

# 2025 Governance Best Practices 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 Bradley

Founded in 1870, Bradley is a national law firm with a reputation for skilled legal work, exceptional client service, and impeccable integrity. Bradley's Banking & Financial Services attorneys serve as counsel for a broad range of banks, lenders and financial institutions across the United States. As part of its nationwide practice, the team (which includes more than 80 members) advises banks, mortgage servicers, lenders, credit unions and other consumer finance companies across a broad spectrum of legal issues, including litigation, regulatory compliance, governmental investigations and enforcement actions, risk assessments, and multi-state settlements. The firm's unique, cross-disciplinary team has a national reputation as a leader in the consumer finance industry with a particular focus on mortgage origination and servicing compliance, enforcement, and litigation. For more information, please visit [www.bradley.com](http://www.bradley.com).

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## EXECUTIVE SUMMARY

**Reviewing the strategic plan is an annual practice for most bank boards, according to 80% of the directors and CEOs responding to Bank Director's 2025 Governance Best Practices Survey, sponsored by the law firm Bradley Arant Boult Cummings.**

But the board's engagement in setting their institution's strategy varies widely — from active collaborators who drive the process and develop the plan with management (17%) to hands-off boards that are barely involved in strategic planning at all (3%). The majority (59%) say their board establishes the bank's risk appetite, offering operational guardrails for the bank's executives, but leave the management team to develop a plan that will meet directors' approval.

There's room for many boards to be more involved: 39% of survey participants believe directors could better contribute to setting the strategic direction of the bank.

Senior management will execute on the bank's strategy. But the board has an important oversight responsibility to hold management accountable, and directors can play a significant role in offering feedback, says Robert Maddox, a partner at Bradley. Directors "want to be collaborative up front as to priorities and allocation of limited resources," he says. "How that actually happens, that's up to senior management to work out."

Boards should avoid becoming a rubber stamp, especially when it comes to risk oversight. "You're supposed to be an active director who provides direction and guidance," says Maddox. Board members should ask questions when executives want to loosen risk limits in pursuit of growth — something that can have a negative effect in a downturn. As a director, he says, "I want to be able to see more and more information with regard to where our risk tolerances are, especially in this environment."

Being active players in the bank's strategy requires an engaged board with an array of skills and backgrounds. The majority report their boards are steeped in expertise in finance/accounting (92%), audit (84%), real estate (72%), legal (68%) and risk (62%). And despite recent backlash on diversity programs, almost half say their board has three or more members who represent diverse attributes, based on race, ethnicity or gender, consistent with last year's survey. Forty percent say their board specifically considers race, ethnicity, gender or LGBTQ+ status in addition to skills and expertise when evaluating director candidates — a practice more prevalent at banks exceeding \$1 billion in assets.

"Is it good to have people from different walks of life, from different backgrounds? Absolutely," says Maddox. "I think we'll continue to see diversity on our boards. I think that's healthy."

## KEY FINDINGS

### ➔ Setting Expectations

While it's common for boards to outline expectations for members to attend board meetings (95%), participate in training and education (85%), prepare for meetings (81%) and respectfully interact with their colleagues in the boardroom (81%), few respondents say their board sets standards for engaging with regulators (36%), shareholders (35%), employees (27%) or clients (20%).

### ➔ Virtual Deliberations

Almost three-quarters say their full board meets monthly, and the majority (85%) say their board allows virtual attendance for board and committee meetings. Those meetings tend to span a median four hours.

### ➔ Lengthy Board Packets

Sixty-one percent receive board materials more than four days ahead of the board meeting and typically spend a median four hours reviewing that information. Board packets span a median of 200 pages overall per meeting, ranging from 75 pages at institutions under \$250 million in assets and up to a median 400 pages for banks above \$10 billion.

### ➔ Leading the Board

Most respondents (60%) say their board is led by an independent chair. While board members overall rate the chair's performance highly, they do indicate areas for improvement. Thirty-seven percent rate their chair as "somewhat effective" — and 8% as "somewhat ineffective" — in facilitating active board discussions. When asking about taking an active role in setting the board agenda, 46% rate the chair as somewhat effective, and 6% as somewhat ineffective. Forty percent say the chair or lead director actively engages directors who don't frequently speak up.

### ➔ New Perspectives

Fifty-seven percent say their board discusses refreshment annually, and the survey indicates that boards are regularly adding new members: 54% say one or two new directors have joined their board since January 2022. Just 18% say no new directors have joined the board in that time.

# THE WORK OF THE BOARD

## 1. Does the board set expectations for individual directors in the following areas?

Respondents were asked to select all that apply.

