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**Conference Call:**

Today 2:00 p.m. PDT  
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**City National Corp.'s Second-Quarter 2007 Net Income Grows  
To \$59.2 Million; Earnings Per Share Rise 3 Percent to \$1.19**

*Assets under management or administration exceed \$57 billion for the first time*

**LOS ANGELES** – City National Corporation (NYSE: CYN), the parent company of wholly owned City National Bank, today reported second-quarter 2007 net income of \$59.2 million, or \$1.19 per share, up from \$58.7 million, or \$1.16 per share, for the second quarter of 2006.

Year to date, City National has earned \$115.7 million, or \$2.34 per share, on revenue of \$440.1 million. In the first half of 2006, the company earned net income of \$116 million, or \$2.28 per share, on revenue of \$419.9 million.

City National's second-quarter financial results reflect the company's May 1, 2007 acquisition of Convergent Wealth Advisors (formerly known as Lydian Wealth Management) and its February 28, 2007 acquisition of Business Bank of Nevada.

**SECOND-QUARTER HIGHLIGHTS**

- City National's second-quarter average loan balances grew to a record \$11 billion, up 11 percent from the second quarter of 2006.
- Average deposits reached a record \$12.6 billion, up 5 percent from the second quarter of 2006.

## City National Corp. Reports Net Income for Second-Quarter 2007

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- Noninterest income grew to \$73.7 million, a 26 percent increase from the second quarter of 2006, and now accounts for 33 percent of City National's total revenue.
- Assets under direct management amounted to \$35.8 billion, a 35 percent increase from the second quarter of 2006. Assets under management or administration grew 22 percent to \$57.3 billion.
- Credit quality remained strong in the second quarter of 2007. The company required no provision for credit losses and remained adequately reserved at 1.43 percent of total loans.
- City National's second-quarter return on average equity was 14.79 percent and its return on average assets was 1.54 percent.

"City National achieved solid second-quarter results in a challenging environment," said President and Chief Executive Officer Russell Goldsmith. "Loans and deposits both grew to record levels, credit quality remained strong, noninterest income continued to grow at very robust double-digit rates and actual expense growth was constrained.

"The company also made a number of important investments during the first half of 2007. The acquisition of Convergent Wealth Advisors, an outstanding investment advisory firm for the ultra-affluent market, helped raise City National's assets under management or administration to more than \$57 billion for the first time. We also successfully integrated Business Bank of Nevada, adding eight new Nevada offices and rolling out the City National brand in one of America's most dynamic states. In addition, our company expanded its presence in fast-growing Ontario, California by opening a new banking office there."

<i>Dollars in millions, except per share</i>	<i>For the three months ended</i>			<i>For the three months ended</i>		
	<i>June 30,</i>		<i>%</i>	<i>March 31, 2007</i>		<i>%</i>
	<i>2007</i>	<i>2006</i>	<i>Change</i>		<i>Change</i>	
<i>Earnings Per Share</i>	\$ 1.19	\$ 1.16	3	\$ 1.15	3	
<i>Net Income</i>	59.2	58.7	1	56.5	5	
<i>Average Assets</i>	15,452.6	14,782.5	5	14,836.4	4	
<i>Return on Average Assets</i>	1.54 %	1.59 %	(3)	1.55 %	(1)	
<i>Return on Average Equity</i>	14.79	16.20	(9)	15.10	(2)	

### ASSETS

Total assets at June 30, 2007 were \$15.8 billion, up 9 percent from one year ago, primarily due to City National's loan growth as well as the acquisition of Business Bank of Nevada. Total assets grew 3 percent from the first quarter of 2007.

### REVENUE

Second-quarter revenue totaled \$226.8 million, up 7 percent from the second quarter of 2006 and 6 percent from the first quarter of this year, due principally to the acquisition of Business Bank of Nevada.

## City National Corp. Reports Net Income for Second-Quarter 2007

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### NET INTEREST INCOME

Fully taxable-equivalent net interest income reached \$157.3 million in the second quarter of 2007, compared with \$157.9 million for the same period last year. Fully taxable-equivalent net interest income in the first quarter of 2007 was \$151.3 million.

Average loan balances reached \$11 billion, up 11 percent from one year ago and 4 percent from the first quarter of 2007.

Lending grew across the board:

- Commercial loans increased 9 percent from the second quarter of 2006 and 3 percent from the first quarter of this year.
- Single-family residential mortgage lending rose 9 percent from one year ago and 3 percent from the first quarter of 2007. (City National's \$3 billion residential portfolio contains no subprime credits or option-only adjustable rate loans. The company makes mortgage loans as an accommodation to its private banking clients. These loans have an average loan-to-value ratio of 51 percent.)
- Commercial real estate and construction loans together were up 18 percent from the second quarter of 2006 and 8 percent from the first quarter of this year.

At June 30, 2007, the bank's prime rate was 8.25 percent, unchanged from both June 30, 2006 and March 31, 2007.

<i>Dollars in millions</i>	<i>For the three months ended</i>			<i>For the three months ended</i>	
	<i>June 30,</i>	<i>June 30,</i>	<i>%</i>	<i>March 31, 2007</i>	<i>%</i>
	<i>2007</i>	<i>2006</i>	<i>Change</i>		<i>Change</i>
<i>Average Loans</i>	\$ 11,010.9	\$ 9,902.9	11	\$ 10,554.9	4
<i>Average Total Securities</i>	2,945.1	3,581.2	(18)	2,971.4	(1)
<i>Average Earning Assets</i>	14,129.5	13,627.7	4	13,660.7	3
<i>Average Deposits</i>	12,569.9	11,930.8	5	11,916.3	5
<i>Average Core Deposits</i>	10,503.4	10,278.7	2	10,044.8	5
<i>Fully Taxable-Equivalent</i>					
<i>Net Interest Income</i>	157.3	157.9	(0)	151.3	4
<i>Net Interest Margin</i>	4.47 %	4.65 %	(4)	4.49 %	(0)

City National's second-quarter net interest margin was 4.47 percent, compared with 4.49 percent in the first quarter of 2007. The company's all-cash acquisition of Convergent Wealth Advisors narrowed its second-quarter margin by two basis points.

