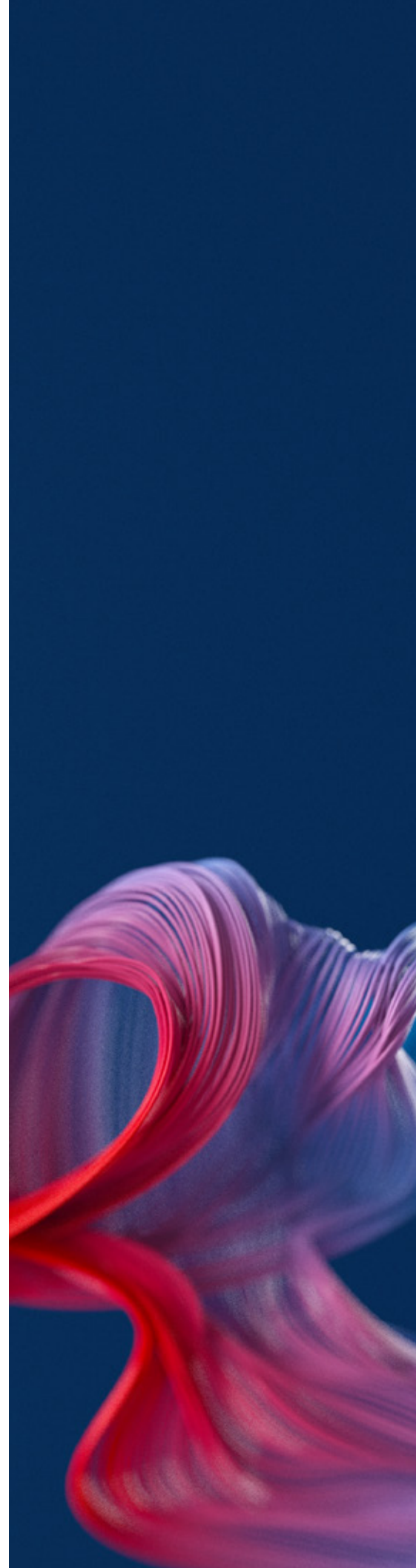


2020 Spencer Stuart Financial Sector Snapshot

Boards of financial sector companies in the S&P 500 index — a universe of 65 companies — tend to be slightly larger, older, longer-tenured and more gender diverse than S&P 500 boards as a whole.

- » The average age of independent directors on financial boards is 64.2 years, compared to 63.0 years for S&P 500 boards.
- » The youngest financial board averages 57.5 years of age, the oldest, 72.8.
- » Financial sector boards average 11.9 directors, larger than the 10.7-member average for S&P 500 boards and the largest of all S&P 500 primary sectors.
- » Independent directors represent 87% of all directors on financial sector boards, higher than the 85% S&P 500 average.
- » The average board tenure of independent directors on financial sector boards is 8.5 years, slightly longer than the 7.9 year average for the S&P 500 index and the second longest for all S&P 500 primary sectors.
- » The longest-tenured financial sector board averages 18.3 years of board service.

