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**Conference Call:**

Today 2:00 p.m. PDT  
866.202.1971  
Pass Code: 86541110

**City National Corp. Reports 2006 First-Quarter Earnings  
Of \$57.2 Million, or \$1.12 per Share**

**LOS ANGELES** – City National Corporation (NYSE: CYN), the parent company of wholly-owned City National Bank, today reported an increase in net income to \$57.2 million, or \$1.12 per share, compared with \$55.5 million, or \$1.09 per share, for the first quarter of 2005.

Lending and fee income continued to grow solidly and credit quality was excellent. At the same time, deposits were just slightly higher than the first quarter of 2005 but lower than expected, in part because of a general slowdown in the real estate industry that affected title and escrow balances. First-quarter results also reflect significant seasonal expense variations and new costs associated with the treatment of stock options. City National's management has revised its previously announced expectation of 9 percent to 12 percent earnings per share growth for 2006, and now expects earnings per share to grow between 8 percent and 10 percent for the year.

**FIRST-QUARTER HIGHLIGHTS**

- Revenue totaled \$207.3 million, a 5 percent increase from the first quarter of 2005.
- Average loans grew to \$9.6 billion, up 12 percent from the first quarter of last year. This growth was led by increases in commercial loans and residential mortgages.
- Loan recoveries again exceeded charge-offs, and nonaccrual loans were reduced to \$14.6 million, down 51 percent from the first quarter of 2005. The company required no provision for credit losses and remained well reserved at 1.64 percent of total loans.
- Average deposits of \$11.6 billion were just slightly higher than the first quarter of 2005 and down 3 percent from the fourth quarter of last year.

## City National Corp. Reports Net Income for First-Quarter 2006

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- Noninterest income grew to \$54.9 million, up 9 percent from the first quarter of 2005. The increase was led by the growth of trust, investment and brokerage fee income, as assets under management or administration topped \$40 billion for the first time. International services fee income grew 23 percent from the first quarter of last year.

“In the first quarter, commercial lending and noninterest income grew strongly and credit quality remained excellent,” said President and Chief Executive Officer Russell Goldsmith. “Although deposits were somewhat less than anticipated, our overall business and progress adding new clients, growing revenue and building momentum for the year ahead positions City National for another successful year. The quarter was also highlighted by our agreement to add Independence Investments to our excellent team of asset management affiliates and by Standard and Poor’s decision to upgrade City National Bank’s long-term credit rating to A.”

Dollars in millions, except per share	For the three months ended		% Change
	March 31,		
	2006	2005	
Earnings Per Share	\$ 1.12	\$ 1.09	3
Net Income	57.2	55.5	3
Average Assets	14,826.5	13,873.4	7
Return on Average Assets	1.57 %	1.62 %	(3)
Return on Average Equity	15.68	16.63	(6)

### ASSETS

Total assets at March 31, 2006 reached \$14.7 billion, up 6 percent from one year ago and 1 percent from the fourth quarter of 2005. These increases reflect City National’s robust loan growth in the first quarter of this year.

### REVENUE

Loan growth and rising interest rates also drove revenue higher. First-quarter revenue (net interest income plus noninterest income) increased 5 percent to \$207.3 million.

### NET INTEREST INCOME

Fully taxable-equivalent net interest income reached \$155.5 million in the first quarter of 2006, up 4 percent from \$149.9 million for the same period last year. Fully taxable-equivalent net interest income in the fourth quarter of 2005 was \$163 million.

First-quarter loans grew significantly. Average balances reached \$9.6 billion, up 12 percent from one year ago and 5 percent from the fourth quarter of 2005. Commercial loans increased 24 percent from the first quarter of 2005 and 8 percent from the fourth quarter of last year. Residential mortgage lending rose 13 percent from one year ago and 2 percent from the fourth quarter. Commercial mortgage lending was up 1 percent from the first quarter of 2005 and 2 percent from the fourth quarter. Real estate construction

## City National Corp. Reports Net Income for First-Quarter 2006

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loans declined 9 percent from one year ago, but grew 2 percent from the fourth quarter of last year.

Higher asset yields also contributed to first-quarter net interest income growth. City National's yield on earning assets reached 5.98 percent, up from 5.43 percent in the first quarter of 2005. At March 31, 2006, the bank's prime rate was 7.75 percent, 200 basis points higher than it was at the same time last year.

Average deposits totaled \$11.6 billion, just slightly higher than the first quarter of 2005 but down 3 percent, or \$412 million, from the fourth quarter of last year.

City National's deposit balances typically reach seasonally high levels in the fourth quarter and then subside in January. In the first quarter of this year, they declined more than usual. Average specialty deposits, which include title and escrow balances and typically vary according to conditions in the real estate market, amounted to \$1.2 billion in the first quarter of 2006, compared with \$1.5 billion a year ago and in the fourth quarter of 2005. While the total number of City National clients increased in the first quarter, commercial and private banking deposits also were lower than expected, as some clients redeployed excess balances in response to higher interest rates. Deposits picked up at the end of March and period-end balances were \$321 million higher than the average for the first quarter of 2006.

The company's first-quarter net interest margin was 4.62 percent, compared with 4.75 percent during the same period last year and 4.85 percent in the fourth quarter of 2005. Lower-than-expected average core deposits, which include specialty deposits, were the principal factor in the decline of the net interest margin from the fourth quarter.