Average deposits totaled \$12.6 billion, an increase of 5 percent from both the second quarter of 2006 and the first quarter of this year. The increases were due primarily to the acquisition of Business Bank of Nevada as well as the growth of interest-bearing and time deposits.

## **City National Corp. Reports Net Income for Second-Quarter 2007**

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Average noninterest-bearing deposits fell 5 percent from the second quarter of 2006. However, noninterest-bearing balances grew 1 percent from the first quarter of this year, due to the full second-quarter impact of City National's acquisition of Business Bank of Nevada and the seasonal increase in deposits that clients used to make their tax payments.

Second-quarter title and escrow deposit balances averaged \$1.3 billion, compared with \$1.3 billion in the second quarter of 2006 and \$1.2 billion in the first quarter of this year.

Average securities totaled \$2.9 billion in the second quarter of 2007, down \$636 million from one year ago and \$26 million from the first quarter of 2007. The average duration of total available-for-sale securities at June 30, 2007 was 3.3 years, compared with 3.5 years at the end of the second quarter of 2006.

### **NONINTEREST INCOME**

Noninterest income reached \$73.7 million in the second quarter, a 26 percent increase from the same period one year ago. Excluding the acquisitions of Convergent Wealth Advisors and Independence Investments, which closed on May 31, 2006, second-quarter noninterest income grew 10 percent from the same period last year.

At June 30, 2007, noninterest income accounted for 33 percent of City National's total revenue, up from 28 percent at June 30, 2006.

#### *Wealth Management*

City National's assets under management or administration grew to \$57.3 billion in the second quarter. As a result, trust and investment fees increased 40 percent over the same time last year. Second-quarter brokerage and mutual fund fees grew 14 percent from the second quarter of 2006.

On May 1, 2007, City National completed its acquisition of Convergent Wealth Advisors, a Rockville, Md.-based firm that now manages or advises on assets of \$8.2 billion through its wealth management consulting services for individuals and families with average assets of more than \$40 million.

#### *Other Noninterest Income*

Fee income from international banking services grew 10 percent from the second quarter of 2006 and 17 percent from the first quarter of this year, reflecting increased demand for foreign exchange services and letters of credit.

Income from cash management and deposit transaction fees rose 10 percent from the second quarter of last year, due largely to the sale of additional services. This income was unchanged from the first quarter of 2007.

## City National Corp. Reports Net Income for Second-Quarter 2007

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<i>Dollars in millions</i>	<i>At or for the three months ended</i>			<i>At or for the three months</i>		
	<i>June 30,</i>		<i>%</i>	<i>ended</i>		<i>%</i>
	<i>2007</i>	<i>2006</i>	<i>Change</i>	<i>March 31, 2007</i>	<i>Change</i>	
<i>Trust and Investment Fee Revenue</i>	\$ 34.8	\$ 24.9	40	\$ 30.3	15	
<i>Brokerage and Mutual Fund Fees</i>	14.0	12.3	14	13.8	1	
<i>Assets Under Management (1)</i>	35,849.9	26,617.3	35	27,074.4	32	
<i>Total Assets Under Management or Administration (1)</i>	57,328.6	46,963.4	22	48,432.6	18	

(1) Excludes \$10.5 billion, \$9.3 billion, and \$9.3 billion of assets under management for an asset manager in which City National held a minority ownership interest as of June 30, 2007, June 30, 2006, and March 31, 2007, respectively.

### NONINTEREST EXPENSE

Second-quarter 2007 noninterest expense amounted to \$132.9 million, up 11 percent from the second quarter of 2006 and 7 percent from the first quarter of this year. Excluding the acquisitions of Convergent Wealth Advisors, Independence Investments and Business Bank of Nevada, noninterest expense grew 2 percent from the second quarter of last year.

City National's efficiency ratio for the second quarter of 2007 was 57.73 percent, compared with 55.20 percent one year ago and 57.18 percent for the first quarter of this year. The year-over-year increase was due primarily to pressure on core deposits and the continued expansion of City National's fee-based businesses, including the addition of Convergent Wealth Advisors and Independence Investments.

### CREDIT QUALITY

Asset quality remains strong. At June 30, 2007, nonaccrual loans were \$22.3 million, compared with \$15 million at the same time last year and \$23.4 million in the first quarter of 2007. Net loan charge-offs were \$2.3 million in the second quarter of 2007, compared with net recoveries of \$1.2 million in both the second quarter of 2006 and the first quarter of this year.

City National made no provision for credit losses in the second quarter. The company's loan-loss allowance methodology takes into account many quantitative and qualitative factors, including asset quality, credit risk, loan growth and economic conditions. At June 30, 2007, the allowance for loan and lease losses was \$157.8 million, or 1.43 percent of total loans.

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### **INCOME TAXES**

The company's second-quarter 2007 effective tax rate was 37 percent, compared with 37.5 percent in the second quarter of last year. The effective rate for the first quarter of this year was 36.8 percent.

### **2007 OUTLOOK**

In light of its second-quarter performance, City National's management continues to expect earnings per share this year to grow at a rate of between 3 percent and 5 percent as compared with 2006.

