

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

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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.

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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	1,865,330	1,652,232
Balance Sheet Data At Period End:						
Assets	\$ 489,740	\$ 449,674	\$ 354,544	\$ 278,085	\$ 234,128	\$ 200,953
Deposits	427,576	406,995	322,088	253,309	214,367	184,043
Gross loans	380,337	290,563	240,409	190,724	146,908	124,328
Allowance for loan losses	4,113	3,232	3,015	2,391	2,049	1,780
Securities	71,792	83,486	74,945	56,738	51,411	42,800
Interest-earning assets	464,130	424,743	336,943	260,421	215,713	185,449
Shareholders' equity	44,417	34,982	25,049	21,992	18,427	15,706
Balance Sheet Data Average Balances:						
Assets	\$ 450,604	\$ 393,956	\$ 317,870	\$ 250,924	\$ 214,157	\$ 188,946
Deposits	391,775	354,503	291,085	228,822	195,686	172,088
Loans	334,546	264,053	208,514	160,826	135,489	114,529
Securities	79,551	77,631	61,065	59,506	45,625	36,017
Interest-earning assets	426,446	370,965	294,004	232,389	197,039	170,858
Shareholders' equity	39,511	31,541	23,523	20,319	17,013	14,590
Asset Quality:						
Nonaccrual loans	\$ 38	\$ 988	\$	\$ 28	\$ 856	\$ 2,238
OREO					388	467
Total	\$ 38	\$ 988	\$	\$ 28	\$ 1,244	\$ 2,705

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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	
Performance Ratios:												
Return on average assets	1.51	%	1.44	%	0.91	%	0.92	%	0.86	%	0.38	%
Return on average shareholders' equity	17.27		17.95		12.30		11.38		11.18		4.98	
Net interest margin	5.94		5.40		4.72		4.76		4.99		4.77	
Average shareholders' equity to average assets	8.77		8.01		7.40		8.10		7.94		7.72	
Efficiency ratio	56.04		56.93		66.14		69.05		71.64		83.78	
Asset Quality Ratios:												
Nonaccrual loans to total loans	0.01	%	0.34	%	0.00	%	0.01	%	0.58	%	1.80	%
Nonaccrual loans and OREO to total loans and OREO	0.01		0.34				0.01		0.84		2.17	
Allowance for credit losses to total loans	1.08		1.11		1.25		1.25		1.39		1.43	
Allowance for credit losses to nonaccrual loans	10,823.7		327.1				8,539.3		239.4		79.54	
Net (charge-offs) recoveries to average loans	0.00		(0.01))	(0.06))	(0.01))	(0.07))	(0.28))

COMPARATIVE UNAUDITED PER SHARE DATA

The following table sets forth for City National common stock and Business Bank common stock certain unaudited historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger as if the merger had been effective on the dates presented, in the case of the book value data, and as if the merger had become effective as of January 1 of each period presented, in the case of the net income and dividends declared data. The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting and represents a current estimate based on available information of the combined company's results of operations. The pro forma financial adjustments record the assets and liabilities of Business Bank at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. See "Accounting Treatment" on page 54. The information in the following table is based on, and should be read together with, the historical financial information that City National has presented in its prior filings with the Securities and Exchange Commission, which we refer to as the SEC, see "Where You Can Find More Information" on page 72, and with Business Bank's selected consolidated historical financial data included on pages 14-15.

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses and revenue enhancement opportunities. The pro forma combined data give effect to the merger, and includes adjustments, among others, for the amortization of the core deposit intangibles and the costs of financing of the cash portion of the transaction. Not included in the pro forma data are \$825,000 of expenses related to the stock options and restricted stock granted to the employees of Business Bank that become vested at the time of the merger. The pro forma computations assume that 1.2 million shares of City National common stock will be issued in the merger; however, the actual number of shares issued in the merger may differ from this assumption. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of possible revenue enhancements, expense efficiencies, asset dispositions and share repurchases, among other factors, that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods. The Comparative Unaudited Per Share Data Table below for the nine months ended September 30, 2006 and the year ended December 31, 2005 combines the historical income per share data of City National and its subsidiaries and Business Bank and its subsidiaries giving effect to the merger as if the merger had become effective as of January 1 of each period presented, using the purchase method of accounting. Upon completion of the merger, the operating results of Business Bank will be reflected in the consolidated financial statements of City National on a prospective basis.

	Historical City National	Business Bank	Pro Forma Combined	Per Business Bank Equivalent Share(1)
Net income per share for the year ended December 31, 2005				
Basic	\$ 4.77	\$ 2.75	\$ 4.70	\$ 4.63
Diluted	4.60	2.49	4.53	4.46
Net income per share for the nine months ended September 30, 2006				
Basic	3.59	2.37	3.54	3.49
Diluted	3.47	2.17	3.43	3.38
Cash dividends				
For the year ended December 31, 2005	1.44		1.44	1.42
For the nine months ended September 30, 2006	1.23		1.23	1.21
Book value per share				
As of December 31, 2005	29.55	16.75	30.27	29.82
As of September 30, 2006	30.61	19.81	31.52	31.05

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(1) Per Business Bank equivalent pro forma is calculated by multiplying pro forma combined by the hypothetical exchange ratio of 0.9852.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of City National, Business Bank and the potential combined company and may include statements for the period following the completion of the merger. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either City National or Business Bank to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth below under Risk Factors, as well as, among others, the following:

- Those discussed and identified in public filings with the SEC made by City National;
- Completion of the merger is dependent on, among other things, receipt of stockholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;
- The merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- The integration of Business Bank's business and operations with those of City National may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Business Bank's or City National's existing businesses; and
- The anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of any document incorporated by reference in this document.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to City National or Business Bank or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, City National and Business Bank undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

RISK FACTORS

*In addition to general investment risks and the other information contained in or incorporated by reference into this document, including the matters under the caption *Cautionary Statement Regarding Forward-Looking Statements* and the matters discussed under the caption *Risk Factors* included in the Annual Report on Form 10-K filed by City National for the year ended December 31, 2005 as updated by subsequently filed Forms 10-Q and 10-K, you should carefully consider the following factors in deciding whether to vote for adoption of the merger agreement.*

Because the Market Price of City National Common Stock Will Fluctuate, Business Bank Stockholders Cannot Be Sure of the Trading Price of the Merger Consideration They Will Receive.

