

CITY NATIONAL CORP
 Form 424B3
 January 09, 2007
 Filed pursuant to Rule 424(b)(3)

Registration Statement No. 333-139215

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholder,

On October 31, 2006, Business Bank Corporation entered into an agreement and plan of merger with City National Corporation pursuant to which Business Bank will merge with and into City National, with City National as the surviving corporation in the merger. You are cordially invited to attend a special meeting of the stockholders of Business Bank on February 9, 2007 at 8:00 a.m., local time, at the Business Bank headquarters located at 6085 W. Twain Avenue, Second Floor, Las Vegas, Nevada 89103 to vote on approval of the merger. We are sending you this proxy statement/prospectus to ask you to vote on the approval of the merger at the special meeting.

If the merger is completed, Business Bank stockholders may elect to receive cash, City National common stock or a combination of cash and common stock in exchange for their shares of Business Bank common stock, subject to certain limitations described in this document. Shares that are converted into cash will receive \$66.50 per share in cash, without interest. Shares that are converted into City National common stock will receive a fraction of a City National share that will vary based on the average closing sale prices of City National common stock on the New York Stock Exchange for the ten trading days immediately preceding the completion of the merger as follows:

Average City National Trading Price

More than \$74.25
 More than \$69.50, but not more than \$74.25
 More than \$67.50, but not more than \$69.50 per share
 \$60.75 or more, but not more than \$67.50
 Less than \$60.75

Exchange Ratio

\$71.04 divided by the average City National trading price
 0.9568
 \$66.50 divided by the average City National trading price
 0.9852
 \$59.85 divided by the average City National trading price

The following table shows the closing sale prices of City National common stock as reported on the New York Stock Exchange and of Business Bank common stock as reported on the Over-the-Counter Bulletin Board on October 31, 2006, the last trading day before we announced the merger, and on January 8, 2007, the last practicable trading day before the distribution of this document. This table also shows the implied value of the consideration proposed for each share of Business Bank common stock receiving City National common stock in the merger, which was calculated by multiplying the closing price of City National common stock on those dates by 0.9852, the exchange ratio that would result if the applicable average City National trading price were equal to the City National closing prices on such dates. The value of the cash component of the merger consideration is fixed at \$66.50 per Business Bank share.

	City National Common Stock		Business Bank Common Stock		Implied Value of Stock Consideration	
At 10/31/06	\$	66.56	\$	58.00	\$	65.57
At 1/8/07	\$	70.00	\$	65.56	\$	66.98

The market prices of both City National common stock and Business Bank common stock will fluctuate before the merger. You should obtain current stock price quotations for City National common stock and Business Bank common stock. City National common stock is quoted on the NYSE under the symbol CYN. Business Bank common stock is quoted on the Over-the-Counter Bulletin Board under the symbol BBNV.

We expect that the merger will generally be tax-free to you as to shares of City National common stock you receive in the merger and generally taxable to you as to the cash you receive.

We cannot complete the merger unless Business Bank's common stockholders approve it. In order for the merger to be approved, the holders of at least a majority of Business Bank's outstanding shares must vote in favor of the merger. The members of the board of directors of Business Bank, who in the aggregate have the power to vote approximately 50.7% of the outstanding shares of Business Bank common stock, have each

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executed voting agreements with City National pursuant to which they have agreed to vote their

shares of Business Bank common stock in favor of the merger and against any competing business combination transaction. Regardless of whether you plan to attend the special stockholders meeting, please take the time to vote your shares in accordance with the instructions contained in this document. Failing to vote will have the same effect as voting against the merger. The Business Bank board of directors recommends that Business Bank stockholders vote FOR approval of the merger.

This document describes the special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire document, including the Risk Factors section beginning on page 18 for a discussion of the risks relating to the proposed merger. You also can obtain information about City National Corporation from documents that it has filed with the Securities and Exchange Commission.

John Guedry
President and Chief Executive Officer
Business Bank Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the City National common stock to be issued under this document or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense.

The date of this document is January 8, 2007, and it is first being mailed or otherwise delivered to Business Bank stockholders on or about January 10, 2007.

BUSINESS BANK CORPORATION
6085 W. Twain Ave.
Las Vegas, NV 89103

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

Business Bank Corporation will hold a special meeting of stockholders at the Business Bank headquarters located at 6085 W. Twain Avenue, Second Floor, Las Vegas, Nevada 89103 at 8:00 a.m., local time on February 9, 2007 to consider and vote upon the following proposals:

- To approve the merger of Business Bank Corporation with and into City National Corporation, on the terms set forth in the Agreement and Plan of Merger, dated as of October 31, 2006, by and between City National and Business Bank, as it may be amended from time to time; and
- To approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger.

The Business Bank board of directors has fixed the close of business on December 15, 2006 as the record date for the special meeting. Only Business Bank stockholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting.

In order for the merger to be approved, the holders of at least a majority of the outstanding Business Bank common stock outstanding and entitled to vote thereon must vote in favor of approval of the merger.