### **CAPITAL LEVELS**

City National remains well capitalized. Total risk-based capital and Tier 1 risk-based capital ratios at June 30, 2007 were 12.28 percent and 9.82 percent, respectively, compared with the minimum regulatory standards of 10 percent and 6 percent for "well-capitalized" institutions. City National's Tier 1 leverage ratio at June 30, 2007 was 7.97 percent, well above the regulatory minimum ratio of 5 percent.

Total risk-based capital, Tier 1 risk-based capital and the Tier 1 leverage ratios at March 31, 2007 were 13.12 percent, 10.62 percent and 8.59 percent, respectively.

The period-end ratio of shareholders' equity to total assets at June 30, 2007 was 10.26 percent, compared to 9.66 percent at the same time last year, and 10.42 percent at March 31, 2007.

City National adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), as of January 1, 2007. As a result of the implementation of FIN 48, the company recognized a \$28 million increase in the reserve for contingent tax liabilities, which was accounted for as a reduction to the January 1, 2007 balance of retained earnings.

### **STOCK REPURCHASE**

During the second quarter of 2007, City National repurchased 16,500 of its outstanding shares at an average cost per share of \$74.74. During the first two quarters of this year, it bought back 279,500 shares at an average cost of \$72.27. The company is currently authorized and intends to repurchase an additional 778,200 shares, subject to market conditions.

### **CONFERENCE CALL**

*City National Corporation will host a conference call this afternoon to discuss results for the second quarter of 2007. 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) 713-8395 and enter pass code 30224089. A listen-only live broadcast of the call*

## **City National Corp. Reports Net Income for Second-Quarter 2007**

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

### **ABOUT CITY NATIONAL**

City National Corporation's wholly owned subsidiary, City National Bank, provides banking, investment and trust services through 62 offices, including 15 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada and New York City. The company and its nine investment affiliates manage or administer \$57.3 billion in client assets, including \$35.8 billion under direct management.

For more information about City National, visit the company's Website at [www.cnb.com](http://www.cnb.com).

### **SAFE-HARBOR LANGUAGE**

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 business losses, 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 de novo branching efforts, (7) the impact of changes in regulatory, judicial or legislative tax treatment of business transactions, (8) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, and (9) general business and economic conditions, including movements in interest rates, the slope of the yield curve and changes in business formation and growth, commercial real estate development and real estate prices.

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, 2006 and particularly Part I, Item 1A, titled "Risk Factors."

###

# CITY NATIONAL CORPORATION



## Selected Financial Information

June 30, 2007

(unaudited)

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

For The Period Ended June 30,	Three Months			Six Months		
	2007	2006	% Change	2007	2006	% Change
<b>Per Common Share</b>						
Net Income						
Basic.....	\$ 1.22	\$ 1.20	2	\$ 2.39	\$ 2.36	1
Diluted.....	1.19	1.16	3	2.34	2.28	3
Dividends.....	0.46	0.41	12	0.92	0.82	12
Book value.....				33.27	29.05	15
<b>Results of Operations: (In millions)</b>						
Interest income.....	\$ 226	\$ 206	10	\$ 440	\$ 404	9
Interest expense.....	73	52	40	140	98	43
Net interest income.....	153	154	(1)	300	306	(2)
Net interest income (Fully taxable-equivalent).....	157	158	-	309	314	(2)
Total revenue.....	227	213	7	440	420	5
Provision for credit losses.....	-	(1)	(100)	-	(1)	(100)
Net income.....	59	59	1	116	116	-
<b>Financial Ratios:</b>						
Performance Ratios:						
Return on average assets.....	1.54 %	1.59 %		1.54 %	1.58 %	
Return on average shareholders' equity.....	14.79	16.20		14.94	15.94	
Period-end shareholders' equity to period-end assets.....				10.26	9.66	
Net interest margin.....	4.47	4.65		4.48	4.64	
Efficiency ratio.....	57.73	55.20		57.46	55.00	
Capital Adequacy Ratios (Period end):						
Tier 1 leverage.....				7.97	8.38	
Tier 1 risk-based capital.....				9.82	11.20	
Total risk-based capital.....				12.28	14.26	
<b>Asset Quality Ratios:</b>						
Allowance for loan and lease losses to:						
Total loans.....				1.43 %	1.60 %	
Nonaccrual loans.....				707.58	1,050.47	
Nonperforming assets to:						
Total loans and nonperforming assets.....				0.20	0.15	
Total assets.....				0.14	0.10	
Net (charge-offs)/recoveries to						
Average total loans (annualized).....	(0.08) %	0.05 %		(0.02) %	0.08 %	
<b>Average Balances: (In millions)</b>						
Loans.....	\$ 11,011	\$ 9,903	11	\$ 10,784	\$ 9,765	10
Interest-earning assets.....	14,129	13,627	4	13,896	13,663	2
Assets.....	15,453	14,782	5	15,146	14,804	2
Core deposits.....	10,503	10,279	2	10,275	10,306	-
Deposits.....	12,570	11,931	5	12,245	11,760	4
Interest-bearing liabilities.....	8,112	7,309	11	7,861	7,338	7
Shareholders' equity.....	1,604	1,454	10	1,562	1,467	6
<b>Period-End Balances : (In millions)</b>						
Loans.....	\$ 11,019	\$ 9,822	12	\$ 11,019	\$ 9,822	12
Assets.....	15,796	14,476	9	15,796	14,476	9
Core deposits.....	10,836	10,152	7	10,836	10,152	7
Deposits.....	13,130	11,979	10	13,130	11,979	10
Shareholders' equity.....	1,621	1,398	16	1,621	1,398	16
<b>Wealth Management: (In millions) (1)</b>						
Assets under management.....	\$ 35,850	\$ 26,617	35	\$ 35,850	\$ 26,617	35
Assets under management or administration.....	57,329	46,963	22	57,329	46,963	22

(1) Excludes \$10.5 billion and \$9.3 billion of assets under management for an asset manager in which City National held a minority ownership interest as of June 30, 2007 and June 30, 2006, respectively.