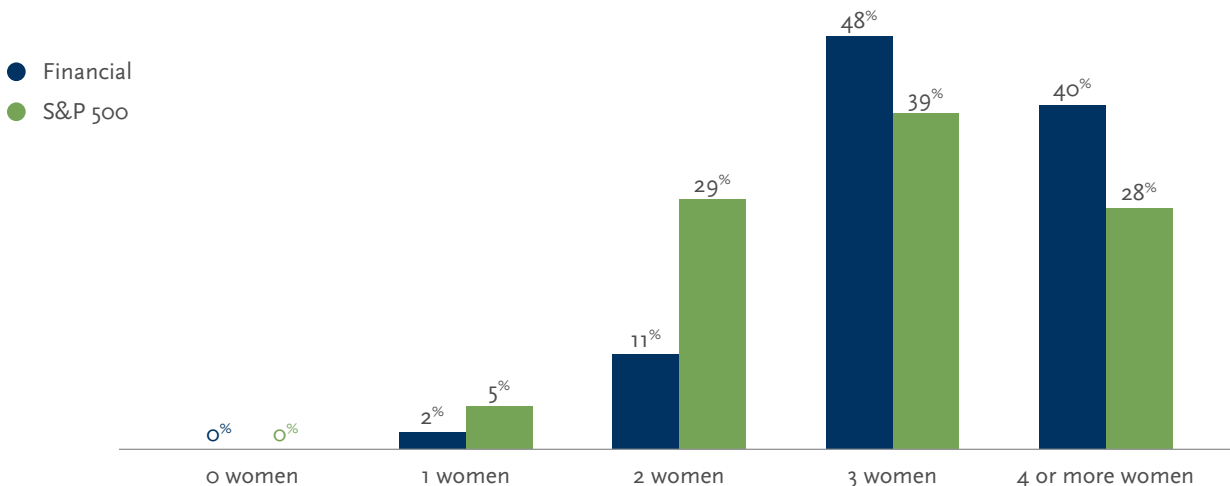


Diversity

Gender diversity of financial boards slightly outpaces the S&P 500 universe, with women representing 29% of all financial sector board members in 2020, compared to 28% of S&P 500 directors.

Every S&P 500 board has at least one female director. Ninety-five percent (95%) of the S&P 500 index have at least two female directors, and two-thirds (67%) of S&P 500 boards have three or more female directors. In contrast, 88% of the boards in the financial sector have three or more women directors, the second highest percentage of all S&P 500 primary sectors. Thirteen S&P 500 boards are composed of at least 50% women; one financial sector board is 50% female.

Representation of Women Directors on Financial Boards



When it comes to race/ethnic diversity of the boardroom, 19% of the directors of the 27 financial companies in the top 200 companies are minorities (defined as Black/African American, Hispanic/Latinx and Asian), slightly below the 20% average for the S&P 500 index. The diversity breakdown of financial sector boards varies slightly from the S&P 500: 12% Black/African American (compared to 10% of S&P 500 directors); 4% Hispanic/Latinx (compared to 4% S&P 500); and 3% Asian (compared to 5% S&P 500). According to the U.S. Census Bureau, about 40% of the U.S. population is estimated to be a minority, including 18.5% Hispanic/Latinx, 13.4% Black/African American, 5.9% Asian.

New independent director backgrounds

Thirty-seven companies — 57% of the 65 surveyed S&P 500 financial sector companies — added at least one director over the past year. Appointees averaged 59.4 years of age, higher than the 57.8 average for all independent directors joining S&P 500 boards and the second highest average age of all sectors in the S&P 500. First-time directors represented 42% of directors joining financial sector boards — significantly higher than the 28% overall average for the S&P 500 and the highest percentage of all primary sectors in the S&P 500.

Half of the 50 directors joining financial boards over the past year are diverse directors; 40% are women; 10% are minority men. The appointments lag the S&P 500, where 59% of directors are diverse, including 47% women and 12% minority men.

Just over one-third (36%) of the directors joining financial sector boards are actively employed, the lowest percentage of all S&P 500 primary sectors. In contrast 49% of independent directors joining S&P 500 boards in 2020 are active executives.

Compared to the S&P 500 incoming class, financial sector boards recruited a significantly higher percentage of financial professionals, with 42% having experience as a financial executive, investment manager, banker, public accountant or similar financial role. The sector appointed no division or subsidiary executives, academics or lawyers. The lion's share (92%) of additions to finance sector boards are finance/accounting professionals (42%); current or former CEOs (30%); line/functional leaders (14%); and other top corporate executives (6%).

