

Hi Linda,

Just coincidentally, within a short time of receiving your email about the upcoming stakeholder meetings for Reasonable Compensation Rulemaking, I received the attached timely information that includes bank board directors' compensation in its survey data. I thought you would find it of interest. It's the first time I've seen something in writing regarding what the typical compensation amounts and structures are for bank directors. Hope this is helpful!

Best Regards,

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A Meyer-Chatfield Corporation study produced in association with

BankDirector

2013 Compensation Summary Report

MAY 2013 | RESEARCH

 **Meyer-Chatfield**
CORPORATION

1. How well do you believe your bank's board is managing its executive and director compensation programs?

Each factor rated on a scale of 1 to 5, where 1=not well at all and 5=very well.

Respondents indicated continued satisfaction in management of compensation programs. Ninety-two percent expressed a positive or neutral feeling on executive compensation, up from 75 percent in 2012. Regarding director compensation, 90 percent expressed a positive or neutral feeling, up from 79 percent last year.

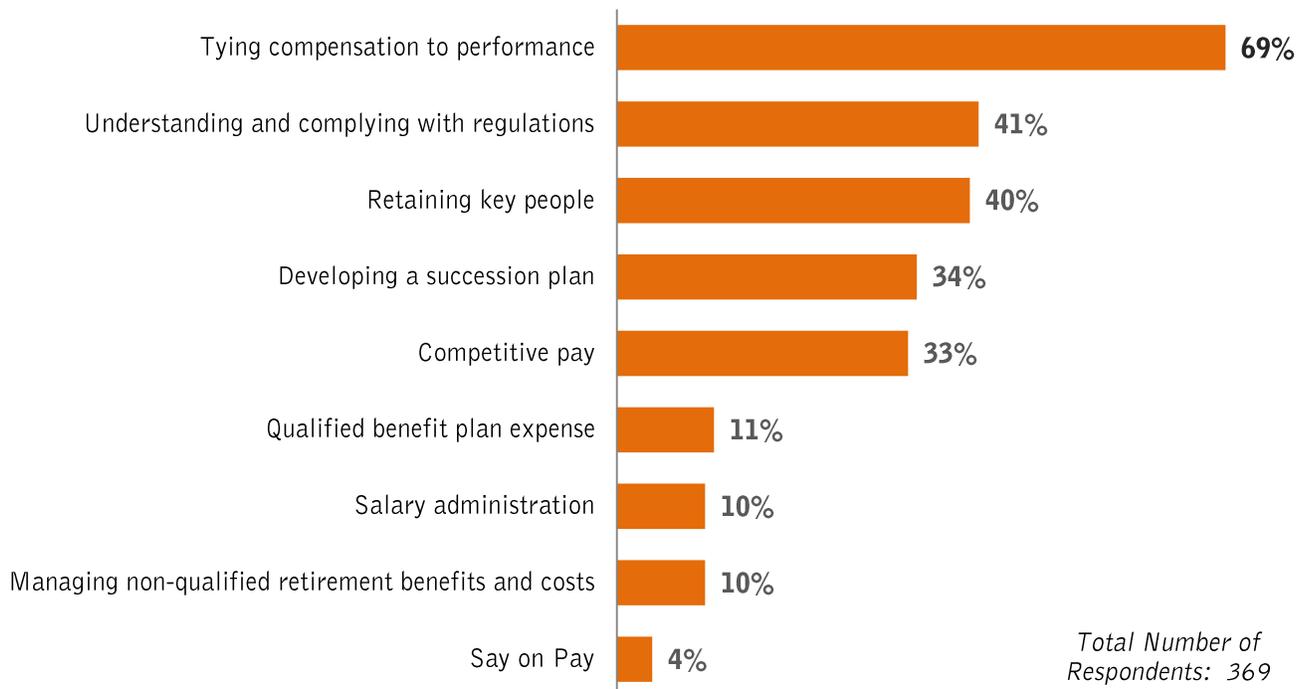
Compensation Type	1	2	3	4	5	Responses
Executive compensation	2%	6%	18%	43%	31%	371
Director compensation	2%	8%	26%	39%	25%	371

EXECUTIVE COMPENSATION

2. What are your top compensation challenges for 2013?

Respondents were asked to select no more than three.

Bank boards continue to wrestle with the same challenges when it comes to determining compensation for key executives: tying compensation to performance remains the top challenge, regardless of the bank's size, location or ownership.



Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Tying compensation to performance	74%	66%	75%	69%	66%	62%	69%
Retaining key people	54%	34%	46%	49%	25%	41%	40%
Understanding & complying with regulations	44%	49%	34%	31%	46%	47%	41%
Salary administration	0%	8%	8%	15%	16%	6%	10%
Competitive pay	21%	31%	49%	40%	24%	24%	33%
Qualified benefit expense	5%	9%	5%	14%	16%	2%	11%
Developing a succession plan	41%	35%	29%	29%	37%	38%	34%
Managing non-qualified retirement benefits and costs	5%	11%	11%	9%	12%	9%	10%
Say on Pay	15%	3%	0%	4%	1%	6%	4%
Respondents	39	65	76	78	76	34	

Bank Ownership Structure	Public	Private	Mutual
Tying compensation to performance	77%	62%	63%
Retaining key people	39%	40%	44%
Understanding & complying with regulations	43%	38%	41%
Salary administration	8%	13%	4%
Competitive pay	35%	34%	26%
Qualified benefit expense	7%	14%	19%
Developing a succession plan	40%	28%	37%
Managing non-qualified retirement benefits and costs	9%	8%	30%
Say on Pay	6%	2%	0%
Respondents	168	173	27

Region	Northeast	South	Midwest	West
Tying compensation to performance	74%	62%	67%	77%
Retaining key people	35%	35%	48%	37%
Understanding & complying with regulations	44%	37%	40%	42%

Region	Northeast	South	Midwest	West
Salary administration	10%	15%	9%	4%
Competitive pay	27%	27%	43%	28%
Qualified benefit expense	14%	6%	16%	5%
Developing a succession plan	38%	31%	33%	37%
Managing non-qualified retirement benefits and costs	16%	15%	4%	7%
Say on Pay	4%	2%	4%	5%
Respondents	77	94	141	57

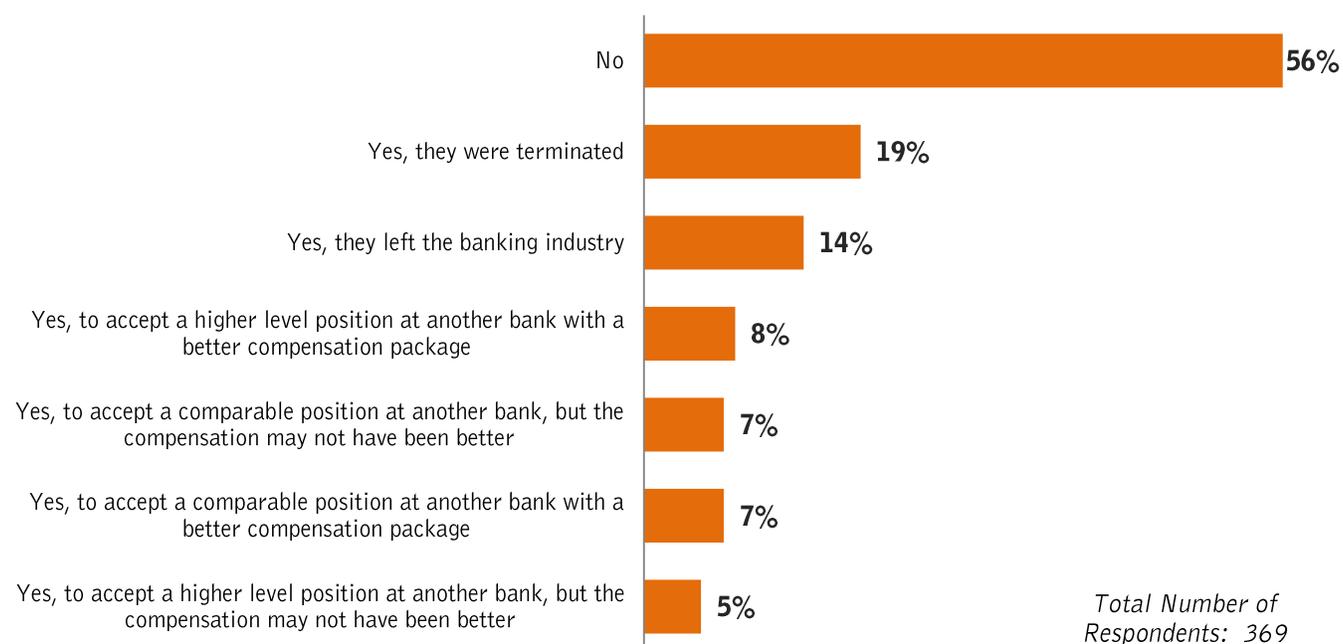
3. Have you had any executives or critical employees leave within the last 36 months?

