

City National's Kelly Coffey: combining RBC strength with LA-based bank's personal touch

By Douglas Blakey October 11, 2019

RBC's President and CEO Dave McKay and City National's longtime CEO Russell Goldsmith first met Kelly Coffey in 2017. They quickly concluded that her skills, experience, reputation and values would make her a perfect fit to succeed Goldsmith at City National, reports **Douglas Blakey**

RBC/City National's courtship of Kelly Coffey took some time. Coffey was enjoying a successful 25-year career at JP Morgan. Coffey had risen to become chief of its US Private Bank. Moreover, she was frequently mentioned as one of the banking industry's most powerful women.

But after getting to know McKay, Goldsmith and others at City National, Coffey realised that her goals and values very much aligned with those at the bank. So in February of this year, she became just the fourth chief executive in City National's 65-year history.

Since then she has moved quickly to lead City National on its mission. That is to become a 'digitally-enabled relationship bank', much like its RBC parent. Almost immediately, she announced plans to enhance the bank's digital capabilities.

And she became very hands-on in accelerating the introduction of a new mobile app. At the same time, Coffey strengthened its treasury services capabilities and streamlined the client onboarding process.

Coffey has added several new senior executives to City National's already very capable leadership team. In doing so, she has signalled her commitment to diversity and inclusion.

City National acquires FilmTrack

The former investment banker also recently spearheaded the acquisition of FilmTrack. Acquiring a leading entertainment industry intellectual property rights management solution provider further strengthens City National's strong hold on Hollywood.

City National has been a noteworthy success story over many years. Coffey says she now looks toward "making a great company even better."

During her first week as CEO, she toured several of the company's locations and met with hundreds of its colleagues. For hours at a time, she shook hands, asked for suggestions and welcomed feedback. In doing so, she sent a signal to the entire bank that she was ready to roll up her sleeves and get to work.

Since then, she has visited colleagues in every one of the bank's major markets.

Recently, Coffey introduced a feedback program called "Tell Kelly." By email or through a link on the company-wide intranet, anyone can send her an idea for growth. They can flag a problem or promote a way to improve client relationships. And those who submit definitely hear back from the hands-on CEO.

"I'm a big believer in feedback to make the business better," says Coffey. "I like to hear what things we're doing well that shouldn't change. And what things aren't going well that we should change."

City National & RBC: strengthening collaboration

One of the early actions she took — after hearing from many colleagues — was to revamp City National's dress code. This drops the requirement for men to wear ties and allows colleagues to wear "business-appropriate" attire. In part, the change is intended to help the bank recruit today's more tech-savvy workers.

McKay and Goldsmith knew that Coffey's ability to strengthen collaboration between City National and RBC's other two US businesses — capital markets and wealth management — would be key to extending City National's winning streak under new leadership.

During the past three-and-a-half years, City National has begun to provide banking services to RBC's large base of wealth management clients in the US. RBC's US Wealth Management business is the seventh largest brokerage company in the US. It oversees assets of more than \$380bn.

The bank has also been able to draw upon the strength of RBC's capital markets business — one of the nation's top 10 investment banks — to offer additional services to clients who previously would have outgrown the bank's commercial lending capabilities.

City National – sector beating deposits and lending growth

City National's revenue is up 8% this year on top of the impressive gains that followed its acquisition by RBC.

Since November 2015, City National's assets have soared by 53% to \$56.2bn. At the same time, deposits have climbed 44% to \$46.3bn.

These totals easily outpace those at the average US bank over the past three-and-a-half years. According to Federal Reserve data, commercial bank assets have advanced by an average of 12%. Over the same period, deposits have increased by 17%.

As a result, City National's sector beating growth places it among the largest 40 US banks.

Lending growth is also particularly strong and the company's wealth management business also continues to grow. Since October 2015, City National's assets under management and administration have increased more than 32% to \$78bn.

City National: 'the bank to the stars'

City National enjoys a particularly strong reputation. Its success in the entertainment industry long ago led observers to nickname it "the bank to the stars."

But City National is much more than that. Since it was founded in 1954, the bank's client base has included a highly diverse array of businesses and entrepreneurs. In many ways, it could more accurately be described as "the bank to the entrepreneurs". Today, it serves the same type of business owners the bank's founders set out to help 65 years ago.

Kelly Coffey: The "Accidental" Banker

Coffey likes to describe herself as "an accidental banker."

