

CITY NATIONAL CORP  
Form 424B2  
November 07, 2012

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

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 8, 2010)

7,000,000 Depositary Shares Each Representing a 1/40th  
Interest in a Share of 5.50% Non-Cumulative Perpetual Preferred Stock, Series C

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We are offering 7,000,000 depositary shares each representing a 1/40th ownership interest in a share of 5.50% Non-Cumulative Perpetual Preferred Stock, Series C, \$1.00 par value, with a liquidation preference of \$1,000 per share (equivalent to \$25.00 per depositary share) (the "Preferred Stock"). As a holder of depositary shares, you will be entitled to all proportional rights and preferences of the Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depositary.

**For a discussion of certain risks that you should consider in connection with an investment in the depositary shares, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, and all subsequent filings under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as the additional risk factors contained in this prospectus supplement beginning on page S-14.**

We will pay dividends on the Preferred Stock, when, as, and if declared by our board of directors or a duly authorized committee of the board. If declared, dividends will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, from the date of issuance at a rate of 5.50% per annum, payable quarterly, in arrears, on February 13, May 13, August 13 and November 13 of each year, beginning on February 13, 2013. Upon payment of any dividends on the Preferred Stock, holders of depositary shares will receive a proportionate payment.

Dividends on the Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of the board does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date, or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board declares a dividend on the Preferred Stock for any future dividend period.

We may redeem the Preferred Stock at our option, (i) in whole or in part, from time to time, on any dividend payment date on or after November 13, 2017 at a redemption price equal to \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends, or (ii) in whole but not in part, at any time within 90 days following a regulatory capital treatment event (as defined herein), at a redemption price equal to \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends and any accrued and unpaid dividends (whether or not declared) for the then current dividend period to but excluding the redemption date. If we redeem the Preferred Stock, the depositary will redeem a proportionate number of depositary shares.

The Preferred Stock will not have any voting rights, except as set forth under "Description of Preferred Stock Voting Rights" on page S-26.

Neither the Preferred Stock nor the depositary shares are deposits or other obligations of a bank or are insured by the Federal Deposit Insurance Corporation or any other government agency.

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Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of the depositary shares or Preferred Stock or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

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	Per Depositary Share	Total(3)
Public Offering Price(1)	\$ 25.00000	\$ 175,000,000
Underwriting Discounts and Commissions(2)	\$ 0.76157	\$ 5,331,000
Proceeds (before expenses)(3)	\$ 24.23843	\$ 169,669,000

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- (1) Plus accrued dividends, if any, from the date of original issuance, which is expected to be November 13, 2012.
- (2) Reflects 440,000 depositary shares sold to institutional investors, for which the underwriters received an underwriting discount of \$0.3750 per share and 6,560,000 depositary shares sold to retail investors for which the underwriters received an underwriting discount of \$0.7875 per share.
- (3) Assumes no exercise of the underwriters' option described below.

The underwriters expect to deliver the depositary shares to purchasers in book-entry form through the facilities of The Depository Trust Company and its direct participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, a société anonyme ("Clearstream"), on or about November 13, 2012.

We have granted the underwriters an option to purchase up to an additional 350,000 depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less underwriting discounts and commissions, to cover over-allotments, if any.

We intend to apply to list the depositary shares on the New York Stock Exchange under the symbol "CYNPRC". If the application is approved, trading of the depositary shares on the New York Stock Exchange is expected to commence within 30 days after they are first issued.

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*Joint Book-Running Managers*

**Goldman, Sachs & Co.**

**J.P. Morgan**

*Co-Managers*

**RBC Capital Markets**

**Keefe, Bruyette & Woods**

**Sandler O'Neill + Partners, L.P.**

**Wedbush Securities**

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The date of this prospectus supplement is November 6, 2012

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**About This Prospectus Supplement**

This document consists of two parts. The first is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find More Information" in the accompanying prospectus and in "Incorporation of Certain Documents by Reference" in this prospectus supplement.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to "City National," "we," "us," "our" or similar references mean City National Corporation and its successors. References to City National Corporation and its subsidiaries, on a consolidated basis, are specifically made where applicable.

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

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

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference herein and therein. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are offering to sell the depositary shares and the Preferred Stock only in places where sales are permitted. We are not, and the underwriters are not, making an offer to sell the depositary shares or the Preferred Stock in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement or any document incorporated by reference herein or in the accompanying prospectus is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the depositary shares or the Preferred Stock and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

**Cautionary Statement Regarding Forward-Looking Information**

We have made forward-looking statements about City National in this document and in the documents that have been or may be incorporated by reference into this document, for which City National claims the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These statements are made based on the beliefs and assumptions of our management, and on information available to management, at the time of the applicable statement. Forward-looking statements are typically identified by words such as "may," "could," "should," "pro forma," "looking forward," "will," "would," "believe," "expect," "hope," "anticipate," "estimate," "intend," "plan," "strive," "hopefully," "try," "assume" and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time.

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A number of factors, many of which are beyond City National's ability to control or predict, could cause future results to differ materially from those contemplated by such forward looking statements. These factors include (1) changes in general economic, political, or industry conditions and the related credit and market conditions and the impact they have on City National and its customers, including changes in consumer spending, borrowing and savings habits, (2) the impact on financial markets and the economy of the level of U.S. and European debt, (3) the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Board of Governors of the Federal Reserve System, (4) continued delay in the pace of economic recovery and continued stagnant or decreasing employment levels, including the potential adverse impact on the economy generally of the pending combination of expiring tax cuts and mandatory reductions in federal spending at the end of 2012, referred to as the "fiscal cliff," (5) the effect of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations to be promulgated by supervisory and oversight agencies implementing the new legislation, taking into account that the precise timing, extent and nature of such rules and regulations and the impact on City National is uncertain, (6) the impact of revised capital requirements under Basel III, (7) significant changes in applicable laws and regulations, including those concerning taxes, banking and securities, (8) volatility in the municipal bond market, (9) changes in the level of nonperforming assets, charge-offs, other real estate owned and provision expense, (10) incorrect assumptions in the value of the loans acquired in FDIC-assisted acquisitions resulting in greater than anticipated losses in the acquired loan portfolios exceeding the losses covered by the loss-sharing agreements with the FDIC, (11) changes in inflation, interest rates, and market liquidity which may impact interest margins and impact funding sources, (12) adequacy of City National's enterprise risk management framework, (13) City National's ability to attract new employees and retain and motivate existing employees, (14) increased competition in City National's markets and our ability to increase market share and control expenses, (15) changes in the financial performance and/or condition of City National's borrowers, including adverse impact on loan utilization rates, delinquencies, defaults and customers' ability to meet certain credit obligations, changes in customers' suppliers, and other counterparties' performance and creditworthiness, (16) a substantial and permanent loss of either client accounts and/or assets under management at City National's investment advisory affiliates or its wealth management division, (17) soundness of other financial institutions which could adversely affect City National, (18) protracted labor disputes in City National's markets, (19) the impact of natural disasters, terrorist activities or international hostilities on the operations of our business or the value of collateral, (20) the effect of acquisitions and integration of acquired businesses and de novo branching efforts, (21) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, (22) the impact of cyber security attacks or other disruptions to City National's information systems and any resulting compromise of data or disruptions in service, and (23) the success of City National at managing the risks involved in the foregoing.

If one or more of the factors affecting City National's forward-looking statements proves incorrect, the actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. Therefore, investors should not place undue reliance on forward-looking statements. The effects of the factors described above are difficult to predict. Factors other than those described above also could adversely affect City National, and investors should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time and management cannot assess the impact of any such factor on City National's business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements only speak as of the date of this document or the applicable document incorporated by reference and City National undertakes no obligation to update any forward-looking information and statements, whether written or oral, to reflect any change. All forward-looking statements attributable to the Company are expressly qualified by these cautionary statements.

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For a more complete discussion of these risks and uncertainties, see City National's Annual Report on Form 10-K for the year ended December 31, 2011, and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, and June 30, 2012, particularly, Item 1A, titled "Risk Factors," in the Annual Report and the Quarterly Report for the quarter ended June 30, 2012.

**Incorporation of Certain Documents by Reference**

The SEC allows us to incorporate information in this document by reference to other documents filed separately with the SEC. This means that City National can disclose important information to you by referring you to those other documents. The information incorporated by reference is considered to be a part of this document, except for any information that is superseded by information that is included directly in this document. You may read and copy this information at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet website that contains reports, proxy statements and other information about issuers, like us, who file electronically with the SEC. The address of the website is [www.sec.gov](http://www.sec.gov). The reports and other information filed by City National with the SEC are also available at our Internet website, [www.cnb.com](http://www.cnb.com). We have included the web addresses of the SEC and City National as inactive textual references only. Except as specifically incorporated by reference into this document, information on those websites is not part of this prospectus supplement or the accompanying prospectus.

This document incorporates by reference the documents listed below that we previously filed with the SEC. They contain important information about City National and its financial condition.