95%



Attendance

85%



Participating in board training and education

81%



Respectful interaction with other board members

81%



Preparation for meetings

77%



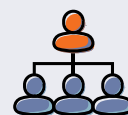
Contributing to board-level discussions

71%



Contributing to committee-level discussions

56%



Engaging with bank executives

46%



Bringing business to the bank

45%



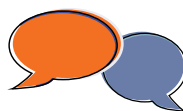
Using the bank's products and services

36%



Engaging with regulators

35%



Engaging with shareholders/owners

27%



Engaging with bank employees

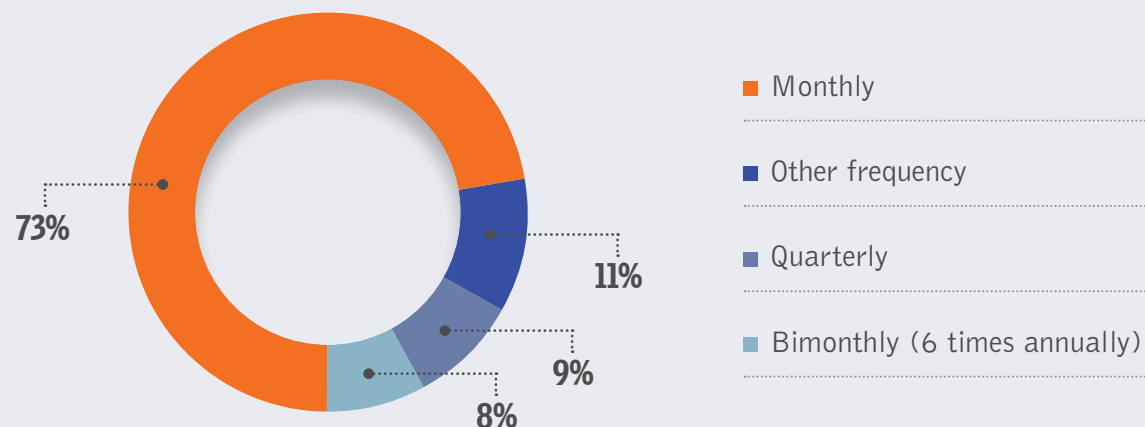
20%



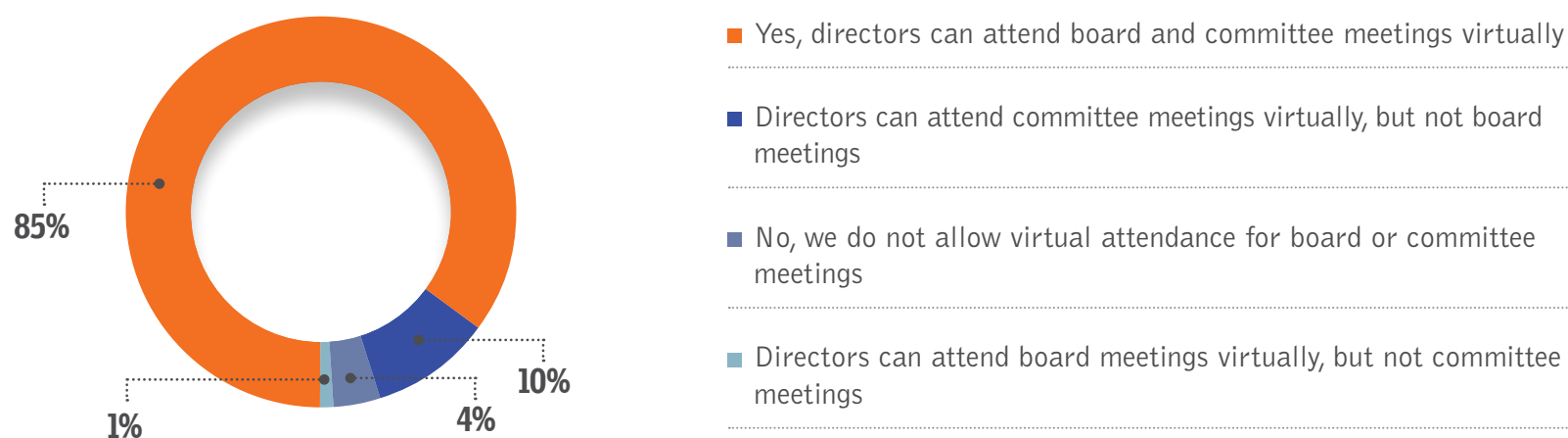
Engaging with clients

## 2. How often does your full board meet?

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



## 3. Can directors attend board and/or committee meetings virtually?



## 4. Approximately how many hours per board meeting do you spend on the following activities?

*Median values reported. Question asked of independent directors, lead directors and independent chairs.*



4

**Median Hours Reviewing  
Board Materials**



4

**Median Full Board  
Meeting Hours**

## 5. In 2024, how frequently did the full board discuss the following?

Respondents were asked to select the option that best aligns with their experience.

Progress on key strategic initiatives



Risk assessments, tolerances and limits



Liquidity and funding



Investment portfolio performance



Cybersecurity/fraud attacks and threats



- At every board meeting
- Every other board meeting
- Annually
- Not addressed as a board



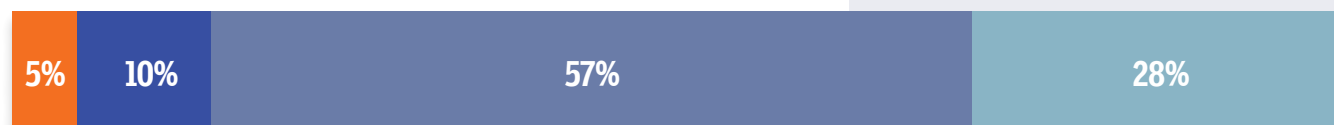
## Executive team performance



## CEO/executive succession planning



## Board refreshment



## Broader economic and competitive issues



■ At every board meeting

■ Every other board meeting

■ Annually

■ Not addressed as a board

## 6. Approximately how many hours per committee meeting do you spend on the following activities?

*Median values reported. Question asked of independent directors, lead directors and independent chairs.*

2

**Median Hours Reviewing  
Committee Materials**

2

**Median Committee  
Meeting Hours**

## 7. Approximately how many hours per month do you spend on other board-related activities, including training and education or business development?

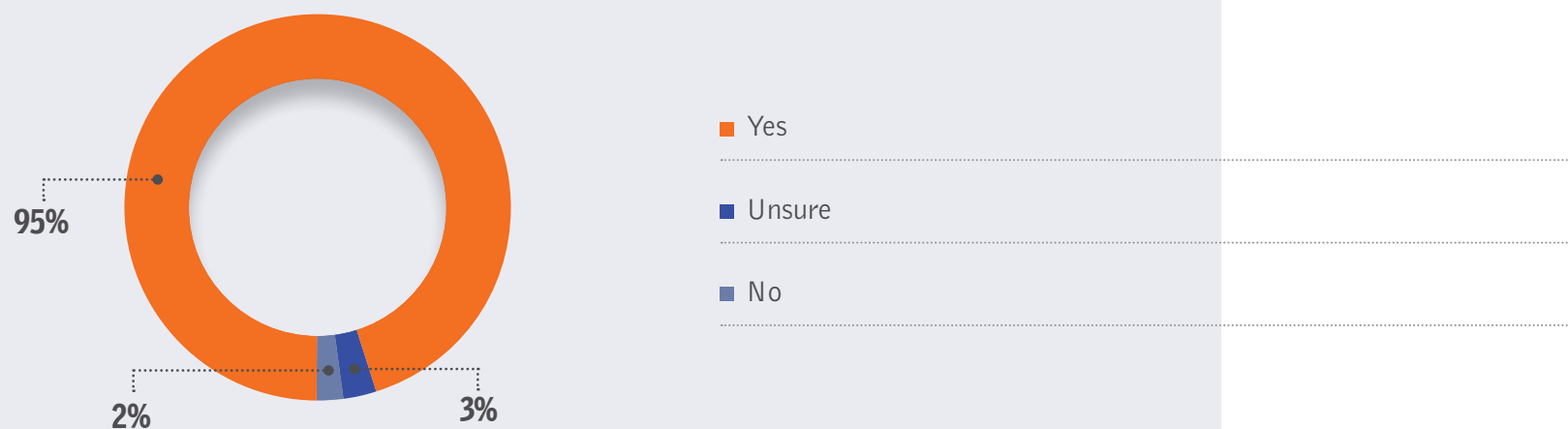
*Median values reported. Question asked of independent directors, lead directors and independent chairs.*