Regardless of whether you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible. If you hold stock in your name as a stockholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. If you hold your stock in street name through a bank or broker, please direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Business Bank common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

Business Bank stockholders who do not vote in favor of approving the merger agreement and who otherwise comply with the requirements of Nevada law will be entitled to appraisal rights. A summary of the applicable Nevada law provision, including the requirements a Business Bank stockholder must follow in order to exercise his or her appraisal rights, is contained in the accompanying proxy statement/prospectus. A copy of the Nevada law provision relating to appraisal rights is attached as Annex C to the proxy statement/prospectus.

The Business Bank board of directors has approved the merger and the merger agreement and recommends that Business Bank stockholders vote FOR approval of the merger.

BY ORDER OF THE BOARD OF DIRECTORS,

Larry L. Charlton, *Secretary*
January 8, 2007

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD.

REFERENCES TO ADDITIONAL INFORMATION

This document, which is sometimes referred to as this proxy statement/prospectus, constitutes a proxy statement of Business Bank to Business Bank stockholders with respect to the solicitation of proxies for the special meeting described within and a prospectus of City National for the shares of City National common stock that City National will issue to Business Bank stockholders in the merger. This document incorporates important business and financial information about City National from documents filed with the Securities and Exchange Commission (the SEC) that are not included in or delivered with this document. You may obtain copies of these documents, without charge, from the web site maintained by the SEC at www.sec.gov, as well as other sources. See *Where You Can Find More Information* beginning on page 72. You can also obtain documents incorporated by reference in this document, other than certain exhibits to those documents, by requesting them in writing or by telephone from City National Corporation at the following address:

City National Corporation
400 North Roxbury Drive
Beverly Hills, California 90210
Attention: Investor Relations
(213) 673-7615

You will not be charged for any of these documents that you request. Business Bank stockholders requesting documents should do so by February 2, 2007 in order to receive them before the special meeting.

See *Where You Can Find More Information* on page 72.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING

The questions and answers below highlight only selected procedural information from this document. They do not contain all of the information that may be important to you. You should read carefully the entire document and the additional documents incorporated by reference into this document to fully understand the voting procedures for the special meeting.

Q: What is the proposed transaction for which I am being asked to vote?

A: You are being asked to vote to adopt an Agreement and Plan of Merger, dated as of October 31, 2006, by and between City National Corporation and Business Bank Corporation. Subject to the terms and conditions of the merger agreement, Business Bank would merge with and into City National, with City National as the surviving corporation in the merger.

Q: When and where is the special meeting?

A: The special meeting is scheduled to take place at the Business Bank headquarters located at 6085 W. Twain Avenue, Second Floor, Las Vegas, Nevada 89103 at 8:00 a.m., local time on February 9, 2007.

Q: What do I need to do now?

A: After you have carefully read this document and have decided how you wish to vote your shares, please vote your shares promptly. If you hold stock in your name as a stockholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Submitting your proxy card or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the special meeting.

Q: What vote is required to approve the merger agreement?

A: The merger agreement must be approved by the holders of a majority of the outstanding shares of Business Bank common stock entitled to vote at the special meeting. **The Business Bank board of directors recommends that you vote FOR approval of the merger.** The members of the board of directors of Business Bank, who in the aggregate have the power to vote approximately 50.7% of the outstanding shares of Business Bank common stock, have each executed voting agreements with City National pursuant to which they have agreed to vote their shares of Business Bank common stock in favor of the merger and against any competing business combination transaction.

Q: If my shares of common stock are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

Q: What if I fail to instruct my broker?

A: If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal being presented at the special meeting. Because the approval of the merger requires the affirmative vote of the holders of a majority of the outstanding shares of Business Bank common stock, a failure to provide your broker instructions will have the same effect as a vote against the merger.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. All stockholders, including stockholders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special

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meeting. Holders of record of Business Bank common stock can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Q: Can I change my vote?

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Secretary of Business Bank, or (3) attending the special meeting in person, notifying the Secretary and voting by ballot at the special meeting. The Business Bank Secretary's mailing address is 6085 W. Twain Avenue, Las Vegas, Nevada 89103.

Any stockholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy but the mere presence (without notifying the Secretary of Business Bank) of a stockholder at the special meeting will not constitute revocation of a previously given proxy.

Q: Should I send in my stock certificates with my proxy card?

A: No. Please **DO NOT** send your stock certificates with your proxy card. Rather, prior to the election deadline described in this proxy statement/prospectus, you should send your Business Bank common stock certificates to the exchange agent, together with a completed, signed election form that will be provided to you, or, if your shares are held in street name, according to your broker's instructions. If you do not wish to make an election, you will receive separate instructions for submitting your Business Bank common stock certificates in exchange for the merger consideration following completion of the merger.

Q: What will Business Bank stockholders receive for their stock in the merger?

A: For each share of Business Bank common stock that you own, you may request to receive:

- (1) \$66.50 in cash; or
- (2) A fraction of a City National share equal to the exchange ratio. The exchange ratio will vary based on the average closing sale prices of City National common stock on the New York Stock Exchange for the ten trading days immediately preceding the completion of the merger as follows:

Average City National Trading Price	Exchange Ratio
More than \$74.25	\$71.04 divided by the average City National trading price
More than \$69.50, but not more than \$74.25	0.9568
More than \$67.50, but not more than \$69.50 per share	\$66.50 divided by the average City National trading price
\$60.75 or more, but not more than \$67.50	0.9852
Less than \$60.75	\$59.85 divided by the average City National trading price

Thus, by way of example only, if the average closing sale prices of City National common stock on the New York Stock Exchange for the ten trading days immediately preceding the completion of the merger were \$70.00 per share, the exchange ratio would be 0.9568. Under that example, if you owned 10,000 shares of Business Bank common stock that were converted into the stock consideration, you would receive 9,568 shares of City National common stock in the merger.

