

2025 Compensation & Talent Survey

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EXECUTIVE SUMMARY

Thirty percent of bank leaders do not have a succession plan for C-suite executives other than the CEO, or feel their plan is ineffective, according to Bank Director's 2025 Compensation & Talent Survey, sponsored by Chartwell Partners.

Banks will need to develop top officers to ensure they're ready for the C-suite or hire outside talent. Attracting and retaining key staff has been a perennial challenge for the industry, especially for smaller and rural banks that have been fishing from a smaller pool. CEOs, human resources officers, senior executives and board members responding to the survey say their bank would likely offer coaching or mentorship programs (73%) to strengthen their bench of executives over the next three years, or provide external career development or tuition reimbursement (53%). Fifty-two percent would likely hire external talent in their markets.

But what about hiring senior talent from outside of the industry altogether? Just 22% of respondents say their bank has done this over the past three years, and of those, a majority say that all or most of those hires have been successful. In anonymous comments, survey participants say those hires have included human resources directors, heads of risk and compliance, business development officers and even two CEOs. Forty-four percent say they have not hired key senior talent from outside the industry in the past three years, but would consider it for the right fit.

"That can make some sense, particularly because over the last three years, you've had a lot of aging out that's going on in the industry, and that's accelerating," says Scott Petty, managing partner, financial services practice at Chartwell. Observing that banks between \$5 billion and \$10 billion in assets are far likelier to have hired from outside the industry, he says, "The executive skill set changes at \$5 billion to \$10 billion, so you may see more coming in from the outside to the C-suite there."

That acceleration affects CEO transition plans, too. A third of respondents expect their bank's CEO to retire or depart within the next five years. Thirty-six percent say their board has an idea of its timeline but has not yet identified potential CEO candidates; 19% have not discussed CEO succession at all.

KEY FINDINGS

➔ Measuring CEO Performance

Bank executives and directors say their CEO's performance is measured by return on assets (53%), income growth (47%), asset quality (42%) and efficiency (40%). Just over half (54%) report gauging CEO performance based on good standing with regulators, compared with 48% a year ago.

➔ Hiring Plans Level Off

Just over half indicate their bank plans to add commercial/business lending staff this year, down from 57% a year earlier. A third plan to increase technology or IT staff, compared with 37% last year.

➔ DEI Programs Decline

The percentage of respondents who say their bank lacks a formal diversity, equity and inclusion program that does not measure related metrics climbed to 57% from 42% a year earlier. More than half (53%) of those with a standing DEI program say their bank intends to continue their existing DEI practices.

➔ Handling Mishires

Twenty-six percent say their bank has hired or promoted a candidate at the C-level who turned out to be a poor fit. In comments, respondents describe a range of ways they handled those mishires, from outright firing to encouraging early retirements. Some focused on improving the hiring process.

➔ Head Counts Plateau

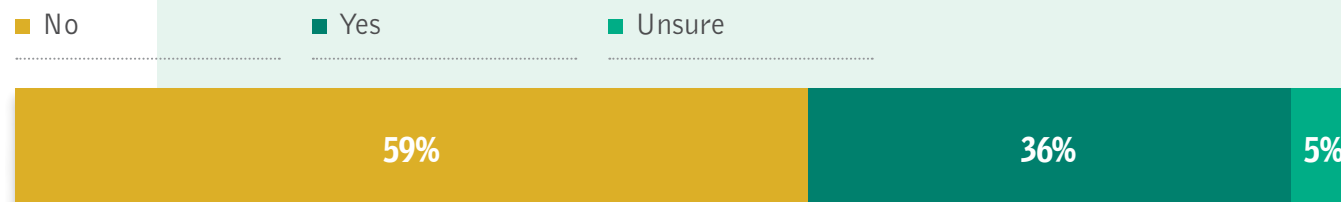
One third of respondents report their bank's total number of employees remained flat in 2024, and another 38% say their bank somewhat increased total employees. Bank executives and leaders largely report that hiring in general has not been more difficult in 2024-25 than it was in previous years, but banks under \$500 million of assets report considerably more difficulty in this area.

➔ Costs Continue to Rise

Eighty-five percent say that compensation expenses increased in 2024, a slight decline from last year. Those respondents report a median 5% increase in compensation expenses year-over-year.

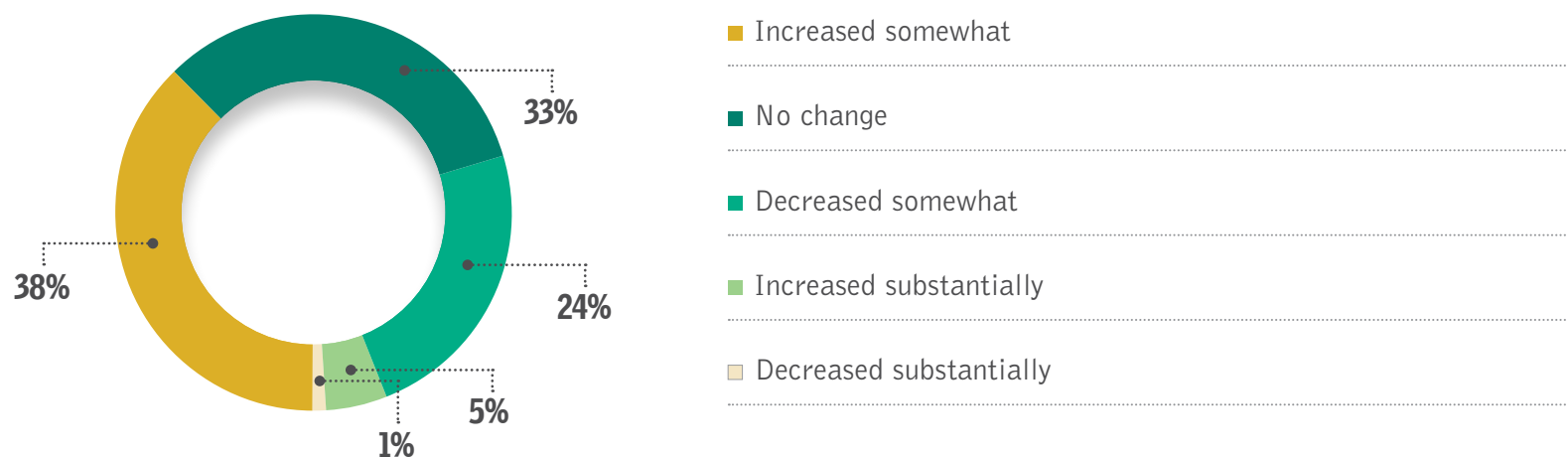
ATTRACTING & RETAINING TALENT

1. In 2024-25, has it been more difficult for your bank to attract and/or retain talent compared to previous years?



2. On net, did your bank increase or decrease its total number of employees in 2024?

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



3. What was your bank's total compensation expense in fiscal year 2024?

Question asked of CEOs, chief financial officers, human resources officers and other officers.

\$16,112,917

Median compensation expense

4. Did your bank's overall compensation expense increase in FY 2024?

Question not asked of bank directors. Numbers do not add up to 100% due to rounding.

■ Yes

■ No

85%

16%

5. Overall, by what percentage did your bank's compensation expense increase in FY 2024?

Question only asked of respondents who indicated that their bank's compensation expense increased.

