WHITE PAPER

The Seat That Runs the Bank

History and Future of the Chief Banking Officer in Mid-Market Banking

A Trilogy Insights White Paper · Companion to the CBO Series

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29% of internally promoted bank Presidents and COOs came from the Chief Banking Officer seat, more than any other role.

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IN BRIEF

The Chief Banking Officer is the most consequential and least examined seat in mid-market banking. It is the most common internal path to bank CEO, it absorbs every pressure now reshaping how banks grow, and in 2026 its boundaries are being redrawn in both directions at once. This paper sets out where the role came from, what it was built to do for the business, and the fork it now faces. It is the companion to an interview series with sitting Chief Banking Officers.

01 A Pattern Worth Noticing

On July 30, 2026, The National Bank of Indianapolis announced that Doug Talley had been promoted to President and would join the board, with the bank's CEO set to retire in 2027 [1]. Talley had been carrying two titles at once, Chief Banking Officer and Chief Lending Officer, which is another way of saying he owned nearly everything at the bank that touches a customer. The announcement made local business news and then disappeared, the way these announcements do.

Talley's promotion was not an isolated event. Four other banks did the same thing in the first seven months of this year, handing the CEO or President's title to the executive who had been running the customer-facing business: Bank of Hawai'i, First Financial Bankshares in Texas, First Bank in North Carolina, and Pendleton Community Bank in West Virginia [2][3][4][5][6]. Different states, different sizes, from a twenty four billion dollar franchise to a community bank, and in every case the same seat.

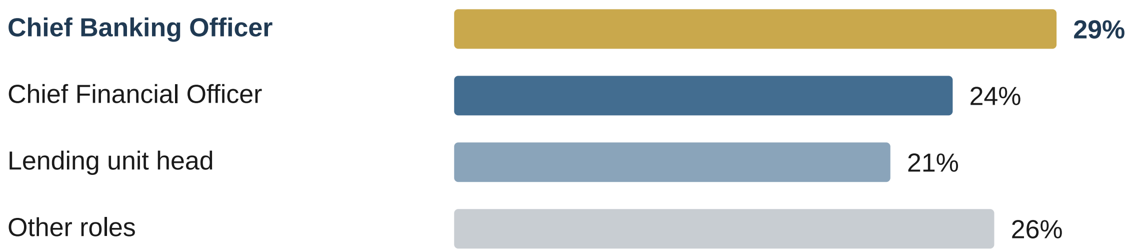
Five banks, seven months, one pattern, and it is not an accident of this year. Pay Governance studied CEO successions across the publicly traded banks in the Russell 3000 from 2020 through 2025 and found that among internally promoted Presidents and COOs, the single most common feeder role was the Chief Banking Officer, at **29 percent**, ahead of the CFO [7]. That evidence covers listed banks of every size rather than the mid-market specifically, and privately held and mutual institutions sit outside it, so read it as the clearest signal available rather than a mid-market census. It points the same way as the promotions above.

> **The premise of this paper:** the person most likely to run a mid-market bank next is sitting in the CBO seat today. Yet almost nothing serious has been written about what that seat is, why it exists, what it does for a bank's performance, or where it is going. This paper is a first attempt, and an invitation to the people in the seat to correct and complete it.

This white paper accompanies the CBO Series, a set of interview-driven articles built on conversations with sitting Chief Banking Officers at mid-market banks. It provides the background the articles do not have room for: where the role came from, the business results it was created to produce, the forces bearing down on it, and the fork we believe it now faces.

THE ROAD TO THE CORNER OFFICE

Feeder roles for internally promoted Presidents and COOs, Russell 3000 banks, 2020 to 2025



Source: Pay Governance LLC, April 2026 [7]. Shares of internally promoted Presidents and COOs; sums to 100 percent.

02 Where the Seat Came From

The Chief Banking Officer title is largely a mid-market invention, and its history is really the history of a problem. The largest banks never needed the role; at their scale, retail, commercial, wealth, and payments each justify a segment chief executive with a full leadership bench. The smallest banks never needed it either, because the CEO or president effectively is the head of banking. In between sits the mid-market bank, and for decades it has faced an organizational puzzle: the customer-facing businesses grew too large for a CEO to run directly, but not large enough for each line to carry its own executive suite.

