

CITY NATIONAL CORP
Form 10-Q
May 10, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 10 Q

(Mark One)

**ý QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2004

or

**o 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)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

City National Center
400 North Roxbury Drive, Beverly Hills, California 90210

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(310) 888 6000**

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 such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

YES NO

Number of shares of common stock outstanding at April 30, 2004: 48,729,779

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CITY NATIONAL CORPORATION

CONSOLIDATED BALANCE SHEET

(Unaudited)

Dollars in thousands, except per share amounts	March 31, 2004	December 31, 2003	March 31, 2003
Assets			
Cash and due from banks	\$ 472,541	\$ 461,443	\$ 448,152
Federal funds sold	519,000	240,000	615,000
Due from banks - interest bearing	34,570	405,747	22,975
Securities available-for-sale - cost \$3,563,508; \$3,350,632 and \$2,478,311 at March 31, 2004, December 31, 2003 and March 31, 2003, respectively	3,612,173	3,365,654	2,531,809
Trading account securities	39,549	91,535	53,288
Loans	7,967,639	7,882,742	7,832,823
Less allowance for credit losses	165,072	165,986	169,480
Net loans	7,802,567	7,716,756	7,663,343
Premises and equipment, net	60,175	62,719	62,630
Deferred tax asset	60,049	65,913	43,602
Goodwill	253,737	253,824	230,084
Intangibles	46,120	47,879	25,032
Bank owned life insurance	63,510	62,799	60,682
Affordable housing investments	65,831	66,480	67,326
Other assets	186,085	171,785	181,663
Customers acceptance liability	4,617	5,708	6,886
Total assets	\$ 13,220,524	\$ 13,018,242	\$ 12,012,472
Liabilities			
Demand deposits	\$ 5,525,627	\$ 5,486,668	\$ 4,625,439
Interest checking deposits	833,003	840,659	660,448
Money market deposits	3,535,809	3,260,959	3,101,656
Savings deposits	196,153	208,701	206,724
Time deposits-under \$100,000	195,053	199,875	213,492
Time deposits-\$100,000 and over	849,032	940,201	1,056,087
Total deposits	11,134,677	10,937,063	9,863,846
Federal funds purchased and securities sold under repurchase agreements	88,063	111,713	156,002
Other short-term borrowings	50,125	65,135	140,125
Subordinated debt	300,758	295,723	302,573
Long-term debt	239,804	230,555	274,001

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Other liabilities	135,370	127,045	120,838
Acceptances outstanding	4,617	5,708	6,886
Total liabilities	11,953,414	11,772,942	10,864,271
Minority interest in consolidated subsidiaries	27,180	26,044	26,512

Commitments and contingencies

Shareholders Equity

Preferred Stock authorized - 5,000,000 : none outstanding			
Common Stock-par value-\$1.00; authorized - 75,000,000; Issued - 50,583,124; 50,459,716 and 50,282,743 shares at March 31, 2004, December 31, 2003 and March 31, 2003, respectively	50,583	50,460	50,283
Additional paid-in capital	409,235	401,233	399,551
Accumulated other comprehensive income	32,237	12,903	37,631
Retained earnings	849,859	814,591	708,849
Deferred equity compensation	(14,343)	(6,699)	
Treasury shares, at cost - 1,754,657; 1,255,569; and 1,694,129 shares at March 31, 2004, December 31, 2003 and March 31, 2003, respectively	(87,641)	(53,232)	(74,625)
Total shareholders equity	1,239,930	1,219,256	1,121,689
Total liabilities and shareholders equity	\$ 13,220,524	\$ 13,018,242	\$ 12,012,472

See accompanying Notes to the Unaudited Consolidated Financial Statements.

CITY NATIONAL CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Unaudited)

In thousands, except per share amounts	For the three months ended	
	2004	2003
Interest Income		
Loans	\$ 105,986	\$ 115,736
Securities available-for-sale	37,201	29,431
Federal funds sold and securities purchased under resale agreements	432	411
Due from bank - interest bearing	140	49
Trading account	38	49
Total interest income	143,797	145,676
Interest Expense		
Deposits		