5%

Median increase in compensation expense

6. How does your bank plan to adjust staffing levels in the following areas in 2025?

Technology/IT



Cybersecurity



Commercial/business lending



Mortgage/consumer lending



Branch



■ Increase

■ No changes planned

■ Decrease

■ N/A

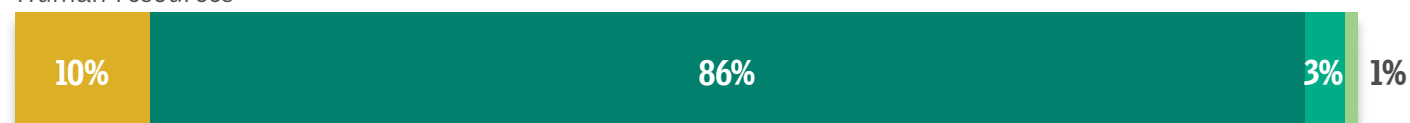
BSA/AML compliance



Audit/accounting



Human resources



Marketing



Wealth/asset management



■ Increase

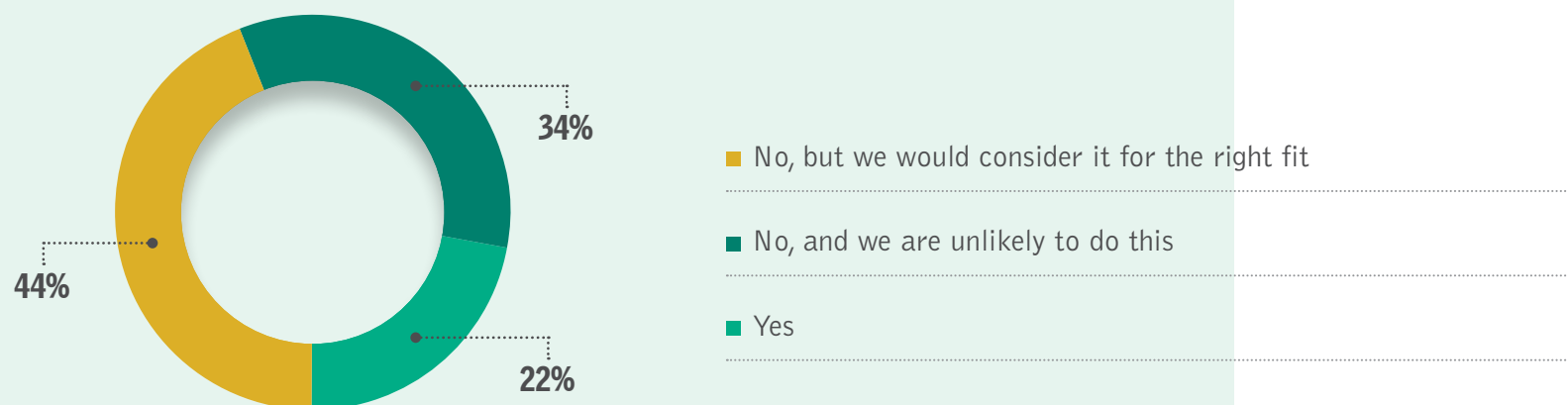
■ No changes planned

■ Decrease

■ N/A

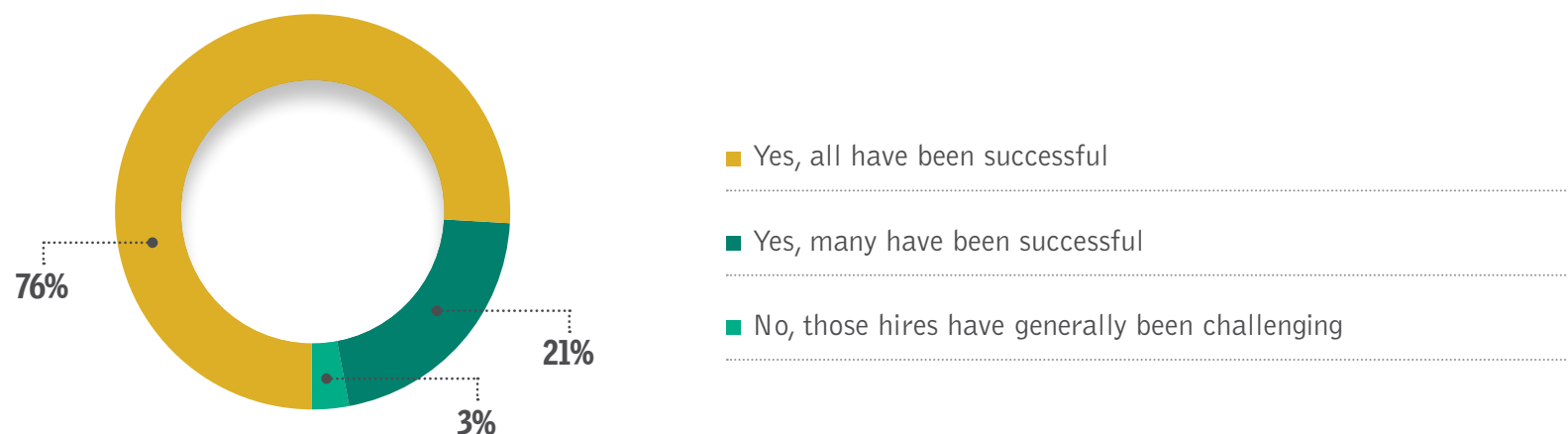
7. Over the past three years, has your bank filled senior roles with talent sourced from outside the banking industry?

Question only asked of CEOs, chief financial officers and chief human resources officers.



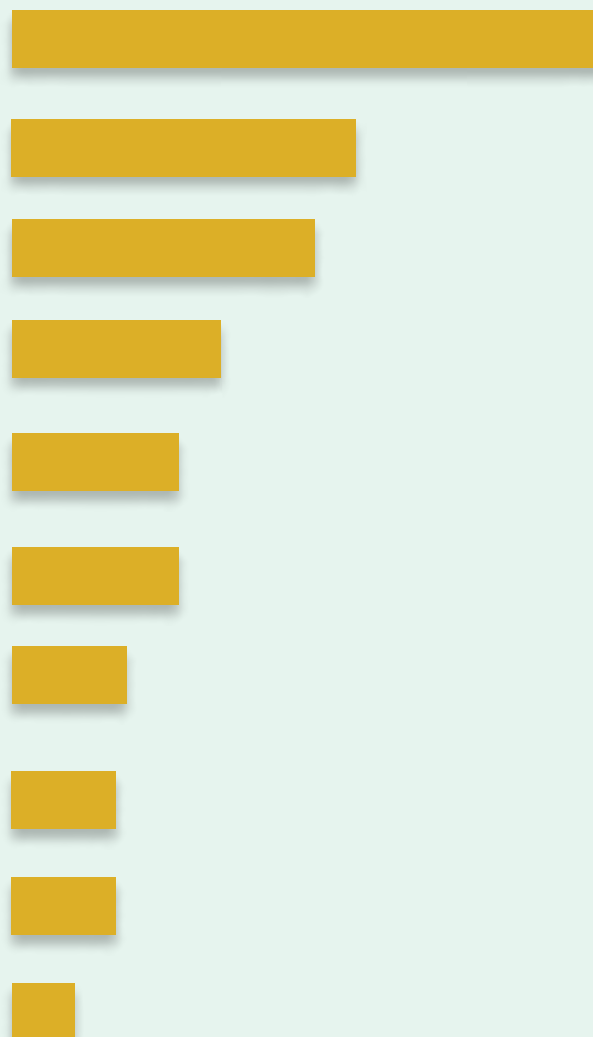
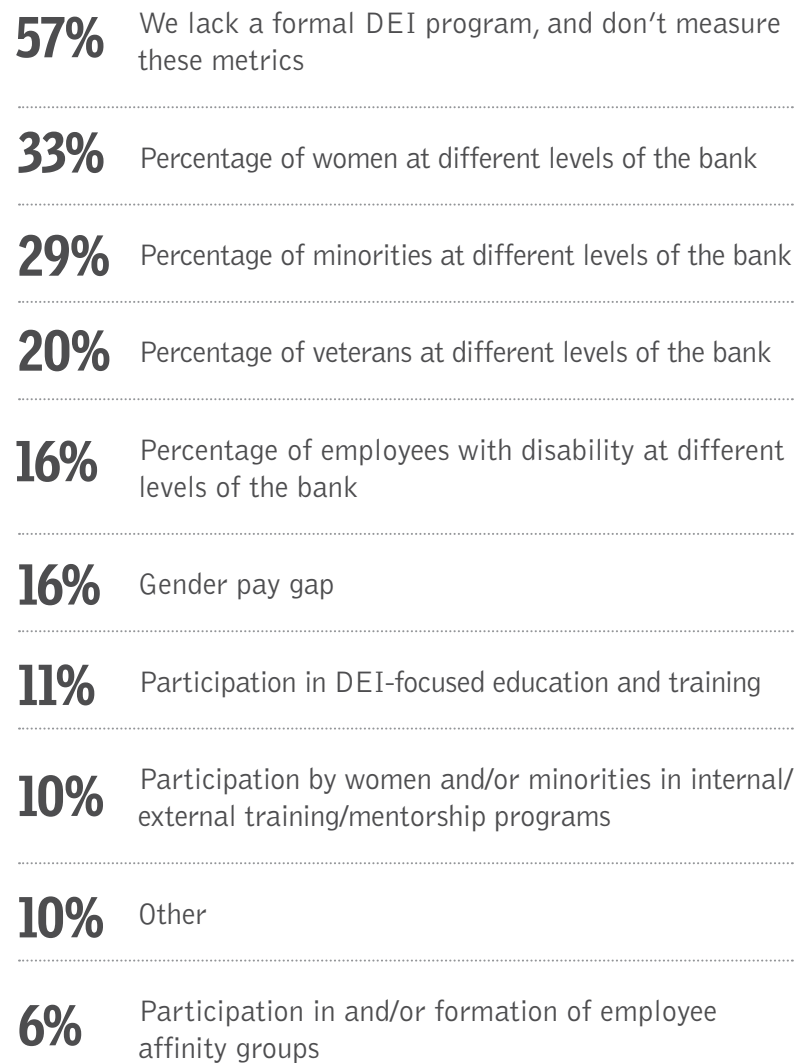
8. Overall, have those senior hires with outside expertise been successful for your institution?