	2020 Financials	2020 S&P 500
CEOs	30%	29%
<i>Active</i>	10%	13%
<i>Retired</i>	20%	16%
Chairs/presidents/COOs	6%	6%
<i>Active</i>	2%	3%
<i>Retired</i>	4%	3%
Line and functional leaders	14%	16%
Division/subsidiary presidents	0%	7%
Finance/accounting executives	42%	27%
<i>Financial executives/CFOs/treasurers</i>	10%	14%
<i>Investment managers/investors</i>	10%	8%
<i>Bankers/investment bankers</i>	20%	4%
<i>Public accounting executives</i>	2%	1%
Academics/nonprofit executives	0%	3%
Consultants	2%	3%
Legal	0%	2%
<i>General counsel</i>	0%	2%
<i>Lawyers</i>	0%	0%
Others	6%	7%
<i>Government/military</i>	2%	5%
<i>Others</i>	4%	2%

Board leadership

Most financial sector CEOs also serve as board chair. The chair and CEO roles are separated at only 40% of financial sector boards — significantly lower than the 55% average for the S&P 500 index and the lowest percentage of all sectors in the S&P 500 index. Executive chairs are in place at 6% of financial sector boards, compared to 13% for the S&P 500 and the second lowest percentage of all sectors in the S&P 500 index. Independent chairs are in place at 31% of financial sector boards (compared to 34% of the S&P 500), while 78% of financial sector boards have an independent lead director (compared to 73% of the S&P 500).

Board organization and process

Compared to the S&P 500 index, financial sector boards and their committees tend to be larger and meet more frequently than the S&P 500 index. The sector held the most board and audit committee meetings of all primary sector companies in the S&P 500. Relatively fewer financial sector companies have a classified board. A higher percentage of financial sector boards — 74% — have age limits for directors, compared to 70% of S&P 500 boards.

Financial sector boards average the second highest number of committees of all primary sectors in the S&P 500, averaging just under five committees. In addition to audit, compensation and nominating/governance committees — in place at all financial sector companies — 64% have a risk committee, a requirement for many financial services companies; 38% have an executive committee; 28% have a finance committee; and 18% have a technology committee.

	2020 Financials	2020 S&P 500
Classified board	5%	10%
Board meetings (avg #)	9	7.9
Board committees (avg #)	4.9	4.2
Audit committee		
<i>Size (avg #)</i>	5	4.4
<i>Meetings (avg #)</i>	10.1	8.2
Compensation committee		
<i>Size (avg #)</i>	4.7	4.3
<i>Meetings (avg #)</i>	6.2	5.9
Nominating/governance committee		
<i>Size (avg #)</i>	4.6	4.4
<i>Meetings (avg #)</i>	5.3	4.5
Mandatory retirement	74%	70%
Retirement age (avg)	73.7	73.6

Financial sector companies

AFLAC	Globe Life	State Street Corporation
American Express Company	Huntington Bancshares	SVB Financial Group
American International Group	IntercontinentalExchange	Synchrony Financial
Ameriprise Financial	Invesco	T. Rowe Price Group
Aon plc	JPMorgan Chase & Co.	The Allstate Corporation
Arthur J. Gallagher & Co.	KeyCorp	The Bank of New York Mellon Corporation
Assurant	Lincoln National Corporation	The Charles Schwab Corporation
Bank of America Corporation	Loews Corporation	The Goldman Sachs Group
Berkshire Hathaway	M&T Bank Corporation	The Hartford Financial Services Group
BlackRock	MarketAxess Holdings	The PNC Financial Services Group
Capital One Financial Corporation	Marsh & McLennan Companies	The Progressive Corporation
Cboe Global Markets	MetLife	The Travelers Companies
Chubb Limited	Moody's Corporation	Truist Financial Corporation
Cincinnati Financial Corporation	Morgan Stanley	U.S. Bancorp
Citigroup	MSCI	Unum Group
Citizens Financial Group	Nasdaq	W. R. Berkley Corporation
Comerica	Northern Trust Corporation	Wells Fargo & Company
Discover Financial Services	People's United Financial	Willis Towers Watson Public Limited Company
E*TRADE Financial Corporation	Principal Financial Group	Zions Bancorporation
Everest Re Group	Prudential Financial	
Fifth Third Bancorp	Raymond James Financial	
First Republic Bank	Regions Financial Corporation	
Franklin Resources	S&P Global	

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