Average securities totaled \$4 billion in the first quarter of 2006, down 4 percent from one year ago and 2 percent from the fourth quarter of 2005. The average duration of total available-for-sale securities at March 31, 2006 was 3.2 years, compared with 3.0 years at December 31, 2005.

Dollars in millions	For the three months ended		%
	March 31,		
	2006	2005	Change
Average Loans	\$ 9,625.0	\$ 8,572.3	12
Average Securities	3,970.5	4,115.4	(4)
Average Deposits	11,587.6	11,572.4	0
Average Core Deposits	10,334.0	10,628.3	(3)
Fully Taxable-Equivalent			
Net Interest Income	155.5	149.9	4
Net Interest Margin	4.62 %	4.75 %	(3)

## **NONINTEREST INCOME**

First-quarter 2006 noninterest income was \$54.9 million, 9 percent higher than the first quarter of 2005, due primarily to the continuing growth of City National's wealth management and international businesses.

### *Wealth Management*

Trust and investment fees increased 10 percent over the first quarter of 2005, due primarily to higher balances under management or administration. Assets under management at March 31, 2006 were 18 percent higher than at the end of the first quarter last year, largely on account of new business, a strong relative investment performance and higher market values. Increases in market values are reflected in fee income primarily on a trailing-quarter basis.

On March 24, City National announced plans to acquire Independence Investment LLC, a Boston-based firm that manages \$7.5 billion in assets for corporate, public and Taft-Hartley pension plans, as well as foundations and endowments. City National expects this acquisition to close in the second quarter and to become modestly accretive to earnings in the second half of 2006. The acquisition is expected to bring City National's assets under management or administration to more than \$47 billion, on a pro-forma basis.

### *Other Noninterest Income*

First-quarter cash management and deposit transaction fee income fell 10 percent from the same period last year, as many clients paid for services with compensating deposit balances. Cash management and deposit fee income increased 3 percent from the fourth quarter of 2005, due to payments from clients that settle on an annual basis as well as increased sales and the addition of new clients.

International service fee income grew 23 percent from the first quarter of last year, largely because of an increase in foreign exchange revenue. Fee income for international services fell 4 percent from the fourth quarter, as trade finance returned to more normal levels after the 2005 holiday season.

Other service charges and fees for the first quarter of 2006 amounted to \$5.8 million, up 3 percent from one year ago, but down 12 percent from the fourth quarter of 2005. (The fourth-quarter 2005 total included a one-time gain of \$1.1 million.)

## City National Corp. Reports Net Income for First-Quarter 2006

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<u>Dollars in millions</u>	<u>March 31,</u>		<u>% Change</u>
	<u>2006</u>	<u>2005</u>	
Trust and Investment Fee Revenue	\$ 21.8	\$ 19.8	10
Brokerage and Mutual Fund Fees	11.7	9.9	18
Assets Under Management (1)	19,246.3	16,378.8	18
Assets Under Management Or Administration	40,435.8	35,829.2	13

*(1) Excludes \$9.4 billion and \$6.1 billion of assets under management for the CCM asset managers in which City National holds minority ownership interests as of March 31, 2006 and March 31, 2005, respectively.*

### **NONINTEREST EXPENSE**

First-quarter 2006 noninterest expense amounted to \$115.3 million, up 6 percent from the first quarter of 2005 and 1 percent from the fourth quarter.

Staffing costs amounted to \$71.6 million, up 7 percent from one year ago and 8 percent from the fourth quarter of 2005. First-quarter staffing expenses reflect higher seasonal employer taxes. For the first time, expenses also included \$1.6 million for stock options. Not including this new accounting treatment of stock options, first-quarter staffing expenses grew approximately 5 percent both from one year ago and from the fourth quarter of 2005.

City National's efficiency ratio for the first quarter of 2006 was 54.80 percent, compared with 54.10 percent one year ago and 52.86 percent for the fourth quarter of 2005.

### **INCOME TAXES**

The company's first-quarter 2006 effective tax rate was 37.8 percent, compared with 37.3 percent in the first quarter of 2005.

### **CREDIT QUALITY**

Asset quality remains strong. At March 31, 2006, nonaccrual loans were \$14.6 million, compared with \$29.9 million at the same time last year and \$14.4 million in the fourth quarter of 2005. Recoveries exceeded charge-offs by \$2.7 million, and for the 11<sup>th</sup> consecutive quarter, City National made no provision for credit losses. This decision reflected management's assessment of asset quality, loan growth and favorable economic conditions. The company currently expects to record some provision for loan losses in 2006, although, due to higher-than-expected first-quarter net recoveries, it will likely be lower than initially anticipated.

At March 31, 2006, the allowance for loan losses was \$156.5 million, or 1.64 percent of outstanding loans. The reserve for unfunded credit commitments was an additional \$15.8 million.

## **FIRST-QUARTER EARNINGS AND OUTLOOK**

While management expected first-quarter earnings to be lower than fourth-quarter 2005 earnings per share of \$1.21 due to seasonal deposit variations, employer taxes, the requirement to expense stock options and fewer days in the quarter, actual first-quarter earnings reflected the added impact of lower-than-expected deposit balances. Overall, balances appear to have stabilized, and management expects them to grow slowly through the rest of this year.

City National's management has revised its previously announced expectation of 9 percent to 12 percent earnings per share growth for 2006, and now expects earnings per share to grow between 8 percent and 10 percent for the year.