Respondents were asked to select all that apply.

Forty-four percent of respondents report that their institution has seen the departure of a key executive or critical employee within the last three years. Thirty-two percent of these departures were the result of a termination. Twenty-three percent of departing executives left the banking industry.

Respondents from the smallest banks report the most departures of key employees, as indicated by 56 percent of respondents from banks with under \$100 million in assets. The very largest banks, with more than \$5 billion in assets, didn't fare much better, and saw the most departures due to terminations, at 29 percent. However, few at the biggest banks left the banking industry, and most of the critical employees that left the industry departed from banks smaller than \$1 billion in assets. The largest banks, above \$5 billion in assets, saw more upward and lateral movement of executives that left for better pay.

Respondents from banks in the Midwest report the least departures, at 38 percent. Respondents from banks in the West report the most departures, at 56 percent, and thirty-five percent from Western banks report that key executives were fired.



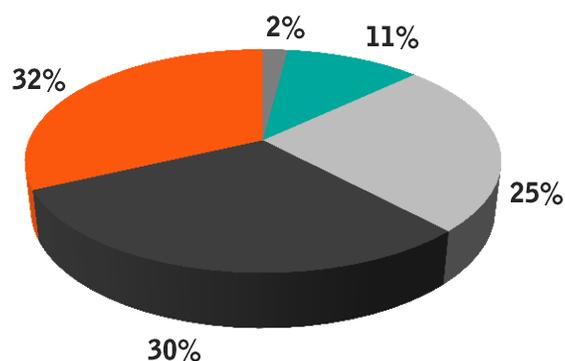
Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Yes, to accept a higher level position at another bank with a better compensation package	13%	6%	8%	6%	9%	3%	8%
Yes, to accept a higher level position at another bank, but the compensation may not have been better	5%	6%	3%	5%	5%	3%	5%
Yes, to accept a comparable position at another bank with a better compensation package	16%	3%	7%	3%	10%	3%	7%
Yes, to accept a comparable position at another bank, but the compensation may not have been better	8%	8%	5%	6%	6%	13%	7%
Yes, they were terminated	29%	20%	12%	17%	19%	25%	19%
Yes, they left the banking industry	5%	6%	18%	17%	14%	19%	14%
No	47%	65%	61%	58%	52%	44%	56%
Respondents	38	65	76	78	79	32	

Region	Northeast	South	Midwest	West
Yes, to accept a higher level position at another bank with a better compensation package	8%	6%	11%	0%
Yes, to accept a higher level position at another bank, but the compensation may not have been better	4%	4%	4%	9%
Yes, to accept a comparable position at another bank with a better compensation package	4%	6%	6%	11%
Yes, to accept a comparable position at another bank, but the compensation may not have been better	5%	5%	6%	17%
Yes, they were terminated	21%	21%	10%	35%
Yes, they left the banking industry	17%	14%	14%	7%
No	52%	57%	62%	44%
Respondents	77	96	142	54

4. Is the CEO's compensation linked to a strategic plan?

In 2013, more respondents reported that they tie CEO compensation to a strategic plan. Those indicating they do not tie CEO compensation to a strategic plan fell 12 percentage points.

Institutions with more than \$500 million in assets and institutions that are publicly traded are significantly more likely to tie CEO compensation to the bank's strategic plan.



Total Number of Respondents: 338

- Our bank does not have a strategic plan
- Yes, we tie CEO compensation to the goals within the strategic plan, but not to performance metrics
- Yes, we tie CEO compensation to performance metrics as outlined in the strategic plan
- Yes, we tie CEO compensation to performance metrics outlined in the strategic plan, and also upon attainment of other objectives outlined in the strategic plan
- No, we don't tie CEO compensation to a strategic plan

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Yes, we tie CEO compensation to performance metrics as outlined in the strategic plan	35%	30%	26%	18%	22%	18%	25%
Yes, we tie CEO compensation to the goals within the strategic plan, but not to performance metrics	5%	8%	10%	12%	14%	9%	11%
Yes, we tie CEO compensation to performance metrics outlined in the strategic plan, and also upon attainment of other objectives outlined in the strategic plan	40%	41%	40%	20%	20%	27%	30%
No, we don't tie CEO compensation to a strategic plan	15%	22%	20%	49%	44%	41%	32%
Our bank does not have a strategic plan	5%	0%	4%	0%	0%	5%	2%

Bank Ownership Structure	Public	Private	Mutual
Yes, we tie CEO compensation to performance metrics as outlined in the strategic plan	29%	19%	27%
Yes, we tie CEO compensation to the goals within the strategic plan, but not to performance metrics	7%	12%	27%
Yes, we tie CEO compensation to performance metrics outlined in the strategic plan, and also upon attainment of other objectives outlined in the strategic plan	42%	21%	18%
No, we don't tie CEO compensation to a strategic plan	20%	46%	18%
Our bank does not have a strategic plan	1%	2%	9%

5. Is the CEO's compensation linked to performance indicators?

Respondents were asked to select all that apply.

Seventy-one percent of respondents report that CEO compensation at their bank is linked to performance indicators. Asset quality and return on assets are the most common indicators chosen. Smaller banks are less likely to use performance indicators to assess CEO compensation, as are privately held institutions.



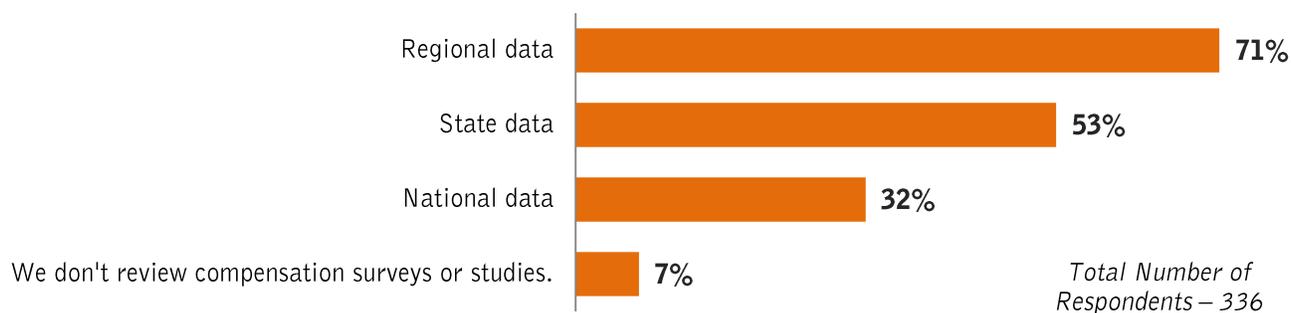
Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Yes, it is tied to earnings per share growth	56%	45%	31%	16%	19%	17%	30%
Yes, it is tied to return on equity	53%	53%	35%	34%	31%	23%	38%
Yes, it is tied to return on assets	61%	67%	42%	40%	29%	30%	44%
Yes, it is tied to asset quality	50%	65%	44%	33%	35%	37%	44%
Yes, it is tied to total return to shareholders	42%	33%	25%	15%	21%	3%	24%
No, we do not tie CEO compensation to performance indicators	17%	3%	27%	39%	42%	47%	29%
Respondents	36	60	71	67	72	30	

Bank Ownership Structure	Public	Private	Mutual
Yes, it is tied to earnings per share growth	45%	18%	9%
Yes, it is tied to return on equity	50%	29%	23%
Yes, it is tied to return on assets	58%	30%	50%
Yes, it is tied to asset quality	58%	31%	36%
Yes, it is tied to total return to shareholders	31%	19%	0%
No, we do not tie CEO compensation to performance indicators	13%	44%	32%
Respondents	153	160	22

6. When using compensation surveys or studies on your bank, do you look at the following:

Respondents were asked to select all that apply.

Most respondents that report using compensation studies rely on regional data, which typically provides a more robust sample than data focusing on banks within a state.



7. What areas of compensation do you believe are most valued by the executives related to executive compensation practices?

Each factor rated on a scale of 1 to 5, where 1=not valued at all and 5= most valued.

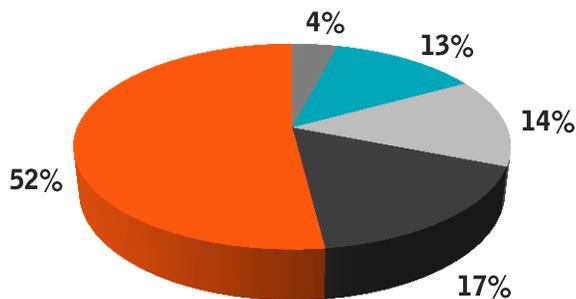
According to survey respondents, cash is the most valued part of an executive compensation package. Only 2 percent of respondents indicated that salary was not valued. Thirty-eight percent indicated little value in non-qualified deferred compensation, and 27 percent did not see much value in benefits & perks. While 24 percent do not place much value in equity, this is a form of compensation that holds more value at the largest institutions.

