

# Financial Services Executive Compensation

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## *Review of 2026 Proxy Disclosures*

June 9, 2026

# Introduction

Johnson Associates analyzed proxy disclosures of 58 U.S. financial services firms to show how pay evolved in 2025. Analysis focuses on 3-year period from 2023 to 2025 to provide more meaningful trends.

## Topics:

- CEO / average NEO total compensation with change from prior years
- CEO vs. average NEO compensation ratio
- CEO / average NEO pay mix by element
- Long-term vehicle prevalence (restricted shares, performance shares, options)
- One-time award prevalence
- Common vesting timeframes
- Equity ownership requirements
- Board of Director compensation
- Committee member compensation

## Sectors:

- Major Banks
- Asset Management
- Insurance
- Credit Card / Payments
- Regional Banks
- Boutique Investment Banks

## Key Takeaways

- Executive compensation increases continue to be generally higher than firm-wide pool changes
- Executive pay mix relatively stable from 2023 to 2025
- PSUs are predominant LTIP vehicle, except at boutique investment banks with heavier RSU use
- Options used less frequently, with noticeable exceptions such as insurance and credit card / payments companies
- Select firms continued granting carry to executives in 2025; likely broader adoption going forward
- One-time awards increased in 2025; perhaps a result of lower proxy advisory influence
- 3-year vesting is predominant practice. Longer periods at boutique investment banks
- Most firms express ownership requirements as multiple of salary, with actual holdings significantly higher
- Increase in Director compensation; larger 2-year adjustments at regional banks

# 2026 Proxy Disclosure Sample Set

*Firms analyzed by Johnson Associates for year-end 2025 pay trends*

Major Banks	Asset Management	Insurance	Credit Card / Payments	Regional Banks	Boutique Investment Banks
Bank of America	Affiliated Managers	Aflac	American Express	Citizens	Evercore Partners
Citigroup	AllianceBernstein	AIG	Capital One	Fifth Third	Houlihan Lokey
Goldman Sachs	Ameriprise Financial	Allstate	Fiserv	Huntington Bancshares	Jefferies
JPMorgan Chase	BlackRock	Chubb Group	Mastercard	KeyCorp	Lazard
Morgan Stanley	BNY Mellon	Hartford Financial	PayPal	M&T Bank	Moelis & Company
Wells Fargo	Charles Schwab	Lincoln National	Visa	PNC	Oppenheimer
	Federated Hermes	Marsh & McLennan		Regions Financial	Perella Weinberg
	Franklin Resources	MetLife		Truist Financial	Piper Sandler
	Invesco	Principal Financial		US Bancorp	PJT Partners
	Janus Henderson	Progressive			Raymond James
	Northern Trust	Prudential			Stifel
	State Street	Travelers			
	T. Rowe Price				

Note: Firm list adjusted from prior year. Removed Corebridge and Comerica; added PayPal

# 2023 to 2025 CEO / NEO Pay Trends

## 2025 average CEO and NEO compensation with median changes from 2023 / 2025

- CEO and NEO pay up from 2023 / 2024
  - Largest increase for major banks given strong performance from trading volume and M&A activity
- Executive compensation increases often outpaced firm-wide pools suggesting continued de-link
- Pay ratio of CEO to average NEO varies across sectors
  - Credit card companies, insurance firms, asset managers, and regional banks often around 3:1 or more
  - Boutique investment banks around 2.5:1
  - Major banks has the lowest ratio at less than 2:1
  - Reflects different compensation paradigms (i.e., “partner like” vs. traditional corporate structures)

Sector	CEO			NEO			CEO vs. Avg NEO Ratio
	2025 Pay (\$M)	'25 vs. '24	'25 vs. '23	2025 Pay (\$M)	'25 vs. '24	'25 vs. '23	
Major Banks	\$43.0	21.3%	37.3%	\$24.9	17.4%	41.8%	1.7x
Credit Card / Payments	\$35.4	7.2%	24.3%	\$11.5	10.3%	28.3%	3.1x
Insurance	\$22.6	11.1%	19.6%	\$6.5	(1.9%)	12.5%	3.5x
Asset Management	\$21.8	18.2%	49.5%	\$6.3	5.1%	11.7%	3.5x
Regional Banks	\$15.3	16.1%	33.3%	\$5.2	4.4%	22.9%	3.0x
Boutique Investment Banks	\$13.1	(8.1%)	46.8%	\$5.8	3.7%	27.0%	2.3x

