



July 23, 2009

Contacts:

Financial/Investors
Christopher J. Carey, City National, 310.888.6777
Chris.Carey@cnb.com

Conference Call:

Today 2:00 p.m. PDT
(866) 393-6804
Conference ID: 14117727

Media

Cary Walker, City National, 213.673.7615
Cary.Walker@cnb.com

**City National Corp. Reports
Second-Quarter 2009 Net Income of \$6.8 Million**

*Total deposits grow 22 percent to \$14.5 billion;
Total assets grow 8 percent to \$17.7 billion*

LOS ANGELES – City National Corporation (NYSE: CYN), the parent corporation of wholly owned City National Bank, today reported second-quarter 2009 net income of \$6.8 million and net income available to common shareholders of \$1.3 million, or \$0.02 per share, which reflects the dividend paid on preferred stock under the United States Treasury Department’s Capital Purchase Program.

Excluding after-tax charges of \$5.5 million for City National’s share of the FDIC’s special assessment levied against all banks that hold insured deposits, as well as after-tax securities gains of \$1.0 million, the company’s second-quarter 2009 net income available to common shareholders totaled \$5.8 million, or \$0.11 per share¹. In the second quarter of 2008, the corporation earned \$0.73 per share on net income of \$35.5 million.

Year to date, City National’s net income totaled \$14.2 million, while net income available to common shareholders was \$3.2 million, or \$0.06 per share, on revenue of \$412.0 million. Excluding after-tax charges of \$15.8 million, or \$0.32 per share, for the special FDIC assessment and net securities losses, City National’s year-to-date net income available to common shareholders amounted to \$19.0 million, or \$0.38 per share¹. In the first half of 2008, the corporation earned net income of \$79.5 million, or \$1.64 per share, on revenue of \$459.6 million.

City National also announced today that its board of directors has again declared a 2009 quarterly common stock cash dividend of \$0.10 per share, payable on August 19, 2009 to stockholders of record on August 5, 2009.

¹ For notes on non-GAAP measures, see pages 13 and 14 of the Selected Financial Information.

SECOND-QUARTER 2009 HIGHLIGHTS

- On May 5, 2009, City National netted \$120 million in a highly successful common equity offering – its first since 1993 – that further strengthened the company’s balance sheet. City National’s ratio of Tier 1 common shareholders’ equity to risk-based assets was 9.31 percent at June 30, 2009¹. (The regulatory minimum is 4.00 percent.) Its tangible common shareholders’ equity to tangible assets was 7.35 percent, compared to 6.95 percent at June 30, 2008, and 6.91 percent at March 31, 2009¹. Its second-quarter ratio of total equity to total assets was 12.31 percent, compared to 10.04 percent at June 30, 2008 and 12.10 percent at March 31 of this year.
- Average deposit balances grew to a record \$14.0 billion, up 20 percent from \$11.7 billion in the second quarter of 2008 and 9 percent from \$12.8 billion in the first quarter of this year. Average core deposits, which grew 20 percent from the second quarter of last year, amounted to 91 percent of total average balances. Total deposits also reached a record high of \$14.5 billion at June 30, 2009, up 22 percent from the year-ago period, and core deposits were up 23 percent to a record \$13.3 billion.
- Average loans were \$12.4 billion, up 2 percent from the same period last year and down slightly from the first quarter of 2009. In the second quarter of this year, the company renewed approximately \$1.5 billion of loans and made approximately \$900 million in new loan commitments. About \$591 million of these commitments were funded.
- Second-quarter 2009 net income reflects a \$70 million provision for credit losses. After net charge-offs of \$56.7 million, the second-quarter provision added a net total of \$13.3 million to City National’s allowance for loan and lease losses. The corporation’s allowance increased to \$256.0 million, or 2.06 percent of total loans and leases, compared to \$241.6 million, or 1.96 percent of total loans and leases, at the end of the first quarter of 2009. City National also maintained an additional \$20.4 million in reserves for off-balance-sheet credit commitments. At June 30, 2009, nonperforming assets amounted to \$396.3 million, compared with \$326.3 million at March 31 of this year.
- Noninterest income totaled \$64.3 million in the second quarter of 2009, down 21 percent from the second quarter of 2008, largely due to a decline in wealth management fee income as a result of market conditions. Noninterest income was up 36 percent from the first quarter of 2009, reflecting first-quarter securities write-downs and a second-quarter gain on the sale of securities and other income.
- City National’s net interest margin averaged 3.98 percent in the second quarter of 2009, down 2 basis points from the first quarter of this year.
- The corporation continued to effectively manage expenses. Excluding higher FDIC costs, second-quarter 2009 noninterest expense was down 5 percent from the second quarter of 2008¹. FDIC premiums increased \$12.0 million, or 662 percent, from the same period last year. This increase included City National’s \$7.6 million share of a special assessment levied against all banks that hold insured deposits.

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“In spite of several adverse factors created by the continuing recession, including higher loan loss reserves, lower wealth management fee revenue and extraordinary FDIC assessments for the entire industry, City National delivered a modestly profitable quarter,” said President and Chief Executive Officer Russell Goldsmith. “Deposits increased dramatically, and core deposits now represent a robust 91 percent of our company’s deposit balances. Loans grew as well, and assets reached \$17.7 billion for the first time, reflecting the safety, soundness and inherent earnings power of City National.

“The strength and value of City National was further validated in this quarter by the successful equity offering that added \$120 million of common equity to City National’s already-strong balance sheet. Throughout the quarter we controlled expenses effectively, while continuing to invest strategically in our company’s capabilities and growth with the acquisition of the investment firm, Lee Munder Capital, the opening of a second banking office in San Francisco and the addition of some outstanding new talent.”

| <i>Dollars in millions, except per share</i> | <i>For the three months ended June 30,</i> | | | <i>For the three months ended</i> | |
|--|--|-------------|---------------------|---------------------------------------|---------------------|
| | <i>2009</i> | <i>2008</i> | <i>% Change</i> | <i>March 31, 2009</i> | <i>% Change</i> |
| <i>Earnings Per Share</i> | \$ 0.02 | \$ 0.73 | (97) | \$ 0.04 | (50) |
| <i>Net Income Attributable to CNC</i> | \$ 6.8 | \$ 35.5 | (81) | \$ 7.5 | (9) |
| <i>Less: Dividend on Preferred Stock</i> | 5.5 | - | NM | 5.5 | 0 |
| <i>Net Income Available to Common Shareholders</i> | \$ 1.3 | \$ 35.5 | (96) | \$ 2.0 | (35) |
| <i>Average Assets</i> | 17,369.3 | 16,077.2 | 8 | 16,411.2 | 6 |
| <i>Return on Average Assets</i> | 0.16 % | 0.89 % | (82) | 0.18 % | (11) |
| <i>Return on Average Common Equity</i> | 0.29 % | 8.65 % | (97) | 0.49 % | (41) |

ASSETS

Total assets at June 30, 2009 were \$17.7 billion, up 8 percent from the second quarter of 2008, reflecting growth in loans and the securities portfolio, and 4 percent from the first quarter of this year. This marked the first time that City National’s assets exceeded \$17 billion.

REVENUE

Revenue for the second quarter of 2009 was \$219.8 million, down 5 percent from the second quarter of 2008, due principally to a decline in wealth management fees and a lower net interest margin. Revenue was up 14 percent from the first quarter of this year largely due to increased average securities balances, lower funding costs and a net securities gain.

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NET INTEREST INCOME

Fully taxable-equivalent net interest income was \$158.9 million in the second quarter of 2009, up 3 percent from the same period last year and 7 percent from the first quarter of this year.

Second-quarter average loan balances reached \$12.4 billion, up 2 percent from the second quarter of 2008 and down slightly from the first quarter of this year. Commercial loan balances were up 1 percent from the year-ago second quarter, but down slightly from the first quarter of this year.

Commercial real estate and construction loans together were down 4 percent from the year-ago second quarter and 3 percent from the first quarter of this year. Average balances for single-family residential mortgage loans, nearly all of which are made to City National's private banking clients, were up 6 percent from the year-ago period and 1 percent from the first quarter of 2009.

Average securities for the second quarter of 2009 totaled \$3.4 billion, up \$911 million from the same period last year and \$947 million from the first quarter of this year, as increased deposit balances were invested in high-grade, fixed-income instruments. The average duration of total available-for-sale securities at June 30, 2009 was 3.0 years, compared with 3.6 years at the end of the second quarter of 2008 and 2.5 years at March 31, 2009.

City National's net interest margin in the second quarter of 2009 averaged 3.98 percent, down 25 basis points from the year-ago period and 2 basis points from the first quarter of 2009. The corporation's average prime rate was 3.25 percent in the second quarter of 2009, unchanged from the first quarter of this year.

| <i>Dollars in millions</i> | <i>For the three months ended</i> | | <i>% Change</i> | <i>For the three months ended</i> | |
|---|-----------------------------------|--------------------------|---------------------|---------------------------------------|---------------------|
| | <i>June 30, 2009</i> | <i>June 30, 2008</i> | | <i>March 31, 2009</i> | <i>% Change</i> |
| <i>Average Loans and Leases</i> | \$ 12,354.3 | \$ 12,058.9 | 2 | \$ 12,395.4 | (0) |
| <i>Average Total Securities</i> | 3,364.2 | 2,453.2 | 37 | 2,417.1 | 39 |
| <i>Average Earning Assets</i> | 16,003.3 | 14,694.6 | 9 | 15,032.9 | 6 |
| <i>Average Deposits</i> | 14,023.3 | 11,694.7 | 20 | 12,841.1 | 9 |
| <i>Average Core Deposits</i> | 12,711.8 | 10,551.3 | 20 | 11,377.8 | 12 |
| <i>Fully Taxable-Equivalent Net Interest Income</i> | 158.9 | 154.4 | 3 | 148.4 | 7 |
| <i>Net Interest Margin</i> | 3.98 % | 4.23 % | (6) | 4.00 % | (0) |

Second-quarter average deposits grew to a record \$14.0 billion, up 20 percent from the same period of 2008 and 9 percent from the first quarter of this year, as depositors continued to seek a safe haven for their funds.