4

**Median Hours Spent on Other  
Board-Related Activities**

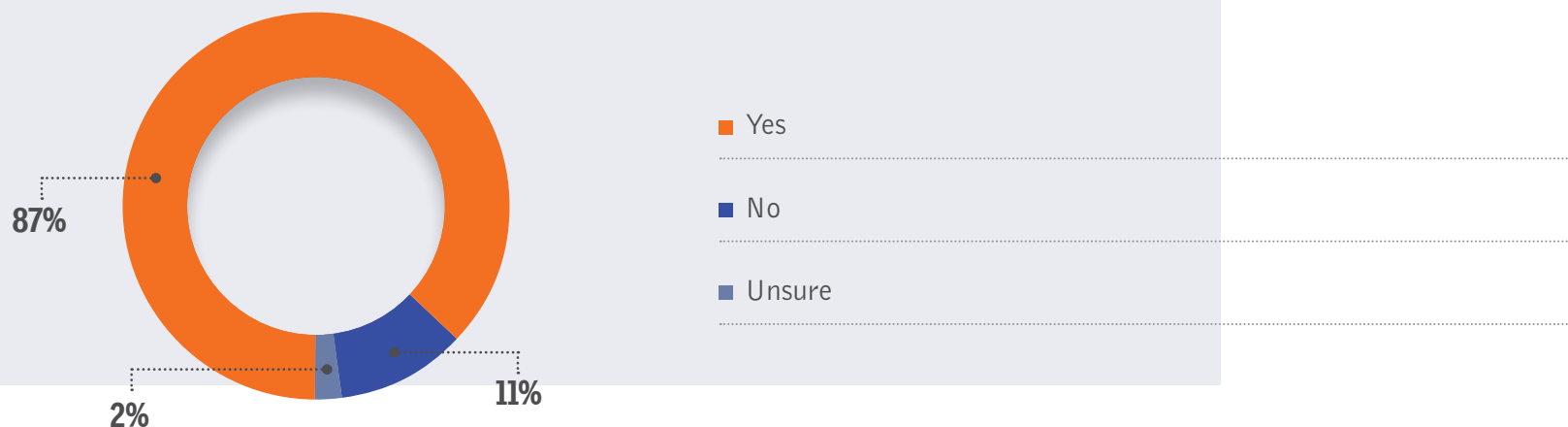
## 8. Do you feel you have enough time to focus on your duties as a bank board member, in addition to your other responsibilities outside the bank?

*Question asked of independent directors, lead directors and independent chairs.*



## GOVERNANCE PRACTICES

9. Is your board packet well organized, with summaries, key indicators, trends and progress on strategic initiatives?



10. How many pages are in the typical board packet for your bank?

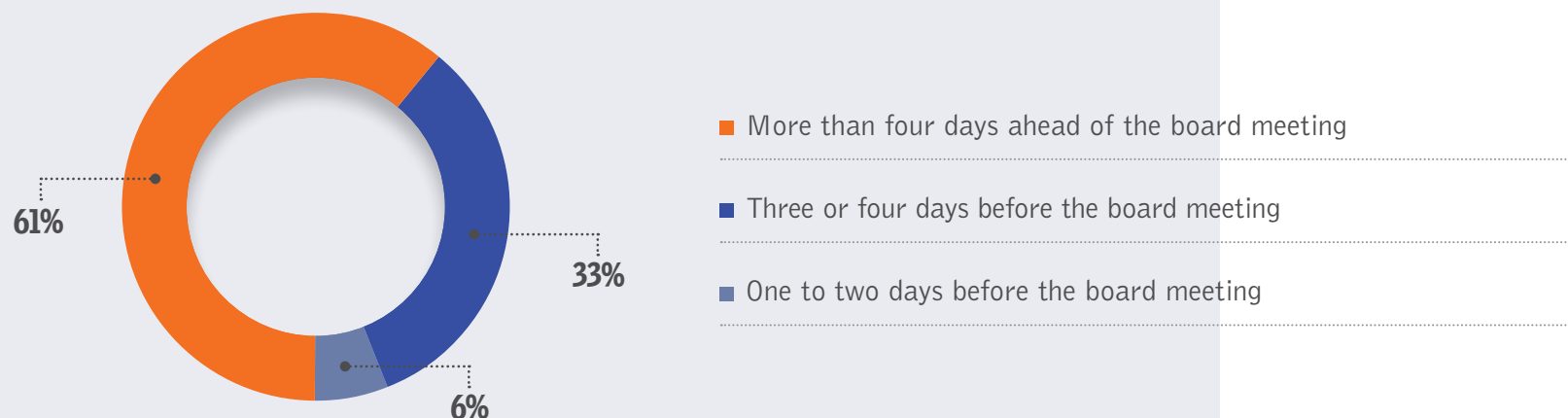
*Median values reported.*

200

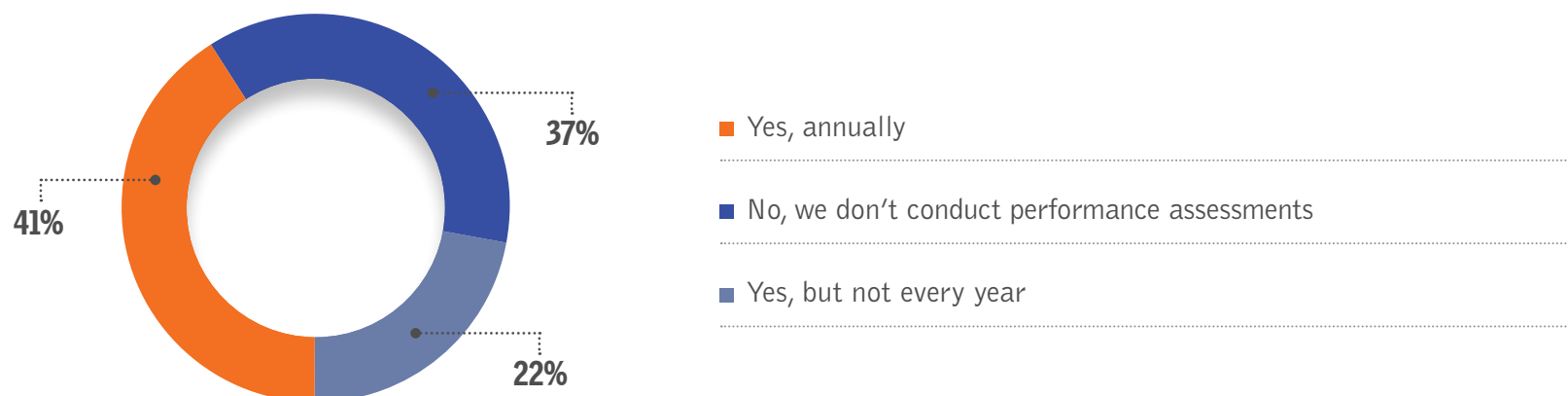
Median Pages in a Board Packet

## 11. How many days prior to the board meeting are materials generally received by directors?

*Question asked of independent directors, lead directors and independent chairs.*