Upon completion of the merger, one-half of all of the outstanding shares of Business Bank common stock will be converted into City National common stock based on the formula described in this document. The exchange ratio, and the market value of the stock portion of the merger consideration implied by that exchange ratio, may vary from the closing price of City National common stock on the date we announced the merger, on the date we mailed this document to Business Bank stockholders, on the date of the special meeting of the Business Bank stockholders and thereafter. Changes in the market value of City National common stock prior to completion of the merger will affect the implied value of the merger consideration that Business Bank stockholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, Business Bank stockholders will not know or be able to calculate the actual market value of the merger consideration they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement solely because of changes in the market prices of either company's stock. There will be no adjustment to the merger consideration for changes in the market price of either shares of City National common stock or shares of Business Bank common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of City National common stock and for shares of Business Bank common stock.

We May Fail To Realize All of the Anticipated Benefits of the Merger.

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of City National and Business Bank. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of City National and Business Bank. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all or may take longer to realize than expected.

City National and Business Bank have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Business Bank and City National during the transition period.

The Market Price of City National Common Stock after the Merger May Be Affected by Factors Different from Those Affecting the Shares of Business Bank or City National Currently.

The businesses of City National and Business Bank differ and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Business Bank. For a discussion of the businesses of City National and Business Bank and of certain

factors to consider in connection with those businesses, see the descriptions of City National and Business Bank included in this document and information regarding City National included in other documents that are incorporated by reference in this document and referred to under Where You Can Find More Information.

The Merger Agreement Limits Business Bank's Ability to Pursue Alternatives to the Merger.

The merger agreement contains no shop provisions that, subject to specified exceptions, limit Business Bank's ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of Business Bank, as well as a termination fee that is payable by Business Bank under certain circumstances. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Business Bank from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Business Bank than it might otherwise have proposed to pay.

The Voting Agreements Limit Business Bank's Ability to Pursue Alternatives to the Merger.

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 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.

The Merger is Subject to the Receipt of Consents and Approvals from Government Entities that May Impose Conditions that Could Have an Adverse Effect on City National.

Before the merger may be completed, various approvals or consents must be obtained from the Federal Reserve Board and the Office of the Comptroller of the Currency. These governmental entities, including the Federal Reserve Board, may impose conditions on the completion of the merger or require changes to the terms of the merger. Although City National and Business Bank do not currently expect that any such conditions or changes will be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of City National following the merger, any of which might have an adverse effect on City National following the merger. City National is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any conditions or restrictions that, in the aggregate, would reasonably be expected to have a material adverse effect on Business Bank or City National, measured relative to Business Bank, but City National could choose to waive this condition.

Business Bank Stockholders May Receive Merger Consideration that is Inconsistent with their Elections.

Although Business Bank stockholders will be able to elect to receive cash or City National common stock for each of their shares of Business Bank common stock, 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. Your election, therefore, may be proportionately reduced if the total stock or cash elections exceed that 50% limitation. In that circumstance, you will receive a combination of cash and City National common stock following a pro rata adjustment of all elections for City National common stock in order to keep within this 50% stock and 50% cash limitation.

For a more detailed description of the merger consideration, see *Merger Consideration* beginning on page 40.

The Shares of City National Common Stock to be Received by Business Bank Stockholders as a Result of the Merger Will Have Different Rights from the Shares of Business Bank Common Stock.

Business Bank stockholders that receive stock as merger consideration will become City National stockholders and their rights as stockholders will be governed by the certificate of incorporation and by-laws of City National and Delaware corporate law. The rights associated with Business Bank common stock are different from the rights associated with City National common stock. See the section of this proxy statement/prospectus beginning on page 62 for a discussion of the different rights associated with City National common stock.

Business Bank Stockholders Will Have Less Influence as Stockholders of City National than as Stockholders of Business Bank.

Business Bank's stockholders currently have the right to vote in the election of the board of directors of Business Bank and on other matters affecting Business Bank. When the merger occurs, each Business Bank stockholder that receives shares of City National common stock will become a stockholder of City National with a percentage ownership of the combined organization that is much smaller than the stockholder's percentage ownership of Business Bank. In fact, it is expected that the former stockholders of Business Bank as a group will own less than 2.5% of the outstanding shares of City National immediately after the merger. Because of this, Business Bank's stockholders will have less influence on the management and policies of City National than they now have on the management and policies of Business Bank.

Business Bank Executive Officers and Directors Have Interests in the Merger that May be Different from, or in Addition to, the Interests of Business Bank Stockholders.

Business Bank's officers and directors have interests in the merger that may be different from, or in addition to, the interests of Business Bank stockholders. For example, certain executive officers and employees of Business Bank may receive severance, bonus or retention payments and payments with respect to outstanding equity awards. Additionally, certain members of Business Bank's executive management team have agreed to new employment agreements with City National. 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*.

THE BUSINESS BANK SPECIAL MEETING

This section contains information about the special meeting of Business Bank stockholders that has been called to consider and approve the merger of Business Bank with and into City National, with City National as the surviving corporation in the merger.

Together with this document, we are also sending you a notice of the special meeting and a form of proxy that is solicited by the Business Bank board of directors. 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, subject to any adjournments or postponements.

Matters to Be Considered

The purpose of the special meeting is to vote on a proposal for approval of the merger.

You also will be asked to vote upon a proposal 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 merger.

Proxies

Each copy of this document mailed to holders of Business Bank common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a stockholder of record, you should complete and return the proxy card accompanying this document to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting.

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.

If you hold stock in your name as a stockholder of record, 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 Business Bank's Secretary or (3) attending the special meeting in person, notifying the Secretary, and voting by ballot at the special meeting. If you hold your stock in street name through a bank or broker, you must follow your bank's or broker's instructions to revoke your proxy.

