

CITY NATIONAL CORP  
Form 424B2  
September 09, 2010

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## CALCULATION OF REGISTRATION FEE

<b>Title of each class of securities to be registered</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee(1)</b>
5.250% Senior Notes due 2020	\$300,000,000	\$21,390

(1)

Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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Prospectus supplement  
(To prospectus dated September 8, 2010)

Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-169259

**\$300,000,000**

**5.250% Senior Notes due 2020**

*Interest payable March 15 and September 15*

**Issue price: 99.738%**

We will pay interest on the notes at an annual rate equal to 5.250% and will pay interest on March 15 and September 15 of each year, beginning on March 15, 2011. The notes will mature on September 15, 2020.

We may redeem the notes, in whole or in part, at any time at the redemption prices described on page S-13. There is no sinking fund for the notes.

The notes will be unsecured and unsubordinated obligations of City National Corporation and will rank equally among themselves and with all of our other unsecured and unsubordinated indebtedness. The notes will not be guaranteed by any of our subsidiaries.

The notes will be issued only in registered book-entry form, in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

The notes are not deposits or other obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. **The notes are not guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program.**

**Investing in the notes involves risks. See "Risk factors" beginning on page S-7 to read about factors you should consider before buying the notes.**

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	<b>Per Note</b>	<b>Total</b>
Public offering price(1)	99.738%	\$ 299,214,000
Underwriting discount and commissions	0.650%	\$ 1,950,000
Proceeds to City National Corporation (before expenses)(1)	99.088%	\$ 297,264,000

(1) Plus accrued and unpaid interest, if any, from September 13, 2010.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on or about September 13, 2010.

*Sole Bookrunner*

**J.P. Morgan**

*Co-Managers*

**Credit Suisse**

September 8, 2010

**UBS Investment Bank**

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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## **About this prospectus supplement**

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering. The second part is the prospectus, which describes more general information, some of which may not apply to the offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where you can find more information" below.

All references in this prospectus supplement to "City National," "we," "us," "our" or similar references mean City National Corporation and its successors, and include our consolidated subsidiaries where the context so requires.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

## **Where you can find more information**

We file annual, quarterly, and current reports, proxy statements, and other information with the Securities and Exchange Commission, which we refer to in this document as the "SEC." Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov> and on the investor relations page of our website at <http://www.cnb.com>. Except for those SEC filings incorporated by reference in this prospectus, none of the other information on our website is part of this prospectus. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You can also obtain copies of the documents upon the payment of a duplicating fee to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

You may also obtain copies of this information by mail from the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549, at rates determined by the SEC. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect reports, proxy statements and other information that we have filed electronically with the SEC at the SEC's web site at <http://www.sec.gov>. These documents can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC's rules allow us to "incorporate by reference" information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement. Any information incorporated by reference in this prospectus supplement that we file with the SEC after the date of this prospectus supplement will automatically update and supersede information contained in this prospectus supplement. Our SEC file number is 001-10521.

**We are incorporating by reference in this prospectus the documents listed below and any future filings that we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the**

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**Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the termination of this offering, except that we are not incorporating by reference any information furnished (but not filed) under Item 2.02 or Item 7.01 of any Current Report on Form 8-K:**

our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (including the portions of our Proxy Statement on Schedule 14A, filed on March 11, 2010, incorporated by reference therein);

our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010; and

our Current Reports on Forms 8-K and 8-K/A filed on February 26, 2010, March 4, 2010, April 6, 2010, April 7, 2010, April 27, 2010, May 6, 2010, May 10, 2010, June 1, 2010 and June 29, 2010.

Upon written or oral request, we will provide at no cost to the requester a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with the prospectus. You may make a request by facsimile to (213) 673-7622, by email to investor\_relations@cnb.com, by writing to us at the following address or calling the following telephone number:

City National Corporation  
555 South Flower Street, 9<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Investor Relations  
(213) 673-7615

You should rely only on the information incorporated by reference or provided in this prospectus supplement. We have not authorized anyone else to provide you with different information. We are not making an offer of the notes in any state where the offer is not permitted. You should not assume that the information in this prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document.

Our principal executive office is located at City National Plaza, 555 South Flower Street, Los Angeles, California 90071 (telephone number (213) 673-7700).