Compensation Price	1	2	3	4	5	Responses
Salary	1%	1%	13%	38%	47%	334
Annual incentive	2%	5%	19%	45%	28%	326
Equity	13%	11%	30%	26%	19%	305
Non-qualified deferred compensation	16%	22%	34%	20%	8%	300
Benefits & Perks	4%	23%	39%	25%	9%	315

Banks Asset Size	Equity				
	1	2	3	4	5
More than \$5 B	0%	0%	11%	33%	56%
\$1.1 B - \$5 B	9%	0%	29%	32%	29%
\$501 M - \$1 B	7%	14%	24%	41%	14%
\$251 M - \$500 M	23%	18%	30%	21%	9%
\$100 M - \$250 M	22%	14%	41%	10%	12%
Under \$100 M	21%	21%	16%	32%	11%
All Asset Sizes	13%	11%	30%	26%	19%

8. Are equity grants allocated to executives on an annual basis?

Perhaps due in part to the higher value placed on cash compensation, over half of survey respondents do not allocate equity grants to executives annually. Respondents from publicly traded banks, which placed a greater value on equity, are more likely to allocate equity grants. Just 36 percent of respondents from private banks indicate that they allocate some sort of equity to executives. Sixty-four percent of publicly traded banks grant equity, and of those that do, 78 percent grant restricted stock or a combination of restricted stock and stock options.



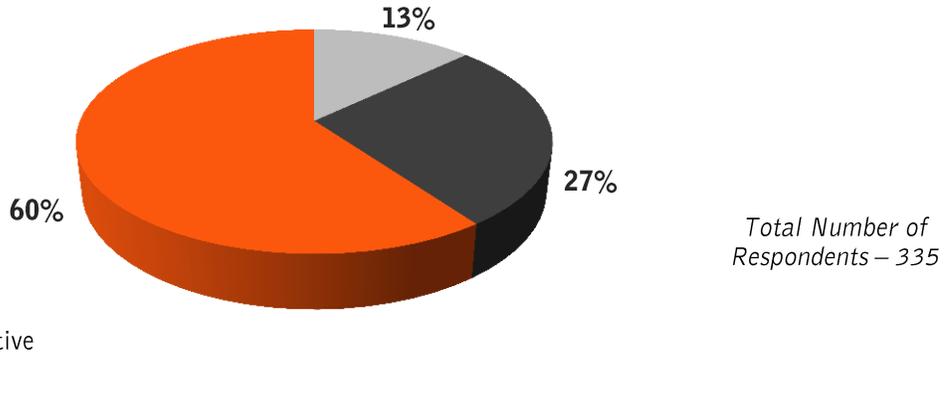
Total Number of Respondents – 337

- Yes, synthetic equity
- Yes, stock options
- Yes, a combination of restricted stock and stock options
- Yes, restricted stock
- No

Bank Ownership Structure	Public	Private	Mutual	All
Yes, restricted stock	25%	10%	0%	17%
Yes, stock options	11%	14%	0%	13%
Yes, synthetic equity	3%	4%	18%	4%
Yes, a combination of restricted stock and stock options	24%	8%	0%	14%
No	36%	64%	82%	52%

9. Does your bank offer a non-qualified deferred compensation benefit?

Sixty percent of banks do not offer executives a non-qualified deferred compensation benefit. The largest banks, at 65 percent, are significantly more likely to offer a non-qualified deferred compensation benefit than smaller banks.

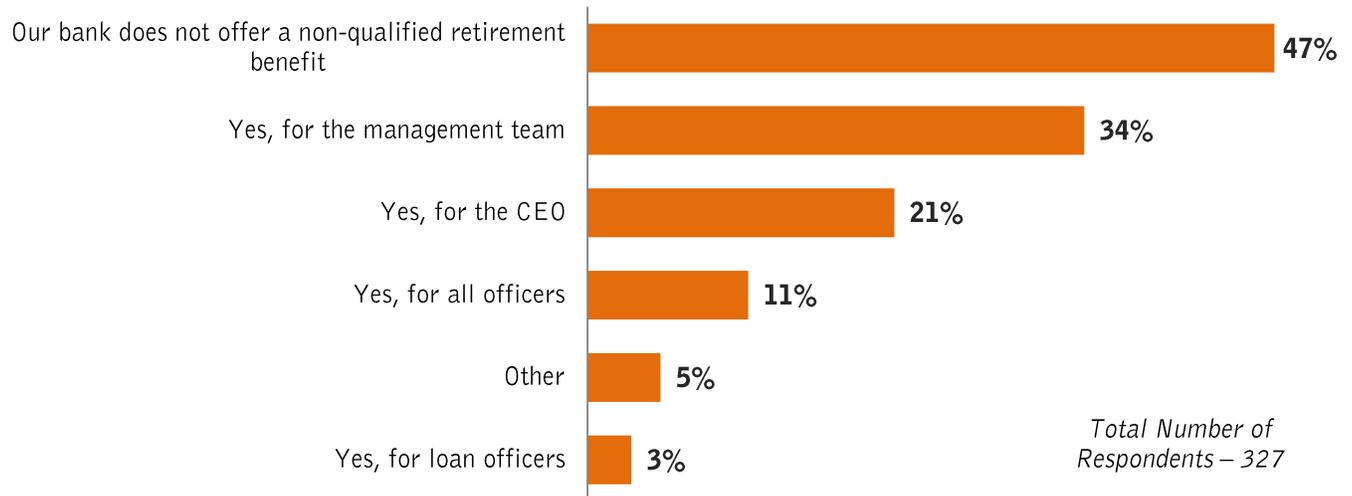


Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Yes, funded by the executive	35%	27%	6%	12%	4%	0%	13%
Yes, funded by the bank	30%	19%	38%	37%	20%	14%	27%
No	35%	54%	56%	51%	76%	86%	60%

10. Does your bank offer a non-qualified retirement benefit?

Respondents were asked to select all that apply.

More respondents indicated in this year’s survey that their bank offers a non-qualified retirement benefit, as the percentage of those indicating that their bank does not offer this benefit fell by nine points from last year.

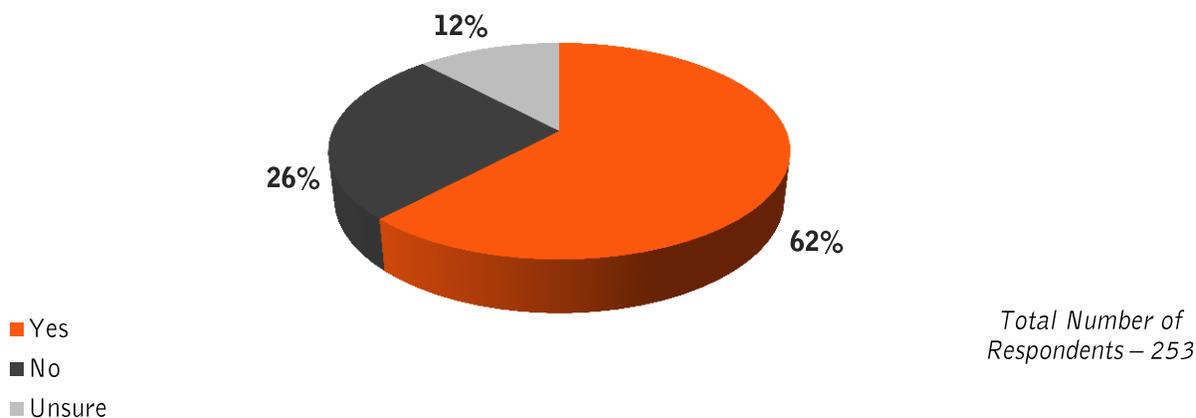


DIRECTOR COMPENSATION

11. Do you believe you are fairly compensated for the amount of time you devote to your role as a director?

The majority of directors, at 62 percent, believe that they are fairly compensated. The smallest banks, with assets less than \$100 million, and the largest banks, with assets more than \$5 billion, indicated the least satisfaction in their compensation.

Could the sunny climate of the West account for the optimism of its board members? Seventy-two percent of directors of Western banks believe they are fairly compensated.



Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Yes	59%	62%	60%	75%	59%	46%	62%
No	35%	19%	26%	19%	27%	36%	26%
Unsure	6%	19%	14%	6%	14%	18%	12%

Region	Northeast	South	Midwest	West
Yes	55%	59%	63%	72%
No	26%	32%	19%	28%
Unsure	18%	10%	18%	0%

12. Approximately how many hours per month do you devote to bank board activities?

Overall, respondents report that the time spent on board activities remains the same as last year, at a median of 15 hours per month.