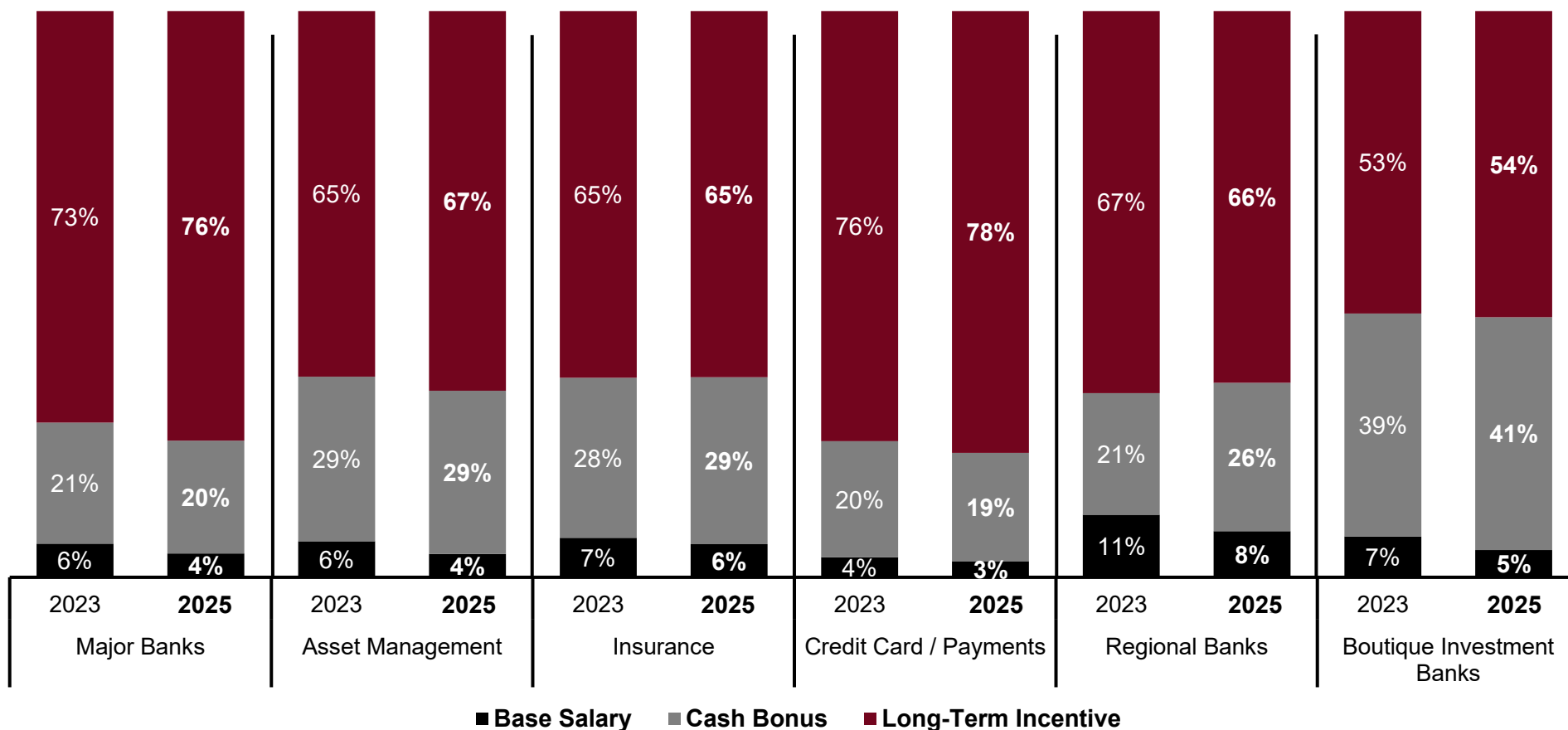
\* Ordered on 2025 average CEO pay from highest to lowest sector

- Pay levels represent industry averages; competitive ranges vary by firm on peer group, scale, business dynamics, responsibilities, etc.
- Figures exclude compensation from one-time awards and incumbent changes