Question only asked of respondents who indicated that their bank had filled senior roles with hires from outside the banking industry.



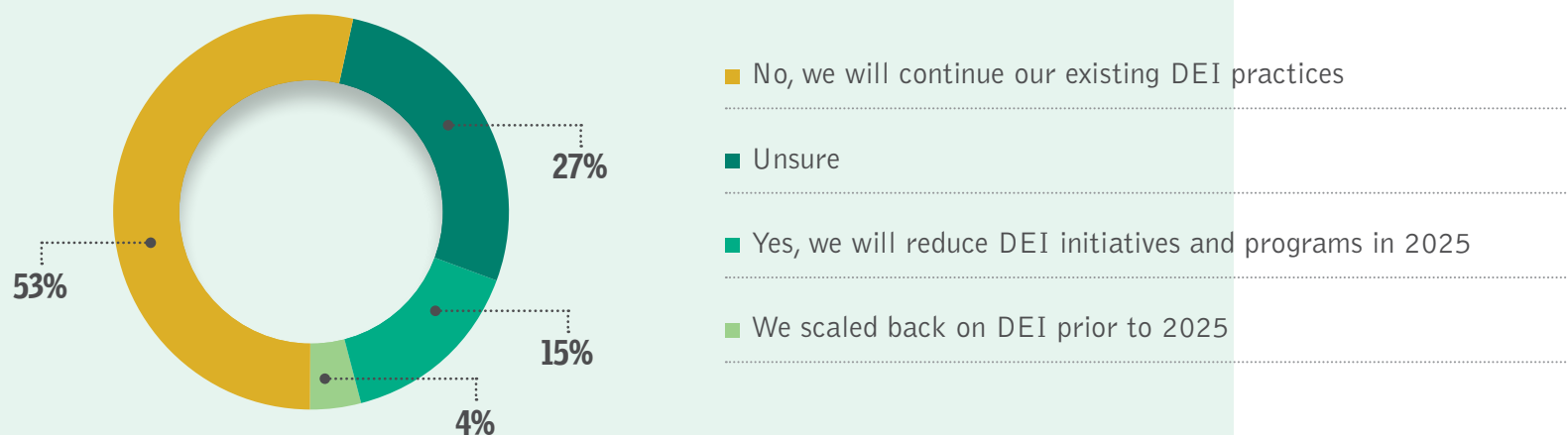
9. Does the bank measure any of the following when evaluating its diversity, equity & inclusion (DEI) progress or initiatives?

Respondents were asked to select all that apply.



10. Does your bank intend to scale back DEI efforts in 2025?

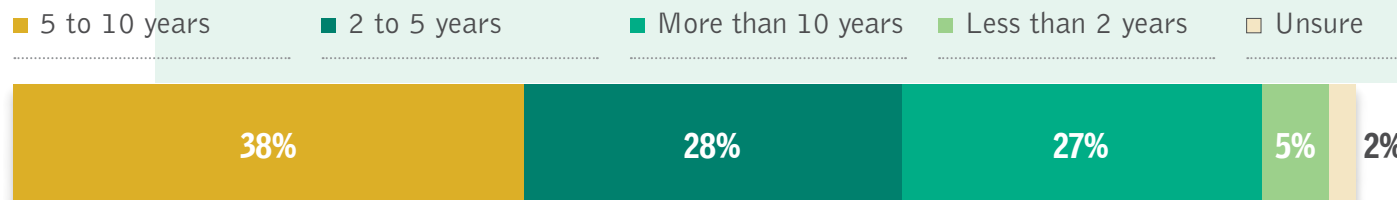
Question only asked of respondents who indicate that their bank measures its DEI efforts. Numbers don't add up to 100% due to rounding.



SUCCESSION PLANNING IN THE C-SUITE

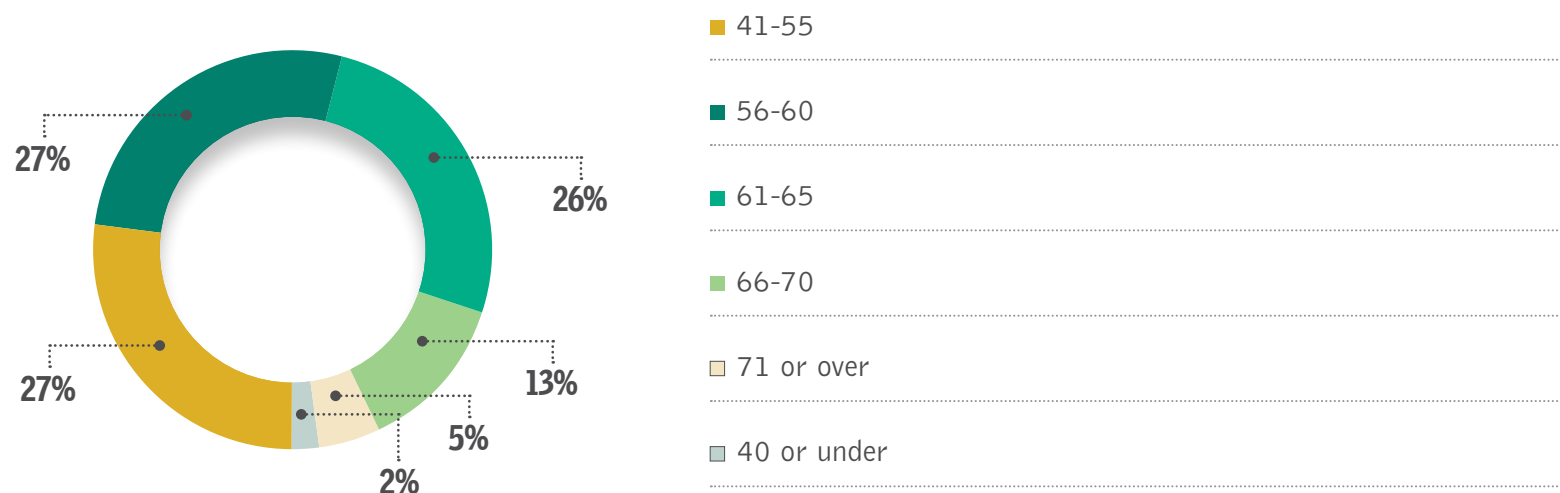
11. When do you expect your bank's CEO to depart or retire?

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



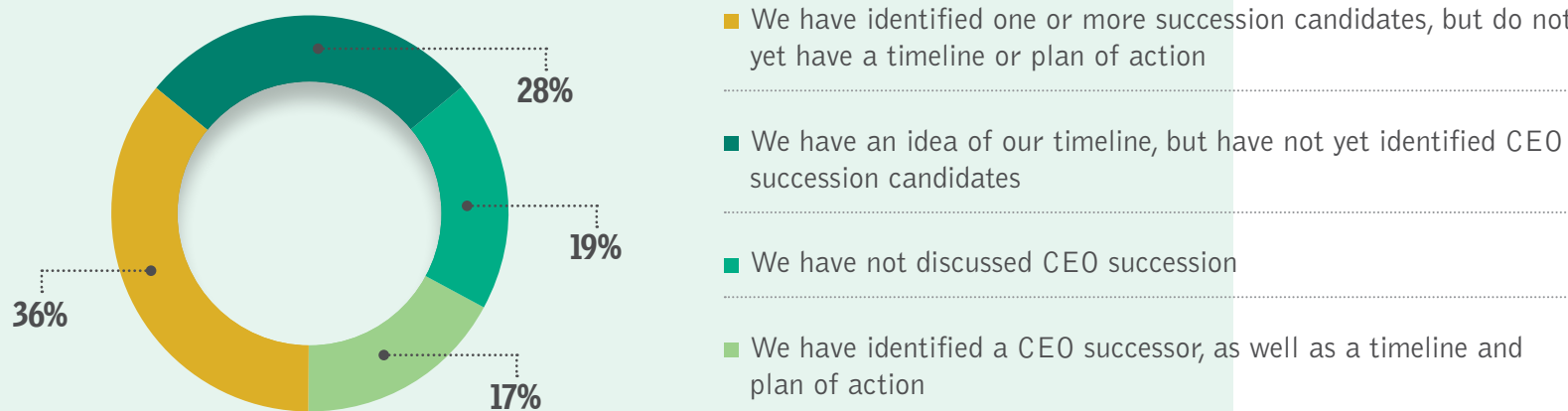
12. What is the age of your bank's CEO?