## **CAPITAL RATIOS**

Total risk-based capital and Tier 1 risk-based capital ratios at March 31, 2006 were 15.51 percent and 12.36 percent, compared with the minimum "well capitalized" capital ratios of 10 percent and 6 percent, respectively. The company's Tier 1 leverage ratio at March 31, 2006 was 8.92 percent. Total risk-based capital, Tier 1 risk-based capital and the Tier 1 leverage ratios at December 31, 2005 were 15.53 percent, 12.33 percent and 8.82 percent, respectively.

The period-end ratio of shareholders' equity to total assets at March 31, 2006 was 10.04 percent, compared to 9.49 percent as of March 31, 2005, and 10.00 percent at December 31, 2005.

The accumulated other comprehensive loss at March 31, 2006 was \$73.2 million, compared with a loss of \$43.3 million at March 31, 2005 and \$51.6 million at December 31, 2005.

## **STOCK REPURCHASE AND DIVIDEND**

During the first quarter of 2006, City National repurchased 41,200 of outstanding shares at an average cost of \$73.64. The company is currently authorized to repurchase as many as 337,800 additional shares. There were 826,230 treasury shares at March 31, 2006.

For the 11<sup>th</sup> consecutive year, City National also increased its annual dividend. On January 19, 2005, the company raised its common stock cash dividend 14 percent to \$1.64 per share.

## **CONFERENCE CALL**

*City National Corporation will host a conference call this afternoon to discuss results for the first quarter of 2006. The call will begin at 2:00 p.m. PDT. Analysts and investors may dial in and participate in the question/answer session. To access the call, please dial (866) 202-1971 and enter pass code 86541110. A listen-only live broadcast of the*

*call also will be available on the investor relations page of the company's Website at [cnb.com](http://cnb.com). There, it will be archived and available for 12 months.*

## **ABOUT CITY NATIONAL**

City National Corporation is a financial services company with \$14.7 billion in total assets. Its wholly-owned subsidiary, City National Bank, is California's Premier Private and Business Bank<sup>®</sup>. City National provides banking, investment and trust services through 55 offices, including 12 full-service regional centers, in Southern California, the San Francisco Bay Area and New York City. The company and its affiliates manage or administer more than \$40 billion in client trust and investment assets, including more than \$19 billion under direct management. The pending acquisition of Independence Investment LLC is expected to increase City National's assets under management or administration to more than \$47 billion, on a pro forma basis.

## **FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking statements about the company, for which the company claims the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are based on management's knowledge and belief as of today and include information concerning the company's possible or assumed future financial condition, and its results of operations, business and earnings outlook. These forward-looking statements are subject to risks and uncertainties. A number of factors, some of which are beyond the company'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 interest rates, (2) significant changes in banking laws or regulations, (3) increased competition in the company's markets, (4) other-than-expected credit losses due to real estate cycles or other economic events, (5) earthquake or other natural disasters affecting the condition of real estate collateral, (6) the effect of acquisitions and integration of acquired businesses, and (7) the impact of changes in regulatory, judicial or legislative tax treatment of business transactions. Management cannot predict at this time the strength of the economy, and a slowing or reversal could adversely affect our performance in a number of ways including decreased demand for our products and services and increased credit losses. Likewise, changes in deposit interest rates, among other things, could slow the rate of growth or put pressure on current deposit levels. Forward-looking statements speak only as of the date they are made, and the company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the statements are made, or to update earnings guidance including the factors that influence earnings.

For a more complete discussion of these risks and uncertainties, see the company's Annual Report on Form 10-K for the year ended December 31, 2005 and particularly Part I, Item 1A, titled "Risk Factors."

# CITY NATIONAL CORPORATION



## Selected Financial Information

March 31, 2006

(unaudited)

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**CITY NATIONAL CORPORATION**  
**FINANCIAL HIGHLIGHTS**  
(unaudited)

For The Period Ended March 31,	Three Months		
	2006	2005	% Change
<b>Per Common Share</b>			
Net Income			
Basic.....	\$ 1.16	\$ 1.13	3
Diluted.....	1.12	1.09	3
Dividends.....	0.41	0.36	14
Book value.....	29.87	26.97	11
<b>Results of Operations: (in millions)</b>			
Interest income.....	\$ 198	\$ 168	18
Interest expense.....	46	21	116
Net interest income.....	152	146	4
Net interest income (Fully tax-equivalent).....	156	150	4
Total revenue.....	207	197	5
Provision for credit losses.....	-	-	-
Net income.....	57	55	3
<b>Financial Ratios:</b>			
Performance Ratios:			
Return on average assets.....	1.57 %	1.62 %	
Return on average shareholders' equity.....	15.68	16.63	
Period-end shareholders' equity to period-end assets....	10.04	9.49	
Net interest margin.....	4.62	4.75	
Efficiency ratio.....	54.80	54.10	
Capital Adequacy Ratios (Period end):			
Tier 1 leverage.....	8.92	8.12	
Tier 1 risk-based capital.....	12.36	11.69	
Total risk-based capital.....	15.51	15.27	
<b>Asset Quality Ratios:</b>			
Allowance for loan losses to:			
Total loans.....	1.64 %	1.72 %	
Nonaccrual loans.....	1,075.11	493.37	
Nonperforming assets to:			
Total loans and nonperforming assets.....	0.15	0.35	
Total assets.....	0.10	0.21	
Net (charge-offs)/recoveries to			
Average total loans (annualized).....	0.11	0.01	
<b>Average Balances: (in millions)</b>			
Loans.....	\$ 9,625	\$ 8,572	12
Interest-earning assets.....	13,652	12,786	7
Assets.....	14,827	13,873	7
Core deposits.....	10,334	10,628	(3)
Deposits.....	11,588	11,573	-
Interest-bearing liabilities.....	7,367	6,652	11
Shareholders' equity.....	1,481	1,352	10
<b>Period-End Balances : (in millions)</b>			
Loans.....	\$ 9,567	\$ 8,573	12
Assets.....	14,739	13,918	6
Core deposits.....	10,489	10,861	(3)
Deposits.....	11,909	11,763	1
Shareholders' equity.....	1,480	1,320	12
<b>Wealth Management: (in millions) (1)</b>			
Assets under management.....	\$ 19,246	\$ 16,379	18
Assets under management or administration.....	40,436	35,829	13