## **Special note regarding forward-looking statements**

This prospectus supplement includes and incorporates by reference forward-looking statements for which we claim the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These statements are based on the beliefs and assumptions of our management, and on information currently available to management. Forward-looking statements include information concerning our possible or assumed future results of operations, and statements preceded by, followed by, or that include the words "will," "believes," "expects," "anticipates," "intends," "plans," "estimates," or similar expressions.

Forward-looking statements are based on our management's current knowledge and belief and include information concerning our possible or assumed future financial condition, and our results of operations, business and earnings outlook. These forward-looking statements are

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subject to risks and uncertainties. A number of factors, many of which are beyond our ability to control or predict, could cause future results to differ materially from those contemplated by such forward-looking statements. These factors include (1) local, regional and international business, economic and political conditions, (2) volatility in financial markets, including capital and credit markets, (3) significant changes in banking laws or regulations, including without limitation, the recent enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") and the new rules and regulations to be promulgated by supervisory and oversight agencies implementing the new legislation, (4) increases and required prepayments in Federal Deposit Insurance Corporation ("FDIC") premiums and special federal assessments on financial institutions due to market developments and regulatory changes, (5) changes in the level of nonperforming assets, charge-offs, other real estate owned and provision expense, (6) incorrect assumptions in the value of the loans acquired in FDIC-assisted acquisitions resulting in greater than anticipated losses in the acquired loan portfolios exceeding the losses covered by the loss-sharing agreements with the FDIC, (7) changes in inflation, interest rates, and market liquidity which may impact interest margins and impact funding sources, (8) adequacy of our enterprise risk management framework, (9) our ability to increase market share and control expenses, (10) our ability to attract new employees and retain and motivate existing employees, (11) increased competition in our markets, (12) changes in the financial performance and/or condition of the our borrowers, including changes in levels of unemployment, changes in customers' suppliers, and other counterparties' performance and creditworthiness, (13) a substantial and permanent loss of either client accounts and/or assets under management at our investment advisory affiliates or its wealth management division, (14) changes in consumer spending, borrowing and savings habits, (15) soundness of other financial institutions which could adversely affect us, (16) protracted labor disputes in our markets, (17) earthquake, fire or other natural disasters affecting the condition of real estate collateral, (18) the effect of acquisitions and integration of acquired businesses and de novo branching efforts, (19) the impact of changes in regulatory, judicial or legislative tax treatment of business transactions, (20) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, and (21) our success at managing the risks involved in the foregoing.

You should not place undue reliance on the forward-looking statements, since they are based on current expectations. Actual results may differ materially from those currently expected or anticipated.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the statements are made.

For a more complete discussion of these risks and uncertainties, see "Risk factors" on page S-7 and our Annual Report on Form 10-K for the year ended December 31, 2009 and particularly Part I, Item 1A, titled "Risk Factors," and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010 and the other documents incorporated by reference into this prospectus supplement.

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## Summary

*The following summary should be read together with the information contained in other parts of this prospectus supplement and the accompanying prospectus. This summary highlights selected information from this prospectus supplement and the accompanying prospectus to help you understand the offering of the notes. You should read this prospectus supplement and the accompanying prospectus, including the documents we incorporate by reference, carefully to understand fully the terms of the notes as well as the other considerations that are important to you in making a decision about whether to invest in the notes. You should pay special attention to the "Risk factors" section beginning on page S-7 of this prospectus supplement and the "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009, and to our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010 and the other documents incorporated by reference into this prospectus supplement, before you determine whether an investment in the notes is appropriate for you.*

### City National Corporation

City National, a Delaware corporation organized in 1968, is a bank holding company and a financial holding company under the Gramm-Leach-Bliley Financial Modernization Act of 1999. We provide a wide range of banking, investing and trust services to our clients through our wholly owned banking subsidiary, City National Bank (the "Bank"). The Bank, which has conducted business since 1954, is a national banking association headquartered in Los Angeles, California and operating through 80 offices, including 17 full-service regional centers, in Southern California, the San Francisco Bay area, Nevada and New York City. As of June 30, 2010, City National and its seven consolidated investment affiliates manage or administer \$54.6 billion in client investment assets, including \$34.2 billion under direct management.

As of June 30, 2010, we had consolidated total assets of \$21.2 billion, total deposits of \$18.0 billion and total equity of \$1.9 billion. We focus on providing affluent individuals and entrepreneurs, their businesses and their families with complete financial solutions. Our mission is to provide this banking and financial experience through dedication to extraordinary service, proactive advice and total financial solutions.