CEOs were asked to provide their age.



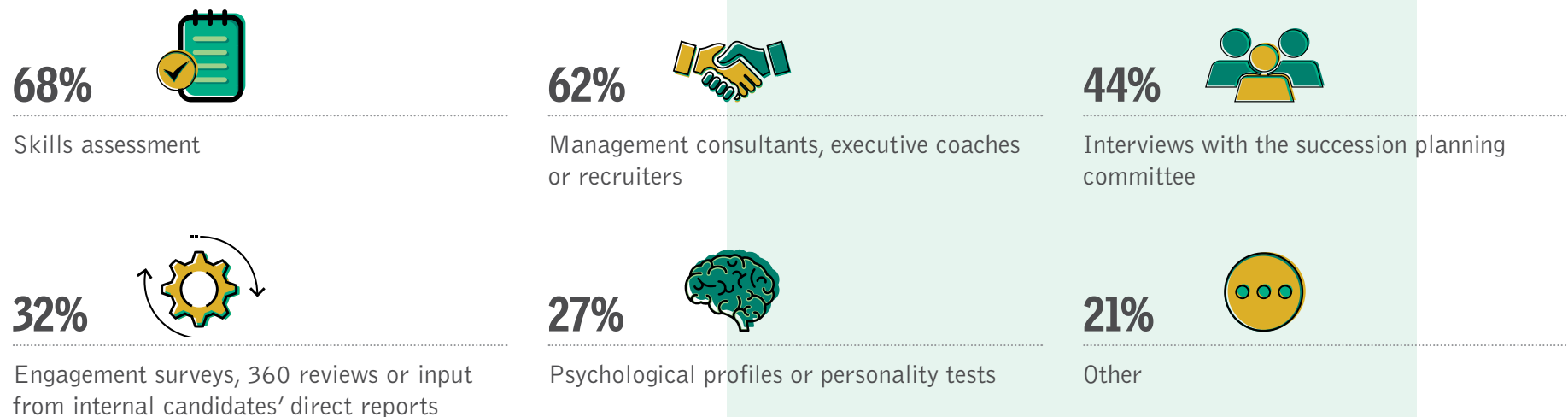
13. Where is your bank in the succession planning process for your current CEO?

Question only asked of board chairs, lead directors and independent directors. Respondents were asked to choose the statement that best describes their bank.



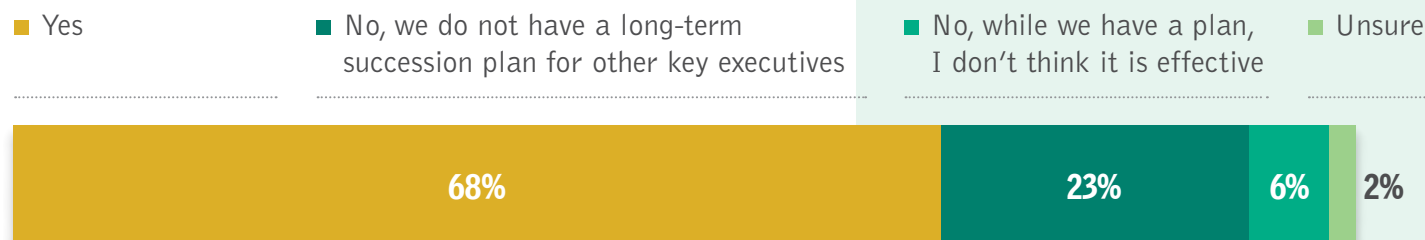
14. Does your bank use any of the following tools as part of its CEO succession planning process?

Question only asked of board chairs and independent directors. Respondents were asked to select all that apply.



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

Question only asked of board chairs, lead directors and independent directors. Numbers don't add up to 100% due to rounding.



16. Looking at the next three years, what actions do you believe your bank would be likely to take to strengthen its bench of talent for executive and C-suite roles?

Respondents were asked to select all that apply.

73% Offer coaching and/or mentorship programs for internal candidates

53% Provide external career development and/or tuition reimbursement for mid-level internal talent

