

BankDirector

Breakout 1:
Bank Director 101:
Governance Primer

Jack Milligan

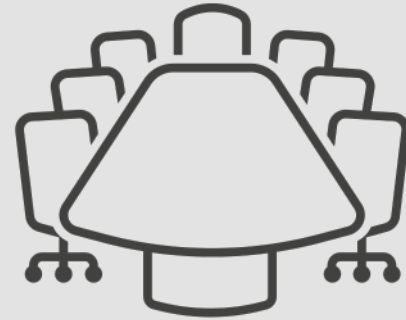
Bank Director

#BBTF23

BOARD CULTURE

“The unwritten rules that influence directors’ interactions and decisions. These include the mindsets, hidden assumptions, group norms, beliefs, values and artifacts like the board agenda that influence the style of director discussions, the quality of engagement and trust among directors, and how the board makes decisions.”

– **Spencer Stuart** on Board Culture



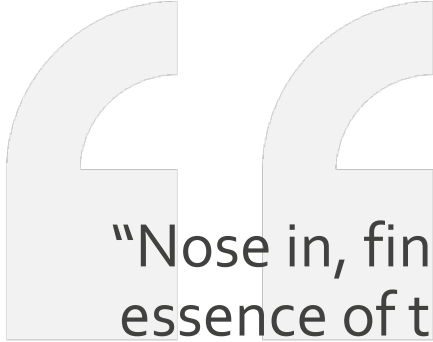
BOARD CULTURE

Independence

Integrity

**Understand
the Board's
Role**

ROLE OF THE BOARD



“Nose in, fingers out” captures the essence of the board’s role and its relationship with the executive management team.

ROLE OF THE BOARD

**Monitor the
Bank's
Financial
Condition**

**Select &
Oversee
Management**

**Risk
Governance**

RESPONSIBILITIES OF THE INDIVIDUAL DIRECTOR

Independence

Engagement

Education

ELEVATING BOARD & DIRECTOR PERFORMANCE

**Board Performance
Surveys**

**Board Composition
& Diversity**

Board Refreshment

BOARD PERFORMANCE SURVEYS

- **47%** of the respondents to Bank Director's 2022 Governance Best Practices Survey said their bank performs an annual survey.
- **23%** said their board performs an assessment, but not every year.
- **30%** said their board does not perform an assessment.
- Board assessments are more common at larger banks.



ELEVATING BOARD & DIRECTOR PERFORMANCE

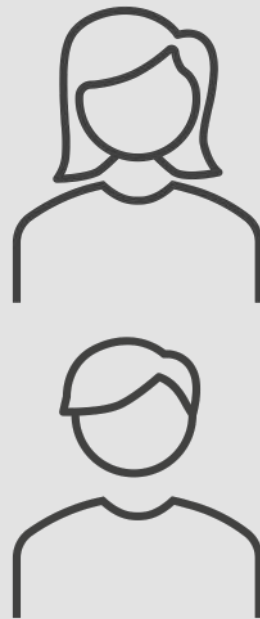
**Board Performance
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Board Refreshment

DIVERSITY

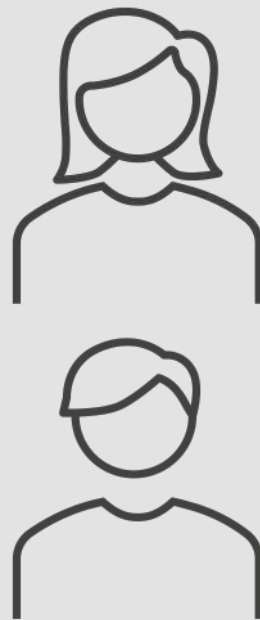
- Bank boards are comprised predominately by older white males.
- **71%** of Bank Director's 2022 Governance Best Practices Survey participants were 61 or older, **15%** were 71-80 and **3%** were 81 or older.
- **84%** identified themselves as male and **82%** as white.
- **17%** were female, **4%** Hispanic and **1%** Black or Asian.



DIVERSITY

Do bank boards reflect the demographics of their communities?

- **51%** of the U.S. population is female, compared to just **17%** of the respondents to Bank Director's 2022 Governance Best Practices Survey.
- Hispanics and Latinos: **18.5%** vs. **4%**
- Blacks: **13.4%** vs. **2%**
- Asians: **6%** vs. **1%**



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