As a registered financial holding company, we are subject to the supervision of the Board of Governors of the Federal Reserve System (the "Federal Reserve"). We are required to file with the Federal Reserve reports and other information regarding our business operations and the business operations of our subsidiaries.

Our principal executive offices are located at the following address and may be reached at the following telephone number:

City National Plaza  
555 South Flower Street  
Los Angeles, California 90071  
(213) 673-7700

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## Summary of offering

*The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled "Description of the notes."*

Issuer	City National Corporation, a Delaware corporation.
Securities offered	\$300,000,000 aggregate principal amount of 5.250% Senior Notes due 2020 (the "notes").
Issue date	September 13, 2010.
Maturity	September 15, 2020.
Interest	We will pay interest on the notes at the rate of 5.250% per year payable in cash on March 15 and September 15 of each year, beginning on March 15, 2011.
Ranking	<p>The notes will be City National Corporation's unsecured unsubordinated obligations and will rank equally with all of our other unsecured unsubordinated indebtedness, and will be effectively subordinated to any secured indebtedness to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to the existing and future indebtedness of our subsidiaries.</p> <p>As of June 30, 2010, our consolidated subsidiaries had, in the aggregate, outstanding debt and other liabilities, including deposits, of approximately \$18.7 billion, all of which would structurally rank senior to the notes in case of liquidation or otherwise (excluding intercompany liabilities). As of June 30, 2010, City National Corporation (not including our consolidated subsidiaries) had an aggregate of approximately \$225.0 million of outstanding unsecured unsubordinated debt and approximately \$248.3 million of outstanding unsecured subordinated debt.</p> <p>The indenture does not limit the amount of additional indebtedness we or our subsidiaries may incur.</p>
Optional redemption	We may redeem the notes, in whole or in part, at any time at the redemption prices described under "Description of the notes - Optional redemption by us."
Restrictive covenants	We will issue the notes under an indenture between us and The Bank of New York Mellon Trust Company, N.A., as trustee, as the same may be amended or supplemented from time to time. The indenture, among other things, restricts our ability to dispose of or issue shares of voting stock of the Bank and to transfer our assets substantially as an entirety or merge or consolidate with or into other entities, without satisfying the conditions described in the section entitled "Description of the notes - Certain covenants."

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No guarantees	The notes are not guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to the liabilities of our subsidiaries as discussed above under "Ranking." <b>The notes are not guaranteed under the FDIC's Temporary Liquidity Guarantee Program.</b>
Use of proceeds	We expect to receive net proceeds from this offering of approximately \$296.8 million after deducting underwriting discounts and commissions and estimated expenses payable by us. We intend to use a portion of the proceeds to redeem our \$250.0 million 9.625% Cumulative Trust Preferred Securities issued by City National Capital Trust I, a subsidiary of City National Corporation, on December 8, 2009, and the remainder will be used for general corporate purposes. See the section entitled "Use of proceeds."
Listing	The notes will not be listed on any securities exchange.
Additional notes	The notes initially will be limited to an aggregate principal amount of \$300,000,000 subject to our ability to "reopen" the series of notes and issue additional notes of the same series.

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The following table presents selected summary consolidated financial and other data as of and for the periods presented. The selected historical financial data as of December 31, 2009 and 2008 and for each of the years in the three-year period ended December 31, 2009 are derived from our audited consolidated financial statements and related notes, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. The selected historical financial data for prior years is derived from our audited consolidated financial statements which are not incorporated by reference into this prospectus supplement and accompanying prospectus. The selected historical data as of June 30, 2010 and 2009 and for the six-month period ended June 30, 2010 and 2009 are derived from our unaudited consolidated financial statements and related notes, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. Such unaudited financial statements have been prepared on the same basis as our annual consolidated financial statements and include all adjustments, consisting of only normal recurring adjustments, necessary for the fair presentation of the data in all material respects. The results for any interim period are not necessarily indicative of the results of operations to be expected for a full fiscal year.

