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Operationalizing your bank

Governance and talent

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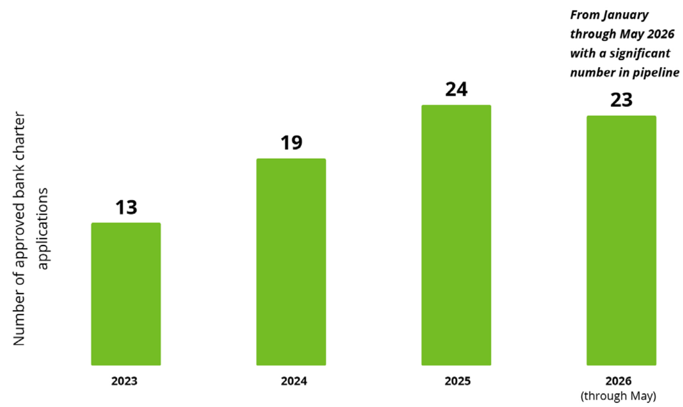
Center *for* **Regulatory Strategy US**

Thirteen areas of foundational focus

The past eighteen months have been pivotal for bank chartering activity, with increased application volume across bank charter types driven by a more favorable regulatory environment. More than 40 bank charter applications have been received by US banking regulators through June 2026,[1] many from fintech and non-traditional applicants. Additionally, 23 bank charter applications have been approved year-to-date in 2026.

Figure 1: Total number of approved bank charter applications in the US[2]



Source: Deloitte analysis

Recent bank chartering activity suggests bank application approval timeframes have shortened, with regulators issuing conditional approvals based on business model viability, governance model strength, and financial resilience.[3] However, conditional approval is just one of several important steps in the chartering process, rather than an end of regulatory review.

About the series

This *Operationalizing your bank* series is designed for applicants that have received conditional approval, are progressing toward final approval, or are focused on preparing for bank launch. This series spotlights considerations for applicants as they stand up key capabilities, address interdependencies, and translate their application into an operating bank.

This series builds on Deloitte's S*o you want to be a bank series*.[4] While that series explored the strategic rationale, market context, and alternative pathways for obtaining a banking charter, this series shifts the focus to what follows: preparing applicants to operationalize the bank, satisfy launch conditions, and build the foundation for sustainable growth.

The term "bank" is used broadly throughout this series to cover considerations across common bank charter structures, including national banks, state member/nonmember banks, national trust banks, and industrial loan companies (ILCs). Foreign banking organizations, US branches, and bank holding companies would have a number of other nuanced and unique considerations. While this series aims to address broadly applicable operationalization considerations, organizations should evaluate this guidance within the context of their business strategy, targeted charter type, and general circumstances, as institution-specific requirements may warrant additional considerations beyond what is outlined in this series.

With bank application conditional approval timelines significantly shortening, new banks should be prepared to rapidly stand up the people, processes, and technology solutions that turn a conditional charter into a functioning bank.

The areas identified in Figure 2 are foundational operational focus areas that banks are expected to address. These topics will be the focus of the *Operationalizing your bank* series.

This first edition of the *Operationalizing your bank* series focuses on governance and talent: two foundational elements of bank launch readiness.

Figure 2: Series topics

Operationalizing governance and talent

As a bank prepares to launch,[5] it should build governance structures that demonstrate autonomous self-governance and risk management capabilities that can position the bank for long-term and sustained operational success.

Regulators expect a governance model that reflects sufficient bank independence from the parent entity. The bank should have qualified independent board members, management personnel with relevant subject matter expertise, clear decision-making authority within the bank's governance construct, and related bank-specific policies, procedures, and controls. If the parent has relevant capabilities, the bank may leverage these advantages in a manner consistent with regulatory expectations around independence and safety and soundness.