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

(Dollars in thousands except per share data)	Three Months Ended June 30,			Six Months Ended June 30,		
	2007	2006	% Change	2007	2006	% Change
Interest income	\$ 225,985	\$ 206,204	10	\$ 440,249	\$ 404,396	9
Interest expense	72,921	52,206	40	139,893	97,992	43
Net Interest Income	153,064	153,998	(1)	300,356	306,404	(2)
Provision for Credit Losses	-	(610)	(100)	-	(610)	(100)
Noninterest Income						
Trust and investment fees	34,823	24,909	40	65,077	46,683	39
Brokerage and mutual fund fees	13,958	12,269	14	27,738	23,953	16
Cash management and deposit transaction fees	8,472	7,691	10	16,943	15,755	8
International services	7,562	6,870	10	14,025	12,859	9
Bank-owned life insurance	761	677	12	1,385	1,611	(14)
Other service charges and fees	7,307	6,888	6	13,467	12,665	6
Loss on sale of loans and other assets	-	-	NM	(46)	-	NM
Gain (loss) on sale of securities	866	(716)	(221)	1,135	(8)	NM
Total noninterest income	73,749	58,588	26	139,724	113,518	23
Noninterest Expense						
Salaries and employee benefits	80,904	73,718	10	158,888	145,334	9
Net occupancy of premises	10,362	9,460	10	19,820	18,472	7
Legal and professional fees	9,318	9,190	1	18,641	18,662	(0)
Information services	5,243	4,571	15	10,242	9,027	13
Depreciation	5,122	4,662	10	10,122	9,322	9
Amortization of intangibles	2,623	1,974	33	4,253	3,865	10
Marketing and advertising	5,783	4,990	16	9,781	9,006	9
Office services	2,938	2,549	15	5,685	5,240	8
Equipment	797	623	28	1,515	1,255	21
Minority interest expense	2,325	1,213	92	4,401	2,441	80
Other	7,446	6,222	20	13,352	11,871	12
Total noninterest expense	132,861	119,172	11	256,700	234,495	9
Income Before Taxes	93,952	94,024	(0)	183,380	186,037	(1)
Applicable Income Taxes	34,799	35,283	(1)	67,682	70,063	(3)
Net Income	\$ 59,153	\$ 58,741	1	\$ 115,698	\$ 115,974	(0)
Other Data:						
Earnings per common share - basic	\$ 1.22	\$ 1.20	2	\$ 2.39	\$ 2.36	1
Earnings per common share - diluted	\$ 1.19	\$ 1.16	3	\$ 2.34	\$ 2.28	3
Dividends paid per common share	\$ 0.46	\$ 0.41	12	\$ 0.92	\$ 0.82	12
Dividend payout ratio	38.22 %	34.43 %	11	38.65 %	35.03 %	10
Return on average assets	1.54 %	1.59 %	(4)	1.54 %	1.58 %	(2)
Return on average shareholders' equity	14.79 %	16.20 %	(9)	14.94 %	15.94 %	(6)
Net interest margin (Fully taxable-equivalent)	4.47 %	4.65 %	(4)	4.48 %	4.64 %	(3)
Full-time equivalent employees	2,903	2,648	10			

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

(Dollars in thousands except per share data)	2007		
	Second Quarter	First Quarter	Year to Date
Interest Income	\$ 225,985	\$ 214,264	\$ 440,249
Interest Expense	72,921	66,972	139,893
Net Interest Income	153,064	147,292	300,356
Provision for Credit Losses	-	-	-
Noninterest Income			
Trust and investment fees	34,823	30,254	65,077
Brokerage and mutual fund fees	13,958	13,780	27,738
Cash management and deposit transaction fees	8,472	8,471	16,943
International services	7,562	6,463	14,025
Bank-owned life insurance	761	624	1,385
Other service charges and fees	7,307	6,160	13,467
Loss on sale of loans and other assets	-	(46)	(46)
Gain on sale of securities	866	269	1,135
Total noninterest income	73,749	65,975	139,724
Noninterest Expense			
Salaries and employee benefits	80,904	77,984	158,888
Net occupancy of premises	10,362	9,458	19,820
Legal and professional fees	9,318	9,323	18,641
Information services	5,243	4,999	10,242
Depreciation	5,122	5,000	10,122
Amortization of intangibles	2,623	1,630	4,253
Marketing and advertising	5,783	3,998	9,781
Office services	2,938	2,747	5,685
Equipment	797	718	1,515
Minority interest expense	2,325	2,076	4,401
Other	7,446	5,906	13,352
Total noninterest expense	132,861	123,839	256,700
Income Before Taxes	93,952	89,428	183,380
Applicable Income Taxes	34,799	32,883	67,682
Net Income	\$ 59,153	\$ 56,545	\$ 115,698
Other Data:			
Earnings per common share - basic	\$ 1.22	\$ 1.18	\$ 2.39
Earnings per common share - diluted	\$ 1.19	\$ 1.15	\$ 2.34
Dividends paid per common share	\$ 0.46	\$ 0.46	\$ 0.92
Dividend payout ratio	38.22 %	39.11 %	38.65 %
Return on average assets	1.54 %	1.55 %	1.54 %
Return on average shareholders' equity	14.79 %	15.10 %	14.94 %
Net interest margin (Fully taxable-equivalent)	4.47 %	4.49 %	4.48 %
Full-time equivalent employees	2,903	2,800	