(1) Excludes \$9,431 million and \$6,071 million of assets under management for the Convergent Capital Management asset managers in which City National holds minority ownership interests as of March 31, 2006 and March 31, 2005, respectively.

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**

(unaudited)

Three Months Ended

(Dollars in thousands except per share data)	March 31,		
	2006	2005	% Change
Interest income	\$ 198,192	\$ 167,650	18
Interest expense	45,786	21,224	116
Net Interest Income	152,406	146,426	4
Provision for Credit Losses	-	-	-
Noninterest Income			
Trust and investment fees	21,774	19,844	10
Brokerage and mutual fund fees	11,684	9,877	18
Cash management and deposit transaction fees	8,064	9,010	(10)
International services	5,989	4,888	23
Bank-owned life insurance	934	864	8
Other service charges and fees	5,777	5,597	3
Gain on sale of assets	-	23	(100)
Gain on sale of securities	708	255	178
Total noninterest income	54,930	50,358	9
Noninterest Expense			
Salaries and employee benefits	71,616	66,632	7
Net occupancy of premises	9,012	7,616	18
Legal and professional fees	9,417	8,714	8
Information services	4,456	4,211	6
Depreciation	4,660	4,570	2
Amortization of intangibles	1,891	1,441	31
Marketing and advertising	4,016	3,574	12
Office services	2,691	2,489	8
Equipment	632	549	15
Minority interest expense	1,228	1,811	(32)
Other	5,704	6,708	(15)
Total noninterest expense	115,323	108,315	6
Income Before Taxes	92,013	88,469	4
Applicable Income Taxes	34,781	33,008	5
Net Income	\$ 57,232	\$ 55,461	3
Other Data:			
Earnings per common share - basic	\$ 1.16	\$ 1.13	3
Earnings per common share - diluted	\$ 1.12	\$ 1.09	3
Dividends paid per common share	\$ 0.41	\$ 0.36	14
Dividend payout ratio	35.65 %	32.02 %	11
Return on average assets	1.57 %	1.62 %	(3)
Return on average shareholders' equity	15.68 %	16.63 %	(6)
Net interest margin (Fully taxable-equivalent)	4.62 %	4.75 %	(3)
Full-time equivalent employees	2,570	2,445	5

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED QUARTERLY STATEMENTS OF INCOME**  
(unaudited)

<b>(Dollars in thousands except per share data)</b>	<b>2006</b>	<b>2005</b>
	<b>First Quarter</b>	<b>Fourth Quarter</b>
Interest Income	\$ 198,192	\$ 191,927
Interest Expense	45,786	31,886
Net Interest Income	<u>152,406</u>	<u>160,041</u>
Provision for Credit Losses	-	-
Noninterest Income		
Trust and investment fees	21,774	20,362
Brokerage and mutual fund fees	11,684	11,174
Cash management deposit transaction fees	8,064	7,842
International services	5,989	6,256
Bank-owned life insurance	934	670
Other service charges and fees	5,777	6,591
Gain on sale of assets	-	81
Gain (loss) on sale of securities	708	(53)
Total noninterest income	<u>54,930</u>	<u>52,923</u>
Noninterest Expense		
Salaries and employee benefits	71,616	66,460
Net occupancy of premises	9,012	10,074
Legal and professional fees	9,417	11,419
Information services	4,456	4,299
Depreciation	4,660	4,778
Amortization of intangibles	1,891	1,865
Marketing and advertising	4,016	4,472
Office services	2,691	2,942
Equipment	632	582
Minority interest expense	1,228	571
Other	5,704	6,690
Total noninterest expense	<u>115,323</u>	<u>114,152</u>
Income Before Taxes	92,013	98,812
Applicable Income Taxes	<u>34,781</u>	<u>37,055</u>
Net Income	<u>\$ 57,232</u>	<u>\$ 61,757</u>
Other Data:		
Earnings per common share - basic	\$ 1.16	\$ 1.25
Earnings per common share - diluted	1.12	1.21
Dividends paid per common share	0.41	0.36
Dividend payout ratio	35.65 %	28.89 %
Return on average assets	1.57 %	1.69 %
Return on average shareholders' equity	15.68 %	17.15 %
Net interest margin (Fully taxable-equivalent)	4.62 %	4.85 %
Full-time equivalent employees	2,570	2,539

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED QUARTERLY STATEMENTS OF INCOME**

(unaudited)

