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June 2023  
Research

# 2023 Compensation Survey

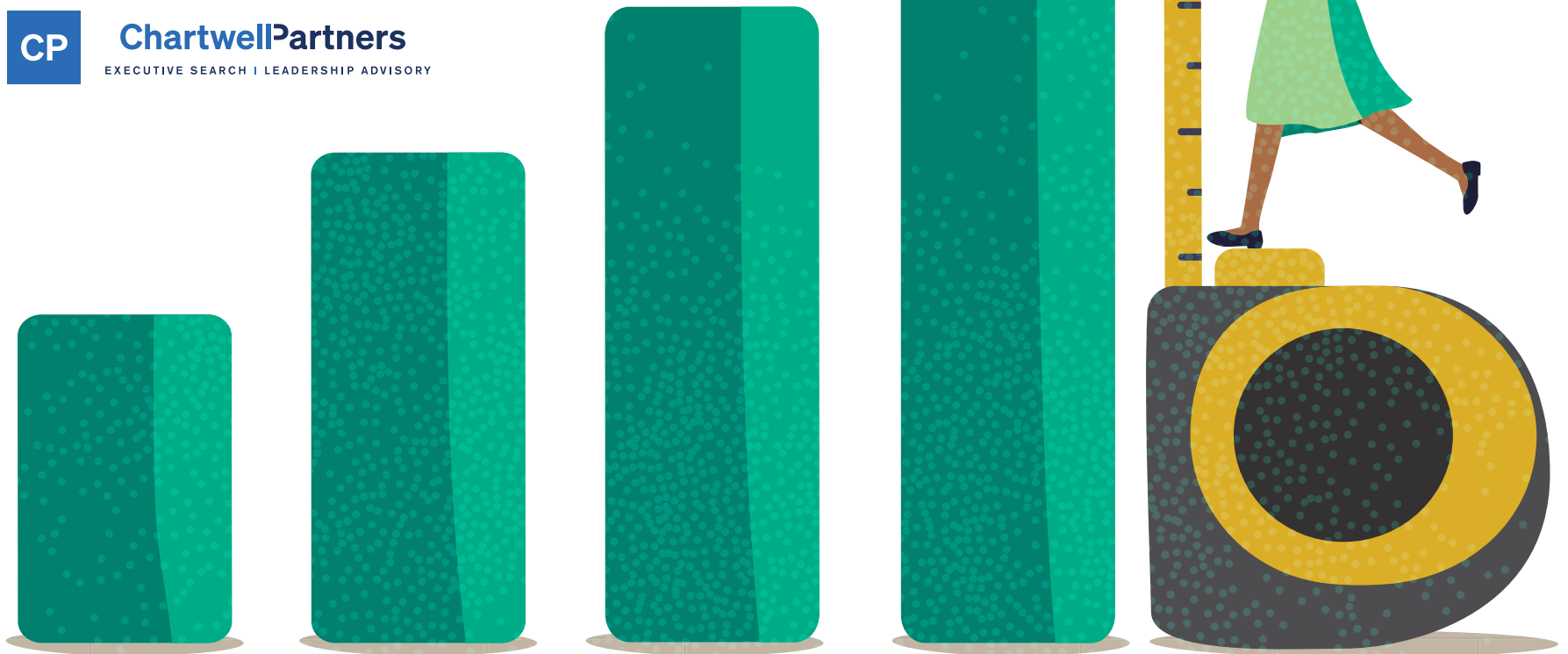
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## EXECUTIVE SUMMARY



**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.

**The hiring environment remains tough and compensation costs have continued to climb, but in 2023, bank leaders renewed their focus on aligning pay with performance as succession planning concerns edged up.**

Forty-four percent of the bank executives and directors surveyed in Bank Director's 2023 Compensation Survey, sponsored by Chartwell Partners, cite tying compensation to performance as a top challenge this year. That was more than double the proportion who picked that as a top concern last year and represented a swing back to sentiments revealed in prior years.

Rebounding interest in tying pay to performance could indicate underlying concerns around attracting and retaining C-suite talent, particularly among private and mutual banks, says Scott Petty, managing partner, financial services at Chartwell.

"Private banks have had to come up with more performance-based pay in order to reward talent and attract talent to run the institutions. Before, you could just get away with a base and bonus," he says. "Now, these smaller institutions have had to get more savvy ... just because the competition for C-suite talent is really at an all time high."

In this year's survey, respondents also point to managing compensation and benefits costs (47%) and retaining key people (41%) as important compensation-related challenges.

Concern about succession planning for the CEO and other key executives ticked up from last year, with a little over a quarter of respondents citing it as a top compensation-related challenge. Moreover, 17% say their CEO is over 66 years of age, and another 29% say their CEO is between 61 and 65 years old. The survey also found that bank leaders have less confidence in their long-term succession plans for the CEO than they do in shorter-term plans in the event of a sudden departure or leave of absence.

Eighty-two percent of respondents are confident about their succession plan in the event that the CEO or another key executive were to abruptly leave the bank, but fewer are similarly confident about long-term succession plans for the CEO (63%) and other key executives (61%). Looking at their bank's talent pipeline, 65% feel their organization has a strong bench to prepare for C-suite roles over the next five years.

Seventy-one percent of respondents say their bank coaches mid-level talent to prepare them for C-suite roles, and 55% say their bank uses external career development programs. Special projects to high potential candidates (39%) and rotational work in other departments (12%) have been less popular options for grooming succession candidates.

## KEY FINDINGS

### ➔ Hiring Pressures Ease?

A smaller proportion of bank executives and directors report difficulty hiring; 56% of respondents this year report that hiring was more difficult in 2022 than it was the year before, down from 78% who said as much a year earlier.

### ➔ Demand for Business Bankers Cools

Concerns around hiring and retaining commercial bankers have lessened somewhat, likely due to a dampened outlook for business borrowing amid higher interest rates. The percentage of respondents who expect their bank to add commercial lending staff fell to 61% in 2023 from 70% a year earlier. Similarly, the proportion who say their bank has difficulty hiring commercial lenders (52%) fell slightly.

### ➔ Pay Continues to Climb

Large majorities of respondents say their bank increased employee pay (97%) and executive compensation (89%), reporting a median increase of 5% in overall compensation expenses in 2022. Layoffs remain rare: 78% say their bank is not considering laying off staff in 2023. Just 5% say layoffs are likely at their organization.

### ➔ Hiring Challenges

Almost three-quarters of respondents cite an insufficient number of qualified applicants as a key obstacle to hiring new talent. Bank directors and executives also cite rising wages in their markets (69%) and rising wages for key positions (47%) among their top hiring challenges.

### ➔ Casting a Wider Net

Forty-one percent say their bank is more open to hiring from other industries than it has been in the past, while 10% report that their organization has always recruited aggressively outside of the banking industry. But 32% say their institution mainly recruits from within the industry, with no plans to change that approach.

### ➔ Retention Bonuses Gain Ground

Nearly a third of respondents (32%) say their bank has offered retention bonuses to key staff as a carrot to delay retirement, up from 21% who said as much in last year's survey.

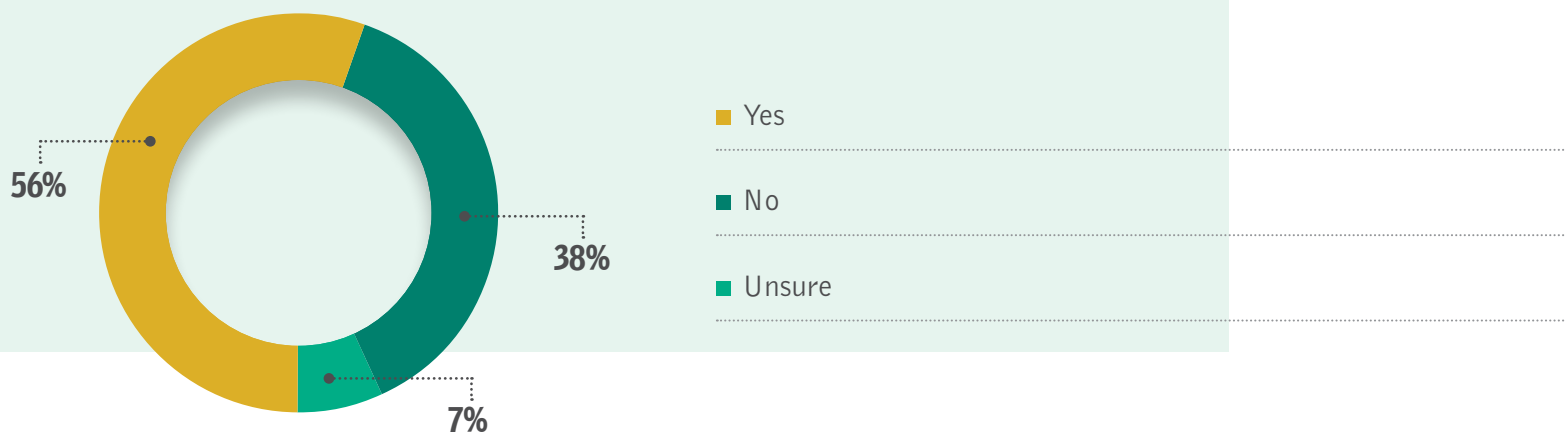
### ➔ Remote Work Lingers

A majority (80%) of survey respondents say their bank continues to offer remote or hybrid work options to at least some of their employees, while just over half (52%) offer remote or hybrid work options to executives.