If you are a stockholder of record of Business Bank common stock you may make different elections with respect to different shares. For example, if you are the record holder of 10,000 shares of Business Bank common stock, you may elect to have 3,000 of those shares converted into the cash consideration and 7,000 of those shares converted into the City National common stock consideration, subject to potential adjustment as described below. If you hold your stock in `street name` through a bank or broker, your election procedures may be subject to further limitations imposed by your bank or broker.

You will not receive the merger consideration if you properly perfect your appraisal rights under Nevada law.

Q: Am I certain to receive the form of merger consideration that I elect?

A: No. The merger agreement provides that one-half of the total Business Bank shares outstanding immediately prior to completion of the merger will be converted into cash and one-half of the total Business Bank shares outstanding immediately prior to completion of the merger will be converted into City National common stock. As a result, if more stockholders elect to receive either form of consideration than is available under the merger agreement, stockholders electing the over-subscribed form of consideration will have their elections proportionately reduced and will receive a portion of their consideration in the other form of consideration, despite their election. This mechanism is more fully described in this proxy statement/prospectus under the caption `The Merger Agreement Merger Consideration` beginning on page 40.

Q: What do I need to do to receive the merger consideration?

A: You will need to sign, date and complete the election form and transmittal materials that will be separately provided to you and submit them to the exchange agent, Continental Stock Transfer & Trust Company, at the address given in the materials, together with the certificates representing your shares of Business Bank common stock prior to the election deadline. The election deadline will be thirty days prior to the date that the parties anticipate completing the merger, and will be separately announced at least five business days, and not more than fifteen business days, prior to the deadline. If you do not submit an election prior to the election deadline, you will be allocated City National common stock and/or cash pursuant to the procedures described under `The Merger Agreement Merger Consideration` beginning on page 40. If your shares are held in `street name` you will have to follow your broker's instructions to make an election. If you do not make an election, you will receive separate instructions for submitting your Business Bank common stock certificates in exchange for the merger consideration following completion of the merger.

Q: What must I do if I want to seek appraisal rights because I do not want to receive the merger consideration?

A: Under Nevada law, you will have appraisal rights as a result of the proposed merger. If you wish to dissent from the merger and seek an appraisal of the value of your Business Bank shares you must follow the procedures established under Nevada law, including:

- Delivery of notice of demand for appraisal prior to the special stockholder meeting,
- Not voting in favor of the merger, and
- Continuing to hold your shares of Business Bank stock through completion of the merger.

These procedures are described in Appendix C of this document and are summarized on pages 57-58. Failure to follow the applicable procedures will result in the loss of appraisal rights.

Q: Can I change my election after I submit my certificates?

A: Yes, you can revoke your election and submit new election materials prior to the election deadline. You may do so by submitting a written notice to the exchange agent that is received prior to the election deadline. The revocation must specify the account name and such other information as the exchange agent may request; revocations may not be made in part. New elections must be submitted in accordance with the election procedures described in this proxy statement/prospectus. If you instructed a broker to submit an election for your shares, you must follow your broker's directions for changing those instructions.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the first quarter of 2007. However, we cannot assure you when or if the merger will occur. We must first obtain the approval of Business Bank stockholders at the special meeting and the necessary regulatory approvals.

Q: Will I be able to sell the shares of City National common stock that I receive in the merger?

A: Yes, in most cases. The shares of City National common stock to be issued in the merger will be registered under the Securities Act of 1933, as amended (which we refer to as the Securities Act), and listed on the New York Stock Exchange. However, certain stockholders who are deemed to be affiliates of City National or Business Bank under the Securities Act (generally, directors, executive officers and stockholders of City National or Business Bank holding more than 10% of the outstanding shares of common stock) must abide by certain transfer restrictions under the Securities Act.

Q: What if I do not vote or I abstain from voting?

A: If you do not vote or you abstain from voting, your failure to vote or abstention will have the effect of a vote against the items being considered.

Q: What happens if I sell my shares of Business Bank common stock before the special meeting?

A: The record date for the special meeting is December 15, 2006, which is earlier than the date of the special meeting. If you hold your shares of Business Bank common stock on the record date you will retain your right to vote at the special meeting. If you transfer your shares of Business Bank common stock after the record date but prior to the date on which the merger is completed, you will lose the right to receive the merger consideration for shares of Business Bank common stock and any dividends that have a record date after the date on which you transfer your shares. The right to receive the merger consideration will pass to the person who owns your shares of Business Bank common stock when the merger is completed.

Q: What will happen to my Business Bank shares after completion of the merger?

A: Upon completion of the merger, your shares of Business Bank common stock will be canceled and will represent only the right to receive your portion of the merger consideration (or the fair value of your Business Bank common stock if you seek appraisal rights) and any declared but unpaid dividends that you may be owed.

Q: Whom should I call with questions?

