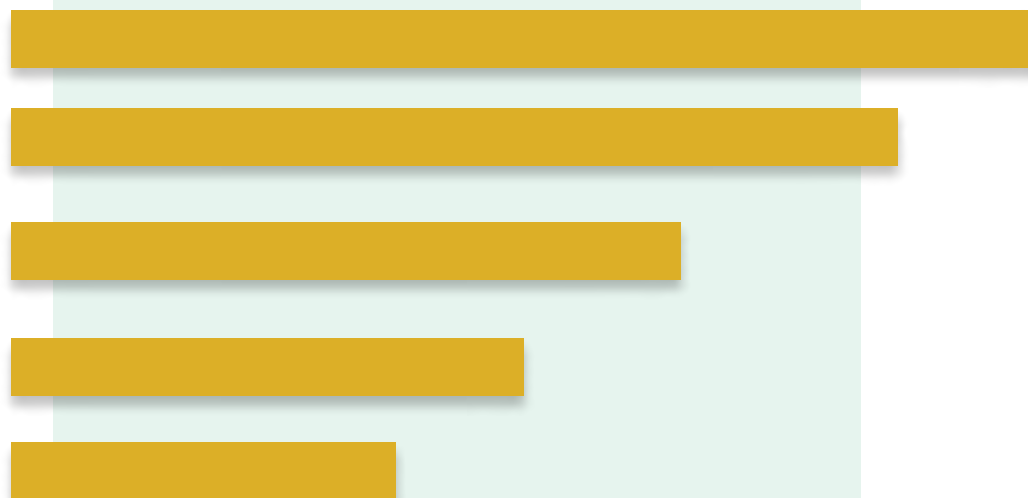
**99%** Salary

**85%** Cash incentive

**64%** Nonqualified deferred compensation and/or retirement benefit

**49%** Equity grants

**37%** Other benefits & perks



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Salary	100%	99%	99%	100%	100%	99%
Cash incentive	96%	91%	90%	61%	65%	85%
Nonqualified deferred compensation and/or retirement benefit	74%	71%	70%	51%	22%	64%
Equity grants	100%	61%	46%	14%	-	49%
Other benefits & perks	15%	42%	41%	33%	35%	37%

## 14. Enter the cash compensation amounts for the CEO of your bank for FY 2020.

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

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M*	Total
Salary	\$817,346	\$490,625	\$325,841	\$246,000	\$200,000	\$375,000
Cash incentive	\$765,757	\$200,000	\$100,000	\$65,000	\$35,000	\$125,000
Equity grants (fair market value)	\$1,246,192.50	\$211,012	\$70,500	\$53,969.50**	-	\$170,176
Benefits & perks	\$112,553	\$50,000	\$50,000	\$18,080	\$26,189	\$50,000
Total CEO compensation	\$3,467,714	\$959,767	\$515,185.50	\$339,376	\$250,000	\$613,610

Ownership Structure	Public	Private	Mutual	Total
Salary	\$454,208.50	\$255,000	\$331,000	\$375,000
Cash incentive	\$200,000	\$93,842.50	\$75,000	\$125,000
Equity grants (fair market value)	\$208,850.50	\$87,500	\$75,000**	\$170,176
Benefits & perks	\$60,009	\$24,000	\$50,000	\$50,000
Total CEO compensation	\$875,040	\$400,000	\$462,451.50	\$613,610



## 15. Is your CEO's performance measured by any of the following metrics?

Respondents were asked to select all that apply.

56% 

Income growth

53% 

Return on assets

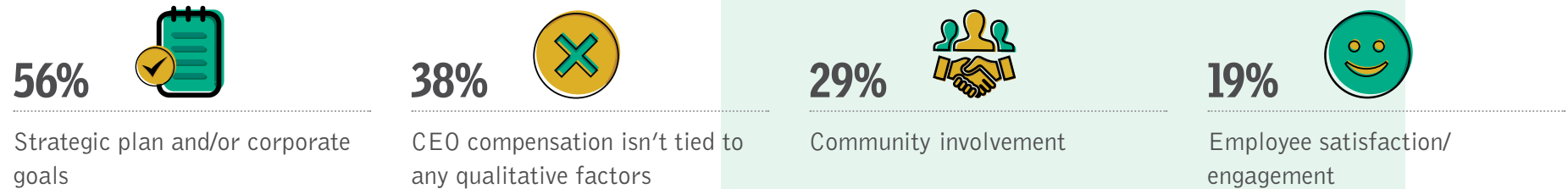
46% 

Asset quality

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Income growth	67%	57%	63%	50%	41%	56%
Return on assets	100%	62%	52%	32%	36%	53%
Asset quality	50%	53%	50%	38%	27%	46%
Return on equity	67%	47%	35%	29%	27%	39%
Efficiency	75%	43%	39%	27%	14%	37%
Loan growth	17%	38%	39%	29%	32%	34%
Deposit growth	17%	36%	37%	24%	27%	31%
CEO compensation is not tied to performance metrics	-	11%	15%	32%	55%	22%
Credit or similar risk metrics	25%	25%	22%	15%	14%	20%
Earnings per share growth	42%	19%	24%	9%	5%	18%
Total shareholder return	67%	17%	13%	12%	9%	17%
Other metrics	-	19%	15%	12%	9%	14%
Employee retention	-	8%	9%	6%	5%	7%