(Dollars in thousands except per share data)	2005				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest Income	\$ 191,927	\$ 184,710	\$ 174,265	\$ 167,650	\$ 718,552
Interest Expense	31,886	28,396	24,619	21,224	106,125
Net Interest Income	160,041	156,314	149,646	146,426	612,427
Provision for Credit Losses	-	-	-	-	-
Noninterest Income					
Trust and investment fees	20,362	20,494	20,119	19,844	80,818
Brokerage and mutual fund fees	11,174	10,946	9,931	9,877	41,927
Cash management					
deposit transaction fees	7,842	8,370	8,874	9,010	34,096
International services	6,256	6,107	5,908	4,888	23,159
Bank-owned life insurance	670	1,017	652	864	3,203
Other service charges and fees	6,591	5,573	4,869	5,597	22,632
Gain on sale of assets	81	801	162	23	1,067
Gain (loss) on sale of securities	(53)	241	844	255	1,287
Total noninterest income	52,923	53,549	51,359	50,358	208,189
Noninterest Expense					
Salaries and employee benefits	66,460	66,467	63,839	66,632	263,398
Net occupancy of premises	10,074	8,666	8,727	7,616	35,083
Legal and professional fees	11,419	10,672	10,791	8,714	41,596
Information services	4,299	4,471	4,015	4,211	16,996
Depreciation	4,778	4,551	4,535	4,570	18,434
Amortization of intangibles	1,865	1,852	1,441	1,441	6,595
Marketing and advertising	4,472	4,182	3,943	3,574	16,171
Office services	2,942	2,578	2,688	2,489	10,697
Equipment	582	578	646	549	2,355
Minority interest expense	571	1,761	1,532	1,811	5,675
Other	6,690	6,862	6,796	6,708	27,060
Total noninterest expense	114,152	112,640	108,953	108,315	444,060
Income Before Taxes	98,812	97,223	92,052	88,469	376,556
Applicable Income Taxes	37,055	37,413	34,345	33,008	141,821
Net Income	\$ 61,757	\$ 59,810	\$ 57,707	\$ 55,461	\$ 234,735
Other Data:					
Earnings per common share - basic	\$ 1.25	\$ 1.22	\$ 1.18	\$ 1.13	\$ 4.77
Earnings per common share - diluted	\$ 1.21	\$ 1.17	\$ 1.13	\$ 1.09	\$ 4.60
Dividends paid per common share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 1.44
Dividend payout ratio	28.89 %	29.82 %	30.86 %	32.02 %	30.35 %
Return on average assets	1.69 %	1.66 %	1.65 %	1.62 %	1.66 %
Return on average shareholders' equity	17.15 %	16.74 %	17.03 %	16.63 %	16.89 %
Net interest margin (Fully taxable-equivalent)	4.85 %	4.80 %	4.74 %	4.75 %	4.79 %
Full-time equivalent employees	2,539	2,516	2,477	2,445	

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED PERIOD END BALANCE SHEET**

(unaudited)

<u>(In thousands)</u>	<u>2006</u> <u>First</u> <u>Quarter</u>
<b>Assets</b>	
Cash and due from banks	\$ 457,156
Federal funds sold	-
Due from banks - interest-bearing	48,890
Securities-available-for-sale	3,850,173
Trading account securities	57,353
Loans:	
Commercial	3,735,223
Commercial Real estate mortgages	1,854,908
Residential mortgages	2,700,966
Real estate construction	748,696
Equity lines of credit	339,348
Installment	188,262
Total loans	<u>9,567,403</u>
Allowance for loan losses	<u>(156,482)</u>
Net loans	9,410,921
Premises and equipment, net	84,884
Goodwill and other intangibles	283,642
Other assets	<u>546,365</u>
Total assets	<u><u>\$ 14,739,384</u></u>
<b>Liabilities:</b>	
Deposits:	
Noninterest-bearing	\$ 5,945,485
Interest-bearing	<u>5,963,044</u>
Total deposits	11,908,529
Federal funds purchased and securities sold under repurchase agreement	526,920
Other short-term borrowed funds	151,522
Subordinated debt	269,785
Other long-term debt	213,819
Minority Interest	25,225
Other liabilities	<u>164,020</u>
Total liabilities	<u>13,259,820</u>
<b>Shareholders' Equity</b>	
Common stock	50,693
Additional paid-in capital	399,974
Retained earnings	1,158,290
Accumulated other comprehensive loss	(73,248)
Treasury shares	<u>(56,145)</u>
Total shareholders' equity	<u>1,479,564</u>
Total liabilities and shareholders' equity	<u><u>\$ 14,739,384</u></u>

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED PERIOD END BALANCE SHEET**

(unaudited)