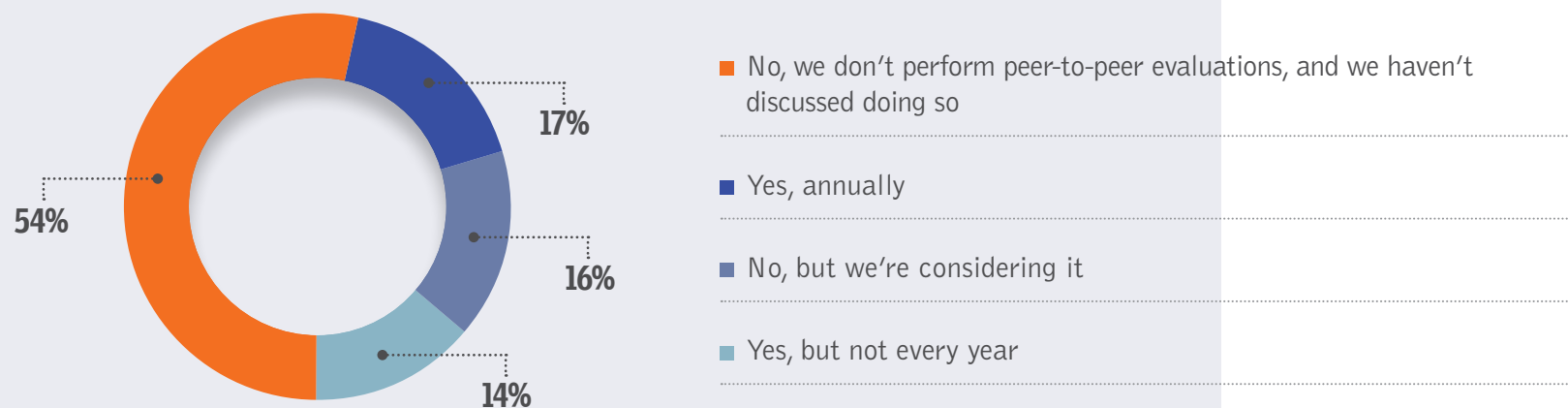


## 12. Does your board conduct board performance assessments?



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

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



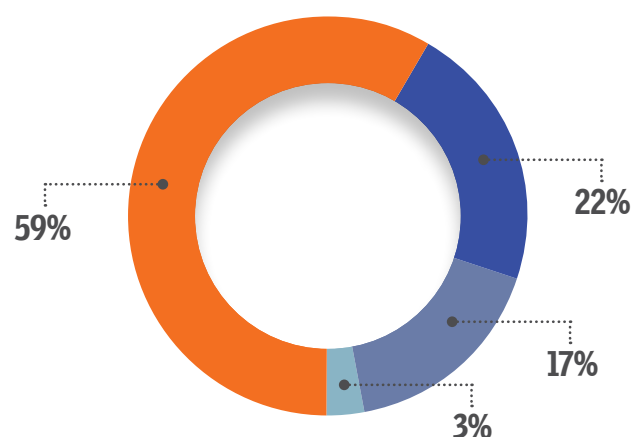
## STRATEGIC PLANNING

### 14. How often does your board review the bank's strategic plan?



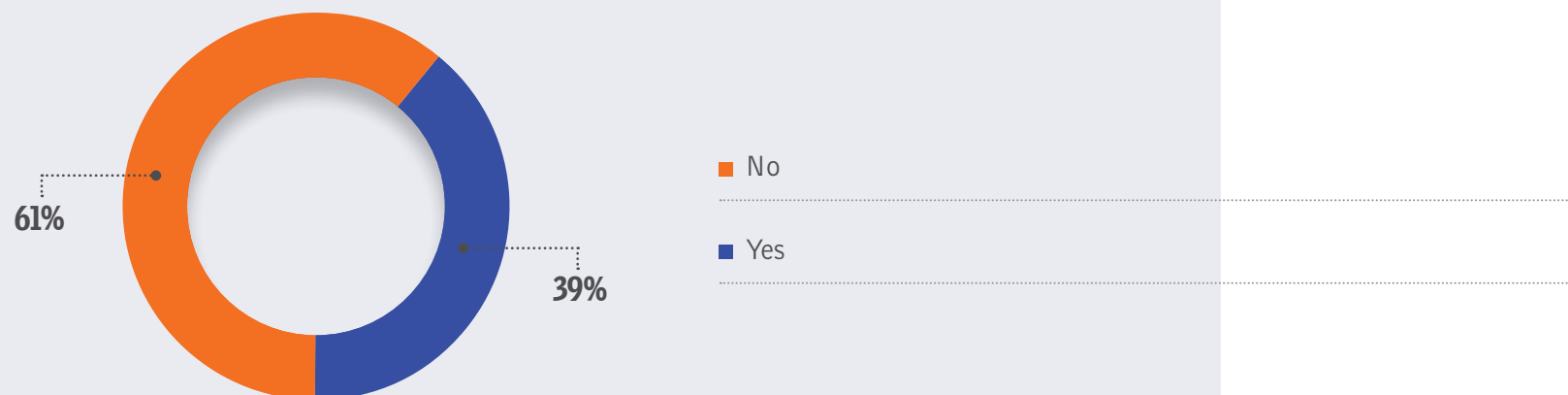
### 15. Which statement best describes your board's role in developing the bank's strategic plan?

Numbers don't add up to 100% due to rounding. Respondents were asked to select the option that best aligns with their experience.



- The board establishes the bank's risk appetite, but the plan is developed by management with the board's approval
- The board does not play a significant role in establishing the risk appetite or developing the plan, but it does approve the strategic plan
- The board drives the process and develops the plan with management
- The board has little involvement in the strategic planning process and does not formally approve the strategic plan