# Average CEO Pay Mix

## CEO pay mix across base, bonus, and long-term from 2023 to 2025

- Pay mix relatively stable over three-year period
- CEO base salary less than 10% of total compensation
  - Pay increases primarily through incentive-based compensation to align with performance; consistent with market trends
- Long-term incentives comprise majority of total compensation; exception of boutique investment banks around 50%

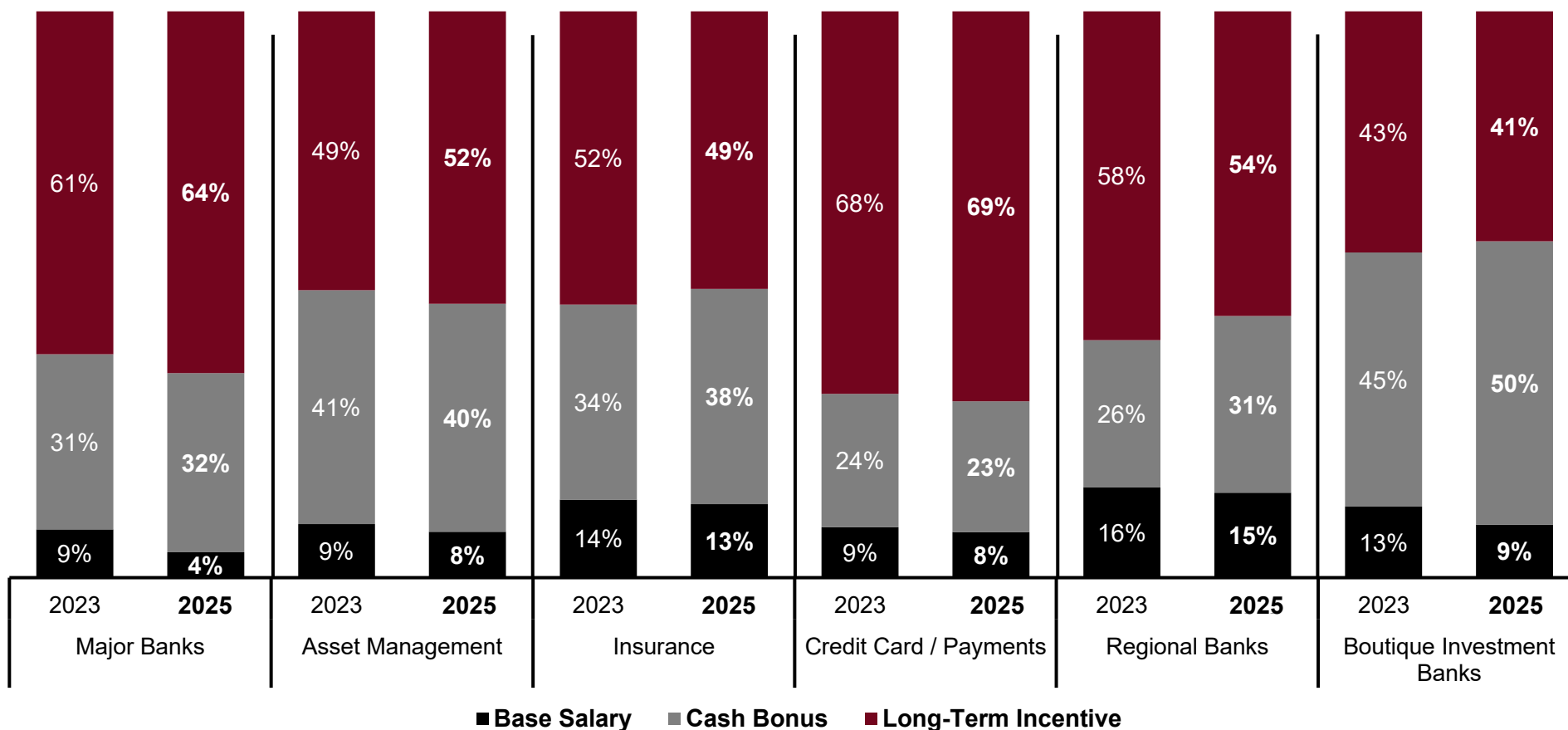


- Note: 2024 pay mix not shown as percentages largely stable across all 3 years
- One-time awards not included due to variability in timing of grants and size of awards