(in thousands, except per share amounts)(1)	As of or for the six months ended June 30,		As of or for the year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
<b>Statement of Income Data:</b>							
Interest income	\$ 409,869	\$ 345,367	\$ 709,800	\$ 784,688	\$ 894,101	\$ 826,315	\$ 716,166
Interest expense	52,366	44,894	85,024	184,792	285,829	220,405	106,125
Net interest income	357,503	300,473	624,776	599,896	608,272	605,910	610,041
Provision for credit losses on loans and leases, excluding covered loans	87,000	120,000	285,000	127,000	20,000	(610)	
Provision for losses on covered loans	46,516						
Noninterest income	199,400	111,552	290,515	266,984	303,202	242,370	210,368
Noninterest expense	362,512	277,119	580,128	587,763	534,931	476,046	438,178
Income before taxes	60,875	14,906	50,163	152,117	356,543	372,844	382,231
Income taxes	1,559	646	(1,886)	41,783	124,974	133,363	141,821
Net income	\$ 59,316	\$ 14,260	\$ 52,049	\$ 110,334	\$ 231,569	\$ 239,481	\$ 240,410
Less: Net income attributable to noncontrolling interest	2,300	27	710	5,378	8,856	5,958	5,675

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Net income attributable to City National Corporation	\$	57,016	\$	14,233	\$	51,339	\$	104,956	\$	222,713	\$	233,523	\$	234,735
Less: Dividends and accretion on preferred stock		5,702		11,002		25,903		2,445						

Net income available to common shareholders	\$	51,314	\$	3,231	\$	25,436	\$	102,511	\$	222,713	\$	233,523	\$	234,735
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**Per Common Share Data:**

Net income per common share, basic	\$	0.98	\$	0.06	\$	0.50	\$	2.12	\$	4.58	\$	4.78	\$	4.74
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Net income per common share, diluted		0.97		0.06		0.50		2.11		4.50		4.65		4.58
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Dividends per common share		0.20		0.35		0.55		1.92		1.84		1.64		1.44
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Book value per common share	\$	36.51	\$	34.14	\$	34.74	\$	33.52	\$	33.66	\$	30.86	\$	29.24
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Shares used to compute net income per common share, basic		51,852		49,028		50,272		47,930		48,234		48,477		49,159
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Shares used to compute net income per common share, diluted		52,336		49,138		50,421		48,196		49,069		49,893		50,937
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**Balance Sheet Data At Period End:**

Assets	\$	21,231,447	\$	17,660,785	\$	21,078,757	\$	16,455,515	\$	15,889,290	\$	14,884,309	\$	14,581,809
Securities		4,890,430		3,468,463		4,461,060		2,440,468		2,756,010		3,101,154		4,010,757

Loans and leases, excluding covered loans		11,483,044		12,421,342		12,146,908		12,444,259		11,630,638		10,386,005		9,265,602
Covered loans		2,034,591				1,851,821								

Interest-earning assets		19,346,498		16,296,254		19,435,932		15,104,199		14,544,176		13,722,062		13,520,922
Deposits		17,972,913		14,498,251		17,379,448		12,652,124		11,822,505		12,172,816		12,138,472

Common shareholders' equity		1,901,771		1,757,438		1,790,275		1,614,904		1,610,139		1,465,495		1,442,738
Total equity	\$	1,926,960	\$	2,173,916	\$	2,012,764	\$	2,030,434	\$	1,635,722	\$	1,491,175	\$	1,467,181



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(in thousands, except per share amounts)(1)	As of or for the six months ended June 30,		As of or for the year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
<b>Balance Sheet</b>							
<b>Data Average</b>							
<b>Balances:</b>							
Assets	\$20,534,687	\$16,892,922	\$17,711,495	\$16,028,821	\$15,370,764	\$14,715,512	\$14,161,241
Securities	4,140,668	2,893,287	3,327,235	2,398,285	2,833,489	3,488,005	4,028,332
Loans and leases, excluding covered loans	11,762,122	12,374,714	12,296,619	12,088,715	11,057,411	9,948,363	8,875,358
Covered loans	1,918,481		66,470				
Interest-earning assets	18,587,650	15,520,763	16,330,065	14,670,167	14,054,123	13,568,255	13,047,244
Deposits	17,234,260	13,435,457	14,351,897	11,899,642	12,236,383	11,869,927	11,778,839
Common shareholders' equity	1,850,162	1,682,360	1,745,101	1,636,597	1,564,080	1,440,509	1,373,502
Total equity	\$ 1,942,057	\$ 2,098,394	\$ 2,160,922	\$ 1,706,092	\$ 1,588,480	\$ 1,465,726	\$ 1,399,166
<b>Asset Quality:</b>							
Nonaccrual loans	\$ 260,118	\$ 378,261	\$ 388,707	\$ 211,142	\$ 75,561	\$ 20,883	\$ 14,400
Other real estate owned ("OREO")	54,451	18,064	53,308	11,388			
Covered OREO	98,841		60,558				
Total nonaccrual loans and OREO	\$ 413,410	\$ 396,325	\$ 502,573	\$ 222,530	\$ 75,561	\$ 20,883	\$ 14,400
<b>Performance</b>							
<b>Ratios:</b>							
Return on average assets(2)	0.56%	0.17%	0.29%	0.65%	1.45%	1.59%	1.66%
Return on average common shareholders' equity(2)	5.59%	0.39%	1.46%	6.26%	14.24%	16.21%	17.09%