A: Business Bank stockholders should call Paul Stowell at (702) 952-4415 with any questions about the merger.

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SUMMARY

*This summary highlights selected information from this document. It does not contain all of the information that is important to you. We urge you to carefully read the entire document and the other documents to which we refer in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* on page 72. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.*

The Merger and the Merger Consideration (page 40)

We are proposing the merger of Business Bank with and into City National. City National will survive the merger. If the merger is completed, you will have the right to elect to receive \$66.50 per share in cash (without interest) or a fraction of a share of City National common stock based on the formula described below for each share of Business Bank common stock that you own, unless you do not vote in favor of the merger and you properly perfect your appraisal rights under Nevada law. Shares that are converted into City National common stock will receive a fraction of a City National share (which we refer to in this document as the exchange ratio) that will vary based on the average closing sale prices of City National common stock on the New York Stock Exchange for the ten trading days immediately preceding the completion of the merger as follows:

Average City National Trading Price	Exchange Ratio
More than \$74.25	\$71.04 divided by the average City National trading price
More than \$69.50, but not more than \$74.25	0.9568
More than \$67.50, but not more than \$69.50 per share	\$66.50 divided by the average City National trading price
\$60.75 or more, but not more than \$67.50	0.9852
Less than \$60.75	\$59.85 divided by the average City National trading price

Thus, by way of example only, if the average closing sale prices of City National common stock on the New York Stock Exchange for the ten trading days immediately preceding the completion of the merger were \$70.00 per share, the exchange ratio would be 0.9568. Under that example, if you owned 10,000 shares of Business Bank common stock that were converted into the stock consideration, you would receive 9,568 shares of City National common stock in the merger.

If you are a stockholder of record of Business Bank common stock you may make different elections with respect to different shares. For example, if you are the record holder of 10,000 shares of Business Bank common stock, you may elect to have 3,000 of those shares converted into the cash consideration and 7,000 of those shares converted into the City National common stock consideration, subject to potential adjustment as described below. If you hold your stock in street name through a bank or broker, your election procedures may be subject to further limitations imposed by your bank or broker.

City National will not issue any fractional shares of City National common stock in the merger: Business Bank stockholders who would otherwise be entitled to a fractional share of City National common stock will instead receive an additional amount in cash based on the same average City National common stock price described above.

Regardless of whether you make a cash election or a stock election, you may nevertheless receive a mix of cash and stock (page 42)

The merger agreement provides that one-half of the total Business Bank shares outstanding immediately prior to completion of the merger will be converted into cash and one-half of the total outstanding Business Bank shares will be converted into City National common stock. As a result, if more

stockholders elect to receive either form of consideration than is available under the merger agreement, stockholders electing the over-subscribed form of consideration will have their elections proportionately reduced and will receive a portion of their consideration in the other form, despite their election.

Consideration for Business Bank Stock Options and Restricted Stock (page 41)

Upon completion of the merger:

- Each outstanding option to purchase shares of Business Bank common stock, whether vested or not, that is held by an employee of Business Bank will be cancelled and converted into an option to purchase City National common stock, with (1) the shares subject to such new option equal to the number of shares of Business Bank common stock subject to the old option immediately prior to completion of the merger multiplied by the exchange ratio described above under The Merger and the Merger Consideration (rounded down to the nearest whole share) and (2) with an exercise price per share equal to the exercise price per share under the old option divided by the exchange ratio (rounded down to the nearest whole cent);
- Each outstanding option to purchase shares of Business Bank common stock, whether vested or not, that is held by anyone other than an employee of Business Bank (including any non-employee director of Business Bank) will be cancelled and converted into the right to receive a lump sum cash payment, without interest, equal to the product of (1) the number of shares subject to such Business Bank option and (2) the excess, if any, of \$66.50 over the exercise price per share of such Business Bank option, subject to applicable tax withholding; and
- Each outstanding restricted share of Business Bank common stock, whether vested or not, will be cancelled and converted into the right to receive, without restrictions, the merger consideration applicable to non-restricted shares of Business Bank common stock, subject to applicable tax withholding.

The Merger Will Generally Be Tax-Free to Business Bank Stockholders Except to the Extent of the Cash They Receive (page 54)

City National and Business Bank have structured the merger to qualify as a reorganization for United States federal income tax purposes, and it is a condition to their respective obligations to complete the merger that each of City National and Business Bank receive a legal opinion to that effect. Accordingly, the merger will generally be tax-free to you, except to the extent of the cash you receive in the merger. The amount of gain that you recognize in the merger will generally be limited to the lesser of the amount of gain that you realize and the amount of cash that you receive in the merger (except for any cash you receive instead of fractional shares). The amount of gain that you realize is generally equal to the excess, if any, of the sum of the cash and the fair market value of the City National common stock that you receive over your tax basis in the Business Bank common stock you surrender in the merger.

