



October 18, 2006

Contacts:

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

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

Conference Call:

Today 2:00 p.m. PDT
800.638.4817
Pass Code: 56231258

**City National Corp. Reports Third-Quarter 2006 Earnings
Of \$59.0 Million, or \$1.20 per Share**

Average loans grow 12 percent from last year, reaching \$10 billion for the first time

LOS ANGELES – City National Corporation (NYSE: CYN), the parent company of wholly owned City National Bank, today reported third-quarter 2006 net income of \$59.0 million, or \$1.20 per share, compared with \$59.8 million, or \$1.17 per share, for the third quarter of 2005. Third-quarter earnings per share were 3 percent higher than they were during the same period last year.

Year to date, City National has earned \$175.0 million, or \$3.47 per share, on revenue of \$633.4 million. In the first three quarters of 2005, the company earned net income of \$173.0 million, or \$3.39 per share, on revenue of \$607.7 million. Earnings per share grew 2 percent from the first three quarters of 2005.

THIRD-QUARTER HIGHLIGHTS

- Third-quarter revenue grew to \$213.5 million, a 2 percent increase from the same period last year.
- Average loan balances increased 12 percent from the third quarter of 2005. Lending rose in all major categories, and average loan balances reached \$10.0 billion for the first time.
- Loan recoveries again exceeded charge-offs. Nonaccrual loans amounted to \$18.8 million, up \$0.2 million from the third quarter of 2005 and \$3.8 million from the second quarter of this year.
- Average deposits of \$11.9 billion were stable -- essentially unchanged from both the third quarter of 2005 and the second quarter of this year.

City National Corp. Reports Net Income for the Third Quarter of 2006

Page 2

- Noninterest income grew to \$64.8 million, 21 percent higher than the third quarter of 2005 and 11 percent higher than the second quarter of this year, due primarily to the continuing growth of City National's wealth management and international services fee revenue.

"Double-digit growth in loans and wealth management revenue, excellent credit quality, fairly stable deposits and a very robust, although narrower, net interest margin, plus our strong capital base, all underscore the fundamental strength of City National's business model," said President and Chief Executive Officer Russell Goldsmith. "Notwithstanding the challenges of this interest-rate environment, our company continues to add clients, broaden its product offerings, including new deposit products and our state-of-the-art remote deposit capture product, and make progress as California's Premier Private and Business Bank."

<i>Dollars in millions, except per share</i>	<i>For the three months ended</i>			<i>For the three</i>	
	<i>September 30,</i>		<i>%</i>	<i>months ended</i>	<i>%</i>
	<i>2006</i>	<i>2005</i>	<i>Change</i>	<i>June 30, 2006</i>	<i>Change</i>
<i>Earnings Per Share</i>	\$ 1.20	\$ 1.17	3	\$ 1.16	3
<i>Net Income</i>	59.0	59.8	(1)	58.7	0
<i>Average Assets</i>	14,544.6	14,255.7	2	14,782.5	(2)
<i>Return on Average Assets</i>	1.61 %	1.66 %	(3)	1.59 %	1
<i>Return on Average Equity</i>	16.30	16.74	(3)	16.20	1

ASSETS

Total assets at September 30, 2006 were \$14.6 billion, up 1 percent both from one year ago and from June 30 of this year. The increases reflect the growth of the company's loan portfolio.

REVENUE

Strong loan growth and increases in fee income drove revenue higher. Third-quarter revenue (net interest income plus noninterest income) totaled \$213.5 million, up 2 percent from the third quarter of 2005 and essentially unchanged from the second quarter of this year.

NET INTEREST INCOME

Fully taxable-equivalent net interest income was \$152.0 million in the third quarter of 2006, down 5 percent from \$159.3 million for the same period last year. Fully taxable-equivalent net interest income in the second quarter of 2006 was \$157.3 million.

Lending activity continued to grow in the third quarter. Average loan balances reached \$10.0 billion, up 12 percent from one year ago and 1 percent from the second quarter of 2006. Commercial loans increased 13 percent from the third quarter of 2005, but fell 3 percent from the second quarter of this year. Residential mortgage lending rose 11 percent from one year ago and 2 percent from the second quarter of 2006.

City National Corp. Reports Net Income for the Third Quarter of 2006

Page 3

Commercial real estate lending was up 12 percent from the third quarter of 2005 and 6 percent from the second quarter of this year. Real estate construction loans increased 5 percent from one year ago and 2 percent from the second quarter of this year.