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 Business Bank's Secretary) of a stockholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Business Bank Corporation
6085 W. Twain Avenue
Las Vegas, Nevada 89103
Attention: Secretary

All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR approval of the merger and FOR approval of the proposal to adjourn 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. According to the Business Bank bylaws, business to be conducted at a special meeting of stockholders may only be brought before the meeting by means of Business Bank's notice of the meeting. Accordingly, no matters other than the matters described in this document will be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

Business Bank stockholders should not send Business Bank stock certificates with their proxy cards. 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 separately 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.

Solicitation of Proxies

Business Bank will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Business Bank will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Business Bank common stock and secure their voting instructions. Business Bank will reimburse the record holders for their reasonable expenses in taking those actions. Business Bank may use its regular employees, who will not be specially compensated, to solicit proxies from Business Bank stockholders, either personally or by telephone, facsimile, letter or other electronic means.

Record Date

The close of business on December 15, 2006 has been fixed as the record date for determining the Business Bank stockholders entitled to receive notice of and to vote at the special meeting. At that time, 2,311,477 shares of Business Bank common stock were outstanding, held by approximately 176 holders of record.

Voting Rights and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Business Bank common stock entitled to vote is necessary to constitute a quorum at the special meeting. Abstentions will be counted for the purpose of determining whether a quorum is present.

Approval of the merger requires the affirmative vote of the holders of at least a majority of the outstanding shares of Business Bank common stock entitled to vote at the special meeting. You are entitled to one vote for each share of Business Bank common stock you held as of the record date. The failure to vote by proxy or in person will have the same effect as a vote against the merger.

Approval of any proposal to adjourn or postpone the meeting, if necessary, for the purpose of soliciting additional proxies 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 adjournments 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.

The Business Bank board of directors urges you to promptly vote by completing, dating and signing the accompanying proxy card and to return it promptly in the enclosed postage-paid envelope or, if you hold your stock in street name through a bank or broker, by following the voting instructions of your bank or broker.

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 at that date. The directors have agreed to vote their shares of Business Bank common stock, and we currently expect that each of the non-director officers will vote their shares of Business Bank common stock, in favor of the proposals to be presented at the special meeting.
- City National, its directors and its executive officers do not beneficially own any shares of Business Bank common stock). City National will vote its shares in favor of the proposals to be presented at the special meeting.

Recommendation of the Business Bank Board of Directors

The Business Bank board of directors has approved the merger agreement and the transactions it contemplates, including the merger. The Business Bank board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Business Bank and its stockholders and recommends that you vote FOR approval of the merger. See The Merger Business Bank's Reasons for the Merger; Recommendation of the Business Bank Board of Directors for a more detailed discussion of the Business Bank board of directors' recommendation.

Attending the Meeting

All holders of Business Bank common stock, 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 meeting. Stockholders of record 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 both proper proof of share ownership and proper photo identification.

THE MERGER

Background of the Merger

The Business Bank board of directors has periodically discussed and reviewed Business Bank's business, strategic direction, performance and prospects in the context of developments in the financial services industry and the competitive landscape in the markets in which Business Bank operates and elsewhere. The Business Bank board of directors has also at times discussed with senior management various potential strategic alternatives involving possible acquisitions or business combinations that could complement and enhance the company's competitive strengths and strategic position. Also, senior management of Business Bank has, from time to time, had informal discussions with representatives of other financial institutions regarding industry trends and issues and exploratory discussions of the potential benefits and issues arising from possible business combinations.

City National's board of directors and senior management also regularly review the financial services industry environment, including the trend towards consolidation in the industry, and periodically discuss ways in which to enhance the company's competitive position. Senior management of City National has, over time, considered the possibility of acquisitions and strategic combinations with a variety of financial institutions and the potential strategic fit with such institutions based on their lines of businesses, their management and employee cultures and their geographic locations.

In May 2006, Peter Thomas, a member of the City National board of directors who had previously worked with John Guedry, chief executive officer and president of Business Bank, contacted Mr. Guedry for the purpose of inquiring as to whether Mr. Guedry would be interested in meeting with Russell Goldsmith, chief executive officer of City National, as an introductory meeting to enable them to get acquainted, and to discuss City National's present and future interests in Nevada banking activities.

Beginning in May 2006 and continuing through August 2006, Mr. Guedry met with and had a few preliminary telephonic and other discussions with Mr. Goldsmith and other members of the senior management team of City National. These discussions included the potential strategic fit, benefits, advantages and merits of a merger of Business Bank and City National. In July and August 2006, at the

request of Messrs. Goldsmith and Guedry, respectively, David Kellerman, chief financial officer of Business Bank, spoke with and had a few discussions with Chris Carey, chief financial officer of City National, concerning Business Bank's financial position and financial performance through the end of the second quarter of 2006.

In late August, Mr. Goldsmith informed Mr. Guedry that City National was working to prepare a proposal for discussion and requested a meeting with Mr. Guedry. Mr. Guedry agreed to meet with Mr. Goldsmith to discuss the potential proposal. After additional telephone communications between Messrs. Goldsmith and Guedry, Mr. Goldsmith contacted Mr. Guedry to inform Mr. Guedry that City National was interested in presenting a preliminary proposal to Business Bank's board of directors. Mr. Guedry scheduled a board meeting to which he invited City National to make a presentation.

On September 8, 2006, Mr. Goldsmith and Chris Carey, chief financial officer of City National, met with the Business Bank board of directors and gave a presentation about City National and the potential benefits of a combination between City National and Business Bank. At this meeting, Mr. Goldsmith indicated that a potential per share purchase price in the \$62 - \$66 range appeared feasible based on City National's preliminary analysis and the discussions that had occurred to date between the two companies and their representatives. A representative of Squire, Sanders & Dempsey L.L.P. (which we refer to in this document as Squire Sanders), an international law firm with expertise in advising financial institutions in mergers and acquisitions transactions, attended this meeting and discussed various legal issues with respect to a potential transaction including regulatory approvals, due diligence and fiduciary duties of members of the board. Subsequent to this meeting, Business Bank's board of directors engaged Squire Sanders and Ryan Beck & Co., a national investment banking firm with extensive experience advising banks and thrifts in mergers and acquisitions transactions, to represent Business Bank and authorized senior management, together with certain members of Business Bank's board of directors, to continue discussions with City National regarding a potential transaction.

