

CITY NATIONAL CORP  
Form 10-Q  
November 08, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED**

**For the quarterly period ended September 30, 2010**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM TO**

**COMMISSION FILE NUMBER: 1-10521**

**CITY NATIONAL CORPORATION**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

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**Delaware**  
(State of Incorporation)

**95-2568550**  
(I.R.S. Employer Identification No.)

**City National Plaza**

**555 South Flower Street, Los Angeles, California, 90071**

(Address of principal executive offices)(Zip Code)

**(213) 673-7700**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act). (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of October 29, 2010, there were 52,118,347 shares of Common Stock outstanding.



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**CITY NATIONAL CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

(in thousands, except share amounts)	September 30, 2010 (Unaudited)	December 31, 2009	September 30, 2009 (Unaudited)
<b>Assets</b>			
Cash and due from banks	\$ 224,363	\$ 364,483	\$ 348,958
Due from banks - interest-bearing	506,081	443,443	767,362
Federal funds sold	395,010	5,000	240,000
Securities available-for-sale - cost \$5,275,623, \$4,319,420, and \$3,480,659 at September 30, 2010, December 31, 2009 and September 30, 2009, respectively:			
Securities pledged as collateral		226,985	226,497
Held in portfolio	5,397,870	4,079,773	3,285,575
Trading securities	170,750	154,302	188,904
Loans and leases, excluding covered loans	11,418,625	12,146,908	12,168,490
Less: Allowance for loan and lease losses	274,167	288,493	265,005
Loans and leases, excluding covered loans, net	11,144,458	11,858,415	11,903,485
Covered loans, net of allowance for loan losses	1,910,133	1,851,821	
Net loans and leases	13,054,591	13,710,236	11,903,485
Premises and equipment, net	123,427	124,309	126,097
Deferred tax asset	86,948	164,038	173,752
Goodwill	479,982	479,982	491,501
Customer-relationship intangibles, net	42,610	45,601	41,866
Bank-owned life insurance	78,897	76,834	76,155
Affordable housing investments	98,667	93,429	92,170
Customers acceptance liability	2,970	2,951	3,476
Other real estate owned (\$110,391 and \$60,558 covered by FDIC loss share at September 30, 2010 and December 31, 2009, respectively)	168,853	113,866	43,969
FDIC indemnification asset	324,240	380,743	
Other assets	668,357	612,782	390,837
<b>Total assets</b>	<b>\$ 21,823,616</b>	<b>\$ 21,078,757</b>	<b>\$ 18,400,604</b>
<b>Liabilities</b>			
Demand deposits	\$ 8,455,164	\$ 7,753,936	\$ 7,441,898
Interest checking deposits	1,513,924	2,278,586	1,776,643
Money market deposits	6,711,758	4,546,532	4,220,737
Savings deposits	288,417	393,177	276,087
Time deposits-under \$100,000	373,276	756,616	210,344
Time deposits-\$100,000 and over	1,071,067	1,650,601	1,182,734
<b>Total deposits</b>	<b>18,413,606</b>	<b>17,379,448</b>	<b>15,108,443</b>
Federal funds purchased and securities sold under repurchase agreements		626,779	231,903
Other short-term borrowings	710	690	720
Current portion of subordinated debt	155,649		
Subordinated debt	179,384	340,137	341,587
Long-term debt	771,408	471,029	233,536

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Reserve for off-balance sheet credit commitments	20,401	17,340	19,576
Acceptances outstanding	2,970	2,951	3,476
Other liabilities	255,358	176,238	192,974
<b>Total liabilities</b>	<b>19,799,486</b>	<b>19,014,612</b>	<b>16,132,215</b>
<b>Redeemable noncontrolling interest</b>	<b>46,967</b>	<b>51,381</b>	<b>49,897</b>
<b>Commitments and contingencies</b>			