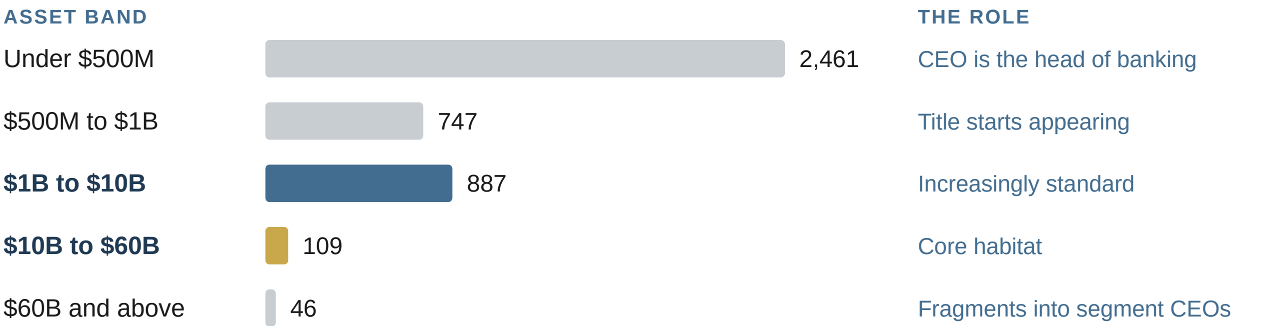
The answer most banks reached was structural. Gather everything that touches the customer under one senior leader: retail banking, commercial banking, lending, usually treasury management, sometimes wealth. Give that leader a seat at the executive table and a mandate that amounts to one sentence: make the franchise grow. Different eras produced different names for it, head of banking, president of banking, chief revenue officer, and increasingly over the past two decades, Chief Banking Officer.

You can read the seat's job description in the market today. Availa Bank, a **1.6 billion** dollar community bank in Iowa, recently recruited a CBO "to lead all customer-facing lines" [8]. Ballston Spa National Bank in upstate New York defined the role as developing and overseeing the teams in commercial banking, residential lending, and treasury management [9]. The title stretches across an enormous range of American banking: Jonathan Fish holds it at 34 for BTC Bank, serving rural and agricultural communities from Bethany, Missouri [10], and Rich Raffetto holds it at Flagstar, one of the country's largest regional banks, where it comes bundled with co-President and co-COO [11]. What varies is not the idea. What varies is how much of the bank sits underneath it.

Three quieter mandates ride along with the official one. The CBO is the integration point, the one executive accountable for the whole customer franchise rather than any single product. The CBO is frequently the succession seat, the proving ground where a board watches its next CEO operate. And the CBO is the growth conscience of the executive team, the counterweight to the credit, risk, and finance chairs whose instincts properly run toward caution. A shorthand we find useful: the CFO owns the balance sheet, the CRO owns what could go wrong, and the CBO owns what has to go right.

WHERE THE SEAT LIVES

US active FDIC-insured institutions by asset band, August 2026. Bars to scale.



03 What the Seat Was Built to Do for the Business

It is worth being precise about why banks created this seat, because the business case for it is the same case that will decide its future.

A bank that steers lending, deposits, and fee businesses separately will optimize each line and suboptimize the franchise. The commercial client who borrows from one silo, deposits in a second, and buys treasury services from a third is three accounts to the org chart and one relationship in reality. Mid-market banking's consolidation era made this worse: banks grew by acquisition, and many still run the unintegrated systems to prove it, multiple cores, multiple customer files, no single view of a relationship that spans them. The CBO seat exists to make the opposite trade. See the customer whole. Move talent and attention to where the franchise needs them. Give the CEO one accountable answer to the question of where growth comes from.

When the seat works, the results show up in the bank's economics: deeper relationships per customer, fee income layered onto lending relationships, deposit books that hold through rate cycles because they are tied to operating services rather than rate alone. When it does not work, that too is measurable. Our analysis of FDIC quarterly data for banks in the 10 to **60 billion** dollar band (Q1 2026) shows roughly forty basis points of return on assets separating thrift-heritage banks from their commercial peers, fee income running at a third to a half of comparable commercial banks, and efficiency ratios in the low seventies against peers in the mid fifties [12]. Those gaps are the cost of franchises that never fully cohered. Organizationally, every one of them lands on the CBO.

> **The structural tension:** the CBO is measured on outcomes produced by a whole system, but the seat was designed to run lines of business, not to redesign the system that connects them. The root causes of the gaps above, siloed systems, unintegrated acquisitions, thin data on the commercial customer, usually sit outside the seat's formal authority.