52% Hire external talent in our markets

40% Offer special projects or rotational work for high-potential candidates

29% Consider buying another bank

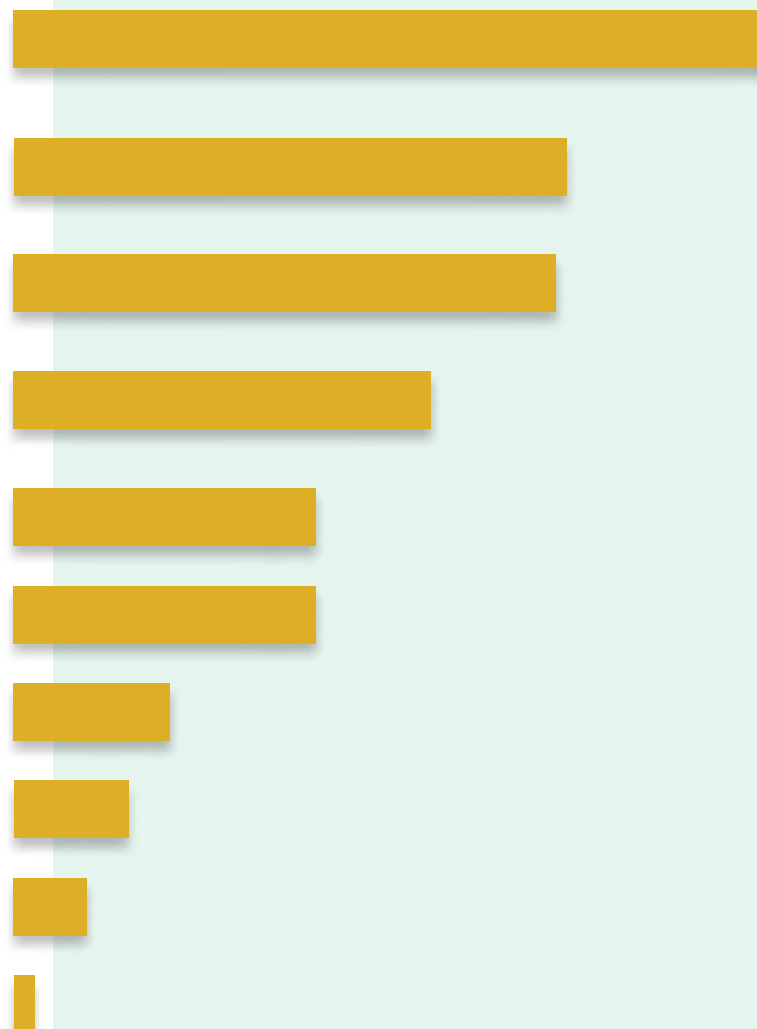
29% Engage consultants

15% Hire outside our geography

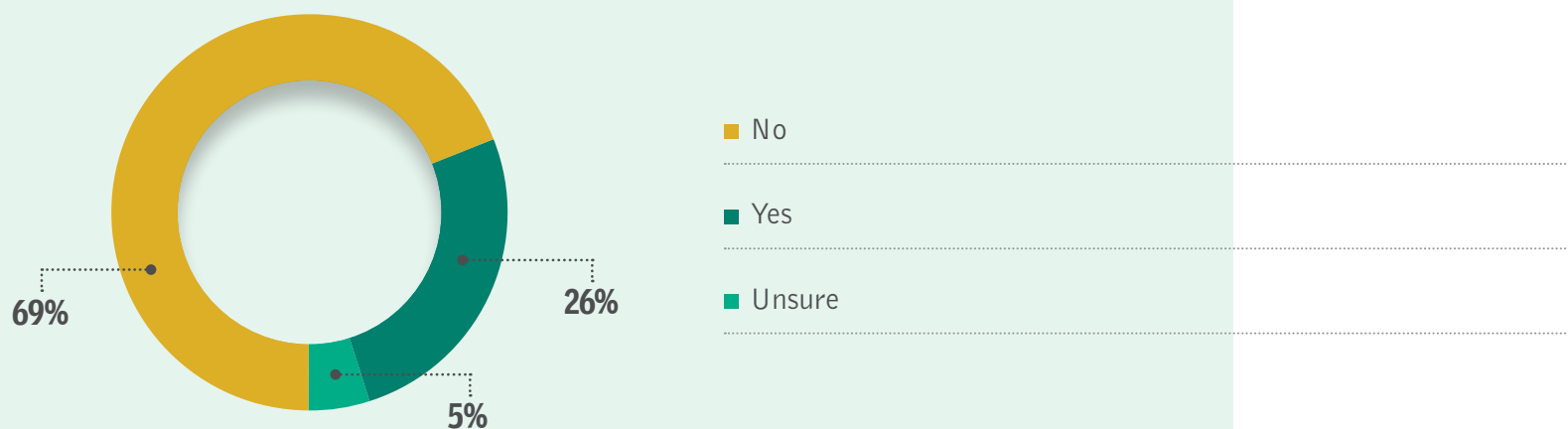
11% Acquire a lending team (lending team liftout)

7% None of the above

2% Other



17. Over the past five years, has your bank hired or promoted a candidate at the C-suite level who turned out to be a poor fit for the bank and/or role?



TOP EXECUTIVE COMPENSATION

18. The CEO at my bank received the following types of compensation in fiscal year 2024.

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

100% Salary

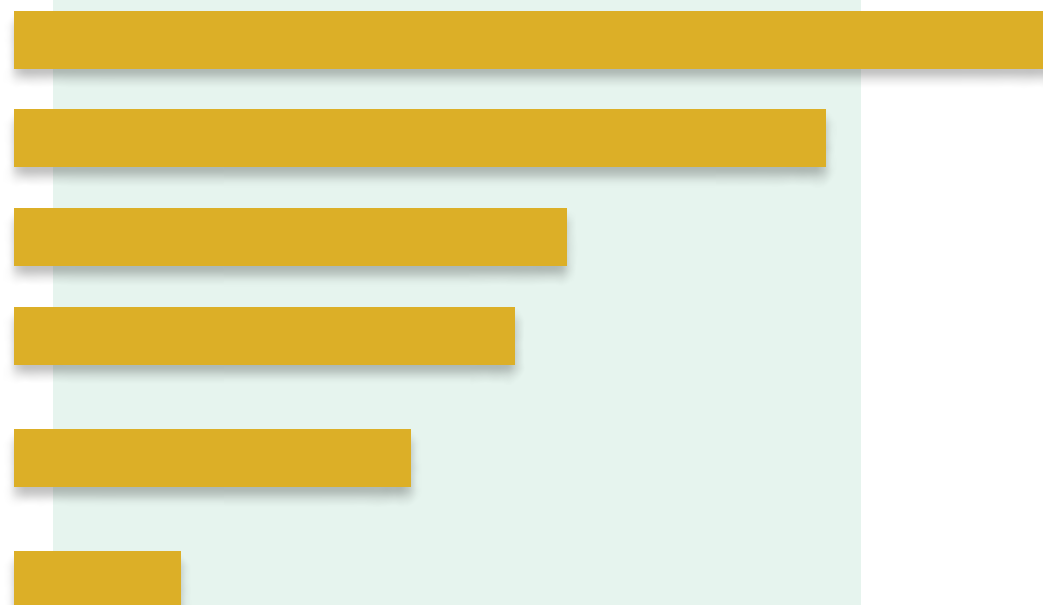
78% Cash incentive (bonus)

53% Other benefits & perks

48% Equity grants

38% Nonqualified deferred compensation and/or retirement benefit

16% Synthetic equity grants (cash-based long term incentives)



19. Enter the cash compensation amounts for the CEO of your bank for fiscal year 2024.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank.

\$458,500

Salary

\$125,084

Cash incentive (bonus)

\$403,424

Equity grants

\$48,529

Benefits & perks

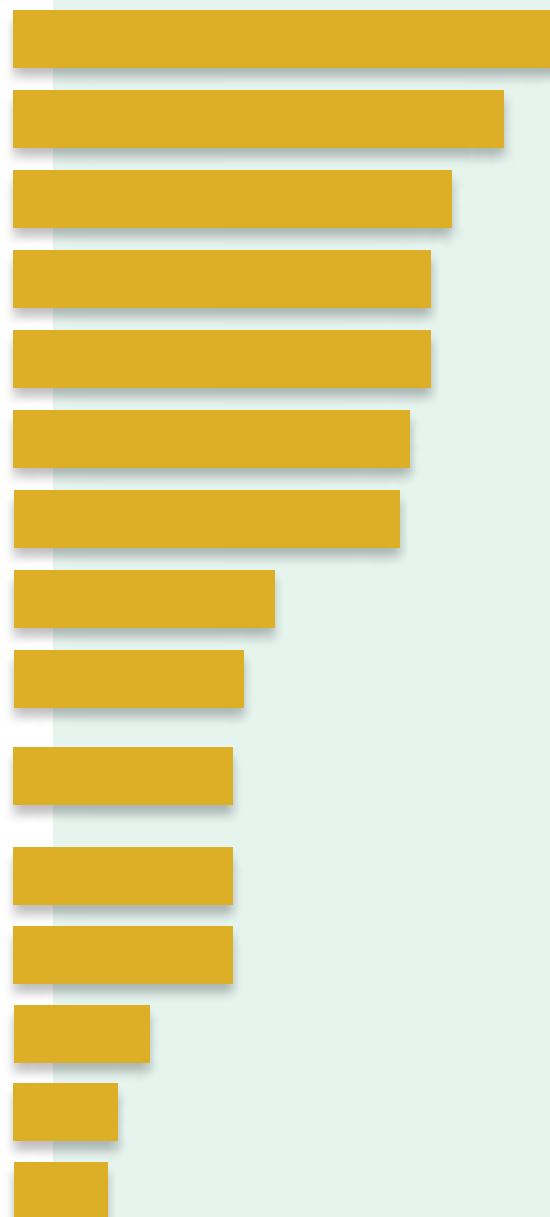
\$750,000

Total CEO compensation

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

Respondents were asked to select all that apply.

53%	Return on assets
47%	Income growth
42%	Asset quality
40%	Return on equity
40%	Efficiency
38%	Deposit growth
37%	Loan growth
25%	CAMELS rating
22%	Credit or similar risk metrics
21%	Earnings per share growth
21%	Total shareholder return
21%	CEO compensation is not tied to performance metrics
13%	Employee retention
10%	Other metrics
9%	Tangible book value



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

Respondents were asked to select all that apply.