Bank Asset Size	Hours per month
More than \$5 B	20
\$1.1 B - \$5 B	20
\$501 M - \$1 B	18
\$251 M - \$500 M	12
\$100 M - \$250 M	12
Under \$100 M	10
All Asset Sizes	15

Bank Ownership Structure	Hours per month
Public	18
Private	12
Mutual	20*

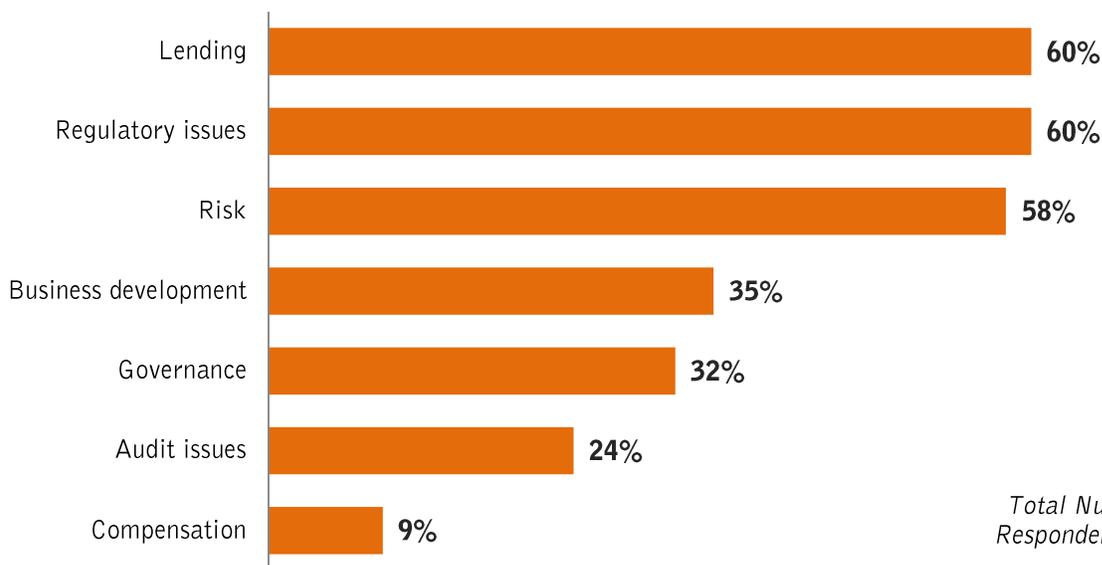
(* Sample Size <10)

N/A: No Data

13. On what issues is your board spending the most time?

Respondents were asked to select no more than three.

Overall, respondents indicate that boards are spending more time on lending, regulatory issues and risk management, with respondents from privately held banks indicating more concern about lending and those from publicly traded banks focusing more on risk. The largest banks are more focused on risk matters; smaller banks focus more on loans. The smallest banks also indicate greater concern on regulatory issues.

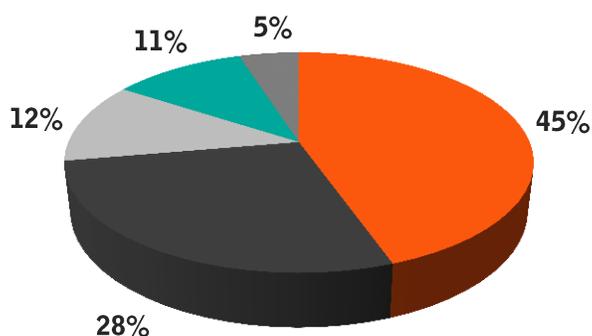


Total Number of Respondents – 230

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Governance	32%	26%	36%	35%	34%	26%	32%
Audit Issues	21%	26%	26%	20%	28%	22%	24%
Compensation	26%	13%	10%	4%	4%	9%	9%
Lending	37%	45%	64%	71%	56%	74%	60%
Risk	79%	71%	68%	57%	46%	30%	58%
Business Development	26%	39%	28%	31%	42%	43%	35%
Regulatory Issues	63%	53%	68%	43%	64%	74%	60%
Respondents	19	38	50	49	50	23	

Bank Ownership Structure	Public	Private
Governance	35%	32%
Audit Issues	19%	28%
Compensation	13%	5%
Lending	50%	68%
Risk	68%	50%
Business Development	38%	33%
Regulatory Issues	62%	58%
Respondents	104	114

14. When was the last time your bank reviewed director compensation?

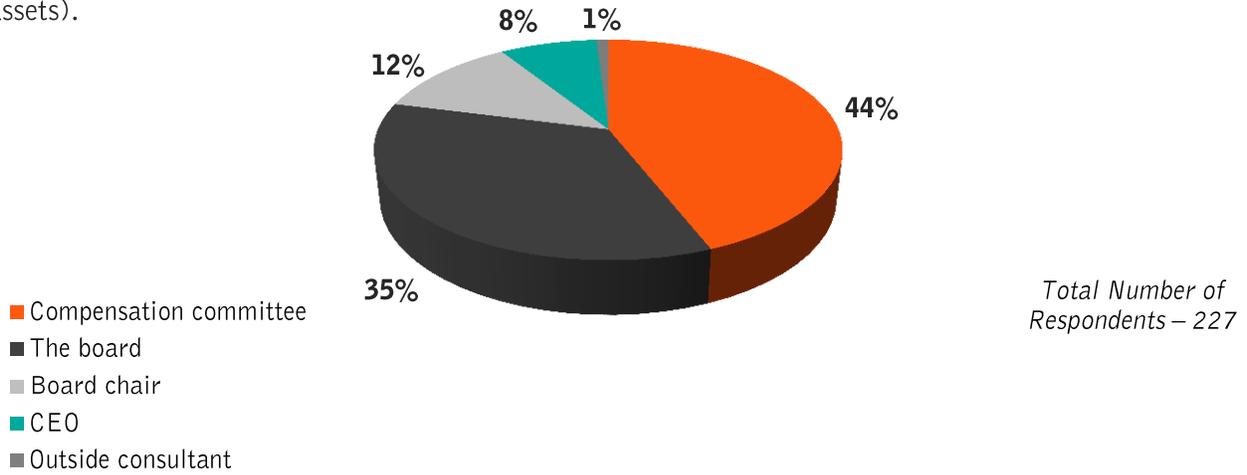


Total Number of Respondents – 232

- Within the last 6 months
- 6-12 months ago
- More than 1 year ago
- More than 2 years ago
- Don't Know

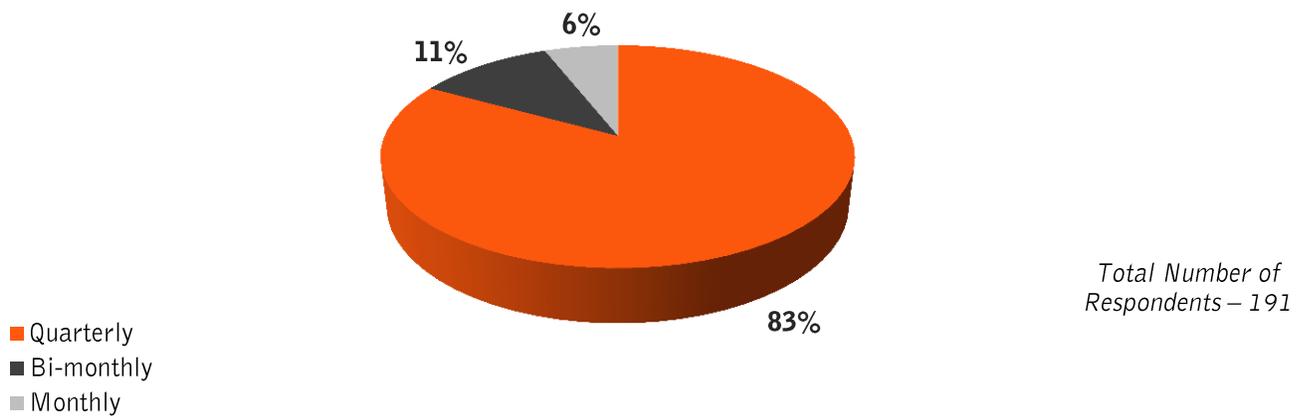
15. Who is primarily responsible for setting director compensation levels at your bank?

Most respondents place this responsibility primarily on the compensation committee (common practice at banks with more than \$500 million in assets) or the full board (common at banks with less than \$500 million in assets).