Average core deposits grew 20 percent over the second quarter of last year and now stand at \$12.7 billion, or 91 percent of total average balances. Average noninterest-bearing deposits were up 21 percent from the second quarter of 2008 and 13 percent from the first quarter of 2009. The company estimates that approximately \$1.1 billion of its \$2 billion in

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year-to-date core deposit growth has come from new and existing clients, and that approximately \$900 million more has come from money market funds that had been held at City National Asset Management.

Treasury Services deposit balances, which consist primarily of title and escrow deposits, averaged \$971 million in the second quarter of this year, compared to \$1.0 billion in the second quarter of 2008 and \$753 million in the first quarter of this year. The \$218 million increase in Treasury Services deposits from the first quarter was due to the addition of new client relationships and increased residential real estate activity.

City National is participating in the FDIC's Temporary Liquidity Guarantee Program, which increases basic FDIC deposit insurance coverage to \$250,000 and provides additional unlimited insurance coverage for funds in certain types of accounts. In addition, the company's Prime Money Market Fund and its California Tax Exempt Money Market Fund are taking part in the U.S. Treasury's Temporary Money Market Fund Guarantee Program, which insures the holdings of participating money market mutual funds.

NONINTEREST INCOME

Noninterest income was \$64.3 million in the second quarter of 2009, down 21 percent from the year-ago period, due to a decline in wealth management fees. Noninterest income was up 36 percent from the first quarter of 2009, reflecting first-quarter securities write-downs and a second-quarter gain on the sale of securities and other income.

In the second quarter of 2009, noninterest income accounted for 29 percent of City National's total revenue.

Wealth Management

City National's assets under management totaled \$30.3 billion as of June 30, 2009, down 10 percent from the same period of 2008 but up 7 percent from the first quarter of this year. The change from the second quarter of last year was caused primarily by significantly lower equity market values. In addition, money-market fund balances declined as a number of clients moved investment funds to FDIC-insured bank deposits and fixed-income securities. Equity values improved in the second quarter of 2009 and accounted for a substantial portion of the increase in assets under management from the first quarter.

As a result of equity market declines, trust and investment fees fell 26 percent from the second quarter of 2008. Money market mutual fund and brokerage fees were down 64 percent from the year-ago period, due to historically low interest rates on government and other quality short-term bonds, which severely impacted net revenue from managing these funds. Additionally, brokerage fees declined significantly from the year-ago period, reflecting reduced spreads and trading activity.

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| <i>Dollars in millions</i> | <i>At or for the three months ended June 30,</i> | | | <i>% Change</i> | <i>At or for the three months ended March 31, 2009</i> | |
|--|--|-------------|------|---------------------|--|---------------------|
| | <i>2009</i> | <i>2008</i> | | | <i>2009</i> | <i>% Change</i> |
| <i>Trust and Investment Fee Revenue</i> | \$ 25.2 | \$ 34.2 | (26) | \$ 25.9 | (3) | |
| <i>Brokerage and Mutual Fund Fees</i> | 6.6 | 18.7 | (64) | 9.8 | (33) | |
| <i>Assets Under Management (1)</i> | 30,286.4 | 33,773.4 | (10) | 28,414.0 | 7 | |
| <i>Assets Under Management or Administration (1)</i> | 47,838.9 | 53,509.7 | (11) | 45,722.2 | 5 | |

(1) Excludes \$7.5 billion, \$9.0 billion, and \$4.5 billion of assets under management for an asset manager in which City National held a noncontrolling ownership interest as of June 30, 2009, June 30, 2008, and March 31, 2009, respectively.

Other Noninterest Income

Income from cash management and deposit transaction fees rose 5 percent from the same period of last year, due to the sales of additional treasury management services and the impact of declining interest rates on the crediting rate for compensating deposit balances, which increased deposit service charge income. Fee income was down 3 percent from the first quarter of 2009, reflecting higher first-quarter fee collection due to end-of-year settlements on accounts that pay for cash management services on an annual basis.

Fee income from foreign exchange services and letters of credit was down 2 percent from the second quarter of 2008, but increased 23 percent from the first quarter of this year. The increase from the first quarter was due primarily to higher demand for letters of credit resulting from new client relationships.

Other income was \$9.4 million in the second quarter of 2009, up 18 percent from the year-ago period and 57 percent from the first quarter of this year. The increase from the first quarter was due largely to higher income from client swaps and derivatives.

NONINTEREST EXPENSE

Second-quarter 2009 noninterest expense amounted to \$144.1 million, up 3 percent from the second quarter of 2008 and 8 percent from the first quarter of this year. Lower personnel costs in the second quarter of this year were offset by a \$12.0 million increase for FDIC premiums. These premiums included City National's \$7.6 million share of the FDIC's special assessment, which was levied against all banks that hold FDIC-insured deposits. The company also recorded \$2.2 million in second-quarter expense associated with foreclosed assets. Excluding increased FDIC costs, second-quarter 2009 noninterest expense was down 5 percent from the year-ago period¹.

CREDIT QUALITY

Economic conditions continued to weaken in the second quarter of 2009 – nationally and in the geographies that City National serves. California and Nevada, in particular, experienced significant declines in real estate values and substantially higher unemployment rates.

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Net loan charge-offs for the second quarter of 2009 were \$56.7 million, or 1.84 percent of average total loans and leases on an annualized basis, up from \$18.9 million, or 0.63 percent, in the year-ago period and \$33.6 million, or 1.10 percent, in the first quarter of this year.

At June 30, 2009, nonaccrual loans totaled \$378.3 million, up from \$106.2 million at June 30, 2008 and \$313.6 million at March 31, 2009. Total nonperforming assets (nonaccrual loans and foreclosed assets) were \$396.3 million, or 3.19 percent of total loans and foreclosed assets, at June 30, 2009. That compares with \$115.3 million, or 0.95 percent, at June 30, 2008, and \$326.3 million, or 2.65 percent, at the end of first quarter of this year.

| <i>Period-end Loans (in millions)</i> | <i>As of</i> <i>June 30, 2009</i> | | <i>As of</i> <i>March 31, 2009</i> | | <i>As of</i> <i>June 30, 2008</i> | |
|---------------------------------------|--------------------------------------|-------------------|---------------------------------------|-------------------|--------------------------------------|-------------------|
| | <i>Total</i> | <i>Nonaccrual</i> | <i>Total</i> | <i>Nonaccrual</i> | <i>Total</i> | <i>Nonaccrual</i> |
| <i>Commercial Loans</i> | \$ 4,764.8 | \$ 80.4 | \$ 4,708.6 | \$ 56.2 | \$ 4,703.3 | \$ 16.4 |
| <i>Commercial R.E. Mortgages</i> | 2,162.3 | 36.1 | 2,174.0 | 16.9 | 2,016.1 | 5.9 |
| <i>Real Estate Construction Loans</i> | 1,116.1 | 237.8 | 1,189.6 | 223.4 | 1,483.2 | 81.1 |
| <i>Residential Mortgages</i> | 3,511.6 | 17.3 | 3,413.5 | 13.3 | 3,319.7 | 0.6 |
| <i>Equity Lines of Credit</i> | 691.2 | 2.9 | 651.1 | 2.4 | 495.3 | 1.4 |
| <i>Other Loans</i> | 175.3 | 3.8 | 168.3 | 1.4 | 160.7 | 0.8 |
| <i>Total Loans</i> | <u>\$ 12,421.3</u> | <u>\$ 378.3</u> | <u>\$ 12,305.1</u> | <u>\$ 313.6</u> | <u>\$ 12,178.3</u> | <u>\$ 106.2</u> |
| <i>Foreclosed Assets</i> | | <u>18.0</u> | | <u>12.7</u> | | <u>9.1</u> |
| <i>Total Nonperforming Assets</i> | | <u>\$ 396.3</u> | | <u>\$ 326.3</u> | | <u>\$ 115.3</u> |

The corporation's \$70.0 million second-quarter provision for credit losses added \$13.3 million, after net charge-offs, to its allowance for loan and lease losses. City National recorded provisions of \$35 million in the second quarter of 2008 and \$50 million in the first quarter of this year. At June 30, 2009, the allowance for loan and lease losses was \$256.0 million, or 2.06 percent of total loans and leases. That compares with \$185.1 million, or 1.52 percent, at the end of the second quarter of 2008 and \$241.6 million, or 1.96 percent in the first quarter of this year. City National also maintains an additional \$20.4 million in reserves for off-balance-sheet credit commitments.

The provision reflects management's continuing assessment of the loan portfolio's credit quality, which is affected by a broad range of economic factors, including weak valuations in commercial and residential real estate. Additional factors affecting the provision include net loan charge-offs, nonaccrual loans, specific reserves, risk-rating migration and changes in the portfolio size.

Commercial Loans

City National's \$4.8 billion commercial loan portfolio experienced some deterioration in the second quarter of this year as a result of the prolonged economic recession.

Commercial loans accounted for \$17.3 million of City National's net charge-offs in the second quarter of 2009, down from \$18.5 million in the first quarter of this year. Approximately one-half of the commercial loan charge-offs involve companies in real estate-related industries.

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Commercial loans on nonaccrual totaled \$80.4 million at June 30, 2009, compared to \$56.2 million at March 31, 2009, and \$16.4 million a year earlier. About 41 percent of commercial nonaccruals are tied to companies in the real estate industry. The remaining loans are not concentrated in any particular industry.

Construction Loans

City National's \$1.1 billion commercial real estate construction portfolio, which includes loans to developers of residential and non-residential properties, continued to show signs of weakness. In the commercial sector, sales and lease absorption rates slowed, and values and lease rates declined due to the economic slowdown. Meanwhile, in the residential sector, the value of land continued to deteriorate even as new home sales activity picked up in certain markets.