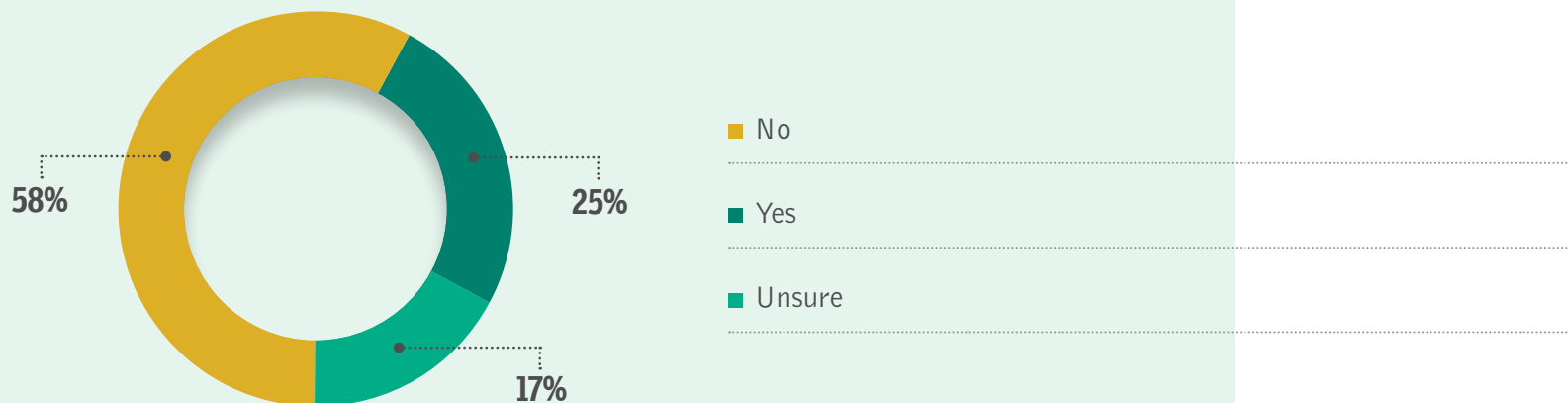
## 16. Is your CEO's performance measured by any of the following qualitative factors?

Respondents were asked to select all that apply.



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Strategic plan and/or corporate goals	91%	60%	58%	49%	37%	56%
CEO compensation isn't tied to any qualitative factors	9%	30%	38%	46%	63%	38%
Community involvement	27%	34%	29%	30%	16%	29%
Employee satisfaction/engagement	-	28%	22%	15%	5%	19%
Response to the Covid-19 pandemic	46%	21%	18%	12%	5%	18%
Development of a successor	18%	11%	13%	15%	-	12%
Diversity, equity and inclusion goals	36%	6%	9%	-	-	7%
Other factors	-	9%	4%	3%	-	5%
Environmental/green initiatives	-	2%	-	-	-	1%

## 17. Has the board exercised more discretion and/or relied more heavily on qualitative factors in examining CEO performance for 2020?