# ATTRACTING & RETAINING TALENT

## 1. In 2022-23, has it been more difficult for your bank to attract and/or retain talent compared to previous years?

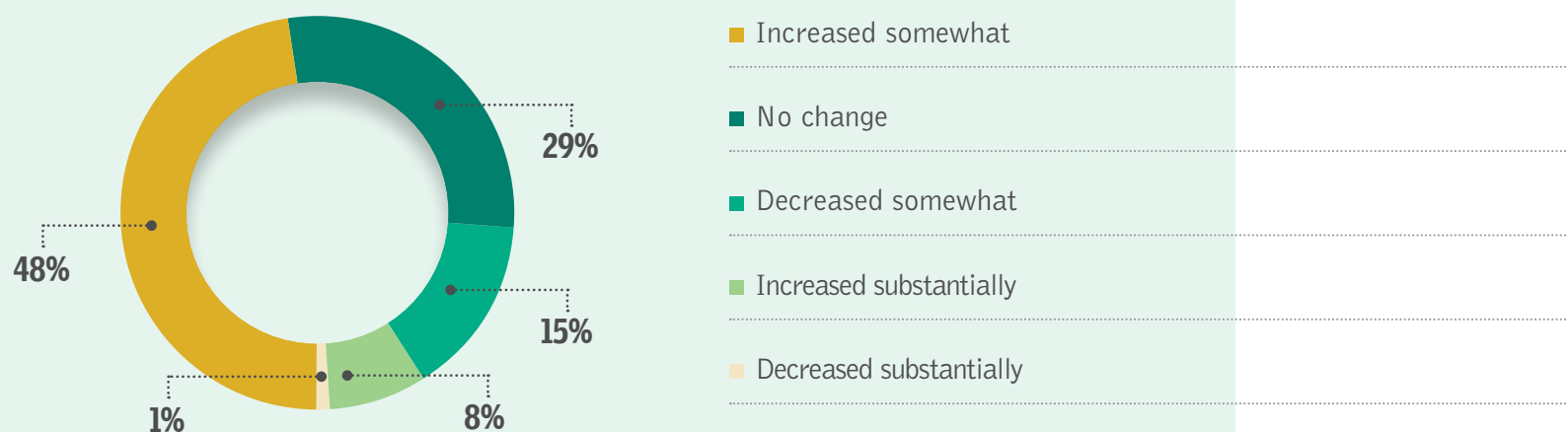
Numbers don't add up to 100% due to rounding.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	70%	35%	60%	57%	58%	46%	56%
No	30%	50%	32%	38%	40%	46%	38%
Unsure	-	15%	8%	6%	2%	8%	7%

## 2. On net, did your bank increase or decrease its total number of employees in 2022?

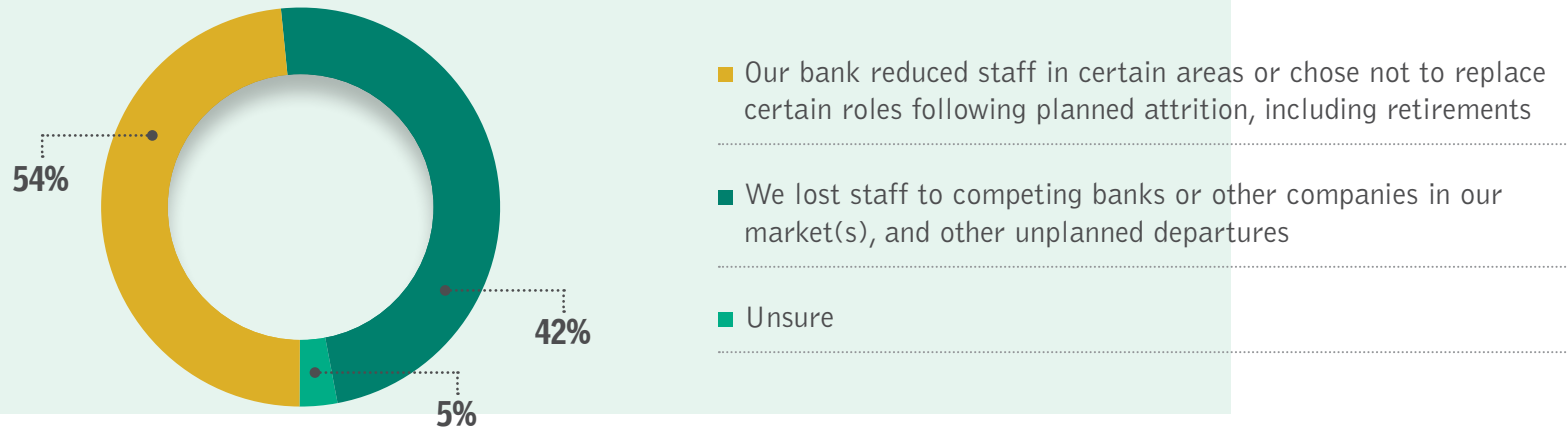
Numbers don't add up to 100% due to rounding.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Increased somewhat	50%	53%	55%	46%	42%	38%	48%
No change	30%	16%	22%	36%	33%	38%	29%
Decreased somewhat	20%	21%	12%	11%	16%	25%	15%
Increased substantially	-	11%	10%	7%	7%	-	8%
Decreased substantially	-	-	1%	-	2%	-	1%

### 3. Overall, what was the primary reason for your bank's decrease in headcount in 2022?

Question only asked of respondents indicating that their bank decreased headcount in 2022. Respondents were asked to select the phrase that best aligns with their experience. Numbers don't add up to 100% due to rounding. \*Indicates a count of less than 10 within a category.

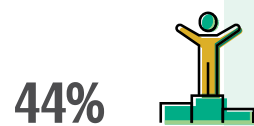


## 4. What are your top three compensation challenges for 2022?

Respondents were asked to select no more than three options.



Managing compensation and benefit costs



Tying compensation to performance



Retaining key people

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Managing compensation and benefit costs	-	45%	48%	53%	42%	63%	47%
Tying compensation to performance	50%	25%	46%	40%	51%	50%	44%
Retaining key people	40%	35%	37%	42%	56%	38%	41%
Offering competitive pay	60%	30%	38%	45%	33%	42%	39%
Recruiting commercial lenders	-	25%	24%	34%	30%	21%	26%
Succession planning for the CEO and/or executives	30%	25%	26%	21%	28%	29%	26%
Recruiting younger talent	10%	30%	23%	23%	19%	21%	22%
Adjusting to a remote, hybrid or more flexible work environment	30%	20%	18%	23%	9%	13%	18%
Recruiting technology talent	30%	25%	18%	8%	5%	4%	13%
Recruiting key executives	10%	15%	10%	6%	16%	8%	11%
Recruiting other key roles:	10%	5%	7%	4%	9%	-	6%
Understanding and complying with compensation regulations	20%	5%	-	2%	-	-	2%



## 5. Overall, did your bank increase or decrease EMPLOYEE (non-executive) pay in fiscal year 2022?

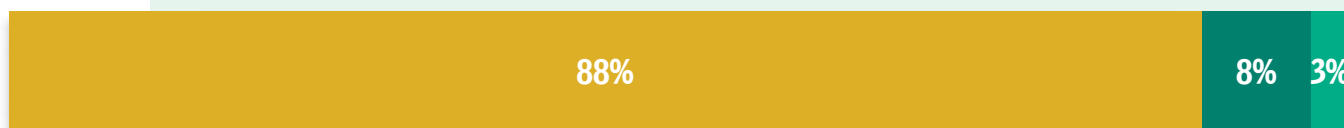


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
We increased employee pay	100%	100%	98%	93%	100%	92%	97%
We maintained wages at 2021 levels	-	-	2%	7%	-	8%	3%

## 6. Overall, did your bank increase or decrease EXECUTIVE compensation (including cash incentives and equity pay) in FY 2022?

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

- We increased executive compensation
- We maintained executive compensation at 2021 levels
- We decreased executive compensation



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
We increased executive compensation	100%	90%	86%	91%	88%	83%	88%
We maintained executive compensation at 2021 levels	-	5%	8%	5%	12%	17%	8%
We decreased executive compensation	-	5%	6%	4%	-	-	3%

Ownership Structure	Public	Private	Mutual	Total
We increased executive compensation	88%	86%	100%	88%
We maintained executive compensation at 2021 levels	7%	11%	-	8%
We decreased executive compensation	5%	3%	-	3%

## 7. Overall, by what percentage did your bank's compensation expense increase in FY 2022?

Question asked of respondents indicating that their bank increased employee and executive compensation in FY 2022.



5%

### Median increase in compensation expense

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Median compensation increase	5%	4%	5%	5%	5%	5%	5%

Ownership Structure	Public	Private	Mutual	Total
Median compensation increase	5%	5%	5%	5%

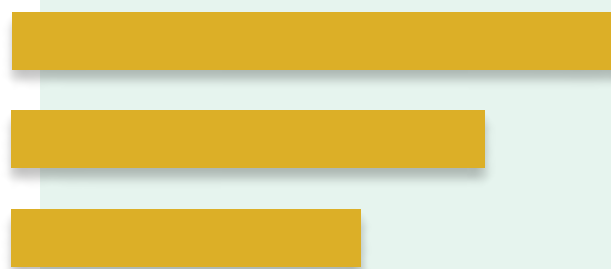
## 8. In which areas do you expect your bank to increase staff in 2023?

Respondents were asked to select all that apply. \*Indicates a count of less than 10 within a category.

**60%** Commercial/business lending

**46%** Technology/IT

**34%** Risk/compliance



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Commercial/business lending	25%	56%	65%	58%	61%	53%	60%
Technology/IT	75%	75%	56%	35%	28%	24%	46%
Risk/compliance	63%	56%	29%	33%	28%	35%	34%
Branch	25%	-	28%	25%	28%	24%	24%
Audit/accounting	13%	13%	25%	25%	25%	29%	24%
Wealth/asset management	38%	38%	29%	10%	11%	-	20%
Mortgage/consumer lending	-	6%	14%	15%	25%	24%	16%
Cybersecurity	25%	50%	14%	8%	11%	6%	15%
Call center	13%	-	15%	13%	8%	-	11%
Marketing	13%	-	13%	10%	8%	12%	10%
Human resources	-	13%	10%	13%	6%	6%	9%

## 9. Is your bank more open to hiring from other industries than in the past?



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes, we are looking outside of the banking sector more now to meet our talent goals	22%	19%	46%	44%	51%	21%	41%
No, most of our hires tend to be from within banking and will stay that way	56%	44%	29%	18%	37%	46%	32%
Unsure	11%	19%	17%	16%	10%	29%	17%
We have always aggressively recruited from other industries	11%	19%	7%	22%	2%	4%	10%

## 10. Looking at 2021-22, what types of roles has your bank had the most difficulty filling?

Respondents were asked to select all that apply. \*Indicates a count of less than 10 within a category.

**52%** 

Commercial/business lending

**35%** 

Branch staff

**33%** 

Entry-level positions

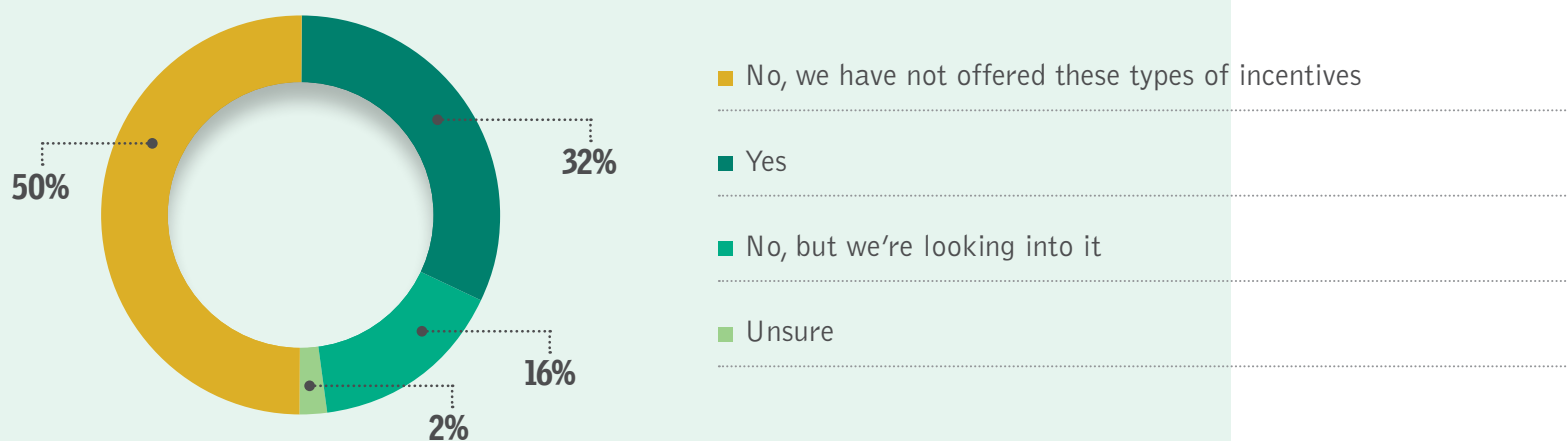
**33%** 

Technology/IT

Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Commercial/business lending	13%	38%	50%	60%	58%	52%	52%
Branch staff	25%	19%	36%	46%	33%	22%	35%
Entry-level positions	25%	19%	34%	30%	35%	44%	33%
Technology/IT	75%	44%	40%	26%	20%	22%	33%
Risk/compliance	50%	50%	21%	18%	25%	22%	24%
Mortgage/consumer lending	-	13%	11%	20%	23%	22%	16%
Audit/accounting and finance	38%	13%	19%	6%	10%	22%	15%
Cybersecurity	38%	31%	13%	6%	5%	4%	11%
Wealth and asset management	-	19%	15%	4%	13%	-	10%
Call center staff	-	-	10%	8%	8%	-	7%
Other	13%	-	3%	6%	5%	-	4%

## 11. Has your bank offered retention bonuses or similar incentives to entice key staff to continue working and delay retirement?