Net charge-offs of construction loans were \$36.2 million in the second quarter of 2009, up from \$14.0 million in the first quarter of this year. Construction loans on nonaccrual totaled \$237.8 million in the second quarter, up from \$223.4 million in the first quarter of 2009.

Loans to homebuilders accounted for 51 percent of all construction loans on nonaccrual and 33 percent of second-quarter net charge-offs. Overall, loans to homebuilders totaled \$367.8 million, or 3 percent of City National's \$12.4 billion loan portfolio, at June 30, 2009. This total includes \$79.3 million of homebuilder loans contained in the commercial loan portfolio.

At the end of the second quarter, non-residential construction loans amounted to \$831 million. Net charge-offs totaled \$17.5 million, up from \$4.1 million at March 31, 2009 and zero at June 30, 2008. Those on nonaccrual were \$116.5 million, up from \$69.1 million at March 31, 2009 and \$13.2 million at June 30, 2008.

Commercial Real Estate Mortgages

Net charge-offs in the commercial real estate mortgage portfolio were zero, unchanged from the end of the first quarter of this year. Commercial real estate mortgage loans on nonaccrual totaled \$36.1 million at June 30, 2009, compared to \$16.9 million at March 31, 2009.

Residential Mortgage and Equity Lines of Credit

City National's \$3.5 billion residential mortgage portfolio and \$691.2 million home-equity portfolio continued to perform well. Net charge-offs for the second quarter of 2009 were \$1.8 million and nonaccrual loans totaled \$20.2 million, compared with \$405,000 and \$15.7 million, respectively, in the first quarter of this year.

For both portfolios, the average loan-to-value ratios at origination are 49 percent and 54 percent, respectively. City National does not originate or purchase subprime or option

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adjustable rate mortgages, and none of its loans has been originated through brokers or third parties.

INCOME TAXES

The corporation's second-quarter 2009 results reflect a negative tax rate equal to 17.3 percent of pretax income. The company's effective tax rate was 32.8 percent in the second quarter of 2008 and 17.7 percent in the first quarter of this year. The tax benefit for the second quarter of 2009 is attributable primarily to lower pretax income.

FIRST-HALF 2009 HIGHLIGHTS

- Year to date, City National's net income totaled \$14.2 million. Net income available to common shareholders was \$3.2 million, or \$0.06 per share, compared with \$79.5 million, or \$1.64 per share, for the first six months of 2008.
- Revenue for the first six months of this year was \$412.0 million, down 10 percent from the first half of 2008.
- Fully taxable-equivalent net interest income amounted to \$307.3 million, unchanged from the first six months of 2008. The corporation's net interest margin averaged 3.99 percent in the first half of 2009, down from 4.24 percent during same period of the prior year.
- Average loans reached \$12.4 billion, up 4 percent from the first half of 2008.
- Average deposits for the first six months of this year amounted to \$13.4 billion, up 16 percent from the same period of 2008. Average core deposit balances totaled \$12.0 billion in the first half of 2009, also up 16 percent from the first six months of last year.
- Noninterest income was \$111.6 million, compared to \$161.3 million in the first half of 2008.
- During the first half of 2009, the corporation's provision for credit losses totaled \$120.0 million. The corporation made \$52 million in provisions in the first six months of 2008.
- Noninterest expense for the first six months of 2009 declined 2 percent from the same period of 2008. Excluding FDIC special assessment costs, first-half 2009 noninterest expense was down 5 percent from the same period of 2008¹.

CAPITAL LEVELS

During the second quarter of 2009, City National Corporation completed a common stock offering of 3.2 million shares. Gross proceeds from the sale were \$126 million, bolstering City National's already-strong capital position.

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Total risk-based capital and Tier 1 risk-based capital ratios at June 30, 2009 were 14.31 percent and 12.61 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, 2009 was 10.38 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, 2009 were 13.70 percent, 12.00 percent and 10.30 percent, respectively.

The period-end ratio of total equity to total assets at June 30, 2009 was 12.31 percent, compared to 10.04 percent at June 30, 2008 and 12.10 percent at March 31, 2009.

On July 22, the company filed a Form 8(k) announcing that it had completed the issuance of \$50 million in subordinated debt. Proceeds from the transaction will qualify as Tier 2 capital for regulatory purposes.

2009 OUTLOOK

Management expects the corporation to remain modestly profitable in 2009.

CONFERENCE CALL

City National Corporation will host a conference call this afternoon to discuss second-quarter 2009 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 14117727. A listen-only live broadcast of the call also will be available on the investor relations page of the corporation’s Website at www.cnb.com. There, it will be archived and available for 12 months.

ABOUT CITY NATIONAL

City National Corporation and its wholly owned subsidiary, City National Bank, are headquartered in Los Angeles, California. The bank provides banking, investment and trust services through 63 offices, including 15 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada and New York City. The corporation and its eight majority-owned investment affiliates manage or administer \$47.8 billion in client investment assets, including more than \$30 billion under direct management. (These totals do not include assets managed by Lee Munder Capital Group, which City National acquired on July 22, 2009.)

For more information about City National, visit the corporation’s Website at 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.

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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) continuation or worsening of current recessionary conditions, as well as continued turmoil in the financial markets, (2) continued volatility and deterioration of the capital and credit markets, (3) significant changes in banking laws or regulations, including, without limitation, as a result of the Emergency Economic Stabilization Act and the creation of and possible amendments to the Troubled Asset Relief Program (TARP), and rules and regulations issued thereunder, including the TARP Standards for Compensation and Corporate Governance, (4) the ongoing budget crisis in the State of California and the impact of the state's issuance of registered warrants, (5) continued weakness in the real estate market, including the markets for commercial and residential real estate, which may affect, among other things, the level of nonperforming assets, charge-offs and provision expense, (6) unprecedented volatility in equity, fixed income and other market valuations, (7) 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, (8) changes in the interest rate environment and market liquidity which may reduce interest margins and impact funding sources, (9) increased competition in the company's markets, (10) changes in the financial performance and/or condition of the company's borrowers, (11) 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, (12) soundness of other financial institutions which could adversely affect the company, (13) increases in Federal Deposit Insurance Corporation premiums due to market developments and regulatory changes, (14) protracted labor disputes in the company's markets, (15) earthquake, fire or other natural disasters affecting the condition of real estate collateral, (16) the effect of acquisitions and integration of acquired businesses and de novo branching efforts, (17) the impact of changes in regulatory, judicial or legislative tax treatment of business transactions, (18) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, and (19) 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, 2008 and particularly Part I, Item 1A, titled "Risk Factors."

###

CITY NATIONAL CORPORATION



Selected Financial Information

June 30, 2009

(unaudited)

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CITY NATIONAL CORPORATION
FINANCIAL HIGHLIGHTS
(unaudited)

| For The Period Ended June 30, | Three Months | | | Six Months | | |
|---|--------------|-----------|----------|------------|-----------|----------|
| | 2009 | 2008 | % Change | 2009 | 2008 | % Change |
| Per Common Share | | | | | | |
| Net income available to common shareholders | | | | | | |
| Basic..... | \$ 0.02 | \$ 0.74 | (97) | \$ 0.06 | \$ 1.65 | (96) |
| Diluted..... | 0.02 | 0.73 | (97) | 0.06 | 1.64 | (96) |
| Dividends..... | 0.10 | 0.48 | (79) | 0.35 | 0.96 | (64) |
| Book value..... | | | | 34.14 | 33.80 | 1 |
| Results of Operations: (In millions) | | | | | | |
| Interest income..... | \$ 176 | \$ 194 | (9) | \$ 345 | \$ 401 | (14) |
| Interest expense..... | 20 | 44 | (53) | 45 | 103 | (56) |
| Net interest income..... | 156 | 150 | 4 | 300 | 298 | 1 |
| Net interest income (Fully taxable-equivalent)..... | 159 | 154 | 3 | 307 | 307 | 0 |
| Total revenue..... | 220 | 232 | (5) | 412 | 460 | (10) |
| Provision for credit losses..... | 70 | 35 | 100 | 120 | 52 | 131 |
| Net income attributable to City National Corporation..... | 7 | 35 | (81) | 14 | 79 | (82) |
| Net income available to common shareholders..... | 1 | 35 | (96) | 3 | 79 | (96) |
| Financial Ratios: | | | | | | |
| Performance Ratios: | | | | | | |
| Return on average assets..... | 0.16 % | 0.89 % | | 0.17 % | 1.01 % | |
| Return on average common shareholders' equity..... | 0.29 | 8.65 | | 0.39 | 9.70 | |
| Period-end equity to period-end assets..... | | | | 12.31 | 10.04 | |
| Net interest margin..... | 3.98 | 4.23 | | 3.99 | 4.24 | |
| Expense to revenue ratio..... | 63.80 | 59.70 | | 65.83 | 60.37 | |
| Capital Adequacy Ratios (Period-end): | | | | | | |
| Tier 1 leverage..... | | | | 10.38 | 7.89 | |
| Tier 1 risk-based capital..... | | | | 12.61 | 9.03 | |
| Total risk-based capital..... | | | | 14.31 | 10.95 | |
| Asset Quality Ratios: | | | | | | |
| Allowance for loan and lease losses to: | | | | | | |
| Total loans and leases..... | | | | 2.06 % | 1.52 % | |
| Nonaccrual loans..... | | | | 67.68 | 174.30 | |
| Nonperforming assets to: | | | | | | |
| Total loans and leases and foreclosed assets..... | | | | 3.19 | 0.95 | |
| Total assets..... | | | | 2.24 | 0.71 | |
| Net (charge-offs)/recoveries to | | | | | | |
| Average total loans and leases (annualized)..... | | | | (1.47) % | (0.63) % | |
| Average Balances: (In millions) | | | | | | |
| Loans and leases..... | \$ 12,354 | \$ 12,059 | 2 | \$ 12,375 | \$ 11,874 | 4 |
| Interest-earning assets..... | 16,003 | 14,695 | 9 | 15,521 | 14,533 | 7 |
| Assets..... | 17,369 | 16,077 | 8 | 16,893 | 15,900 | 6 |
| Core deposits..... | 12,712 | 10,551 | 20 | 12,048 | 10,372 | 16 |
| Deposits..... | 14,023 | 11,695 | 20 | 13,435 | 11,608 | 16 |
| Interest-bearing liabilities..... | 8,219 | 8,544 | (4) | 8,163 | 8,461 | (4) |
| Common shareholders' equity..... | 1,730 | 1,651 | 5 | 1,682 | 1,648 | 2 |
| Total equity..... | 2,146 | 1,676 | 28 | 2,098 | 1,674 | 25 |
| Period-End Balances : (In millions) | | | | | | |
| Loans and leases..... | \$ 12,421 | \$ 12,178 | 2 | \$ 12,421 | \$ 12,178 | 2 |
| Assets..... | 17,661 | 16,339 | 8 | 17,661 | 16,339 | 8 |
| Core deposits..... | 13,252 | 10,774 | 23 | 13,252 | 10,774 | 23 |
| Deposits..... | 14,498 | 11,896 | 22 | 14,498 | 11,896 | 22 |
| Common shareholders' equity..... | 1,757 | 1,615 | 9 | 1,757 | 1,615 | 9 |
| Total equity..... | 2,174 | 1,641 | 32 | 2,174 | 1,641 | 32 |
| Wealth Management: (In millions) (1) | | | | | | |
| Assets under management..... | \$ 30,286 | \$ 33,773 | (10) | \$ 30,286 | \$ 33,773 | (10) |
| Assets under management or administration..... | 47,839 | 53,510 | (11) | 47,839 | 53,510 | (11) |