Her early focus was on international relations. She earned dual degrees in international affairs and French at Lafayette College. This was followed by a master's degree in foreign service from Georgetown University. But once out of school, she realised she could put these same skills to work in the world of finance.

As a child in small-town Pennsylvania, Coffey's grandfather had instilled in her a passion for banking. Such as greeting clients and running credit reports for loan applicants. And by bringing her along to work at the small local bank he ran. From an early age, she valued the benefits of knowing the needs of her clients on a very real level. That is that goes beyond spreadsheets and basis points.

This made Coffey a perfect fit for City National. The bank's ability to provide deep expertise in specific areas is an advantage Coffey is building upon. "We need to make sure we really know our clients well so we can tailor the advice and service we provide," she explains.

City National has developed a strong presence in California's most dynamic urban markets, primarily Los Angeles County and the San Francisco Bay Area.

Growing in America's Most Diverse, Dynamic Urban Markets

More recently, the bank has been expanding into fast-growing metropolitan markets in other parts of the nation. It has opened branches in Washington, DC and lower Manhattan to add to its presence in Atlanta, Nashville and Boston.

Next up will be Miami, which is benefiting from an influx of residents from high-tax states in the Northeast. City National also opened an office in Minneapolis in 2017, where RBC's US wealth management business is headquartered.

All told, the bank now has 70 offices, including 19 full-service regional centres. The company has also been hiring. The number of its colleagues has grown by more than one-third since the company was acquired by RBC.

Another priority for City National's chief executive is making sure the colleague base reflects the diversity of its clients and markets. Coffey is one of only five women running a top-50 bank in the US. She recognises financial services has lagged behind other industries in expanding colleague diversity, and she is taking steps to address the issue.

Helping implement Coffey's vision for City National is a slate of new executive vice presidents. One is Linda Duncombe, who heads marketing and product strategies. Before joining City National early this year, Duncombe held various leadership positions at Citibank, both in the US and her native Australia.

Joining her is Verna Grayce Chao, who used to lead City National's Datafaction subsidiary. Coffey promoted Chao to oversee the bank's treasury services business. And, in July, Argentina native Marcello Brutti was named chief risk officer. Brutti has held similar positions with several companies in the US and abroad.

Notably, in September this year, [RBC ranked third in the world and first among financial institutions for diversity and inclusion.](#)

Digitally Enabling the Bank

Coffey is particularly committed to the mission of making City National a digitally-enabled relationship bank. Its parent RBC is a world class leader when it comes to researching artificial intelligence, robotics and advanced data techniques. Coffey is already putting some of these capabilities to work at City National.

“There are a lot of ways we can use data to help a client and their business, which then make us better able to give them advice,” Coffey explains.

In the near-term, the bank is in the midst of adding a series of technology tools for colleagues and clients that will roll out by the end of the year. They include revamping the institution’s mobile app with additional functions and a simpler, more appealing user interface.

Treasury services upgrades, optimising the onboarding process

Treasury services technologies are also being upgraded, and the company is streamlining the processes used to onboard new clients.

Coffey likes to say that state-of-the-art technologies are now the table stakes of banking. Clients compare City National’s service not just with other banks, but with the service they get from companies such as Amazon and Apple. That means Coffey and her colleagues have to remain nimble and responsive.

City National’s CEO clearly has a grasp of the changes taking place in her industry. But she also knows that it’s important that some things don’t change. Coffey learned from her grandfather that relationships and strong values are always critical to running a successful bank. And that is one reason she will continue to place an emphasis on preserving City National’s focus and listening to the bank’s colleagues and clients.

“This is a bank that has succeeded for 65 years on the strength of its service and relationships,” Coffey says, “and I’m excited to be leading it.”

Given her track record and RBC’s determination to continue growing City National, few wise observers would bet Kelly Coffey.

RBC in the US

A powerful combination of franchises with Capital Markets, US Wealth Management, including [City National](#) and [RBC](#). It is focused on the goal of being the preferred partner to corporate, institutional, commercial and high net worth clients in the US.

- Employees: 13,000 + across businesses in the US
- Revenue: 23% of total revenue was generated in the US (as of Q3/19)
- 10th largest investment bank in the US with 36 offices in 23 states
- 1,900+ advisors in US Wealth Management across 42 states
- Private client group is the 6th largest wealth advisory firm in the US