Filing	Period or date filed
Annual Report on Form 10-K	Year ended December 31, 2011
Quarterly Reports on Form 10-Q	Quarters ended March 31, 2012 and June 30, 2012
Current Reports on Form 8-K	Filed with the SEC on March 16, 2012, April 23, 2012, April 25, 2012, May 14, 2012, May 18, 2012, June 14, 2012 and July 3, 2012

In addition, City National also incorporates by reference additional documents that we file with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), between the date of this document and the date of the termination of the offer being made pursuant to this prospectus supplement. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements. Notwithstanding the foregoing, City National is not incorporating any document or information that is furnished rather than filed with the SEC.

Any statement contained in a document incorporated by reference, or deemed to be incorporated by reference, in this prospectus supplement or the accompanying prospectus shall be deemed to be modified or superseded for purposes of this prospectus supplement or the accompanying prospectus to the extent that a statement contained in this prospectus supplement or the accompanying prospectus or in any other subsequently filed document which also is incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

Statements contained in this prospectus supplement or the accompanying prospectus as to the contents of any contract or other document referred to in this prospectus supplement or the

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accompanying prospectus do not purport to be complete, and where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document. We will provide without charge to each person to whom a copy of this prospectus supplement and the accompanying prospectus has been delivered, on the written or oral request of such person, a copy of any or all of the documents which have been or may be incorporated in this prospectus supplement or the accompanying prospectus by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference in any such documents) and a copy of any or all other contracts or documents which are referred to in this prospectus supplement or the accompanying prospectus. You may request a copy of these filings at the address and telephone number set forth below.

In reviewing any agreements incorporated by reference, please remember they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information about City National. The agreements may contain representations and warranties by City National or other parties, which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

Documents incorporated by reference are available from City National without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit into this prospectus supplement or the accompanying prospectus. You can obtain documents incorporated by reference in this prospectus supplement or the accompanying prospectus by requesting them in writing or by telephone at the following address:

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

Table of Contents**Summary (Including Conflicts of Interest)**

The following information about this offering summarizes, and should be read in conjunction with, the information contained in this prospectus supplement and in the accompanying prospectus, and the documents incorporated herein and therein by reference. This summary is not complete and does not contain all of the information that you should consider before investing in the depositary shares. You should pay special attention to the "Risk Factors" section of this prospectus supplement to determine whether an investment in the depositary shares is appropriate for you.

**About City National Corporation**

City National Corporation is a bank holding company and financial holding company incorporated under the laws of the State of Delaware and registered with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. City National's primary subsidiary is City National Bank. Through City National Bank, City National provides banking, investment and trust services through 78 offices, including 16 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada, New York City, Nashville and Atlanta. At June 30, 2012, City National had consolidated total assets of approximately \$24.80 billion, total deposits of approximately \$21.11 billion, total equity of approximately \$2.26 billion, loan and lease balances of approximately \$13.51 billion (excluding covered loans) and assets under management or administration (excluding minority-owned asset managers) of \$50.04 billion.

City National common stock is listed on the New York Stock Exchange under the symbol "CYN."

City National's principal executive offices are located at City National Plaza, 555 South Flower Street, Los Angeles, California 90071, and its telephone number is (213) 673-7700.

*Recent Developments*

On October 18, 2012, City National announced its unaudited preliminary consolidated financial results for the third quarter of 2012. City National reported net income of \$59.8 million for the third quarter of 2012 compared with net income of \$41.4 million for the third quarter of 2011.

The tables below present highlights of City National's unaudited preliminary consolidated financial results:

**FINANCIAL RESULTS (Unaudited)**

*Dollars in millions*

	<b>Three Months Ended</b>		
	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>June 30, 2012</b>
Interest income	\$ 225	\$ 217	\$ 230
Interest expense	15	18	14
Net interest income	210	199	216
Net interest income (fully taxable equivalent)	215	204	221
Total revenue	317	269	291
Provision for credit losses on loan and leases, excluding covered loans	2	8	1
Provision for losses on covered loans	18	5	13
Net income attributable to City National Corporation	60	41	55



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**BALANCE SHEET DATA (unaudited)**

*Dollars in millions, except per share data*

	September 30, 2012	September 30, 2011	June 30, 2012
Assets	\$ 26,252	\$ 23,104	\$ 24,802
Core Deposits	21,828	19,137	20,342
Deposits	22,512	19,909	21,109
Short term-borrowings	212	31	322
Long-term debt	706	700	712
Shareholders' equity	2,330	2,120	2,255

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**The Offering**

*The following description contains basic information about the depositary shares, the Preferred Stock and this offering. This description is not complete and does not contain all of the information that you should consider before investing in the depositary shares. For a more complete understanding of the depositary shares and the Preferred Stock, you should read "Description of Preferred Stock" and "Description of Depositary Shares" in this prospectus supplement as well as "Description of Preferred Stock" and "Description of Depositary Shares" in the accompanying prospectus. To the extent the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information.*

<b>Issuer</b>	City National Corporation
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<b>Securities Offered</b>	7,000,000 depositary shares each representing a 1/40th ownership interest in a share of 5.50% Non-Cumulative Perpetual Preferred Stock, Series C, \$1.00 par value, with a liquidation preference of \$1,000 per share (equivalent to \$25.00 per depositary share) of City National (the "Preferred Stock"). Each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Preferred Stock represented by such depositary share, to all the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).
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We reserve the right to re-open this series of preferred stock and issue additional shares of the Preferred Stock and depositary shares representing the Preferred Stock either through public or private sales at any time and from time to time. The additional shares of Preferred Stock, and the depositary shares representing such Preferred Stock, would form a single series with the shares of Preferred Stock and the depositary shares offered by this prospectus supplement.

We have granted the underwriters an option to purchase up to an additional 350,000 depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less underwriting discounts and commissions, to cover over-allotments, if any.

<b>Dividends</b>	We will pay dividends on the Preferred Stock, when, as, and if declared by our board of directors or a duly authorized committee of the board. If declared, dividends will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, from the date of issuance at a rate of 5.50% per annum, payable quarterly, in arrears. See also "Dividend Payment Dates" on page S-9. Upon the payment of any dividends on the Preferred Stock, holders of depositary shares will receive a related proportionate payment.
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Dividends on the Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of the board does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date, or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board declares a dividend on the Preferred Stock for any future dividend period.

Notwithstanding any other provision hereof, dividends on the Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause City National to fail to comply with the laws and regulations applicable thereto, including applicable capital adequacy guidelines.

During any dividend period while the Preferred Stock is outstanding, unless, in each case, the full dividends for the preceding dividend period on all outstanding shares of Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside:

no dividend will be declared or paid or set aside for payment and no distribution will be declared or made or set aside for payment on any junior stock, other than:

a dividend payable solely in junior stock, or

any dividend in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under any such plan;

no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us) other than:

as a result of a reclassification of junior stock for or into other junior stock;

the exchange or conversion of one share of junior stock for or into another share of junior stock;

through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock;

purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

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purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan, or

the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; and

no shares of parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Preferred Stock and such parity stock except by conversion into or exchange for junior stock.

When dividends are not paid in full upon the shares of Preferred Stock and any parity stock, all dividends declared upon shares of Preferred Stock and any parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period per share on the Preferred Stock, and accrued dividends, including any accumulations, on any parity stock, bear to each other.

**Dividend Payment Dates**

Dividends on the Preferred Stock will be payable when, as, and if declared by our board of directors or a duly authorized committee of our board, quarterly, in arrears, on February 13, May 13, August 13 and November 13 of each year (each a "dividend payment date") beginning on February 13, 2013. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next business day without any adjustment to the amount of dividends paid.

**Redemption**

The Preferred Stock is perpetual and has no maturity date. We may redeem the Preferred Stock at our option, (i) in whole or in part, from time to time, on any dividend payment date on or after November 13, 2017 at a redemption price equal to \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends, or (ii) in whole but not in part, at any time within 90 days following a regulatory capital treatment event (as defined herein), at a redemption price equal to \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends and, without duplication, any accrued and unpaid dividends (whether or not declared) for the then current dividend period to but excluding the redemption date. If we redeem the Preferred Stock, the depositary will redeem a proportionate number of depositary shares. Neither the holders of Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Preferred Stock.

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Any redemption of the Preferred Stock is subject to our receipt of any required prior approval by the Board of Governors of the Federal Reserve System (including any successor bank regulatory authority that may become our appropriate federal banking agency, the "Federal Reserve") and to the satisfaction of any conditions set forth in the capital guidelines or regulations of the Federal Reserve applicable to redemption of the Preferred Stock.

**Liquidation Rights**

In the event we liquidate, dissolve or wind-up our business and affairs, either voluntarily or involuntarily, holders of the Preferred Stock are entitled to receive a liquidating distribution of \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends before we make any distribution of assets to the holders of our common stock or any other class or series of shares of junior stock. Distributions will be made only to the extent of City National's assets that are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Preferred Stock and *pro rata* as to the Preferred Stock and any other shares of our stock ranking equally as to such distribution.

**Voting Rights**

None, except with respect to authorizing or increasing the authorized amount of senior stock, certain changes in the terms of the Preferred Stock and in the case of certain dividend non-payments. See "Description of Preferred Stock Voting Rights" below. Holders of depositary shares must act through the depositary to exercise any voting rights, as described under "Description of Depositary Shares Voting the Preferred Stock" below.