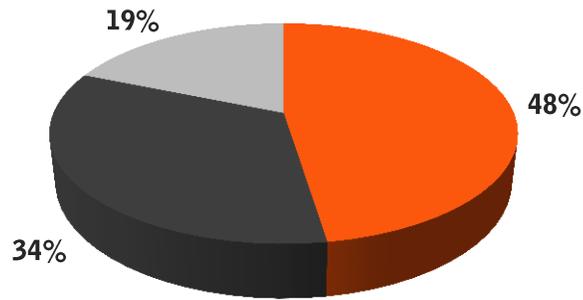


Banks Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
CEO	13%	0%	10%	10%	10%	5%	8%
Board chair	0%	9%	14%	15%	8%	23%	12%
Compensation committee	69%	77%	49%	27%	32%	23%	44%
The board	19%	14%	22%	48%	48%	50%	35%
Outside consultant	0%	0%	4%	0%	2%	0%	1%

16. How frequently does your compensation committee meet?



17. Does your bank retain the services of a compensation consultant?



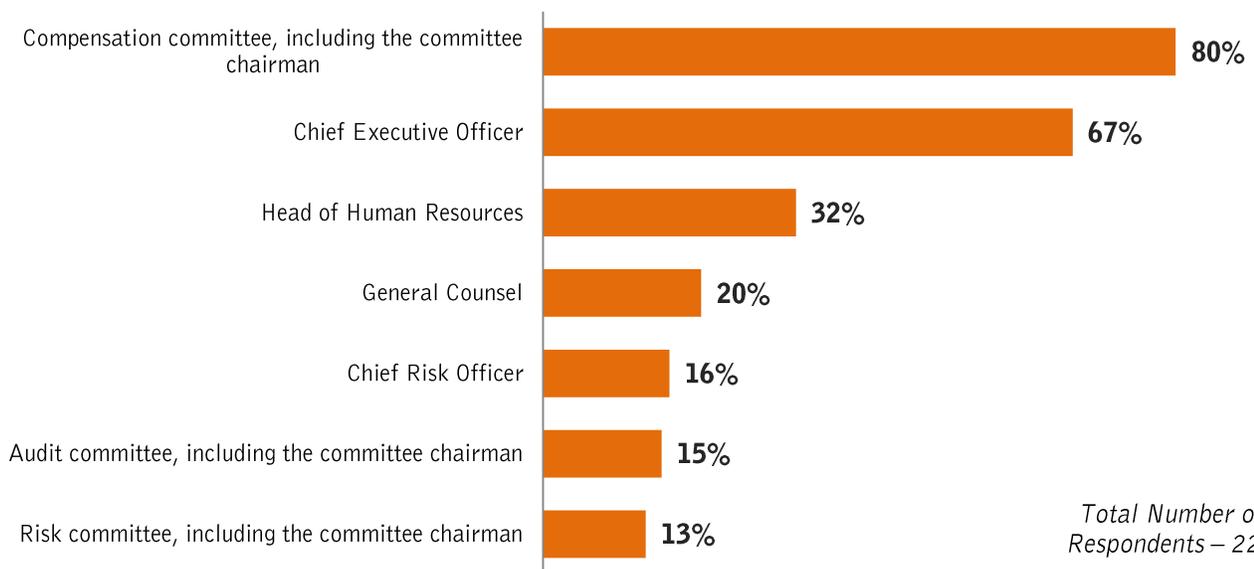
Total Number of Respondents – 227

- No, we do not use consultants
- Yes, on a project basis, as needed
- Yes, on an ongoing basis

18. Who participates or aids in the analysis of your bank's compensation risk?

Respondents were asked to select all that apply.

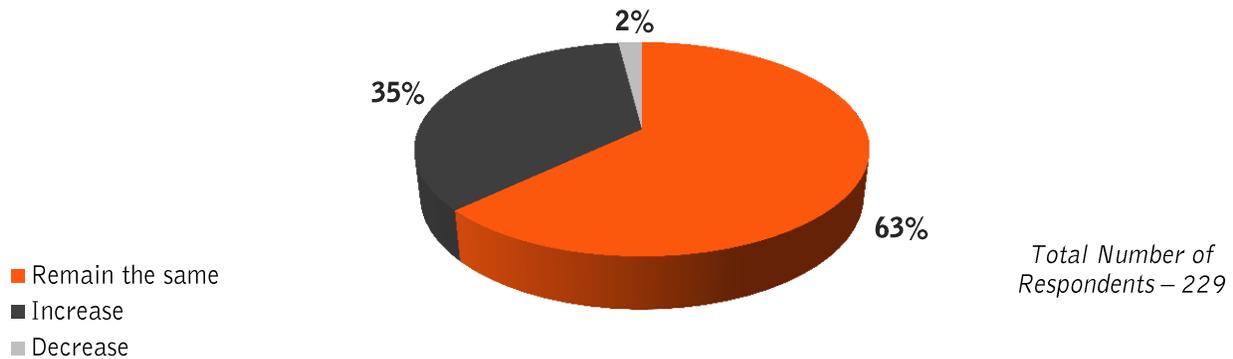
Analysis of compensation risk often falls to the compensation committee and the CEO.



Total Number of Respondents – 226

19. In 2014, do you plan to increase, decrease or keep director compensation the same?

Respondents do not plan to see much change in director compensation, with the total expecting an increase rising slightly by 3 percentage points since 2012. Banks with assets greater than \$500 million are more likely to expect an increase in director pay, as are respondents from publicly traded banks and banks headquartered in the West.



Banks Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Increase	47%	50%	40%	30%	30%	23%	35%
Decrease	0%	6%	0%	4%	0%	0%	2%
Remain the same	53%	44%	60%	66%	70%	77%	63%

Bank Ownership Structure	Public	Private	Mutual
Increase	44%	30%	36%
Decrease	2%	2%	0%
Remain the same	54%	69%	64%

Region	Northeast	South	Midwest	West
Increase	40%	31%	33%	50%
Decrease	3%	3%	1%	0%
Remain the same	58%	66%	66%	50%

20. In terms of your compensation as a director, which would you consider the most valuable?

Each factor rated on a scale of 1 to 5, where 1=not valuable at all and 5= most valuable.

Respondents overwhelmingly selected cash fees as the most valuable piece of compensation, with 94 percent rating cash fees or retainers with a 3 or more. This represents a rise in value of nine percentage points since last year's survey. Banks with less than \$100 million in assets seem to place less value on cash compensation, as 28 percent gave this factor a negative value. Retirement plans are least valued, with 72 percent of respondents giving this factor a negative value. Publicly traded banks place more value on equity compensation than private banks.

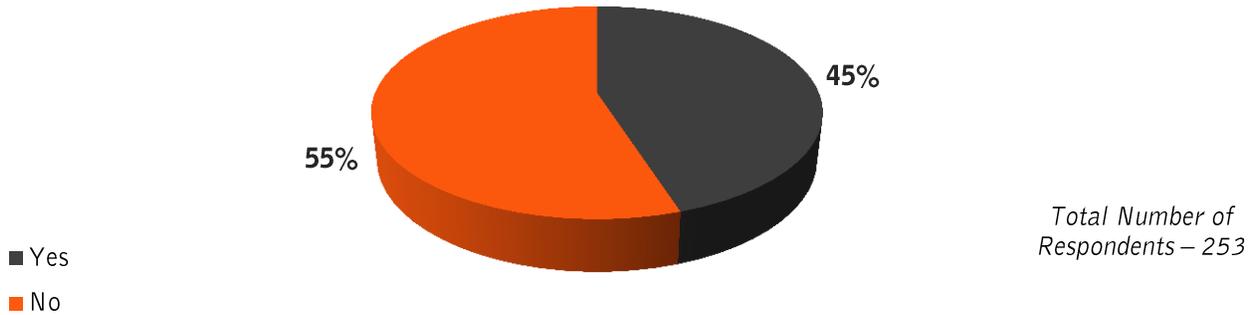
Benefits	1	2	3	4	5	Responses
Levels of cash fees/retainers	3%	3%	14%	30%	50%	244
Equity Compensation	20%	8%	21%	23%	30%	220
Potential for bonus/performance pay	48%	16%	22%	8%	7%	204
Deferred compensation program	42%	14%	23%	12%	9%	204
Paid expenses for board service	23%	15%	30%	17%	14%	215
Insurance benefit	49%	21%	16%	8%	6%	201
Retirement plan	54%	18%	14%	10%	4%	197

Banks Asset Size	Levels of cash fees/retainers				
	1	2	3	4	5
More than \$5 B	0%	0%	17%	29%	56%
\$1.1 B-\$5 B	0%	3%	18%	15%	65%
\$501 M-\$1 B	0%	0%	17%	35%	48%
\$251 M-\$500 M	2%	6%	9%	32%	51%
\$100 M-\$250 M	2%	2%	16%	33%	47%
Under \$100 M	23%	5%	14%	23%	36%
All Asset Sizes	3%	3%	14%	30%	50%

Bank Ownership Structure	Equity compensation				
	1	2	3	4	5
Public	8%	6%	24%	26%	37%
Private	23%	12%	18%	22%	26%
Mutual	100%	0%	0%	0%	0%

21. Do you think it is in conflict with a director's fiduciary responsibilities to have director compensation based upon performance indicators?