65% Strategic plan progress and/or completion of corporate goals

54% Good standing with regulators

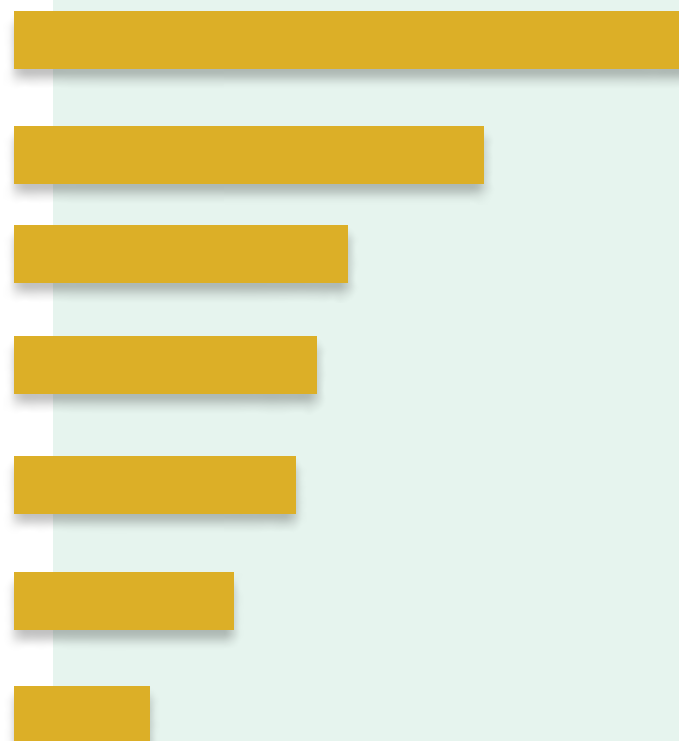
32% Community involvement

29% CEO compensation isn't tied to any qualitative factors

27% Employee satisfaction/engagement

21% Response to a crisis, emergency or similarly challenging situation

13% Development of a successor



22. The chief financial officer at my bank received the following types of compensation in fiscal year 2024.

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

100% Salary

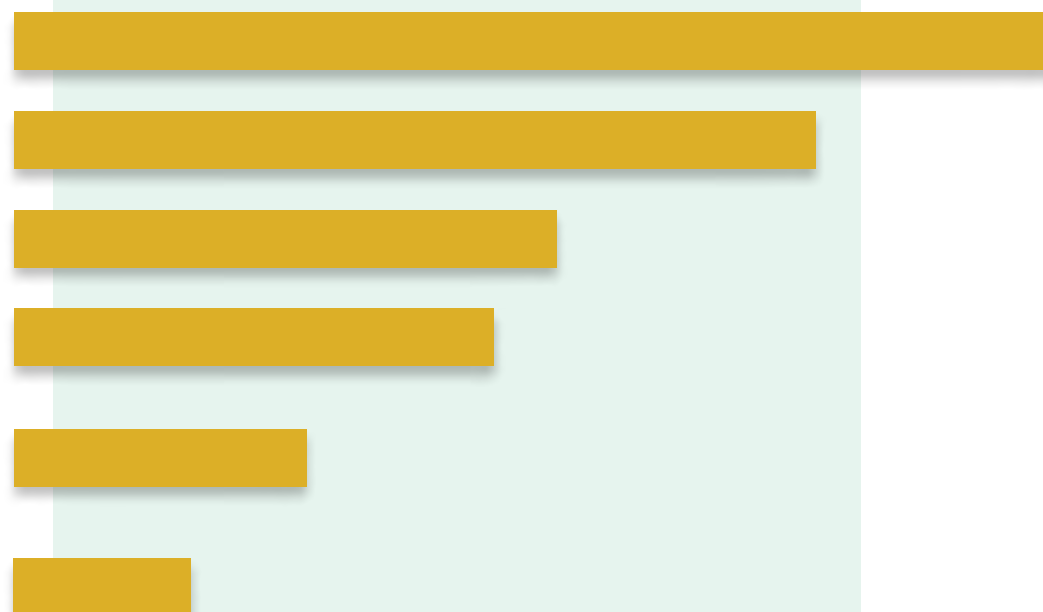
77% Cash incentive (bonus)

52% Equity grants

46% Other benefits & perks

28% Nonqualified deferred compensation and/or retirement benefit

17% Synthetic equity grants (cash-based long term incentives)



23. Enter the cash compensation amounts for the chief financial officer of your bank for fiscal year 2024.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank.

\$270,000

Salary

\$68,900

Cash incentive (bonus)

\$192,404

Equity grants

\$29,540

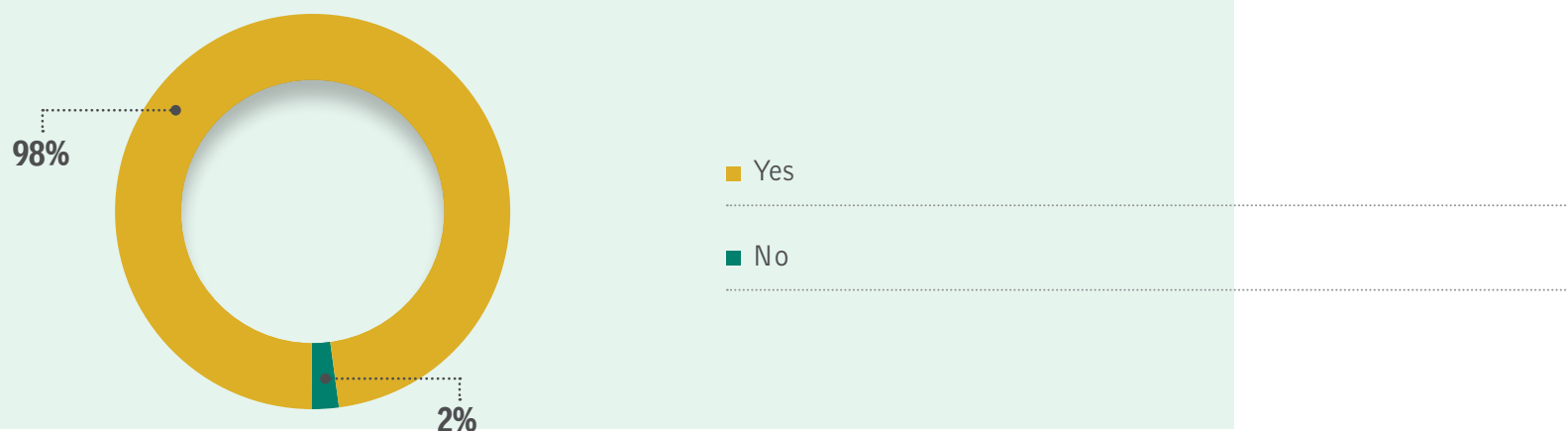
Benefits & perks

\$431,122

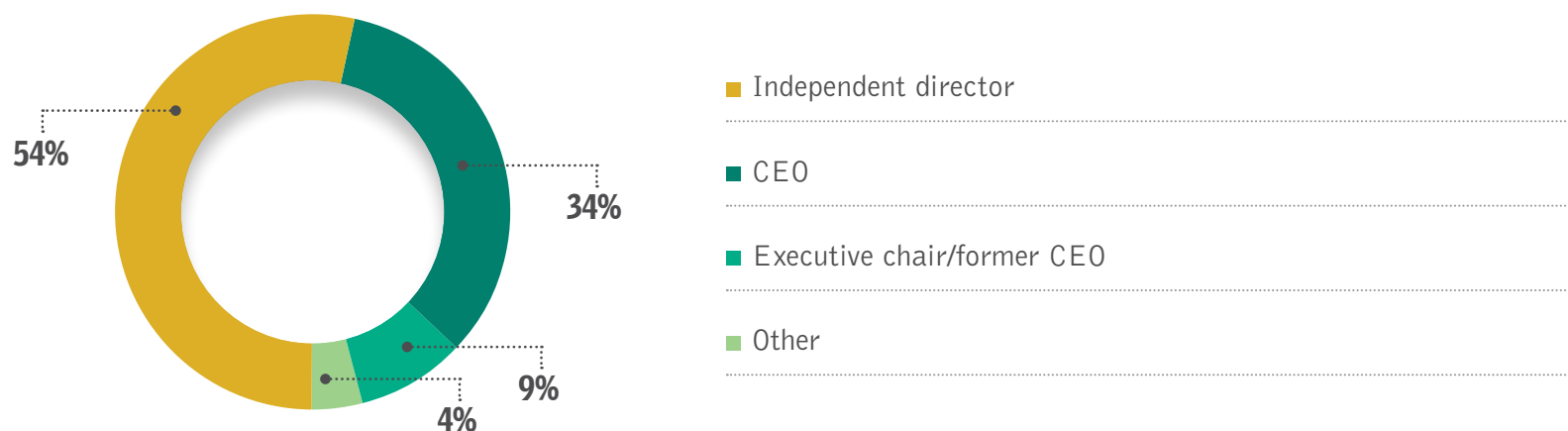
Total CFO compensation

DIRECTOR COMPENSATION

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



25. Is the chairman of the board also the CEO or an independent director?



26. The non-executive chairman at my bank receives the following types of compensation.

Respondents were asked to select all that apply.

73% Annual cash retainer

61% Board meeting fee

37% Equity compensation

7% Deferred compensation/benefits



27. Enter the cash compensation amounts for the non-executive chairman of your bank for fiscal year 2024.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank. Questions only asked if the chair is an independent board member.

