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**City National Corp. Reports Second-Quarter 2008 Net Income  
Of \$35.5 Million, or \$0.73 Per Share**

*Company maintains dividend of \$0.48 per share*

*Assets exceed \$16 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 2008 net income of \$35.5 million, or \$0.73 per share. In the second quarter of 2007, the company earned \$1.19 per share on net income of \$59.2 million.

Year to date, City National has earned \$79.5 million, or \$1.64 per share, on revenue of \$459.6 million. In the first half of 2007, the company earned net income of \$115.7 million, or \$2.34 per share, on revenue of \$439.8 million.

The company also announced today that its board of directors has again declared a 2008 quarterly common stock cash dividend of \$0.48 per share, payable on August 20, 2008 to stockholders of record on August 6, 2008.

**SECOND-QUARTER 2008 HIGHLIGHTS**

- City National's second-quarter revenue grew to \$231.6 million, up 2 percent from \$226.6 million in the second quarter of 2007.
- Average loans reached \$12.1 billion, up 10 percent from the same period last year.
- Average core deposits were stable as compared with the second quarter of 2007 and up 4 percent from the first quarter of this year.

## City National Corp. Reports Second-Quarter 2008 Net Income

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- Second-quarter 2008 net income reflects a \$35 million provision for credit losses and loan growth. The second-quarter provision adds \$17 million to City National's allowance for loan and lease losses. At June 30, 2008, the company's allowance increased to \$185.1 million, or 1.52 percent of total loans and leases, compared to \$168.3 million, or 1.43 percent of total loans and leases, at the end of the first quarter. Total nonperforming assets were \$115.3 million, down from \$117.4 million at March 31 of this year. The company made no provision for potential credit losses in the second quarter of 2007.
- City National's net interest margin averaged 4.23 percent in the second quarter of 2008, compared to 4.26 percent in the first quarter of this year.
- Noninterest income totaled \$81.5 million, up 11 percent from the second quarter of 2007. Noninterest income accounts for 35 percent of City National's total revenue.
- The company remained well capitalized. Its period-end ratio of equity-to-total-assets at June 30, 2008 was 10.21 percent, compared to 10.26 percent at June 30, 2007 and 10.56 at March 31 of this year.

"City National's profitable second quarter demonstrated that its businesses generated solid growth as revenue, assets, core deposits, loans and noninterest income all grew significantly from the first quarter," said President and Chief Executive Officer Russell Goldsmith. "At the same time, the further deterioration in the housing market and its impact on our homebuilder clients warranted both higher credit costs and a \$17 million 'build' to our strong credit reserves.

"City National remains profitable, well-reserved and well-capitalized in part because it has no subprime, brokered or option ARM mortgages, no subprime-based CDOs and, effectively, no auto loans or consumer credit card issues."

<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, 2008</i>	<i>%</i>
	<i>2008</i>	<i>2007</i>	<i>Change</i>		<i>Change</i>
<i>Earnings Per Share</i>	\$ 0.73	\$ 1.19	(39)	\$ 0.91	(20)
<i>Net Income</i>	35.5	59.2	(40)	44.0	(19)
<i>Average Assets</i>	16,077.2	15,452.5	4	15,723.5	2
<i>Return on Average Assets</i>	0.89 %	1.54 %	(42)	1.13 %	(21)
<i>Return on Average Equity</i>	8.42	14.79	(43)	10.46	(20)

### ASSETS

Total assets at June 30, 2008 were \$16.3 billion, up 3 percent from the second quarter of 2007. This marked the first time that City National's assets exceeded \$16 billion.

City National's second-quarter return on average assets was 0.89 percent, and its return on average equity was 8.42 percent.

## City National Corp. Reports Second-Quarter 2008 Net Income

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### REVENUE

Revenue grew to \$231.6 million, up 2 percent from both the second quarter of 2007 and the first quarter of this year, reflecting the company's solid operating performance. Loans and noninterest income grew at double-digit rates from the prior year. Core deposits were stable and so was the company's net interest margin.

### NET INTEREST INCOME

Fully taxable-equivalent net interest income was \$153.3 million in the second quarter, down \$2.9 million from the same period last year due to the decline in short-term interest rates. Fully taxable-equivalent net interest income in the first quarter of 2008 was \$151.3 million.

Second-quarter average loan balances reached \$12.1 billion, up 10 percent from the second quarter of 2007 and 3 percent from the first quarter of this year. Commercial loans increased 5 percent from the first quarter, while commercial real estate and construction loans together were up 1 percent due in large part to an increase in existing line utilization. Average single-family residential mortgage lending to City National's private banking clients rose 3 percent.

Average securities for the second quarter of 2008 totaled \$2.5 billion, down \$491 million from the same period last year and \$71 million from the first quarter of 2008. Cash flow from the investment portfolio was used to fund growth in loans. The average duration of total available-for-sale securities at June 30, 2008 was 3.6 years, compared with 3.3 years at the end of the second quarter of 2007 and 3.5 years at March 31, 2008.

At June 30, 2008, City National's prime lending rate was 5.0 percent, down 325 basis points from June 30, 2007 and 25 basis points from March 31, 2008.

City National's net interest margin in the second quarter of 2008 averaged 4.23 percent, compared with 4.26 percent in the first quarter of 2008. The lower yield on loans was mostly offset by the lower cost of interest-bearing liabilities as well as growth in average demand deposits.

<i>Dollars in millions</i>	<i>For the three months ended</i>			<i>For the three months ended</i>	
	<i>June 30,</i>		<i>%</i>	<i>March 31, 2008</i>	<i>%</i>
	<i>2008</i>	<i>2007</i>	<i>Change</i>		<i>Change</i>
<i>Average Loans</i>	\$ 12,058.9	\$ 11,010.9	10	\$ 11,689.4	3
<i>Average Total Securities</i>	2,453.2	2,943.9	(17)	2,524.3	(3)
<i>Average Earning Assets</i>	14,694.6	14,128.3	4	14,371.3	2
<i>Average Deposits</i>	11,694.7	12,569.9	(7)	11,521.1	2
<i>Average Core Deposits</i>	10,551.3	10,503.4	0	10,192.6	4
<i>Fully Taxable-Equivalent</i>					
<i>Net Interest Income</i>	153.3	156.2	(2)	151.3	1
<i>Net Interest Margin</i>	4.23 %	4.46 %	(5)	4.26 %	(1)

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Second-quarter average deposits totaled \$11.7 billion, up 2 percent from the first quarter. Average deposits fell 7 percent from the second quarter of 2007 as the company was able to reduce its holdings of higher-cost time deposits.