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



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No, we have not offered these types of incentives	44%	38%	43%	62%	45%	67%	50%
Yes	44%	50%	32%	24%	38%	21%	32%
No, but we're looking into it	11%	13%	24%	12%	13%	8%	16%
Unsure	-	-	1%	2%	5%	4%	2%

## 12. What specific challenges has your bank faced in attracting and retaining talent?

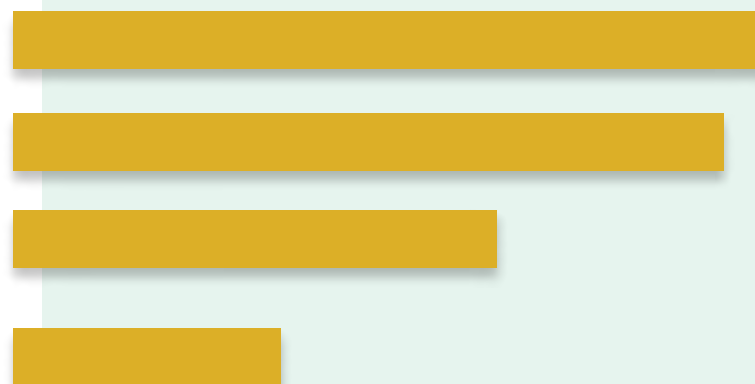
Respondents were asked to select all that apply. \*Indicates a count of less than 10 within a category.

**74%** Insufficient number of qualified applicants

**69%** Rising wages in our market(s)

**47%** Rising wages for key positions

**26%** Candidates are unwilling to commute to our offices for at least part of their schedule

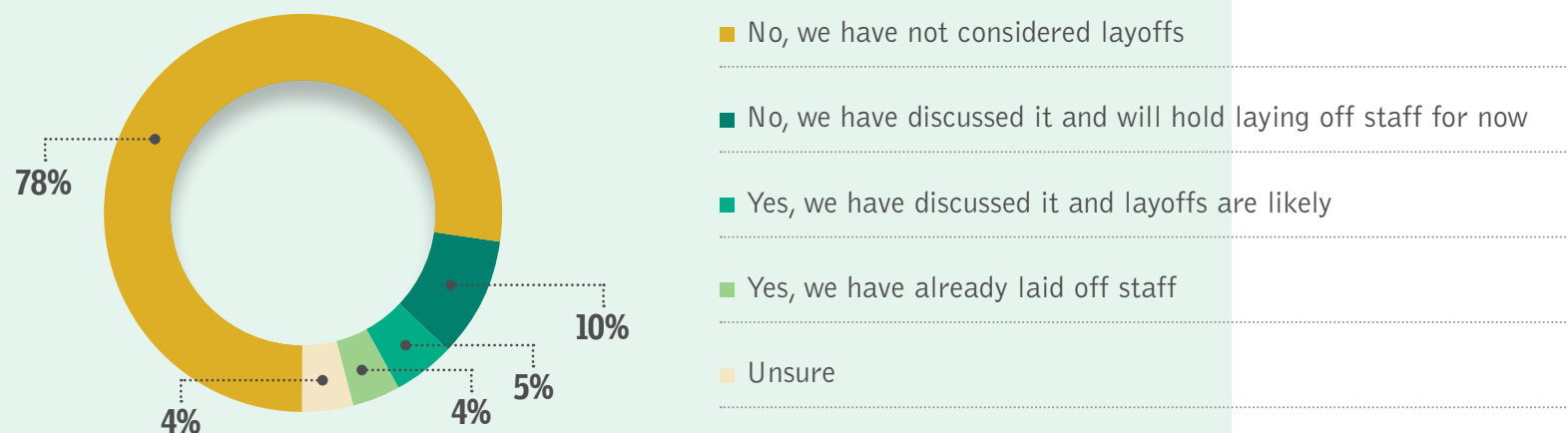


Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Insufficient number of qualified applicants	100%	44%	77%	78%	68%	79%	74%
Rising wages in our market(s)	67%	69%	69%	74%	66%	63%	69%
Rising wages for key positions	56%	63%	41%	48%	56%	38%	47%
Candidates are unwilling to commute to our offices for at least part of their schedule	44%	38%	31%	24%	20%	13%	26%
Competition on health care and other benefits	-	19%	12%	14%	12%	21%	14%
Disinterest in working for a bank	11%	25%	10%	10%	12%	4%	11%
Other	11%	-	3%	4%	10%	-	4%
The bank's weak reputation as an employer	-	-	1%	2%	5%	-	2%



## 13. Is your bank considering layoffs in 2023?

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	\$250M-\$500M	<\$250M	Total
No, we have not considered layoffs	56%	63%	74%	90%	78%	83%	78%
No, we have discussed it and will hold laying off staff for now	-	13%	12%	4%	10%	13%	10%
Yes, we have discussed it and layoffs are likely	22%	19%	6%	2%	2%	-	5%
Yes, we have already laid off staff	22%	6%	3%	2%	2%	4%	4%
Unsure	-	-	5%	2%	7%	-	4%

## 14. Does your bank offer remote and/or hybrid work options for at least some of its staff?

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

■ Yes                      ■ No



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	88%	88%	87%	78%	76%	63%	80%
No	13%	13%	13%	22%	24%	38%	20%

## 15. Does your bank offer more remote and/or hybrid work options to executives, compared to pre-Covid?

Numbers don't add up to 100% due to rounding. \*Indicates a count of less than 10 within a category.

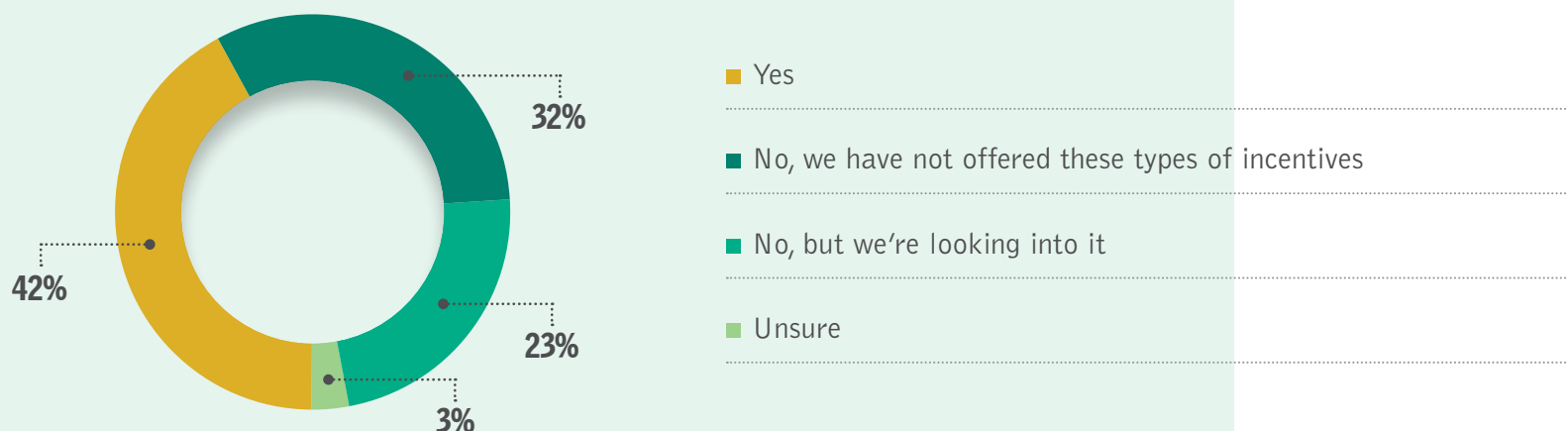
■ Yes                      ■ No



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	38%	63%	61%	48%	46%	42%	53%
No	63%	38%	39%	52%	54%	58%	48%

## 16. Has your bank implemented any new incentives to entice commercial bankers to bring in new deposit accounts?

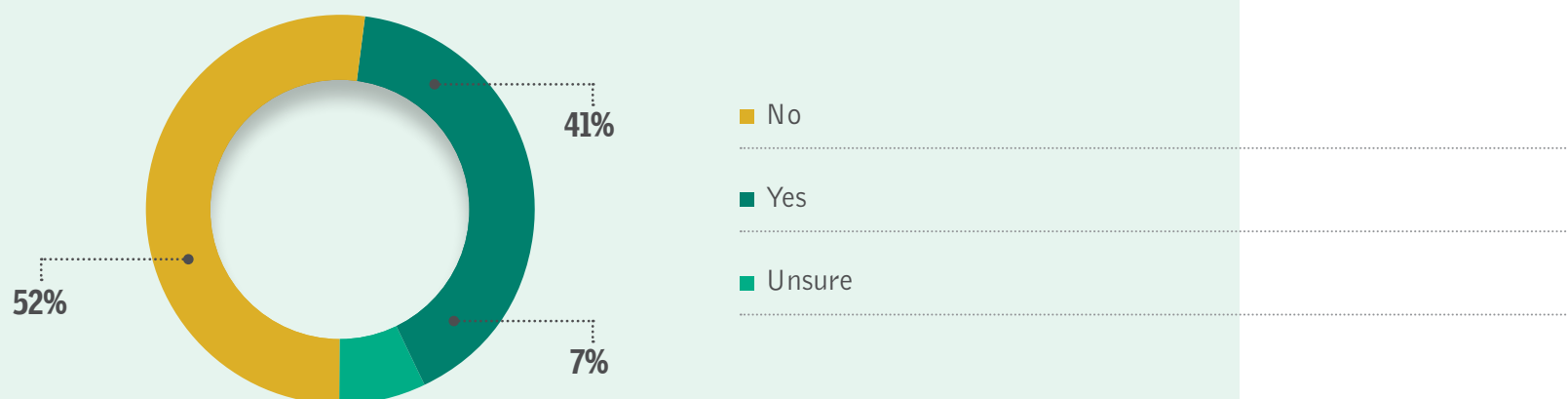
\*Indicates a count of less than 10 within a category.



