



CITY NATIONAL BANK REPORTS SECOND QUARTER 2014 RESULTS; EARNINGS RISE ON THE HEELS OF STRONG LENDING AND DEPOSIT GROWTH

MIAMI – (July 30, 2014) – City National Bank of Florida (CNB) announced strong financial results for the second quarter and first half of 2014, driven by significant lending and deposit growth and continued dedication to delivering a superior client experience.

Core earnings for the second quarter of 2014 were \$17.5 million, compared to \$13 million during the same period last year. Core earnings for the first half of 2014 were \$35.4 million compared to \$27.2 million in 2013.

The bank reported net income of \$11.7 million for the second quarter, up from \$9.8 million for the second quarter of 2013. Net income for the first six months of 2014 was \$23.4 million, compared to \$19.4 million during the same period last year.

“I’m grateful to our people for their continued dedication to our clients and our company. We continue to attract and retain top talent and have built the best banking team in town. They are a key factor to our success,” CNB President and CEO Jorge Gonzalez said. “Banking is a people business and the marketplace continues to embrace our unique brand of banking and value proposition based on personal relationships and local decision-making -- something few banks can deliver.”

CNB’s asset quality and capital levels remain among the best in the industry. Non-accrual loans dropped to \$13 million, from \$19.1 million a year ago. Non-accrual loans to total loans dropped to 0.41 percent in the second quarter from 0.74 percent in June 2013. As of June 30, the company had total Tier 1 Capital of \$583.6 million. CNB’s Tier 1 Leverage Capital Ratio was 12.64 percent and Total Risk Based Capital Ratio was 18.57 percent.

Deposits also increased by \$128.5 million during the previous 12 months. Deposits totaled \$3.8 billion at the end of the second quarter, compared to \$3.7 billion at the end of the second quarter of 2013.

The bank’s lending growth over the second quarter of 2014 has been significant, with its loan portfolio growing by \$574 million or more than 22 percent over the past 12 months to \$3.2 billion in loans outstanding. In addition, CNB has closed more than \$745 million in new loan commitments in the first half of 2014.

The robust lending growth has been fueled by business, real estate and residential lending. During the last 12 months, commercial loans grew by 18 percent, commercial mortgages expanded by 44 percent and residential mortgages jumped 25 percent.

“The Florida economic recovery continues to gain momentum and businesses are increasingly seeking financing for expansion and growth,” Gonzalez said. “City National Bank is committed to being a trusted partner in our clients’ success.”

City National Bank recently expanded small business lending to complement its array of other business offerings, positioning the bank to serve the lending needs of companies of all sizes.

“Our new Small Business Administration offerings have helped meet the needs of existing clients and they have attracted new clients to CNB,” Gonzalez said. “Supporting the needs of our clients is the top priority at City National Bank.”

Broward County will play an increasing role in the bank’s future growth. City National Bank recently recruited a team of veteran corporate bankers, a seasoned real estate banker and an experienced business banker to increase the bank’s presence in the county.

“We will continue to make strategic hires and add locations throughout our footprint, but Broward County holds particular potential for CNB,” Gonzalez said. “We see a wealth of opportunity to service the needs of business and consumer clients with our unique brand of banking based on personal relationships and a superior client experience.”

Banco de Credito e Inversiones (Bci), the third largest bank in Chile, has agreed to acquire the Miami-based bank. The acquisition recently received approval of the Superintendency of Banks and Financial Institutions of Chile and the Central Bank of Chile. The purchase is set to close pending approval of the Federal Reserve.

2Q Financial Highlights

- Pre-tax income for the second quarter 2014 was \$19.6 million, up from \$16 million in second quarter 2013.
- First half core earnings are \$35.4 million compared to \$27.2 million in 2013.
- Loans grew by \$574 million in the last 12 months.
- New loan commitments totaled \$745 million during the first six months.

The bank’s financial strength and stability was recently recognized with another 5-star “Superior” rating, the highest possible, from BauerFinancial, the leading bank ratings firm. City National Bank has earned this distinction for nine consecutive quarters.

The bank has also received a number of honors recently, including the Best Business Bank, Best Community Bank, Best Bank for Jumbo Loans and Best Bank for Commercial Real Estate Lending by the readers of the *Daily Business Review*. CNB also received the *South Florida Business Journal's* Business of the Year Award as well as the Community Bank of the Year Award.

City National Bank's key financial performance metrics include:

	<u>Second Quarter 2014</u>	<u>Second Quarter 2013</u>
Pre-tax Income.....	\$19.6 million	\$16 million
Gross Loans	\$3.2 billion	\$2.54 billion
Total Deposits	\$3.8 billion	\$3.71 billion

Capital Ratios and Liquidity

CNB's capital position continued to strengthen in the second quarter of 2014 with \$583.6 million, compared to \$502.3 million in the second quarter of 2013.

Tier 1 Leverage Capital Ratio	12.64%	5% is considered well capitalized
Tier 1 Risk Based Capital Ratio	17.32%	6% is considered well capitalized
Total Risk Based Capital Ratio	18.57%	10% is considered well capitalized

CNB continues to be one of the most liquid banks in Florida with excess on balance sheet liquidity of more than \$1 billion.

Asset Quality

The bank's superior asset quality continued to improve in the second quarter of 2014 with non-accrual loans dropping to \$13 million, down from \$19.1 million in June 2013.

Allowance to total loans	1.5%	More than adequate based on asset quality
Allowance to Non-Accrual Loans	366%	One of the highest in the industry

Other key indicators of asset quality:

- Non-accrual loans to total loans declined to 0.41%
- Non-performing loans to capital declined to 2.06%

- Criticized assets to capital decreased to a low 4.39%

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About City National Bank of Florida

Headquartered in Miami, City National Bank (CNB) is the financial institution to which Floridians have turned for more than 65 years. With more than \$5.1 billion in assets, CNB is the fifth-largest financial institution based in the state. City National Bank is one of the most liquid and best capitalized banks in Florida and is rated 5 stars "Superior" by BauerFinancial. CNB was voted Best Community Bank, Best Business Bank, Best Bank for Commercial Real Estate, Best Bank for Jumbo Loans and a top private bank by the readers of the Daily Business Review. The South Florida Business Journal named it Business of the Year in 2013 and Community Bank of the Year in 2013 and 2011. CNB offers a diversified portfolio of financial products and services at 26 convenient banking centers from Miami-Dade County to the greater Orlando area.