Average core deposits grew 4 percent from the first quarter of this year and were unchanged from the second quarter of 2007.

Average noninterest-bearing deposits were up 4 percent from the first quarter and 1 percent from the second quarter of 2007.

Title and escrow deposit balances averaged \$1.0 billion, virtually unchanged from the first quarter of this year and down \$300 million from the second quarter of 2007.

### NONINTEREST INCOME

Noninterest income reached \$81.5 million in the second quarter of 2008, an 11 percent increase from the same period one year ago, due to fee income generated by wealth management, international banking and cash management.

For the quarter ending June 30, 2008, noninterest income accounted for 35 percent of City National's total revenue, up from 33 percent for the quarter ending June 30, 2007.

#### *Wealth Management*

City National's assets under management were down 6 percent to \$33.8 billion in the second quarter of 2008 from the year-earlier period, due primarily to general market conditions and in part to an anticipated shift of funds by the former owner of City National's institutional asset management affiliate to its in-house investment manager. As a result, trust and investment fees were down 2 percent from the second quarter of 2007. Brokerage and mutual fund fees rose 34 percent, due primarily to an increase in money market funds.

<i>Dollars in millions</i>	<i>At or for the three months ended</i>			<i>At or for the three months ended</i>		
	<i>June 30,</i>		<i>%</i>	<i>March 31, 2008</i>	<i>%</i>	
	<i>2008</i>	<i>2007</i>	<i>Change</i>			<i>Change</i>
<i>Trust and Investment Fee Revenue</i>	\$ 34.2	\$ 34.8	(2)	\$ 36.3	(6)	
<i>Brokerage and Mutual Fund Fees</i>	18.7	14.0	34	17.4	7	
<i>Assets Under Management (1)</i>	33,834.3	35,849.9	(6)	35,884.8	(6)	
<i>Total Assets Under Management or Administration (1)</i>	53,509.7	57,328.6	(7)	55,854.7	(4)	

(1) Excludes \$9.0 billion, \$10.5 billion, and \$10.1 billion of assets under management for an asset manager in which City National held a minority ownership interest as of June 30, 2008, June 30, 2007, and March 31, 2008, respectively.

## **City National Corp. Reports Second-Quarter 2008 Net Income**

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### *Other Noninterest Income*

Income from cash management and deposit transaction fees rose 44 percent from the same period of last year and 10 percent from the first quarter of 2008, due to the impact of declining interest rates on the value of compensating deposit balances and the sale of additional cash management services to new and existing clients. Fee income from foreign exchange services and letters of credit grew 8 percent from the second quarter of 2007 and 6 percent from the first quarter of this year.

Other service charges and fees were \$8.2 million in the second quarter of 2008, up 13 percent from the year-ago period, due primarily to higher income from debit and credit card fees.

### **NONINTEREST EXPENSE**

Second-quarter 2008 noninterest expense amounted to \$141.5 million, up 7 percent from the second quarter of 2007, but down slightly from the first quarter of this year. The increase from last year was due in part to \$1.4 million of additional expense for FDIC premiums. Excluding higher FDIC premiums, City National's second-quarter noninterest expense grew 5.6 percent.

City National's second-quarter efficiency ratio was 60.13 percent, compared with 57.69 percent in the second quarter of 2007. The year-over-year increase was due primarily to the continued expansion of City National's fee-based businesses, including the addition of Convergent Wealth Advisors.

### **CREDIT QUALITY**

City National recorded a \$35 million provision for credit losses in the second quarter of 2008. After net charge-offs, this provision adds \$17 million to the company's allowance for loan and lease losses. It reflects management's ongoing assessment of the credit quality of the company's portfolio, which is affected by various economic trends, including significant weakness in the housing sector. Additional factors affecting the provision include net loan charge-offs and nonaccrual loans (principally linked to the homebuilding sector), risk-rating migration and growth in the portfolio.

Nonaccrual loans of \$106.2 million and other real estate owned (OREO) assets of \$9.1 million at June 30, 2008 declined slightly to \$115.3 million, or 0.95 percent of total loans and other nonperforming assets, from \$117.4 million, or 1.00 percent, in the first quarter and increased from \$22.3 million, or 20 basis points, at June 30, 2007.

Net loan charge-offs for the quarter were \$18.9 million, compared with net charge-offs of \$12.1 million in the first quarter and \$2.3 million in the second quarter of 2007. The increase in net charge-offs occurred overwhelmingly in the residential homebuilder portfolio. About 75 percent of second-quarter charge-offs and loans on nonaccrual are related to residential construction and development projects.

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<i>Period-end Loans (in millions)</i>	<i>As of June 30, 2008</i>		<i>As of June 30, 2007</i>		<i>As of March 31, 2008</i>	
	<i>Total</i>	<i>Nonaccrual</i>	<i>Total</i>	<i>Nonaccrual</i>	<i>Total</i>	<i>Nonaccrual</i>
<i>Commercial Loans</i>	\$ 4,703.3	\$ 16.4	\$ 4,158.1	\$ 4.0	\$ 4,442.5	\$ 16.3
<i>Commercial R.E. Loans</i>	2,016.1	0.7	1,947.2	4.7	2,011.2	1.8
<i>Real Estate Construction Loans</i>	1,483.2	86.3	1,309.3	12.6	1,462.6	93.3
<i>Residential Mortgages</i>	3,319.7	0.6	3,009.6	0.4	3,215.9	0.7
<i>Equity Lines of Credit</i>	495.3	1.4	409.5	0.4	449.2	1.4
<i>Other Loans</i>	160.7	0.8	185.1	0.2	173.5	0.1
<i>Total Loans</i>	\$ 12,178.3	\$ 106.2	\$ 11,018.8	\$ 22.3	\$ 11,754.9	\$ 113.6
<i>Other Real Estate Owned</i>	\$ 9.1		\$ -		\$ 3.8	

City National's homebuilder loans amounted to \$559 million, or 4.6 percent of the company's \$12.2 billion loan portfolio, at June 30, 2008. These loans generally have a guarantor or other credit enhancement support. The bank is actively managing each homebuilder loan and taking appropriate steps to mitigate risks and loss exposure.