# Average NEO Pay Mix

## NEO pay mix across base, bonus, and long-term from 2023 to 2025

- NEO pay mix stable but more variable than CEOs over three-year period; LTI  $\cong$  10% lower than CEOs
- 5% to 15% of total compensation as base salary
  - Major bank NEO moderately lower than other sectors
- Typically 50%+ of total compensation in long-term; boutique investment banks lower



- Note: 2024 pay mix not shown as percentages largely stable across all 3 years
- One-time awards not included due to variability in timing of grants and size of awards

# Long-Term Vehicle Usage

## *LTIP vehicle usage and average % of total long-term compensation for CEO and NEOs*

- Performance shares are the most consistently used long-term vehicle
  - Shareholder advisory-driven trend
  - Exception at boutique investment banks with RSUs
- Restricted shares are 2<sup>nd</sup> most common vehicle
  - Higher proportion of NEO long-term compensation than CEO
  - Less common at insurance firms
  - More common at boutique investment banks
- Firms in insurance, payments, and regional banking continue to grant stock options
  - Less common in most areas to avoid perception of excessive risk taking

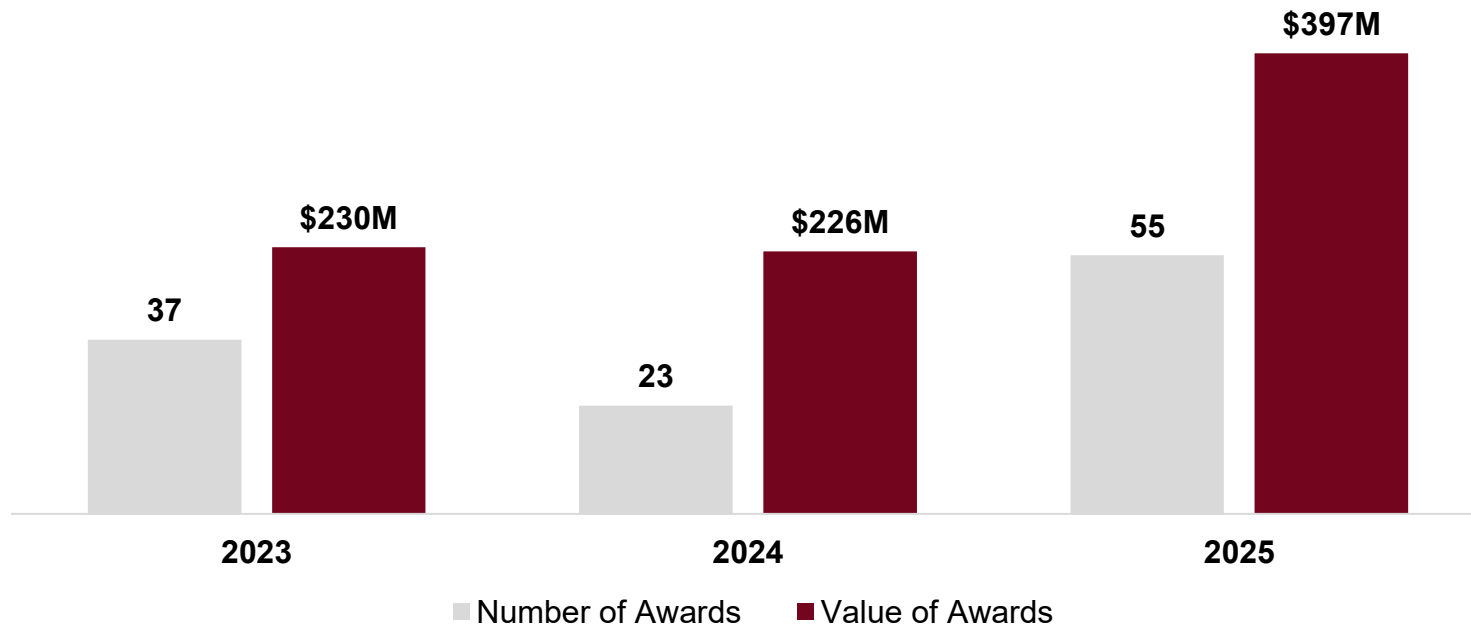
Sector	Prevalence (% of Firms)			% of CEO Long-Term Comp			% of NEO Long-Term Comp		
	RSUs	PSUs	Options	RSUs	PSUs	Options	RSUs	PSUs	Options
Major Banks	83%	100%	17%	20%	79%	2%	39%	59%	2%
Asset Management	92%	92%	15%	34%	61%	4%	43%	52%	5%
Credit Card / Payments	67%	100%	58%	9%	75%	16%	17%	72%	11%
Insurance	83%	100%	33%	25%	68%	8%	32%	60%	8%
Regional Banks	100%	100%	22%	38%	60%	2%	40%	58%	1%
Boutique Investment Banks	91%	64%	0%	65%	35%	0%	73%	27%	0%