Do performance indicators reward short term performance and if so, should director compensation be based on these indicators? Respondents to the survey are relatively split on this issue, which the largest, publicly traded banks wrestle with most.



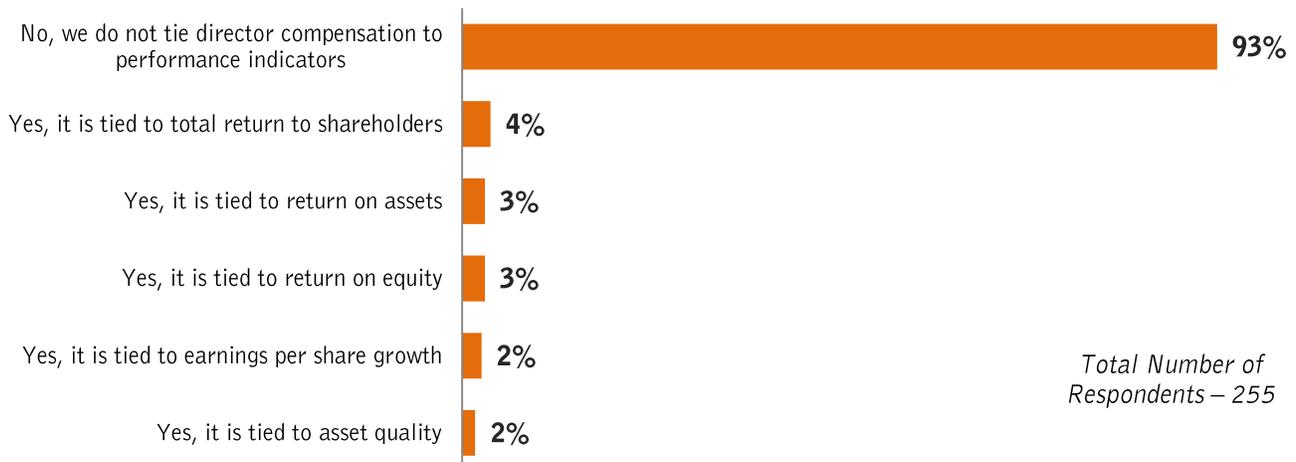
Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Yes	56%	57%	38%	47%	39%	27%	45%
No	44%	43%	62%	53%	61%	73%	55%

Bank Ownership Structure	Public	Private	Mutual
Yes	53%	37%	33%
No	47%	63%	67%

22. Do key performance indicators currently play a role in your bank's director compensation plan?

Respondents were asked to select all that apply.

While directors may disagree on the role performance indicators should play in director compensation, an overwhelming majority of directors indicate that performance indicators do not currently play a role in their bank's director compensation plan.



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

Respondents were asked to select all that apply.

Cash compensation, in the form of board meeting fees and annual retainers, remains the most common form of director compensation. The cash retainer is more commonly used among larger banks. Ninety-five percent of banks with assets greater than \$5 billion offer an annual cash retainer for directors, and this percentage decreases along with the size of the bank, down to just 19% of respondents from banks with less than \$100 million in assets. Again, larger, publicly held banks are more likely to offer equity compensation for directors and chairmen.

Compensation Type	Board meeting fee	Board annual cash retainer	Other cash compensation	Equity compensation	Deferred Compensation /Benefits	Responses
Director Compensation	83%	49%	9%	29%	11%	251
Chairman Compensation	76%	50%	16%	26%	12%	200
Committee-Related Compensation	84%	25%	13%	13%	6%	196

Director Response

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Board meeting fee	74%	73%	84%	91%	83%	86%	83%
Board annual cash retainer	95%	76%	52%	40%	27%	19%	49%
Other cash compensation	0%	14%	14%	4%	13%	5%	9%
Equity compensation	74%	54%	18%	19%	17%	10%	28%
Deferred Compensation/Benefits	21%	8%	14%	13%	6%	5%	11%
Respondents	19	37	50	47	48	21	222

Bank Ownership Structure	Public	Private	Mutual
Board meeting fee	81%	85%	90%
Board annual cash retainer	70%	29%	60%
Other cash compensation	6%	12%	20%
Equity compensation	46%	14%	0%
Deferred Compensation/Benefits	16%	6%	10%
Respondents	99	112	10

Chairman Response

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Board meeting fee	67%	61%	74%	86%	79%	88%	76%
Board annual cash retainer	87%	67%	59%	35%	33%	19%	49%
Other cash compensation	7%	21%	21%	5%	23%	13%	16%
Equity compensation	47%	42%	21%	22%	13%	13%	25%
Deferred Compensation/Benefits	13%	9%	15%	19%	5%	6%	12%
Respondents	15	33	39	37	39	16	179

Bank Ownership Structure	Public	Private	Mutual
Board meeting fee	73%	78%	80%
Board annual cash retainer	64%	32%	60%
Other cash compensation	11%	21%	20%
Equity compensation	37%	15%	0%
Deferred Compensation/Benefits	13%	9%	20%
Respondents	83	85	10

Committee-Related Comp Response

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Board meeting fee	82%	68%	88%	95%	83%	82%	84%
Board annual cash retainer	47%	44%	23%	5%	17%	9%	24%
Other cash compensation	0%	24%	12%	11%	17%	9%	13%
Equity compensation	24%	18%	9%	14%	8%	0%	12%
Deferred Compensation/Benefits	12%	6%	2%	8%	0%	9%	5%
Respondents	17	34	43	37	36	11	178

Bank Ownership Structure	Public	Private	Mutual
Board meeting fee	83%	82%	100%
Board annual cash retainer	34%	12%	44%
Other cash compensation	11%	16%	11%
Equity compensation	17%	9%	0%
Deferred Compensation/Benefits	7%	1%	22%
Respondents	83	85	9

24. How many board and/or committee meetings did you attend in 2012?

Respondents were asked to fill in the amount. Respondents reporting a zero value were not included in the calculation of the median.

Director Response (Median)

Bank Type	Board	Executive	Audit	Compensation	Governance/ Nominating	Loan
Holding company	10	4	4	4	3	12
Lead bank	12	6	4	3	2	16

Director Response (Median)

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Board	10	12	12	12	12	12	12
Executive	4	6	6	5	4	6*	6
Audit	9	6	4	4	4	4	4
Compensation	7	4	3	3	3	2	4
Governance/ Nominating	5	4	2	2	2	2	3
Loan	N/A	12	12	14	21	12	15

Director Response (Median)

Bank Ownership Structure	Public	Private	Mutual
Board	12	12	12
Executive	5	6	3*
Audit	5	4	4
Compensation	4	3	2
Governance/Nominating	4	2	4*
Loan	12	20	10*

(* Sample Size <10)

N.A: No Data

25. Enter the cash compensation amounts for regular, full-board meetings for outside directors at your bank for fiscal year 2012:

Respondents were asked to fill in the amount. If the board only received equity compensation, respondents were asked to skip this question. Respondents reporting a zero value were not included in the calculation of the median.

Director Response (Median)

Bank Type	# of meeting per year	Fee per meeting	Annual cash retainer	Other cash compensation
Holding company	8	\$700	\$16,000	\$900*
Lead bank	12	\$571	\$9,000	\$2,500

Director Response (Median)

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
# of meeting per year	11	12	12	12	12	12	12
Fee per meeting	\$1,250	\$750	\$600	\$500	\$525	\$250	\$600
Annual cash retainer	\$30,000	\$15,000	\$10,000	\$4,000	\$7,200	\$6,000*	\$10,500
Other cash compensation	N/A	\$2,500*	\$3,500*	\$1,850*	\$850*	\$6,500*	\$2,474

Director Response (Median)

Bank Ownership Structure	Public	Private	Mutual
# of meeting per year	12	12	12
Fee per meeting	\$600	\$600	\$650
Annual cash retainer	\$13,000	\$7,200	\$15,000*
Other cash compensation	\$2,500*	\$2,224	\$2,500*

(* Sample Size <10)

N.A: No Data

26. Enter the cash compensation amounts for regular, full-board meetings for the independent chairman at your bank for fiscal year 2012:

Respondents were asked to fill in the amount. If the board only received equity compensation, respondents were asked to skip this question. Respondents reporting a zero value were not included in the calculation of the median.