The United States federal income tax consequences described above may not apply to all holders of Business Bank common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Comparative Market Prices and Share Information (page 71)

City National common stock is quoted on the NYSE under the symbol CYN. Business Bank common stock is quoted on the Over-the-Counter Bulletin Board under the symbol BBNV. The following table shows the closing sale prices of City National common stock and Business Bank common stock as reported on the NYSE and the Over-the-Counter Bulletin Board on October 31, 2006, the last trading day before we announced the merger, and on January 8, 2007, the last practicable trading day before the distribution of this document. This table also shows the implied value of the consideration

proposed for each share of Business Bank common stock receiving City National common stock in the merger, which was calculated by multiplying the closing price of City National common stock on those dates by 0.9852, the exchange ratio that would result if the applicable average City National trading price were equal to the City National closing prices on such dates. The value of the cash component of the merger consideration is fixed at \$66.50 per Business Bank share.

	City National Common Stock	Business Bank Common Stock	Implied Value of Stock Consideration
At 10/31/06	\$ 66.56	\$ 58.00	\$ 65.57
At 1/8/07	\$ 70.00	\$ 65.56	\$ 66.98

The market price of City National common stock and Business Bank common stock will fluctuate prior to the merger. You should obtain current market quotations for the shares.

Ryan Beck & Co. Has Provided an Opinion to the Business Bank Board of Directors Regarding the Merger Consideration (page 27)

Ryan Beck & Co. delivered its opinion to Business Bank's board of directors that as of October 31, 2006 and based upon and subject to the factors and assumptions set forth in the opinion, the merger consideration to be received by holders of the outstanding shares of the common stock of Business Bank under the agreement and plan of merger was fair from a financial point of view.

The full text of the written opinion of Ryan Beck, dated October 31, 2006, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix B to this proxy statement/prospectus. Business Bank's stockholders are encouraged to read the opinion in its entirety. Ryan Beck provided its opinion for the information and assistance of the Business Bank board of directors in connection with its consideration of the transaction. The Ryan Beck opinion is not a recommendation as to how any holder of Business Bank common stock should vote with respect to the transaction.

The Business Bank Board of Directors Recommends that Business Bank Stockholders Vote FOR Approval of the Merger (page 25)

The Business Bank board of directors believes that the merger is in the best interests of Business Bank and its stockholders and has approved the merger and the merger agreement. The Business Bank board of directors recommends that Business Bank stockholders vote FOR approval of the merger.

Business Bank's Directors and Officers Have Financial Interests in the Merger That May Differ From Your Interests (page 38)

In considering the information contained in this document, you should be aware that Business Bank's executive officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Business Bank stockholders. These additional interests of Business Bank's executive officers and directors may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than you may view it as a stockholder.

Business Bank's board of directors was aware of these interests and took them into account in its decision to approve and adopt the merger agreement. For information concerning these interests, please see the discussion under the caption Business Bank's Directors and Officers Have Financial Interests in the Merger.

Holders of Business Bank Common Stock Have Appraisal Rights in the Merger (page 57)

Under Nevada law, in the event the merger is completed, if you file with us before the special meeting a written objection to the proposed merger, you do not vote to approve and adopt the merger agreement, and you comply with the other requirements of the relevant provisions of Nevada law described in this proxy statement/prospectus, you may elect to receive, in cash, the statutorily determined fair value of your shares of our common stock, with interest, in lieu of receiving the merger consideration. A copy of the full text of the relevant provisions of Nevada law is attached as Appendix C, and any description in this proxy statement of those provisions is qualified in its entirety by reference to Appendix C.

Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 51)

Currently, we expect to complete the merger in the first quarter of 2007. As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval by Business Bank stockholders, the receipt of all required regulatory approvals (such as approval by the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency) without a condition or a restriction that would have a material adverse effect measured relative to Business Bank, and the receipt of legal opinions by each company regarding the tax treatment of the merger.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement (page 52)

We may mutually agree to terminate the merger agreement before completing the merger, even after stockholder approval, as long as the termination is approved by each of our boards of directors. In addition, either of us may decide to terminate the merger agreement, even after stockholder approval, if:

- A governmental entity that must grant a regulatory approval as a condition to the merger denies such approval of the merger and such denial has become final and non-appealable;
- A governmental entity issues a non-appealable final order prohibiting the merger;
- The merger has not been completed by October 31, 2008, unless the reason the merger has not been completed by that date is a breach of the merger agreement by the company seeking to terminate the merger agreement;
- The other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 30 days following written notice (unless it is not possible due to the nature or timing of the breach for the breaching party to cure the breach); or
- The stockholders of Business Bank fail to approve the merger agreement at the special stockholders meeting or any adjournment thereof, except that Business Bank may not terminate the merger agreement pursuant to this provision if it has breached its obligation to call and hold a stockholder meeting to consider the merger or its obligation to not solicit competing acquisition proposals.

In addition, City National may terminate the merger agreement if:

- The Business Bank board of directors fails to recommend approval of the merger agreement to its stockholders;
- The Business Bank board of directors withdraws or modifies its recommendation (or proposes to do so) in a manner adverse to City National;

- The Business Bank board of directors recommends or endorses an alternative business combination proposal;
- The Business Bank board of directors resolves to do any of the foregoing; or
- Business Bank intentionally breaches its obligation to call and hold a stockholder meeting to consider the merger or its obligation to not solicit competing acquisition proposals.

