

BDO 600

Board Director Compensation Trends in Banking



Director compensation among middle market public companies is up 12 percent in fiscal year 2013, a significant jump from the 3 percent increase in the previous year, according to an analysis of 600 companies conducted by BDO USA, LLP, a leading accounting and consulting organization.

While director compensation rose double digits on average, board compensation in the banking sector only saw a 4 percent increase, the second lowest in the survey. For the 2013 fiscal year, the average compensation for banking industry board members continues to remain the lowest with an average of \$67,301 (up from \$64,716 last year), while technology and energy hold their positions as the highest paid sectors, with average total compensation of \$194,341 and \$168,214, respectively.

“The banking sector continues to struggle – and along with it so does director compensation. However, the slight 4 percent increase does lean toward the right direction and, as economic conditions improve, this flat trend we’ve been seeing may finally start to trend upward,” says **Randy Ramirez, a senior director in the Global Employer Services Practice at BDO.**

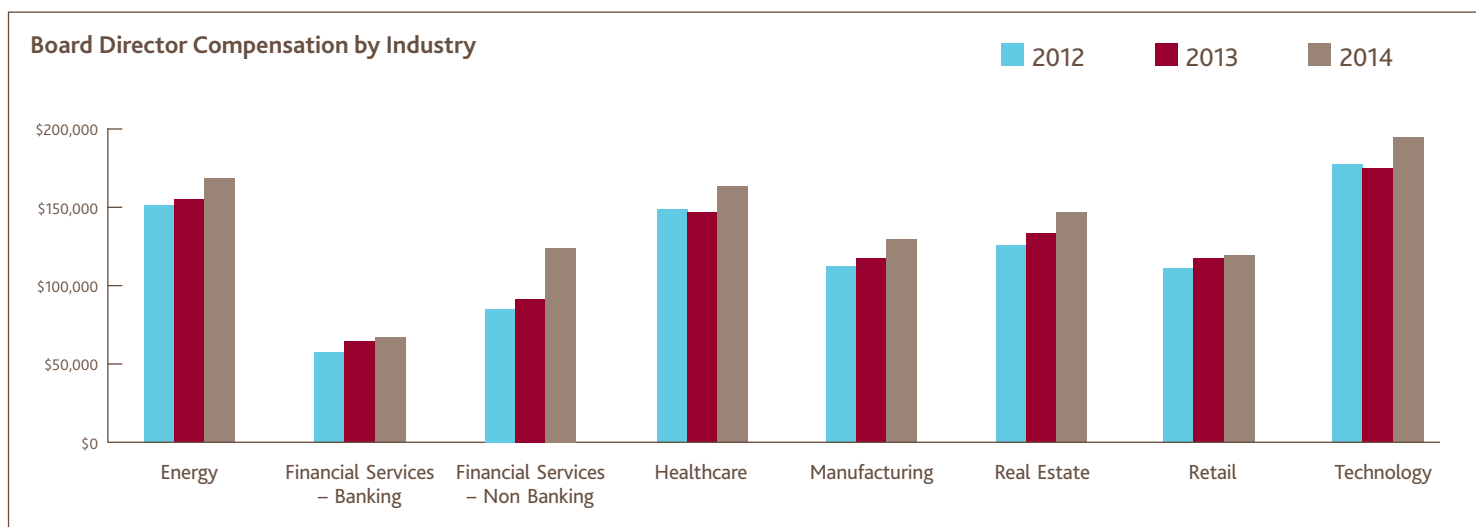
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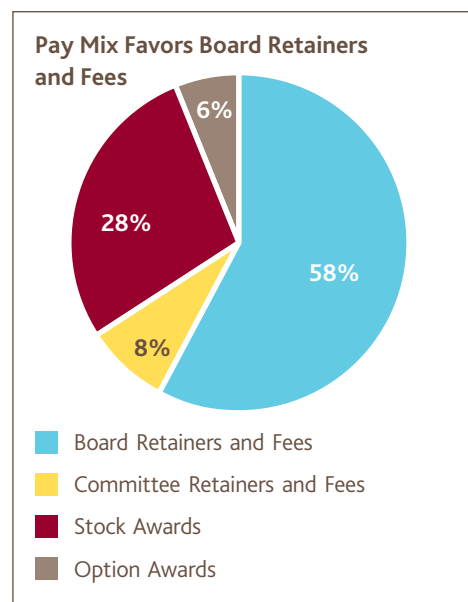


BANKING BOARD COMPENSATION HOLDS STEADY

Average total director compensation at banking companies remains somewhat flat this year, with only a 4 percent increase, the second lowest change of any industry. Banking companies continue to feel the stigma from their bailout and the resulting increase in regulatory and compliance pressures. However, improving economic conditions have enabled compensation to reflect the increase in job responsibility, complexity and overall demands of the industry.

PAY MIX FAVORS BOARD RETAINERS AND FEES

Director compensation at middle-market banking companies is comprised primarily of board retainers and fees (58 percent), the highest percentage of pay via cash compared to companies in other industries. The second highest compensation category is stock awards (28 percent) followed by committee retainer and fees (8 percent) and stock options (6 percent).



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