Excluding loans to homebuilders, City National's construction and commercial real estate portfolio continued to perform satisfactorily. This portfolio is diverse in terms of geography and product type. It consists primarily of recourse loans to well-established real estate developers in dense urban markets. Most of these developers are clients with whom the bank has significant long-term relationships.

The company's commercial loan portfolio also continued to perform satisfactorily.

City National's residential mortgage loans and home-equity loans continue to perform well. Their average loan-to-value ratios at origination are 50 percent and 54 percent, respectively. None of the loans have been originated through brokers or third parties. City National has not originated or purchased subprime or option adjustable rate mortgages.

At June 30, 2008, the allowance for loan and lease losses was \$185.1 million, or 1.52 percent of total loans and leases. Consistent with its methodology, the bank maintains an additional \$24.2 million in reserves for off-balance-sheet credit commitments.

### INCOME TAXES

The company's second-quarter 2008 effective tax rate was 35.6 percent, compared to 37.0 percent in the second quarter of last year. The lower tax rate for the second quarter of this year is attributable to a decrease in pretax income and a decrease in permanent tax benefits. The effective rate for the first quarter of this year was 35.2 percent.

### FIRST-HALF 2008 HIGHLIGHTS

- Year to date, City National has earned \$79.5 million, or \$1.64 per share, compared with \$115.7 million, or \$2.34 per share for the first six months of 2007.

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- Revenue for the first six months of this year grew to \$459.6 million, up 5 percent from the first half of 2007.
- Fully taxable-equivalent net interest income amounted to \$304.6 million, virtually unchanged from the first six months of 2007. The company's net interest margin averaged 4.24 percent in the first half of 2008, down from 4.48 percent during same period of the prior year.
- Average loans reached \$11.9 billion, up 10 percent from the first half of 2007.
- Average deposits for the first six months of this year amounted to \$11.6 billion, down 5 percent from the same period of 2007. Core deposit balances totaled \$10.4 billion in the first half of 2008, up 1 percent from the first six months of 2007.
- Noninterest income grew to \$161.3 million, up 16 percent from the first half of 2007.
- During the first half of 2008, the company's provisions for loan losses totaled \$52.0 million. The company made no provision in the first six months of 2007.
- Noninterest expense for the first six months of 2008 increased 11 percent from the same period of 2007. Excluding increased FDIC costs and the acquisitions of both Business Bank of Nevada and Convergent Wealth Advisors, first-half 2008 noninterest expense increased 5.5 percent from the same period of 2007.

### 2008 OUTLOOK

In light of higher-than-expected credit costs stemming from continued economic weakness and significant housing market deterioration, management has revised its 2008 earnings forecast. The company still expects 2008 to be a profitable year but with earnings per share of between \$3.15 and \$3.40. City National's credit reserves and capital position remain strong.

### CAPITAL LEVELS

City National remains well capitalized. Total risk-based capital and Tier 1 risk-based capital ratios at June 30, 2008 were 11.21 percent and 9.28 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, 2008 was 7.89 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, 2008 were 11.46 percent, 9.51 percent and 8.06 percent, respectively.

The period-end ratio of shareholders' equity to total assets at June 30, 2008 was 10.21 percent, compared to 10.26 percent at June 30, 2007 and 10.56 percent at March 31, 2008.

## **STOCK REPURCHASE**

In the second quarter of 2008, City National repurchased 230,000 of its outstanding shares at an average cost per share of \$43.55. During the first two quarters of this year, it bought back 421,500 shares at an average cost of \$48.41. The company intends to repurchase shares at a similar pace, subject to market conditions.

## **CONFERENCE CALL**

*City National Corporation will host a conference call this afternoon to discuss second-quarter 2008 financial results. 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) 393-6804 and enter Conference ID 52206361. A listen-only live broadcast of the call 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 eight majority-owned investment affiliates manage or administer \$53.5 billion in client assets, including nearly \$34 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 general business and economic conditions, either nationally, regionally or locally in areas where the company conducts its business, which may affect, among other things, the level of nonperforming assets, charge-offs and provision expense, (2) greater than expected volatility in equity, fixed income and other market valuations, (3) changes in market rates and prices which may adversely impact the value of financial products including securities, loans, deposits, debt and derivative financial instruments, and other similar financial instruments, (4) protracted labor disputes in the company's markets, (5) changes in the interest rate environment and market liquidity which may reduce interest margins and impact funding sources, (6) significant changes in banking laws or regulations, (7) increased competition in the company's markets and demand for the company's

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products and services, (8) higher-than-expected credit losses due to business losses, real estate cycles, capital market disruptions, changes in commercial real estate development and real estate prices or other economic factors, (9) changes in the financial performance and/or condition of the company's borrowers, (10) a substantial and permanent loss of either client accounts and/or assets under management at the company's investment advisory affiliates or its wealth management division, (11) earthquake, fire or other natural disasters affecting the condition of real estate collateral, (12) the effect of acquisitions and integration of acquired businesses and de novo branching efforts, (13) the impact of changes in regulatory, judicial or legislative tax treatment of business transactions, (14) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, and (15) the success of the company at managing the risks involved in the foregoing.

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, 2007 and particularly Part I, Item 1A, titled "Risk Factors."