\$1,225

Board meeting fee

\$45,000

Annual cash retainer

\$30,000

Equity compensation

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

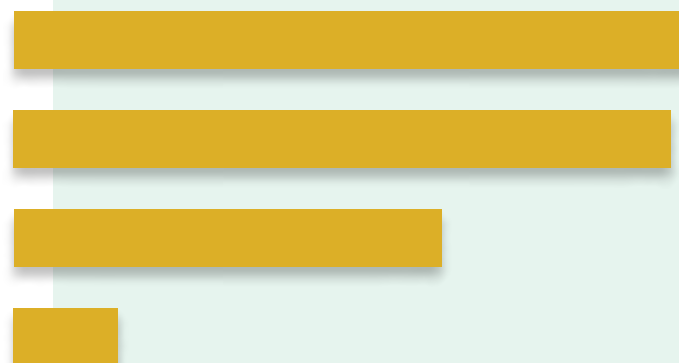
Respondents were asked to select all that apply. Proxy data included.

65% Annual cash retainer

63% Board meeting fee

41% Equity compensation

10% Deferred compensation/benefits



29. Enter the cash compensation amounts for outside directors for fiscal year 2024.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank.

\$1,150

Board meeting fee

\$30,000

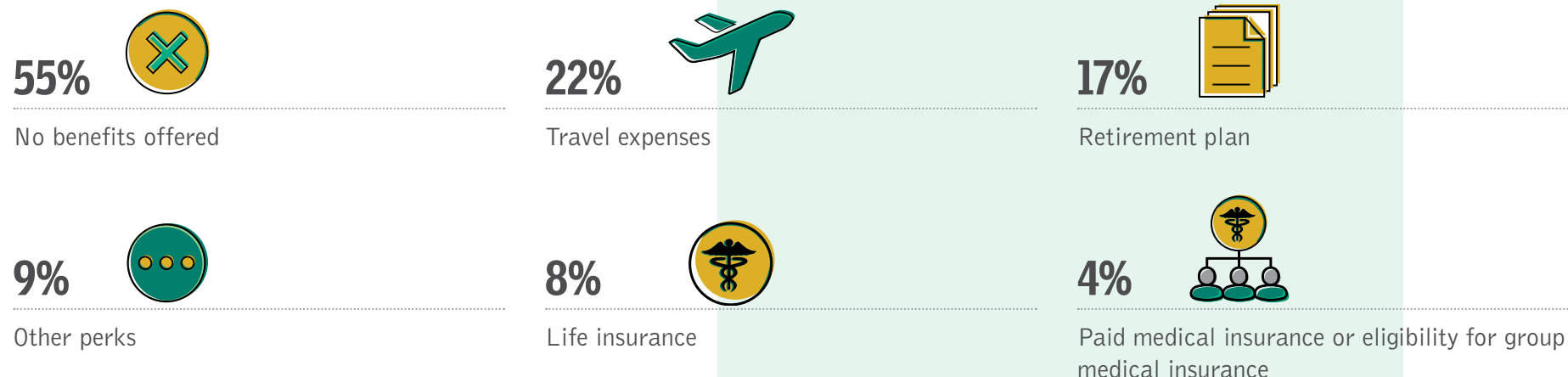
Annual cash retainer

\$30,080

Equity compensation

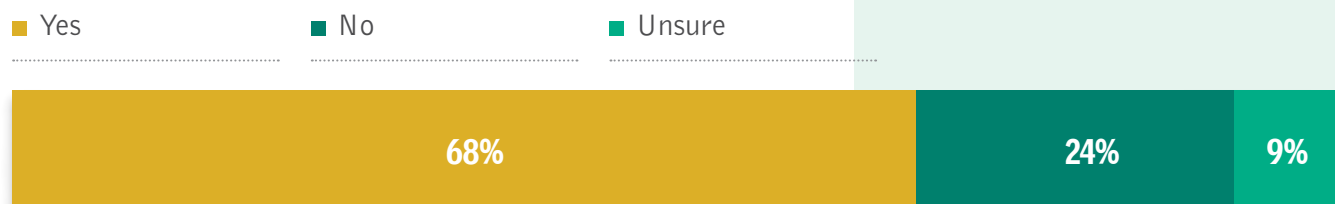
30. Which of the following benefits and perks are offered to independent directors?

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



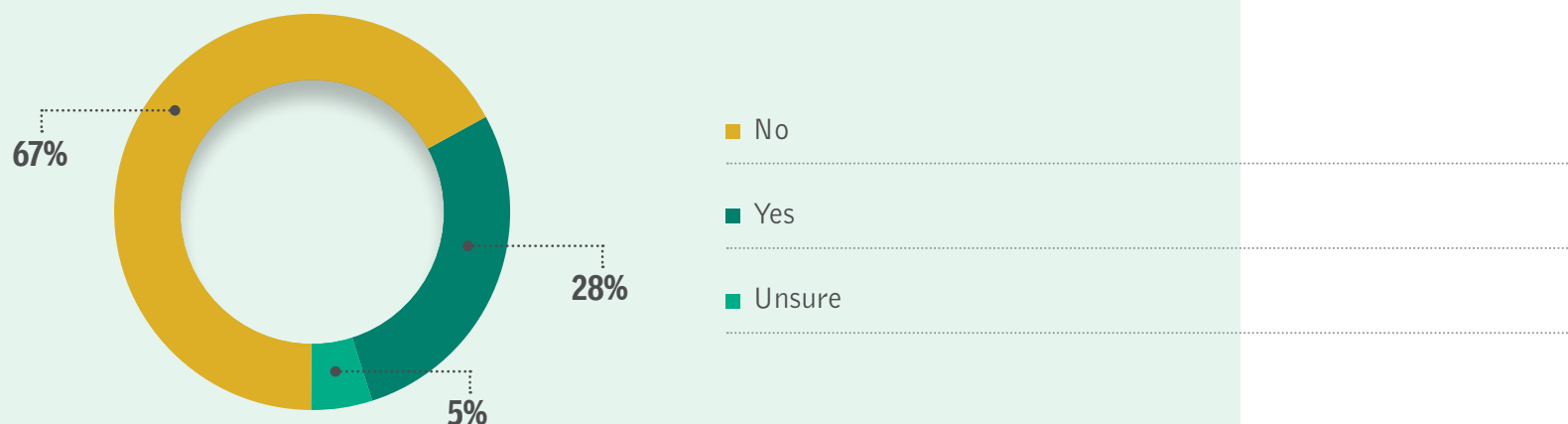
31. Do you believe you are fairly compensated for your role as a director, considering the time and responsibility required?

Question only asked of chairmen, independent directors and lead directors.



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

Proxy data included.



33. Enter the cash compensation amounts for inside directors for fiscal year 2024.

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.