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

(unaudited)

(Dollars in thousands except per share data)	2006				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest Income	\$ 213,551	\$ 208,347	\$ 206,204	\$ 198,192	\$ 826,294
Interest Expense	62,788	59,625	52,206	45,786	220,405
Net Interest Income	150,763	148,722	153,998	152,406	605,889
Provision for Credit Losses	-	-	(610)	-	(610)
Noninterest Income					
Trust and investment fees	30,777	30,002	24,909	21,774	107,462
Brokerage and mutual fund fees	13,309	13,096	12,269	11,684	50,358
Cash management and deposit transaction fees	7,909	7,967	7,691	8,064	31,631
International services	6,486	6,829	6,870	5,989	26,174
Bank-owned life insurance	700	685	677	934	2,996
Other service charges and fees	6,725	6,303	6,888	5,777	25,693
Gain on sale of loans and other assets	2,482	268	-	-	2,750
Gain (loss) on sale of securities	(4,130)	(362)	(716)	708	(4,500)
Total noninterest income	64,258	64,788	58,588	54,930	242,564
Noninterest Expense					
Salaries and employee benefits	74,499	75,318	73,718	71,616	295,151
Net occupancy of premises	11,562	10,207	9,460	9,012	40,241
Legal and professional fees	10,084	9,157	9,190	9,472	37,903
Information services	5,138	4,932	4,571	4,456	19,097
Depreciation	4,908	4,832	4,662	4,660	19,062
Amortization of intangibles	1,456	(37)	1,974	1,891	5,284
Marketing and advertising	5,153	4,495	4,990	4,016	18,654
Office services	2,888	2,623	2,549	2,691	10,751
Equipment	1,043	514	623	632	2,812
Minority interest expense	1,709	1,808	1,213	1,228	5,958
Other	8,573	6,820	6,222	5,649	27,264
Total noninterest expense	127,013	120,669	119,172	115,323	482,177
Income Before Taxes	88,008	92,841	94,024	92,013	366,886
Applicable Income Taxes	29,452	33,847	35,283	34,781	133,363
Net Income	\$ 58,556	\$ 58,994	\$ 58,741	\$ 57,232	\$ 233,523
Other Data:					
Earnings per common share - basic	\$ 1.23	\$ 1.23	\$ 1.20	\$ 1.16	\$ 4.82
Earnings per common share - diluted	\$ 1.19	\$ 1.20	\$ 1.16	\$ 1.12	\$ 4.66
Dividends paid per common share	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 1.64
Dividend payout ratio	33.55 %	33.64 %	34.43 %	35.65 %	34.31 %
Return on average assets	1.58 %	1.61 %	1.59 %	1.57 %	1.59 %
Return on average shareholders' equity	15.77 %	16.30 %	16.20 %	15.68 %	15.99 %
Net interest margin (Fully taxable-equivalent)	4.51 %	4.53 %	4.65 %	4.62 %	4.58 %
Full-time equivalent employees	2,670	2,672	2,648	2,570	

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

(unaudited)

(In thousands)	2007	
	Second Quarter	First Quarter
<b>Assets</b>		
Cash and due from banks	\$ 513,463	\$ 494,231
Federal funds sold	170,000	210,000
Due from banks - interest-bearing	139,539	77,214
Securities-available-for-sale	2,798,538	2,903,546
Trading account securities	117,456	35,981
Loans:		
Commercial	4,158,131	4,030,601
Commercial real estate mortgages	1,947,218	1,877,695
Residential mortgages	3,009,546	2,895,516
Real estate construction	1,309,322	1,263,059
Equity lines of credit	409,505	388,279
Installment	185,112	194,448
Total loans	11,018,834	10,649,598
Allowance for loan and lease losses	(157,849)	(161,005)
Net loans	10,860,985	10,488,593
Premises and equipment, net	106,672	103,259
Goodwill and other intangibles	518,918	420,197
Other assets	570,525	531,026
Total assets	\$ 15,796,096	\$ 15,264,047
<b>Liabilities:</b>		
Deposits:		
Noninterest-bearing	\$ 5,926,048	\$ 5,690,413
Interest-bearing	7,204,357	6,915,968
Total deposits	13,130,405	12,606,381
Federal funds purchased and securities sold under repurchase agreements	269,938	310,738
Other short-term borrowed funds	72,818	50,667
Subordinated debt	266,962	270,174
Other long-term debt	219,282	224,079
Minority interest	29,029	28,285
Other liabilities	186,212	183,185
Total liabilities	14,174,646	13,673,509
<b>Shareholders' Equity</b>		
Common stock	50,725	50,803
Additional paid-in capital	419,377	421,990
Retained earnings	1,307,638	1,271,092
Accumulated other comprehensive loss	(50,609)	(30,940)
Treasury shares	(105,681)	(122,407)
Total shareholders' equity	1,621,450	1,590,538
Total liabilities and shareholders' equity	\$ 15,796,096	\$ 15,264,047

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

(unaudited)