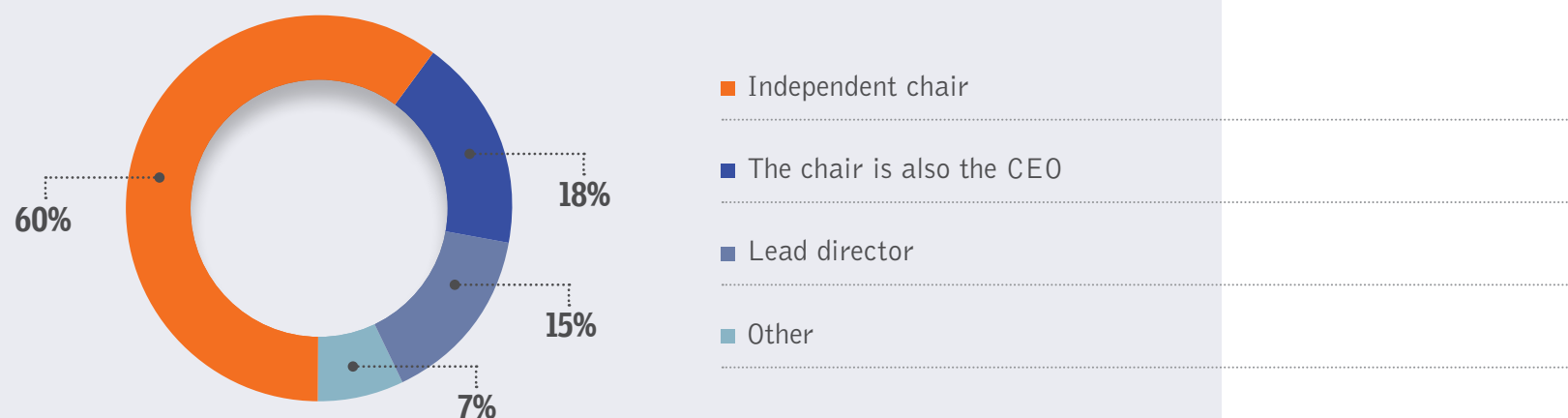
## 16. Do you believe the board should have greater involvement in setting the strategic direction of the bank?





## CHAIR/LEAD DIRECTOR PERFORMANCE

### 17. Is your board led by an independent chair or lead director?



## 18. How would you rate your board's independent chair in the following areas?

*Question only asked of independent directors indicating that their board is led by an independent chair.*

Communicates effectively with the CEO



Communicates effectively with the board



Facilitates active board discussions



Runs board and committee meetings in an efficient and orderly manner



Takes an active role in setting the board agenda



- Very effective
- Somewhat effective
- Somewhat ineffective
- Not applicable

Encourages communication between the CEO and board



Prepares for meetings



Treats other board members in a respectful manner



Demonstrates independence as chair



Keeps up-to-date on banking issues and regulations



Very effective

Somewhat effective

Somewhat ineffective

Not applicable

## 19. How would you rate your board's lead director in the following areas?

*Question only asked of independent directors indicating that their board is led by a lead director.*

Communicates effectively with the CEO



Communicates effectively with the board



Facilitates active board discussions



Effectively collaborates with the chair/CEO in setting the board agenda



Prepares for meetings



Very effective

Somewhat effective

Somewhat ineffective

Not applicable

Treats other board members in a respectful manner



Demonstrates independence as a board member



Keeps up-to-date on banking issues and regulations



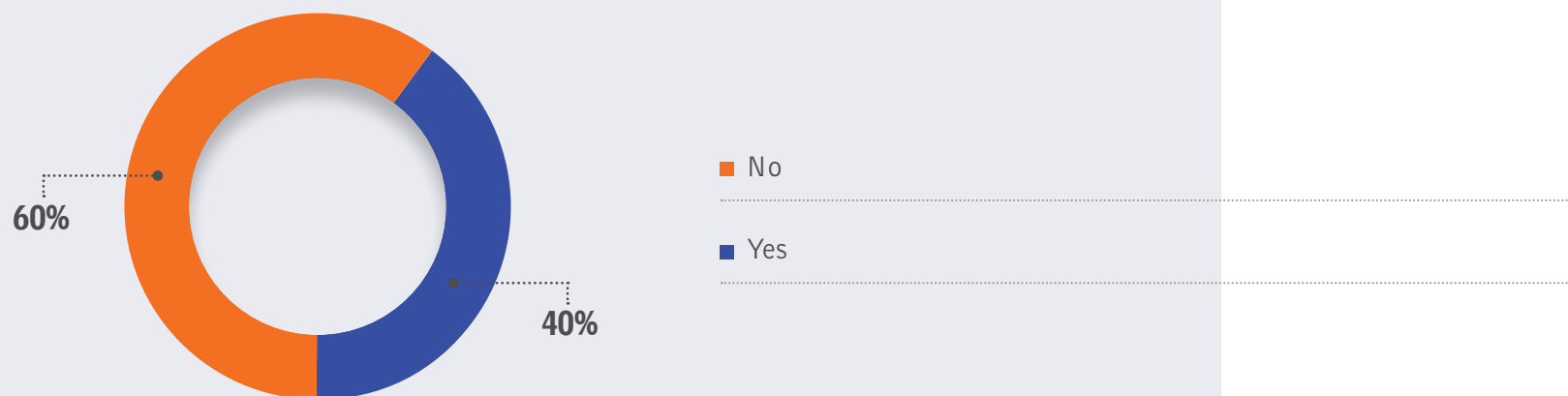
Very effective

Somewhat effective

Somewhat ineffective

Not applicable

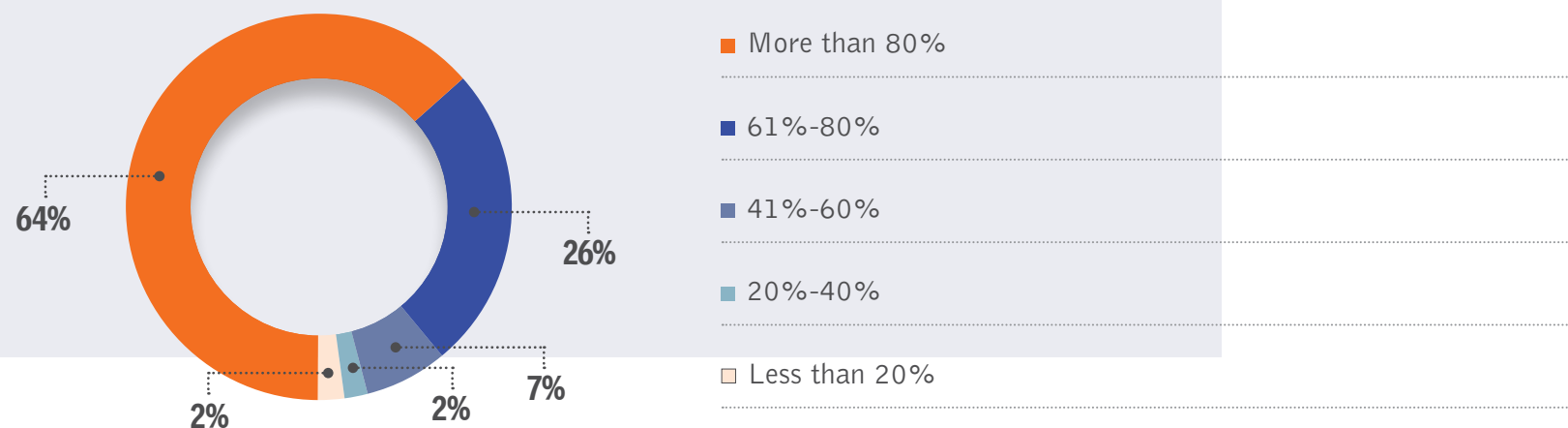
## 20. Does the chair or lead director actively engage directors who don't speak up as frequently as other members?