On September 29, 2006, City National and Business Bank executed a confidentiality agreement and in early October City National commenced its due diligence investigation of Business Bank. Also during this period, Ryan Beck requested on behalf of Business Bank that City National provide a revised written proposal of potential terms for an acquisition of Business Bank, indicating that while Business Bank remained interested in a potential transaction, the board believed that the previously proposed purchase price was not sufficient to move forward.

On October 13, City National submitted a revised indication of interest for a potential merger reflecting a transaction involving a mix of merger consideration consisting of cash and City National common stock and reflecting an implied value per Business Bank share of approximately \$65 subject to certain contingencies. On October 14, the Business Bank board met with Russell Goldsmith and other senior executives of City National to review and discuss the revised indication of interest. At the meeting, the board also reviewed and discussed the proposed transaction with management, Ryan Beck and Squire Sanders and reviewed prior discussions regarding Business Bank and its financial and strategic position and options. Negotiations between the two companies ensued during the day on the pricing and structure of the proposed transaction.

As a result of these discussions, City National proposed that, subject to the finalization of due diligence and definitive deal documentation, and further subject to the board members' willingness to enter into voting agreements to support the transaction, City National would be willing to pay a purchase price of \$66.50 per Business Bank share in cash and a number of shares of City National common stock reflected in the exchange ratio described below under The Merger Agreement Merger Consideration. Following discussions among the Business Bank board and its senior management, financial advisors and legal counsel, the Business Bank board determined that such a transaction appeared to be in the best interests of its stockholders and instructed management, certain directors and Business Bank's advisors to

continue to negotiate definitive transaction documentation, including the proposed voting support agreements.

Thereafter the parties continued to negotiate the final terms of the transaction and the definitive transaction documentation. In addition, Business Bank conducted its due diligence investigation of City National and City National completed its due diligence investigation of Business Bank. The parties also worked during this period to enter into employment arrangements with certain key members of Business Bank's senior management, as required by City National as a condition to a transaction.

On October 31, 2006, the Business Bank board of directors met. Messrs. Awad and Guedry updated the board on the progress of negotiations with City National. Senior management then described to the board the due diligence regarding City National conducted by Business Bank and its advisors. Representatives of Squire Sanders then made a presentation to the board describing the board's duties and responsibilities under Nevada law and the key terms of the merger and the merger agreement, and a discussion followed. Representatives of Ryan Beck & Co. then presented a summary of its financial analysis of the proposed merger and delivered its opinion that, as of that date, the consideration to be received by Business Bank's stockholders in the merger was fair from a financial point of view to Business Bank's stockholders. A discussion followed. Following further discussion and deliberations, including consideration of the matters described below under Business Bank's Reasons for the Merger; Recommendation of the Business Bank Board of Directors, the members of the board present at the meeting unanimously approved the merger agreement and the transactions contemplated by the merger agreement and resolved to recommend that Business Bank's stockholders vote to adopt the merger agreement.

Following approval of the Business Bank board of directors, the parties and their counsel continued to finalize and document the legal terms of the definitive documentation for the transaction. Thereafter, on October 31, 2006, the parties executed the merger agreement, the voting agreements and the employment agreements and the next day, November 1, 2006, the transaction was announced in a joint press release.

Business Bank's Reasons for the Merger; Recommendation of the Business Bank Board of Directors

In reaching its conclusion that the merger agreement and the merger are advisable and in the best interests of Business Bank and its stockholders, and in approving the merger agreement and the transactions contemplated thereby, Business Bank's board of directors considered and reviewed the transaction and its terms with Business Bank's senior management, as well as its financial and legal advisors, and considered a number of factors. The following include the material factors considered by Business Bank's board of directors:

- The value to be received by Business Bank stockholders under the merger agreement relative to the historical trading price of Business Bank common stock, including the fact that as of the date of the merger agreement, the average implied value of the cash and stock merger consideration represented a premium of approximately 14% over the closing price of Business Bank common stock on October 31, 2006, the last trading day before the merger agreement was signed;
- The greater liquidity of the City National common stock relative to the Business Bank common stock;
- The ability of Business Bank stockholders, through the City National common stock component of the merger consideration, to participate in the potential growth of the combined City National and Business Bank institutions following consummation of the transaction;
- The financial analyses conducted by Ryan Beck and its opinion to the board of directors that, as of the date of the merger agreement, the consideration to be received by Business Bank's stockholders was fair from a financial point of view to Business Bank's stockholders;

- The expectation that the receipt of City National common stock by Business Bank stockholders would generally be tax-free for U.S. federal income tax purposes;
- The board's understanding of, and the presentations of its management and financial advisor regarding, Business Bank's business, operations, management, financial condition, earnings and prospects;
- The potential alternatives available to Business Bank, including other potential extraordinary transactions and the alternative of remaining independent, and the risks and challenges inherent in successfully implementing Business Bank's business plans. The board also considered the value to the stockholders of these alternatives, the timing and likelihood of achieving value from these alternatives, and the possibility that Business Bank's future stock price might not have a value greater than the consideration to be paid in the merger;
- The interest rate and economic environment and management's view of their impact on regional banks like Business Bank over the near and medium term;
- The competitive environment facing regional banks like Business Bank, and management's belief that Business Bank's customers and employees would benefit from a combination with City National due to the combined entity's enhanced ability to serve its customers more broadly and effectively because of the combined entity's greater scale, broader product portfolio and more comprehensive technology;
- The ability to complete the merger, including, in particular, the likelihood of obtaining regulatory approval and the provisions of the merger agreement regarding Business Bank's and City National's obligations to pursue the regulatory approvals;
- The terms and conditions of the merger agreement, including the restrictions imposed on Business Bank from soliciting alternative transactions and the termination fee that Business Bank would be required to pay if the merger agreement were terminated under certain circumstances;
- The existence and nature of the voting agreement;
- The judgment and advice of Business Bank's senior management;
- The taxable nature for U.S. federal income tax purposes of the cash portion of the merger consideration received by Business Bank stockholders; and
- The fact that the interests of certain of Business Bank's officers and directors may be said to be different from, or in addition to, the interests of stockholders generally.