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Net interest spread	3.51%	3.47%	3.41%	3.27%	2.91%	3.18%	3.99%
Net interest margin(2)	3.95%	3.99%	3.91%	4.20%	4.45%	4.58%	4.79%
Period-end common shareholders' equity to period-end assets	8.96%	9.95%	8.49%	9.81%	10.13%	9.85%	9.89%
Period-end equity to period-end assets	9.08%	12.31%	9.55%	12.34%	10.29%	10.02%	10.06%
Dividend payout ratio, per common share	20.40%	526.55%	107.80%	90.61%	40.13%	34.31%	30.03%
Expenses to revenue ratio(2)(3)	58.44%	65.83%	61.76%	66.80%	57.87%	55.28%	52.61%
<b>Asset Quality Ratios(4):</b>							
Nonaccrual loans to total loans and leases	2.27%	3.05%	3.20%	1.70%	0.65%	0.20%	0.16%
Nonaccrual loans and OREO to total loans and leases and OREO	2.73%	3.19%	3.62%	1.79%	0.65%	0.20%	0.16%
Allowance for loan and lease losses to total loans and leases	2.53%	2.06%	2.38%	1.80%	1.45%	1.50%	1.66%
Allowance for loan and lease losses to nonaccrual loans	111.68%	67.68%	74.22%	106.11%	223.03%	743.88%	1,069.33%
Net (charge-offs)/recoveries to average total loans and leases(2)	(1.42)%	(1.47)%	(1.84)%	(0.57)%	(0.08)%	0.03%	0.10%
<b>Capital Ratios:</b>							
Risk-based capital ratios							

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Tier 1	11.69%	12.35%	12.20%	11.71%	9.31%	11.09%	12.33%
Total	14.68%	14.18%	15.15%	13.40%	11.27%	13.60%	15.53%
Tier 1 leverage ratio	7.96%	10.16%	9.48%	10.44%	7.97%	8.81%	8.82%

- (1) Certain prior period balances have been reclassified to conform to the current period presentation.
- (2) Annualized for the six months ended June 30, 2010 and June 30, 2009.
- (3) The expenses to revenue ratio is defined as noninterest expense excluding OREO expense divided by total revenue (consisting of net interest income on a fully taxable-equivalent basis and noninterest income).
- (4) Excludes covered assets, which consists of acquired loans and OREO that are covered under a loss sharing agreement with the FDIC.



Table of Contents**Ratio of earnings to fixed charges**

Our consolidated ratios of earnings to fixed charges for each of the five fiscal years indicated below and the six months ended June 30, 2010 are as follows:

	<b>Six months ended June 30, 2010</b>	<b>2009</b>	<b>2008</b>	<b>Years ended December 31,</b>		
				<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Ratio of Earnings to Fixed Charges:</b>						
Excluding interest on deposits	2.43	1.15	2.87	5.16	5.80	9.49
Including interest on deposits	1.86	1.08	1.74	2.19	2.56	4.14

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## **Risk factors**

*Investing in the notes involves risks, including the risks described below that are specific to the notes and those that could affect us and our business. You should not purchase notes unless you understand these investment risks. Please be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Before purchasing any notes, you should carefully consider the following discussion of risks and the other information in this prospectus supplement and the accompanying prospectus, and carefully read the risks described in the documents incorporated by reference in this prospectus supplement, including those set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010.*

### **Risks relating to the notes**

**The notes are our obligations and not obligations of our subsidiaries and will be structurally subordinated to the claims of our subsidiaries' creditors.**

The notes are exclusively our obligations and not those of our subsidiaries. We are a holding company that conducts substantially all of our operations through our bank and non-bank subsidiaries. As a result, our ability to make payments on the notes will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. If we do not receive sufficient cash dividends and other distributions from our subsidiaries, it is unlikely that we will have sufficient funds to make payments on the notes.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the no