(1) Excludes \$7.5 billion and \$9.0 billion of assets under management for an asset manager in which City National held a noncontrolling ownership interest as of June 30, 2009 and June 30, 2008, respectively.

Note: Certain prior period balances have been reclassified to conform to current period presentation.

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, | | |
|---|--------------------------------|------------|----------|------------------------------|------------|----------|
| | 2009 | 2008 | % Change | 2009 | 2008 | % Change |
| Interest income | \$ 175,876 | \$ 193,707 | (9) | \$ 345,367 | \$ 401,459 | (14) |
| Interest expense | 20,300 | 43,539 | (53) | 44,894 | 103,126 | (56) |
| Net Interest Income | 155,576 | 150,168 | 4 | 300,473 | 298,333 | 1 |
| Provision for Credit Losses | 70,000 | 35,000 | 100 | 120,000 | 52,000 | 131 |
| Noninterest Income | | | | | | |
| Trust and investment fees | 25,184 | 34,187 | (26) | 51,053 | 70,536 | (28) |
| Brokerage and mutual fund fees | 6,645 | 18,709 | (64) | 16,402 | 36,131 | (55) |
| Cash management and deposit transaction fees | 12,778 | 12,196 | 5 | 26,001 | 23,320 | 11 |
| International services | 7,996 | 8,176 | (2) | 14,521 | 15,863 | (8) |
| Bank-owned life insurance | 871 | 628 | 39 | 1,734 | 1,283 | 35 |
| Gain (loss) on securities | 1,341 | (417) | 422 | (13,626) | 552 | (2,568) |
| Other | 9,442 | 7,985 | 18 | 15,467 | 13,595 | 14 |
| Total noninterest income | 64,257 | 81,464 | (21) | 111,552 | 161,280 | (31) |
| Noninterest Expense | | | | | | |
| Salaries and employee benefits | 75,834 | 87,520 | (13) | 154,086 | 177,699 | (13) |
| Net occupancy of premises | 12,559 | 12,462 | 1 | 24,820 | 23,974 | 4 |
| Legal and professional fees | 7,736 | 7,531 | 3 | 15,469 | 16,091 | (4) |
| Information services | 6,992 | 6,388 | 9 | 13,472 | 12,594 | 7 |
| Depreciation and amortization | 5,953 | 5,460 | 9 | 11,945 | 10,962 | 9 |
| Amortization of intangibles | 1,668 | 1,528 | 9 | 3,511 | 3,959 | (11) |
| Marketing and advertising | 4,743 | 5,360 | (12) | 9,419 | 10,955 | (14) |
| Office services and equipment | 3,922 | 3,886 | 1 | 7,526 | 7,785 | (3) |
| FDIC assessments | 13,861 | 1,820 | 662 | 16,929 | 2,171 | 680 |
| Other | 10,866 | 8,546 | 27 | 19,942 | 15,398 | 30 |
| Total noninterest expense | 144,134 | 140,501 | 3 | 277,119 | 281,588 | (2) |
| Income Before Taxes | 5,699 | 56,131 | (90) | 14,906 | 126,025 | (88) |
| Applicable Income Taxes | (986) | 18,385 | (105) | 646 | 40,986 | (98) |
| Net Income | \$ 6,685 | \$ 37,746 | (82) | \$ 14,260 | \$ 85,039 | (83) |
| Less: Net income attributable to noncontrolling interest | (88) | 2,262 | (104) | 27 | 5,568 | (100) |
| Net income attributable to City National Corporation | \$ 6,773 | \$ 35,484 | (81) | \$ 14,233 | \$ 79,471 | (82) |
| Less: Dividends on preferred stock | 5,501 | - | NM | 11,002 | - | NM |
| Net income available to common shareholders | \$ 1,272 | \$ 35,484 | (96) | \$ 3,231 | \$ 79,471 | (96) |
| Other Data: | | | | | | |
| Earnings per common share - basic (1) | \$ 0.02 | \$ 0.74 | (97) | \$ 0.06 | \$ 1.65 | (96) |
| Earnings per common share - diluted | \$ 0.02 | \$ 0.73 | (97) | \$ 0.06 | \$ 1.64 | (96) |
| Dividends paid per common share | \$ 0.10 | \$ 0.48 | (79) | \$ 0.35 | \$ 0.96 | (64) |
| Common dividend payout ratio | 383.66 % | 65.40 % | 487 | 526.55 % | 58.40 % | 802 |
| Return on average assets | 0.16 % | 0.89 % | (82) | 0.17 % | 1.01 % | (83) |
| Return on average common shareholders' equity | 0.29 % | 8.65 % | (97) | 0.39 % | 9.70 % | (96) |
| Net interest margin (Fully taxable-equivalent) | 3.98 % | 4.23 % | (6) | 3.99 % | 4.24 % | (6) |
| Full-time equivalent employees | 2,866 | 3,013 | (5) | | | |

(1) Basic EPS for certain prior periods have been restated as a result of the adoption of FSP EITF 03-6-1 *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*.

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

(unaudited)

| (Dollars in thousands except per share data) | 2009 | | |
|--|-------------------|------------------|-----------------|
| | Second Quarter | First Quarter | Year to Date |
| Interest income | \$ 175,876 | \$ 169,491 | \$ 345,367 |
| Interest expense | 20,300 | 24,594 | 44,894 |
| Net Interest Income | 155,576 | 144,897 | 300,473 |
| Provision for Credit Losses | 70,000 | 50,000 | 120,000 |
| Noninterest Income | | | |
| Trust and investment fees | 25,184 | 25,869 | 51,053 |
| Brokerage and mutual fund fees | 6,645 | 9,757 | 16,402 |
| Cash management and deposit transaction fees | 12,778 | 13,223 | 26,001 |
| International services | 7,996 | 6,525 | 14,521 |
| Bank-owned life insurance | 871 | 863 | 1,734 |
| Gain (loss) on securities | 1,341 | (14,967) | (13,626) |
| Other | 9,442 | 6,025 | 15,467 |
| Total noninterest income | 64,257 | 47,295 | 111,552 |
| Noninterest Expense | | | |
| Salaries and employee benefits | 75,834 | 78,252 | 154,086 |
| Net occupancy of premises | 12,559 | 12,261 | 24,820 |
| Legal and professional fees | 7,736 | 7,733 | 15,469 |
| Information services | 6,992 | 6,480 | 13,472 |
| Depreciation and amortization | 5,953 | 5,992 | 11,945 |
| Amortization of intangibles | 1,668 | 1,843 | 3,511 |
| Marketing and advertising | 4,743 | 4,676 | 9,419 |
| Office services and equipment | 3,922 | 3,604 | 7,526 |
| FDIC assessments | 13,861 | 3,068 | 16,929 |
| Other | 10,866 | 9,076 | 19,942 |
| Total noninterest expense | 144,134 | 132,985 | 277,119 |
| Income Before Taxes | 5,699 | 9,207 | 14,906 |
| Applicable Income Taxes | (986) | 1,632 | 646 |
| Net Income | \$ 6,685 | \$ 7,575 | \$ 14,260 |
| Less: Net income (loss) attributable to noncontrolling interest | (88) | 115 | 27 |
| Net income attributable to City National Corporation | \$ 6,773 | \$ 7,460 | \$ 14,233 |
| Less: Dividends on preferred stock | 5,501 | 5,501 | 11,002 |
| Net income available to common shareholders | \$ 1,272 | \$ 1,959 | \$ 3,231 |
| Other Data: | | | |
| Earnings per common share - basic | \$ 0.02 | \$ 0.04 | \$ 0.06 |
| Earnings per common share - diluted | \$ 0.02 | \$ 0.04 | \$ 0.06 |
| Dividends paid per common share | \$ 0.10 | \$ 0.25 | \$ 0.35 |
| Common dividend payout ratio | 383.66 % | 619.32 % | 526.55 % |
| Return on average assets | 0.16 % | 0.18 % | 0.17 % |
| Return on average common shareholders' equity | 0.29 % | 0.49 % | 0.39 % |
| Net interest margin (Fully taxable-equivalent) | 3.98 % | 4.00 % | 3.99 % |
| Full-time equivalent employees | 2,866 | 2,933 | |