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	50%	56%	50%	35%	35%	25%	42%
No, we have not offered these types of incentives	25%	31%	24%	35%	30%	58%	32%
No, but we're looking into it	25%	13%	20%	29%	32%	17%	23%
Unsure	-	-	6%	2%	3%	-	3%

## 17. Compared to 2021, did your bank focus more on diversity, equity and inclusion initiatives and/or programs in 2022?

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



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No	-	19%	38%	64%	70%	83%	52%
Yes	88%	81%	56%	26%	19%	13%	41%
Unsure	13%	-	6%	10%	11%	4%	7%

## 18. Does the bank measure any of the following when evaluating its diversity, equity & inclusion (DEI) progress or initiatives?

Respondents were asked to select all that apply.

Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Percentage of women at different levels of the bank	86%	94%	70%	45%	31%	20%	56%
Percentage of minorities at different levels of the bank	86%	100%	65%	43%	21%	15%	52%
We lack a formal DEI program, and don't measure these metrics	-	-	25%	43%	66%	75%	37%
Participation in DEI-focused education and training	71%	63%	42%	19%	21%	-	32%
Gender pay gap	43%	69%	34%	19%	14%	5%	28%
Percentage of veterans at different levels of the bank	43%	50%	26%	19%	3%	10%	22%
Participation by women and/or minorities in internal/external training/mentorship programs	29%	44%	28%	10%	-	10%	19%
Percentage of employees with disability at different levels of the bank	43%	44%	21%	12%	3%	10%	18%
Participation in and/or formation of employee affinity groups	43%	44%	17%	-	3%	-	13%
Other	14%	-	-	7%	7%	-	3%

# CEO PAY & SUCCESSION

## 19. The CEO at my bank received the following types of compensation in FY 2022.

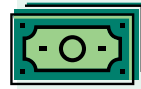
\*Indicates a count of less than 10 within a category.

99%



Salary

86%



Cash incentive (bonus)

56%



Nonqualified deferred compensation and/or retirement benefit

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Salary	96%	100%	99%	98%	100%	100%	99%
Cash incentive (bonus)	88%	91%	87%	86%	79%	80%	86%
Nonqualified deferred compensation and/or retirement benefit	79%	61%	61%	49%	47%	25%	56%
Other benefits & perks	71%	52%	52%	39%	34%	35%	48%
Equity grants	88%	79%	50%	32%	21%	15%	47%
Synthetic equity grants (cash-based long-term incentives)	63%	27%	21%	16%	13%	5%	22%

Ownership Structure	Public	Private	Mutual	Total
Salary	99%	100%	96%	99%
Cash incentive (bonus)	82%	90%	92%	86%
Nonqualified deferred compensation and/or retirement benefit	63%	43%	73%	56%
Other benefits & perks	61%	31%	39%	48%
Equity grants	73%	22%	-	47%
Synthetic equity grants (cash-based long-term incentives)	29%	12%	23%	22%

Region	Midwest	Northeast	Pacific West	Rocky Mountain West	Southeast	Southwest	Total
Salary	100%	98%	100%	92%	100%	96%	99%
Cash incentive (bonus)	82%	86%	96%	83%	84%	96%	86%
Equity grants	38%	53%	75%	42%	47%	36%	47%
Synthetic equity grants (cash-based long-term incentives)	18%	29%	39%	8%	20%	14%	22%
Nonqualified deferred compensation and/or retirement benefit	55%	69%	54%	33%	56%	39%	56%
Other benefits & perks	30%	58%	71%	50%	59%	29%	48%

## 20. Enter the cash compensation amounts for the CEO of your bank for FY 2022.

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	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Salary	\$884,459	\$635,000	\$478,250	\$295,600	\$250,000	\$193,250	\$417,000
Cash incentive (bonus)	\$1,462,500	\$494,575	\$214,000	\$88,730	\$63,000	\$33,000	\$177,500
Equity grants	\$2,611,041	\$465,042	\$188,000	\$67,000	\$25,000	\$17,500	\$200,000
Benefits/perks	\$114,032	\$71,465	\$54,339	\$25,000	\$25,000	\$10,000	\$45,000
Total CEO compensation	\$4,658,471	\$1,598,535	\$918,296	\$425,240	\$340,000	\$229,500	\$734,000

Ownership Structure	Public	Private	Mutual	Total
Salary	\$517,907	\$283,000	\$449,000	\$417,000
Cash incentive (bonus)	\$262,500	\$100,000	\$130,000	\$177,500
Equity grants	\$319,483	\$75,000	\$120,000	\$200,000
Benefits/perks	\$70,832	\$25,000	\$38,000	\$45,000
Total CEO compensation	\$1,233,123	\$400,000	\$694,000	\$734,000



Region	Midwest	Northeast	Pacific West	Rocky Mountain West	Southeast	Southwest	Total
Salary	\$350,000	\$533,729	\$518,650	\$252,000	\$368,875	\$353,040	\$417,000
Cash incentive (bonus)	\$130,500	\$215,528	\$375,000	\$136,000	\$167,327	\$170,875	\$177,500
Equity grants	\$100,000	\$208,318	\$225,000	\$1,217,869	\$250,000	\$100,000	\$200,000
Other benefits & perks	\$37,500	\$73,783	\$76,976	\$25,000	\$49,237	\$39,618	\$45,000
Total CEO compensation	\$513,857	\$1,039,396	\$1,263,500	\$448,119	\$614,707	\$628,415	\$734,000

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

Respondents were asked to select all that apply. \*Indicates a count of less than 10 within a field.

64% 

Return on assets

56% 

Income growth

52% 

Return on equity

51% 

Asset quality

Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Return on assets	29%	77%	68%	65%	64%	50%	64%
Income growth	71%	46%	63%	53%	49%	50%	56%
Return on equity	57%	77%	52%	45%	58%	33%	52%
Asset quality	71%	39%	51%	48%	61%	39%	51%
Loan growth	43%	23%	42%	45%	55%	44%	44%
Efficiency	57%	54%	42%	40%	39%	28%	41%
Deposit growth	43%	23%	40%	43%	27%	33%	36%
Earnings per share growth	29%	46%	20%	23%	15%	11%	21%
Total shareholder return	43%	46%	12%	28%	12%	17%	20%
Credit or similar risk metrics	29%	15%	15%	13%	21%	33%	18%
CEO compensation is not tied to performance metrics	-	-	6%	18%	15%	33%	13%
Employee retention	-	8%	14%	10%	9%	6%	10%
Other metrics	29%	15%	12%	10%	6%	-	10%

<b>Ownership Structure</b>	<b>Public</b>	<b>Private</b>	<b>Mutual</b>	<b>Total</b>
Return on assets	62%	62%	74%	64%
Income growth	62%	54%	48%	56%
Return on equity	53%	54%	39%	52%
Asset quality	55%	46%	61%	51%
Loan growth	30%	50%	48%	44%
Efficiency	47%	36%	48%	41%
Deposit growth	30%	36%	52%	36%
Earnings per share growth	36%	18%	-	21%
Total shareholder return	30%	19%	-	20%
Credit or similar risk metrics	11%	21%	22%	18%
CEO compensation is not tied to performance metrics	9%	15%	9%	13%
Employee retention	11%	5%	30%	10%
Other metrics	8%	10%	17%	10%

Region	Midwest	Northeast	Pacific West	Rocky Mountain West	Southeast	Southwest	Total
Return on assets	61%	75%	64%	86%	56%	65%	64%
Income growth	61%	61%	50%	57%	49%	50%	56%
Return on equity	56%	39%	57%	71%	51%	45%	52%
Asset quality	46%	57%	43%	57%	54%	55%	51%
Loan growth	35%	43%	57%	71%	46%	50%	44%
Efficiency	32%	54%	50%	86%	34%	45%	41%
Deposit growth	27%	46%	64%	43%	34%	35%	36%
Earnings per share growth	24%	11%	36%	29%	12%	30%	21%
Total shareholder return	30%	4%	14%	29%	12%	25%	20%
Credit or similar risk metrics	15%	25%	14%	29%	20%	15%	18%
CEO compensation is not tied to performance metrics	12%	-	7%	-	22%	20%	13%
Employee retention	9%	21%	14%	-	7%	5%	10%
Other metrics	3%	18%	14%	14%	15%	10%	10%

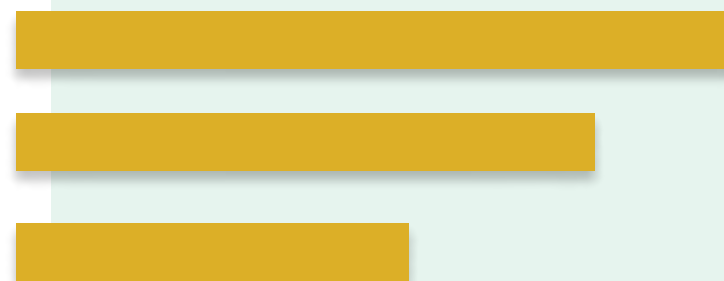
## 22. Is your CEO's performance measured by any of the following qualitative factors?

Respondents were asked to select all that apply.