**Ranking**

Shares of the Preferred Stock will rank senior to our common stock, and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Preferred Stock, and all other parity stock), with respect to the payment of dividends and distributions upon liquidation, dissolution or winding up. See "Description of Preferred Stock Ranking." We will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available assets for such payment after satisfaction of all claims for indebtedness and other non-equity claims.

**No Maturity**

The Preferred Stock does not have any maturity date, and we are not required to redeem the Preferred Stock. Accordingly, the Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it and receive prior approval of the Federal Reserve to do so.

**Preemptive and Conversion Rights**

None.

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<b>Tax Consequences</b>	For discussion of the tax consequences relating to the depositary shares, see "Certain U.S. Federal Income Tax Considerations" in this prospectus supplement.
<b>Use of Proceeds</b>	We estimate that the net proceeds of this offering will be approximately \$169,031,000 (or approximately \$177,505,375 if the underwriters exercise in full their option to purchase additional depositary shares) after deducting underwriting commissions and offering expenses. We expect to use the net proceeds from the sale of our depositary shares for general corporate purposes, which may include: advances to our subsidiaries to finance their activities, repayment of outstanding indebtedness, and repurchases and redemptions of issued and outstanding securities of City National and its subsidiaries. The precise amounts and timing of our use of the net proceeds will depend upon our and our subsidiaries' funding requirements and the availability of other funds. Pending our use of the net proceeds from this offering as described above, we will use the net proceeds to reduce our short-term indebtedness or for temporary investments.
<b>Risk Factors</b>	Please refer to "Risk Factors" and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the depositary shares.
<b>Listing</b>	We intend to apply to list the depositary shares on the New York Stock Exchange under the symbol "CYNPRC". If the application is approved, trading of the depositary shares on the New York Stock Exchange is expected to commence within 30 days after they are first issued.
<b>Depository, Transfer Agent &amp; Registrar</b>	Computershare Trust Company, N.A.
<b>Conflicts of Interest</b>	Our subsidiary, City National Securities, Inc., is a member of the Financial Industry Regulatory Authority ("FINRA") and is participating in the distribution of the depositary shares. The distribution arrangements for this offering comply with the requirements of FINRA Rule 5121 regarding a FINRA member's firm participation in the distribution of securities of an affiliate. In accordance with Rule 5121, no FINRA member firm may make sales in this offering to any discretionary account without the prior approval of the customer. Our affiliates, including City National Securities, Inc. and other affiliates, may use this prospectus supplement and the attached prospectus in connection with offers and sales of the depositary shares in the secondary market. These affiliates may act as principal or agent in those transactions. Secondary market sales will be made at prices related to prevailing market prices at the time of sale.

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**Selected Financial Information**

The following is selected financial data for City National for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 and six months ended June 30, 2012 and June 30, 2011. The summary below should be read in conjunction with City National's consolidated financial statements and notes thereto included in its Annual Report on Form 10-K for the year ended December 31, 2011, and the condensed consolidated financial statements and notes thereto included in City National's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

**SELECTED FINANCIAL INFORMATION**

(in thousands, except per share amounts)(1)	As of or for the six months ended June 30,		As of or for the year ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
<b>Statement of Income Data:</b>							
Interest income	\$ 443,481	\$ 410,946	\$ 843,090	\$ 830,196	\$ 709,077	\$ 784,688	\$ 894,101
Interest expense	26,289	38,829	70,100	99,871	85,024	184,792	285,829
Net interest income	417,192	372,117	772,990	730,325	624,053	599,896	608,272
Provision for credit losses on loans and leases, excluding covered loans	1,000		12,500	103,000	285,000	127,000	20,000
Provision for losses on covered loans	20,759	20,832	43,646	76,218			
Noninterest income	150,468	185,830	341,867	361,375	292,197	266,984	303,202
Noninterest expense	395,236	409,229	805,095	751,330	581,087	587,763	534,931
Income before taxes	150,665	127,886	253,616	161,152	50,163	152,117	356,543
Income taxes	48,990	38,536	77,561	26,055	(1,886)	41,783	124,974
Net income	\$ 101,675	\$ 89,350	\$ 176,055	\$ 135,097	\$ 52,049	\$ 110,334	\$ 231,569
Less: Net income attributable to noncontrolling interest	652	2,187	3,634	3,920	710	5,378	8,856
Net income attributable to City National Corporation	\$ 101,023	\$ 87,163	\$ 172,421	\$ 131,177	\$ 51,339	\$ 104,956	\$ 222,713
Less: Dividends and accretion on preferred stock				5,702	25,903	2,445	
Net income available to common shareholders	\$ 101,023	\$ 87,163	\$ 172,421	\$ 125,475	\$ 25,436	\$ 102,511	\$ 222,713
<b>Per Common Share Data:</b>							
Net income per common share, basic	1.88	1.64	3.24	2.38	0.50	2.12	4.58
Net income per common share, diluted	1.87	1.62	3.21	2.36	0.50	2.11	4.50
Dividends per common share	0.50	0.40	0.80	0.40	0.55	1.92	1.84
Book value per common share	42.70	39.24	40.86	37.51	34.74	33.52	33.66
Shares used to compute net income per common share, basic	52,923	52,392	52,439	51,992	50,272	47,930	48,234
Shares used to compute net income per common share, diluted	53,217	52,931	52,849	52,455	50,421	48,196	49,069
<b>Balance Sheet Data At Period End:</b>							
Assets	\$24,801,973	\$22,526,089	\$23,666,291	\$21,353,118	\$21,078,757	\$16,455,515	\$15,889,290
Securities	8,028,695	6,473,884	8,101,556	5,976,072	4,461,060	2,440,468	2,756,010
Loans and leases, excluding covered loans	13,507,209	11,663,123	12,309,385	11,386,628	12,146,908	12,444,259	11,630,638
Covered loans(2)	1,260,135	1,724,634	1,481,854	1,857,522	1,851,821		
Interest-earning assets	23,179,647	20,841,679	22,090,781	19,667,137	19,055,189	15,104,199	14,544,176
Core deposits	20,341,833	18,439,117	19,727,968	17,294,342	15,728,847	11,210,091	10,515,697
Deposits	21,109,052	19,265,120	20,387,582	18,176,862	17,379,448	12,652,124	11,822,505
Common shareholders' equity	2,255,365	2,058,921	2,144,849	1,959,579	1,790,275	1,614,904	1,610,139
Total equity	2,255,365	2,084,010	2,144,849	1,984,718	2,012,764	2,030,434	1,635,722
<b>Balance Sheet Data Average Balances:</b>							
Assets	\$24,003,722	\$21,695,572	\$22,527,750	\$21,156,661	\$17,711,495	\$16,028,821	\$15,370,764
Securities	7,842,321	5,960,301	6,634,547	4,677,306	3,327,235	2,398,285	2,833,489
Loans and leases, excluding covered loans	12,779,080	11,386,657	11,698,388	11,576,380	12,296,619	12,088,715	11,057,411

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Covered loans(2)	1,389,877	1,790,569	1,699,182	1,940,316	66,470		
Interest-earning assets	22,435,920	19,969,553	20,842,016	19,269,707	16,315,487	14,670,167	14,054,123
Core deposits	19,867,980	17,657,873	18,512,261	16,757,396	13,048,724	10,600,180	10,360,199
Deposits	20,582,821	18,485,669	19,305,703	17,868,392	14,351,898	11,899,642	12,236,383
Common shareholders' equity	2,201,579	2,000,780	2,058,269	1,902,846	1,745,101	1,636,597	1,564,080
Total equity	2,201,579	2,025,880	2,076,721	1,961,109	2,160,922	1,706,092	1,588,480

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(in thousands, except per share amounts)(1)	As of or for the six months ended June 30,		As of or for the year ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
<b>Asset Quality:</b>							
Nonaccrual loans, excluding covered nonaccrual loans	\$ 98,656	\$ 132,800	\$ 112,026	\$ 190,923	\$ 388,707	\$ 211,142	\$ 75,561
Covered nonaccrual loans	422	1,408	422	2,557			
OREO, excluding covered OREO	34,667	47,634	30,790	57,317	53,308	11,388	
Covered OREO	82,834	114,907	98,550	120,866	60,558		
Total nonaccrual loans and OREO	\$ 216,579	\$ 296,749	\$ 241,788	\$ 371,663	\$ 502,573	\$ 222,530	\$ 75,561
<b>Performance Ratios:</b>							
Return on average assets	0.85%	0.81%	0.77%	0.62%	0.29%	0.65%	1.45%
Return on average common shareholders' equity	9.23	8.79	8.38	6.59	1.46	6.26	14.24
Net interest spread	3.53	3.50	3.47	3.45	3.41	3.27	2.91
Net interest margin	3.83	3.84	3.79	3.86	3.91	4.20	4.45
Period-end common shareholders' equity to period-end assets	9.09	9.14	9.06	9.18	8.49	9.81	10.13
Period-end equity to period-end assets	9.09	9.25	9.06	9.29	9.55	12.34	10.29
Dividend payout ratio, per common share	26.56	24.34	24.64	16.75	107.80	90.61	40.13
Expense to revenue ratio	65.23	65.93	65.53	62.45	61.70	66.80	57.87
<b>Asset Quality Ratios(3):</b>							
Nonaccrual loans to total loans and leases	0.73%	1.14%	0.91%	1.68%	3.20%	1.70%	0.65%
Nonaccrual loans and OREO to total loans and leases and OREO	0.98	1.54	1.16	2.17	3.62	1.79	0.65
Allowance for loan and lease losses to total loans and leases	2.00	2.28	2.13	2.26	2.38	1.80	1.45
Allowance for loan and lease losses to nonaccrual loans	273.21	200.25	234.37	134.61	74.22	106.11	223.03
Net recoveries (charge-offs) to average total loans and leases	0.11	0.19	(0.05)	(1.13)	(1.84)	(0.57)	(0.08)
<b>Capital Ratios:</b>							
Risk-based capital ratios							
Tier 1	9.58%	10.66%	10.26%	10.52%	12.20%	11.71%	7.97%
Total	12.91	13.34	12.83	13.28	15.15	13.40	9.31
Tier 1 leverage ratio	6.74	7.09	6.77	6.74	9.48	10.44	11.27

- (1) Certain prior period balances have been reclassified to conform to current period presentation.
- (2) Covered loans represent acquired loans that are covered under loss-sharing agreements with the FDIC.
- (3) Excludes covered assets, which consists of acquired loans and OREO that are covered under loss-sharing agreements with the FDIC.