- Note: For Major Banks, “Options” reflect carried interest awards

# One-Time Awards

## *One-time awards and aggregate dollar value granted from 2023 to 2025*

- Noticeable uptick in one-time 2025 awards
  - Increased frequency and dollar amounts over the 3-year period
  - Growing use of multi-year “retention award” programs
  - Use of performance options with longer periods and outsized “value creation” payouts
- CEO awards were minority of total one-time awards (i.e., 20% to 25%), but the majority of total dollar value (i.e., 65% to 70%)
- Over 3-year period, fewer one-time awards at major banks and insurance firms on per firm basis
  - More common in asset management, credit card / payments, and regional banking sectors



- Note: small sample set may have outsized impact on outcomes
- Replacement awards excluded from analysis to focus on additional economics; defined as compensation for forfeited awards from leaving prior employer

# LTIP Vesting Schedules and Vehicles

## Summary of LTIP vesting schedules

- Most firms use 3-year long-term vesting only ( $\cong 60\%$ )
  - Table highlights prevalence of firms with vesting longer than 3 years
  - Most common alternative is 4 to 5 years with highest prevalence at boutique investment banks
- Many firms use multiple LTIP components to compensate executives
  - Of the firms that have vesting longer than 3 years, this may only apply to one of their long-term vehicles
  - Overall, only 20% to 25% of LTIP types have vesting longer than 3 years
    - Use more at boutique investment banks and asset management
- Vesting by vehicle mainly consistent across sectors
  - RSUs predominantly pro-rata; select use of back-loaded vesting at major banks and regional banks
  - PSUs near universally cliff-based; boutique investment banking notable exception
  - Where used, options vest pro-rata

Sector	% of Firms with Vesting > 3 Years	Other Common Implementations
Major Banks	33%	▪ 4 years
Credit Card / Payments	0%	▪ N/A
Insurance	25%	▪ 4 years ▪ Select examples of 5 year
Asset Management	62%	▪ 4 years ▪ Select examples of 5+ years
Boutique Investment Banks	73%	▪ 4 to 5 years
Regional Banks	33%	▪ 4 years

# Ownership Requirements

## *Common CEO / NEO ownership requirements and dollar value* (calculations include non-multiple amounts)

- Predominant ownership requirement for CEOs and NEOs defined as a multiple of base salary
  - Common multiple range and corresponding \$ amount shown
  - Dollar amounts lowest at regional banks and boutique investments banks despite standard multiple requirements, reflecting lower base salaries
- Other approaches include absolute \$ value, number of shares, or % of awarded equity
  - Boutique investment banks continue to encourage, but not require ownership
- Standard ownership requirements among NEOs regardless of role or total compensation magnitude (i.e., same multiple for all non-CEO NEOs)
- Actual CEO / NEO equity ownership usually much higher than minimum requirements

Sector	Multiple Prevalence	Common CEO Multiple	Common NEO Multiple	Non-Multiple Approaches	Avg CEO Requirement	Avg NEO Requirement
Major Banks	50%	6x - 10x	3x - 7x	\$ Value % of LTIP	\$30,500,000	\$11,725,000
Credit Card / Payments	100%	6x - 10x	3x - 4x	\$ Value % of LTIP	\$11,500,000	\$3,275,000
Insurance	100%	6x - 8x	3x - 4x	--	\$9,600,000	\$3,150,000
Asset Management	77%	7x - 10x	3x - 4x	\$ Value % of LTIP	\$8,400,000	\$2,825,000
Regional Banks	100%	6x	3x	--	\$7,950,000	\$2,075,000
Boutique Investment Banks	64%	6x - 10x	3x - 7x	Shares % of RSUs	\$5,550,000	\$2,000,000