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# CITY NATIONAL CORPORATION



## Selected Financial Information

June 30, 2008

(unaudited)

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

For The Period Ended June 30,	Three Months			Six Months		
	2008	2007	% Change	2008	2007	% Change
<b>Per Common Share:</b>						
Net Income						
Basic.....	\$ 0.74	\$ 1.22	(39)	\$ 1.66	\$ 2.39	(31)
Diluted.....	0.73	1.19	(39)	1.64	2.34	(30)
Dividends.....	0.48	0.46	4	0.96	0.92	4
Book value.....				34.90	33.20	5
<b>Results of Operations (In millions):</b>						
Interest income.....	\$ 194	\$ 226	(14)	\$ 401	\$ 440	(9)
Interest expense.....	44	73	(40)	103	140	(26)
Net interest income.....	150	153	(2)	298	300	(1)
Net interest income (Fully taxable-equivalent).....	153	156	(2)	305	307	-
Total revenue.....	232	227	2	460	440	5
Provision for credit losses.....	35	-	NM	52	-	NM
Net income.....	35	59	(40)	79	116	(31)
<b>Financial Ratios:</b>						
Performance Ratios:						
Return on average assets.....	0.89 %	1.54 %		1.01 %	1.54 %	
Return on average shareholders' equity.....	8.42	14.79		9.44	14.94	
Period-end shareholders' equity to period-end assets.....				10.21	10.26	
Net interest margin.....	4.23	4.46		4.24	4.48	
Efficiency ratio.....	60.13	57.69		61.03	57.44	
Capital Adequacy Ratios (Period-end):						
Tier 1 leverage.....				7.89	7.97	
Tier 1 risk-based capital.....				9.28	9.82	
Total risk-based capital.....				11.21	12.28	
<b>Asset Quality Ratios:</b>						
Allowance for loan and lease losses to:						
Total loans and leases.....				1.52 %	1.43 %	
Nonaccrual loans.....				174.30	707.58	
Nonperforming assets to:						
Total loans, leases and nonperforming assets.....				0.95	0.20	
Total assets.....				0.71	0.14	
Net (charge-offs)/recoveries to						
Average total loans and leases (annualized).....	(0.63) %	(0.08) %		(0.53) %	(0.02) %	
<b>Average Balances (In millions):</b>						
Loans and leases.....	\$ 12,059	\$ 11,011	10	\$ 11,874	\$ 10,784	10
Interest-earning assets.....	14,695	14,128	4	14,533	13,896	5
Assets.....	16,077	15,452	4	15,900	15,146	5
Core deposits.....	10,552	10,504	-	10,372	10,275	1
Deposits.....	11,695	12,570	(7)	11,608	12,245	(5)
Interest-bearing liabilities.....	8,544	8,112	5	8,461	7,861	8
Shareholders' equity.....	1,695	1,604	6	1,693	1,562	8
<b>Period-End Balances (In millions):</b>						
Loans and leases.....	\$ 12,178	\$ 11,019	11			
Assets.....	16,339	15,796	3			
Core deposits.....	10,774	10,836	(1)			
Deposits.....	11,896	13,130	(9)			
Shareholders' equity.....	1,668	1,621	3			
<b>Wealth Management (In millions): (1)</b>						
Assets under management.....	\$ 33,834	\$ 35,850	(6)			
Assets under management or administration.....	53,510	57,329	(7)			

(1) Excludes \$9.0 billion and \$10.5 billion of assets under management for an asset manager in which City National held a minority ownership interest as of June 30, 2008 and June 30, 2007, 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,		
	2008	2007	% Change	2008	2007	% Change
Interest income	\$ 193,707	\$ 225,825	(14)	\$ 401,459	\$ 440,066	(9)
Interest expense	43,539	72,921	(40)	103,126	139,893	(26)
Net Interest Income	150,168	152,904	(2)	298,333	300,173	(1)
Provision for Credit Losses	35,000	-	NM	52,000	-	NM
Noninterest Income						
Trust and investment fees	34,187	34,823	(2)	70,536	65,077	8
Brokerage and mutual fund fees	18,709	13,958	34	36,131	27,738	30
Cash management and deposit transaction fees	12,196	8,472	44	23,320	16,943	38
International services	8,176	7,562	8	15,863	14,025	13
Bank-owned life insurance	628	761	(17)	1,283	1,385	(7)
Other service charges and fees	8,177	7,246	13	13,787	13,379	3
Loss on sale of other assets	(192)	-	NM	(192)	(46)	317
Gain (loss) on sale of securities	(417)	866	(148)	552	1,135	(51)
Total noninterest income	81,464	73,688	11	161,280	139,636	16
Noninterest Expense						
Salaries and employee benefits	87,520	80,904	8	177,699	158,888	12
Net occupancy of premises	12,462	10,362	20	23,974	19,820	21
Legal and professional fees	7,531	8,590	(12)	16,091	17,311	(7)
Information services	6,388	5,750	11	12,594	11,301	11
Depreciation and amortization	5,460	5,122	7	10,962	10,122	8
Amortization of intangibles	1,528	2,623	(42)	3,959	4,253	(7)
Marketing and advertising	5,360	5,783	(7)	10,955	9,781	12
Office services	3,140	2,938	7	6,126	5,685	8
Equipment	746	797	(6)	1,659	1,515	10
Minority interest expense	2,262	2,325	(3)	5,568	4,401	27
Other	9,121	7,446	22	15,078	13,352	13
Total noninterest expense	141,518	132,640	7	284,665	256,429	11
Income Before Taxes	55,114	93,952	(41)	122,948	183,380	(33)
Applicable Income Taxes	19,630	34,799	(44)	43,477	67,682	(36)
Net Income	\$ 35,484	\$ 59,153	(40)	\$ 79,471	\$ 115,698	(31)
Other Data:						
Earnings per common share - basic	\$ 0.74	\$ 1.22	(39)	\$ 1.66	\$ 2.39	(31)
Earnings per common share - diluted	\$ 0.73	\$ 1.19	(39)	\$ 1.64	\$ 2.34	(30)
Dividends paid per common share	\$ 0.48	\$ 0.46	4	\$ 0.96	\$ 0.92	4
Dividend payout ratio	65.40 %	38.22 %	71	58.40 %	38.65 %	51
Return on average assets	0.89 %	1.54 %	(42)	1.01 %	1.54 %	(34)
Return on average shareholders' equity	8.42 %	14.79 %	(43)	9.44 %	14.94 %	(37)
Net interest margin (Fully taxable-equivalent)	4.23 %	4.46 %	(5)	4.24 %	4.48 %	(5)
Full-time equivalent employees	3,013	2,903	4			