The above discussion of the information and factors considered by Business Bank's board of directors is not intended to be exhaustive, but indicates the material matters considered by the board of directors. In reaching its determination to approve the merger agreement and the transactions which it contemplates, the board did not quantify, rank or assign any relative or specific weight to, the foregoing factors, and individual directors may have considered various factors differently and may have given differing weights to different factors. Business Bank's board of directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. Business Bank's board of directors based its determination on the totality of the information presented.

Business Bank's board of directors determined, by unanimous vote that the merger on the terms and conditions set forth in the merger agreement is advisable and in the best interests of Business Bank and its stockholders. Accordingly, Business Bank's board of directors, by unanimous vote, approved and adopted the merger agreement and the transactions contemplated thereby, and recommends that Business Bank stockholders vote FOR the proposal to approve the merger agreement.

Opinion of Business Bank's Financial Advisor

Ryan Beck acted as financial advisor to Business Bank in connection with its potential acquisition by City National, pursuant to the merger agreement. On September 26, 2006, Business Bank formally retained Ryan Beck to act as its financial advisor with respect to the potential sale of the company. Ryan Beck, as a customary part of its business, is continually engaged in the valuation of financial institutions in connection with mergers, acquisitions and other securities-related transactions. Business Bank selected Ryan Beck as its financial advisor based on Ryan Beck's qualifications, expertise and reputation as a nationally recognized specialist in the financial services industry with extensive experience in advising banks and thrifts.

On October 31, 2006, the Business Bank board held a meeting to evaluate the proposed merger with City National. In its capacity as Business Bank's financial advisor, Ryan Beck participated in the negotiations with respect to the pricing and other terms and conditions of the merger, but the decision as to whether to accept the City National proposal and the pricing of the merger was made by the board of directors of Business Bank. At the October 31 meeting, Ryan Beck rendered an oral opinion to Business Bank's board (the written opinion was delivered separately and dated as of October 31, 2006) and reconfirmed the opinion in writing as of the date of this proxy statement/prospectus, (a copy of which is attached as Appendix B), that based on and subject to the assumptions, factors, and limitations as set forth in the attached opinion and as described below, the consideration offered to Business Bank shareholders was fair as of the respective dates from a financial point of view. No limitations were imposed by the Business Bank board of directors upon Ryan Beck with respect to the investigations made or procedures followed by it in arriving at its opinion.

The full text of Ryan Beck's opinion, which sets forth assumptions made and matters considered, is attached as Appendix B to this proxy statement/prospectus. Shareholders of Business Bank are urged to read the attached Ryan Beck opinion in its entirety. The Ryan Beck opinion is directed only to the financial fairness of the consideration offered to Business Bank shareholders and does not constitute a recommendation to any shareholder as to how such shareholder should vote at the special meeting. Ryan Beck has not considered, nor is it expressing any opinion herein with respect to, the price at which City National's common stock will trade following consummation of the merger. The summary of the Ryan Beck opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the Ryan Beck opinion. In rendering its opinion, Ryan Beck does not admit that it is an expert within the meaning of the term "expert" as used within the Securities Act and the rules and regulations promulgated thereunder, or that its opinion constitutes a report or valuation within the meaning of Section 11 of the Securities Act and the rules and regulations promulgated thereunder.

Material and Information Considered with Respect to the Proposed Merger. In connection with its opinion, Ryan Beck reviewed the following information:

- The merger agreement and related documents;
- City National's annual reports on Form 10-K, including audited financial statements, for the years ended December 31, 2005, 2004 and 2003;
- City National's quarterly earnings release reported on Form 8-K for the quarter ended September 30, 2006 and City National's quarterly reports on Form 10-Q for the quarters ended June 30, 2006 and March 31, 2006;
- Business Bank's annual reports, including audited financial statements, for the years ended December 31, 2005, 2004 and 2003;
- Business Bank's quarterly earnings releases for the periods ended September 30, 2006, June 30, 2006 and March 31, 2006;

- Certain other public and non-public information, primarily financial in nature, related to the respective businesses, earnings, assets and prospects of Business Bank and City National provided to Ryan Beck by management of the respective companies or obtained by Ryan Beck from other sources;
- The publicly available financial data of commercial banking organizations which Ryan Beck deemed generally comparable to Business Bank and City National;
- The historical stock prices and trading volumes of City National's common stock; and
- The terms of acquisitions of commercial banking organizations which Ryan Beck deemed generally comparable in whole or in part to Business Bank.

Additionally, Ryan Beck:

- Conducted or reviewed such other studies, analyses, inquiries and examinations as it deemed appropriate;
- Analyzed the impact of the merger on City National;
- Considered the future prospects of Business Bank in the event it remained independent; and
- Participated in meetings and telephone conferences with certain members of Business Bank's and City National's senior management to discuss Business Bank's and City National's past and current business operations, regulatory standing, financial condition, strategic plan and future prospects, including any potential operating efficiencies and synergies that may arise from the merger.

In connection with its review, Ryan Beck relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information regarding Business Bank and City National that was publicly available or provided to Ryan Beck by Business Bank and City National. Ryan Beck is not an expert in the evaluation of loan portfolios or the allowance for loan losses. Therefore, Ryan Beck has not assumed any responsibility for making an independent evaluation of the adequacy of the allowance for loan losses set forth in the consolidated balance sheets of Business Bank and City National as of September 30, 2006, and Ryan Beck assumed such allowances were adequate and complied fully with applicable law, regulatory policy, sound banking practice and policies of the Securities and Exchange Commission as of the date of such financial statements. Ryan Beck was not retained to nor did it make any independent evaluation or appraisal of the assets or liabilities of Business Bank or City National nor did Ryan Beck review any loan files of Business Bank or City National. Ryan Beck also assumed that the merger in all respects is, and will be, undertaken and consummated in compliance with all laws and regulations that are applicable to Business Bank and City National.

