

BankDirector.

Breakout 1:
**Bank Director 101:
Board Performance
Surveys & Evaluations**

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Moderated by:

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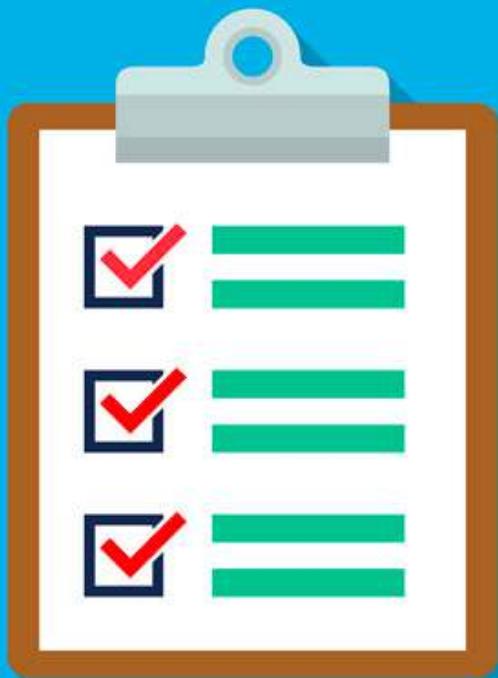
Bank Director

#BBTF23

47%

conduct an annual
performance assessment.





WHY EVALUATE THE BOARD?

- Assess Board, Committee Effectiveness
- Identify Training Gaps
- Improve Governance Processes
- Better Engage Directors

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

- No, we don't perform peer-to-peer evaluations, and we haven't discussed doing so
- No, but we're considering it
- Yes, annually
- Yes, but not every year



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	33%	40%	39%	43%	68%	45%
No, but we're considering it	25%	13%	33%	30%	18%	27%
Yes, annually	33%	33%	17%	23%	-	18%
Yes, but not every year	8%	13%	12%	5%	14%	10%

Board Performance Surveys

BankDirector. Strong Board. Smart Bank.

BOARD PERFORMANCE SURVEY

Assess and Improve the Effectiveness of the Board

1. Does the board possess an appropriate range of expertise and skills?

Response	Percentage	Count
Yes	92.9%	13
No (If no, what areas of expertise are needed?)	7.1%	1
Total		14

Responses "No (If no, what areas of expertise are needed?)"		Count
Left Blank		13
Information systems and technology		1

Compares on financial performance metrics relative to its peers?

board as a whole has the appropriate:

Response	Percentage	Count
Yes	71.4%	10
No	28.6%	4
Total		14

ufficiently knowledgeable, but we like more training

Response	Percentage	Count
Yes	21.4%	3
No	78.6%	11
Total		14

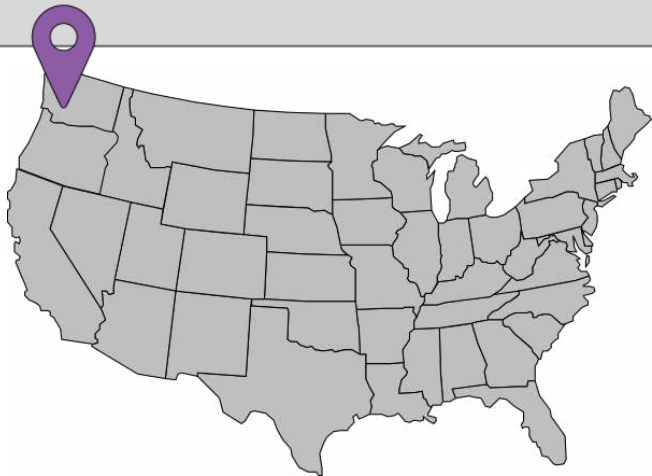
directors would you like to have available to your

Response	Percentage	Count
Enterprise risk management	50.0%	7
Industry trends	50.0%	7
IT needed topics would be helpful	50.0%	7
High spots we need to know	50.0%	7
Technology	50.0%	7
In addition, I believe the Board should incorporate more training in Risk Management.	50.0%	7



**Heritage
Financial**
CORPORATION

Ticker: HFWA



HEADQUARTERS

Olympia, WA

ASSETS

\$7.12 Billion

BRANCHES

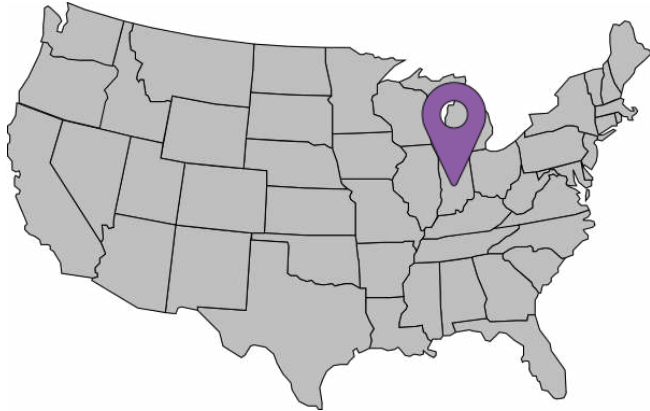
51

EMPLOYEES

811



THE NATIONAL
BANK *&* INDIANAPOLIS



HEADQUARTERS

Indianapolis, IN

ASSETS

\$2.7 Billion

BRANCHES

13

EMPLOYEES

327