Termination Fee (page 53)

In the event that City National terminates the merger agreement because of any of the matters set forth in the last five bullet points in the preceding Termination of the Merger Agreement, Business Bank will pay City National a \$5 million termination fee. In addition, we have agreed that if certain events occur relating to a competing business combination proposal and thereafter the merger agreement is terminated by either Business Bank or City National under specified circumstances and within 12 months thereafter Business Bank enters into any acquisition or similar agreement or completes an alternative business combination proposal, Business Bank will pay City National a \$5 million termination fee. Only one \$5 million fee can become due under the termination fee provisions of the merger agreement.

Regulatory Approvals Required for the Merger (page 36)

Business Bank and City National have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from the Federal Reserve Board and the Office of the Comptroller of the Currency. City National and Business Bank have filed their applications to obtain the required regulatory approvals of the Federal Reserve Board and the Office of the Comptroller. In obtaining the required regulatory approvals, City National is not required to agree to any restriction or condition that would have a material adverse effect on Business Bank or City National, measured on a scale relative to Business Bank.

Although we do not know of any reason why we cannot obtain these regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them.

The Rights of Business Bank Stockholders will be Governed by Delaware Law and the City National Certificate of Incorporation and Bylaws after the Merger (page 62)

The rights of Business Bank stockholders who become City National stockholders will change as a result of the merger due to differences in City National's and Business Bank's governing documents and due to the fact that the companies are incorporated in different states (Business Bank in Nevada and City National in Delaware). A description of stockholder rights under each of the City National and Business Bank governing documents and applicable state law begins on page 62 of this document.

Business Bank will Hold its Special Meeting on February 9, 2007 (page 20)

The special meeting will be held on February 9, 2007 at 8:00 a.m., local time, at the Business Bank headquarters located at 6085 W. Twain Avenue, Second Floor, Las Vegas, Nevada 89103. At the special meeting, Business Bank stockholders will be asked to:

- Approve the merger; and
- Approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the merger.

Record Date. Only holders of record of Business Bank common stock at the close of business on December 15, 2006 will be entitled to vote at the special meeting. Each share of Business Bank common stock is entitled to one vote. As of the record date of December 15, 2006, there were 2,311,477 shares of Business Bank common stock entitled to vote at the special meeting.

Required Vote. To approve the merger, the holders of a majority of the outstanding shares of Business Bank common stock entitled to vote must vote in favor of approving the merger. Because approval is based on the affirmative vote of at least a majority of shares outstanding, a Business Bank stockholder's failure to vote or an abstention will have the same effect as a vote against the merger.

Approval of any necessary adjournment of the special meeting may be obtained by the affirmative vote of the holders of a majority of the shares present in person or by proxy, even if less than a quorum. Because approval of such adjournment is based on the affirmative vote of a majority of shares present in person or by proxy, abstentions will have the same effect as a vote against this proposal.

As of the record date, directors and executive officers of Business Bank and their affiliates had the right to vote 1,205,632 shares of Business Bank common stock, or 52.2% of the outstanding Business Bank common stock entitled to be voted at the special meeting. At that date, City National, its directors and its executive officers did not beneficially own any shares of Business Bank common stock. As described below, the directors of Business Bank have agreed to vote their shares of Business Bank common stock in favor of the merger. In addition, City National will vote its shares of Business Bank common stock in favor of the proposals to be presented at the special meeting.

Business Bank's Directors Have Agreed to Vote in Favor of the Merger (page 22)

In consideration of City National agreeing to enter into the merger agreement, each of the members of our board of directors entered into support agreements with City National under which they agreed to vote, and gave City National an irrevocable proxy to vote, their shares of Business Bank common stock in favor of the merger agreement and against any competing acquisition transaction. The shares subject to these support agreements represent approximately 50.7% of the outstanding shares of Business Bank common stock as of the record date. A form of the support agreement is attached to this proxy statement as Appendix D.

Information about the Companies (page 58)

City National Corporation

City National is a Delaware corporation, a bank holding company and a financial holding company under U.S. federal law. City National's bank subsidiary, City National Bank, is a national bank. As an organization, City National focuses on providing entrepreneurs, their businesses and their families with complete financial solutions. City National provides banking, investment and trust services to its clients through City National Bank and its non-banking subsidiaries. City National Bank operates through 54 offices, including 12 full-service regional centers, in Southern California, the San Francisco Bay Area and New York City. City National stock (NYSE: CYN) is listed on the New York Stock Exchange. At September 30, 2006, City National had total consolidated assets of approximately \$14.6 billion, total consolidated deposits of approximately \$11.9 billion and total consolidated stockholders' equity of approximately \$1.5 billion. City National's principal executive offices are located at 400 North Roxbury Drive, Beverly Hills, California 90210, and its telephone number is (310) 888-6000.