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

(Dollars in thousands except per share data)	2008		
	Second Quarter	First Quarter	Year to Date
Interest Income	\$ 193,707	\$ 207,752	\$ 401,459
Interest Expense	43,539	59,587	103,126
Net Interest Income	150,168	148,165	298,333
Provision for Credit Losses	35,000	17,000	52,000
Noninterest Income			
Trust and investment fees	34,187	36,349	70,536
Brokerage and mutual fund fees	18,709	17,422	36,131
Cash management and deposit transaction fees	12,196	11,124	23,320
International services	8,176	7,687	15,863
Bank-owned life insurance	628	655	1,283
Other service charges and fees	8,177	5,610	13,787
Loss on sale of other assets	(192)	-	(192)
Gain (loss) on sale of securities	(417)	969	552
Total noninterest income	81,464	79,816	161,280
Noninterest Expense			
Salaries and employee benefits	87,520	90,179	177,699
Net occupancy of premises	12,462	11,512	23,974
Legal and professional fees	7,531	8,560	16,091
Information services	6,388	6,206	12,594
Depreciation and amortization	5,460	5,502	10,962
Amortization of intangibles	1,528	2,431	3,959
Marketing and advertising	5,360	5,595	10,955
Office services	3,140	2,986	6,126
Equipment	746	913	1,659
Minority interest expense	2,262	3,306	5,568
Other	9,121	5,957	15,078
Total noninterest expense	141,518	143,147	284,665
Income Before Taxes	55,114	67,834	122,948
Applicable Income Taxes	19,630	23,847	43,477
Net Income	\$ 35,484	\$ 43,987	\$ 79,471
Other Data:			
Earnings per common share - basic	\$ 0.74	\$ 0.92	\$ 1.66
Earnings per common share - diluted	\$ 0.73	\$ 0.91	\$ 1.64
Dividends paid per common share	\$ 0.48	\$ 0.48	\$ 0.96
Dividend payout ratio	65.40 %	52.75 %	58.40 %
Return on average assets	0.89 %	1.13 %	1.01 %
Return on average shareholders' equity	8.42 %	10.46 %	9.44 %
Net interest margin (Fully taxable-equivalent)	4.23 %	4.26 %	4.24 %
Full-time equivalent employees	3,013	2,959	

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

(unaudited)

(Dollars in thousands except per share data)	2007				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest Income	\$ 223,969	\$ 230,066	\$ 225,825	\$ 214,241	\$ 894,101
Interest Expense	69,596	76,340	72,921	66,972	285,829
Net Interest Income	154,373	153,726	152,904	147,269	608,272
Provision for Credit Losses	20,000	-	-	-	20,000
Noninterest Income					
Trust and investment fees	38,188	37,488	34,823	30,254	140,753
Brokerage and mutual fund fees	16,995	15,546	13,958	13,780	60,279
Cash management and deposit transaction fees	9,517	8,801	8,472	8,471	35,261
International services	8,379	7,995	7,562	6,463	30,399
Bank-owned life insurance	660	645	761	624	2,690
Other service charges and fees	8,575	7,251	7,246	6,133	29,205
Gain (loss) on sale of other assets	12	6,023	-	(46)	5,989
Gain (loss) on sale of securities	7	(2,516)	866	269	(1,374)
Total noninterest income	82,333	81,233	73,688	65,948	303,202
Noninterest Expense					
Salaries and employee benefits	88,146	84,057	80,904	77,984	331,091
Net occupancy of premises	11,881	11,837	10,362	9,458	43,538
Legal and professional fees	10,050	8,614	8,590	8,721	35,975
Information services	6,039	6,024	5,750	5,551	23,364
Depreciation and amortization	5,535	5,275	5,122	5,000	20,932
Amortization of intangibles	1,749	2,852	2,623	1,630	8,854
Marketing and advertising	6,977	5,079	5,783	3,998	21,837
Office services	3,323	3,287	2,938	2,747	12,295
Equipment	867	867	797	718	3,249
Minority interest expense	2,244	2,211	2,325	2,076	8,856
Other	7,464	7,294	7,446	5,906	28,110
Total noninterest expense	144,275	137,397	132,640	123,789	538,101
Income Before Taxes	72,431	97,562	93,952	89,428	353,373
Applicable Income Taxes	25,509	37,469	34,799	32,883	130,660
Net Income	\$ 46,922	\$ 60,093	\$ 59,153	\$ 56,545	\$ 222,713
Other Data:					
Earnings per common share - basic	\$ 0.98	\$ 1.24	\$ 1.22	\$ 1.18	\$ 4.62
Earnings per common share - diluted	\$ 0.96	\$ 1.22	\$ 1.19	\$ 1.15	\$ 4.52
Dividends paid per common share	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 1.84
Dividend payout ratio	47.44 %	37.26 %	38.22 %	39.11 %	40.13 %
Return on average assets	1.19 %	1.53 %	1.54 %	1.55 %	1.45 %
Return on average shareholders' equity	11.28 %	14.69 %	14.79 %	15.10 %	13.92 %
Net interest margin (Fully taxable-equivalent)	4.42 %	4.42 %	4.46 %	4.49 %	4.45 %
Full-time equivalent employees	2,914	2,878	2,903	2,800	

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

(unaudited)