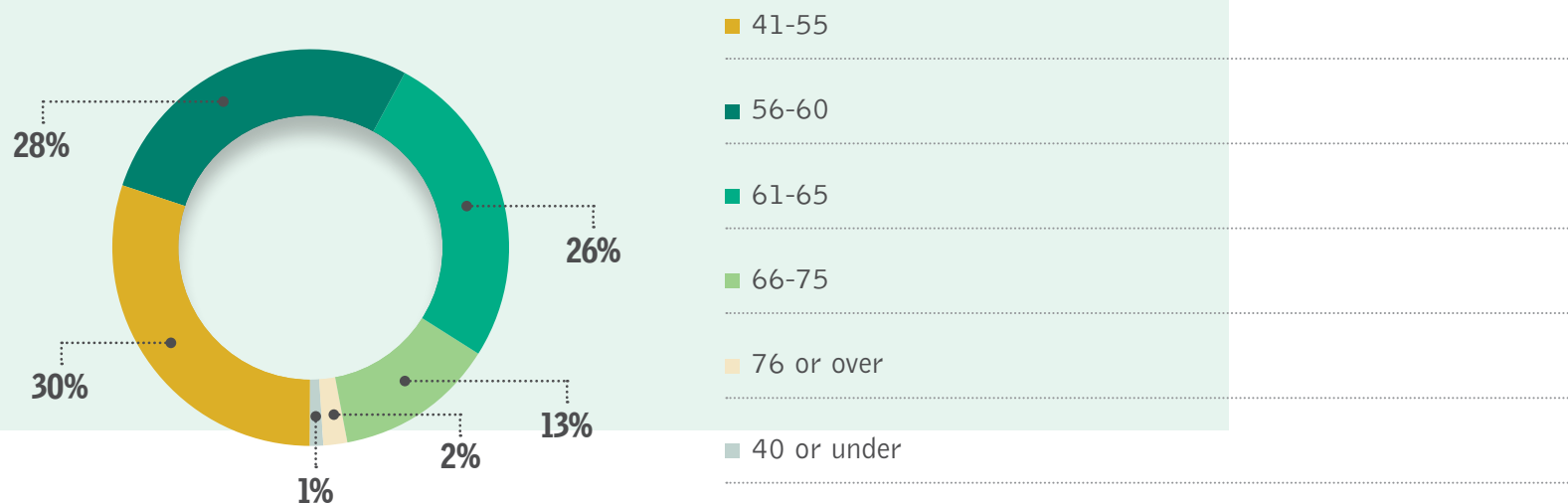


Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No	67%	59%	52%	60%	59%	58%
Yes	25%	32%	28%	11%	23%	25%
Unsure	8%	9%	20%	29%	18%	17%

# CEO TRANSITION

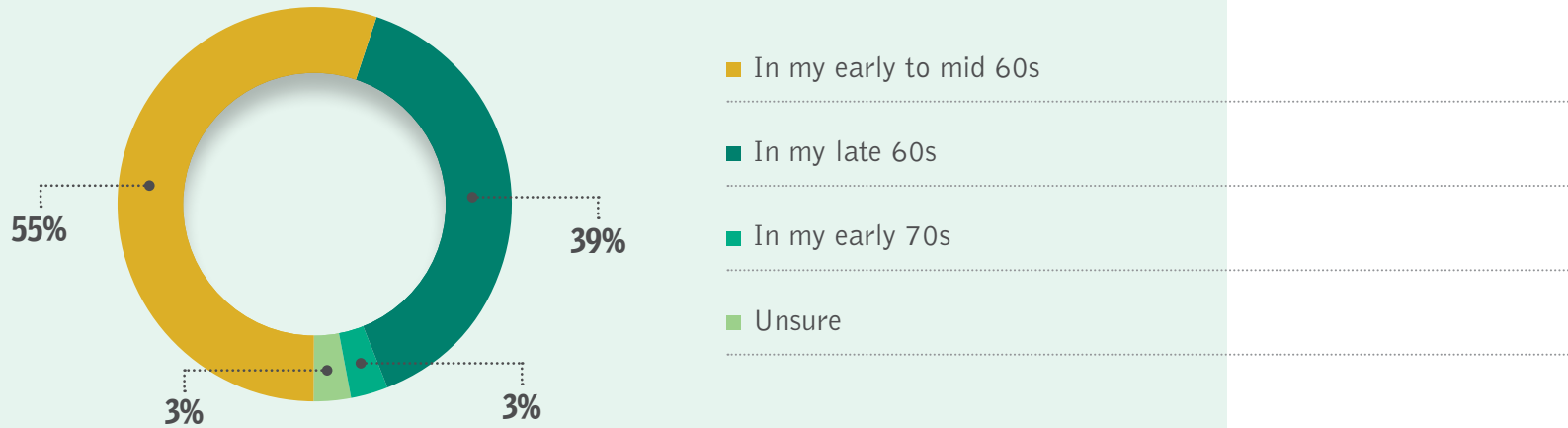
## 18. What is the age of your bank's CEO?

Proxy data included.