\*Ordered on CEO ownership from highest dollar requirement to lowest requirement

# Board of Director Compensation

## *2025 Director compensation, pay mix, and changes from 2024*

(amounts reflect average / standard pay for a single director without any additional responsibilities)

- About 55% of firms have increased Director compensation since 2024
  - Regional banks with largest dollar increases
  - Meeting fee usage over the past 3 years continues to decline
- Reduced prevalence of non-executive chair at select firms (i.e., major banks)
- Equity retainer higher than cash retainer
  - Lower equity vs. cash pay mix at insurance firms, regional banks, and boutique investment banks vs. major banks, credit card / payments, and asset management firms

Sector	2025 Average Director Pay	2025 Cash / Equity % Mix	Increase Prevalence (2024 to 2025)	% Change (2024 to 2025)	Non-Exec Chair Prevalence
Major Banks	\$370,833	29% / 71%	50%	+ 7%	0%
Credit Card / Payments	\$349,167	29% / 71%	33%	+ 4%	67%
Insurance	\$328,333	41% / 59%	50%	+ 8%	25%
Asset Management	\$289,125	35% / 65%	50%	+ 10%	36%
Regional Banks	\$263,889	39% / 61%	78%	+ 6%	0%
Boutique Investment Banks	\$257,273	42% / 58%	64%	+ 15%	0%

\*Ordered on average Director pay from highest sector to lowest sector. % change reflects average increase among firms that raised Director compensation

- Pay levels represent industry averages; competitive ranges would vary by firm on peer group, scale, business dynamics, responsibilities, etc.

# Standard Committee Compensation

*2025 Standard Committee chair and member retainers*  
(amounts reflect average / standard pay for single member)

- Major banks have highest committee retainers
  - Boutique investment banks lowest; some with low / no committees fees
- Audit retainers highest among all committees, followed by Compensation, then Nomination & Governance
- Meeting fees continue to decrease in prevalence; focus on retainers
- Increases to chair retainer more prevalent than those for members

Sector	Audit		Compensation		Nomination & Governance	
	Chair	Member	Chair	Member	Chair	Member
Major Banks	\$40,833	\$25,000	\$37,500	\$30,000	\$32,500	\$15,000
Credit Card / Payments	\$41,667	\$21,250	\$30,000	\$16,100	\$28,333	\$14,000
Insurance	\$37,500	\$11,667	\$30,000	--	\$25,000	--
Asset Management	\$34,821	\$16,458	\$25,179	\$11,409	\$24,115	\$11,200
Boutique Investment Banks	\$32,000	\$20,000	\$26,000	\$12,500	\$23,333	\$12,500
Regional Banks	\$43,333	\$15,556	\$31,667	\$11,250	\$30,000	\$11,250

\*Member compensation includes meeting fees

- Pay levels represent industry averages; competitive ranges would vary by firm on peer group, scale, business dynamics, responsibilities, etc.

# Additional Committee Prevalence

## *2025 Prevalence of Additional Committees (committees other than audit, compensation, and nomination & governance)*

- Risk committee most prevalent
  - Intertwined with finance at select firms; finance shown separately where applicable
- Insurance, boutique investment banks, and regional banks have widest range of non-standard committees
- Risk and technology committees tend to have highest chair / member compensation

Sector	Additional Committee Prevalence					
	Risk	Finance	Technology	Strategy & Planning	Social / Culture	Legal & Compliance
Major Banks	100%	17%	50%	-	-	-
Credit Card / Payments	83%	17%	-	-	-	-
Insurance	58%	67%	8%	8%	25%	-
Asset Management	43%	7%	21%	-	-	7%
Boutique Investment Banks	27%	9%	-	-	18%	9%
Regional Banks	100%	-	67%	11%	22%	11%
<b>Aggregate</b>	<b>69%</b>	<b>19%</b>	<b>24%</b>	<b>3%</b>	<b>11%</b>	<b>5%</b>

\*Risk committee required for Major Banks and Regional Banks