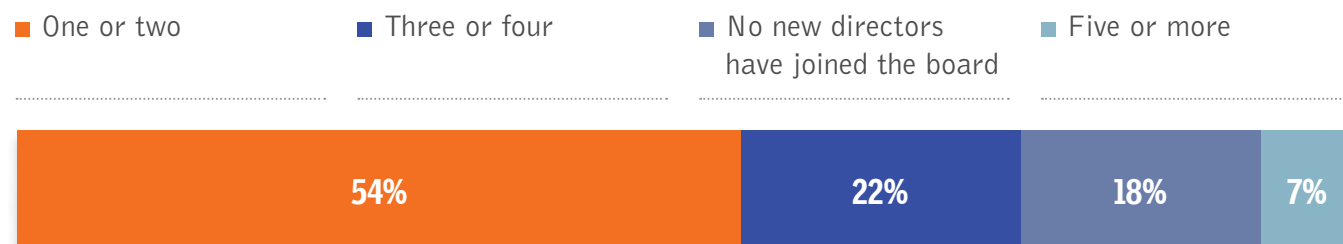
## BOARD COMPOSITION, DIVERSITY & REFRESHMENT

### 21. What percentage of the board's directors are independent, meaning they are not members of the management team?

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



### 22. How many new directors have joined your bank's board since January 2022?



## 23. Does the board possess expertise in the following areas?

Respondents were asked to select all that apply.



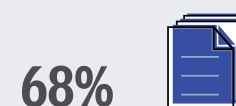
Finance/accounting



Audit



Real estate



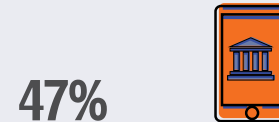
Legal



Risk



Human resources



Technology



Cybersecurity



Regulations



Marketing/communications



Capital markets



Mergers & acquisitions (M&A)



Public company



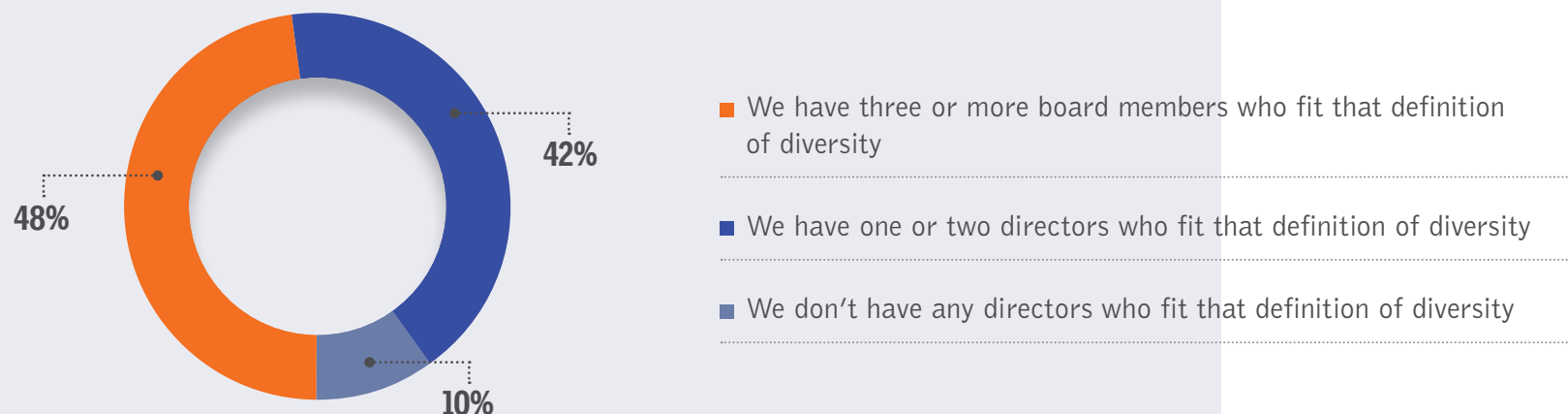
Data privacy



Military service



## 24. How would you characterize your board's diversity as defined by race, gender or ethnicity?



## 25. How old are your board's oldest and youngest directors?

*Median values reported.*

48

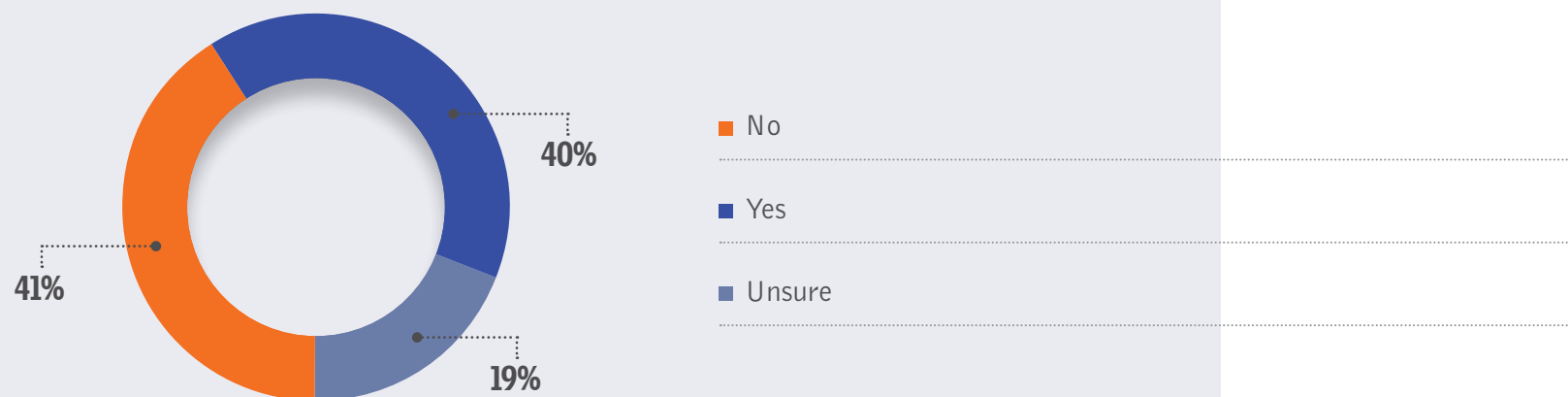
**Median Age of the Youngest  
Board Member**

75

**Median Age of the Oldest  
Board Member**

## 26. In addition to skills and expertise, does your board specifically consider race, ethnicity, gender or LGBTQ+ status when evaluating director candidates?