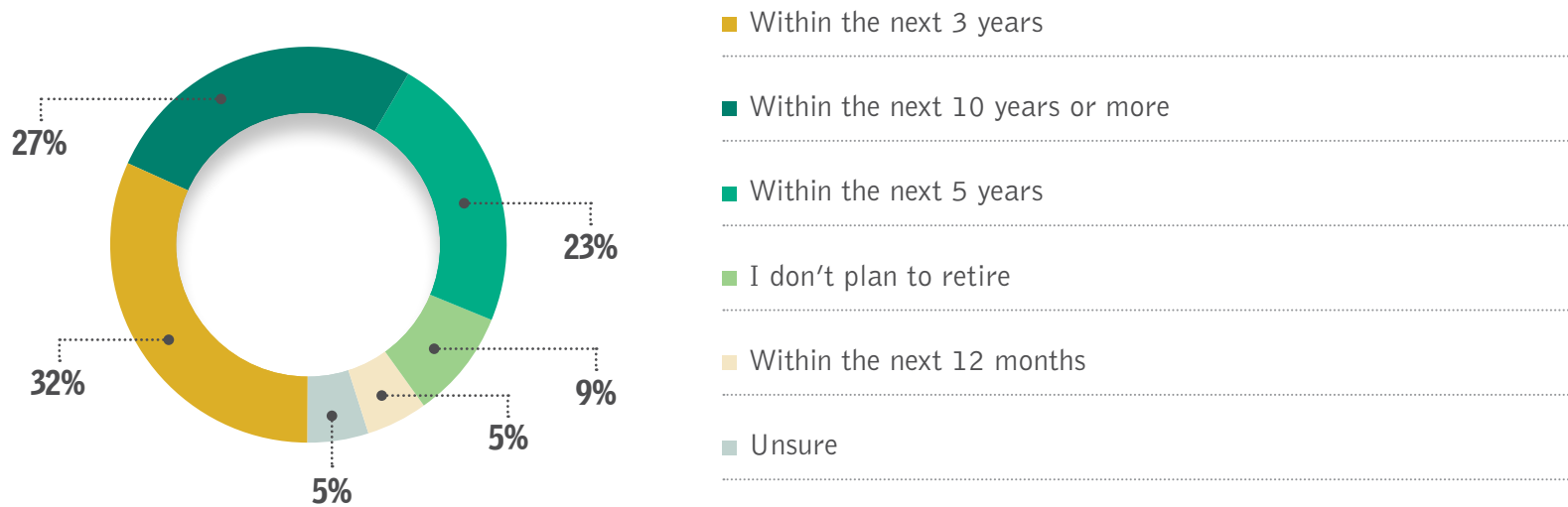
Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
41-55	15%	27%	34%	35%	32%	30%
56-60	39%	36%	22%	16%	18%	28%
61-65	27%	21%	29%	33%	32%	26%
66-75	19%	13%	13%	16%	5%	13%
76 or over	-	2%	3%	-	9%	2%
40 or under	-	1%	-	-	5%	1%