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**Risk Factors**

*Your investment in the depositary shares involves risks. This prospectus supplement does not describe all of those risks. Before purchasing any of the depositary shares, you should carefully consider the following risk factors, which are specific to the depositary shares being offered, as well as the risks and other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the discussion under "Item 1A Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, as such discussion may be amended or updated in other reports filed by us with the SEC, including as amended by our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.*

**Risks Relating to the Depositary Shares and the Preferred Stock**

*You are making an investment decision about both the depositary shares and the Preferred Stock, which are different securities.*

As described in this prospectus supplement, we are issuing depositary shares representing fractional interests in shares of Preferred Stock. The depositary will rely solely on the payments it receives on the Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in this prospectus supplement and the accompanying prospectus regarding both of these securities because their rights and privileges are different.

*Our ability to pay dividends on the Preferred Stock may be limited by federal regulatory considerations.*

As a bank holding company, City National's ability to declare and pay dividends is primarily dependent on the receipt of dividends and other distributions from our subsidiaries. The principal source of our liquidity at the parent company level is dividends from City National Bank, which is subject to various statutory and regulatory limitations on the ability to pay dividends or make other capital distributions. The amount available for dividend payments by City National Bank to the parent company without prior regulatory approval was approximately \$320.6 million at June 30, 2012.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") requires federal banking agencies to establish more stringent risk-based capital requirements and leverage limits applicable to banks and bank holding companies. In June 2012, the Federal Reserve, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency issued three notices of proposed rulemaking, including a joint notice of proposed rulemaking (the "June NPR"), addressing, among other matters, Section 171 of the Dodd-Frank Act and the agreement reached with the Basel Committee on Banking Supervision (Basel III). The June NPR set forth the proposed criteria for qualifying additional Tier 1 capital instruments consistent with Basel III, including the requirement that any dividends on such instruments only be paid out of the banking organization's net income and retained earnings. Until the final rules are issued, we cannot predict the June NPR's actual effect on us. These requirements, and any other new regulations or capital distribution constraints, could adversely affect our ability to pay dividends on the Preferred Stock and therefore your ability to receive distributions on the depositary shares.

*The Preferred Stock is equity and is subordinate to our existing and future indebtedness.*

The shares of Preferred Stock are equity interests in City National and do not constitute indebtedness. This means that the depositary shares, which represent proportional fractional interests in the shares of Preferred Stock, will rank junior to all indebtedness and other non-equity claims on City National with respect to assets available to satisfy claims on City National, including in a liquidation of City National. Our existing and future indebtedness may restrict payment of dividends on the Preferred Stock.

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Additionally, unlike indebtedness, where principal and interest customarily are payable on specified due dates, in the case of preferred stock like the Preferred Stock, (1) dividends are payable only if declared by our board of directors or a duly authorized committee of the board, (2) dividends do not cumulate if they are not declared and (3) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds. Further, the Preferred Stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to below under "Description of Preferred Stock Voting Rights."

***The Preferred Stock may be junior in rights and preferences to our future preferred stock.***

We may in the future create and issue additional shares of preferred stock ranking senior to the Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up with the requisite consent of the holders of the Preferred Stock and other parity stock entitled to vote thereon. The terms of any of our future preferred stock which by its terms is expressly senior to the Preferred Stock may restrict dividend payments on the Preferred Stock. This could result in dividends on the Preferred Stock not being paid.

***Dividends on the Preferred Stock are discretionary and non-cumulative.***

Dividends on the Preferred Stock are discretionary and will not be cumulative. If our board of directors or a duly authorized committee of the board does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board declares a dividend on the Preferred Stock for any future dividend period.

***Investors should not expect City National to redeem the Preferred Stock on the date it becomes redeemable or on any particular date after it becomes redeemable.***

The Preferred Stock is a perpetual equity security. This means that the Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors, including the holders of the depositary shares offered by this prospectus supplement. The Preferred Stock may be redeemed by us at our option, (i) either in whole or in part, on any dividend payment date on or after November 13, 2017, or (ii) in whole but not in part, at any time within 90 days following a regulatory capital treatment event. In addition, our right to redeem the Preferred Stock is subject to limitations established by the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, and under current regulatory rules and regulations we would need prior regulatory approval to redeem the Preferred Stock. We cannot assure you that the Federal Reserve will approve any redemption of the Preferred Stock that we may propose.

***We may be able to redeem the Preferred Stock before November 13, 2017.***

In addition to our ability to redeem the Preferred Stock on any dividend payment date on or after November 13, 2017, we may redeem the Preferred Stock at any time after it is issued upon the occurrence of certain events involving the capital treatment of the Preferred Stock if we determine in good faith that a "regulatory capital treatment event" has occurred. This redemption would be subject to the prior approval of the Federal Reserve. See "Description of Preferred Stock Redemption Redemption Following a Regulatory Capital Treatment Event."

It is possible that the Preferred Stock may not satisfy the proposed criteria for "tier 1 capital" instruments consistent with Basel III as set forth in the June NPR. As a result, in addition to other

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circumstances that may constitute a regulatory capital treatment event, if the Federal Reserve revises and replaces its current capital rules with the proposed risk-based and leverage capital requirements set forth in the June NPR, a "regulatory capital treatment event" could occur whereby we would have the right, subject to prior approval of the appropriate federal banking agency, to redeem the Preferred Stock in accordance with its terms prior to November 13, 2017 at a redemption price equal to \$1,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends and any accrued and unpaid dividends (whether or not declared).

***Holders of the Preferred Stock and the depositary shares will have limited voting rights.***

Holders of the Preferred Stock have no voting rights with respect to matters that generally require the approval of voting shareholders. Holders of the Preferred Stock will have limited voting rights in the event of non-payments of dividends under certain circumstances and with respect to certain fundamental changes in the terms of the Preferred Stock, certain other matters or as otherwise required by law, as described under "Description of Preferred Stock Voting Rights." Holders of depositary shares would instruct the depositary how to vote the shares of Preferred Stock in such circumstances based, in the case of each holder of depositary shares, on the proportional rights in the Preferred Stock represented by such holder's depositary shares.

***General market conditions and unpredictable factors could adversely affect market prices for the depositary shares.***

There can be no assurance about the market prices for the depositary shares. Several factors, many of which are beyond our control, will influence the market prices of the depositary shares. Factors that might influence the market prices of the depositary shares include:

whether we declare or fail to declare dividends on the Preferred Stock from time to time;

our creditworthiness;

interest rates;

developments in the credit, mortgage and housing markets, the markets for securities relating to mortgages or housing and developments with respect to financial institutions generally;

the market for similar securities; and

economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Accordingly, the depositary shares that an investor purchases, whether in this offering or in the secondary market, may trade at a discount to their purchase price.

***Our ability to pay dividends depends upon the results of operations of our subsidiaries.***

We are a holding company and conduct substantially all of our operations through subsidiaries. As a result, our ability to make dividend payments on the Preferred Stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. Various legal limitations restrict the extent to which our subsidiaries may extend credit, pay dividends or other funds or otherwise engage in transactions with us or some of our other subsidiaries.

In addition, our right to participate in any distribution of assets from any subsidiary, upon the subsidiary's liquidation or otherwise, is subject to the prior claims of creditors of that subsidiary, except to the extent that we are recognized as a creditor of that subsidiary. As a result, the Preferred Stock will be effectively subordinated to all existing and future liabilities of our subsidiaries.

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Under the regulations of the Federal Reserve, a bank holding company is expected to act as a source of financial strength for its subsidiary banks. As a result of this regulatory policy, the Federal Reserve might require City National to commit resources to its subsidiary banks, even when doing so is not otherwise in the interests of City National or its shareholders or creditors.

***We cannot assure you that a liquid trading market for the depositary shares will develop.***

The depositary shares are a new issue of securities with no established trading market. We intend to apply to list the depositary shares on the New York Stock Exchange. While we expect trading of the depositary shares on the New York Stock Exchange to begin within a 30-day period after the initial issuance of the depositary shares, there is no guarantee that we will be able to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares and such market may not provide sufficient liquidity. Because the depositary shares do not have a stated maturity date, investors seeking liquidity will need to rely on the secondary market. We cannot assure you that a liquid trading market for the depositary shares will develop, that you will be able to sell your depositary shares at a particular time or that the price you receive when you sell will be favorable. We do not expect that there will be any separate public trading market for the shares of the Preferred Stock except as represented by the depositary shares.