City National's yield on earning assets reached 6.30 percent, up from 5.67 percent in the third quarter of 2005 and 6.19 percent in the second quarter of this year. At September 30, 2006, the bank's prime rate was 8.25 percent, 150 basis points higher than it was at the same time last year.

Average deposits totaled \$11.9 billion, essentially unchanged from both the third quarter of 2005 and the second quarter of this year. Average noninterest-bearing deposits fell 8 percent from the third quarter of 2005 and 3 percent from the second quarter of this year. Third-quarter title and escrow balances averaged \$1.25 billion, down slightly from the \$1.30 billion average in the second quarter of 2006. Interest checking and money market account balances together were down 9 percent from the third quarter of last year and 4 percent from the second quarter of this year. Time deposits, including certificates of deposit, were up 74 percent from the third quarter of 2005 and 19 percent from the second quarter of this year. Total interest expense grew 110 percent from the third quarter of 2005 and 14 percent from the second quarter of this year as a result of the shift to higher rate deposits and the increase in short-term borrowings to fund loan growth.

Responding to the rise in short-term interest rates, this year some of the company's clients have shifted funds from core deposit accounts into higher yielding deposit products and accounts. However, in the first three quarters of 2006, the increase in City National's wealth management money market and account balances substantially exceeded the decline of core deposits.

The company's third-quarter net interest margin was 4.53 percent, compared with 4.80 percent during the same period last year and 4.65 percent in the second quarter of 2006. The decline in the margin from the second quarter of this year is due to lower average balances in demand and money-market deposits as well as a 53-basis-point increase in the average cost of interest-bearing deposits.

Average securities totaled \$3.2 billion in the third quarter of 2006, down \$822 million from one year ago and \$337 million from the second quarter of 2006. The average duration of total available-for-sale securities at September 30, 2006 was 3.3 years, compared with 3.5 years at June 30, 2006.

City National Corp. Reports Net Income for the Third Quarter of 2006

Page 4

<i>Dollars in millions</i>	<i>For the three months ended</i>			<i>For the three months ended</i>		
	<i>September 30,</i>		<i>%</i>	<i>June 30, 2006</i>		<i>%</i>
	<i>2006</i>	<i>2005</i>	<i>Change</i>			<i>Change</i>
<i>Average Loans</i>	\$ 10,013.1	\$ 8,963.3	12	\$ 9,902.9		1
<i>Average Total Securities</i>	3,244.9	4,066.6	(20)	3,581.2		(9)
<i>Average Earning Assets</i>	13,322.5	13,135.7	1	13,581.2		(2)
<i>Average Deposits</i>	11,905.2	11,858.5	0	11,930.8		0
<i>Average Core Deposits</i>	9,905.8	10,784.5	(8)	10,278.7		(4)
<i>Fully Taxable-Equivalent</i>						
<i>Net Interest Income</i>	152.0	159.3	(5)	157.3		(3)
<i>Net Interest Margin</i>	4.53 %	4.80 %	(6)	4.65 %		(3)

NONINTEREST INCOME

Third-quarter 2006 noninterest income was \$64.8 million, 21 percent higher than the third quarter of 2005, due primarily to the continuing growth of City National's wealth management and international services fee revenue.

Wealth Management

City National's assets under management or administration reached \$48.5 billion in the third quarter. As a result, trust and investment fees increased 46 percent over the same period last year. Third-quarter brokerage and mutual fund fees grew 20 percent from the third quarter of 2005.

Not including the May 31, 2006 acquisition of Independence Investment LLC, City National's trust and investment fee income in the third quarter of 2006 grew 12 percent from the same period last year. Third-quarter noninterest income grew 8 percent from last year, excluding the acquisition of Independence.

<i>Dollars in millions</i>	<i>At or for the three months ended</i>			<i>At or for the three months ended</i>		
	<i>September 30,</i>		<i>%</i>	<i>June 30, 2006</i>		<i>%</i>
	<i>2006</i>	<i>2005</i>	<i>Change</i>			<i>Change</i>
<i>Trust and Investment Fee Revenue</i>	\$ 30.0	\$ 20.5	46	\$ 24.9		20
<i>Brokerage and Mutual Fund Fees</i>	13.1	10.9	20	12.3		7
<i>Assets Under Management (1)</i>	27,380.6	18,365.6	49	26,852.9		2
<i>Assets Under Management or Administration (1)</i>	48,488.4	38,784.0	25	47,199.0		3

(1) Excludes \$7.8 billion, \$6.5 billion, and \$9.3 billion of assets under management for the investment affiliates in which City National held minority ownership interests as of September 30, 2006, September 30, 2005, and June 30, 2006, respectively.