## 19. CEOs aged 60 or younger say they plan to retire...

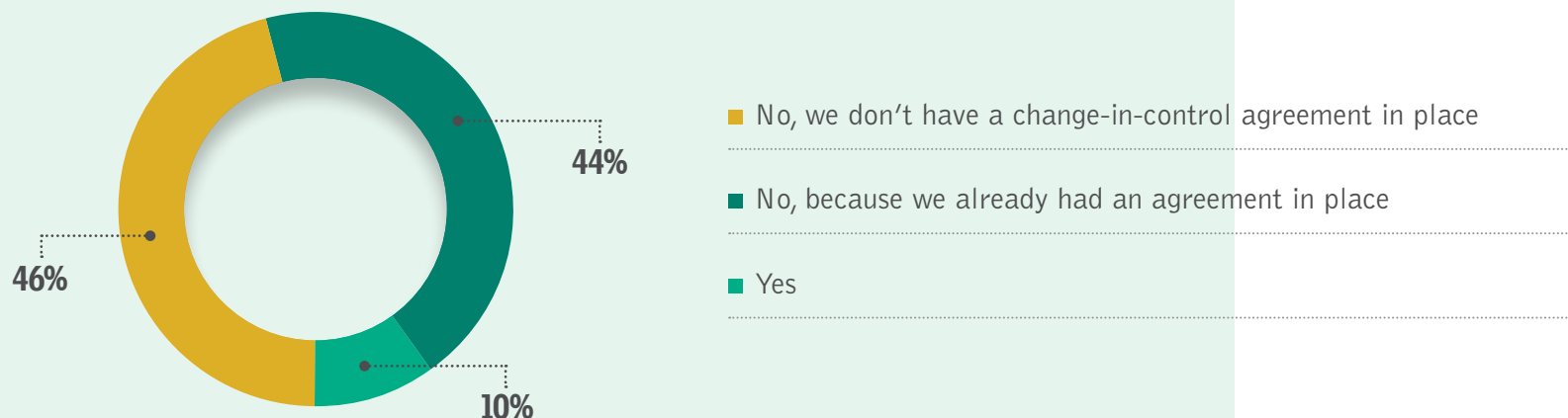


## 20. CEOs older than 60 plan to retire...

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

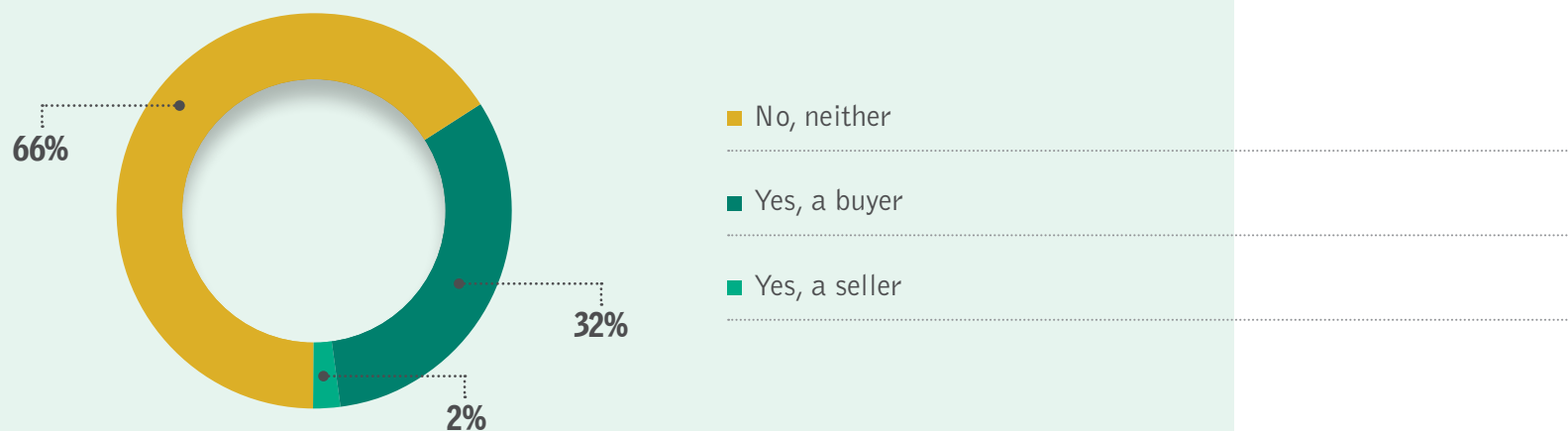


## 21. Has your bank put a change-in-control agreement in place for its CEO within the last year?



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No, we don't have a change-in-control agreement in place	8%	38%	36%	72%	67%	46%
No, because we already had an agreement in place	92%	53%	51%	19%	24%	44%
Yes	-	9%	13%	8%	10%	10%

## 22. Do you envision your bank being a buyer or seller in 2021?



Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No, neither	42%	66%	71%	58%	86%	66%
Yes, a buyer	58%	31%	30%	39%	10%	32%
Yes, a seller	-	4%	-	3%	5%	2%

## BOARD COMPENSATION

### 23. Do your directors and/or non-executive chair receive compensation for board service?

Proxy data included.

■ Yes ■ No



### 24. Is the board chair also the CEO or an independent director?

Proxy data included.

■ Independent director ■ CEO ■ Other





## 25. The non-executive chair at my bank receives the following types of compensation.

Respondents were asked to select all that apply. Proxy data included. Question only asked if the chair is an independent director. \*Indicates a count of less than 10 with in a category.

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M*	Total
Annual cash retainer	91%	87%	67%	54%	38%	73%
Board meeting fee	36%	57%	80%	73%	75%	67%
Committee fees	55%	50%	59%	50%	13%	52%
Equity compensation	100%	59%	35%	12%	-	44%
Committee retainer	27%	16%	15%	8%	-	14%
Deferred compensation/benefits	18%	19%	13%	4%	13%	14%

Ownership Structure	Public	Private	Mutual	Total
Annual cash retainer	84%	49%	68%	73%
Board meeting fee	60%	79%	73%	67%
Committee fees	51%	49%	59%	52%
Equity compensation	63%	14%	14%	44%
Committee retainer	20%	5%	9%	14%
Deferred compensation/benefits	14%	9%	27%	14%

## 26. Enter the cash compensation amounts for the non-executive chair of your bank for FY 2020.

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

Bank Asset Size	>\$10B*	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M*	Total
Fee per board meeting	\$1,725	\$1,150	\$1,200	\$1,000	\$1,075	\$1,175
Annual cash retainer	\$81,000	\$40,000	\$24,000	\$14,000	\$21,150	\$32,500
Equity compensation	\$72,511.50	\$18,209.50	\$9,120	\$18,000**	-	\$18,000

Ownership Structure	Public	Private	Mutual	Total
Fee per board meeting	\$1,200	\$1,000	\$1,725	\$1,175
Annual cash retainer	\$39,500	\$16,000	\$24,000	\$32,500
Equity compensation	\$20,000	\$7,500**	\$16,284**	\$18,000

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

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

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Board meeting fee	40%	71%	80%	85%	86%	74%
Annual cash retainer	88%	76%	55%	33%	38%	62%
Committee fees	48%	67%	68%	50%	33%	61%
Equity compensation	92%	57%	33%	8%	-	42%
Committee retainer	60%	35%	24%	5%	-	27%
Deferred compensation/benefits	32%	18%	12%	-	5%	14%

Ownership Structure	Public	Private	Mutual	Total
Board meeting fee	64%	87%	89%	74%
Annual cash retainer	78%	38%	54%	62%
Committee fees	64%	58%	54%	61%
Equity compensation	67%	7%	18%	42%
Committee retainer	43%	3%	14%	27%
Deferred compensation/benefits	16%	4%	32%	14%

## 28. Enter the cash compensation amounts for outside directors for FY 2020.

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	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Fee per board meeting	\$2,000**	\$1,100	\$1,000	\$840	\$500	\$1,000
Annual cash retainer	\$50,000	\$24,500	\$20,000	\$12,000	\$13,000**	\$21,600
Equity compensation	\$57,750	\$19,425.50	\$9,120	\$7,250**	-	\$18,851

Ownership Structure	Public	Private	Mutual	Total
Fee per board meeting	\$1,018	\$875	\$1,100	\$1,000
Annual cash retainer	\$27,000	\$13,600	\$14,500	\$21,600
Equity compensation	\$21,500	\$8,500**	\$17,568**	\$18,851

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

Respondents were asked to select all that apply.