(In thousands)	2005			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<b>Assets</b>				
Cash and due from banks	\$ 365,217	\$ 438,786	\$ 406,709	\$ 386,999
Federal funds sold	157,000	185,000	400,000	190,000
Due from banks - interest-bearing	40,803	39,485	34,676	36,982
Securities-available-for-sale	3,999,261	4,030,296	4,057,267	4,018,969
Trading account securities	59,344	42,634	22,337	37,490
Loans:				
Commercial	3,544,504	3,392,487	3,320,836	3,082,663
Commercial Real estate mortgages	1,821,334	1,816,231	1,816,602	1,848,512
Residential mortgages	2,644,030	2,571,537	2,485,177	2,405,732
Real estate construction	721,890	711,755	724,895	759,090
Equity lines of credit	333,548	317,703	310,101	274,735
Installment	200,296	195,168	212,064	201,821
Total loans	9,265,602	9,004,881	8,869,675	8,572,553
Allowance for loan losses	(153,983)	(152,920)	(147,930)	(147,607)
Net loans	9,111,619	8,851,961	8,721,745	8,424,946
Premises and equipment, net	82,868	76,754	73,169	68,354
Goodwill and other intangibles	284,124	285,553	289,675	291,116
Other assets	481,624	478,975	470,020	463,182
Total assets	<u>\$ 14,581,860</u>	<u>\$ 14,429,444</u>	<u>\$ 14,475,598</u>	<u>\$ 13,918,038</u>
<b>Liabilities:</b>				
Deposits:				
Noninterest-bearing	\$ 6,562,038	\$ 6,345,907	\$ 6,468,339	\$ 6,069,061
Interest-bearing	5,576,434	5,769,807	5,683,869	5,693,563
Total deposits	12,138,472	12,115,714	12,152,208	11,762,624
Federal funds purchased and securities				
sold under repurchase agreement	190,190	191,036	204,052	155,645
Other short-term borrowed funds	100,000	26,197	27,678	125
Subordinated debt	275,682	278,076	285,771	280,068
Other long-term debt	219,445	221,168	233,290	224,829
Minority Interest	24,351	24,856	25,400	25,525
Other liabilities	175,712	155,220	146,311	149,039
Total liabilities	13,123,852	13,012,267	13,074,710	12,597,855
<b>Shareholders' Equity</b>				
Common stock	50,601	50,601	50,640	50,712
Additional paid-in capital	411,389	414,073	415,802	419,505
Retained earnings	1,121,474	1,077,561	1,035,589	995,688
Accumulated other				
comprehensive income (loss)	(51,551)	(36,879)	(12,948)	(43,288)
Deferred equity compensation	(14,730)	(15,784)	(16,821)	(19,893)
Treasury shares	(59,175)	(72,395)	(71,374)	(82,541)
Total shareholders' equity	<u>1,458,008</u>	<u>1,417,177</u>	<u>1,400,888</u>	<u>1,320,183</u>
Total liabilities and shareholders' equity	<u>\$ 14,581,860</u>	<u>\$ 14,429,444</u>	<u>\$ 14,475,598</u>	<u>\$ 13,918,038</u>

**CITY NATIONAL CORPORATION**  
**CREDIT LOSS EXPERIENCE**  
(unaudited)

<b>(Dollars in thousands)</b>	<b>2006</b>		<b>2005</b>				
	<b>First Quarter</b>	<b>Year To Date</b>	<b>Fourth Quarter</b>	<b>Third Quarter</b>	<b>Second Quarter</b>	<b>First Quarter</b>	<b>Full Year</b>
<b>Allowance for Loan Losses</b>							
Balance at beginning of period	\$ 153,983	\$ 153,983	\$ 152,920	\$ 147,930	\$ 147,607	\$ 148,568	\$ 148,568
Net (charge-offs)/recoveries:							
Commercial	1,792	1,792	2,085	4,213	1,067	2,117	9,482
Commercial real estate mortgages	844	844	7	324	7	(1,893)	(1,555)
Residential mortgages	-	-	-	-	1	2	3
Real estate construction	16	16	15	1,192	71	23	1,301
Equity lines of credit	-	-	-	-	39	1	40
Installment	4	4	(11)	13	5	(18)	(11)
Total net (charge-offs)/recoveries	<u>2,656</u>	<u>2,656</u>	<u>2,096</u>	<u>5,742</u>	<u>1,190</u>	<u>232</u>	<u>9,260</u>
Provision charged to expense	-	-	-	-	-	-	-
Provision allocated (to) from reserve for off-balance sheet commitments	<u>(157)</u>	<u>(157)</u>	<u>(1,033)</u>	<u>(752)</u>	<u>(867)</u>	<u>(1,193)</u>	<u>(3,845)</u>
Balance at end of period	<u>\$ 156,482</u>	<u>\$ 156,482</u>	<u>\$ 153,983</u>	<u>\$ 152,920</u>	<u>\$ 147,930</u>	<u>\$ 147,607</u>	<u>\$ 153,983</u>

**Net (Charge-Offs)/Recoveries to Average Total Loans: (annualized)**

Commercial	0.19 %	0.19 %	0.23 %	0.49 %	0.13 %	0.28 %	0.29 %
Commercial real estate mortgages	0.19 %	0.19 %	0.00 %	0.07 %	0.00 %	(0.41) %	(0.09) %
Residential mortgage	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Real estate construction	0.01 %	0.01 %	0.01 %	0.65 %	0.04 %	0.01 %	0.17 %
Equity lines of credit	0.00 %	0.00 %	0.00 %	0.00 %	0.05 %	0.00 %	0.01 %
Installment	0.01 %	0.01 %	(0.02) %	0.02 %	0.01 %	(0.03) %	(0.01) %
Total loans	0.11 %	0.11 %	0.09 %	0.25 %	0.05 %	0.01 %	0.10 %

**Reserve for Off-Balance Sheet Credit Commitments**

Balance at beginning of period	\$ 15,596	\$ 15,596	\$ 14,563	\$ 13,811	\$ 12,944	\$ 11,751	\$ 11,751
Provision for credit losses	<u>157</u>	<u>157</u>	<u>1,033</u>	<u>752</u>	<u>867</u>	<u>1,193</u>	<u>3,845</u>
Balance at end of period	<u>\$ 15,753</u>	<u>\$ 15,753</u>	<u>\$ 15,596</u>	<u>\$ 14,563</u>	<u>\$ 13,811</u>	<u>\$ 12,944</u>	<u>\$ 15,596</u>