**70%** Strategic plan progress and/or completion of corporate goals

**56%** Good standing with regulators

**38%** Community involvement



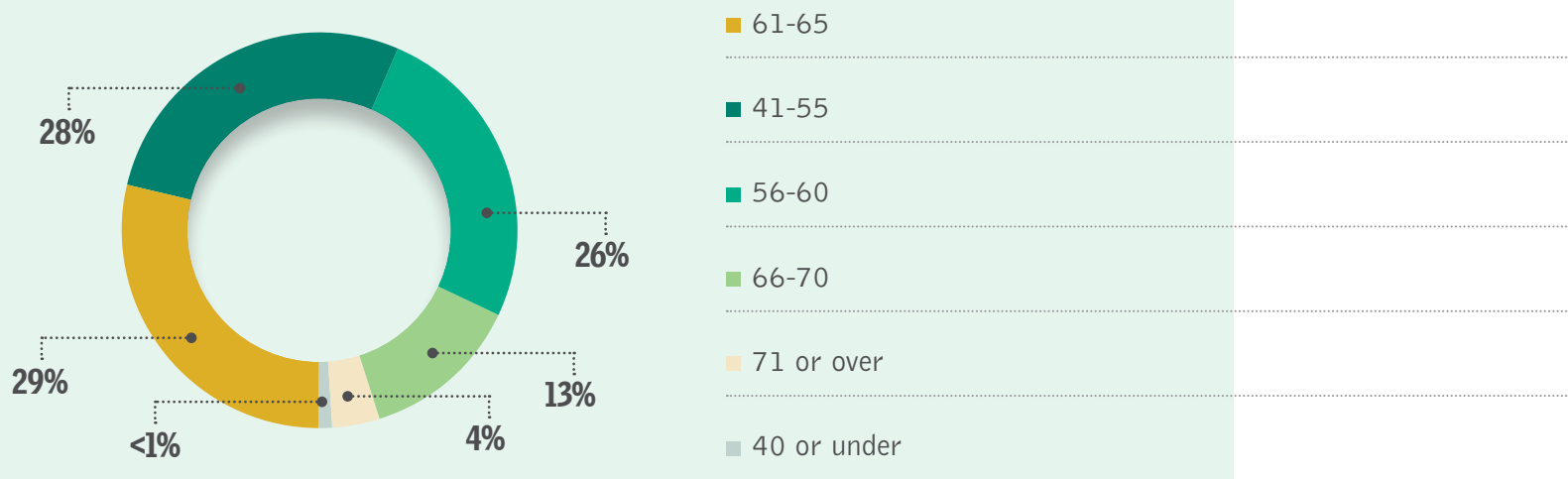
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Strategic plan progress and/or completion of corporate goals	86%	69%	74%	74%	66%	44%	70%
Good standing with regulators	71%	46%	66%	43%	53%	56%	56%
Community involvement	71%	31%	40%	40%	31%	25%	38%
Employee satisfaction/engagement	43%	39%	26%	26%	25%	19%	27%
Response to a crisis, emergency or similarly challenging situation	71%	23%	26%	14%	9%	31%	22%
Development of a successor	57%	39%	13%	31%	22%	13%	22%
CEO compensation isn't tied to any qualitative factors	14%	15%	15%	23%	25%	31%	20%
Diversity, equity and inclusion goals	29%	23%	15%	3%	9%	6%	12%
Other factors	-	8%	3%	3%	-	13%	4%
Environmental/green initiatives	-	23%	3%	-	-	-	3%

<b>Ownership Structure</b>	<b>Public</b>	<b>Private</b>	<b>Mutual</b>	<b>Total</b>
Strategic plan progress and/or completion of corporate goals	69%	65%	91%	70%
Good standing with regulators	48%	56%	77%	56%
Community involvement	33%	32%	73%	38%
Employee satisfaction/engagement	27%	23%	41%	27%
Response to a crisis, emergency or similarly challenging situation	17%	19%	50%	22%
Development of a successor	21%	20%	36%	22%
CEO compensation isn't tied to any qualitative factors	19%	23%	9%	20%
Diversity, equity and inclusion goals	8%	8%	32%	12%
Other factors	6%	3%	-	4%
Environmental/green initiatives	4%	-	14%	3%

Region	Midwest	Northeast	Pacific West	Rocky Mountain West	Southeast	Southwest	Total
Strategic plan progress and/or completion of corporate goals	72%	85%	77%	67%	63%	50%	70%
Good standing with regulators	57%	65%	46%	50%	56%	50%	56%
Community involvement	28%	65%	46%	33%	37%	28%	38%
Employee satisfaction/engagement	16%	42%	31%	33%	29%	28%	27%
Response to a crisis, emergency or similarly challenging situation	16%	54%	23%	33%	12%	17%	22%
Development of a successor	23%	31%	31%	33%	17%	11%	22%
CEO compensation isn't tied to any qualitative factors	18%	12%	23%	33%	24%	22%	20%
Diversity, equity and inclusion goals	10%	27%	23%	-	7%	-	12%
Other factors:	7%	-	-	17%	-	6%	4%
Environmental/green initiatives	2%	12%	-	-	2%	-	3%

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

Responding CEOs were asked to indicate their own age.

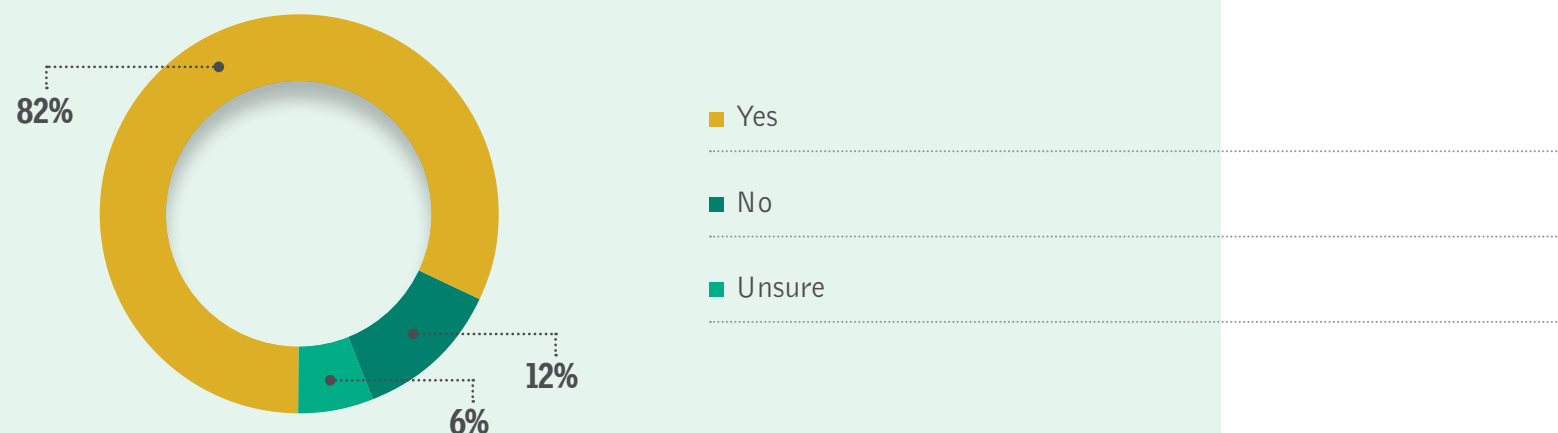


Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
61-65	33%	29%	30%	36%	11%	25%	29%
41-55	25%	21%	28%	30%	35%	25%	28%
56-60	29%	29%	24%	20%	43%	10%	26%
66-70	8%	12%	15%	14%	8%	15%	13%
71 or over	4%	9%	2%	-	3%	20%	4%
40 or under	-	-	-	-	-	5%	<1%



## 24. Do you believe your board has an effective succession plan in place if the CEO or a key executive suddenly left the bank?

Question was limited to board chairs, lead directors and outside directors. \*Indicates a count of less than 10 within a field.

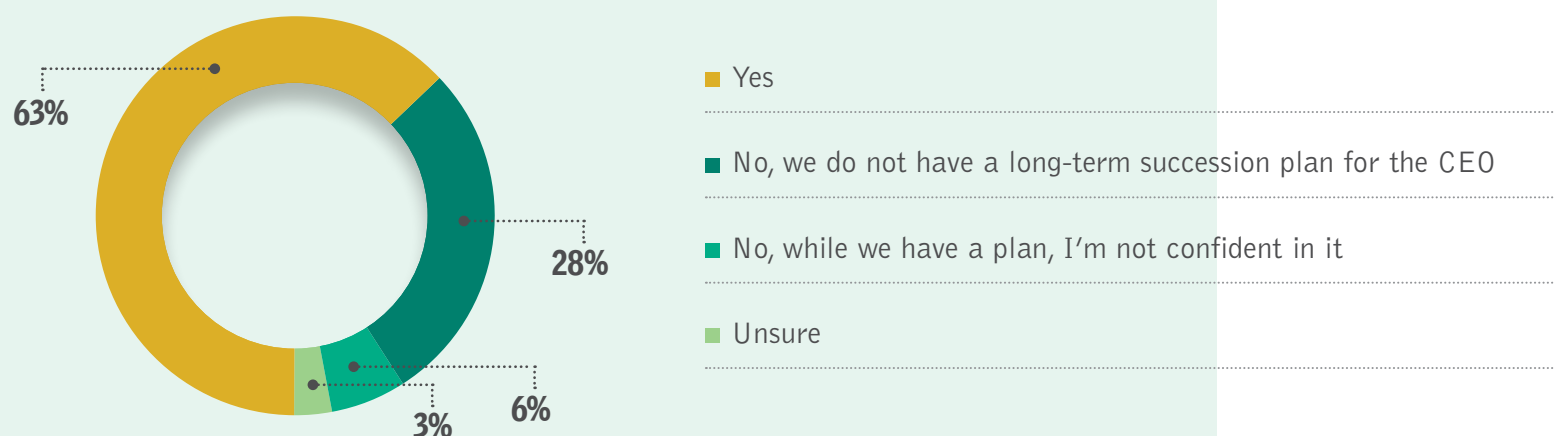


Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	100%	89%	82%	75%	75%	75%	82%
No	-	11%	11%	13%	17%	25%	12%
Unsure	-	-	7%	13%	8%	-	6%

Ownership Structure	Public	Private	Mutual	Total
Yes	78%	84%	83%	82%
No	13%	13%	8%	12%
Unsure	9%	3%	8%	6%

## 25. Do you believe your board has an effective long-term succession plan for the CEO?

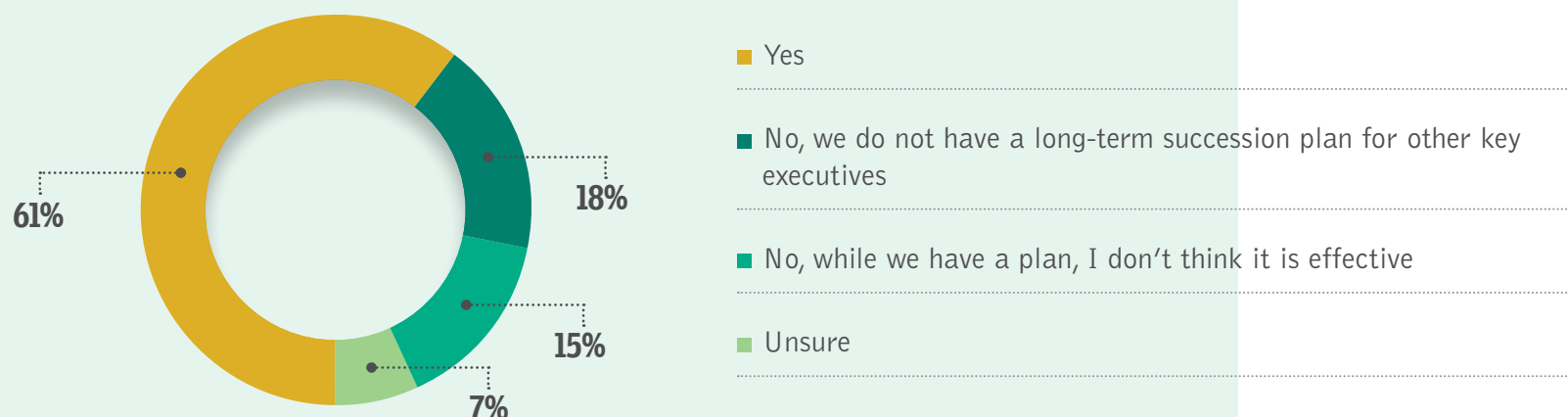
Question was limited to board chairs, outside directors and lead directors. \*Indicates a count of less than 10 within a field.



