



**City National Bank
President Rich Raffetto**

CITY NATIONAL BANK

Raffetto Leads Push Into Middle Market

City National's new president says the timing is right

By **JAMES B. CUTCHIN** *Staff Reporter*

Richard Raffetto has spent just over 100 days as president of downtown-based **City National Bank**.

In his short time at the institution, Raffetto has adapted to the unprecedented conditions created by Covid-19 and kicked off a new strategic push into middle-market business services.

According to Raffetto, City National has now reached a point where the bank is ready to contend for a bigger slice of the business banking market at larger companies in Los Angeles and beyond.

Raffetto took up his position at L.A.'s largest local bank amid one of the most tumultuous times in the city's history. A longtime New Yorker, he described his experiences adjusting to a new organization, geography and pandemic working conditions as "strange" but "enjoyable."

"I didn't follow the playbook, because no playbook would say to start a new role and move to a new city in the middle of a pandemic," he said.

Despite the obvious stresses, Raffetto said the situation helped show him the "character" of City National. The bank's work facilitating business loans through the Paycheck Protection Program, in particular, demonstrated that the team "really

earned our stripes" in 2020, he said.

"We supported our clients with over 16,000 loans for over \$4.6 billion," Raffetto added. "Those loans no doubt saved thousands of jobs and kept thousands of businesses open."

City National, according to Raffetto, is now looking toward the next round of PPP funding likely to be included in some form through an anticipated federal stimulus package. "Unfortunately, we're having this K-shaped recovery," he said. "We need to help those businesses and sectors who got the short end of the stick on the recovery."

Raffetto added that his bank is also actively looking to turn PPP loan clients into long-term business clients and has had some success in this regard. "We have often started new relationships through the PPP," he said.

Beyond the stimulus program, an even more central element of Raffetto's new role has been leading a push into the middle market. These are commonly defined as businesses with between \$10 million and \$1 billion in annual revenue, and City National is currently "underpenetrated" in the segment, according to Raffetto.

Since Raffetto joined, the bank has begun to bring on companies such as Pasadena-based **Harbor Rail Services Co.** The railroad maintenance and repair company recently became

a City National client, receiving a credit line, real estate loans, equipment financing, deposit accounts and treasury management services from the bank.

Raffetto said a number of factors have come together to make this an optimal time to grow the middle-market business line.

First, he said City National has hired a number of new bankers with existing relationships and a "Rolodex of clients" at middle-market businesses.

"For those that have become tired of the bureaucracy and distractions of larger institutions, we have become a magnet for talent," he said.

Second, is a somewhat less intense competitive landscape, driven by factors such as merger activity in the regional banking space. Among the higher-profile deals was **PNC Financial Services Group Inc.**'s \$11.6 billion acquisition of Spanish lender **Banco Bilbao Vizcaya Argentaria's** U.S. operations in November. That institution had branches in California as well as six other states.

"We have an environment where some of our competitors are distracted," Raffetto said. "When banks go through mergers, there is some level of distraction. The banks become more inwardly focused for a time."

Staff often also leave during mergers and acquisitions, giving City National more opportunities to grow its talent pool, according to Raffetto. "All of that churn that happens, we can take advantage of that," he said.

Perhaps most importantly, Raffetto said City National has grown to a size "where we feel like we can really drive value."

"We have a more competitive product set today than we have had historically to serve middle-market and mid-corporate clients," he said.

City National said it now has roughly \$80 billion in assets, up approximately \$10 billion in the last eight months.

City National Bank

FOUNDED: 1954

HEADQUARTERS: Downtown

CEO: Kelly Coffey

BUSINESS: Banking services

EMPLOYEES: 5,300

TOTAL ASSETS: \$80 billion

NOTABLE: City National is the largest bank headquartered in Los Angeles.

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