***Holdings of depositary shares may be unable to use the dividends received deduction.***

Distributions paid to corporate U.S. holders of the depositary shares out of dividends on the Preferred Stock may be eligible for the dividends received deduction if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Preferred Stock to qualify, in whole or in part, as dividends for U.S. federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations." If any distributions on the Preferred Stock with respect to any fiscal year are not eligible for the dividends received deduction because of insufficient current or accumulated earnings and profits, the market value of the depositary shares may decline.

***Offerings of debt, which are senior to our Preferred Stock upon liquidation, may adversely affect the market price of our depositary shares.***

We may desire or, as a regulated financial institution, be required in the future to increase our capital resources or liquidity through additional offerings of debt or equity securities, including senior or subordinated notes, preferred stock and common stock. Upon liquidation, holders of our debt securities, lenders with respect to other borrowings and holders of any future preferred stock ranking senior to the Preferred Stock will receive distributions of our available assets prior to the holders of our Preferred Stock and depositary shares, and holders of any future preferred stock ranking on parity with the Preferred Stock as to liquidation will share ratably in any distributions upon liquidation, thereby reducing the amounts potentially payable in respect of the Preferred Stock upon liquidation.

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**Use of Proceeds**

We estimate that the net proceeds of this offering will be approximately \$169,031,000 (or approximately \$177,505,375 if the underwriters exercise in full their option to purchase additional depositary shares), based on the public offering price of \$25.00 per depositary share, after deducting underwriting commissions and expenses. We expect to use the net proceeds from the sale of our depositary shares for general corporate purposes, which may include: advances to our subsidiaries to finance their activities, repayment of outstanding indebtedness, and repurchases and redemptions of issued and outstanding securities of City National and its subsidiaries. The precise amounts and timing of our use of the net proceeds will depend upon our and our subsidiaries' funding requirements and the availability of other funds. Pending our use of the net proceeds from this offering as described above, we will use the net proceeds to reduce our short-term indebtedness or for temporary investments.

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The table below sets forth City National's consolidated ratios of earnings to fixed charges and earnings to fixed charges and preferred stock dividends for the periods presented. For purposes of computing these ratios, earnings represent income before income taxes, plus fixed charges. Fixed charges include all interest expense and the portion deemed representative of the interest factor of rent expense. These ratios are presented both including and excluding interest on deposits.

	Six Months Ended June 30,		Year Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
<b>Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends</b>							
Excluding interest on deposits	6.87	5.50	5.69	3.12	1.15	2.87	5.16
Including interest on deposits	5.53	3.59	3.86	2.26	1.08	1.74	2.19

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Table of Contents**Capitalization**

The following table sets forth City National's consolidated capitalization as of June 30, 2012, on an actual basis and on an adjusted basis giving effect to the net proceeds of \$169,031,000 from the depositary shares offered hereby (assuming underwriters' option to purchase additional depositary shares is not exercised). You should read the following table together with City National's consolidated financial statements and notes thereto included in its Annual Report on Form 10-K for the year ended December 31, 2011, and the condensed consolidated financial statements and notes thereto included in City National's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

(in thousands)	As of June 30, 2012	
	Actual	As Adjusted
<b>Cash and due from banks</b>	\$ 162,893	\$ 126,389
<b>Indebtedness:</b>		
Short-term borrowings(1)	\$ 322,077	\$ 116,542
Long-term debt	712,280	712,280
<b>Total indebtedness</b>	\$ 1,034,357	\$ 828,822
<b>Shareholders' equity:</b>		
Preferred stock	\$	\$ 169,031
Common stock	53,886	53,886
Additional paid-in capital	491,439	491,439
Accumulated other comprehensive income	82,807	82,807
Retained earnings	1,686,163	1,686,163
Treasury shares	(58,930)	(58,930)
<b>Total shareholders' equity</b>	\$ 2,255,365	\$ 2,424,396
<b>Total capitalization</b>	\$ 3,289,722	\$ 3,253,218

(1) Includes the current portion of long-term debt.



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**Description of Preferred Stock**

**General**

The Preferred Stock is a single series of our authorized preferred stock. We are offering 7,000,000 depositary shares, representing 175,000 shares of the Preferred Stock (or 7,350,000 depositary shares, representing 183,750 shares of the Preferred Stock if the underwriters exercise their option to purchase additional depositary shares in full) in the aggregate by this prospectus supplement and the accompanying prospectus. Shares of the Preferred Stock, upon issuance against full payment of the purchase price for the depositary shares, will be fully paid and nonassessable. The depositary will be the sole holder of shares of the Preferred Stock. The holders of depositary shares will be required to exercise their proportional rights in the Preferred Stock through the depositary, as described in "Description of Depositary Shares" in this prospectus supplement.

The Preferred Stock will not be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of City National. The Preferred Stock has no stated maturity and will not be subject to any sinking fund or other obligation of City National to redeem or repurchase the Preferred Stock.

We reserve the right to re-open this series and issue additional shares of the Preferred Stock either through public or private sales at any time and from time to time. The additional shares would form a single series with the shares of Preferred Stock offered by this prospectus supplement.

**Ranking**

Shares of the Preferred Stock will rank:

senior to our junior stock

equally with each other series of parity stock, including the Preferred Stock and any other series of preferred stock we may issue in the future; and

junior to any series of stock we may issue in the future that ranks senior to the Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of City National, and to all of our existing and future debt obligations.

As used in this prospectus supplement, "junior stock" means our common stock and any other class or series of stock of City National hereafter authorized over which the Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of City National.

As used in this prospectus supplement, "parity stock" means any other class or series of stock of City National that ranks on parity with the Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of City National. As of the date of this prospectus supplement, there are no other outstanding shares of City National preferred stock.

**Dividends**

Dividends on the Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of the board does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date, or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board declares a dividend on the Preferred Stock for any future dividend period. Holders of Preferred Stock will be entitled to receive, when, as, and if declared by our board of

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directors or a duly authorized committee of the board, out of assets legally available for the payment of dividends under Delaware law, non-cumulative cash dividends based on the liquidation preference of the Preferred Stock at a rate equal to 5.50% per annum for each quarterly dividend period from the issue date of the depositary shares through the redemption date of the Preferred Stock, if any. In the event that we issue additional shares of Preferred Stock after the original issue date, dividends on such shares will accrue from the original issue date of such additional shares.

If declared by our board of directors or a duly authorized committee of our board, we will pay dividends on the Preferred Stock quarterly, in arrears, on February 13, May 13, August 13 and November 13 of each year, each such date referred to as a dividend payment date, beginning on February 13, 2013. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next business day without any adjustment to the amount of dividends paid. A business day means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York, or Los Angeles, California are closed.

If declared, dividends will be payable to holders of record of Preferred Stock as they appear on our stock register on the applicable record date, which shall be the 15th calendar day before the applicable dividend payment date, or such other record date, not exceeding 30 days before the applicable payment date, as shall be fixed by our board of directors or a duly authorized committee of our board. The corresponding record dates for the depositary shares will be the same as the record dates for the Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Preferred Stock. Dividends payable on the Preferred Stock will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. Dividends on the Preferred Stock will cease to accrue on the redemption date, if any, as described below under "Redemption," unless we default in the payment of the redemption price of the shares of the Preferred Stock called for redemption.

Notwithstanding any other provision hereof, dividends on the Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause City National to fail to comply with the laws and regulations applicable thereto, including applicable capital adequacy guidelines.

So long as any share of Preferred Stock remains outstanding, (1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than (i) a dividend payable solely in junior stock or (ii) any dividend in connection with the implementation of a stockholders' rights plan, or the redemption or repurchase of any rights under any such plan), (2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (i) as a result of a reclassification of junior stock for or into other junior stock, (ii) the exchange or conversion of one share of junior stock for or into another share of junior stock, (iii) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock, (iv) purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (v) purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan or (vi) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities

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by us and (3) no shares of parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Preferred Stock and such parity stock except by conversion into or exchange for junior stock, during a dividend period, unless, in each case, the full dividends for the preceding dividend period on all outstanding shares of the Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside.

When dividends are not paid in full upon the shares of the Preferred Stock and any parity stock, all dividends declared upon shares of the Preferred Stock and any parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period per share on the Preferred Stock, and accrued dividends, including any accumulations, on any parity stock, bear to each other.

Subject to the considerations described above, and not otherwise, dividends (payable in cash, stock or otherwise), as may be determined by our board of directors or a duly authorized committee of the board, may be declared and paid on our common stock and any other stock ranking equally with or junior to the Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Preferred Stock shall not be entitled to participate in any such dividend.

**Redemption**

***Optional Redemption.*** The Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. We may redeem the Preferred Stock at our option, in whole or in part, from time to time, on any dividend payment date on or after November 13, 2017, at a redemption price equal to \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Neither the holders of Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Preferred Stock. Redemption of the Preferred Stock is subject to our receipt of any required prior approvals from the Federal Reserve and to the satisfaction of any conditions set forth in the capital guidelines of the Federal Reserve applicable to the redemption of the Preferred Stock.