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	80%	56%	72%	63%	50%	25%	63%
No, we do not have a long-term succession plan for the CEO	-	33%	24%	25%	42%	50%	28%
No, while we have a plan, I'm not confident in it	20%	11%	-	13%	8%	-	6%
Unsure	-	-	3%	-	-	25%	3%

## 26. Do you believe your board has an effective long-term succession plan for the other key executives (beyond the CEO)?

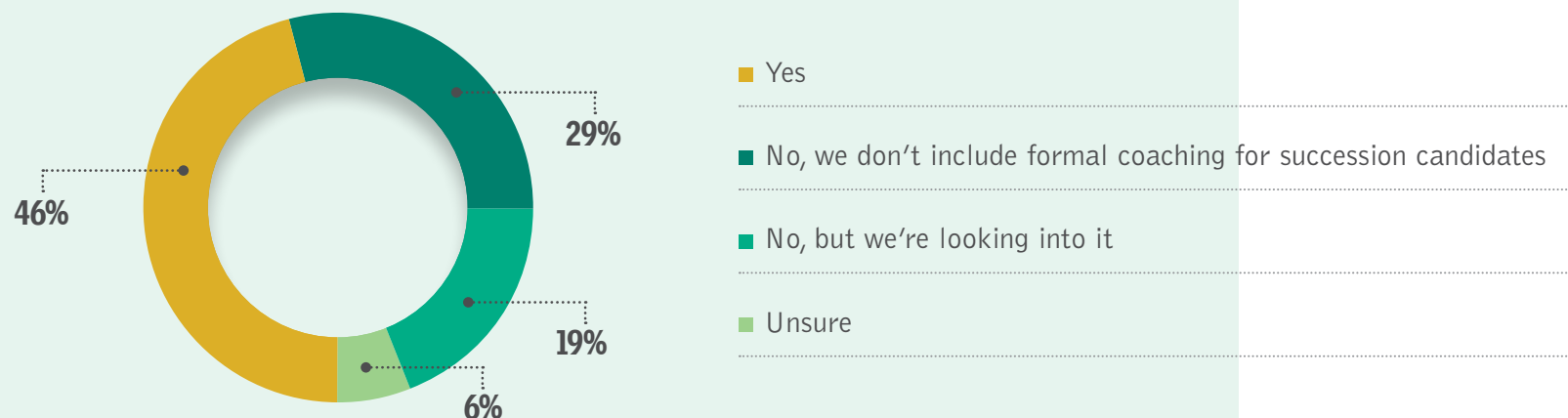
Question was limited to board chairs, outside directors and lead directors. \*Indicates a count of less than 10 within a field.



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	86%	62%	68%	50%	64%	47%	61%
No, we do not have a long-term succession plan for other key executives	-	8%	13%	21%	21%	32%	18%
No, while we have a plan, I don't think it is effective	14%	23%	15%	17%	12%	11%	15%
Unsure	-	8%	4%	12%	3%	11%	7%

## 27. Does your succession planning process include some type of coaching for succession candidates?

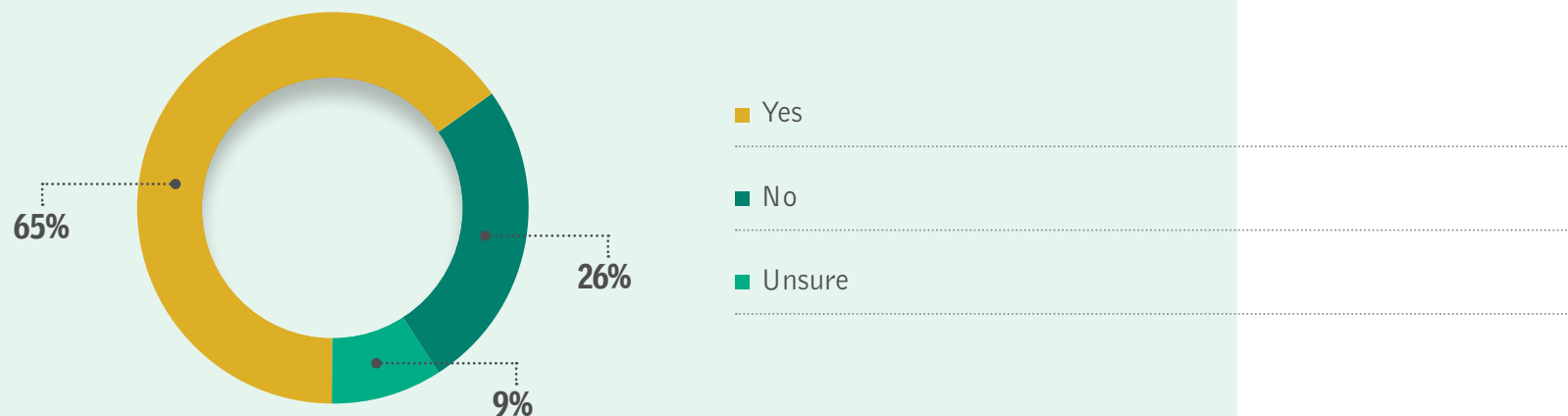
\*Indicates a count of less than 10 within a field.



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	71%	69%	52%	39%	42%	26%	46%
No, we don't include formal coaching for succession candidates	14%	15%	29%	27%	24%	53%	29%
No, but we're looking into it	14%	8%	15%	24%	30%	11%	19%
Unsure	-	8%	4%	10%	3%	11%	6%

## 28. Do you feel your bank has a strong bench of talented leaders to prepare for C-suite roles over the next five years?

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



Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	86%	69%	66%	62%	61%	63%	65%
No	-	31%	24%	29%	30%	32%	26%
Unsure	14%	-	10%	10%	9%	5%	9%

## 29. Is your bank taking any of the following steps to train mid-level talent for C-suite roles in the long term?

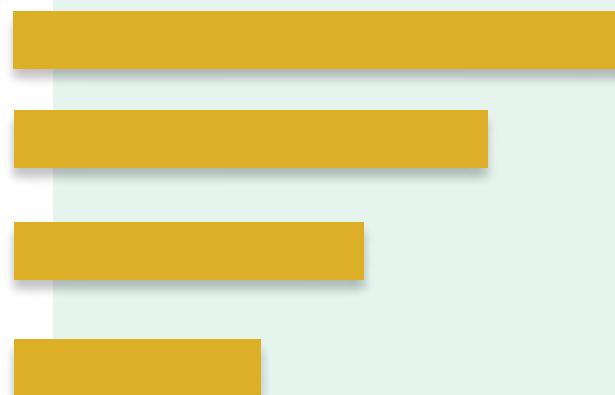
Respondents were asked to select all that apply. \*Indicates a count of less than 10 within a field.

**71%** Coaching

**55%** External career development programs

**45%** Tuition reimbursement (e.g. MBA or graduate-level banking programs)

**42%** Internal mentorship programs

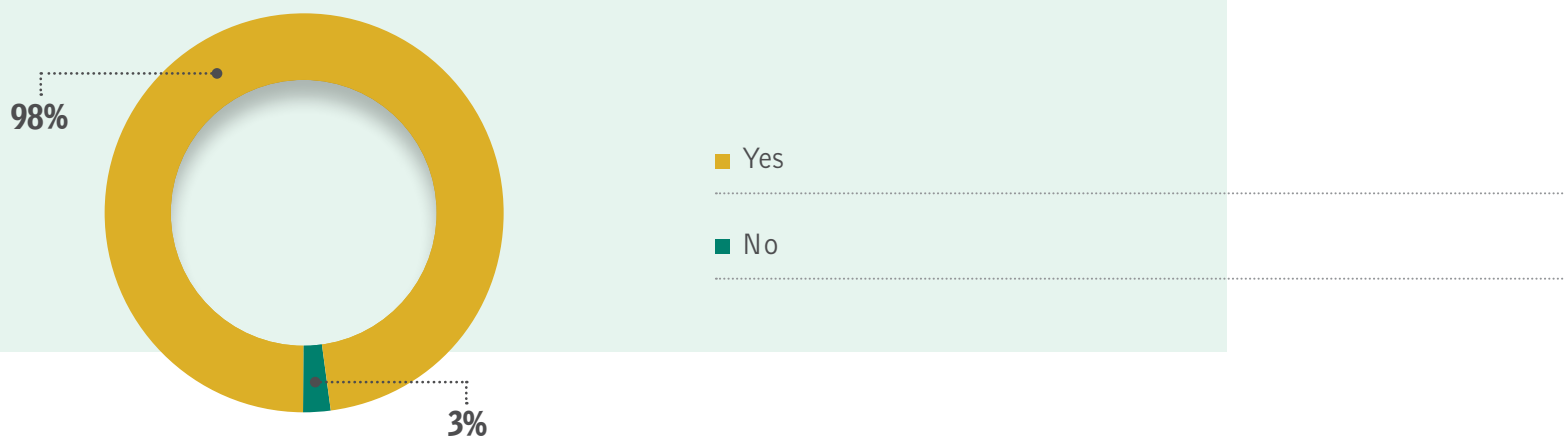


Bank Asset Size	>\$10B*	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Coaching	67%	75%	73%	74%	54%	91%	71%
External career development programs	17%	67%	57%	43%	64%	64%	55%
Tuition reimbursement (e.g. MBA or graduate-level banking programs)	50%	42%	51%	40%	46%	27%	45%
Internal mentorship programs	50%	50%	48%	29%	39%	46%	42%
Special projects ownership to high-potential candidates	50%	33%	43%	49%	32%	9%	39%
Rotational work in other departments of the bank	17%	25%	13%	6%	7%	18%	12%
Other	17%	-	3%	3%	4%	-	3%

## DIRECTOR COMPENSATION

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

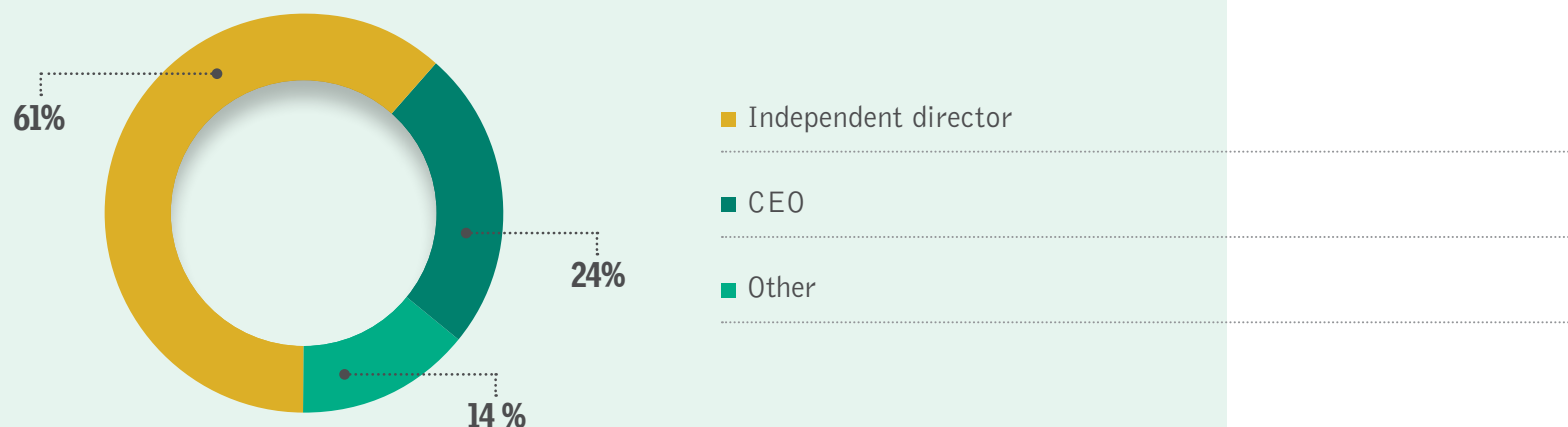
Proxy data included. Numbers don't add up to 100% due to rounding.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes	96%	100%	99%	94%	100%	90%	98%
No	4%	-	1%	6%	-	11%	3%

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

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



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Independent director	38%	46%	63%	75%	67%	58%	61%
CEO	33%	33%	23%	17%	17%	37%	24%
Other	29%	21%	13%	8%	17%	5%	14%



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

Proxy data included. Question only asked if the chair is an independent board member. Respondents were asked to select all that apply.