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME
(unaudited)

| (Dollars in thousands except per share data) | 2008 | | | | |
|--|-------------------|------------------|-------------------|------------------|-----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Year to Date |
| Interest income | \$ 187,623 | \$ 195,606 | \$ 193,707 | \$ 207,752 | \$ 784,688 |
| Interest expense | 38,864 | 42,802 | 43,539 | 59,587 | 184,792 |
| Net Interest Income | 148,759 | 152,804 | 150,168 | 148,165 | 599,896 |
| Provision for Credit Losses | 40,000 | 35,000 | 35,000 | 17,000 | 127,000 |
| Noninterest Income | | | | | |
| Trust and investment fees | 28,221 | 33,457 | 34,187 | 36,349 | 132,214 |
| Brokerage and mutual fund fees | 17,845 | 19,470 | 18,709 | 17,422 | 73,446 |
| Cash management and deposit transaction fees | 12,595 | 12,392 | 12,196 | 11,124 | 48,307 |
| International services | 8,384 | 8,202 | 8,176 | 7,687 | 32,449 |
| Bank-owned life insurance | 645 | 824 | 628 | 655 | 2,752 |
| (Loss) gain on securities | (18,871) | (32,472) | (417) | 969 | (50,791) |
| Other | 6,807 | 8,205 | 7,985 | 5,610 | 28,607 |
| Total noninterest income | 55,626 | 50,078 | 81,464 | 79,816 | 266,984 |
| Noninterest Expense | | | | | |
| Salaries and employee benefits | 89,943 | 89,373 | 87,520 | 90,179 | 357,015 |
| Net occupancy of premises | 12,821 | 12,719 | 12,462 | 11,512 | 49,514 |
| Legal and professional fees | 8,419 | 8,332 | 7,531 | 8,560 | 32,842 |
| Information services | 7,799 | 6,576 | 6,388 | 6,206 | 26,969 |
| Depreciation and amortization | 5,737 | 5,502 | 5,460 | 5,502 | 22,201 |
| Amortization of intangibles | 11,541 | 2,238 | 1,528 | 2,431 | 17,738 |
| Marketing and advertising | 6,289 | 5,653 | 5,360 | 5,595 | 22,897 |
| Office services and equipment | 4,080 | 3,683 | 3,886 | 3,899 | 15,548 |
| FDIC assessments | 1,883 | 2,188 | 1,820 | 351 | 6,242 |
| Other | 11,466 | 9,933 | 8,546 | 6,852 | 36,797 |
| Total noninterest expense | 159,978 | 146,197 | 140,501 | 141,087 | 587,763 |
| Income Before Taxes | 4,407 | 21,685 | 56,131 | 69,894 | 152,117 |
| Applicable Income Taxes | (3,177) | 3,974 | 18,385 | 22,601 | 41,783 |
| Net Income | \$ 7,584 | \$ 17,711 | \$ 37,746 | \$ 47,293 | \$ 110,334 |
| Less: Net (loss) income attributable to noncontrolling interest | (1,350) | 1,160 | 2,262 | 3,306 | 5,378 |
| Net income attributable to City National Corporation | \$ 8,934 | \$ 16,551 | \$ 35,484 | \$ 43,987 | \$ 104,956 |
| Less: Dividends on preferred stock | 2,445 | - | - | - | 2,445 |
| Net income available to common shareholders | \$ 6,489 | \$ 16,551 | \$ 35,484 | \$ 43,987 | \$ 102,511 |
| Other Data: | | | | | |
| Earnings per common share - basic (1) | \$ 0.13 | \$ 0.34 | \$ 0.74 | \$ 0.91 | \$ 2.12 |
| Earnings per common share - diluted | \$ 0.13 | \$ 0.34 | \$ 0.73 | \$ 0.91 | \$ 2.11 |
| Dividends paid per common share | \$ 0.48 | \$ 0.48 | \$ 0.48 | \$ 0.48 | \$ 1.92 |
| Common dividend payout ratio | 358.52 % | 140.24 % | 65.40 % | 52.75 % | 90.61 % |
| Return on average assets | 0.22 % | 0.41 % | 0.89 % | 1.13 % | 0.65 % |
| Return on average common equity | 1.60 % | 4.03 % | 8.65 % | 10.75 % | 6.26 % |
| Net interest margin (Fully taxable-equivalent) | 4.09 % | 4.23 % | 4.23 % | 4.26 % | 4.20 % |
| Full-time equivalent employees | 2,989 | 3,027 | 3,013 | 2,959 | |

(1) Basic EPS for certain prior periods have been restated as a result of the adoption of FSP EITF 03-6-1 "Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities".

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CONSOLIDATED PERIOD END BALANCE SHEET
(unaudited)

| (In thousands) | 2009 | |
|--|----------------------|----------------------|
| | Second Quarter | First Quarter |
| Assets | | |
| Cash and due from banks | \$ 350,931 | \$ 378,289 |
| Federal funds sold | 125,000 | 12,300 |
| Due from banks - interest-bearing | 205,656 | 140,484 |
| Securities-available-for-sale | 3,330,326 | 2,915,883 |
| Trading securities | 138,137 | 67,582 |
| Loans and leases: | | |
| Commercial | 4,764,755 | 4,708,627 |
| Commercial real estate mortgages | 2,162,294 | 2,173,983 |
| Residential mortgages | 3,511,598 | 3,413,538 |
| Real estate construction | 1,116,154 | 1,189,594 |
| Equity lines of credit | 691,226 | 651,127 |
| Installment | 175,315 | 168,245 |
| Total loans and leases | 12,421,342 | 12,305,114 |
| Allowance for loan and lease losses | (256,018) | (241,586) |
| Net loans and leases | 12,165,324 | 12,063,528 |
| Premises and equipment, net | 125,510 | 128,189 |
| Goodwill and other intangibles | 496,562 | 498,194 |
| Other assets | 723,339 | 729,081 |
| Total assets | <u>\$ 17,660,785</u> | <u>\$ 16,933,530</u> |
| Liabilities | | |
| Deposits: | | |
| Noninterest-bearing | \$ 7,118,660 | \$ 6,611,752 |
| Interest-bearing | 7,379,591 | 7,077,798 |
| Total deposits | 14,498,251 | 13,689,550 |
| Federal funds purchased and securities sold under repurchase agreements | 316,388 | 519,687 |
| Other short-term borrowed funds | 50,000 | 28,405 |
| Subordinated debt | 162,434 | 164,296 |
| Other long-term debt | 233,456 | 242,122 |
| Other liabilities | 189,588 | 199,863 |
| Total liabilities | 15,450,117 | 14,843,923 |
| Redeemable noncontrolling interest | 36,752 | 40,237 |
| Equity | | |
| City National Corporation shareholders' equity: | | |
| Preferred stock | 391,091 | 390,590 |
| Common stock | 53,886 | 50,961 |
| Additional paid-in capital | 511,939 | 393,114 |
| Retained earnings | 1,365,842 | 1,369,451 |
| Accumulated other comprehensive loss | (18,110) | (23,093) |
| Treasury shares | (156,119) | (157,094) |
| Total common shareholders' equity | 1,757,438 | 1,633,339 |
| Total shareholders' equity | 2,148,529 | 2,023,929 |
| Noncontrolling interest | 25,387 | 25,441 |
| Total equity | 2,173,916 | 2,049,370 |
| Total liabilities and equity | <u>\$ 17,660,785</u> | <u>\$ 16,933,530</u> |

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CONSOLIDATED PERIOD END BALANCE SHEET
(unaudited)

| (In thousands) | 2008 | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter |
| Assets | | | | |
| Cash and due from banks | \$ 279,921 | \$ 428,557 | \$ 513,736 | \$ 514,878 |
| Federal funds sold | - | - | - | 1,000 |
| Due from banks - interest-bearing | 144,344 | 95,993 | 88,149 | 77,567 |
| Securities-available-for-sale | 2,144,870 | 2,159,918 | 2,302,982 | 2,389,459 |
| Trading securities | 295,598 | 310,251 | 204,825 | 121,152 |
| Loans and leases: | | | | |
| Commercial | 4,783,565 | 4,746,035 | 4,703,307 | 4,442,448 |
| Commercial real estate mortgages | 2,184,688 | 2,159,101 | 2,016,090 | 2,011,221 |
| Residential mortgages | 3,414,868 | 3,364,332 | 3,319,741 | 3,215,871 |
| Real estate construction | 1,252,034 | 1,313,735 | 1,483,193 | 1,462,641 |
| Equity lines of credit | 635,325 | 540,937 | 495,334 | 449,177 |
| Installment | 173,779 | 154,377 | 160,665 | 173,507 |
| Total loans and leases | 12,444,259 | 12,278,517 | 12,178,330 | 11,754,865 |
| Allowance for loan and lease losses | (224,046) | (208,046) | (185,070) | (168,278) |
| Net loans and leases | 12,220,213 | 12,070,471 | 11,993,260 | 11,586,587 |
| Premises and equipment, net | 131,294 | 127,361 | 122,959 | 119,243 |
| Goodwill and other intangibles | 500,037 | 512,297 | 514,584 | 514,811 |
| Other assets | 739,238 | 626,020 | 598,763 | 609,335 |
| Total assets | <u>\$ 16,455,515</u> | <u>\$ 16,330,868</u> | <u>\$ 16,339,258</u> | <u>\$ 15,934,032</u> |
| Liabilities | | | | |
| Deposits: | | | | |
| Noninterest-bearing | \$ 6,140,619 | \$ 5,744,863 | \$ 5,861,823 | \$ 5,680,845 |
| Interest-bearing | 6,511,505 | 6,422,797 | 6,034,514 | 6,111,524 |
| Total deposits | 12,652,124 | 12,167,660 | 11,896,337 | 11,792,369 |
| Federal funds purchased and securities sold under repurchase agreements | 908,157 | 1,272,359 | 1,221,428 | 1,118,478 |
| Other short-term borrowed funds | 124,500 | 630,673 | 955,000 | 720,992 |
| Subordinated debt | 161,595 | 157,769 | 157,080 | 162,813 |
| Other long-term debt | 246,554 | 231,321 | 237,867 | 243,439 |
| Other liabilities | 287,340 | 170,686 | 171,598 | 181,414 |
| Total liabilities | 14,380,270 | 14,630,468 | 14,639,310 | 14,219,505 |
| Redeemable noncontrolling interest | 44,811 | 52,556 | 59,234 | 50,216 |
| Equity | | | | |
| City National Corporation shareholders' equity: | | | | |
| Preferred stock | 390,089 | - | - | - |
| Common stock | 50,961 | 50,966 | 50,972 | 50,982 |
| Additional paid-in capital | 389,077 | 371,279 | 369,045 | 375,374 |
| Retained earnings | 1,379,624 | 1,396,400 | 1,403,062 | 1,390,781 |
| Accumulated other comprehensive loss | (48,022) | (38,071) | (24,853) | (3,431) |
| Treasury shares | (156,736) | (158,193) | (183,222) | (175,048) |
| Total common shareholders' equity | 1,614,904 | 1,622,381 | 1,615,004 | 1,638,658 |
| Total shareholders' equity | 2,004,993 | 1,622,381 | 1,615,004 | 1,638,658 |
| Noncontrolling interest | 25,441 | 25,463 | 25,710 | 25,653 |
| Total equity | 2,030,434 | 1,647,844 | 1,640,714 | 1,664,311 |
| Total liabilities and equity | <u>\$ 16,455,515</u> | <u>\$ 16,330,868</u> | <u>\$ 16,339,258</u> | <u>\$ 15,934,032</u> |