**55%** 

No benefits offered

**31%** 

Travel expenses

**13%** 

Life insurance

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No benefits offered	64%	54%	42%	68%	57%	55%
Travel expenses	36%	36%	33%	29%	14%	31%
Life insurance	-	16%	23%	-	10%	13%
Eligibility for group medical insurance	9%	8%	9%	6%	19%	9%
Retirement plan	9%	8%	12%	3%	5%	8%
Other perks	9%	8%	9%	-	-	6%
Long-term care insurance	-	4%	9%	-	5%	4%
Paid medical insurance	-	4%	5%	3%	-	3%

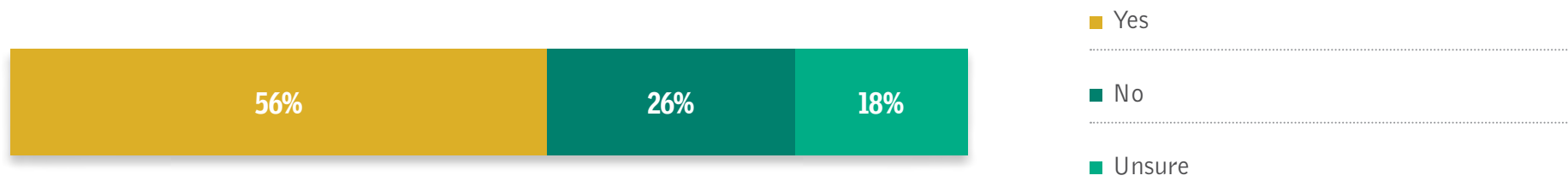
## 30. Approximately how many hours per month do you devote to board activities?

Median values reported. Only outside directors, lead directors and chairs were asked this question. Respondents were asked to include time spent for board and committee meetings, business development, education, etc. \*Indicates a count of less than 10 within a category.

Ownership Structure	Public	Private	Mutual*	Total
Median hours	20	15	10	15

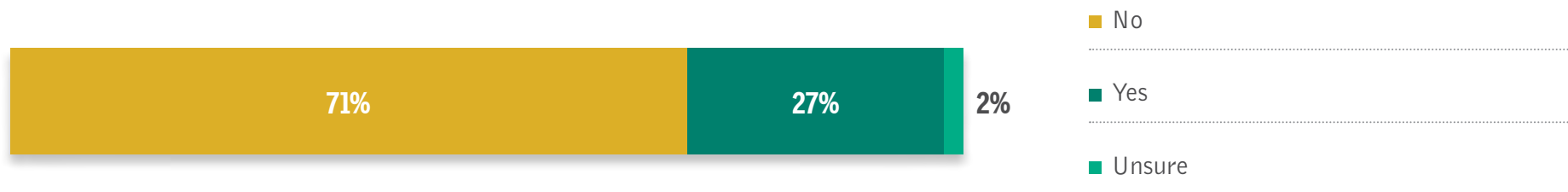
## 31. Do you believe you are fairly compensated for the time you devote to your role as a director?

Only outside directors, lead directors and chairs were asked this question. \*Indicates a count of less than 10 within a category.



Ownership Structure	Public	Private	Mutual*	Total
Yes	67%	43%	63%	56%
No	29%	33%	-	26%
Unsure	5%	24%	38%	18%

### 32. Do inside directors receive compensation for their service on the board, in addition to their compensation as employees of the bank?



Ownership Structure	Public	Private	Mutual*	Total
No	88%	44%	71%	71%
Yes	13%	52%	25%	27%
Unsure	-	4%	4%	2%

### 33. Enter the cash compensation amounts for inside directors for FY 2020.

Median values reported. Proxy data included. Only asked of respondents who indicated that inside directors receive compensation for their service on the board. \*Indicates a count of less than 10 within a category.