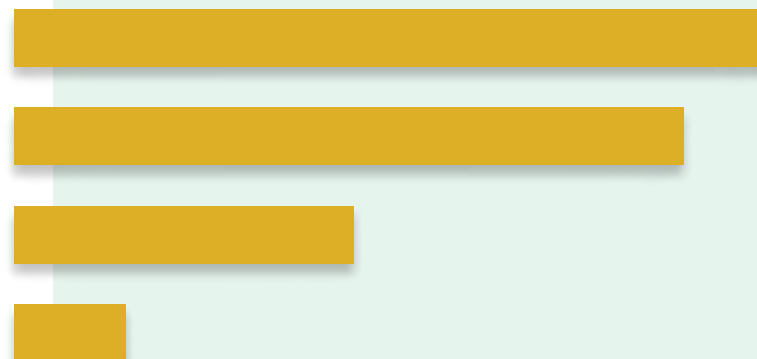
\*Indicates a count of less than 10 within a category.

**74%** Annual cash retainer

**65%** Board meeting fee

**33%** Equity compensation

**11%** Deferred compensation/benefits



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Annual cash retainer	100%	100%	88%	54%	63%	11%	74%
Board meeting fee	11%	21%	70%	73%	75%	89%	65%
Equity compensation	67%	79%	37%	16%	17%	11%	33%
Deferred compensation/benefits	22%	7%	14%	8%	13%	-	11%

Ownership Structure	Public	Private	Mutual	Total
Annual cash retainer	90%	46%	85%	74%
Board meeting fee	48%	83%	95%	65%
Equity compensation	52%	9%	15%	33%
Deferred compensation/benefits	11%	7%	25%	11%

Region	Midwest	Northeast	Pacific West	Rocky Mountain West*	Southeast	Southwest	Total
Annual cash retainer	78%	96%	75%	50%	64%	23%	74%
Board meeting fee	70%	66%	58%	50%	58%	85%	65%
Equity compensation	33%	34%	67%	50%	27%	15%	33%
Deferred compensation/ benefits	13%	15%	-	50%	9%	-	11%

### 33. Enter the cash compensation amounts for the non-executive chair of your bank for FY 2022.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank. Question only asked if the chair is an independent board member. \*\*Indicates a count of less than 10 within a field. \*Indicates a count of less than 10 within a category.

**\$1,000**

**Fee per board meeting**

**\$35,000**

**Annual cash retainer**

**\$32,000**

**Equity compensation**

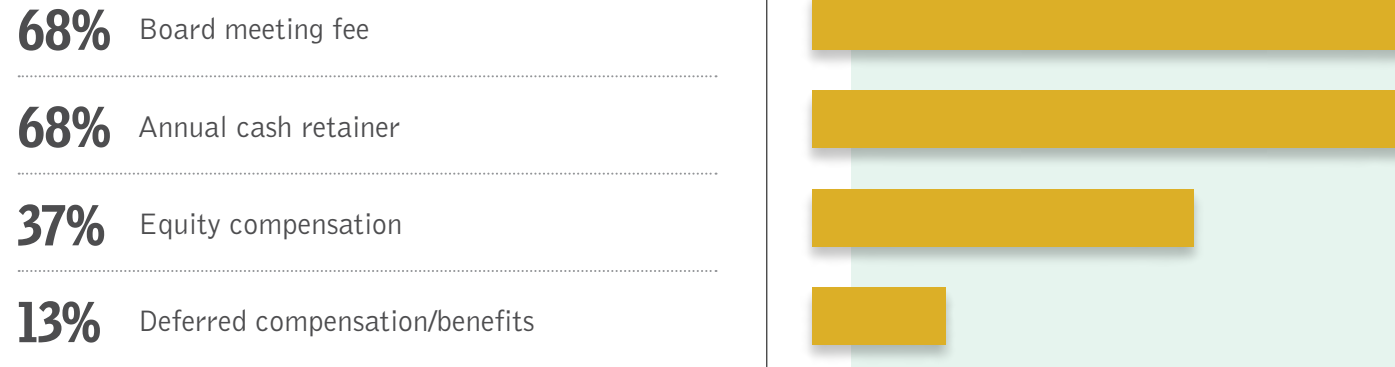
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Board meeting fee	-	\$1,000	\$1,000	\$1,175	\$1,100	\$725**	\$1,000
Annual cash retainer	\$110,000	\$75,000	\$37,100	\$26,000	\$13,475	\$36,000**	\$35,000
Equity compensation	\$60,019	\$38,193	\$26,250	\$22,890	\$5,250	-	\$32,000

Ownership Structure	Public	Private	Mutual	Total
Board meeting fee	\$1,000	\$1,000	\$1,590	\$1,000
Annual cash retainer	\$45,000	\$24,000	\$25,000	\$35,000
Equity compensation	\$34,155	\$25,000	\$7,704**	\$32,000

Region	Midwest	Northeast	Pacific West*	Rocky Mountain West	Southeast*	Southwest*	Total
Board meeting fee	\$1,000	\$1,059	\$1,000	\$500	\$1,300	\$1,000	\$1,000
Annual cash retainer	\$35,000	\$36,550	\$39,440	\$90,000	\$28,500	\$100,000	\$25,000
Equity compensation	\$23,750	\$34,995	\$27,500	\$85,010	\$27,445	\$80,000	\$30,454

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

Proxy data included. Respondents were asked to select all that apply. \*Indicates a count of less than 10 within a category.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Board meeting fee	22%	32%	76%	73%	81%	94%	68%
Annual cash retainer	100%	97%	77%	46%	47%	6%	68%
Equity compensation	78%	71%	40%	19%	14%	6%	37%
Deferred compensation/benefits	35%	10%	13%	6%	14%	12%	13%

Ownership Structure	Public	Private	Mutual	Total
Board meeting fee	54%	82%	96%	68%
Annual cash retainer	82%	45%	70%	68%
Equity compensation	60%	10%	9%	37%
Deferred compensation/benefits	15%	9%	22%	13%

Region	Midwest	Northeast	Pacific West	Rocky Mountain West*	Southeast	Southwest	Total
Board meeting fee	74%	69%	48%	50%	62%	83%	68%
Annual cash retainer	66%	85%	82%	50%	61%	42%	68%
Equity compensation	28%	45%	59%	38%	39%	21%	37%
Deferred compensation/ benefits	12%	17%	4%	25%	18%	-	13%

## 35. Enter the cash compensation amounts for outside directors for FY 2022.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank. \*Indicates a count of less than 10 within a field.

**\$1,000**

**Fee per board meeting**

**\$25,000**

**Annual cash retainer**

**\$30,454**

**Equity compensation**

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Fee per board meeting	\$2,000*	\$1,200*	\$1,000	\$1,000	\$920	\$637.50	\$1,000
Annual cash retainer	\$60,000	\$43,500	\$22,500	\$23,430	\$5,000	\$1,200	\$25,000
Equity compensation	\$71,790	\$40,000	\$22,513	\$12,897.50	\$1,500	-	\$30,454

Ownership Structure	Public	Private	Mutual	Total
Board meeting fee	\$1,000	\$1,000	\$1,425	\$1,000
Annual cash retainer	\$32,000	\$12,000	\$18,000	\$25,000
Equity compensation	\$35,000	\$15,000	\$7,704*	\$30,454

Region	Midwest	Northeast	Pacific West*	Rocky Mountain West*	Southeast	Southwest*	Total
Board meeting fee	\$1,000	\$1,059	\$1,000	\$500	\$1,300	\$1,000	\$1,000
Annual cash retainer	\$35,000	\$36,550	\$39,440	\$90,000	\$28,500	\$100,000	\$25,000
Equity compensation	\$23,750	\$34,995	\$27,500	\$85,010	\$27,445	\$80,000	\$30,454

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

Respondents were asked to select all that apply.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No benefits offered	58%	58%	66%	62%	53%	56%	61%
Travel expenses	17%	32%	18%	24%	24%	31%	22%
Retirement plan	13%	3%	14%	12%	3%	19%	11%
Life insurance	13%	13%	8%	4%	9%	6%	8%
Other perks	8%	10%	8%	4%	15%	6%	8%
Paid medical insurance or eligibility for group medical insurance	8%	10%	5%	2%	12%	6%	6%

<b>Ownership Structure</b>	<b>Public</b>	<b>Private</b>	<b>Mutual</b>	<b>Total</b>
No benefits offered	65%	65%	22%	61%
Travel expenses	16%	31%	26%	22%
Retirement plan	10%	2%	57%	11%
Life insurance	10%	5%	13%	8%
Other perks	7%	10%	13%	8%
Paid medical insurance or eligibility for group medical insurance	5%	8%	4%	6%



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

Proxy data included.



Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
No	96%	90%	83%	60%	63%	29%	75%
Yes	4%	7%	12%	33%	34%	71%	21%
Unsure	-	3%	5%	6%	3%	-	4%

### 38. Enter the cash compensation amounts for inside directors for FY 2022.

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

**\$925**

**Fee per board meeting**

**\$17,200**

**Annual cash retainer**

**\$7,500\***

**Equity compensation**

### 39. How many times did the following meet in FY 2022? How many board members currently serve on each?

*Proxy data included.*

	Membership	Meeting Frequency
Holding company	10	9
Lead bank	10	12
Audit	5	5
Compensation	4	4
Governance/nominating	4	4
Executive	5	5
Loan	5	5
Risk	5	4
ALCO	5	4
Technology	4	4
Compliance	4.5	4
Trust	4	4

## 40. Does your board pay committee meeting fees or a retainer to committee members and/or committee chairs?


Respondents were asked to select the options that best apply to their board's committees.