Core insights

1. **Bank independence:** Demonstrate sufficient independence through clearly defined roles and responsibilities across the bank, parent, affiliates, and third parties. Document these through an accountability model (often referred to as a "Responsible, Accountable, Consulted, and Informed" or "RACI" model). The accountability model should distinguish bank-owned processes from those that are outsourced to parent/affiliate(s) or third parties. Establish oversight mechanisms to evidence effective control of outsourced activities. Support services from affiliates with intercompany agreements (e.g., master service agreements [MSAs] and service-level agreements [SLAs]) that define performance expectations and oversight, and that evidence arm's-length terms.[6]

2. **Governance structure:** Design the governance structure to be fit-for-purpose for the bank's approved business model and risk profile, with board, committee structures, executives and management, along with authorities, and decision rights, that support effective oversight at the bank level. Board and executive composition should include sufficient independent directors and key executives, including those with relevant banking-related expertise, as well as inside directors from the parent or bank. C-suite roles may require physical presence in the bank's home office jurisdiction. Factor recruitment timelines for these positions into planning given the specialized experience required and potential talent constraints depending on location. The board is required to be fully constituted prior to Day 1 operations.

3. **Talent and staffing:** The staffing model submitted as part of the application should be in flight, with key bank positions and supporting roles in place or actively onboarding. Individuals should have the requisite banking experience and be trained on bank specific policies, procedures, and expectations as they begin performance. Evaluate dual-hatting, matrix reporting, and other staffing model nuances for adequacy of time dedicated to bank roles, conflicts of interest, and sufficiency of expertise and product knowledge.

4. **Management information system (MIS) reporting:** Execute against a defined MIS reporting framework that enables its bank board to meet its regulatory obligations independently, while providing the parent with appropriate visibility. Align and incorporate management reporting to the bank's risk appetite, limits, thresholds, and escalation procedures.

5. **Three-lines model:** Document the three-lines model across the bank, with clear delineation of roles and responsibilities, including where functions are performed by a parent or affiliate pursuant to intercompany agreements. A common risk management system in banks typically involves three lines: The first line is the lines of business and support functions; the second line is independent risk management and compliance; and the third line is internal audit.[7]

Actions for launch readiness

1 **Activate the board of directors:** Approve board and management-level committee charters, establish escalation pathways, and implement processes and meeting cadences to ensure key bank issues have appropriate board visibility. Plan for the board meeting more frequently during the first three years of the de novo bank's operations and validate that any in-person meeting requirements are fulfilled. Additionally, establish processes to appropriately document and maintain board meeting minutes. For non-independent board members, it is critical to have an understanding of board versus parent/affiliate responsibilities and accountability.

2 **Mobilize the bank's management team:** Ensure executive officers are performing their bank roles and engaging in management committee meetings prior to formal go-live or operational launch. The chief executive officer (CEO), chief risk officer (CRO), chief financial officer (CFO) and chief compliance officer (CCO), along with additional roles aligned to the bank's business model, should be engaged in bank-specific responsibilities. Confirm remaining open positions have a defined hiring plan with confirmed start dates prior to operational launch. Align the following to the accountability model: role definition, responsibilities and clear descriptions between bank and parent/affiliate. The chief audit executive's role will also need to be formed during pre-launch activities.

3 **Provide for bank-level oversight of key processes:** For bank processes outsourced to a third party or conducted by a bank affiliate, it is critical that a designated bank executive (e.g., the chief operating officer) has full visibility, monitoring, reporting, and oversight via third-party risk management (TPRM) oversight programs and provisions in outsourcing agreements. Ultimately, the bank executives, not parent-level functions, are required to be clearly accountable for the performance and control of all bank processes.

4 **Implement bank policies and procedures:** Implement policies through clear, bank specific documents. Align policies and procedures to the bank's underlying mission, risk appetite and operating model, approved by the board, and supported by processes that enable consistent execution, monitoring, and escalation.[8] Embed oversight of testing activities, including compliance testing, into the bank's control framework to validate that policies and procedures are operating effectively prior to launch.

5 **Develop bank-specific training:** Establish a training program across the three-lines tailored to the bank's operating model, covering regulatory obligations and bank's risk appetite, among other topics, such as Bank Secrecy Act/anti-money laundering (BSA/AML), Community Reinvestment Act (CRA), and bank permissible activities, as well as a board-specific training. Design the training so each employee understands the bank's and regulators' expectations and has the knowledge and ability to execute their role.

De novo banks whose parent organization is subject to the Bank Holding Company Act (BHCA) should consider governance obligations beyond the operating bank entity itself. Organizations should assess BHCA (Regulation Y) applicability and requirements to ensure that any requisite BHC-level governance is established in parallel with bank-specific capabilities as part of their overall operationalizing strategy.