(In thousands)	2006			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<b>Assets</b>				
Cash and due from banks	\$ 423,114	\$ 457,396	\$ 467,076	\$ 457,156
Federal funds sold	127,000	3,300	1,900	-
Due from banks - interest-bearing	60,940	65,323	50,416	48,890
Securities-available-for-sale	2,954,372	3,175,230	3,211,590	3,850,173
Trading account securities	147,907	116,870	123,418	57,353
Loans:				
Commercial	4,084,377	3,782,781	3,738,361	3,698,614
Commercial real estate mortgages	1,708,512	1,766,718	1,810,618	1,779,464
Residential mortgages	2,869,775	2,830,761	2,769,340	2,700,966
Real estate construction	1,117,559	1,057,397	945,650	860,749
Equity lines of credit	404,657	384,830	364,312	339,348
Installment	201,125	197,871	193,474	188,262
Total loans	10,386,005	10,020,358	9,821,755	9,567,403
Allowance for loan and lease losses	(155,342)	(159,063)	(157,580)	(156,482)
Net loans	10,230,663	9,861,295	9,664,175	9,410,921
Premises and equipment, net	94,745	88,582	84,802	84,884
Goodwill and other intangibles	287,561	298,471	298,004	283,642
Other assets	558,079	549,152	574,547	545,227
Total assets	<u>\$ 14,884,381</u>	<u>\$ 14,615,619</u>	<u>\$ 14,475,928</u>	<u>\$ 14,738,246</u>
<b>Liabilities:</b>				
Deposits:				
Noninterest-bearing	\$ 6,002,068	\$ 5,639,811	\$ 5,880,630	\$ 5,945,485
Interest-bearing	6,170,748	6,252,206	6,098,200	5,963,044
Total deposits	12,172,816	11,892,017	11,978,830	11,908,529
Federal funds purchased and securities				
sold under repurchase agreements	422,903	506,962	234,995	526,920
Other short-term borrowed funds	97,525	72,426	143,724	151,522
Subordinated debt	269,848	270,522	266,675	269,785
Other long-term debt	217,569	217,323	209,864	213,819
Minority interest	28,425	28,578	27,985	25,225
Other liabilities	184,380	179,746	215,965	173,056
Total liabilities	13,393,466	13,167,574	13,078,038	13,268,856
<b>Shareholders' Equity</b>				
Common stock	50,719	50,729	50,735	50,693
Additional paid-in capital	412,248	404,163	402,476	399,974
Retained earnings	1,264,697	1,225,784	1,186,637	1,148,116
Accumulated other				
comprehensive loss	(41,386)	(46,400)	(86,931)	(73,248)
Treasury shares	(195,363)	(186,231)	(155,027)	(56,145)
Total shareholders' equity	1,490,915	1,448,045	1,397,890	1,469,390
Total liabilities and shareholders' equity	<u>\$ 14,884,381</u>	<u>\$ 14,615,619</u>	<u>\$ 14,475,928</u>	<u>\$ 14,738,246</u>

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

<b>(Dollars in thousands)</b>	<b>2007</b>			<b>2006</b>				
	<b>Second Quarter</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 and Lease Losses</b>								
Balance at beginning of period	\$ 161,005	\$ 155,342	\$ 155,342	\$ 159,063	\$ 157,580	\$ 156,482	\$ 153,983	\$ 153,983
Allowance of acquired institution	-	4,513	4,513	-	-	-	-	-
Net (charge-offs)/recoveries:								
Commercial	(2,218)	1,247	(971)	(2,665)	1,912	1,122	1,792	2,161
Commercial real estate mortgages	-	-	-	356	-	11	844	1,211
Residential mortgages	-	-	-	-	-	-	-	-
Real estate construction	17	18	35	(666)	18	17	16	(615)
Equity lines of credit	-	-	-	-	(11)	-	-	(11)
Installment	(61)	(26)	(87)	26	10	11	4	51
Total net (charge-offs)/recoveries	(2,262)	1,239	(1,023)	(2,949)	1,929	1,161	2,656	2,797
Provision for credit losses/transfers	(894)	(89)	(983)	(772)	(446)	(63)	(157)	(1,438)
Balance at end of period	<u>\$ 157,849</u>	<u>\$ 161,005</u>	<u>\$ 157,849</u>	<u>\$ 155,342</u>	<u>\$ 159,063</u>	<u>\$ 157,580</u>	<u>\$ 156,482</u>	<u>\$ 155,342</u>

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

Commercial	(0.21) %	0.12 %	(0.05) %	(0.27) %	0.20 %	0.11 %	0.19 %	0.06 %
Commercial real estate mortgages	0.00 %	0.00 %	0.00 %	0.08 %	0.00 %	0.00 %	0.19 %	0.07 %
Residential mortgage	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Real estate construction	0.01 %	0.01 %	0.01 %	(0.24) %	0.01 %	0.01 %	0.01 %	(0.06) %
Equity lines of credit	0.00 %	0.00 %	0.00 %	0.00 %	(0.01) %	0.00 %	0.00 %	(0.00) %
Installment	(0.13) %	(0.06) %	(0.09) %	0.05 %	0.02 %	0.02 %	0.01 %	0.03 %
Total loans	(0.08) %	0.05 %	(0.02) %	(0.11) %	0.08 %	0.05 %	0.11 %	0.03 %

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

Balance at beginning of period	\$ 17,005	\$ 16,424	\$ 16,424	\$ 15,652	\$ 15,206	\$ 15,753	\$ 15,596	\$ 15,596
Recovery of prior charge-off	(67)	-	(67)	-	-	-	-	-
Reserve of acquired institution	-	492	492	-	-	-	-	-
Provision for credit losses/transfers	894	89	983	772	446	(547)	157	828
Balance at end of period	<u>\$ 17,832</u>	<u>\$ 17,005</u>	<u>\$ 17,832</u>	<u>\$ 16,424</u>	<u>\$ 15,652</u>	<u>\$ 15,206</u>	<u>\$ 15,753</u>	<u>\$ 16,424</u>