***Redemption Following a Regulatory Capital Treatment Event.*** We may redeem shares of the Preferred Stock at any time within 90 days following a regulatory capital treatment event, in whole but not in part, at a redemption price equal to \$1,000 per share (equivalent to \$25.00 per depositary share), plus any declared and unpaid dividends and any accrued and unpaid dividends (whether or not declared) on the shares of Preferred Stock called for redemption for the then current dividend period to but excluding the redemption date. A "regulatory capital treatment event" means the good faith determination by City National that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Preferred Stock; (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Preferred Stock; or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Preferred Stock, there is more than an insubstantial risk that City National will not be entitled to treat the full liquidation value of the shares of Preferred Stock then outstanding as "Tier 1 Capital" (or its equivalent) for purposes of the capital adequacy guidelines of Federal Reserve Regulation V (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency), as then in effect and applicable, for as long as any share of Preferred Stock is outstanding. Redemption of the Preferred Stock is subject to our receipt of any required prior approvals from the Federal Reserve and to the satisfaction of any conditions set forth in the capital guidelines of the Federal Reserve applicable to the redemption of the Preferred Stock.

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**Redemption Procedures.** If shares of the Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depository shares representing the Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") we may give such notice in any manner permitted by DTC). Each notice of redemption will include a statement setting forth:

the redemption date;

the number of shares of the Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares of Preferred Stock to be redeemed from the holder;

the redemption price;

the place or places where the certificates evidencing shares of Preferred Stock are to be surrendered for payment of the redemption price; and

that dividends on the shares to be redeemed will cease to accrue on the redemption date.

If notice of redemption of any shares of Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by us for the benefit of the holders of any shares of Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Preferred Stock, such shares of Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price plus any declared and unpaid dividends, and in the case of a regulatory capital treatment event plus accrued and unpaid dividends (whether or not declared). See "Description of Depository Shares" below for information about redemption of the depository shares relating to the Preferred Stock.

In case of any redemption of only part of the shares of the Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata*, by lot or in such other manner as we may determine to be equitable. Subject to the provisions hereof, our board of directors shall have full power and authority to prescribe the terms and conditions upon which shares of Preferred Stock shall be redeemed from time to time.

Under the Federal Reserve's current risk-based capital guidelines applicable to bank holding companies, any redemption of the Preferred Stock is subject to prior approval by the Federal Reserve. See "Risk Factors Investors should not expect City National to redeem the Preferred Stock on the date it becomes redeemable or on any particular date after it becomes redeemable" in this prospectus supplement. Any redemption of the Preferred Stock is subject to our receipt of any required prior approval by the Federal Reserve and to the satisfaction of any conditions set forth in the capital guidelines or regulations of the Federal Reserve applicable to redemption of the Preferred Stock.

**Liquidation Rights**

In the event we liquidate, dissolve or wind-up our business and affairs, either voluntarily or involuntarily, holders of the Preferred Stock are entitled to receive a liquidating distribution of \$1,000 per share (equivalent to \$25.00 per depository share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends, after satisfaction of liabilities of creditors and subject to the rights of holders of any securities ranking senior to the Preferred Stock before we make any distribution of assets to the holders of our common stock or any other class or series of shares ranking junior to the Preferred Stock. Holders of the Preferred Stock will not be entitled to any other amounts from us after they have received their full liquidating distribution. In addition, the Preferred Stock may be fully subordinate to interests held by the U.S. government in the event of a receivership, insolvency,

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liquidation or similar proceeding, including a proceeding under the "orderly liquidation authority" provisions of the Dodd Frank Act.

In any such distribution, if the assets of City National are not sufficient to pay the liquidation preferences plus declared and unpaid dividends in full to all holders of the Preferred Stock and all holders of parity stock as to such distribution with the Preferred Stock, the amounts paid to the holders of Preferred Stock and any parity stock will be paid *pro rata* in accordance with the respective aggregate liquidating distribution owed to those holders. If the liquidation preference plus declared and unpaid dividends has been paid in full to all holders of Preferred Stock and any parity stock, the holders of our junior stock shall be entitled to receive all remaining assets of City National according to their respective rights and preferences.

For purposes of this section, the merger or consolidation of City National with any other entity, including a merger or consolidation in which the holders of Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of City National for cash, securities or other property, shall not constitute a liquidation, dissolution or winding up of City National.

Because we are a holding company, our rights and the rights of our creditors and our stockholders, including the holders of the Preferred Stock, to participate in the assets of any of our subsidiaries upon that subsidiary's liquidation or recapitalization may be subject to the prior claims of that subsidiary's creditors, except to the extent that we are a creditor with recognized claims against the subsidiary.

**Voting Rights**

Except as provided below, the holders of the Preferred Stock will have no voting rights.

***Right to Elect Two Directors upon Nonpayment.*** If we fail to pay, or declare and set apart for payment, dividends on outstanding shares of the Preferred Stock or any other series of preferred stock for six quarterly dividend periods, or their equivalent, whether or not consecutive, the number of directors of City National shall be increased by two at our first annual meeting of the shareholders held thereafter, and at such meeting and at each subsequent annual meeting until cumulative dividends payable for all past dividend periods and continuous noncumulative dividends for at least one year on all outstanding shares of preferred stock entitled thereto shall have been paid, or declared and set apart for payment, in full, the holders of shares of the Preferred Stock shall have the right, voting as a class with holders of any other equally ranked series of preferred stock that have similar voting rights, to elect such two additional members of the board of directors to hold office for a term of one year. Upon such payment, or such declaration and setting apart for payment, in full, the terms of the two additional directors so elected shall forthwith terminate, and the number of directors of City National shall be reduced by two, and such voting right of the holders of shares of preferred stock shall cease, subject to increase in the number of directors as described above and to reversion of such voting right in the event of each and every additional failure in the payment of dividends for six quarterly dividend periods, or their equivalent, whether or not consecutive, as described above.

If the holders of the Preferred Stock become entitled to vote for the election of directors, the Preferred Stock may be considered a class of voting securities under interpretations adopted by the Federal Reserve. As a result, certain holders of the Preferred Stock may become subject to regulations under the Bank Holding Company Act. For further discussion of the regulations of the Federal Reserve Board, see "Description of Preferred Stock General" of the accompanying prospectus.

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**Other Voting Rights.** So long as any shares of the Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds of all outstanding shares of the Preferred Stock, voting separately as a class, shall be required to:

amend, alter or repeal the provisions of City National's certificate of incorporation (including the certificate of designation creating the Preferred Stock), or City National's bylaws, whether by merger, consolidation or otherwise, so as to adversely affect the powers, preferences, privileges or special rights of the Preferred Stock; provided, that any of the following will not be deemed to adversely affect such powers, preferences, privileges or special rights:

increases in the amount of the authorized common stock or, except as provided below, preferred stock;

increases or decreases in the number of shares of any series of preferred stock ranking equally with or junior to the Preferred Stock; or

the authorization, creation and issuance of other classes or series of capital stock (or securities convertible or exchangeable into such capital stock) ranking equally with or junior to the Preferred Stock;

amend or alter City National's certificate of incorporation to authorize or increase the authorized amount of or issue shares of any class or series of senior stock, or reclassify any of our authorized capital stock into any such shares of senior stock or issue any obligation or security convertible into or evidencing the right to purchase any such shares of senior stock; or

consummate a binding share exchange, a reclassification involving the Preferred Stock or a merger or consolidation of us with or into another entity; provided, however, that the holder of Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case:

the Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which we are not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity (or its ultimate parent); and

the Preferred Stock remaining outstanding or the new preferred securities, as the case may be, have such powers, preferences and special rights as are not materially less favorable to the holder thereof than the powers, preferences and special rights of the Preferred Stock, taken as a whole.

As used above under "Description of Preferred Stock Voting Rights", "senior stock" means any other class or series of stock of City National ranking senior to the Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of City National. As of the date of this prospectus supplement, there is no existing senior stock.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Preferred Stock shall have been redeemed or called for redemption in accordance with the provisions described above upon proper notice and sufficient funds shall have been set aside by us for the benefit of the holders of the Preferred Stock to effect such redemption.

**Preemptive and Conversion Rights**

The holders of the Preferred Stock do not have any preemptive or conversion rights.

**Depository, Transfer Agent and Registrar**

Computershare Trust Company, N.A. will be the depository, transfer agent and registrar for the Preferred Stock.



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**Description of Depositary Shares**

We are issuing depositary shares representing proportional fractional interests in shares of the Preferred Stock. Each depositary share represents a 1/40th interest in a share of the Preferred Stock, and will be evidenced by depositary receipts. We will deposit the underlying shares of the Preferred Stock with a depositary pursuant to a deposit agreement among us, Computershare Trust Company N.A., acting as depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Preferred Stock represented by such depositary share, to all the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

In this prospectus supplement, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through DTC. Please review the special considerations that apply to indirect holders described in the "Book-Entry Issuance" section of this prospectus supplement.

Immediately following the issuance of the Preferred Stock, we will deposit the Preferred Stock with the depositary, which will then issue the depositary shares to the underwriters. Copies of the forms of deposit agreement and the depositary receipt may be obtained from us upon request and in the manner described in the "Incorporation of Certain Documents by Reference" section of this prospectus supplement.