**CITY NATIONAL CORPORATION**  
**NONPERFORMING ASSETS**  
(unaudited)

<b>(Dollars in thousands)</b>	<b>2006</b>		<b>2005</b>		
	<b>First Quarter</b>	<b>Fourth Quarter</b>	<b>Third Quarter</b>	<b>Second Quarter</b>	<b>First Quarter</b>
Nonaccrual Loans					
Commercial	\$ 5,642	\$ 5,141	\$ 14,917	\$ 17,982	\$ 25,117
Commercial real estate mortgages	923	923	955	1,543	1,945
Residential mortgages	-	294	2,259	1,990	1,990
Real estate construction	7,492	7,650	-	-	-
Equity lines of credit	-	21	22	22	212
Installment	498	371	401	624	654
Total nonaccrual loans	<u>14,555</u>	<u>14,400</u>	<u>18,554</u>	<u>22,161</u>	<u>29,918</u>
Other Nonperforming Assets	-	-	-	-	-
Total nonperforming assets	<u>\$ 14,555</u>	<u>\$ 14,400</u>	<u>\$ 18,554</u>	<u>\$ 22,161</u>	<u>\$ 29,918</u>
Loans 90 Days or More Past Due on Accrual Status	\$ -	\$ -	\$ -	\$ 103	\$ 807
Allowance for loan losses as a percentage of:					
Nonaccrual loans	1,075.11 %	1,069.33 %	824.19 %	667.52 %	493.37 %
Total nonperforming assets	1,075.11 %	1,069.33 %	824.19 %	667.52 %	493.37 %
Total loans	1.64 %	1.66 %	1.70 %	1.67 %	1.72 %
Nonaccrual loans as a percentage of total loans	0.15 %	0.16 %	0.21 %	0.25 %	0.35 %
Nonperforming assets as a percentage of:					
Total loans and other nonperforming assets	0.15 %	0.16 %	0.21 %	0.25 %	0.35 %
Total Assets	0.10 %	0.10 %	0.13 %	0.15 %	0.21 %

**CITY NATIONAL CORPORATION**  
**AVERAGE BALANCES AND RATES**  
(unaudited)

<b>(Dollars in millions)</b>	<b>2006</b>			
	<b>First Quarter</b>		<b>Year to Date</b>	
	<b>Average Balance</b>	<b>Average Rate</b>	<b>Average Balance</b>	<b>Average Rate</b>
<b>Assets</b>				
Interest-earning assets				
Loans				
Commercial	\$ 3,850	6.62 %	\$ 3,850	6.62 %
Commercial real estate mortgages	1,838	7.36	1,838	7.36
Residential mortgages	2,663	5.27	2,663	5.27
Real estate construction	743	8.58	743	8.58
Equity lines of credit	334	7.17	334	7.17
Installment	197	7.41	197	7.41
Total loans	<u>9,625</u>	6.59	<u>9,625</u>	6.59
Due from banks - interest-bearing	44	1.98	44	1.98
Federal funds sold and securities purchased under resale agreements	13	4.32	13	4.32
Securities available-for-sale	3,926	4.47	3,926	4.47
Trading account securities	44	5.26	44	5.26
Total interest-earning assets	<u>13,652</u>	5.98	<u>13,652</u>	5.98
Allowance for loan losses	(155)		(155)	
Cash and due from banks	439		439	
Other assets	891		891	
Total assets	<u><u>\$ 14,827</u></u>		<u><u>\$ 14,827</u></u>	
<b>Liabilities and Shareholders' Equity</b>				
Interest-bearing deposits				
Interest checking accounts	\$ 808	0.23	\$ 808	0.23
Money market accounts	3,388	1.81	3,388	1.81
Savings deposits	179	0.37	179	0.37
Time deposits - under \$100,000	180	2.95	180	2.95
Time deposits - \$100,000 and over	1,254	3.37	1,254	3.37
Total interest-bearing deposits	<u>5,809</u>	1.92	<u>5,809</u>	1.92
Federal funds purchased and securities sold under repurchase agreements	809	4.48	809	4.48
Other borrowings	749	5.09	749	5.09
Total interest-bearing liabilities	<u>7,367</u>	2.52	<u>7,367</u>	2.52
Noninterest-bearing deposits	5,779		5,779	
Other liabilities	200		200	
Shareholders' equity	1,481		1,481	
Total liabilities and shareholders' equity	<u><u>\$ 14,827</u></u>		<u><u>\$ 14,827</u></u>	
Net interest spread		<u>3.46 %</u>		<u>3.46 %</u>
Net interest margin		<u>4.62 %</u>		<u>4.62 %</u>