Where to go from here

Governance and talent are foundational elements of a launch-ready bank that meets regulatory expectations.

Organizations should begin by assessing the bank's current state for any gaps related to the insights and actions outlined in this publication, prioritizing board activation, management team mobilization, and the establishment of bank-specific policies and procedures ahead of Day 1.

Building governance structures that clearly reflect bank independence from the parent entity, supported by a well-documented three-lines model and fit-for-purpose MIS reporting, will be critical to satisfying the regulators' examination criteria.

Subsequent editions of this series will address additional focus areas, providing continued guidance as organizations build toward a fully operational bank.

Regulatory insights to action

The Deloitte Center for Regulatory Strategy, US

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Contacts

Jennifer Burns
Managing Director
Deloitte & Touche LLP
jennburns@deloitte.com

Joshua Flyer
Senior Manager
Deloitte & Touche LLP
jflyer@deloitte.com

Tara Wensel
Senior Manager
Deloitte & Touche LLP
tawensel@deloitte.com

Jann Futterman
Senior Manager
Deloitte & Touche LLP
jfutterman@deloitte.com

Deloitte Center for Regulatory Strategy, US

Irena Gecas-McCarthy
FSI Director, Deloitte Center for Regulatory Strategy, US
Principal
Deloitte & Touche LLP
igecasmccarthy@deloitte.com

Lananh Nguyen
R&I Director, Deloitte Center for Regulatory Strategy, US
Managing Director
Deloitte Services LP
lananhnguyen@deloitte.com

Aaron Salerno
Manager
Deloitte Services LP
asalerno@deloitte.com

Kyle Cooke
Manager
Deloitte Services LP
kycooke@deloitte.com

Contributors

Richard Mumford
Independent Senior Advisor to
Deloitte & Touche LLP

John Corston
Independent Senior Advisor to
Deloitte & Touche LLP

Arpita Mukherjee
Senior Solution Manager
Deloitte & Touche Assurance and Enterprise
Risk Services India Private Limited

Ellen Boyer
Manager
Deloitte & Touche LLP

Melike Dertli
Manager
Deloitte & Touche LLP

Christopher Roy
Senior Consultant
Deloitte & Touche LLP

End notes

1. Federal Reserve Board of Governors (FRB), Office of the Comptroller of the Currency (OCC), and Federal Deposit Insurance Corporation (FDIC).

2. FDIC, "Decisions on Bank Applications-Deposit Insurance," last updated May 27, 2026; OCC, "Corporate Applications Search (CAS)," accessed June 1, 2026.

3. *See* Deloitte, "OCC grants conditional approval for five national trust bank charter applications," January 2026.

4. Deloitte, "So, you want to be a bank?," 2018; Deloitte, "So, do you still want to be a bank in 2024?," September 2024; Deloitte, "So, you've applied to become a national bank. Now what?," March 2026.

5. This series aims to provide guidance for various organizations undergoing the bank application process, including national and state chartered banks and industrial loan companies (ILCs). While this also includes foreign banking organization (FBO) branches, note that FBOs are subject to distinct regulatory requirements and should consider the applicability of this guidance accordingly. Where a holding company structure is involved, the regulatory requirements may differ depending on the structure, with non-regulated holding companies carrying distinct obligations from bank holding companies (BHCs), which are subject to separate Federal Reserve oversight and regulation. Guidance in this series is directed primarily at the bank entity itself. State member bank applicants should also reference applicable Federal Reserve requirements.

6. See FRB, OCC, FDIC, "*Interagency Guidance on Third-Party Relationships: Risk Management*," 88 FR 37920, June 6, 2023.

7. See OCC, "Comptroller's Handbook: Corporate and Risk Governance," version 2.0, July 2019.

8. See OCC, "Comptroller's Licensing Manual: Charters," December 2021, p. 92.

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About the Center
The Deloitte Center for Regulatory Strategy provides valuable insight to help organizations in the financial services industry keep abreast of emerging regulatory and compliance requirements, regulatory implementation leading practices, and other regulatory trends. Home to a team of experienced executives, former regulators, and Deloitte professionals with extensive experience solving complex regulatory issues, the Center exists to bring relevant information and specialized perspectives to our clients through a range of media, including thought leadership, research, forums, webcasts, and events.

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