If we re-open the series and issue additional shares of Preferred Stock, we would issue additional depositary shares representing such Preferred Stock. The additional depositary shares would form a single series with the depositary shares offered hereby.

**Dividends and Other Distributions**

Each dividend payable on a depositary share will be in an amount equal to 1/40th of the dividend declared and payable on the related share of the Preferred Stock.

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Preferred Stock to the record holders of depositary shares relating to the underlying Preferred Stock in proportion to the number of depositary shares held by the holders. If City National makes a distribution other than in cash, the depositary will distribute any property received by it to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by us on account of taxes or other governmental charges. The depositary may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any depositary shares or the shares of the Preferred Stock until such taxes or other governmental charges are paid.



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**Redemption of Depositary Shares**

If we redeem the Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/40th of the redemption price per share payable with respect to the Preferred Stock (or \$25.00 per depositary share), plus (i) any declared and unpaid dividends, without accumulation of any undeclared dividends, or (ii) in the case of a regulatory capital treatment event, plus any declared and unpaid dividends and any accrued and, without duplication, unpaid dividends (whether or not declared) for the then current period to, but excluding, the applicable redemption date.

Whenever we redeem shares of Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the shares of Preferred Stock so redeemed. If fewer than all of the outstanding depositary shares are redeemed, the depositary will select the depositary shares to be redeemed *pro rata*, by lot or in such other manner determined by the depositary to be equitable. The depositary will mail notice of redemption to record holders of the depositary receipts not less than 30 and not more than 60 days prior to the date fixed for redemption of the Preferred Stock and the related depositary shares.

**Voting the Preferred Stock**

Because each depositary share represents a 1/40th interest in a share of the Preferred Stock, holders of depositary receipts will be entitled to 1/40th of a vote per depositary share under those limited circumstances in which holders of the Preferred Stock are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Preferred Stock, may instruct the depositary to vote the amount of the Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Preferred Stock represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Preferred Stock, it will not vote the amount of the Preferred Stock represented by such depositary shares.

**Listing**

We intend to apply to list the depositary shares on the New York Stock Exchange under the symbol "CYNPRC". If the application is approved, trading of the depositary shares on the New York Stock Exchange is expected to commence within 30 days after they are first issued.

**Depositary, Transfer Agent and Registrar**

Computershare Trust Company, N.A. will be the depositary, transfer agent and registrar for the depositary shares.

**Form of Preferred Stock and Depositary Shares**

The depositary shares shall be issued in book-entry form through DTC, as described in "Book-Entry Issuance" in this prospectus supplement. The Preferred Stock will be issued in registered form to the depositary.

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**Book-Entry Issuance**

We will issue the depositary shares under a book-entry system in the form of one or more global depositary receipts. We will register the global depositary receipts in the name of CEDE & Co., as a nominee for The Depository Trust Company, New York, New York ("DTC"), or such other name as may be requested by an authorized representative of DTC and deposit the global depositary receipts with the depositary.

Following the issuance of the depositary shares in book-entry only form, DTC will credit the accounts of its participants with the depositary shares upon our instructions. In order to own a beneficial interest in a depositary receipt, you must be an organization that participates in DTC or have an account with an organization that participates in DTC, including Euroclear and Clearstream. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream and Euroclear's names on the books of their U.S. depositories, which in turn will hold such interests in customers' securities accounts in U.S. depositories names on the books of DTC.

As long as DTC or its nominee is the registered owner of the global depositary receipts, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the global depositary receipts and all depositary shares represented by these depositary receipts for all purposes under the instruments governing the rights and obligations of holders of depositary shares. Except in the limited circumstances referred to above, owners of beneficial interests in global depositary receipts:

Will not be entitled to have such global depositary receipts or the depositary shares represented by these receipts registered in their names;

Will not receive or be entitled to receive physical delivery of depositary receipts in exchange for beneficial interests in the global depositary receipts; and

Will not be considered to be owners or holders of the global depositary receipts or the depositary shares represented by these receipts for any purpose under the instruments governing the rights and obligations of holders of depositary shares.

Accordingly, each person owning a beneficial interest in the depositary receipts must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which that person owns its beneficial interest, in order to exercise any rights of a holder of depositary shares.

As long as the depositary shares are represented by the global depositary receipts, we will pay dividends on the Preferred Stock represented by the depositary shares to or as directed by DTC as the registered holder of the global depositary receipts. Payments to DTC will be in immediately available funds by wire transfer. DTC will credit the relevant accounts of their participants on the applicable date. Neither we nor City National Bank or our agent will be responsible for making any payments to participants or customers of participants or for maintaining any records relating to the holdings of participants and their customers, and you will have to rely on the procedures of DTC and its participants.

If we discontinue the book-entry only form system of registration, we will replace the global depositary receipt with depositary receipts.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants

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deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com> and <http://www.dtc.org>.

Clearstream has advised us that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry transfers between their accounts. Clearstream provides its participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic securities markets in several countries through established depository and custodial relationships. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector, also known as the *Commission de Surveillance du Secteur Financier*. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Clearstream's participants in the U.S. are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Clearstream participants. Distributions with respect to interests in global securities held through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Euroclear has advised us that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "Euroclear operator") under contract with Euroclear plc, a U.K. corporation. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

**Settlement**

As long as the depository shares are represented by a global depository receipt registered in the name of DTC, or its nominee, the depository shares will trade in the DTC Same-Day Funds Settlement System. DTC requires secondary market trading activity in the depository shares to settle in immediately available funds. This requirement may affect trading activity in the depository shares. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the applicable procedures in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other,

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will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depository to take action to effect final settlement on its behalf by delivering or receiving depository shares in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their respective U.S. depositories.

**Notices**

So long as the global depository receipts are held on behalf of DTC or any other clearing system, notices to holders of depository shares represented by a beneficial interest in the global depository receipts may be given by delivery of the relevant notice to DTC or the alternative clearing system, as the case may be.

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**Certain U.S. Federal Income Tax Considerations**

The following is a general discussion of the material U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the depositary shares. This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), applicable U.S. Treasury regulations promulgated under the Code, judicial decisions and administrative rulings and published positions of the United States Internal Revenue Service (the "IRS"), each as in effect as of the date of this prospectus supplement. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth herein. This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, and any state, local or foreign tax consequences, nor does it address any U.S. federal tax considerations other than those pertaining to the U.S. federal income tax.

The discussion is limited to taxpayers who will hold the depositary shares as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment) and who purchase the depositary shares in the initial offering at the initial offering price. Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to holders of depositary shares in light of their particular circumstances and does not apply to taxpayers subject to special rules under the U.S. federal income tax laws, including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes, dealers in securities, regulated investment companies, real estate investment trusts, "controlled foreign corporations," "passive foreign investment companies," U.S. holders (as defined below) whose "functional currency" is not the U.S. dollar, U.S. expatriates, persons liable for the alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons that purchase or dispose of depositary shares as part of a wash sale and persons that will hold the depositary shares as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction. Tax consequences may vary depending upon the particular status of an investor.

Beneficial owners of depositary shares will be treated as owners of the underlying Preferred Stock for U.S. federal income tax purposes.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the depositary shares, the tax treatment of a person treated as a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Persons that for U.S. federal income tax purposes are treated as a partner in a partnership holding depositary shares should consult their tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the depositary shares.

**THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP AND DISPOSITION OF THE DEPOSITARY SHARES. PROSPECTIVE HOLDERS OF THE DEPOSITARY SHARES SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, FOREIGN INCOME AND OTHER TAX LAWS) OF THE OWNERSHIP AND DISPOSITION OF THE DEPOSITARY SHARES.**

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**U.S. Holders**

The discussion in this section is addressed to a U.S. holder, which for this purpose means a beneficial owner of depositary shares that is, for U.S. federal income tax purposes:

an individual citizen or resident of the United States,

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any state thereof or the District of Columbia,

an estate the income of which is subject to U.S. federal income taxation regardless of its source, or

a trust if (a) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (b) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

***Distributions***

Distributions with respect to the depositary shares will be taxable as dividend income to the extent paid out of our current or accumulated earnings and profits for U.S. federal income tax purposes. If you are a noncorporate U.S. holder, dividends paid to you in taxable years beginning before January 1, 2013 that constitute "qualified dividend income" will be taxable to you at a maximum rate of 15%, *provided* that you hold your depositary shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date (or, if the dividend is attributable to a period or periods aggregating over 366 days, *provided* that you hold your depositary shares for more than 90 days during the 181-day period beginning 90 days before the ex-dividend date) and meet other holding period requirements. The current preferential tax rates applicable to "qualified dividend income" are scheduled to expire on December 31, 2012, and tax rates generally applicable to ordinary income will apply to dividends received during taxable years beginning on or after January 1, 2013, unless further extended by the U.S. Congress. If you are a U.S. holder taxed as a corporation, except as described in the remainder of this subsection, dividends paid to you would generally be eligible for the 70% dividends-received deduction.