**CITY NATIONAL CORPORATION**  
**AVERAGE BALANCES AND RATES**  
(unaudited)

(Dollars in millions)	2005									
	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Full Year	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
<b>Assets</b>										
Interest-earning assets										
Loans										
Commercial	\$ 3,556	6.49 %	\$ 3,401	6.21 %	\$ 3,225	6.06 %	\$ 3,112	5.75 %	\$ 3,325	6.13 %
Commercial real estate mortgages	1,810	7.30	1,804	7.50	1,846	7.02	1,818	7.02	1,819	7.21
Residential mortgages	2,603	5.23	2,519	5.24	2,444	5.19	2,354	5.18	2,481	5.21
Real estate construction	727	8.36	725	7.98	728	7.37	817	6.74	749	7.59
Equity lines of credit	322	6.77	310	6.10	297	5.70	265	5.42	299	6.03
Installment	192	7.19	204	7.05	208	7.12	206	6.28	202	6.93
Total loans	9,210	6.45	8,963	6.34	8,748	6.13	8,572	5.98	8,875	6.23
Due from banks - interest-bearing	44	1.63	41	1.45	37	1.24	65	1.34	47	1.42
Federal funds sold and securities										
purchased under resale agreements	23	4.23	65	3.70	80	2.76	33	2.59	50	3.22
Securities available-for-sale	4,012	4.37	4,030	4.26	4,034	4.25	4,078	4.38	4,038	4.32
Trading account securities	39	5.13	37	3.95	37	3.25	38	2.40	38	3.71
Total interest-earning assets	13,328	5.80	13,136	5.67	12,936	5.50	12,786	5.43	13,048	5.60
Allowance for loan losses	(153)		(151)		(148)		(149)		(150)	
Cash and due from banks	451		441		443		441		444	
Other assets	842		830		810		795		819	
Total assets	<u>\$ 14,468</u>		<u>\$ 14,256</u>		<u>\$ 14,041</u>		<u>\$ 13,873</u>		<u>\$ 14,161</u>	
<b>Liabilities and Shareholders' Equity</b>										
Interest-bearing deposits										
Interest checking accounts	\$ 813	0.21	\$ 795	0.14	\$ 849	0.08	\$ 858	0.09	\$ 828	0.13
Money market accounts	3,471	1.49	3,507	1.30	3,568	1.15	3,690	1.00	3,558	1.23
Savings deposits	186	0.29	196	0.29	199	0.28	205	0.24	197	0.27
Time deposits - under \$100,000	189	2.65	183	2.64	181	2.38	182	2.07	184	2.44
Time deposits - \$100,000 and over	1,136	2.78	1,074	2.76	897	2.56	944	2.11	1,013	2.57
Total interest-bearing deposits	5,795	1.56	5,755	1.42	5,694	1.22	5,879	1.05	5,780	1.32
Federal funds purchased and securities										
sold under repurchase agreements	289	3.79	256	3.25	315	2.88	254	2.33	278	3.08
Other borrowings	552	4.55	545	4.13	518	3.85	519	3.53	534	4.03
Total interest-bearing liabilities	6,636	1.91	6,556	1.72	6,527	1.51	6,652	1.29	6,592	1.61
Noninterest-bearing deposits	6,205		6,104		5,985		5,694		5,999	
Other liabilities	198		178		170		175		180	
Shareholders' equity	1,429		1,418		1,359		1,352		1,390	
Total liabilities and shareholders' equity	<u>\$ 14,468</u>		<u>\$ 14,256</u>		<u>\$ 14,041</u>		<u>\$ 13,873</u>		<u>\$ 14,161</u>	
Net interest spread		<u>3.89 %</u>		<u>3.95 %</u>		<u>3.99 %</u>		<u>4.14 %</u>		<u>3.99 %</u>
Net interest margin		<u>4.85 %</u>		<u>4.80 %</u>		<u>4.74 %</u>		<u>4.75 %</u>		<u>4.79 %</u>

**CITY NATIONAL CORPORATION**  
**CAPITAL AND CREDIT RATING DATA**  
(unaudited)

	2006		2005				
	First Quarter	Year To Date	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
<b>Per Common Share:</b>							
Shares Outstanding (in thousands):							
Average - Basic	49,484	49,484	49,238	49,198	49,090	49,162	49,159
Average - Diluted	51,309	51,309	51,053	51,123	51,043	51,030	51,062
Period-End	49,535		49,347	49,117	49,145	48,958	
Book Value	\$ 29.87		\$ 29.55	\$ 28.85	\$ 28.51	\$ 26.97	
Price:							
High	\$ 78.25	\$ 78.25	\$ 75.12	\$ 76.10	\$ 72.90	\$ 71.35	\$ 76.10
Low	71.95	71.95	66.39	68.42	66.84	67.49	66.39
Period-end	76.79		72.44	70.09	71.71	69.82	
<b>Capital Ratios (Dollars in millions):</b>							
Risk-based capital							
Risk-adjusted assets	\$ 10,473		\$ 10,148	\$ 9,802	\$ 9,663	\$ 9,410	
Tier I capital	\$ 1,295		\$ 1,251	\$ 1,195	\$ 1,151	\$ 1,100	
Percentage of risk adjusted assets	12.36 %		12.33	12.19 %	11.91 %	11.69 %	
Total capital	\$ 1,624		\$ 1,576	\$ 1,539	\$ 1,493	\$ 1,437	
Percentage of risk adjusted assets	15.51 %		15.53	15.70 %	15.45 %	15.27 %	
Tier I leverage ratio	8.92 %		8.82	8.58 %	8.39 %	8.12 %	
Period-end shareholders' equity to total period-end assets	10.04 %		10.00	9.82 %	9.68 %	9.49 %	
Period-end tangible shareholders' equity to total period-end tangible assets	8.27 %		8.21	8.00 %	7.83 %	7.55 %	
Average shareholders' equity to total average assets	9.99 %	9.99 %	9.88	9.94 %	9.68 %	9.75 %	9.81 %
Average tangible shareholders' equity to total average tangible assets	8.23 %	8.23 %	8.07	8.08 %	7.77 %	7.80 %	7.93 %

**Senior Debt Credit Ratings**

For The Period Ended March 31, 2006

	Moody's	Fitch	Standard & Poor's	DBRS
City National Bank	A2	A-	A	A
City National Corporation	A3	A-	A-	A(low)