The preparation of a fairness opinion for a transaction such as the merger involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, Ryan Beck's opinion is not readily conducive to summary description. In arriving at its opinion, Ryan Beck performed a variety of financial analyses. Ryan Beck believes that its analyses must be considered as a whole and that the consideration of portions of such analyses and the factors considered therein, or any one method of analysis, without considering all factors and analyses, could create an incomplete view of the analyses and the process underlying Ryan Beck's opinion. No one method of analysis was assigned a greater significance than any other.

The forecasts and projections utilized by Ryan Beck were prepared by management, in the case of Business Bank, and by FirstCall in the case of City National, without input or guidance by Ryan Beck. These forecasts and projections were reviewed with the senior managements of Business Bank and City National. City National confirmed that, as of the time that Ryan Beck was undertaking its analysis, the First Call estimates for City National earnings for the fourth quarter of 2006 were consistent with City

National managements' expectations at that time; City National did not express a view with respect to First Call estimates for periods beyond the fourth quarter of 2006. Ryan Beck expressed no opinion as to the Business Bank or City National forecasts and projections or the assumptions on which they were based. Business Bank and City National do not publicly disclose internal management projections or publicly discuss First Call or other analyst earnings estimates of the type provided to or discussed with Ryan Beck in connection with the review of the merger. Business Bank projections were not prepared with a view towards public disclosure. Forecasts and projections could be misleading since the forecasts and projections were based on numerous variables and assumptions which are inherently uncertain, including without limitation, factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in such projections.

In its analyses, Ryan Beck made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of Business Bank or City National. Any estimates contained in Ryan Beck's analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than such estimates. Estimates of values of companies do not purport to be appraisals nor do they necessarily reflect the prices at which companies or their securities may actually be sold.

Ryan Beck's opinion was based solely upon the information available to it and the economic, market and other circumstances as they existed as of the date of the opinion. Events occurring after such date could materially affect the assumptions and conclusions contained in Ryan Beck's opinion. Ryan Beck has not undertaken to reaffirm or revise its opinion or otherwise comment upon any events occurring after the date of its reconfirmed opinion. Ryan Beck did not and does not express any opinion as to the price or range of prices at which City National's common stock might trade subsequent to the transaction.

The following is a brief summary of the analyses and procedures performed by Ryan Beck in the course of arriving at its opinion. The summary does not purport to be a complete description, but is a brief summary of the material analyses and procedures performed by Ryan Beck in the course of arriving at its opinion.

Analysis of Selected Publicly Traded Companies. Ryan Beck compared Business Bank's financial data as of September 30, 2006, to a peer group of 18 commercial banking organizations with assets between \$250 million and \$750 million, with a five year cumulative average growth rate (CAGR) of greater than 15.0% and with latest 12 months core return on average assets greater than 1.25% located in the West, Southwest and Southeast regions for which public trading and pricing information was available. Ryan Beck deemed this group to be generally comparable to Business Bank.

The results of the comparisons are reflected in the following table. The financial data and ratios shown in the table are as of or for the 12 months ended September 30, 2006 for Business Bank and as of the most recent 12 month period available for the peer group companies. The market valuation multiples are based on market prices as of October 30, 2006.

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	Business Bank Corporation(1)	Peer Average(1)	Peer Median(1)
Capitalization			
Total Assets (000s)	\$ 489,740	\$ 482,243	\$ 512,209
Total Deposits (000s)	427,576	396,400	421,509
Total Shareholders Equity (000s)	44,417	42,568	44,596
Total Equity / Assets	9.07 %	8.87 %	9.05 %
Tangible Equity / Tangible Assets	9.07	8.07	7.73
Leverage Ratio	10.70	9.70	9.55
Tier I Capital / Risk-Adj Assets	11.40	11.00	10.96
Total Capital / Risk-Adj Assets	12.40	12.77	12.48
Asset Quality			
Non-Performing Loans / Loans	0.01	0.24	0.14
Non-Performing Loans + 90 Days Past Due / Loans	0.01	0.17	0.13
Loan Loss Reserves / NPLs	NM	402.45	447.49
Loan Loss Reserves / NPLs + 90 Days Past Due	10,823.68	783.77	482.57
Loan Loss Reserves / Loans	1.08	1.30	1.28
Non-Performing Assets / Assets	0.01	0.10	0.09
Non-Performing Assets + 90 Days Past Due / Assets	0.01	0.09	0.03
Non-Performing Assets / Equity	0.09	1.16	0.95
Loan & Deposit Composition			
Total Loans / Total Assets	77.66	79.86	81.68
Total Loans / Deposits	88.95	97.42	98.14
1-4 Family Loans / Total Loans	1.67	13.79	11.30
5+ Family Loans / Total Loans	2.53	1.46	1.27
Construction & Developmental Loans / Total Loans	32.45	22.27	23.42
Other Real Estate Loans / Total Loans	36.82	34.22	29.48
Real Estate Loans/Total Loans	73.48	71.75	73.40
Consumer Loans / Total Loans	0.26	2.15	2.10
Commercial Loans / Total Loans	26.18	24.44	17.73
Non-Interest Bearing Deposits/Total Deposits	36.11	23.16	24.42
Transaction Accounts/Total Deposits	82.03	62.92	68.56
Total CDs/Total Deposits	17.97	37.08	31.44
Time Deposits > \$100,000 / Total Deposits	8.86	19.01	16.78
Performance			
Return on Average Assets	1.57	1.49	1.45
Return on Average Equity	18.29	17.44	16.66
Net Interest Margin	5.83	5.41	5.41
Non Interest Income / Average Assets	0.22	0.79	0.79
Non Interest Expense/Avg Assets	3.16	3.23	3.34
Efficiency Ratio	55.01	54.42	55.10
Growth Rates			
Asset Growth Rate	19.28	15.86	14.27
Loan Growth Rate	34.45	21.43	17.07
Deposit Growth Rate	16.02	13.88	11.12
Revenue Growth Rate	33.35	24.93	22.78
EPS Growth Rate	46.57	39.27	37.28
Market Statistics			
Stock Price at October 30, 2006	\$ 53.00	NA	NA
Price / LTM EPS	17.73 x	16.58 x	15.92 x
Price / 2006E EPS	NA	15.93	15.82
Price / 2007E EPS	NA	14.26	14.45
Price / Book Value	267.54 %	252.62 %	237.63 %
Price / Tangible Book Value	267.54	275.39	290.77
Market Capitalization (\$M)	\$ 118.86	\$ 106.88	\$ 101.41
Dividend Yield	0.00 %	0.79 %	0.00 %