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CREDIT LOSS EXPERIENCE
(unaudited)

| (Dollars in thousands) | 2009 | | | 2008 | | | | |
|--|-----------------------|----------------------|---------------------|-----------------------|----------------------|-----------------------|----------------------|---------------------|
| | Second Quarter | First Quarter | Year To Date | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Year To Date |
| Allowance for Loan and Lease Losses | | | | | | | | |
| Balance at beginning of period | \$ 241,586 | \$ 224,046 | \$ 224,046 | \$ 208,046 | \$ 185,070 | \$ 168,278 | \$ 168,523 | \$ 168,523 |
| Net (charge-offs)/recoveries: | | | | | | | | |
| Commercial | (17,283) | (18,459) | (35,742) | (12,123) | (4,331) | (5,195) | (1,574) | (23,223) |
| Commercial real estate mortgages | - | - | - | - | - | - | (552) | (552) |
| Residential mortgages | (731) | (367) | (1,098) | 37 | 8 | 10 | 8 | 63 |
| Real estate construction | (36,189) | (14,049) | (50,238) | (12,279) | (8,370) | (13,196) | (9,905) | (43,750) |
| Equity lines of credit | (1,039) | (38) | (1,077) | - | - | - | - | - |
| Installment | (1,448) | (706) | (2,154) | (316) | (101) | (535) | (64) | (1,016) |
| Total net (charge-offs)/recoveries | (56,690) | (33,619) | (90,309) | (24,681) | (12,794) | (18,916) | (12,087) | (68,478) |
| Provision for credit losses | 70,000 | 50,000 | 120,000 | 40,000 | 35,000 | 35,000 | 17,000 | 127,000 |
| Transfers from (to) reserve for off-balance sheet credit commitments | 1,122 | 1,159 | 2,281 | 681 | 770 | 708 | (5,158) | (2,999) |
| Balance at end of period | <u>\$ 256,018</u> | <u>\$ 241,586</u> | <u>\$ 256,018</u> | <u>\$ 224,046</u> | <u>\$ 208,046</u> | <u>\$ 185,070</u> | <u>\$ 168,278</u> | <u>\$ 224,046</u> |

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

| | | | | | | | | |
|----------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
| Commercial | (1.47) % | (1.57) % | (1.52) % | (1.01) % | (0.36) % | (0.45) % | (0.14) % | (0.50) % |
| Commercial real estate mortgages | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | (0.11) % | (0.03) % |
| Residential mortgage | (0.08) % | (0.04) % | (0.06) % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Real estate construction | (12.59) % | (4.63) % | (8.50) % | (3.79) % | (2.37) % | (3.61) % | (2.72) % | (3.11) % |
| Equity lines of credit | (0.62) % | (0.02) % | (0.33) % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Installment | (3.33) % | (1.67) % | (2.51) % | (0.76) % | (0.26) % | (1.32) % | (0.15) % | (0.61) % |
| Total loans and leases | (1.84) % | (1.10) % | (1.47) % | (0.79) % | (0.42) % | (0.63) % | (0.42) % | (0.57) % |

Reserve for Off-Balance Sheet Credit Commitments

| | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Balance at beginning of period | \$ 21,544 | \$ 22,703 | \$ 22,703 | \$ 23,384 | \$ 24,154 | \$ 24,862 | \$ 19,704 | \$ 19,704 |
| Recovery of prior charge-off | - | - | - | - | - | - | - | - |
| Transfers (to) from allowance | (1,122) | (1,159) | (2,281) | (681) | (770) | (708) | 5,158 | 2,999 |
| Balance at end of period | <u>\$ 20,422</u> | <u>\$ 21,544</u> | <u>\$ 20,422</u> | <u>\$ 22,703</u> | <u>\$ 23,384</u> | <u>\$ 24,154</u> | <u>\$ 24,862</u> | <u>\$ 22,703</u> |

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
NONPERFORMING ASSETS
(unaudited)

| (Dollars in thousands) | 2009 | | 2008 | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | First Quarter |
| Nonaccrual Loans | | | | | | |
| Commercial | \$ 80,372 | \$ 56,246 | \$ 46,238 | \$ 26,184 | \$ 16,444 | \$ 16,293 |
| Commercial real estate mortgages | 36,112 | 16,923 | 8,924 | 5,878 | 5,903 | 1,841 |
| Residential mortgages | 17,262 | 13,270 | 3,171 | 266 | 549 | 706 |
| Real estate construction | 237,828 | 223,416 | 149,536 | 113,288 | 81,120 | 93,296 |
| Equity lines of credit | 2,919 | 2,432 | 1,921 | 1,380 | 1,398 | 1,422 |
| Installment | 3,768 | 1,354 | 1,352 | 3,890 | 763 | 64 |
| Total nonaccrual loans | <u>378,261</u> | <u>313,641</u> | <u>211,142</u> | <u>150,886</u> | <u>106,177</u> | <u>113,622</u> |
| Foreclosed assets | <u>18,064</u> | <u>12,639</u> | <u>11,388</u> | <u>2,279</u> | <u>9,113</u> | <u>3,812</u> |
| Total nonperforming assets | <u>\$ 396,325</u> | <u>\$ 326,280</u> | <u>\$ 222,530</u> | <u>\$ 153,165</u> | <u>\$ 115,290</u> | <u>\$ 117,434</u> |
| Loans 90 days or more past due on accrual status | \$ - | \$ 16,261 | \$ 663 | \$ 4,930 | \$ 2 | \$ 13 |
| Allowance for loan and lease losses as a percentage of: | | | | | | |
| Nonaccrual loans | 67.68 % | 77.03 % | 106.11 % | 137.88 % | 174.30 % | 148.10 % |
| Total nonperforming assets | 64.60 % | 74.04 % | 100.68 % | 135.83 % | 160.53 % | 143.30 % |
| Total loans and leases | 2.06 % | 1.96 % | 1.80 % | 1.69 % | 1.52 % | 1.43 % |
| Nonaccrual loans as a percentage of total loans | 3.05 % | 2.55 % | 1.70 % | 1.23 % | 0.87 % | 0.97 % |
| Nonperforming assets as a percentage of: | | | | | | |
| Total loans and foreclosed assets | 3.19 % | 2.65 % | 1.79 % | 1.25 % | 0.95 % | 1.00 % |
| Total assets | 2.24 % | 1.93 % | 1.35 % | 0.94 % | 0.71 % | 0.74 % |

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

| (Dollars in millions) | 2009 | | | | | |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | Second Quarter | | First Quarter | | Year to Date | |
| | Average Balance | Average Rate | Average Balance | Average Rate | Average Balance | Average Rate |
| Assets | | | | | | |
| Interest-earning assets | | | | | | |
| Loans and leases | | | | | | |
| Commercial | \$ 4,721 | 4.21 % | \$ 4,756 | 4.22 % | \$ 4,738 | 4.21 % |
| Commercial real estate mortgages | 2,178 | 5.69 | 2,200 | 5.74 | 2,189 | 5.71 |
| Residential mortgages | 3,454 | 5.51 | 3,406 | 5.58 | 3,431 | 5.55 |
| Real estate construction | 1,153 | 3.04 | 1,232 | 3.20 | 1,192 | 3.12 |
| Equity lines of credit | 674 | 3.46 | 630 | 3.39 | 652 | 3.43 |
| Installment | 174 | 5.05 | 171 | 5.12 | 173 | 5.08 |
| Total loans and leases | 12,354 | 4.70 | 12,395 | 4.75 | 12,375 | 4.73 |
| Due from banks - interest-bearing | 195 | 0.60 | 134 | 0.47 | 165 | 0.54 |
| Federal funds sold and securities purchased under resale agreements | 15 | 0.23 | 11 | 0.24 | 13 | 0.23 |
| Securities available-for-sale | 3,252 | 4.08 | 2,302 | 4.65 | 2,779 | 4.31 |
| Trading securities | 112 | 1.36 | 115 | 0.19 | 114 | 0.77 |
| Other interest-earning assets | 75 | 3.45 | 76 | 3.48 | 75 | 3.46 |
| Total interest-earning assets | 16,003 | 4.49 | 15,033 | 4.67 | 15,521 | 4.58 |
| Allowance for loan and lease losses | (246) | | (236) | | (241) | |
| Cash and due from banks | 324 | | 335 | | 329 | |
| Other non-earning assets | 1,288 | | 1,279 | | 1,284 | |
| Total assets | \$ 17,369 | | \$ 16,411 | | \$ 16,893 | |
| Liabilities and Equity | | | | | | |
| Interest-bearing deposits | | | | | | |
| Interest checking accounts | \$ 1,388 | 0.29 % | \$ 1,098 | 0.32 % | \$ 1,244 | 0.30 % |
| Money market accounts | 4,111 | 0.86 | 3,897 | 1.01 | 4,004 | 0.93 |
| Savings deposits | 222 | 0.74 | 166 | 0.65 | 194 | 0.70 |
| Time deposits - under \$100,000 | 221 | 1.42 | 234 | 2.22 | 227 | 1.83 |
| Time deposits - \$100,000 and over | 1,311 | 1.56 | 1,463 | 2.06 | 1,387 | 1.82 |
| Total interest-bearing deposits | 7,253 | 0.89 | 6,858 | 1.16 | 7,056 | 1.02 |
| Federal funds purchased and securities sold under repurchase agreements | 472 | 1.77 | 723 | 1.22 | 597 | 1.44 |
| Other borrowings | 494 | 1.75 | 526 | 2.20 | 510 | 1.98 |
| Total interest-bearing liabilities | 8,219 | 0.99 | 8,107 | 1.23 | 8,163 | 1.11 |
| Noninterest-bearing deposits | 6,770 | | 5,983 | | 6,379 | |
| Other liabilities | 234 | | 271 | | 253 | |
| Total equity | 2,146 | | 2,050 | | 2,098 | |
| Total liabilities and equity | \$ 17,369 | | \$ 16,411 | | \$ 16,893 | |
| Net interest spread | | 3.50 % | | 3.44 % | | 3.47 % |
| Net interest margin | | 3.98 % | | 4.00 % | | 3.99 % |
| Average prime rate | | 3.25 % | | 3.25 % | | 3.25 % |

