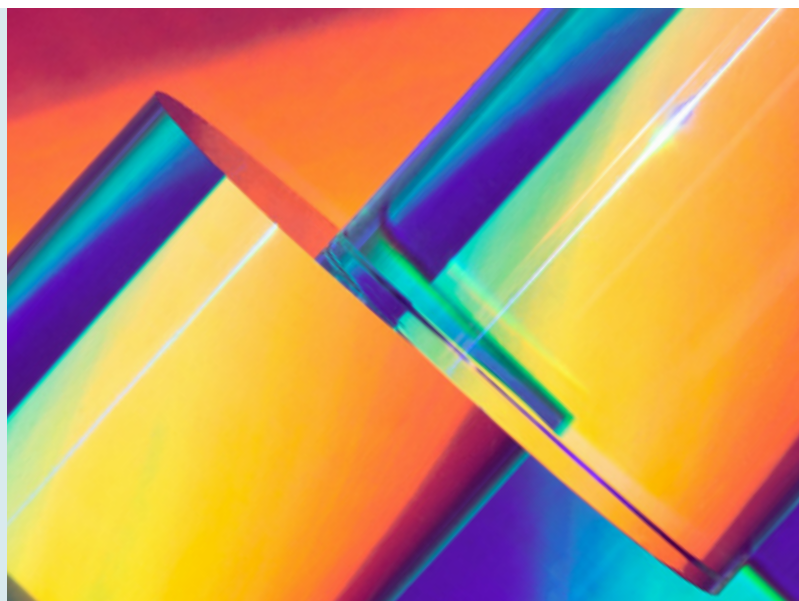


2021 Spencer Stuart Financials Sector Snapshot



Boards of financial sector companies in the S&P 500 index — a universe of 63 companies — tend to be larger, older, longer-tenured and the most diverse of all S&P 500 boards.

- » The average age of independent directors on financial boards is 64.1 years, compared to 63.0 years for S&P 500 boards overall, and the second oldest of all sectors.
- » The youngest financial board averages 57.9 years of age, the oldest, 73.8.
- » Financial sector boards average 12.4 directors, larger than the 10.8-member average and the largest of all primary sectors.
- » Independence of financial boards averages 87%, compared to 86% for S&P 500 boards overall.
- » The average board tenure of independent directors on financial sector boards is 8.3 years, longer than the 7.8-year average and the second longest for all S&P 500 primary sectors.
- » The longest-tenured financial sector board is 16.0 years.

Editor's Note: The data in this report is taken from the 2021 *U.S. Spencer Stuart Board Index* which is based on our analysis of the most recent proxy reports from the S&P 500. The 2021 edition of the index draws on the latest DEF14A proxy statements from 493 companies filed with the SEC between May 28, 2020, and May 13, 2021.

Data in tables and charts may not total 100% due to rounding.

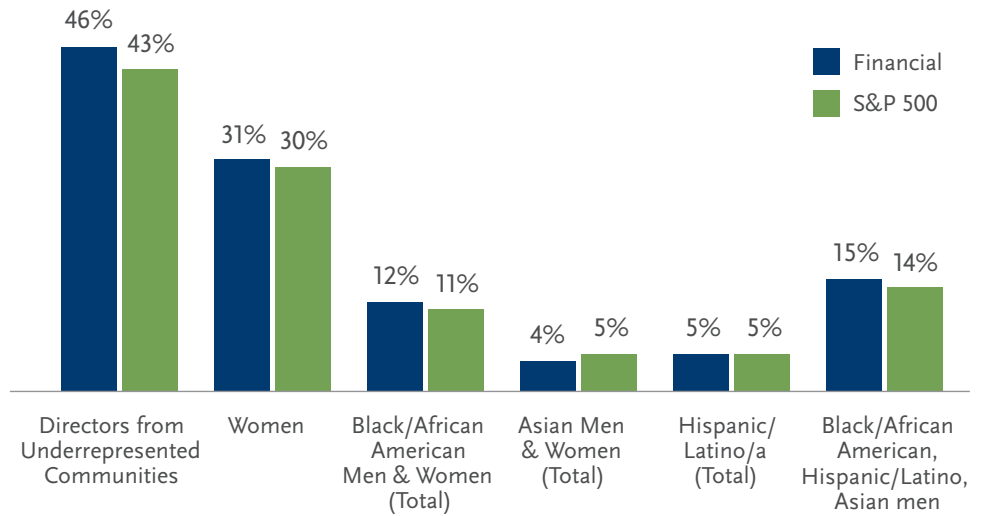
Diversity

The diversity of financial boards outpaces the S&P 500 universe, with directors from underrepresented communities (women, Black/African American, Hispanic/Latino and Asian men) constituting 46% of directors on financial boards, compared with 43% of S&P 500 boards — the highest of all sectors. Women represent 31% of all financial board members in 2021, compared to 30% of S&P 500 directors and the second highest (tied with real estate) of all sectors.

Both the financial sector and the S&P 500 index fall short of reflecting U.S. demographics, where according to the U.S. Census Bureau, 51% of the U.S. population are women and about 42% identify as Hispanic/Latino/a (18.5%), Black/African American (13.4%), Asian (5.9%), American Indian or Alaskan native (1.3%), or multiracial (2.8%).