Question asked of respondents who indicated their board added one or more directors since January 2022.



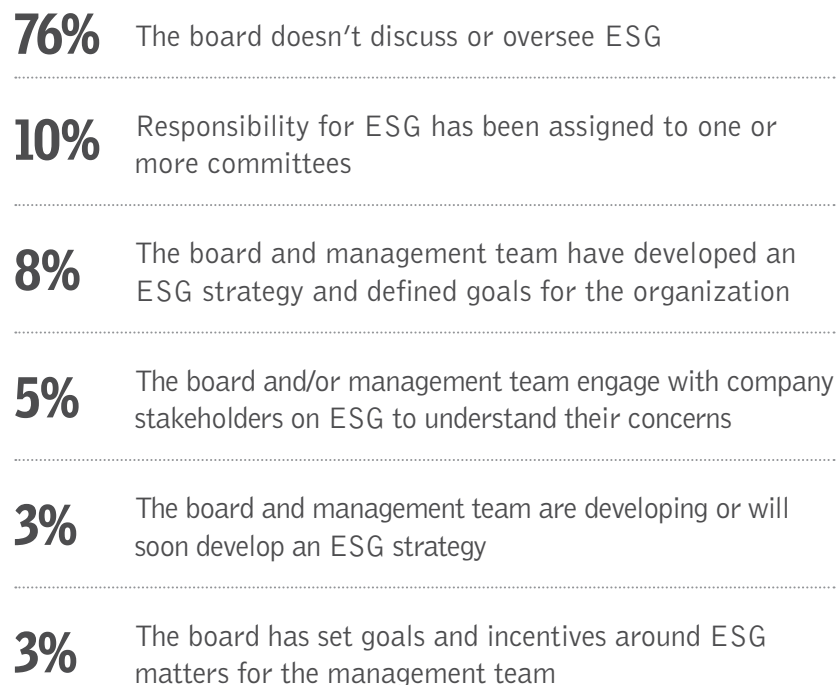
## 27. Has pushback against diversity initiatives from the Trump administration and some activists changed your board's approach to recruiting new directors?

Question asked of respondents who indicated their board added one or more directors since January 2022. Numbers don't add up to 100% due to rounding.



## 28. How are environmental, social and governance (ESG) issues comprehensively addressed in the boardroom?

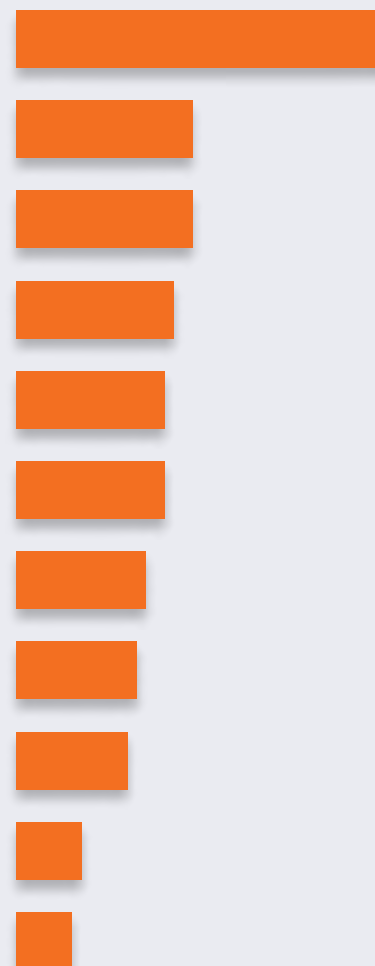
Respondents were asked to select all that apply.



## 29. What deficiencies do you perceive in your board's culture?

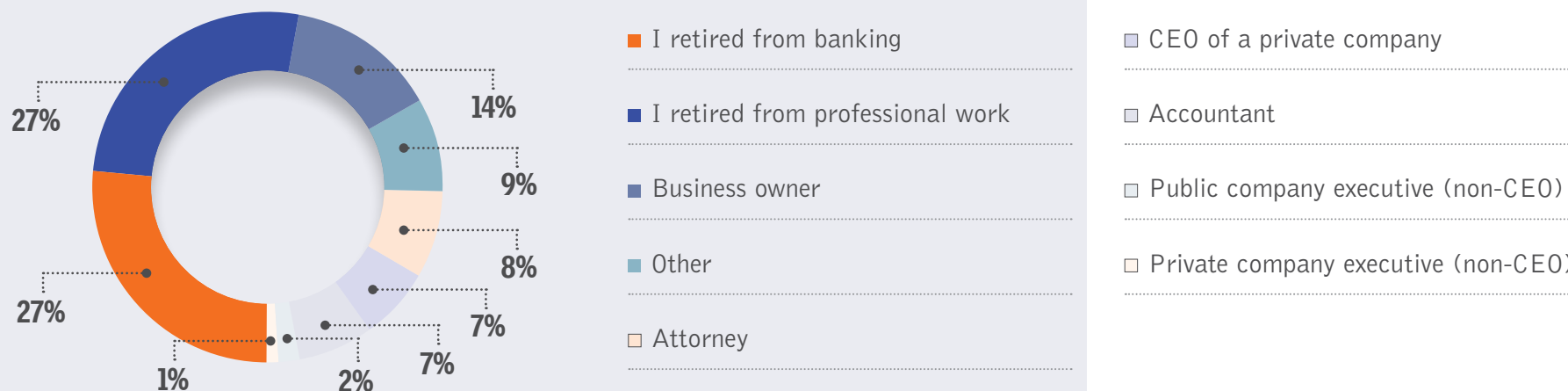
*Respondents were asked to select all that apply.*

<b>40%</b>	I see no deficiencies in the board's culture
<b>19%</b>	Lack of long-term vision
<b>19%</b>	Insufficient training/education
<b>17%</b>	Dominant board member or executive
<b>16%</b>	Lack of credible challenge
<b>16%</b>	Lack of diverse viewpoints/backgrounds
<b>14%</b>	Insufficient understanding of the banking industry
<b>13%</b>	Lack of specific expertise
<b>12%</b>	Blurred line between management and board duties
<b>7%</b>	Cliques within the boardroom
<b>6%</b>	Other