(1) As of or for the most recent 12-month period available for the peer group. Business Bank data as of or for the twelve-month period ended September 30, 2006. Deposit and loan composition information consists of regulatory data as of June 30, 2006.

Ryan Beck noted that 73.48% of Business Bank's loan portfolio is real estate-oriented, similar to the peer group median of approximately 73.40%. Approximately 36.82% of Business Bank's loans are commercial real estate loans, higher than the peer group median of 29.48%. Business Bank's portfolio of

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construction and development loans at 32.45% was significantly higher than the peer median of 23.42%. Business Bank's 1-4 family mortgages at 1.67% of total loans were significantly lower than the peer group median of 11.30%. Business Bank's transaction account deposits equaled 82.03% of total deposits and non-interest bearing demand deposits were 36.11% of total deposits, higher than the peer group medians of 68.56% and 24.42%, respectively. Business Bank's jumbo deposits, or time deposits with balances greater than \$100,000, represented 8.86% of total deposits, lower than the peer median of 16.78%.

Business Bank's return on average assets of 1.57% was above the peer group median of 1.45% and Business Bank's return on average equity of 18.29% was also higher than the peer group median of 16.66%. Contributing to Business Bank's performance was its net interest margin of 5.83%, which was higher than the peer group median of 5.41%. Business Bank's efficiency ratio of 55.01% was slightly lower than the peer group median of 55.10%. Ryan Beck also noted that Business Bank's non-interest income as a percentage of average assets at 0.22% was lower than the peer group median of 0.79%.

Additionally, Ryan Beck noted that Business Bank had non-performing loans as a percentage total loans of 0.01%, which was lower than the peer median of 0.14%. At 1.08%, Business Bank maintained a level of loan loss reserves as a percentage of total loans below the peer median of 1.28%. Business Bank's capital ratios were significantly higher than the peer group medians as evidenced by its tangible equity to tangible assets ratio and leverage ratios of 9.07% and 10.70%, respectively, compared to 7.73% and 9.55%, respectively, for the peer group. Business Bank's asset, loan and deposit growth rates over the past 12 months of 19.28%, 34.45% and 16.02%, respectively, were higher than the peer median asset, loan and deposit growth rates of 14.27%, 17.07% and 11.12%, respectively. Over the same period, Business Bank's revenue growth of 33.35% was higher than the peer median of 22.78% and Business Bank's earnings per share growth of 46.57% was higher than the peer median of 37.28%.

Ryan Beck also compared City National's financial data as of September 30, 2006, to a peer group of 19 commercial banking organizations with assets between \$10 billion and \$30 billion, and with latest 12 months core return on average assets greater than 1.00% located nationwide for which public trading and pricing information was available. Ryan Beck deemed this group to be generally comparable to City National.

The results of the comparisons are reflected in the following table. The financial data and ratios shown in the table are as of or for the 12 months ended September 30, 2006 for City National and as of the most recent 12 month period available for the peer group companies. The market valuation multiples are based on market prices as of October 30, 2006.

	City National Corporation(1)	Peer Average(1)	Peer Median(1)
Capitalization			
Total Assets (000s)	\$ 14,616,758	\$ 13,610,770	\$ 12,438,555
Total Deposits (000s)	11,892,017	9,703,013	9,492,374
Total Shareholders' Equity (000s)	1,458,220	1,267,811	1,113,111
Total Equity / Assets	9.98	9.22	9.63
Tangible Equity / Tangible Assets	8.10	7.25	7.19
Leverage Ratio	8.66	8.39	8.30
Tier I Capital / Risk-Adj Assets	11.18	10.61	10.69
Total Capital / Risk-Adj Assets	14.21	12.80	12.56
Total Borrowings / Total Assets	7.30	17.77	17.40

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	City National Corporation(1)	Peer Average(1)	Peer Median(1)
Asset Quality			
Non-Performing Loans / Loans	0.19	0.41	0.32
Non-Performing Loans + 90 Days Past Due / Loans	0.19	0.56	0.42
Loan Loss Reserves / NPLs	847.03	314.34	234.65
Loan Loss Reserves / NPLs + 90 Days Past Due	845.81	362.68	225.73
Loan Loss Reserves / Loans	1.59	1.13	1.24
Non-Performing Assets / Assets	0.13	0.34	0.28
Non-Performing Assets + 90 Days Past Due / Assets	0.13	0.41	0.34
Non-Performing Assets / Equity	1.29	3.51	3.12
Loan & Deposit Composition			
Total Loans / Total Assets	68.55	62.14	67.70
Total Loans / Deposits	84.26	86.37	85.42
1-4 Family Loans / Total Loans	31.91	26.06	25.45
5+ Family Loans / Total Loans	0.56	3.30	2.05
Construction & Developmental Loans / Total Loans	7.37	13.79	13.72
Other Real Estate Loans / Total Loans	21.05	21.21	20.65
Real Estate Loans/Total Loans	60.88	64.65	65.88
Consumer Loans / Total Loans	3.23	7.91	5.15
Commercial Loans / Total Loans	33.46	19.66	18.85
Non-Interest Bearing Deposits/Total Deposits	13.47	16.51	15.31
Transaction Accounts/Total Deposits	83.28	63.62	61.84
Total CD s/Total Deposits	16.72	36.38	38.16
Time Deposits > \$100,000 / Total Deposits	15.26	18.09	15.26
Performance			
Return on Average Assets	1.62	1.45	1.39
Return on Average Equity	16.33	16.39	16.13
Net Interest Margin	4.66	3.86	3.83
Non Interest Income / Average Assets	1.58	1.88	1.72
Non Interest Expense/Avg Assets	3.17	3.12	3.17
Efficiency Ratio	53.38	55.54	55.33
Growth Rates			
Asset Growth Rate	1.30	7.25	4.89
Loan Growth Rate	11.28	10.46	8.35
Deposit Growth Rate	(1.85)	6.90	4.99
Revenue Growth Rate	5.70	8.67	6.46
EPS Growth Rate	7.57	6.10	3.96
Market Statistics			
Stock Price at October 30, 2006	\$ 66.11	NA	NA
Price / LTM EPS	14.10	x 14.89	x 15.35
Price / 2006E EPS	14.16	14.60	14.90
Price / 2007E EPS	13.20	13.67	14.10
Price / Book Value	215.98	% 229.07	% 215.98
Price / Tangible Book Value	271.56	298.08	305.93
Market Capitalization (\$M)	\$ 3,169.97	\$ 2,747.08	\$ 2,772.42
Dividend Yield	2.48	% 2.76	% 3.01