<b>(In thousands)</b>	<b>2008</b>	
	<b>Second Quarter</b>	<b>First Quarter</b>
<b>Assets</b>		
Cash and due from banks	\$ 513,736	\$ 514,878
Federal funds sold	-	1,000
Due from banks - interest-bearing	88,149	77,567
Securities-available-for-sale	2,302,982	2,389,459
Trading account securities	204,825	121,152
Loans and leases:		
Commercial	4,703,307	4,442,448
Commercial real estate mortgages	2,016,090	2,011,221
Residential mortgages	3,319,741	3,215,871
Real estate construction	1,483,193	1,462,641
Equity lines of credit	495,334	449,177
Installment	160,665	173,507
Total loans and leases	<u>12,178,330</u>	<u>11,754,865</u>
Allowance for loan and lease losses	<u>(185,070)</u>	<u>(168,278)</u>
Net loans and leases	11,993,260	11,586,587
Premises and equipment, net	122,959	119,243
Goodwill and other intangibles	514,584	514,811
Other assets	<u>598,763</u>	<u>609,335</u>
Total assets	<u><u>\$ 16,339,258</u></u>	<u><u>\$ 15,934,032</u></u>
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	\$ 5,861,823	\$ 5,680,845
Interest-bearing	<u>6,034,514</u>	<u>6,111,524</u>
Total deposits	11,896,337	11,792,369
Federal funds purchased and securities sold under repurchase agreements	1,221,428	1,118,478
Other short-term borrowed funds	955,000	720,992
Subordinated debt	157,080	162,813
Other long-term debt	237,867	243,439
Minority interest	32,300	32,199
Other liabilities	<u>171,598</u>	<u>181,414</u>
Total liabilities	14,671,610	14,251,704
<b>Shareholders' Equity</b>		
Common stock	50,972	50,982
Additional paid-in capital	421,689	419,044
Retained earnings	1,403,062	1,390,781
Accumulated other comprehensive loss	(24,853)	(3,431)
Treasury shares	<u>(183,222)</u>	<u>(175,048)</u>
Total shareholders' equity	<u>1,667,648</u>	<u>1,682,328</u>
Total liabilities and shareholders' equity	<u><u>\$ 16,339,258</u></u>	<u><u>\$ 15,934,032</u></u>

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

(unaudited)

(In thousands)	2007			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<b>Assets</b>				
Cash and due from banks	\$ 365,918	\$ 462,151	\$ 513,463	\$ 494,231
Federal funds sold	-	-	170,000	210,000
Due from banks - interest-bearing	88,151	95,047	139,539	77,214
Securities-available-for-sale	2,462,655	2,563,983	2,797,366	2,902,385
Trading account securities	293,355	192,162	117,456	35,981
Loans and leases:				
Commercial	4,459,308	4,216,048	4,158,131	4,030,601
Commercial real estate mortgages	1,954,539	1,894,753	1,947,218	1,877,695
Residential mortgages	3,176,322	3,114,335	3,009,546	2,895,516
Real estate construction	1,429,761	1,391,034	1,309,322	1,263,059
Equity lines of credit	432,513	404,869	409,505	388,279
Installment	178,195	169,041	185,112	194,448
Total loans and leases	11,630,638	11,190,080	11,018,834	10,649,598
Allowance for loan and lease losses	(168,523)	(152,018)	(157,849)	(161,005)
Net loans and leases	11,462,115	11,038,062	10,860,985	10,488,593
Premises and equipment, net	118,067	110,779	106,672	103,259
Goodwill and other intangibles	520,127	517,396	518,918	420,197
Other assets	578,902	567,817	571,597	532,093
Total assets	<u>\$ 15,889,290</u>	<u>\$ 15,547,397</u>	<u>\$ 15,795,996</u>	<u>\$ 15,263,953</u>
<b>Liabilities</b>				
Deposits:				
Noninterest-bearing	\$ 5,858,497	\$ 5,538,107	\$ 5,926,048	\$ 5,690,413
Interest-bearing	5,964,008	6,642,407	7,204,357	6,915,968
Total deposits	11,822,505	12,180,514	13,130,405	12,606,381
Federal funds purchased and securities sold under repurchase agreements	1,544,411	664,970	269,938	310,738
Other short-term borrowed funds	100,000	326,041	72,818	50,667
Subordinated debt	273,559	270,066	266,962	270,174
Other long-term debt	233,465	225,598	219,282	224,079
Minority interest	31,676	29,148	29,029	28,285
Other liabilities	228,067	217,301	186,212	183,185
Total liabilities	14,233,683	13,913,638	14,174,646	13,673,509
<b>Shareholders' Equity</b>				
Common stock	50,824	50,813	50,825	50,803
Additional paid-in capital	420,168	421,754	419,277	421,990
Retained earnings	1,369,999	1,345,337	1,307,638	1,271,092
Accumulated other comprehensive loss	(9,349)	(22,788)	(50,709)	(31,034)
Treasury shares	(176,035)	(161,357)	(105,681)	(122,407)
Total shareholders' equity	1,655,607	1,633,759	1,621,350	1,590,444
Total liabilities and shareholders' equity	<u>\$ 15,889,290</u>	<u>\$ 15,547,397</u>	<u>\$ 15,795,996</u>	<u>\$ 15,263,953</u>

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

<b>(Dollars in thousands)</b>	<b>2008</b>			<b>2007</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	\$ 168,278	\$ 168,523	\$ 168,523	\$ 152,018	\$ 157,849	\$ 161,005	\$ 155,342	\$ 155,342
Allowance of acquired institution	-	-	-	-	-	-	4,513	4,513
Net (charge-offs)/recoveries:								
Commercial	(5,734)	(1,573)	(7,307)	(900)	(632)	(2,218)	1,247	(2,503)
Commercial real estate mortgages	-	12	12	9	(295)	-	-	(286)
Residential mortgages	10	8	18	-	-	-	-	-
Real estate construction	(13,196)	(10,217)	(23,413)	(2,872)	(2,654)	17	18	(5,491)
Equity lines of credit	-	(239)	(239)	(50)	-	-	-	(50)
Installment	4	(78)	(74)	(50)	(10)	(61)	(26)	(147)
Total net (charge-offs)/recoveries	(18,916)	(12,087)	(31,003)	(3,863)	(3,591)	(2,262)	1,239	(8,477)
Provision for credit losses	35,000	17,000	52,000	20,000	-	-	-	20,000
Transfers from(to) reserve for off-balance sheet credit commitments	708	(5,158)	(4,450)	368	(2,240)	(894)	(89)	(2,855)
Balance at end of period	<u>\$ 185,070</u>	<u>\$ 168,278</u>	<u>\$ 185,070</u>	<u>\$ 168,523</u>	<u>\$ 152,018</u>	<u>\$ 157,849</u>	<u>\$ 161,005</u>	<u>\$ 168,523</u>