Chairman Response (Median)

Bank Type	# of meeting per year	Fee per meeting	Annual cash retainer	Other cash compensation
Holding company	8	\$600	\$24,500	\$13,200*
Lead bank	12	\$500	\$14,000	\$3,000

Chairman Response (Median)

Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
# of meeting per year	7	12	12	12	12	12	12
Fee per meeting	\$1,250*	\$800*	\$600	\$500	\$600	\$325*	\$525
Annual cash retainer	\$57,500	\$22,500	\$15,000	\$12,000	\$5,400*	\$11,500*	\$15,000
Other cash compensation	\$15,000*	\$10,000*	\$10,000*	\$13,200*	\$1,000*	\$6,500*	\$6,500

Chairman Response (Median)

Bank Ownership Structure	Public	Private	Mutual
# of meeting per year	12	12	12
Fee per meeting	\$500	\$600	\$350*
Annual cash retainer	\$16,500	\$10,000	\$17,500
Other cash compensation	\$8,000*	\$3,000*	\$24,600*

(* Sample Size <10)

N.A: No Data

27. Enter the per-meeting fees your bank paid in fiscal year 2012 for each committee member:

Respondents were asked to fill in the amount. Respondents reporting a zero value were not included in the calculation of the median.

Response (Median)

Bank Ownership Structure	Executive		Audit		Compensation		Gov./Nom.		Loan	
	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr
Holding company	\$675	4	\$450	5	\$500	4	\$500	4	\$350	12
Lead bank	\$275	6	\$250	4	\$250	4	\$200	3	\$250	12

Response (Median)

Bank Asset Size	Executive		Audit		Compensation		Gov./Nom.		Loan	
	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr
More than \$5 B	\$1,250*	4*	\$1,200	9	\$1,250	7	\$1,225	6	\$1,000*	12
\$1.1 B-\$5 B	\$800*	5	\$500	5	\$500	5	\$500	4	\$500	12
\$501 M-\$1 B	\$700	6	\$300	4	\$350	4	\$350	4	\$300	16
\$251 M-\$500 M	\$200	5	\$225	4	\$200	4	\$200	2	\$200	12
\$100 M-\$250 M	\$250	4	\$250	4	\$200	4	\$200*	4	\$200	12
Under \$100 M	\$500*	12*	\$100*	4	\$100*	2*	\$150*	2*	\$100*	12*
All Asset Sizes	\$500	4	\$300	4	\$350	4	\$375	4	\$250	12

Response (Median)

Bank Asset Size	Executive		Audit		Compensation		Gov./Nom.		Loan	
	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr	Fee	Mtgs Per Yr
Public	\$500	5	\$450	6	\$500	5	\$475	4	\$350	12
Private	\$350	4	\$250	4	\$200	3	\$300	2	\$250	15
Mutual	\$200*	3*	\$250*	4	\$250*	3*	\$250*	3*	\$225*	8*

(* Sample Size <10)

28. Enter the annual retainer your bank paid in fiscal year 2012 for each committee member.

Respondents were asked to fill in the amount. Respondents reporting a zero value were not included in the calculation of the median.

Response (Median)

Bank Ownership Structure	Executive	Audit	Compensation	Governance/ Nominating	Loan
Holding company	\$12,090*	\$6,100	\$5,000*	\$5,000*	\$5,000*
Lead bank	\$5,000*	\$5,000*	\$5,000*	\$5,000*	\$3,500*

Response (Median)

Bank Asset Size	Executive	Audit	Compensation	Governance/ Nominating	Loan
More than \$5 B	\$14,590*	\$7,500*	\$12,500*	\$10,000*	\$15,000*
\$1.1 B-\$5 B	\$5,000*	\$5,000*	\$5,000*	\$5,000*	\$5,000*
\$501 M-\$1 B	\$3,750*	\$2,500*	\$3,000*	\$1,000*	\$3,500*
\$251 M-\$500 M	N/A	N/A	N/A	N/A	N/A
\$100 M-\$250 M	\$8,500*	\$2,000*	N/A	N/A	\$12,000*
Under \$100 M	N/A	N/A	N/A	N/A	N/A
All Asset Sizes	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000*

Response (Median)

Bank Ownership Structure	Executive	Audit	Compensation	Governance/ Nominating	Loan
Public	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000*
Private	\$2,000*	\$2,000*	N/A	N/A	\$1,200*
Mutual	N/A	N/A	N/A	N/A	N/A

(* Sample Size <10)

N/A: No Data

29. Enter the annual committee chairman fees your bank paid in fiscal year 2012 for each of the following committees:

Respondents were asked to fill in the amount. Respondents reporting a zero value were not included in the calculation of the median.

Response (Median)

Bank Ownership Structure	Executive Chair	Audit Chair	Compensation Chair	Governance/ Nominating Chair	Loan Chair
Holding company	\$5,000	\$5,000	\$3,500	\$4,000	\$3,000
Lead bank	\$1,000	\$600	\$750	\$500	\$1,000

Response (Median)

Bank Asset Size	Executive Chair	Audit Chair	Compensation Chair	Governance/ Nominating Chair	Loan Chair
More than \$5 B	\$15,000*	\$9,750	\$5,000	\$5,000	\$5,000*
\$1.1 B-\$5 B	\$5,000*	\$5,000	\$4,000	\$2,750	\$3,500*
\$501 M-\$1 B	\$4,000	\$2,400	\$2,700	\$2,250	\$3,000
\$251 M-\$500 M	\$900	\$1,200	\$1,200*	\$363*	\$350*
\$100 M-\$250 M	\$363	\$400	\$325	\$500*	\$300
Under \$100 M	\$2,900*	\$1,000*	\$1,000*	N/A	\$1,000*
All Asset Sizes	\$3,000	\$2,000	\$2,000	\$2,000	\$1,200

Response (Median)

Bank Ownership Structure	Executive Chair	Audit Chair	Compensation Chair	Governance/ Nominating Chair	Loan Chair
Public	\$4,900	\$5,000	\$3,600	\$4,000	\$2,500
Private	\$1,000	\$500	\$500	\$500	\$500
Mutual	\$12,000*	\$1,100*	\$1,100	\$963*	\$1,100*

(* Sample Size <10)

N/A: No Data

30. What is the total cost of any additional benefits received by the average director on your bank's board in 2012?

Respondents were asked to record the average expense cost to the bank per director for all additional benefits, such as health insurance, life insurance, disability and retirement benefits. Respondents reporting a zero value were not included in the calculation of the median.

Response (Median)

Bank Ownership Structure	Average \$ value of other benefits
Holding company	\$4,500
Lead bank	\$4,000

Response (Median)

Bank Asset Size	Average \$ value of other benefits
More than \$5 B	\$120,000*
\$1.1 B-\$5 B	\$3,250*
\$501 M-\$1 B	\$5,000*
\$251 M-\$500 M	\$2,500
\$100 M-\$250 M	\$8,600*
Under \$100 M	\$6,000*
All Asset Sizes	\$4,500

Response (Median)

Bank Ownership Structure	Average \$ value of other benefits
Public	\$3,250
Private	\$5,000
Mutual	\$5,000*

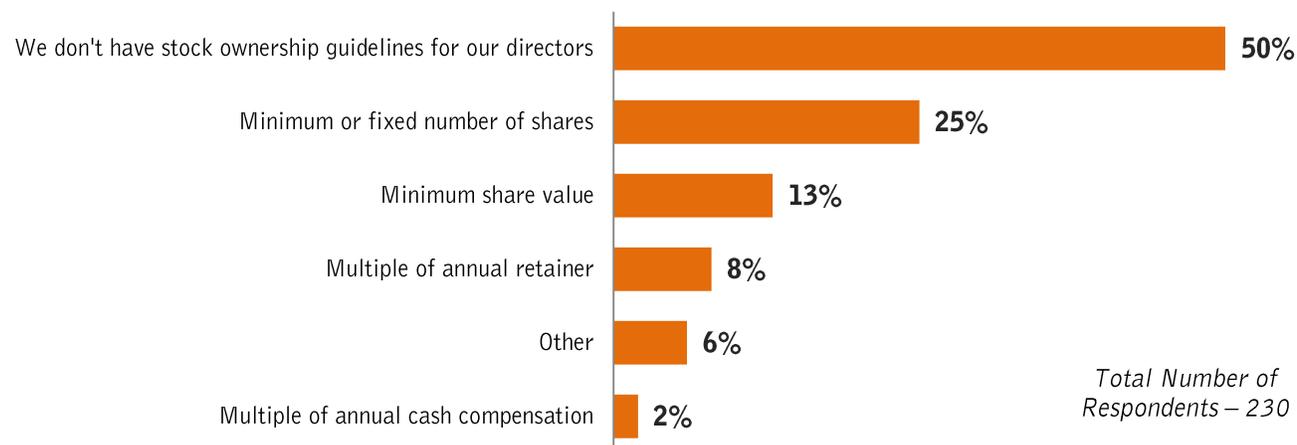
(* Sample Size <10)

N/A: No Data

31. Please indicate the requirements included in the stock ownership guidelines for your directors?

Respondents were asked to select all that apply.