Thirty percent (30%) of financial companies disclosed director-specific race/ethnicity details, compared with 28% of all S&P 500 companies. Thirty-seven percent (37%) of the sector disclosed a commitment to including directors from underrepresented communities in searches for new directors, just below the 39% average of S&P 500 companies.

DIVERSITY OF FINANCIAL BOARDS



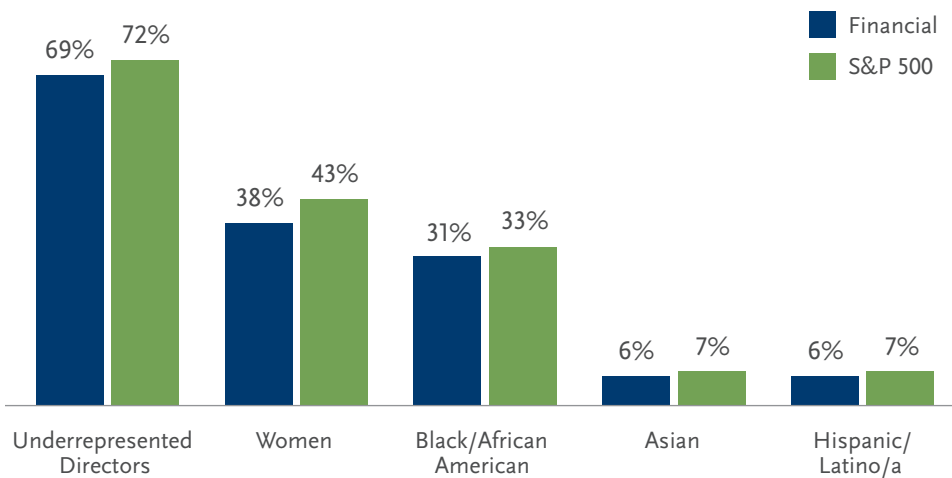
One financial board (2% of the sector) has no Black/African American, Hispanic/Latino/a or Asian directors. In contrast, 37 (8%) S&P 500 boards have no Black/African American, Hispanic/Latino/a and Asian directors. Ninety-six percent (96%) of the S&P 500 index have at least two female directors, and two thirds (72%) have three or more female directors. In contrast, 92% of financial boards have three or more women directors, the highest of all sectors. Sixteen S&P 500 boards are composed of at least 50% women, including two financial boards.

New independent director backgrounds

Forty companies — 63% of the surveyed S&P 500 financial companies — have added at least one independent director over the past year. Appointees averaged 56.8 years of age, below the 57.5 average for all independent directors joining S&P 500 boards. First-time directors represented 37% of independent directors joining financial boards, compared to a 35% overall average.

Directors from underrepresented communities constituted 69% of the 68 independent directors joining financial boards over the past year, compared to 72% of directors joining S&P 500 boards.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING FINANCIAL BOARDS



Fifty-six percent (56%) of the independent directors joining financial boards are actively employed, equal to 56% of independent directors joining S&P 500 boards overall. Compared to the S&P 500 incoming class of independent directors, in 2021, financial boards recruited a higher percentage of financial executives and the highest percentage of bankers/investment bankers.

NEW INDEPENDENT DIRECTOR FUNCTIONAL BACKGROUNDS

	2021 Financials	2021 S&P 500
CEOs	22%	22%
<i>Active</i>	13%	12%
<i>Retired</i>	9%	10%
Chairs/presidents/COOs	6%	4%
<i>Active</i>	1%	2%
<i>Retired</i>	4%	2%
Line/functional leaders	22%	21%
Division/subsidiary leaders	9%	12%
Finance/accounting executives	34%	27%
<i>Financial executives/CFOs/treasurers</i>	12%	13%
<i>Investment managers/investors</i>	12%	8%
<i>Bankers/investment bankers</i>	10%	3%
<i>Public accounting executives</i>	0%	3%
Academics/nonprofit executives	0%	4%
Consultants	1%	1%
Legal	6%	4%
Others	0%	5%

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 59% average for the S&P 500 index and the lowest percentage of all sectors. Executive chairs are in place at 10% of financial sector boards, compared to 15% for the S&P 500 — the second-lowest percentage of all sectors. Independent chairs are in place at 27% of financial sector boards, compared to 37% of the S&P 500 and tied with the communication services sector as the lowest of all primary sectors. Independent lead directors are in place at 79% of financial sector boards, compared to 70% 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, audit committee and nominating/governance committee meetings of all primary sector companies in the S&P 500.

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 — 65% have a risk committee, a requirement for many financial services companies; 43% have an executive committee; 32% have a finance committee; and 21% have a technology committee.

BOARD ORGANIZATION AND PROCESS

	2021 Financials	2021 S&P 500
Classified board	5%	10%
Board meetings (avg #)	11.8	9.4
Board committees (avg #)	4.9	4.2
Audit committee		
<i>Size (avg #)</i>	5.0	4.5
<i>Meetings (avg #)</i>	10.5	8.4
Compensation committee		
<i>Size (avg #)</i>	4.8	4.3
<i>Meetings (avg #)</i>	6.6	6.2
Nominating/governance committee		
<i>Size (avg #)</i>	4.7	4.4
<i>Meetings (avg #)</i>	5.4	4.7
Mandatory retirement	76%	70%
Retirement age (avg)	73.8	73.7

Financial Sector Companies

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



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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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