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

Commercial	(0.49) %	(0.14) %	(0.32) %	(0.08) %	(0.06) %	(0.21) %	0.12 %	(0.06) %
Commercial real estate mortgages	0.00 %	0.00 %	0.00 %	0.00 %	(0.06) %	0.00 %	0.00 %	(0.02) %
Residential mortgage	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Real estate construction	(3.61) %	(2.81) %	(3.21) %	(0.81) %	(0.78) %	0.01 %	0.01 %	(0.43) %
Equity lines of credit	0.00 %	(0.22) %	(0.11) %	(0.05) %	0.00 %	0.00 %	0.00 %	(0.01) %
Installment	0.01 %	(0.18) %	(0.09) %	(0.12) %	(0.02) %	(0.13) %	(0.06) %	(0.08) %
Total loans and leases	(0.63) %	(0.42) %	(0.53) %	(0.13) %	(0.13) %	(0.08) %	0.05 %	(0.08) %

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

Balance at beginning of period	\$ 24,862	\$ 19,704	\$ 19,704	\$ 20,072	\$ 17,832	\$ 17,005	\$ 16,424	\$ 16,424
Recovery of prior charge-off	-	-	-	-	-	(67)	-	(67)
Reserve of acquired institution	-	-	-	-	-	-	492	492
Transfers (to)from allowance	(708)	5,158	4,450	(368)	2,240	894	89	2,855
Balance at end of period	<u>\$ 24,154</u>	<u>\$ 24,862</u>	<u>\$ 24,154</u>	<u>\$ 19,704</u>	<u>\$ 20,072</u>	<u>\$ 17,832</u>	<u>\$ 17,005</u>	<u>\$ 19,704</u>

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

<b>(Dollars in thousands)</b>	<b>2008</b>		<b>2007</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	\$ 16,444	\$ 16,293	\$ 17,103	\$ 7,673	\$ 3,998	\$ 7,024
Commercial real estate mortgages	723	1,841	1,621	1,970	4,732	4,783
Residential mortgages	549	706	387	394	378	-
Real estate construction	86,301	93,296	55,632	15,513	12,566	11,199
Equity lines of credit	1,398	1,422	679	502	452	362
Installment	762	64	139	175	182	49
Total nonaccrual loans	<u>106,177</u>	<u>113,622</u>	<u>75,561</u>	<u>26,227</u>	<u>22,308</u>	<u>23,417</u>
Other Nonperforming Assets	<u>9,113</u>	<u>3,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonperforming assets	<u>\$ 115,290</u>	<u>\$ 117,434</u>	<u>\$ 75,561</u>	<u>\$ 26,227</u>	<u>\$ 22,308</u>	<u>\$ 23,417</u>
Loans 90 Days or More Past Due on Accrual Status	\$ 2	-	\$ 1	-	-	\$ 199
Allowance for loan and lease losses as a percentage of:						
Nonaccrual loans	174.30 %	148.10 %	223.03 %	579.63 %	707.58 %	687.55 %
Total nonperforming assets	160.53 %	143.30 %	223.03 %	579.63 %	707.58 %	687.55 %
Total loans and leases	1.52 %	1.43 %	1.45 %	1.36 %	1.43 %	1.51 %
Nonaccrual loans as a percentage of total loans	0.87 %	0.97 %	0.65 %	0.23 %	0.20 %	0.22 %
Nonperforming assets as a percentage of:						
Total loans and other nonperforming assets	0.95 %	1.00 %	0.65 %	0.23 %	0.20 %	0.22 %
Total assets	0.71 %	0.74 %	0.48 %	0.17 %	0.14 %	0.15 %

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

(Dollars in millions)	2008					
	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 and leases						
Commercial	\$ 4,675	5.30 %	\$ 4,456	6.28 %	\$ 4,566	5.78 %
Commercial real estate mortgages	2,009	6.50	1,975	6.84	1,992	6.67
Residential mortgages	3,271	5.57	3,179	5.61	3,225	5.59
Real estate construction	1,470	5.43	1,464	6.47	1,467	5.95
Equity lines of credit	470	4.45	438	5.65	454	5.03
Installment	164	5.88	177	6.49	170	6.20
Total loans and leases	12,059	5.57	11,689	6.20	11,874	5.88
Due from banks - interest-bearing	95	2.24	78	2.69	87	2.44
Federal funds sold and securities purchased under resale agreements	9	2.54	8	3.33	8	2.90
Securities available-for-sale	2,351	4.89	2,446	4.81	2,399	4.85
Trading account securities	102	1.65	78	3.11	90	2.28
Other interest-earning assets	79	5.24	72	5.75	75	5.48
Total interest-earning assets	14,695	5.42	14,371	5.93	14,533	5.67
Allowance for loan and lease losses	(163)		(165)		(164)	
Cash and due from banks	386		379		383	
Other non-earning assets	1,160		1,139		1,148	
Total assets	<u>\$ 16,077</u>		<u>\$ 15,724</u>		<u>\$ 15,900</u>	
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing deposits						
Interest checking accounts	\$ 867	0.70 %	\$ 823	0.69 %	\$ 845	0.70 %
Money market accounts	3,738	1.70	3,610	2.47	3,674	2.08
Savings deposits	133	0.28	135	0.36	134	0.32
Time deposits - under \$100,000	208	2.89	220	3.54	214	3.22
Time deposits - \$100,000 and over	1,143	2.94	1,329	3.99	1,236	3.51
Total interest-bearing deposits	6,089	1.80	6,117	2.55	6,103	2.18
Federal funds purchased and securities sold under repurchase agreements	1,262	2.42	1,141	3.39	1,202	2.88
Other borrowings	1,193	2.91	1,119	4.00	1,156	3.44
Total interest-bearing liabilities	8,544	2.05	8,377	2.86	8,461	2.45
Noninterest-bearing deposits	5,606		5,404		5,505	
Other liabilities	232		251		241	
Shareholders' equity	1,695		1,691		1,693	
Total liabilities and shareholders' equity	<u>\$ 16,077</u>		<u>\$ 15,724</u>		<u>\$ 15,900</u>	
Net interest spread		<u>3.37 %</u>		<u>3.07 %</u>		<u>3.22 %</u>
Net interest margin		<u>4.23 %</u>		<u>4.26 %</u>		<u>4.24 %</u>
Average prime rate		<u>5.08 %</u>		<u>6.22 %</u>		<u>5.65 %</u>