Committee chairs							
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes, we pay meeting fees	13%	25%	61%	67%	64%	19%	51%
Yes, we pay a retainer	92%	88%	52%	29%	12%	6%	48%
We pay neither fees nor a retainer	4%	-	14%	14%	33%	75%	18%

Committee members							
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Yes, we pay meeting fees	25%	41%	71%	70%	68%	31%	60%
We pay neither fees nor a retainer	17%	25%	20%	20%	32%	69%	25%
Yes, we pay a retainer	67%	41%	21%	17%	-	6%	24%

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

Proxy data included.

97% 

Audit

85% 

Compensation

65% 

Governance/Nominating

53% 

Loan

Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	100%	97%	98%	98%	91%	88%	97%
Compensation	100%	97%	90%	73%	71%	77%	85%
Governance/Nominating	100%	88%	74%	53%	37%	6%	65%
Loan	13%	34%	49%	65%	80%	88%	53%
Executive	42%	41%	39%	35%	46%	59%	41%
Asset/Liability (ALCO)	8%	19%	40%	51%	60%	47%	40%
Risk	83%	56%	46%	18%	11%	18%	39%
Technology	25%	22%	23%	29%	26%	47%	26%
Compliance	17%	19%	24%	26%	26%	47%	25%
Trust	17%	31%	17%	12%	14%	6%	17%
Strategic Planning	-	3%	16%	12%	23%	12%	13%
Other:	33%	25%	13%	6%	3%	6%	13%
Corporate Social Responsibility/ESG or equivalent	8%	6%	5%	2%	-	-	4%

## 42. Enter the per-meeting fees your bank paid in FY 2022 for each committee.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank. \*\*Indicates a count of less than 10 within a field.

Committee members							
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	\$1,250	\$725**	\$600	\$300	\$325	\$150**	\$500
Compensation	\$1,000	\$800	\$500	\$325	\$300	\$325**	\$500
Governance/Nominating	\$1,000**	\$750**	\$500	\$425	\$240**	-	\$500
Executive	\$1,000**	\$600**	\$500	\$331	\$400**	-	\$500
Loan	-	\$800**	\$500	\$275	\$250	\$200**	\$375
ALCO	\$750**	\$675**	\$500	\$250**	\$300**	\$200**	\$600
Risk	\$1,500	\$550**	\$700	\$400**	\$230**	-	\$500
Technology	-	\$850**	\$500	\$300**	\$275**	-	\$403
Trust	-	\$850**	\$600**	\$300**	\$425**	-	\$425
Compliance	\$1,000**	\$600**	\$500**	\$150**	\$375**	-	\$500

Committee chairs							
Bank Asset Size	>\$10B	\$5B-\$10B	\$1B-\$5B	\$500M-\$1B	\$250M-\$500M	<\$250M	Total
Audit	\$1,500	\$850**	\$675	\$400	\$350	\$200**	\$500
Compensation	\$1,600**	\$1,025**	\$600	\$381	\$300	\$325**	\$500
Governance/Nominating	\$1,100**	\$850**	\$575	\$425	\$300**	-	\$500
Executive	-	\$850	\$537**	\$400**	\$400**	-	\$500
Loan	-	\$850**	\$587	\$325	\$250**	\$175**	\$400
ALCO	-	\$850**	\$587	\$275**	\$275**	\$200**	\$500
Risk	-	\$5,000**	\$700	\$425**	\$230**	-	\$700
Technology	-	\$850**	\$575	\$437**	\$275**	-	\$500
Trust	-	\$431**	\$600**	\$200**	\$375**	-	\$500
Compliance	\$1,200	\$850**	\$650**	\$600**	\$500**	-	\$550

### 43. Enter the retainer your bank paid in FY 2022 for each committee.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank. \*\*Indicates a count of less than 10 within a field.

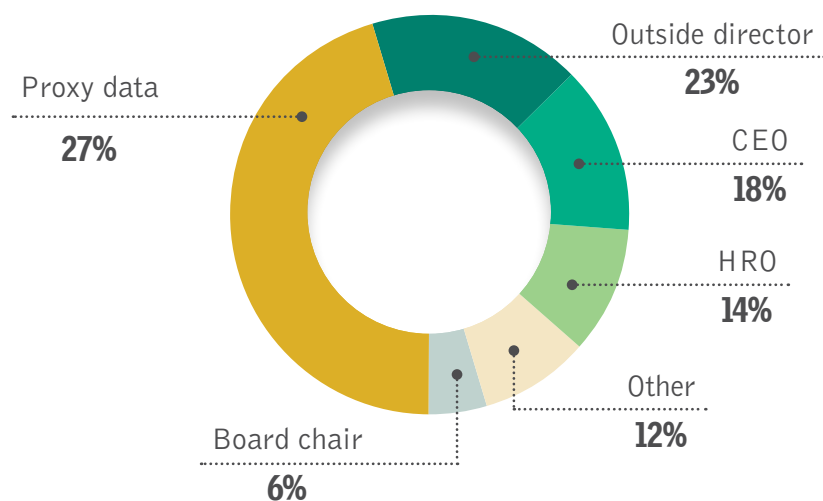
	Committee chair	Committee members
Audit	\$10,000	\$10,000
Compensation	\$8,500	\$6,000
Governance/Nominating	\$7,500	\$5,140
Loan	\$6,000	\$5,280
Executive	\$10,000	\$10,000
ALCO	\$5,000	\$4,200**
Risk	\$10,000	\$8,250
Technology	\$17,500	\$10,000
Trust	\$9,500**	\$5,500**
Compliance	\$10,000	\$10,000**

## ABOUT THE SURVEY

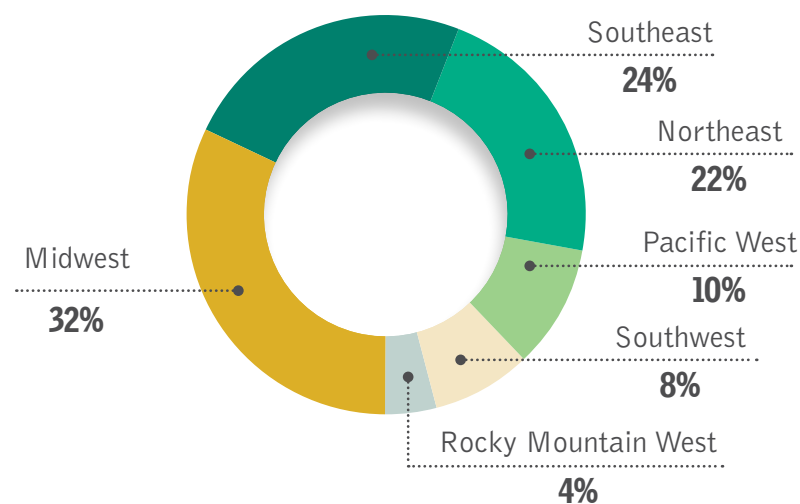
Bank Director's 2023 Compensation Survey, sponsored by Chartwell Partners, surveyed 289 independent directors, CEOs, human resources officers and other executives of U.S. banks below \$100 billion in assets. The survey was conducted in March and April 2023. Compensation data for directors, non-executive chairs and CEOs for fiscal year 2022 was also collected during this period from the proxy statements of 102 publicly traded banks.

### TITLE

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



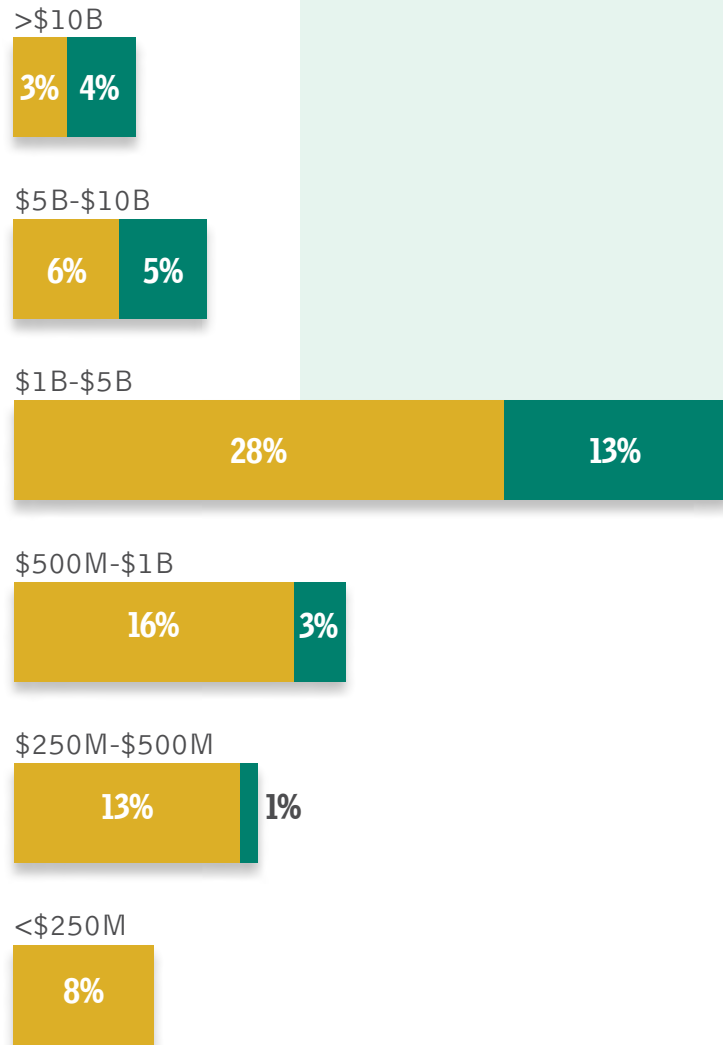
### REGION\*



\*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)



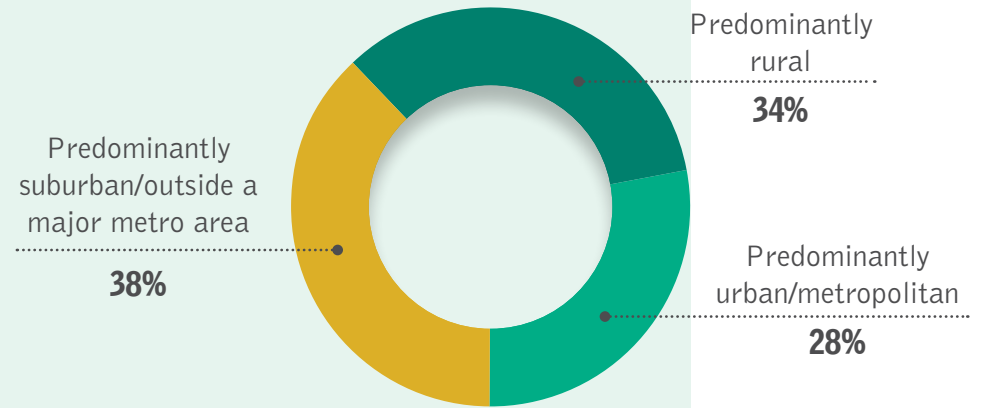
## ASSET SIZE



■ Respondents

■ Proxy

## PRIMARY MARKET



## OWNERSHIP STRUCTURE