(1) As of or for the most recent twelve-month period available for the peer group. City National data as of or for the twelve-month period ended September 30, 2006. Deposit and loan composition information consists of regulatory data as of June 30, 2006 (City National's deposit detail reflects the results of the deposit sweep for reserve calculation purposes).

Ryan Beck noted that 60.88% of City National's loan portfolio is real estate-oriented, lower than the peer group median of approximately 65.88%. Approximately 21.05% of City National's loans are commercial real estate loans, similar to the peer group median of 20.65%. City National's portfolio of construction and development loans at 7.37% was significantly lower than the peer median of 13.72%. At 33.46% of total loans, City National's commercial loans were significantly higher than the peer median of 18.85%. City National's transaction account deposits equaled 83.28% of total deposits, significantly higher than the peer group median of 61.84% while City National's non-interest bearing demand deposits were

13.47% of total deposits, versus the peer group median of 15.31% (City National's deposit detail reflects the results of the deposit sweep for reserve calculation purposes). City National's jumbo deposits, or time deposits with balances greater than \$100,000, represented 15.26% of total deposits, to the same as the peer median.

City National's return on average assets of 1.62% was significantly above the peer group median of 1.39% but City National's return on average equity of 16.33% was only slightly higher than the peer group median of 16.13%. Contributing to City National's performance was its net interest margin of 4.66%, which was significantly higher than the peer group median of 3.83%. City National's efficiency ratio of 53.38% was similar to the peer group median of 55.33%. Ryan Beck also noted that City National's non-interest income as a percentage of average assets at 1.58% was lower than the peer group median of 1.72%.

Additionally, Ryan Beck noted that City National had non-performing loans as a percentage of total loans of 0.19%, which was lower than the peer median of 0.32%. At 1.59%, City National maintained a level of loan loss reserves as a percentage of total loans significantly higher than the peer median of 1.24%. City National's capital ratios were higher than the peer group medians as evidenced by its tangible equity to tangible assets ratio and leverage ratio of 8.10% and 8.66%, respectively, compared to 7.19% and 8.30%, respectively, for the peer group. City National's asset and deposit growth rates over the past 12 months of 1.30% and -1.85%, respectively, were lower than the peer median asset and deposit growth rates of 4.89% and 4.99%, respectively. However, City National's loan growth over the past 12 months of 11.28% was higher than the peer median loan growth rate of 8.35%. Over the same period, City National's revenue growth of 5.70% was lower than the peer median of 6.46% but City National's earnings per share growth of 7.57% was higher than the peer median of 3.96%.

Analysis of Selected Transactions. Ryan Beck compared the financial terms of the merger with those of a group of 21 bank acquisitions announced since January 1, 2005, for which pricing data pertaining to the transactions was publicly available. The criteria for this group were: seller is a commercial bank; seller has assets between \$250 million and \$750 million; seller has ROAA greater than 1.25%; and seller was located in the West, Southwest, and Southeast regions.

The following table compares selected ratios of Business Bank with the average and median ratios of the sellers in the above peer group of announced bank transactions.

	Business Bank	Peer Group Average	Peer Group Median
Total Assets (000s)	\$ 489,740	\$ 459,432	\$ 418,322
Tangible Equity / Tangible Assets	9.07	% 8.24	% 7.90
YTD Return on Average Assets	1.51	% 1.56	% 1.43
YTD Return on Average Equity	17.27	% 18.61	% 17.91
Non-Performing Assets / Assets	0.01	% 0.35	% 0.15
Efficiency Ratio	56.59	% 53.56	% 53.03

Ryan Beck noted that Business Bank's tangible equity as a percentage of tangible assets of 9.07% was significantly higher than the peer group median of 7.90%. Ryan Beck also noted that Business Bank's return on average assets of 1.51% was slightly higher than the peer group median 1.43%, but Business Bank's return on average equity of 17.27% was lower than the peer median of 17.91%. In addition, Business Bank's non-performing assets as a percentage of assets of 0.01% compared favorably to the peer median ratio of 0.15%.

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The median pricing ratios for the comparable transactions are illustrated in the following table:

	Price / Book Value		Price / Tangible Book Value		Price / LTM Earnings		Core Deposit Premium
Peer Group Median	324.20	%	334.32	%	19.60x		27.28 %

The imputed value of Business Bank based upon the median ratios of the comparable transactions can be seen in the table below:

	Price / Book Value	Price / Tangible Book Value	Price / LTM Earnings	Core Deposit Premium	Average	Median
Imputed Value	\$ 64.22	\$ 66.23	\$ 58.59	\$ 61.76	\$ 62.70	\$ 62.99

The median pricing ratios for the comparable transactions adjusted for the change in the Nasdaq Bank Index between the date of announcement of the transaction and the date of the analysis are illustrated in the following table:

Price /