**\$1,000**

Fee per board meeting

**\$15,000**

Annual cash retainer

**\$6,600\***

Equity compensation

# BOARD COMMITTEES

## 34. Which board-level committees does your bank have?

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

Bank Asset Size	>\$10B	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	100%	99%	91%	90%	89%	95%
Compensation	92%	93%	89%	75%	78%	88%
Governance/Nominating	88%	85%	59%	43%	28%	67%
Loan	12%	40%	48%	73%	72%	47%
Executive	56%	36%	37%	48%	44%	41%
Asset/Liability (ALCO)	24%	31%	37%	58%	56%	38%
Risk	80%	34%	12%	20%	11%	28%
Technology	8%	20%	20%	38%	33%	23%
Compliance	16%	10%	11%	33%	39%	16%
Strategic Planning	8%	15%	17%	18%	6%	15%
Trust	16%	15%	13%	10%	6%	13%
Other	20%	15%	11%	8%	11%	13%
Community Reinvestment Act	-	5%	7%	3%	6%	5%
Mergers & Acquisitions (M&A)	-	3%	5%	5%	-	3%
Corporate Social Responsibility/ ESG or equivalent	4%	1%	-	-	-	1%



## 35. How many times did the following meet in FY 2020? How many board members currently serve on each?

*Median values reported. Proxy data included.*

	Membership	Meeting Frequency
Holding company	10	10
Lead bank	10	12
Audit committee	4	5
Compensation committee	4	4
Governance/nominating committee	4	3
Loan committee	5	12
Executive committee	5	5
Asset/liability committee	4	4
Risk committee	5	4
Technology committee	3	4
Compliance committee	5	4
Trust committee	4	6

## 36. Enter the per-meeting fees your bank paid in FY 2020 for each committee

Median values reported. Proxy data included. \*Indicates fewer than 10 within a category. \*\*Indicates a count of less than 10 within a field.

Committee Member						
Bank Asset Size	>\$10B*	\$1B-\$10B	\$500M-\$1B	\$250M-\$500M	<\$250M*	Total
Audit	\$1,225	\$500	\$417	\$150	\$225	\$470
Compensation	\$1,000	\$500	\$400	\$200	\$275	\$500
Governance/nominating	\$1,000	\$500	\$400	\$200	\$150	\$500
Loan	-	\$500	\$350	\$150	\$225	\$325
Executive	\$1,000	\$500	\$400	\$162.50	\$250	\$400
Asset/Liability (ALCO)	\$875	\$500	\$402.50	\$200	\$225	\$325
Risk	\$1,450	\$775	\$500**	\$600**	-	\$750
Technology	\$750	\$550**	\$250**	\$200**	\$200	\$350
Compliance	\$625	\$700**	\$800**	\$162.50**	\$200	\$300
Trust	\$1,625	\$600**	\$257.50	\$62.50**	-	\$600

<b>Committee Chair</b>						
<b>Bank Asset Size</b>	<b>&gt;\$10B*</b>	<b>\$1B-\$10B</b>	<b>\$500M-\$1B</b>	<b>\$250M-\$500M</b>	<b>&lt;\$250M*</b>	<b>Total</b>
Audit	\$1,500	\$825	\$500	\$200	\$225	\$500
Compensation	\$1,500	\$610	\$487.50	\$300	\$275	\$500
Governance/nominating	\$1,250	\$610	\$475	\$375	\$150	\$600
Loan	-	\$600	\$500	\$150	\$225	\$400
Executive	\$1,125	\$550**	\$450	\$175**	\$250	\$480
Asset/Liability (ALCO)	\$750	\$600**	\$625	\$150	\$225	\$500
Risk	\$1,500	\$1,000	\$900**	\$412.50**	-	\$1,000
Technology	\$1,500	\$850**	\$500**	\$250**	\$275	\$450
Compliance	\$1,100	\$1,000**	\$1,200**	\$162.50**	\$200	\$300
Trust	\$1,625	\$600**	\$454.50**	\$87.50**	-	\$600

### 37. Enter the retainer your bank paid in FY 2020 for each committee.

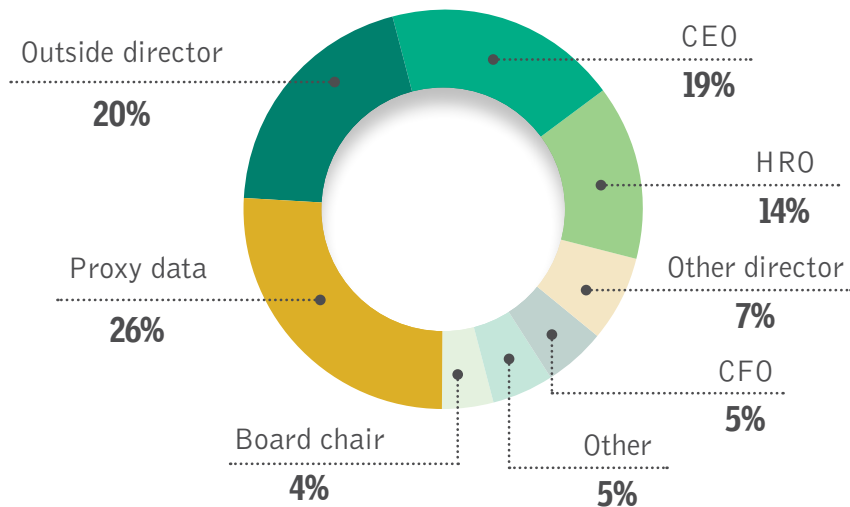
Median values reported. Proxy data included. \*\*Indicates a count of less than 10 within a field.