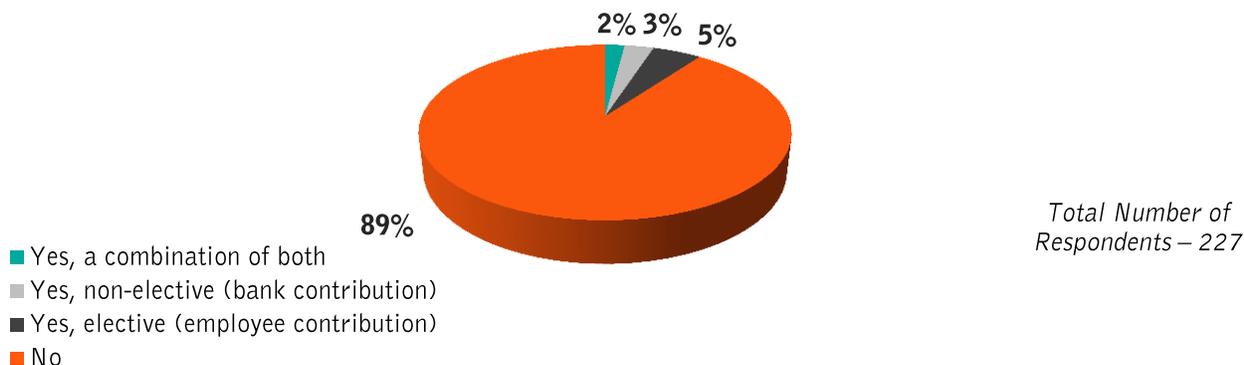
Respondents reporting that their banks have stock ownership guidelines rose by 4 percentage points since the 2012 survey. A minimum or fixed number of shares remains the top requirement. Larger banks are more likely to have these guidelines. Multiple of annual retainer is a requirement used almost exclusively by banks with more than \$1 billion in assets, with more respondents choosing this requirement over minimum or fixed number of shares, which was the top requirement at banks with less than \$1 billion in assets.



Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Multiple of annual retainer	38%	26%	0%	2%	0%	0%	8%
Multiple of annual cash compensation	5%	8%	0%	0%	2%	0%	2%
Minimum or fixed number of shares	33%	21%	24%	22%	27%	22%	25%
Minimum share value	10%	8%	12%	12%	21%	9%	13%
Other	0%	8%	10%	4%	4%	4%	6%
We don't have stock ownership guidelines for our directors.	24%	34%	56%	63%	48%	65%	50%
Total Responses	21	38	50	49	48	23	

32. Does your bank provide any non-qualified deferred compensation plans that are designed to supplement retirement programs as a director?

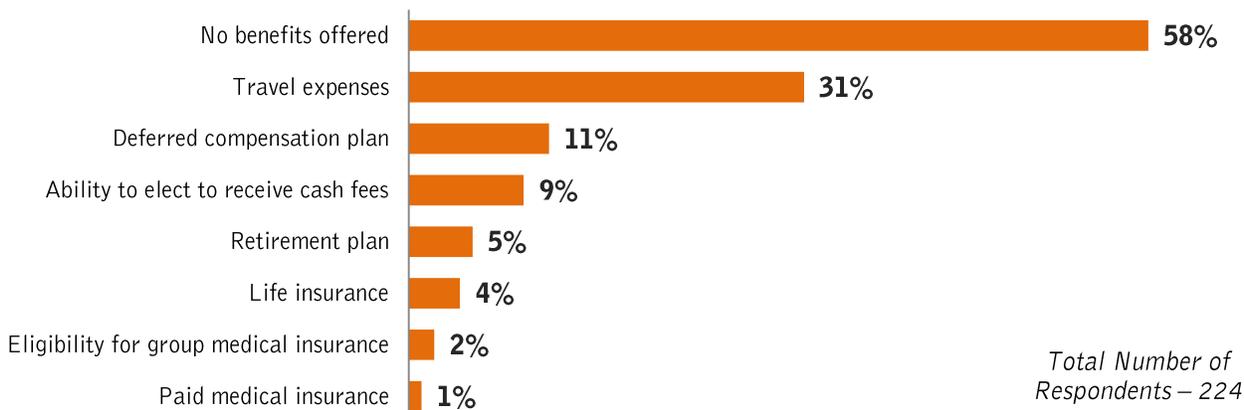
The overwhelming majority of respondents indicate that their bank does not provide a non-qualified deferred compensation plan for board members.



33. If outside directors at your bank receive benefits, which of the following are offered?

Respondents were asked to select all that apply.

Perhaps indicating a trend in the banking industry, respondents reporting that they receive no benefits rose by 12 percentage points from 2012.

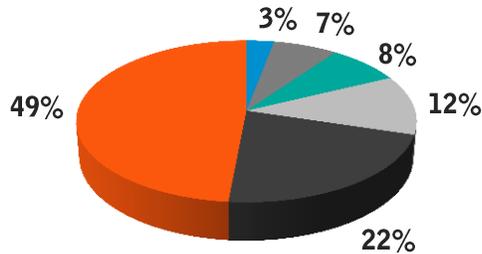


Bank Asset Size	More than \$5 B	\$1.1 B - \$5 B	\$501 M - \$1 B	\$251 M - \$500 M	\$100 M - \$250 M	Under \$100 M	All Asset Sizes
Life insurance	15%	5%	2%	4%	2%	0%	4%
Paid medical insurance	0%	3%	2%	0%	2%	0%	1%
Eligibility for group medical insurance	0%	5%	0%	2%	4%	0%	2%
Travel expenses	55%	42%	36%	25%	21%	17%	31%
Deferred compensation plan	25%	21%	6%	8%	9%	0%	11%
Retirement plan	5%	11%	4%	2%	4%	0%	5%
Ability to elect to receive cash fees	5%	11%	11%	13%	6%	0%	9%
No benefits offered	40%	37%	53%	63%	68%	83%	58%
Respondents	20	38	47	48	47	23	

ABOUT THE RESPONDENTS

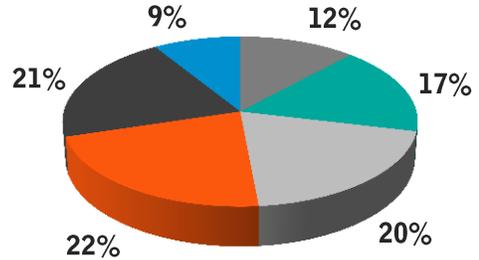
In March, Bank Director surveyed by email CEOs, directors and chairmen at banks across the United States to determine compensation trends for 2013. Outside directors accounted for 49 percent of response. Response across asset categories was most prevalent among banks with assets between \$100 million and \$5 billion. Response among directors and officers from public and private banks was almost evenly split, with 8 percent of respondents from mutual banks. Thirty-nine percent of respondents were based in the Midwest.

Title Breakdown



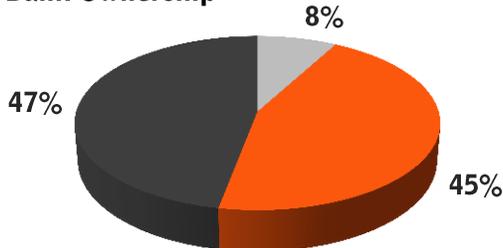
- Lead director
- Inside director
- Other
- Board chair
- CEO
- Outside director

Size of Bank



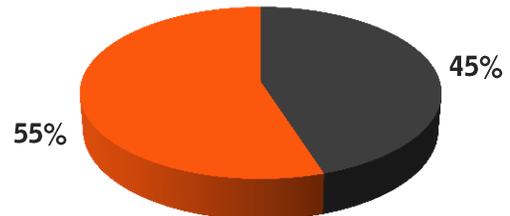
- More than \$5 billion
- \$1.1 billion - \$5 billion
- \$501 million - \$1 billion
- \$251 million - \$500 million
- \$100 million - \$250 million
- Under \$100 million

Bank Ownership



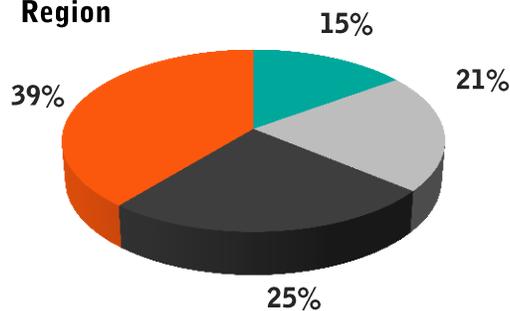
- Mutual
- Public
- Private

Is the Chairman of the Board an Inside Director or Outside Director?



- Inside
- Outside

Region



- West
- Northeast
- South
- Midwest