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

<b>(Dollars in thousands)</b>	<b>2007</b>		<b>2006</b>			
	<b>Second Quarter</b>	<b>First Quarter</b>	<b>Fourth Quarter</b>	<b>Third Quarter</b>	<b>Second Quarter</b>	<b>First Quarter</b>
Nonaccrual Loans						
Commercial	\$ 3,998	\$ 7,024	\$ 2,977	\$ 10,416	\$ 6,691	\$ 5,642
Commercial real estate mortgages	4,732	4,783	4,849	8,094	3,644	923
Residential mortgages	378	-	-	-	-	-
Real estate construction	12,566	11,199	12,678	-	4,617	7,492
Equity lines of credit	452	362	-	-	-	-
Installment	182	49	379	269	49	498
Total nonaccrual loans	<u>22,308</u>	<u>23,417</u>	<u>20,883</u>	<u>18,779</u>	<u>15,001</u>	<u>14,555</u>
Other Nonperforming Assets	-	-	-	-	-	-
Total nonperforming assets	<u>\$ 22,308</u>	<u>\$ 23,417</u>	<u>\$ 20,883</u>	<u>\$ 18,779</u>	<u>\$ 15,001</u>	<u>\$ 14,555</u>
Loans 90 Days or More Past Due on Accrual Status	\$ -	\$ 199	\$ 337	\$ 27	\$ 18	\$ -
Allowance for loan and lease losses as a percentage of:						
Nonaccrual loans	707.58 %	687.55 %	743.88 %	847.03 %	1,050.47 %	1,075.11 %
Total nonperforming assets	707.58 %	687.55 %	743.88 %	847.03 %	1,050.47 %	1,075.11 %
Total loans	1.43 %	1.51 %	1.50 %	1.59 %	1.60 %	1.64 %
Nonaccrual loans as a percentage of total loans	0.20 %	0.22 %	0.20 %	0.19 %	0.15 %	0.15 %
Nonperforming assets as a percentage of:						
Total loans and other nonperforming assets	0.20 %	0.22 %	0.20 %	0.19 %	0.15 %	0.15 %
Total assets	0.14 %	0.15 %	0.14 %	0.13 %	0.10 %	0.10 %

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

(Dollars in millions)	2007					
	Second Quarter		First Quarter		Year to Date	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
<b>Assets</b>						
Interest-earning assets						
Loans						
Commercial	\$ 4,275	7.36 %	\$ 4,146	7.25 %	\$ 4,210	7.31 %
Commercial real estate mortgages	1,932	7.35	1,758	7.38	1,847	7.36
Residential mortgages	2,975	5.49	2,885	5.40	2,930	5.45
Real estate construction	1,234	8.88	1,181	8.73	1,207	8.81
Equity lines of credit	404	7.71	394	7.86	399	7.78
Installment	191	7.51	191	7.64	191	7.57
Total loans	11,011	7.04	10,555	6.98	10,784	7.02
Due from banks - interest-bearing	89	3.39	73	2.97	81	3.20
Federal funds sold and securities purchased under resale agreements	24	5.27	14	5.36	19	5.30
Securities available-for-sale	2,873	4.72	2,917	4.70	2,895	4.71
Trading account securities	72	5.23	54	6.09	63	5.60
Other interest-earning assets	60	6.36	48	5.96	54	6.19
Total interest-earning assets	14,129	6.54	13,661	6.48	13,896	6.51
Allowance for loan and lease losses	(162)		(157)		(160)	
Cash and due from banks	445		422		434	
Other assets	1,041		909		976	
Total assets	<u>\$ 15,453</u>		<u>\$ 14,836</u>		<u>\$ 15,146</u>	
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing deposits						
Interest checking accounts	\$ 804	0.56 %	\$ 749	0.48 %	\$ 777	0.52 %
Money market accounts	3,721	3.10	3,419	2.98	3,571	3.04
Savings deposits	149	0.48	155	0.47	152	0.48
Time deposits - under \$100,000	274	3.79	232	4.10	253	3.93
Time deposits - \$100,000 and over	2,066	4.81	1,872	4.72	1,969	4.77
Total interest-bearing deposits	7,014	3.28	6,427	3.18	6,722	3.23
Federal funds purchased and securities sold under repurchase agreements	486	5.11	582	5.27	534	5.19
Other borrowings	612	6.09	599	6.15	605	6.12
Total interest-bearing liabilities	8,112	3.61	7,608	3.57	7,861	3.59
Noninterest-bearing deposits	5,556		5,489		5,523	
Other liabilities	181		220		200	
Shareholders' equity	1,604		1,519		1,562	
Total liabilities and shareholders' equity	<u>\$ 15,453</u>		<u>\$ 14,836</u>		<u>\$ 15,146</u>	
Net interest spread		<u>2.93 %</u>		<u>2.91 %</u>		<u>2.92 %</u>
Net interest margin		<u>4.47 %</u>		<u>4.49 %</u>		<u>4.48 %</u>
Average prime rate		<u>8.25 %</u>		<u>8.25 %</u>		<u>8.25 %</u>

