

RANKING BANKING®

# THE CEOS BEHIND THE BEST BANKS

## Summary Analysis

**T**he banks topping the 2022 RankingBanking study are led by seasoned leadership teams, particularly when it comes to the CEO: More than half of the best banks are helmed by a CEO with a tenure exceeding 10 years.

But shifting demographics promise change for much of the industry: Bank Director's 2021 Compensation Survey found that 41% are led by a CEO aged 61 or older. While these executives may not be in a hurry to retire, they can't serve forever. A changing of the guard is underway.

New York Community Bancorp — which rated 10th among the best regional banks — experienced its own changing of the guard on Jan. 1, 2021, when CEO and Chairman Thomas Cangemi took the reins from former CEO Joseph Ficalora, who retired after more than five decades in banking. That leaves big shoes for Cangemi to fill — Ficalora grew NYCB from \$1 billion in assets to \$55 billion as of his departure in December 2020.

NYCB isn't the only bank in the 2022 RankingBanking study with a new CEO: KeyCorp, Synchrony Financial, Trustmark Corp., Merchants Bancorp and BNCCORP were all led by new CEOs in the 2020-21 period.

Although it's early to declare success on some of his initiatives, Cangemi's brief tenure has been uniquely characterized by bold moves aimed at transforming the Hicksville, New York-based bank from a thrift to a more diversified commercial bank. In April 2021, NYCB announced that it would acquire Flagstar Bancorp, creating a pro forma \$87 billion institution. In July, the bank elevated Andrew Kaplan as its first chief digital and banking as a service officer, leading the bank's technology and innovation efforts. And

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**Thomas Cangemi** / CEO, New York Community Bancorp

in August, NYCB announced its collaboration on “a series of blockchain initiatives” with Figure Technologies, along with joint investments in a blockchain-focused venture fund. It’s also ramping up its digital capabilities.

“[T]he focus has been truly to transform the bank,” says Cangemi, from a monoline, multi-family lender to a diversified, commercial bank. “My original priority [on] becoming CEO was to seek out partnerships — both bank partnerships as well as technology partnerships — as we look at the space and try to play catch up.”

Flagstar provides an example of one of those partnerships. Cangemi says NYCB is already deepening customer relationships, but the acquisition will help the bank achieve its transition much more quickly. “[T]here’s a lot of history out there; we see the legacy savings and loans try to become more commercial bank-like, and it really becomes a lengthy process,” Cangemi says. “[I]t’s] very difficult to do without a partner.”

Cangemi found that partner in Flagstar CEO Alessandro DiNello and his team, who have been leading the Michigan-based bank through its own transformation to diversify its traditionally monoline mortgage banking operation.

Flagstar, it should be noted, wasn’t considered for the 2022 RankingBanking study due to the announced merger with NYCB. If it had, it would have rated among the 10 best emerging regional banks, between \$15 billion and \$50 billion in assets, due to strong pre-provision net revenue growth, profitability metrics and five-year total shareholder return. When this report went to press, regulatory approval was still pending for the deal, with closure delayed to 2022.

As for Chief Digital and BaaS Officer Kaplan, he reports directly to the CEO. “I believe technology is moving so quickly that it needs to be prioritized [by] the CEO’s office,” Cangemi says. That includes the organization’s banking as a service and other innovative initiatives, like its partnership with Figure. “We truly believe there’s a lot of similarities in what we’re doing on our end and how we can help each other. In particular, [Figure CEO] Mike Cagney’s view of mortgage is very interesting; they just bought a mortgage

## THE NEWEST CEOs (2020-21)

Thomas Cangemi, New York  
Community Bancorp

Christopher Gorman, KeyCorp

Brian Doubles, Synchrony Financial

Duane Dewey, Trustmark Corp.

Michael Dunlap, Merchants Bancorp

Daniel Collins (interim), BNCCORP

company, they just signed a servicing deal, and they’re moving toward taking mortgage and servicing and leveraging the blockchain,” Cangemi explains. “[W]e’re sharing ideas and technology and resources to really look at an opportunity on the blockchain, and focus on speed and efficiency, and more importantly, the ability for customers to get better service through the blockchain.”

Cangemi joined NYCB in 2001, with its acquisition of Richmond County Financial Corp. He spent much of his two-decade career there as chief financial officer, working closely with former CEO Ficalora. Cangemi had a background in M&A prior to joining NYCB, which was a good fit for the company in the pre-Dodd-Frank Act days — it acquired eight banks between 2001 and 2010.

CEOs like Cangemi — who have deep experience in their organizations — can have a leg up when it comes to putting their own vision into action when they take the reins, says Kara Baldwin, a partner at Crowe LLP.

“You have to understand where you are,” says Baldwin. But new CEOs should identify where improvements can be made and lead through that change. “Even if you’re doing a

## The CEOs Behind the Best Banks

CATEGORY	WINNING BANK	CEO	CEO SINCE ...
Best National Bank	JPMorgan Chase & Co.	Jamie Dimon	2005
Best Regional Bank	SVB Financial Group	Greg Becker	2011
Best Emerging Regional Bank	Western Alliance Bancorp.	Kenneth Vecchione	2018
Best Small Regional Bank	Merchants Bancorp	Michael Dunlap	2020
Best Community Bank/ Best Leadership Team	FS Bancorp	Joseph Adams	2004
Best Growth Strategy	University Bancorp	Stephen Lange Ranzini	1988
Most Innovative Bank	Bank of America Corp.	Brian Moynihan	2010
Best Board	East West Bancorp	Dominic Ng	1991

SOURCE: Bank websites and other public information

great job, there are always aspects you could improve upon," she adds. "You can then take what's great, and let it be great, and turn your focus to the things that could be improved."

Christopher Marinac, director of research at the investment bank Janney Montgomery Scott, describes Cangemi as a new leader for a new era at NYCB — collegial, and focused on where his organization fits into the future of banking and the broader economy. "[Cangemi is] dynamic in terms of thinking [about] where the industry is going," Marinac says, "and I think that balanced approach for the

business is long overdue."

Ficalora's retirement was characterized by some industry watchers as sudden, but Cangemi describes his predecessor as a "partner," adding that succession planning was occurring behind the scenes. "Joe and I are very close; we talk from time to time," says Cangemi. "He's still our largest individual shareholder — and he happens to be a very happy shareholder, as of current performance metrics."