City National Corp. Reports Net Income for the Third Quarter of 2006

Page 5

Other Noninterest Income

Third-quarter cash management and deposit transaction fee income fell 5 percent from the same period last year but grew 4 percent from the second quarter of 2006.

International services fee income grew 12 percent from the third quarter of 2005 but fell 1 percent from the second quarter of this year.

Other noninterest income for the third quarter of 2006 amounted to \$6.3 million, up 13 percent – or \$730,000 -- from one year ago.

NONINTEREST EXPENSE

Third-quarter 2006 noninterest expense totaled \$120.7 million, up 7 percent from the third quarter of 2005 and 1 percent from the second quarter of this year.

Third-quarter expenses were lowered by \$1.6 million, or \$0.02 per share after tax, due to a revision in the way the company has been amortizing goodwill after restructuring an investment in one of its asset management affiliates.

Excluding this revision, the expensing of stock options and the acquisition of Independence Investment LLC, noninterest expense grew 2 percent from the third quarter of last year.

City National's efficiency ratio for the third quarter of 2006 was 55.65 percent, compared with 52.90 percent one year ago and 55.20 percent for the second quarter of this year.

INCOME TAXES

The company's third-quarter 2006 effective tax rate was 36.5 percent, compared with 38.5 percent in the third quarter of last year.

CREDIT QUALITY

Asset quality remains strong. At September 30, 2006, nonaccrual loans were \$18.8 million, compared with \$18.6 million at the same time last year and \$15.0 million in the second quarter of 2006. Recoveries exceeded charge-offs for the seventh consecutive quarter, this time by \$1.9 million.

At September 30, 2006, the company's allowance for loan losses was \$159.1 million, or 1.59 percent of outstanding loans. Its reserve for unfunded credit commitments was an additional \$15.7 million.

City National made no provision for credit losses in the third quarter. The company's loan-loss allowance methodology takes into account several quantitative and qualitative factors, including asset quality, credit risk, loan growth and economic conditions.

City National Corp. Reports Net Income for the Third Quarter of 2006

Page 6

OUTLOOK

As previously disclosed, City National's management expects earnings per share this year to grow at a rate of between 1 percent and 4 percent as compared with 2005.

CAPITAL RATIOS

Total risk-based capital and Tier 1 risk-based capital ratios at September 30, 2006 were 14.21 percent and 11.18 percent, compared with the minimum "well-capitalized" capital ratios of 10 percent and 6 percent, respectively.

The company's Tier 1 leverage ratio at September 30, 2006 was 8.66 percent. Total risk-based capital, Tier 1 risk-based capital and the Tier 1 leverage ratios at June 30, 2006 were 14.36 percent, 11.29 percent and 8.45 percent, respectively.

The period-end ratio of shareholders' equity to total assets at September 30, 2006 was 9.98 percent, compared to 9.82 percent at the same time last year, and 9.73 percent at June 30, 2006.

STOCK REPURCHASE

In the third quarter of 2006, City National repurchased 546,900 of its outstanding shares at an average cost per share of \$66.16. During the first three quarters of this year, the company bought back more than 2.1 million shares at an average per share cost of \$69.27. It is currently authorized to repurchase as many as 1.3 million additional shares.

CONFERENCE CALL

City National Corporation will host a conference call this afternoon to discuss results for the third quarter of 2006. The call will begin at 2:00 p.m. PDT. Analysts and investors may dial in and participate in the question/answer session. To access the call, please dial (800) 638-4817 and enter pass code 56231258. A listen-only live broadcast of the call also will be available on the investor relations page of the company's Website at cnb.com. There, it will be archived and available for 12 months.

ABOUT CITY NATIONAL

City National Corporation's wholly owned subsidiary, City National Bank, is California's Premier Private and Business Bank[®]. It provides banking, investment and trust services through 55 offices, including 12 full-service regional centers, in Southern California, the San Francisco Bay Area and New York City. The corporation also holds majority ownership interests in 10 investment management affiliates.