### 30. How would you describe your current professional role?

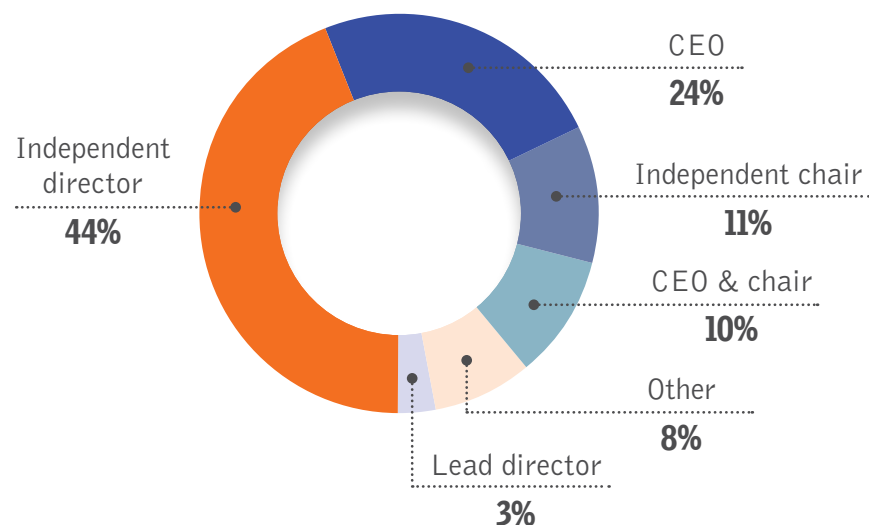
Numbers don't add up to 100% due to rounding. Question asked of independent directors, lead directors and independent chairs. Respondents were asked to select the option that best aligns with their work experience.



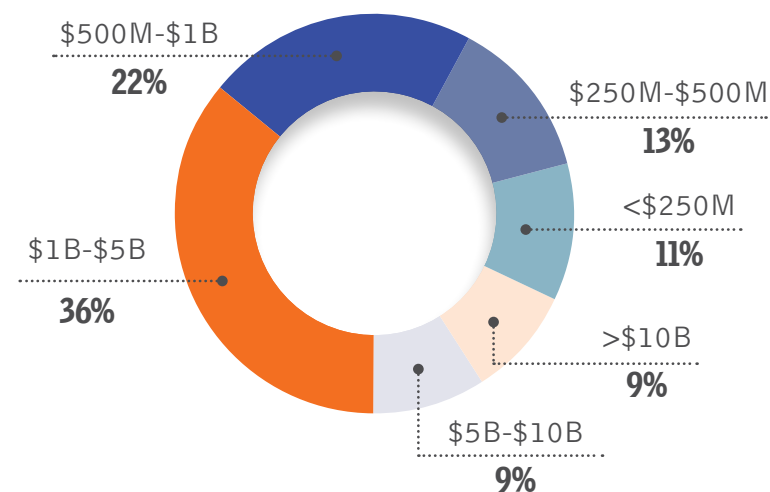
## ABOUT THE SURVEY

Bank Director's 2025 Governance Best Practices Survey, sponsored by the law firm Bradley Arant Boult Cummings, surveyed 195 independent directors, chairs and chief executives of U.S. banks below \$100 billion in assets. The survey, which was conducted in May 2025, regularly explores the fundamentals of board performance. This year, the survey examines directors' work in the boardroom, including time spent in meetings and what's discussed; the use of board packets and assessments; the board's role in strategic planning; the contributions of independent chairs and lead directors; and the skills and backgrounds populating bank boards.

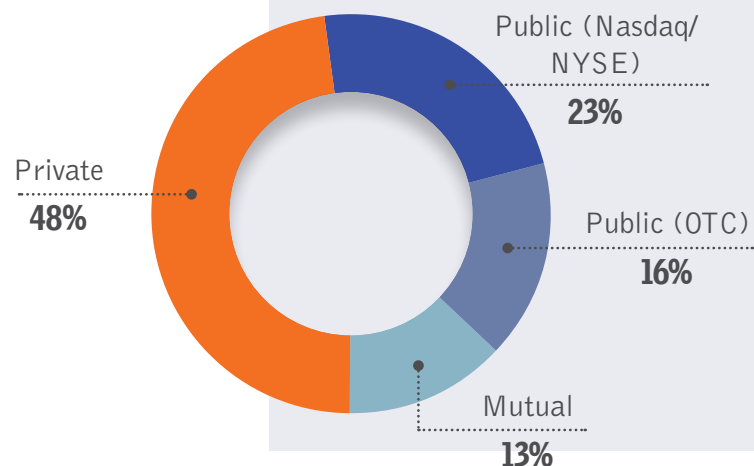
### TITLE



### ASSET SIZE

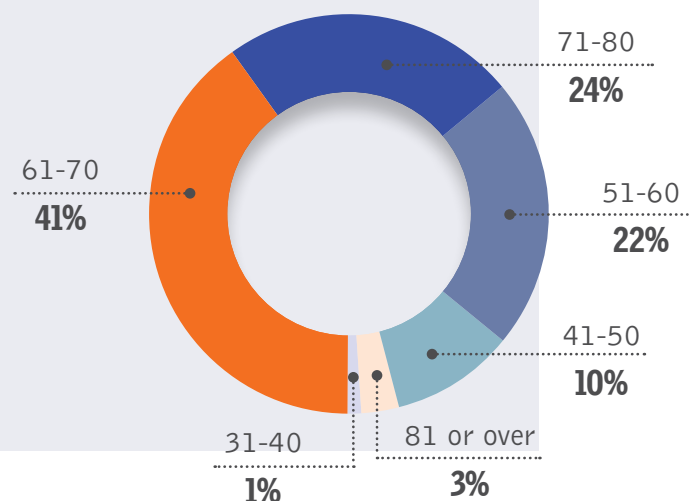


## OWNERSHIP STRUCTURE

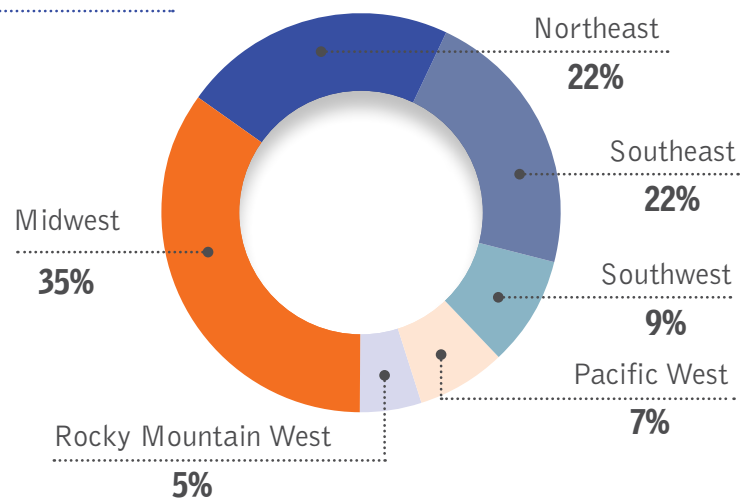


## RESPONDENT AGE

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)

## RESPONDENT GENDER

Male

Female



## DIRECTOR TENURE

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

11

**Median Years Served  
on the Board**