> **The CFO owns the balance sheet, the CRO owns what could go wrong, and the CBO owns what has to go right.**

04 Five Forces Converging on the Seat

That tension is old. What is new is the pressure arriving on it from five directions at once

Deposits stopped being quiet

For most of the era in which the CBO role took shape, core deposits were gathered through branch presence and community standing. Rate cycles, digital account opening, and customers who move money in an afternoon have turned deposit strategy into a pricing and analytics discipline. The industry's own press now frames it exactly that way: Independent Banker's August 2026 treatment of deposit growth leads with data analytics rather than rate [13], and the ABA is running programs this year with titles like "Winning the Deposit War: AI-Driven Growth Strategies" [14]. Most institutions expect deposit growth in 2026, **82 percent** by one industry survey [15], which means most institutions are fighting for the same money. Some banks have redrawn the org chart around the fight; Texas Regional Bank this year named a dedicated Chief Deposit Officer to lead deposit strategy and treasury management statewide [16].

Fee income moved from nice-to-have to mandate

With margin compression a permanent condition, boards want revenue that does not depend on the rate environment, and in the mid-market the largest untapped source is treasury management sold into the existing commercial book. Listen to how banks describe their own strategy on 2026 earnings calls; BayFirst Financial framed its plan as scaling treasury services and business deposits to generate sustainable fee income [17]. Capturing that is not a sales campaign. It requires knowing, relationship by relationship, which products a client should hold and does not. That is a data problem wearing a sales problem's clothes, and it lands on the CBO.

The relationship manager model is under strain

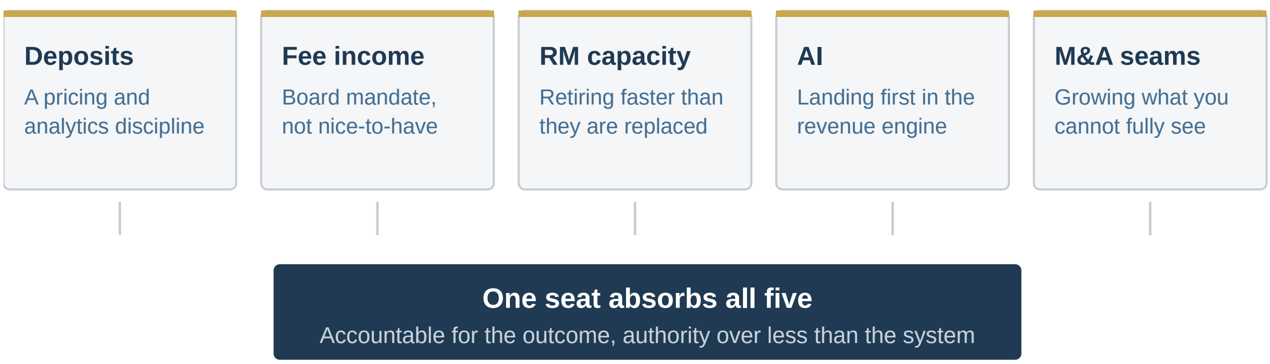
Experienced RMs are scarce, expensive, and retiring faster than they are replaced. The productivity question has shifted from how many calls an RM makes to how much of an RM's week is spent assembling information the bank already possesses but cannot surface. Microsoft's June 2026 commercial banking outlook puts the near-term AI payoff in exactly those terms: RMs spending less time assembling inputs and more time applying expertise, led by AI-assisted meeting preparation [18]. Forbes put a number on the prize the following month, arguing AI could unlock up to **40 percent** more capacity at banks, with relationship managers the lead example [19].

AI arrived in the revenue engine

Whatever a bank's posture on artificial intelligence, its first commercially meaningful applications are landing in the CBO's territory: relationship intelligence, next-product recommendation, pricing support, meeting preparation. The biggest banks are already shipping; Bank of America launched AI-powered meeting preparation for its advisors in March 2026 [20], and S&P Global reported in June on regional banks deploying AI for fraud and efficiency, with chief banking officers among the executives fronting those stories [21]. The technology decisions may sit with the CIO. The value case, the adoption burden, and the accountability for results sit with the head of banking.

Acquisitions left seams

Much of the mid-market grew by acquisition, and many banks still operate the unintegrated books to prove it. The CBO is asked to grow a franchise they cannot fully see, and every one of the four forces above makes that blindness more expensive.