	Committee chair	Committee members
Audit	\$10,000	\$8,000
Compensation	\$6,000	\$5,156.50
Governance/nominating	\$6,000	\$4,500
Loan	\$5,000	\$4,500**
Executive	\$2,500	\$15,000**
Asset/liability	\$6,750	\$3,000
Risk	\$10,000	\$5,000
Technology	\$2,800	\$22,750**
Compliance	\$10,000**	\$45,000**
Trust	\$5,000**	\$8,000**

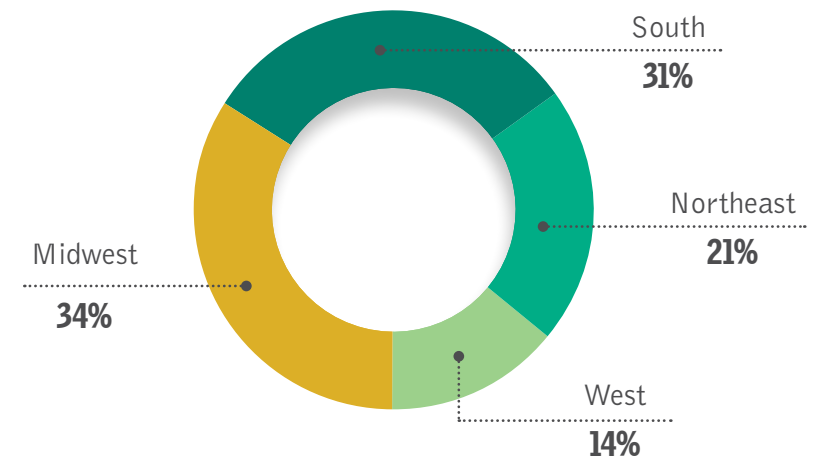
## ABOUT THE SURVEY

Bank Director's 2021 Compensation Survey, sponsored by Newcclus Compensation Advisors, surveyed 282 independent directors, chief executive officers, human resources officers and other senior executives of U.S. banks below \$50 billion in assets to understand talent trends, cultural shifts, CEO performance and pay, and director compensation. The survey was conducted in March and April 2021. Compensation data for directors and CEOs for fiscal year 2020 was also collected in April from the proxy statements of 103 publicly traded banks. Almost half of the data represents financial institutions above \$1 billion in assets; 51% represent a public bank.

### TITLE

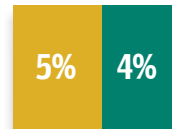


### REGION



## ASSET SIZE

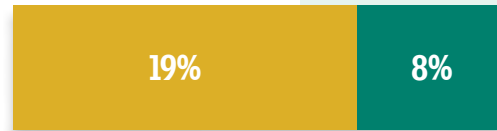
>\$10B



\$1B-\$10B



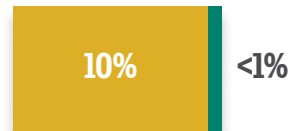
\$500M-\$1B



\$250M-\$500M



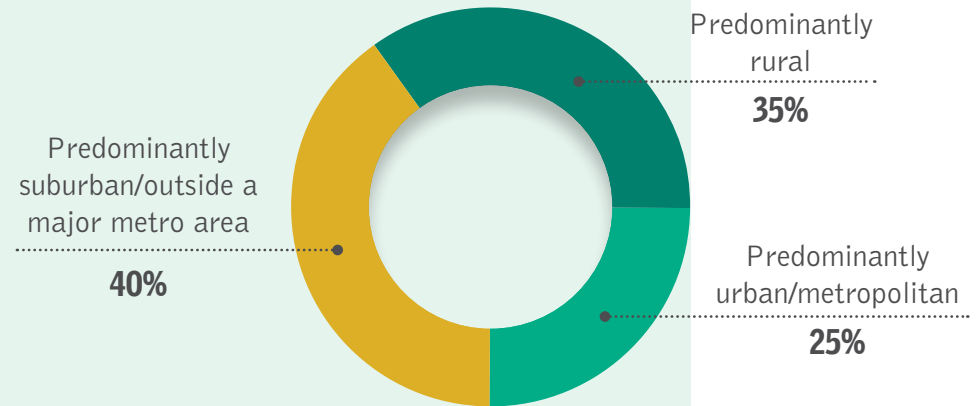
<\$250M



■ Respondents

■ Proxy

## PRIMARY MARKET



## OWNERSHIP STRUCTURE

Private  
39%

Mutual  
10%

Public  
51%