Business Bank Corporation

Business Bank Corporation is a Nevada corporation and bank holding company. Business Bank's bank subsidiary, Business Bank of Nevada, is a Nevada chartered banking corporation. Business Bank of Nevada operates seven branch offices in Nevada, including three in Las Vegas, and one each in North Las Vegas, Reno, Carson City and Minden. Business Bank of Nevada also has loan production offices in South Lake Tahoe and Scottsdale, Arizona. Business Bank stock (OTCBB: BBNV) is quoted on the Over-the-Counter Bulletin Board. At September 30, 2006, Business Bank of Nevada had total consolidated assets of approximately \$490 million, total consolidated deposits of approximately \$428 million and total consolidated stockholders' equity of approximately \$44 million. Business Bank's principal executive offices are located at 6085 W. Twain Avenue, Las Vegas, Nevada 89103.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF CITY NATIONAL

Set forth below are highlights derived from City National's audited consolidated financial data as of and for the years ended December 31, 2001 through 2005 and City National's unaudited consolidated financial data as of and for the nine months ended September 30, 2005 and 2006. The results of operations for the nine months ended September 30, 2006 are not necessarily indicative of the results of operations for the full year or any other interim period. City National management prepared the unaudited information on the same basis as it prepared City National's audited consolidated financial statements. In the opinion of City National management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with City National's consolidated financial statements and related notes included in City National's Annual Report on Form 10-K for the year ended December 31, 2005, and City National's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, which are incorporated by reference in this document and from which this information is derived. See "Where You Can Find More Information" on page 72.

Dollars in thousands, except per share data	As of or for the year ended December 31,				
	2005	2004	2003	2002	2001
Statement of Income Data:					
Interest income	\$ 718,552	\$ 604,325	\$ 575,725	\$ 609,700	\$ 625,248
Interest expense	106,125	58,437	61,110	94,444	191,094
Net interest income	612,427	545,888	514,615	515,256	434,154
Provision for credit losses			29,000	67,000	35,000
Noninterest income	208,189	184,265	177,225	146,293	132,384
Noninterest expense	438,385	395,410	364,178	331,646	313,395
Minority interest	5,675	4,992	4,039	945	
Income before taxes	376,556	329,751	294,623	261,958	218,143
Income taxes	141,821	123,429	107,946	78,858	71,973
Net income	\$ 234,735	\$ 206,322	\$ 186,677	\$ 183,100	\$ 146,170
Adjusted net income(1)	\$ 234,735	\$ 206,322	\$ 186,677	\$ 183,100	\$ 159,038
Per Share Data:					
Net income per share, basic	4.77	4.21	3.84	3.69	3.05
Net income per share, diluted	4.60	4.04	3.72	3.56	2.96
Adjusted net income per share, diluted(1)	4.60	4.04	3.72	3.56	3.22
Dividends per share	1.44	1.28	0.97	0.78	0.74
Book value per share	29.55	27.39	24.85	22.66	18.50
Shares used to compute income per share, basic	49,159	48,950	48,643	49,563	47,896
Shares used to compute income per share, diluted	51,062	51,074	50,198	51,389	49,376
Balance Sheet Data At Period End:					
Assets	\$ 14,581,860	\$ 14,231,513	\$ 13,028,213	\$ 11,878,296	\$ 10,184,601
Securities(1)	4,058,605	4,190,176	3,457,189	2,398,867	1,893,105
Loans(1)	9,265,602	8,481,277	7,882,742	7,999,470	7,159,206
Interest-earning assets(1)	13,522,010	13,334,815	11,985,678	10,858,337	9,447,311
Deposits	12,138,472	11,986,915	10,937,063	9,839,698	8,131,202
Shareholders' equity	1,458,008	1,348,535	1,219,256	1,109,959	890,577
Balance Sheet Data Average Balances:					
Assets	\$ 14,161,272	\$ 13,395,995	\$ 12,156,145	\$ 10,899,670	\$ 9,336,448
Securities(1)	4,075,948	3,689,024	2,976,741	1,977,948	1,680,973
Loans(1)	8,875,358	8,106,657	7,729,150	7,822,653	6,713,315
Interest-earning assets(1)	13,048,298	12,322,702	11,159,034	9,996,998	8,520,242
Deposits	11,778,839	11,275,017	10,045,267	8,639,546	7,067,984
Shareholders' equity	1,389,731	1,262,562	1,147,477	1,049,393	825,344

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Dollars in thousands, except per share data	As of or for the year ended December 31,				
	2005	2004	2003	2002	2001
Asset Quality:					
Nonaccrual loans	\$ 14,400	\$ 34,638	\$ 42,273	\$ 71,357	\$ 38,563
OREO				670	10
Total nonaccrual loans and OREO	\$ 14,400	\$ 34,638	\$ 42,273	\$ 72,027	\$ 38,573
Performance Ratios:					
Return on average assets	1.66	% 1.54	% 1.54	% 1.68	% 1.57
Return on average shareholders' equity	16.89	16.34	16.27	17.45	17.71
Return on average assets adjusted(1)	1.66	1.54	1.54	1.68	1.70
Return on average shareholders' equity adjusted(1)	16.89	16.34	16.27	17.45	19.27
Net interest spread	3.99	4.11	4.29	4.65	3.95
Net interest margin	4.79	4.54	4.74	5.30	5.26
Period-end shareholders' equity to period-end assets	10.00	9.48	9.36	9.34	8.74
Dividend payout ratio, per share	30.35	30.50	25.33	21.10	24.26
Adjusted dividend payout ratio per share(1)	30.35	30.50	25.33	21.10	22.30
Efficiency ratio	53.30	53.89	52.13	49.20	54.08
Efficiency ratio adjusted(1)	53.30	53.89	52.13	49.20	51.86
Asset Quality Ratios:					
Nonaccrual loans to total loans	0.16	% 0.41	% 0.54	% 0.89	% 0.54
Nonaccrual loans and OREO to total loans and OREO	0.16	0.41	0.54	0.90	0.54
Allowance for loan losses to total loans	1.66	1.75	1.98	1.96	1.88
Allowance for loan losses to nonaccrual loans	1,069.3	428.9	369.1	219.5	349.0
Net recoveries / (charge-offs) to average loans	0.10	(0.07)	(0.36)	(0.69)	(0.41)

(1) Certain prior period data has been adjusted to conform to the current year presentation. Adjusted balances also reflect the elimination of goodwill amortization of \$12,868 for the year ended December 31, 2001 to reflect all periods on a comparable basis.