05 The Fork in the Road

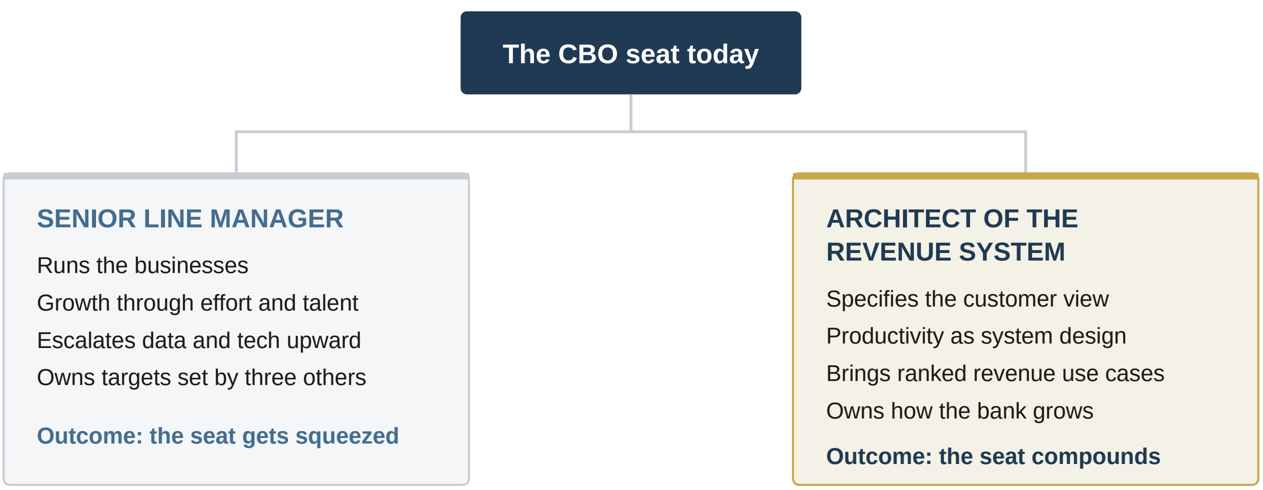
Put the forces together and the seat faces a choice of trajectories. This is the working thesis of the CBO Series, held loosely and offered for the people in the seat to confirm, sharpen, or demolish.

Down one path, the CBO remains what the org chart says: a senior line manager. The seat runs the businesses, presses for growth through effort and talent, and escalates its data and technology frustrations to committees it does not control. On this path the role gets squeezed. The CFO owns the numbers, the CIO owns the systems, a chief digital or data officer owns the roadmap, and the CBO owns targets that depend on all three. We suspect this path quietly erodes the seat's claim on CEO succession as well.

Down the other path, the CBO becomes the architect of the bank's revenue system: the executive who owns not just the lines of business but the design of how people, process, data, and now AI combine to grow the franchise. On this path the CBO does not wait for a single view of the commercial customer; they specify it, sponsor it, and hold the organization to it. They treat RM productivity as a system property rather than a hiring problem. They walk into the technology conversation with a ranked list of revenue use cases rather than a list of complaints.

The seat's borders are visibly in motion in 2026, and in both directions. Flagstar consolidated toward the architect end, naming a Chief Banking Officer who is simultaneously co-President and co-COO [11]. First Carolina went the other way, realigning into separate newly created chief roles for retail and commercial banking [22]. Texas Regional carved deposits out under a dedicated chief [16]. Three banks, three months, three different answers to the same design question: how much of the bank belongs under the person who owns growth? Boards are answering it right now, mostly without a public body of thinking to draw on.

> **The succession stakes:** if the CBO seat is the most traveled internal road to bank CEO [7], then where today's CBOs take the role shapes who tomorrow's bank CEOs are and what they believe about how a bank grows. The question is larger than the title.



Which path the strongest operators are on is the question this series exists to answer

THREE BANKS, THREE MONTHS, THREE ANSWERS

MAY 2026
Flagstar
Consolidated
Chief Banking Officer also named co-President and co-COO

JULY 2026
First Carolina
Split
Realigned into separate chief roles for retail and commercial

2026
Texas Regional
Carved out
Created a dedicated Chief Deposit Officer

How much of the bank belongs under the person who owns growth? Boards are deciding right now. Sources [11][22][16]

06 The Loneliest Seat at the Table

There is a human dimension to this that the org-chart analysis misses. A mid-market Chief Banking Officer has fewer structured ways to compare notes with true peers than nearly any other C-suite executive. The CFO has an entire conference circuit and an analyst community that benchmarks everything. The CRO has the regulators as a standing forcing function and a shared vocabulary imposed from outside. The CIO has a vendor ecosystem competing to brief them. The CBO mostly has their own bank.

Consider what the seat actually asks of a person. Talley carried lending and the whole banking franchise at once [1]. Bailey ran all lending and treasury management before a board concluded that was the resume of a CEO [3]. Hayslett worked the seat at a community bank in a two-stoplight West Virginia town and turned it into the top job [4][5]. Fish holds it at 34, translating the same mandate into rural and agricultural relationships in northern Missouri [10]. These are very different banks and very different careers converging on the same experience: accountability for everything that grows, authority over less than that, and few people anywhere who truly understand the trade.