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

| (Dollars in millions) | 2008 | | | | | | | | | |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | 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 |
| Assets | | | | | | | | | | |
| Interest-earning assets | | | | | | | | | | |
| Loans and leases | | | | | | | | | | |
| Commercial | \$ 4,790 | 4.89 % | \$ 4,727 | 5.30 % | \$ 4,675 | 5.30 % | \$ 4,456 | 6.28 % | \$ 4,663 | 5.42 % |
| Commercial real estate mortgages | 2,149 | 6.31 | 2,095 | 6.52 | 2,009 | 6.50 | 1,975 | 6.84 | 2,058 | 6.54 |
| Residential mortgages | 3,386 | 5.65 | 3,335 | 5.62 | 3,271 | 5.57 | 3,179 | 5.61 | 3,293 | 5.61 |
| Real estate construction | 1,288 | 4.57 | 1,404 | 5.05 | 1,470 | 5.43 | 1,464 | 6.47 | 1,406 | 5.41 |
| Equity lines of credit | 591 | 3.62 | 513 | 4.34 | 470 | 4.45 | 438 | 5.65 | 503 | 4.44 |
| Installment | 167 | 5.45 | 157 | 5.89 | 164 | 5.88 | 177 | 6.49 | 166 | 5.93 |
| Total loans and leases | 12,371 | 5.25 | 12,231 | 5.53 | 12,059 | 5.57 | 11,689 | 6.20 | 12,089 | 5.63 |
| Due from banks - interest-bearing | 120 | 1.34 | 94 | 1.85 | 95 | 2.24 | 78 | 2.69 | 97 | 1.96 |
| Federal funds sold and securities purchased under resale agreements | 18 | 0.33 | 5 | 1.88 | 9 | 2.54 | 8 | 3.33 | 10 | 1.61 |
| Securities available-for-sale | 2,136 | 4.96 | 2,241 | 4.97 | 2,351 | 4.89 | 2,446 | 4.81 | 2,293 | 4.90 |
| Trading securities | 123 | 1.06 | 118 | 1.94 | 102 | 1.65 | 78 | 3.11 | 105 | 1.83 |
| Other interest-earning assets | 76 | 5.64 | 79 | 5.92 | 79 | 5.24 | 72 | 5.75 | 76 | 5.63 |
| Total interest-earning assets | 14,844 | 5.13 | 14,768 | 5.39 | 14,695 | 5.42 | 14,371 | 5.93 | 14,670 | 5.46 |
| Allowance for loan and lease losses | (204) | | (182) | | (163) | | (165) | | (179) | |
| Cash and due from banks | 341 | | 375 | | 386 | | 379 | | 371 | |
| Other non-earning assets | 1,210 | | 1,160 | | 1,159 | | 1,139 | | 1,167 | |
| Total assets | \$ 16,191 | | \$ 16,121 | | \$ 16,077 | | \$ 15,724 | | \$ 16,029 | |
| Liabilities and Equity | | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | | |
| Interest checking accounts | \$ 888 | 0.57 % | \$ 826 | 0.72 % | \$ 867 | 0.70 % | \$ 823 | 0.69 % | \$ 851 | 0.67 % |
| Money market accounts | 3,911 | 1.85 | 3,781 | 1.68 | 3,738 | 1.70 | 3,610 | 2.47 | 3,761 | 1.92 |
| Savings deposits | 146 | 0.52 | 138 | 0.44 | 133 | 0.28 | 135 | 0.36 | 138 | 0.40 |
| Time deposits - under \$100,000 | 240 | 2.85 | 213 | 2.89 | 208 | 2.89 | 220 | 3.54 | 220 | 3.04 |
| Time deposits - \$100,000 and over | 1,502 | 2.32 | 1,222 | 2.45 | 1,143 | 2.94 | 1,329 | 3.99 | 1,299 | 2.91 |
| Total interest-bearing deposits | 6,687 | 1.80 | 6,180 | 1.72 | 6,089 | 1.80 | 6,117 | 2.55 | 6,269 | 1.96 |
| Federal funds purchased and securities sold under repurchase agreements | 636 | 1.62 | 1,357 | 2.28 | 1,262 | 2.42 | 1,141 | 3.39 | 1,099 | 2.51 |
| Other borrowings | 848 | 2.87 | 1,117 | 2.97 | 1,193 | 2.91 | 1,119 | 4.00 | 1,068 | 3.20 |
| Total interest-bearing liabilities | 8,171 | 1.89 | 8,654 | 1.97 | 8,544 | 2.05 | 8,377 | 2.86 | 8,436 | 2.19 |
| Noninterest-bearing deposits | 5,952 | | 5,557 | | 5,606 | | 5,404 | | 5,631 | |
| Other liabilities | 250 | | 252 | | 251 | | 272 | | 256 | |
| Total equity | 1,818 | | 1,658 | | 1,676 | | 1,671 | | 1,706 | |
| Total liabilities and equity | \$ 16,191 | | \$ 16,121 | | \$ 16,077 | | \$ 15,724 | | \$ 16,029 | |
| Net interest spread | | 3.24 % | | 3.42 % | | 3.37 % | | 3.07 % | | 3.27 % |
| Net interest margin | | 4.09 % | | 4.23 % | | 4.23 % | | 4.26 % | | 4.20 % |
| Average prime rate | | 4.06 % | | 5.00 % | | 5.08 % | | 6.22 % | | 5.09 % |

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CAPITAL AND CREDIT RATING DATA
(unaudited)

| | 2009 | | | 2008 | | | | |
|---|----------------|---------------|--------------|----------------|---------------|----------------|---------------|--------------|
| | Second Quarter | First Quarter | Year To Date | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Year To Date |
| Per Common Share: | | | | | | | | |
| Shares Outstanding (in thousands): | | | | | | | | |
| Average - Basic | 50,416 | 48,046 | 49,028 | 48,105 | 47,934 | 47,849 | 47,829 | 47,930 |
| Average - Diluted (1) | 50,551 | 48,130 | 49,138 | 48,280 | 48,207 | 48,179 | 48,185 | 48,196 |
| Period-end | 51,471 | 48,224 | | 48,180 | 48,155 | 47,777 | 47,871 | |
| Book value for common shareholders | \$ 34.14 | \$ 33.87 | | \$ 33.52 | \$ 33.69 | \$ 33.80 | \$ 34.23 | |
| Closing price: | | | | | | | | |
| High | \$ 44.14 | \$ 47.76 | \$ 47.76 | \$ 57.56 | \$ 65.35 | \$ 51.75 | \$ 60.00 | \$ 65.35 |
| Low | 31.87 | 22.83 | 22.83 | 34.97 | 37.60 | 40.98 | 48.57 | 34.97 |
| Period-end | 36.83 | 33.77 | | 48.70 | 54.30 | 42.07 | 49.46 | |
| Capital Ratios (Dollars in millions): | | | | | | | | |
| Risk-based capital | | | | | | | | |
| Risk-weighted assets (2) | \$ 13,887 | \$ 13,619 | | \$ 13,943 | \$ 13,653 | \$ 13,546 | \$ 13,160 | |
| Tier I capital | \$ 1,752 | \$ 1,635 | | \$ 1,633 | \$ 1,246 | \$ 1,224 | \$ 1,222 | |
| Percentage of risk-weighted assets | 12.61 % | 12.00 % | | 11.71 % | 9.13 % | 9.03 % | 9.29 % | |
| Total capital | \$ 1,987 | \$ 1,866 | | \$ 1,868 | \$ 1,507 | \$ 1,483 | \$ 1,477 | |
| Percentage of risk-weighted assets | 14.31 % | 13.70 % | | 13.40 % | 11.04 % | 10.95 % | 11.22 % | |
| Tier I leverage ratio | 10.38 % | 10.30 % | | 10.44 % | 8.01 % | 7.89 % | 8.06 % | |
| Period-end equity to period-end assets | 12.31 % | 12.10 % | | 12.34 % | 10.09 % | 10.04 % | 10.45 % | |
| Period-end common shareholders' equity to period-end assets | 9.95 % | 9.65 % | | 9.81 % | 9.93 % | 9.88 % | 10.28 % | |
| Average equity to average assets | 12.35 % | 12.49 % | 12.42 % | 11.23 % | 10.28 % | 10.43 % | 10.63 % | 10.64 % |
| Average common shareholders' equity to average assets | 9.96 % | 9.96 % | 9.96 % | 9.99 % | 10.12 % | 10.27 % | 10.46 % | 10.21 % |
| Period-end tangible equity to period-end tangible assets (3) | 9.77 % | 9.44 % | | 9.59 % | 7.18 % | 7.12 % | 7.45 % | |
| Period-end tangible common shareholders' equity to period-end tangible assets (3) | 7.35 % | 6.91 % | | 6.99 % | 7.02 % | 6.95 % | 7.29 % | |
| Average tangible equity to average tangible assets (3) | 9.77 % | 9.75 % | 9.76 % | 8.34 % | 7.33 % | 7.47 % | 7.58 % | 7.68 % |
| Average tangible common shareholders' equity to average tangible assets (3) | 7.30 % | 7.14 % | 7.22 % | 7.07 % | 7.17 % | 7.31 % | 7.41 % | 7.24 % |

Senior Debt Credit Ratings

For The Period Ended June 30, 2009

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

Note: Certain prior period balances have been reclassified to conform to current period presentation.