\$1,000

Board meeting fee

\$15,000

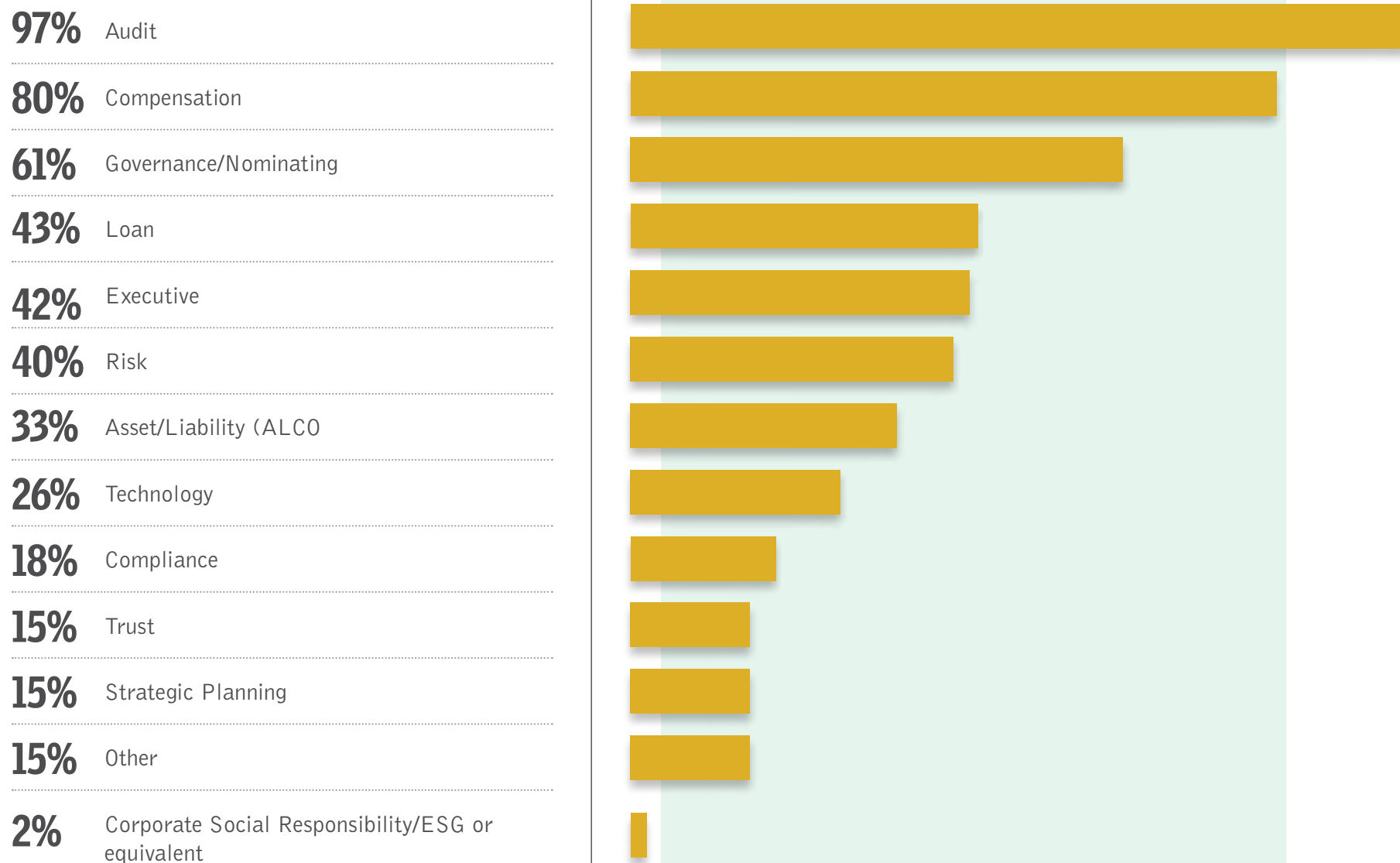
Annual cash retainer

\$19,160*

Equity compensation

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

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



35. How many how many times did each of the following meet in fiscal year 2024? How many board members serve on each?

Proxy data included.

	Membership	Meeting frequency
Holding company	10	8
Lead bank	10	12
Audit	4	5
Compensation	4	4
Governance/nominating	4	4
Executive	5	4
Loan	5	12
Risk	5	4
Technology	3	4

36. 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 chair	Committee members
Yes, we pay meeting fees	44%	51%
Yes, we pay a retainer	41%	19%
We pay neither fees nor a retainer	21%	32%

37. Enter the per-meeting fees your bank paid in fiscal year 2024 for each committee.

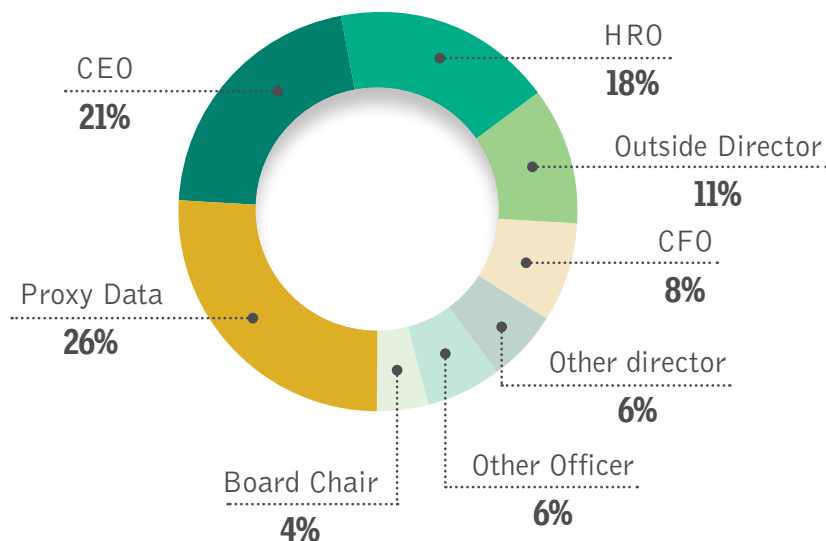
Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave field blank.

	Committee chair	Committee members
Audit	\$500	\$500
Compensation	\$500	\$500
Governance/Nominating	\$500	\$500
Executive	\$400	\$300
Loan	\$400	\$388
Risk	\$800	\$600
Technology	\$425	\$250

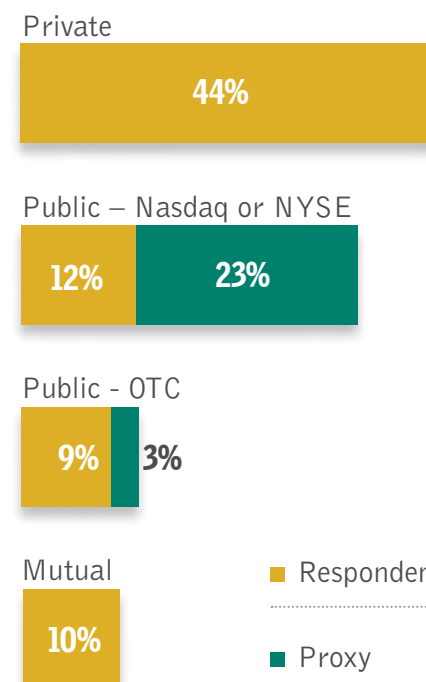
ABOUT THE SURVEY

Bank Director's 2025 Compensation Survey, sponsored by Chartwell Partners, surveyed 265 independent directors, chairs, CEOs, human resources officers and other executives of U.S. banks below \$100 billion in assets. The survey regularly tracks compensation for bank CEOs and directors. It also examines succession planning issues facing the industry and broader workforce trends. The survey was conducted in March and April 2025. Compensation data for directors, non-executive chairs and CEOs for fiscal year 2024 was also collected during this period from the proxy statements of 91 publicly traded banks. Three-quarters of the respondent and proxy data reflects banks below \$5 billion in assets.

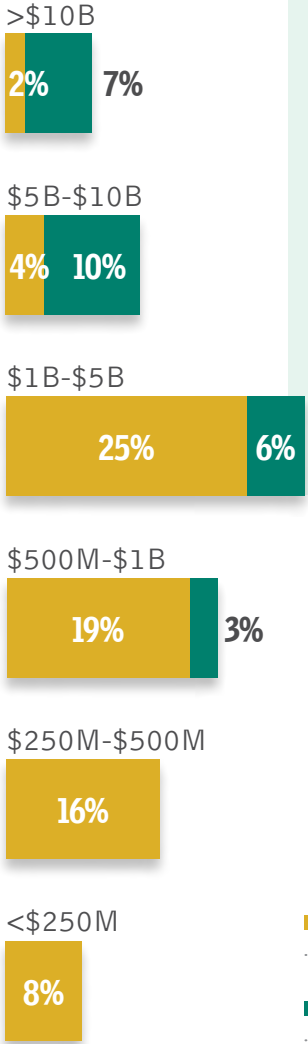
TITLE



OWNERSHIP STRUCTURE



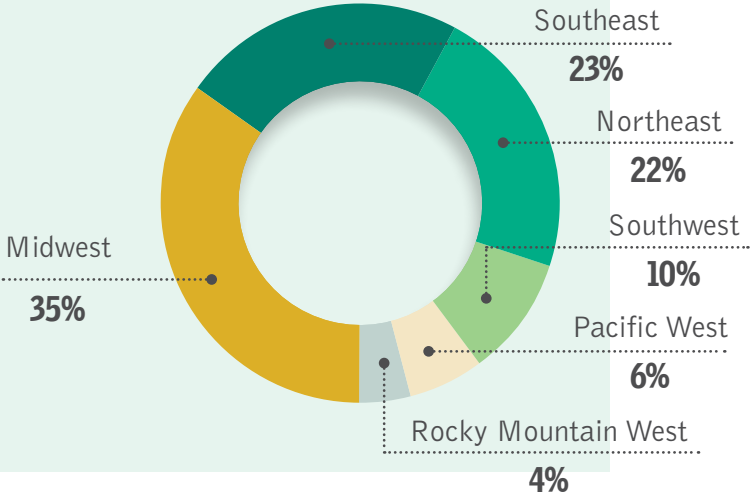
ASSET SIZE



■ Respondents

■ Proxy

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)