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

(Dollars in millions)	2007									
	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 and leases										
Commercial	\$ 4,391	7.02 %	\$ 4,303	7.42 %	\$ 4,275	7.37 %	\$ 4,146	7.25 %	\$ 4,280	7.26 %
Commercial real estate mortgages	1,925	7.01	1,897	7.31	1,932	7.36	1,758	7.39	1,879	7.26
Residential mortgages	3,155	5.61	3,063	5.59	2,975	5.49	2,885	5.40	3,020	5.52
Real estate construction	1,405	8.07	1,344	8.61	1,234	8.88	1,181	8.73	1,292	8.55
Equity lines of credit	414	6.95	406	7.63	404	7.71	394	7.86	404	7.53
Installment	171	7.11	178	7.35	191	7.51	191	7.64	183	7.41
Total loans and leases	11,461	6.75	11,191	7.04	11,011	7.05	10,555	6.99	11,058	6.95
Due from banks - interest-bearing	95	3.05	98	3.48	89	2.40	73	2.70	89	2.93
Federal funds sold and securities purchased under resale agreements	4	4.61	10	5.33	24	5.27	14	5.36	13	5.25
Securities available-for-sale	2,500	4.84	2,746	4.78	2,872	4.72	2,916	4.70	2,757	4.76
Trading account securities	94	4.57	84	5.23	72	5.23	54	6.09	76	5.20
Other interest-earning assets	69	6.08	69	6.15	60	6.36	48	5.96	61	6.14
Total interest-earning assets	14,223	6.36	14,198	6.55	14,128	6.53	13,660	6.48	14,054	6.48
Allowance for loan and lease losses	(151)		(157)		(162)		(157)		(157)	
Cash and due from banks	393		434		445		422		424	
Other non-earning assets	1,124		1,120		1,041		911		1,050	
Total assets	\$ 15,589		\$ 15,595		\$ 15,452		\$ 14,836		\$ 15,371	
<b>Liabilities and Shareholders' Equity</b>										
Interest-bearing deposits										
Interest checking accounts	\$ 805	0.69 %	\$ 778	0.68 %	\$ 804	0.56 %	\$ 749	0.48 %	\$ 784	0.60 %
Money market accounts	3,726	2.99	3,748	3.16	3,721	3.10	3,419	2.98	3,655	3.06
Savings deposits	142	0.49	146	0.49	149	0.48	155	0.47	148	0.48
Time deposits - under \$100,000	224	3.93	232	4.05	274	3.79	232	4.10	240	3.96
Time deposits - \$100,000 and over	1,514	4.38	2,054	4.75	2,066	4.81	1,872	4.72	1,876	4.68
Total interest-bearing deposits	6,411	3.01	6,958	3.32	7,014	3.28	6,427	3.18	6,703	3.20
Federal funds purchased and securities sold under repurchase agreements	908	4.50	672	4.99	486	5.11	582	5.27	663	4.90
Other borrowings	746	5.67	620	6.14	612	6.09	599	6.15	645	6.00
Total interest-bearing liabilities	8,065	3.42	8,250	3.67	8,112	3.61	7,608	3.57	8,011	3.57
Noninterest-bearing deposits	5,603		5,484		5,556		5,489		5,533	
Other liabilities	270		238		180		220		228	
Shareholders' equity	1,651		1,623		1,604		1,519		1,599	
Total liabilities and shareholders' equity	\$ 15,589		\$ 15,595		\$ 15,452		\$ 14,836		\$ 15,371	
Net interest spread		<u>2.94 %</u>		<u>2.88 %</u>		<u>2.92 %</u>		<u>2.91 %</u>		<u>2.91 %</u>
Net interest margin		<u>4.42 %</u>		<u>4.42 %</u>		<u>4.46 %</u>		<u>4.49 %</u>		<u>4.45 %</u>
Average prime rate		<u>7.52 %</u>		<u>8.18 %</u>		<u>8.25 %</u>		<u>8.25 %</u>		<u>8.05 %</u>

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

	2008			2007				
	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	47,849	47,829	47,839	47,947	48,345	48,675	47,968	48,234
Average - Diluted	48,447	48,517	48,482	48,869	49,408	49,838	49,087	49,290
Period-End	47,777	47,871		47,830	48,064	48,831	48,602	
Book Value	\$ 34.90	\$ 35.14		\$ 34.61	\$ 33.99	\$ 33.20	\$ 32.72	
Closing price:								
High	\$ 51.75	\$ 60.00	\$ 60.00	\$ 72.97	\$ 78.00	\$ 78.39	\$ 75.39	\$ 78.39
Low	40.98	48.57	40.98	59.10	69.00	72.30	68.00	59.10
Period-end	42.07	49.46		59.55	69.51	76.09	73.60	

**Capital Ratios (Dollars in millions)**

<b>Risk-based capital</b>								
Risk-adjusted assets	\$ 13,193	\$ 12,852		\$ 12,886	\$ 12,234	\$ 12,067	\$ 11,618	
Tier I capital	\$ 1,224	\$ 1,222		\$ 1,199	\$ 1,171	\$ 1,185	\$ 1,234	
Percentage of risk adjusted assets	9.28 %	9.51 %		9.31 %	9.57 %	9.82 %	10.62 %	
Total capital	\$ 1,479	\$ 1,473		\$ 1,453	\$ 1,470	\$ 1,481	\$ 1,524	
Percentage of risk adjusted assets	11.21 %	11.46 %		11.27 %	12.01 %	12.28 %	13.12 %	
Tier I leverage ratio	7.89 %	8.06 %		7.97 %	7.80 %	7.97 %	8.59 %	
Period-end shareholders' equity to total period-end assets	10.21 %	10.56 %		10.42 %	10.51 %	10.26 %	10.42 %	
Period-end tangible shareholders' equity to total period-end tangible assets	7.29 %	7.57 %		7.39 %	7.43 %	7.22 %	7.88 %	
Average shareholders' equity to total average assets	10.54 %	10.75 %	10.65 %	10.59 %	10.41 %	10.38 %	10.24 %	10.41 %
Average tangible shareholders' equity to total average tangible assets	7.59 %	7.71 %	7.65 %	7.52 %	7.33 %	7.67 %	8.18 %	7.67 %

**Senior Debt Credit Ratings**

For The Period Ended June 30, 2008

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