- (1) Average diluted shares outstanding for prior periods in 2008 have been restated as a result of the adoption of FSP EITF 03-6-1 "Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities".
- (2) In accordance with applicable bank regulatory guidelines, the Company calculates risk-weighted assets by assigning assets and credit equivalent amounts of derivatives and off-balance sheet items to one of several broad risk categories according to the obligor, or, if relevant, the guarantor or the nature of the collateral. The aggregate dollar amount in each risk category is then multiplied by the risk weight associated with that category. The resulting weighted values from each of the risk categories are added together for determining risk-weighted assets.
- (3) Tangible equity to tangible assets and tangible common shareholders' equity to tangible assets are non-GAAP financial measures. For notes on non-GAAP measures, see page 13 of the Selected Financial Information.

CITY NATIONAL CORPORATION
NON-GAAP FINANCIAL MEASURES
(unaudited)

(a) Net income available to common shareholders, excluding securities gains/losses and FDIC special assessment fee

A reconciliation of the GAAP to non-GAAP measure is set forth below:

| (in thousands, except per share amounts) | Second Quarter 2009 | | Year To Date 2009 | |
|---|---------------------|-----------|-------------------|-----------|
| | \$ | Per Share | \$ | Per Share |
| Net income available to common shareholders | \$ 1,272 | \$ 0.02 | 3,231 | \$ 0.06 |
| Less/Add: Securities (gains) losses, after tax | (1,001) | (0.02) | 10,245 | 0.21 |
| Add: FDIC special assessment fee, after tax | 5,518 | 0.11 | 5,518 | 0.11 |
| Net income per share, excluding securities (gains) losses and FDIC special assessment fee | \$ 5,789 | \$ 0.11 | \$ 18,994 | \$ 0.38 |

Management believes these non-GAAP financial measures enhance the comparability of the financial results with prior periods as well as highlight the effects of unusual charges in the periods presented. The Company believes that investors may find it useful to see these non-GAAP financial measures to analyze the Company's underlying financial performance without the impact of unusual items.

(b) Tangible equity and tangible common shareholders' equity ratios

Tangible equity to tangible assets is a non-GAAP financial measure that represents total equity less identifiable intangible assets and goodwill divided by total assets less identifiable intangible assets and goodwill. Tangible common shareholders' equity to tangible assets is a non-GAAP financial measure that represents tangible equity less preferred stock and noncontrolling interest divided by total assets less identifiable intangible assets and goodwill. Management reviews both these measures in evaluating the Company's capital levels and has included these ratios in response to market participant interest in tangible equity and tangible common shareholders' equity as a measure of capital. A reconciliation of the GAAP to non-GAAP measure is set forth below:

| (in thousands) | 2009 | | | 2008 | | | | |
|---|----------------|---------------|---------------|----------------|---------------|----------------|---------------|---------------|
| | Second Quarter | First Quarter | Year To Date | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Year To Date |
| Period End: | | | | | | | | |
| Total equity | \$ 2,173,916 | \$ 2,049,370 | | \$ 2,030,434 | \$ 1,647,844 | \$ 1,640,714 | \$ 1,664,311 | |
| Less: Goodwill and other intangibles | (496,562) | (498,194) | | (500,037) | (512,297) | (514,584) | (514,811) | |
| Tangible equity (A) | 1,677,354 | 1,551,176 | | 1,530,397 | 1,135,547 | 1,126,130 | 1,149,500 | |
| Less: Noncontrolling interest | (25,387) | (25,441) | | (25,441) | (25,463) | (25,710) | (25,653) | |
| Less: Preferred stock | (391,091) | (390,590) | | (390,089) | - | - | - | |
| Tangible common shareholders' equity (B) | \$ 1,260,876 | \$ 1,135,145 | | \$ 1,114,867 | \$ 1,110,084 | \$ 1,100,420 | \$ 1,123,847 | |
| Total assets | \$ 17,660,785 | \$ 16,933,530 | | \$ 16,455,515 | \$ 16,330,868 | \$ 16,339,258 | \$ 15,934,032 | |
| Less: Goodwill and other intangibles | (496,562) | (498,194) | | (500,037) | (512,297) | (514,584) | (514,811) | |
| Tangible assets (C) | \$ 17,164,223 | \$ 16,435,336 | | \$ 15,955,478 | \$ 15,818,571 | \$ 15,824,674 | \$ 15,419,221 | |
| Period-end tangible equity to period-end tangible assets (A)/(C) | 9.77% | 9.44% | | 9.59% | 7.18% | 7.12% | 7.45% | |
| Period-end tangible common shareholders' equity to period-end tangible assets (B)/(C) | 7.35% | 6.91% | | 6.99% | 7.02% | 6.95% | 7.29% | |
| Average Balance: | | | | | | | | |
| Total equity | \$ 2,145,859 | \$ 2,050,401 | \$ 2,098,394 | \$ 1,818,392 | \$ 1,657,813 | \$ 1,676,430 | \$ 1,671,030 | \$ 1,706,092 |
| Less: Goodwill and other intangibles | (497,487) | (499,229) | (498,353) | (510,125) | (513,609) | (513,791) | (518,913) | (514,097) |
| Tangible equity (D) | 1,648,372 | 1,551,172 | 1,600,041 | 1,308,267 | 1,144,204 | 1,162,639 | 1,152,117 | 1,191,995 |
| Less: Noncontrolling interest | (25,438) | (25,441) | (25,439) | (25,455) | (25,612) | (25,677) | (25,608) | (25,588) |
| Less: Preferred stock | (390,838) | (390,348) | (390,594) | (174,677) | - | - | - | (43,908) |
| Tangible common shareholders' equity (E) | \$ 1,232,096 | \$ 1,135,383 | \$ 1,184,008 | \$ 1,108,135 | \$ 1,118,591 | \$ 1,136,962 | \$ 1,126,509 | \$ 1,122,499 |
| Total assets | \$ 17,369,311 | \$ 16,411,240 | \$ 16,892,922 | \$ 16,191,243 | \$ 16,120,584 | \$ 16,077,156 | \$ 15,723,507 | \$ 16,028,821 |
| Less: Goodwill and other intangibles | (497,487) | (499,229) | (498,353) | (510,125) | (513,609) | (513,791) | (518,913) | (514,097) |
| Tangible assets (F) | \$ 16,871,824 | \$ 15,912,011 | \$ 16,394,569 | \$ 15,681,118 | \$ 15,606,975 | \$ 15,563,365 | \$ 15,204,594 | \$ 15,514,724 |
| Average tangible equity to average tangible assets (D)/(F) | 9.77% | 9.75% | 9.76% | 8.34% | 7.33% | 7.47% | 7.58% | 7.68% |
| Average tangible common shareholders' equity to average tangible assets (E)/(F) | 7.30% | 7.14% | 7.22% | 7.07% | 7.17% | 7.31% | 7.41% | 7.24% |

CITY NATIONAL CORPORATION
NON-GAAP FINANCIAL MEASURES (continued)
(unaudited)

(c) Tier 1 common shareholders' equity to risk-based assets

The Tier 1 common shareholders' equity to risk-based assets ratio, also known as Tier 1 common ratio, is calculated by dividing (a) Tier 1 capital less non-common components including qualifying perpetual preferred stock, qualifying noncontrolling interest in subsidiaries and qualifying trust preferred securities by (b) risk-weighted assets. Tier 1 capital and risk-weighted assets are calculated in accordance with applicable bank regulatory guidelines. This ratio is a non-GAAP measure that is used by investors, analysts and bank regulatory agencies, including the Federal Reserve in the Supervisory Capital Assessment Program, to assess the capital position of financial services companies. Management reviews this measure in evaluating the Company's capital levels and has included these ratios in response to market participant interest in the Tier 1 common shareholders' equity to risk-based assets ratio.

Tier 1 capital was \$1.75 billion as of June 30, 2009. To calculate Tier 1 common shareholders' equity, Tier 1 capital was reduced by preferred stock of \$391.1 million, noncontrolling interest in subsidiaries of \$62.1 million and trust preferred securities of \$5.2 million, resulting in Tier 1 common shareholders' equity of \$1.29 billion as of June 30, 2009. Refer to page 12 of the Selected Financial Information for risk-weighted assets as of June 30, 2009.

(d) Noninterest expense, excluding higher FDIC costs

Noninterest expense for the three-months ending June 30, 2009 was \$144.1 million, an increase of 3 percent compared to the three-months ending June 30, 2008. Noninterest expense, excluding higher FDIC costs of \$10.8 million (which includes the special assessment fee), was \$133.3 million, a decrease of 5 percent compared to the three-months ending June 30, 2008.

Noninterest expense for the six-months ending June 30, 2009 was \$277.1 million, a decrease of 2 percent compared to the six-months ending June 30, 2008. Noninterest expense, excluding higher FDIC costs of \$10.8 million (which includes the special assessment fee), was \$266.3 million, a decrease of 5 percent compared to the six-months ending June 30, 2008.

Management believes these non-GAAP financial measures enhance the comparability of the financial results with prior periods as well as highlight the effects of unusual charges in the periods presented. The Company believes that investors may find it useful to see these non-GAAP financial measures to analyze the Company's underlying financial performance without the impact of unusual items.