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City National Bank, the ‘bank to the stars,’ plans another local branch

ANDY MEDICI
SENIOR STAFF REPORTER
WASHINGTON BUSINESS JOURNAL

City National Bank’s expansion across Greater Washington will most likely include a branch in the Maryland suburbs, CEO Kelly Coffey said in an interview.

The “bank to the stars,” as it’s been long known in its home base of Los Angeles for its Hollywood elite clientele, first opened a full-service D.C. location at 2001 M St. NW in early 2018 and subsequently announced it would open a branch in Tysons at The Boro this spring. But Coffey stressed that the bank was not planning a massive branch-based expansion.

“We have a location that we have been looking at in Bethesda,” Coffey said in one of her first interviews as CEO since her appointment in February 2019. “But we are also not going to be that bank that puts a branch on every corner.”

Having some branches does help when clients need in-person services, and the bank is always looking at new places, Coffey said, adding the bank will add an additional branch in the region and then reassess whether it needs more.

“We want to be local, we want to feel like that local bank – not a big bank,” Coffey said.

The growth comes as part of a larger East Coast expansion, which includes adding branches in Manhattan and Long Island in New York, as well as Atlanta, Miami and Nashville, Tennessee. The bank has been in New York for years, but has strengthened its presence there to help bring what Coffey described as geographic balance to its heavily West Coast-oriented branch presence.

“We would like to be in all the largest and fastest-growing metropolitan cities, and the East Coast is really key for that,” Coffey said.

The bank, which is owned by the Royal Bank



City National Bank CEO Kelly Coffey stepped into the role in February 2019.

CITY NATIONAL BANK



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of Canada after being purchased in 2015, had about 76 branches and offices across the country as of the end of September 2019, according to data from the Federal Deposit Insurance Corporation. That’s down from 78 at the same point in 2018 – although the bank’s most recent expansions have come after that date (the bank said its total office count is 79). City National has seen its assets grow substantially, to almost \$58.2 billion as of the end of September, up 20.2% percent from \$48.4 billion at the end of September 2018, according to FDIC data.

Locally, the bank saw deposits at its D.C. branch reach nearly \$55 million by the middle of 2019, according to the latest FDIC data. The eastward branch expansion also came with a

hiring spree locally, as the bank snapped up local executives such as former EagleBank exec Juan Jara and government contracting banker and former former TD Bank, EagleBank and Citizens Banks executive Ginny Heine, among others.

The showbiz-heavy bank’s presence in Greater Washington is relatively unique. City National Bank banks “over half of Broadway,” in which every new show is a lot like a startup, Coffey said. There are also big entertainment industries in Nashville, Atlanta and Miami. The vast majority of its branches are in California. In D.C., the bank has found a lot of success early on with law firms, and Coffey endorses the idea that banks should specialize in what matters to their client base.

“We don’t want to be everything to everyone we really want to be everything to our clients,” Coffey said.

The bank is also working on making its digital banking platform and processes easier, Coffey said, adding the bank rolled out mobile treasury management services and has crafted a plan to boost its digital offerings.

“The processes aren’t quite as easy as I want them to be,” Coffey said. “We’ve got some work to do on that over the next two years and we have a plan around that.”

City National has also made a number of acquisitions over the year, although they were not for branches, they were for financial technology firms, such as the purchase of intellectual property rights management firm FilmTrack, as well as a joint venture with Cashed Card in the form of RithmPay, a virtual credit card for business management firms. While the bank could purchase other banks, Coffey said it would only be to get the right talent or teams in place.

“I would never buy somebody else for branches,” Coffey said.