That gap between accountability and peer connection is precisely the gap the CBO Series is built to close, one conversation at a time.

> **The CFO has a conference circuit. The CRO has the regulators. The CBO has their own bank.**

07 What We Expect to Find, Stated in Advance

Honest research declares its expectations before collecting the answers. Six hypotheses the interviews will test, on the record now so the eventual articles can say plainly which survived:

1. Scope is expanding informally. Most CBOs are already accountable for outcomes that sit outside their formal mandate, and the org chart lags reality by two or three years.
2. The binding constraint is visibility, not talent or will. Asked what limits growth, CBOs will describe information they cannot get; few will call it a data problem, most will call it time, staffing, or process.
3. AI posture divides into three camps: experimenting quietly, waiting for the core vendor, and delegating to a committee. The first camp will correlate with the architect path.
4. Fee income ambition exceeds the machinery. Nearly all will name treasury management growth a top-three priority; few can say, per relationship, where the untapped capacity sits.
5. The succession signal is shifting. Boards increasingly want the next CEO to have run a transformation, not just a P&L, and ambitious CBOs sense the architect path is the stronger case.

6. The peer network is thin, and the people in the seat feel it more than they say it.

08 The Questions We Are Asking

Every conversation in the series is about forty five minutes, on Teams, and follows the energy in the answers rather than a script. But every conversation touches the same territory. A sample of the questions, so prospective participants know exactly what they are agreeing to:

1. What does the role actually cover for you today? What sits inside it that outsiders would not expect?
2. Which number on your scorecard do you consider the truest test of whether you are doing the job well?
3. How has deposit strategy changed for you over the last two rate cycles? What can you see about deposit behavior today that you wish you could see?
4. When your best RM prepares for a meeting with a top-fifty commercial client, where does the information come from, and how long does it take?
5. If you could see one thing about your customer base tomorrow that you cannot see today, what would it be?
6. Where is AI actually touching your world, as opposed to the conference version?
7. Over the next one to three years, what do you expect to own that you do not own today? What would you gladly give up?
8. Some CBOs describe the seat as running the lines of business; others describe it as designing how the bank grows. Where do you sit on that spectrum, and is it moving?
9. What have you done in this role that most increased its value to the bank, and what did it cost you to do it?

09 About the Series and How to Take Part

The CBO Series is a listening project, not a marketing campaign. The ground rules are simple and firm. Nobody who participates is pitched anything, in the conversation or after it. Conversations are not-for-attribution by default; insights are aggregated and anonymized, and a named quote appears only after the person who said it approves it in context. Contributors see each published synthesis before the rest of the industry does, and the series' closing point of view is co-created with the leaders who informed it. What a participant receives for an hour of candor is the thing the seat almost never gets: a real benchmark of how true peers are thinking.

If you hold the Chief Banking Officer seat at a mid-market bank, or a seat like it under another name, the series wants your view, especially where it contradicts this paper. Contact Scott Ostroff at Trilogy

Insights, or respond to any article in the series on LinkedIn.

ABOUT THE AUTHOR

Scott Ostroff is a Director at Trilogy Insights, where he works with banks on data, technology, and operations transformation. He has spent his career alongside bank leadership teams, from the largest institutions in the country to the mid-market franchises this series is about.

10 About Trilogy Insights

Trilogy Insights is a management consulting firm built on a simple structural choice: the senior team that sets the strategy is the same senior team that delivers it. There is no handoff from the people who sold the work to the people who do it, and no junior leverage underneath them. One accountable leader owns each engagement from first conversation to measured result.

The firm works where strategy, operations and data meet, which is why the Chief Banking Officer question in this paper is not an academic interest for us. Our practice is built around the conviction that most execution problems are data problems wearing an operating costume, and that the fastest way to prove it is to pick a revenue outcome the business already cares about and measure it. Engagements are designed to deliver first value in eight to twelve weeks rather than at the end of a multi-year program.

Trilogy serves financial services, private equity, manufacturing and supply chain, healthcare and life sciences, retail and consumer, and energy and renewables. In banking, the work runs from customer and relationship data through treasury and fee-income growth to the operating model and technology decisions that make either possible. The firm is headquartered in Pittsburgh and works nationally.

Why we are running this series. We believe the mid-market Chief Banking Officer is where the next decade of bank performance will be decided, and that the people in the seat understand it better than anyone writing about it. So we are asking them, publishing what we learn, and giving the answers back to the industry that produced them. Nobody who takes part is sold anything.

11 Contact

To take part in the CBO Series, to comment on this paper, or to talk about the work behind it, any of the three of us is a good starting point.

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