You generally will not be taxed on any portion of a distribution not paid out of our current or accumulated earnings and profits if your tax basis in the depositary shares is greater than or equal to the amount of such distribution. However, you would be required to reduce your tax basis (but not below zero) in the depositary shares by the amount of such distribution, and would recognize capital gain to the extent that the distribution exceeds your tax basis in the depositary shares. Further, if you are a corporation, you would not be entitled to a dividends-received deduction on this portion of a distribution.

A corporate U.S. holder may not be entitled to take the 70% dividends-received deduction in all circumstances and, even if they are so entitled, may be subject to special rules in respect of their ownership of the depositary shares. In addition to other applicable rules, prospective corporate investors in depositary shares should consider the effect of:

Section 246A of the Code, which reduces the dividends-received deduction allowed to a corporate U.S. holder that has incurred indebtedness that is "directly attributable" to an investment in portfolio stock such as depositary shares;

Section 246(c) of the Code, which, among other things, disallows the dividends-received deduction in respect of any dividend on a share of stock that is held for less than the minimum holding period (generally at least 46 days during the 91-day period beginning on

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the date which is 45 days before the date on which such share becomes ex-dividend with respect to such dividend); and

Section 1059 of the Code, which, under certain circumstances, reduces the basis of stock for purposes of calculating gain or loss in a subsequent disposition by the portion of any "extraordinary dividend" (as defined below) that is eligible for the dividends-received deduction.

U.S. holders should consult their tax advisors regarding the holding period and other requirements that must be satisfied in order to qualify for the dividends-received deduction and the reduced maximum tax rate for qualified dividend income.

If you are a corporate U.S. holder, you will be required to reduce your tax basis (but not below zero) in the depositary shares by the nontaxed portion of any "extraordinary dividend" if you have not held your depositary shares for more than two years before the earliest of the date such dividend is declared, announced, or agreed. Generally, the nontaxed portion of an extraordinary dividend is the amount excluded from income by operation of the dividends-received deduction. An extraordinary dividend on the depositary shares generally would be a dividend that:

equals or exceeds 5% of the corporate U.S. holder's adjusted tax basis in the depositary shares, treating all dividends having ex-dividend dates within an 85-day period as one dividend; or

exceeds 20% of the corporate U.S. holder's adjusted tax basis in the depositary shares, treating all dividends having ex-dividend dates within a 365-day period as one dividend.

In determining whether a dividend paid on the depositary shares is an extraordinary dividend, a corporate U.S. holder may elect to substitute the fair market value of the depositary shares for its tax basis for purposes of applying these tests if the fair market value as of the day before the ex-dividend date is established to the satisfaction of the Secretary of the Treasury. An extraordinary dividend also includes any amount treated as a dividend in the case of a redemption that is either non-*pro rata* as to all shareholders or in partial liquidation of the company, regardless of the stockholder's holding period and regardless of the size of the dividend. Any part of the nontaxed portion of an extraordinary dividend that is not applied to reduce the corporate shareholder's tax basis as a result of the limitation on reducing its basis below zero would be treated as capital gain and would be recognized in the taxable year in which the extraordinary dividend is received.

Corporate U.S. holders should consult their tax advisors with respect to the possible application of the extraordinary dividend provisions of the federal income tax law to your ownership or disposition of the depositary shares in your particular circumstances.

***Dispositions***

A U.S. holder will generally recognize capital gain or loss on a sale or exchange or other taxable disposition (other than a redemption) of the depositary shares in an amount equal to the difference, if any, between (a) the amount realized upon the sale or exchange and (b) such U.S. holder's adjusted tax basis in the shares sold or exchanged. Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the holder has a holding period greater than one year. The deductibility of capital losses is subject to significant limitations.

If we redeem depositary shares held by a U.S. holder, it generally would be a taxable event. A U.S. holder would be treated as if it had sold or exchanged its depositary shares in a taxable transaction if the redemption:

results in a complete termination of the U.S. holder's stock interest in us;

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is substantially disproportionate with respect to the U.S. holder; or

is not essentially equivalent to a dividend with respect to the U.S. holder.

In determining whether any of these tests has been met, shares of stock considered to be owned by a U.S. holder by reason of certain constructive ownership rules set forth in Section 318 of the Code, as well as shares actually owned, must be taken into account.

If we redeem depositary shares in a redemption that meets one of the tests described above, a U.S. holder generally would recognize taxable gain or loss equal to the difference, if any, between (a) the sum of the amount of cash and fair market value of property (other than stock of us or a successor to us) received and (b) such U.S. holder's adjusted tax basis in the depositary shares redeemed. This gain or loss would be long-term capital gain or capital loss if the U.S. holder has held the depositary shares for more than one year.

If a redemption does not meet any of the tests described above, the U.S. holder generally would be taxed on the cash and fair market value of the property (other than stock of us or a successor to us) received as a dividend to the extent paid out of our current and accumulated earnings and profits. Any amount in excess of our current or accumulated earnings and profits would first reduce the U.S. holder's tax basis in the depositary shares and thereafter would be treated as capital gain. If a redemption of the depositary shares is treated as a distribution that is taxable as a dividend, U.S. holders should consult with their own tax advisor regarding the allocation of their basis in the redeemed and remaining depositary shares.

***Information Reporting and Backup Withholding on U.S. Holders***

Dividend payments or other taxable distributions made to U.S. holders with respect to their depositary shares, as well as the payment of proceeds from the sale or redemption of a U.S. holder's depositary shares that are made within the United States, will generally be subject to information reporting. Additionally, such payments may be subject to backup withholding (currently at a rate of 28%). The current backup withholding rate of 28% is scheduled to expire on December 31, 2012 (and the backup withholding rate will be 31% for amounts paid after December 31, 2012) unless further extended by the U.S. Congress. To avoid backup withholding, a U.S. holder that does not otherwise establish an exemption should complete and return IRS Form W-9, certifying that such U.S. holder is a U.S. person, the taxpayer identification number provided is correct and such U.S. holder is not subject to backup withholding.

If a U.S. holder sells its depositary shares outside the United States through a non-U.S. office of a non-U.S. broker, and the sales proceeds are paid to such U.S. holder outside the United States, then U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, U.S. information reporting will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a U.S. holder sells its depositary shares through a non-U.S. office of a U.S. broker or a non-U.S. broker with certain specified U.S. connections. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a U.S. person.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a U.S. holder's U.S. federal income tax liability, if any, provided that such U.S. holder furnishes the required information to the IRS in a timely manner.



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**Non-U.S. Holders**

This discussion in this section is addressed to a non-U.S. holder, which for this purpose means a beneficial owner of depository shares that is, for U.S. federal income tax purposes, an individual, corporation, trust or estate that is not a U.S. holder.

***Dividends***

Except as described below, dividends (for U.S. federal income tax purposes) paid to a non-U.S. holder in respect of depository shares generally will be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty, unless such dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, are attributable to a permanent establishment of the non-U.S. holder in the United States). In order to claim the benefits of an applicable income tax treaty, a non-U.S. holder generally must furnish us or other payor with a properly executed IRS Form W-8BEN prior to the distribution date. Non-U.S. holders eligible for a reduced rate of U.S. federal withholding tax under an applicable income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim with the IRS. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the requirements for claiming any such benefits.

Dividends (for U.S. federal income tax purposes) paid to a non-U.S. holder that are effectively connected with such non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, are attributable to a permanent establishment of the non-U.S. holder in the United States) generally are not subject to U.S. federal withholding tax, provided that the non-U.S. holder complies with applicable certification and other requirements. Instead, such dividends generally will be subject to U.S. federal income tax on a net income basis at the graduated U.S. federal income tax rates in the same manner as if such non-U.S. holder were a U.S. person. A non-U.S. holder that is a corporation may be subject to an additional "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) of its "effectively connected earnings and profits" for the taxable year, subject to certain adjustments.

***Dispositions***

Subject to the discussion below under " Information Reporting and Backup Withholding" and " Recent Legislative Developments," a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange or other taxable disposition of depository shares unless:

the gain is "effectively connected" with the non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable tax treaty, is attributable to a permanent establishment of the non-U.S. holder in the United States);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or

we are or have been a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period ending on the date of the disposition and the non-U.S. holder's holding period and the U.S. holder held, directly or indirectly, at any time during the five-year period ending on the date of disposition, more than 5% of the relevant class of Preferred Stock underlying the depository shares and is not eligible for any treaty exemption.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates in the same manner as if

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such non-U.S. holder were a U.S. person. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) of its "effectively connected earnings and profits" for the taxable year, subject to certain adjustments.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty), but may be offset by U.S. source capital losses, if any, of the non-U.S. holder.

We have not been, are not and do not anticipate becoming a USRPHC for U.S. federal income tax purposes.

***Information Reporting and Backup Withholding on Non-U.S. Holders***

Generally, we and other payors must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to a non-U.S. holder and the amount of tax, if any, withheld with respect to such dividends. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. This information may also be made available to the tax authorities in the country in which a non-U.S. holder resides or is established pursuant to the provisions of a specific treaty or agreement with such tax authorities.

U.S. backup withholding tax (currently, at a rate of 28%) is imposed on certain payments to persons that fail to furnish the information required under the U.S. information reporting rules. Dividends paid to a non-U.S. holder generally will be exempt from backup withholding if the non-U.S. holder provides us or other payor with a properly executed IRS Form W-8BEN or otherwise establishes an exemption.

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