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

(Dollars in millions)	2006									
	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Year to Date	
	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	\$ 3,955	7.12 %	\$ 3,827	7.05 %	\$ 3,933	6.85 %	\$ 3,813	6.62 %	\$ 3,882	6.91 %
Commercial real estate mortgages	1,759	7.48	1,815	7.45	1,786	7.58	1,772	7.36	1,783	7.47
Residential mortgages	2,852	5.40	2,801	5.38	2,737	5.31	2,666	5.27	2,765	5.34
Real estate construction	1,087	8.94	1,001	8.98	900	8.88	843	8.42	958	8.82
Equity lines of credit	397	7.86	375	7.91	352	7.63	334	7.17	365	7.66
Installment	195	7.56	194	7.58	195	7.72	197	7.41	195	7.57
Total loans	10,245	6.92	10,013	6.88	9,903	6.79	9,625	6.59	9,948	6.80
Due from banks - interest-bearing	68	2.70	61	2.55	46	2.31	44	1.98	55	2.43
Federal funds sold and securities purchased under resale agreements	54	5.28	3	7.13	51	4.77	13	4.32	30	5.01
Securities available-for-sale	3,122	4.64	3,191	4.63	3,529	4.55	3,926	4.47	3,439	4.57
Trading account securities	49	5.32	54	5.22	52	6.61	44	5.26	50	5.61
Other interest-earning assets	47	5.64	46	5.45	46	5.40	47	5.23	47	5.43
Total interest-earning assets	13,585	6.35	13,368	6.30	13,627	6.18	13,699	5.98	13,569	6.20
Allowance for loan and lease losses	(159)		(158)		(157)		(155)		(157)	
Cash and due from banks	407		428		443		439		429	
Other assets	879		907		869		844		875	
Total assets	<u>\$ 14,712</u>		<u>\$ 14,545</u>		<u>\$ 14,782</u>		<u>\$ 14,827</u>		<u>\$ 14,716</u>	
<b>Liabilities and Shareholders' Equity</b>										
Interest-bearing deposits										
Interest checking accounts	\$ 762	0.43 %	\$ 706	0.36 %	\$ 757	0.27 %	\$ 808	0.23 %	\$ 758	0.32 %
Money market accounts	3,252	2.75	3,224	2.57	3,352	2.13	3,388	1.81	3,304	2.31
Savings deposits	160	0.48	163	0.41	174	0.37	179	0.37	169	0.41
Time deposits - under \$100,000	197	4.07	184	3.73	176	3.16	180	2.77	184	3.45
Time deposits - \$100,000 and over	1,969	4.65	1,999	4.56	1,652	4.05	1,254	3.40	1,721	4.26
Total interest-bearing deposits	6,340	3.04	6,276	2.93	6,111	2.40	5,809	1.92	6,136	2.59
Federal funds purchased and securities sold under repurchase agreements	416	5.24	401	5.26	546	4.93	809	4.48	542	4.89
Other borrowings	554	6.19	558	5.63	652	5.51	749	5.09	627	5.57
Total interest-bearing liabilities	7,310	3.41	7,235	3.27	7,309	2.86	7,367	2.52	7,305	3.02
Noninterest-bearing deposits	5,711		5,629		5,820		5,779		5,734	
Other liabilities	218		245		199		200		216	
Shareholders' equity	1,473		1,436		1,454		1,481		1,461	
Total liabilities and shareholders' equity	<u>\$ 14,712</u>		<u>\$ 14,545</u>		<u>\$ 14,782</u>		<u>\$ 14,827</u>		<u>\$ 14,716</u>	
Net interest spread		<u>2.94 %</u>		<u>3.03 %</u>		<u>3.32 %</u>		<u>3.46 %</u>		<u>3.18 %</u>
Net interest margin		<u>4.51 %</u>		<u>4.53 %</u>		<u>4.65 %</u>		<u>4.62 %</u>		<u>4.58 %</u>
Average prime rate		<u>8.25 %</u>		<u>8.25 %</u>		<u>7.90 %</u>		<u>7.43 %</u>		<u>7.96 %</u>

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

	2007			2006				
	Second Quarter	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	48,674	47,968	48,323	47,573	47,919	48,957	49,484	48,477
Average - Diluted	49,837	49,087	49,461	49,012	49,318	50,654	51,309	50,063
Period-End	48,731	48,602		47,492	47,639	48,115	49,535	
Book Value	\$ 33.27	\$ 32.73		\$ 31.39	\$ 30.40	\$ 29.05	\$ 29.66	
Price:								
High	\$ 78.39	\$ 75.39	\$ 78.39	\$ 71.29	\$ 68.41	\$ 78.25	\$ 78.25	\$ 78.25
Low	72.30	68.00	68.00	65.34	63.69	60.02	71.95	60.02
Period-end	76.09	73.60		71.20	67.06	65.09	76.79	

**Capital Ratios (Dollars in millions):**

Risk-based capital								
Risk-adjusted assets	\$ 12,067	\$ 11,618		\$ 11,411	\$ 10,999	\$ 10,811	\$ 10,473	
Tier I capital	\$ 1,185	\$ 1,234		\$ 1,256	\$ 1,219	\$ 1,211	\$ 1,284	
Percentage of risk adjusted assets	9.82 %	10.62 %		11.09 %	11.09 %	11.20 %	12.26 %	
Total capital	\$ 1,481	\$ 1,524		\$ 1,544	\$ 1,554	\$ 1,542	\$ 1,614	
Percentage of risk adjusted assets	12.28 %	13.12 %		13.60 %	14.12 %	14.26 %	15.41 %	
Tier I leverage ratio	7.97 %	8.59 %		8.81 %	8.58 %	8.38 %	8.85 %	
Period-end shareholders' equity								
to total period-end assets	10.26 %	10.42 %		10.02 %	9.91 %	9.66 %	9.97 %	
Period-end tangible shareholders' equity								
to total period-end tangible assets	7.22 %	7.88 %		8.24 %	8.03 %	7.76 %	8.20 %	
Average shareholders' equity								
to total average assets	10.38 %	10.24 %	10.31 %	10.01 %	9.87 %	9.84 %	9.99 %	9.93 %
Average tangible shareholders' equity								
to total average tangible assets	7.67 %	8.18 %	7.92 %	8.16 %	7.99 %	8.04 %	8.23 %	8.10 %

**Senior Debt Credit Ratings**

For The Period Ended June 30, 2007

	Moody's	Fitch	Standard & Poor's	DBRS
City National Bank	Aa3	A-	A	A (high)
City National Corporation	A1	A-	A-	A