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Dollars in thousands, except per share date	As of or for the nine months ended September 30,		
	2006 (unaudited)	2005 (unaudited)	
Statement of Income Data:			
Interest income	\$ 612,743	\$ 526,625	
Interest expense	157,617	74,239	
Net interest income	455,126	452,386	
Provision for credit losses	(610)		
Noninterest income	178,306	155,266	
Noninterest expense	350,915	324,804	
Minority interest	4,249	5,104	
Income taxes	103,911	104,766	
Net income	\$ 174,967	\$ 172,978	
Per Share Data:			
Net income per share, basic	3.59	3.52	
Net income per share, diluted	3.47	3.39	
Dividends per share	1.23	1.08	
Book value per share	30.61	28.85	
Shares used to compute income per share, basic	48,786	49,133	
Shares used to compute income per share, diluted	50,424	51,066	
Balance Sheet Data At Period End:			
Assets	\$ 14,616,758	\$ 14,429,444	
Securities(1)	3,292,100	4,072,930	
Loans(1)	10,020,358	9,004,881	
Interest-earning assets(1)	13,381,081	13,302,296	
Deposits	11,892,017	12,115,714	
Shareholders' equity	1,458,220	1,417,177	
Balance Sheet Data Average Balances:			
Assets	\$ 14,716,831	\$ 14,057,968	
Securities(1)	3,596,189	4,084,335	
Loans(1)	9,848,427	8,762,518	
Interest-earning assets(1)	13,517,443	12,953,572	
Deposits	11,809,046	11,704,210	
Shareholders' equity	1,456,736	1,376,564	
Asset Quality:			
Nonaccrual loans	\$ 18,779	\$ 18,554	
OREO			
Total nonaccrual loans and OREO	\$ 18,799	\$ 18,554	
Performance Ratios:			
Return on average assets	1.59	% 1.65	%
Return on average shareholders' equity	16.06	16.80	
Net interest spread	3.27	4.02	
Net interest margin	4.60	4.76	
Period-end shareholders' equity to period-end assets	9.98	9.82	
Dividend payout ratio, per share	34.57	30.87	
Efficiency ratio	55.22	53.46	
Asset Quality Ratios:			
Nonaccrual loans to total loans	0.19	% 0.21	%
Nonaccrual loans and OREO to total loans and OREO	0.19	0.21	
Allowance for loan losses to total loans	1.59	1.70	
Allowance for loan losses to nonaccrual loans	847.0	824.2	
Net recoveries / (charge-offs) to average loans	0.08	0.25	

(1) Certain prior period data has been adjusted to conform to the current year presentation.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BUSINESS BANK

Set forth below are highlights derived from Business Bank's audited consolidated financial data as of and for the years ended December 31, 2001 through 2005 and Business Bank's unaudited consolidated financial data as of and for the nine months ended September 30, 2006. The results of operations for the nine months ended September 30, 2006 are not necessarily indicative of the results of operations for the full year or any other interim period. The unaudited information was prepared on the same basis as Business Bank's audited consolidated financial statements. In the opinion of Business Bank management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

Business Bank Summary of Consolidated Financial Data**Selected Financial Data**

In thousands, except per share data	As of or for the periods ended					
	September 30, 2006 (unaudited)	December 31, 2005	December 31, 2004	December 31, 2003	December 31, 2002	December 31, 2001
Statement of Operations Data:						
Interest income	\$ 25,358	\$ 24,049	\$ 16,493	\$ 13,757	\$ 13,014	\$ 13,562
Interest expense	6,560	4,084	2,637	2,692	3,279	5,396
Net interest income	18,798	19,965	13,856	11,065	9,735	8,166
Provision for credit losses	845	232	748	422	362	417
Noninterest income	690	818	1,235	1,527	1,641	1,230
Noninterest expense	11,041	11,976	9,954	8,693	8,150	7,872
Income before taxes	7,602	8,575	4,389	3,477	2,864	1,107
Income taxes	2,485	2,912	1,496	1,185	983	382
Net income	\$ 5,117	\$ 5,663	\$ 2,893	\$ 2,292	\$ 1,881	\$ 725
Per Share Data:						
Net income per share, basic	\$ 2.37	\$ 2.75	\$ 1.53	\$ 1.28	\$ 1.12	\$ 0.44
Net income per share, diluted	2.17	2.49	1.34	1.14	1.01	0.44
Book value per share	19.81	16.75	12.92	11.77	10.73	9.48
Shares used to compute income per share, basic	2,161,156	2,057,929	1,887,708	1,797,219	1,681,946	1,637,106
Shares used to compute income per share, diluted	2,353,960	2,271,300	2,159,875	2,006,131		