FORWARD-LOOKING STATEMENTS

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

Forward-looking statements are based on management's knowledge and belief as of today and include information concerning the company's possible or assumed future financial condition, and its results of operations, business and earnings outlook. These forward-looking statements are subject to risks and uncertainties. A number of factors, some of which are beyond the company's ability to control or predict, could cause future results to differ materially from those contemplated by such forward-looking statements. These factors include (1) changes in interest rates, (2) significant changes in banking laws or regulations, (3) increased competition in the company's markets, (4) other-than-expected credit losses due to business losses, real estate cycles or other economic events, (5) earthquake or other natural disasters affecting the condition of real estate collateral, (6) the effect of acquisitions and integration of acquired businesses and de novo branching efforts, (7) the impact of changes in regulatory, judicial or legislative tax treatment of business transactions, (8) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, and (9) general business and economic conditions, including movements in interest rates, the slope of the yield curve and changes in business formation and growth, commercial real estate development and real estate prices.

Forward-looking statements speak only as of the date they are made, and the company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the statements are made, or to update earnings guidance, including the factors that influence earnings.

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

###

CITY NATIONAL CORPORATION



Selected Financial Information September 30, 2006

(unaudited)

<u>Contents</u>	<u>Page</u>
Financial Highlights.....	2
Statements of Income.....	3
Quarterly Statements of Income.....	4-5
Period End Balance Sheets.....	6-7
Credit Loss Experience.....	8
Nonperforming Assets.....	9
Average Balances and Rates.....	10-11
Capital and Credit Rating Data.....	12

CITY NATIONAL CORPORATION
FINANCIAL HIGHLIGHTS
(unaudited)

For The Period Ended September 30,	Three Months			Nine Months		
	2006	2005	% Change	2006	2005	% Change
Per Common Share						
Net Income						
Basic.....	\$ 1.23	\$ 1.22	1	\$ 3.59	\$ 3.52	2
Diluted.....	1.20	1.17	3	3.47	3.39	2
Dividends.....	0.41	0.36	14	1.23	1.08	14
Book value.....				30.61	28.85	6
Results of Operations: (In millions)						
Interest income.....	\$ 208	\$ 184	13	\$ 613	\$ 526	16
Interest expense.....	59	28	110	158	74	112
Net interest income.....	149	156	(5)	455	452	1
Net interest income (Fully tax-equivalent).....	152	159	(5)	465	462	1
Total revenue.....	214	210	2	633	608	4
Provision for credit losses.....	-	-	NM	(1)	-	NM
Net income.....	59	60	(1)	175	173	1
Financial Ratios:						
Performance Ratios:						
Return on average assets.....	1.61 %	1.66 %		1.59 %	1.65 %	
Return on average shareholders' equity.....	16.30	16.74		16.06	16.80	
Period-end shareholders' equity to period-end assets.....				9.98	9.82	
Net interest margin.....	4.53	4.80		4.60	4.76	
Efficiency ratio.....	55.65	52.90		55.22	53.46	
Capital Adequacy Ratios (Period end):						
Tier 1 leverage.....				8.66	8.58	
Tier 1 risk-based capital.....				11.18	12.19	
Total risk-based capital.....				14.21	15.70	
Asset Quality Ratios:						
Allowance for loan and lease losses to:						
Total loans.....				1.59 %	1.70 %	
Nonaccrual loans.....				847.03	824.19	
Nonperforming assets to:						
Total loans and nonperforming assets.....				0.19	0.21	
Total assets.....				0.13	0.13	
Net (charge-offs)/recoveries to						
Average total loans (annualized).....	0.08 %	0.25 %		0.08 %	0.11 %	
Average Balances: (In millions)						
Loans.....	\$ 10,013	\$ 8,963	12	\$ 9,848	\$ 8,763	12
Interest-earning assets.....	13,322	13,136	1	13,517	12,954	4
Assets.....	14,545	14,256	2	14,717	14,058	5
Core deposits.....	9,906	10,785	(8)	10,171	10,733	(5)
Deposits.....	11,905	11,859	-	11,810	11,705	1
Interest-bearing liabilities.....	7,235	6,556	10	7,304	6,578	11
Shareholders' equity.....	1,436	1,418	1	1,456	1,377	6
Period-End Balances : (In millions)						
Loans.....	\$ 10,020	\$ 9,005	11			
Assets.....	14,617	14,429	1			
Core deposits.....	9,901	10,891	(9)			
Deposits.....	11,892	12,116	(2)			
Shareholders' equity.....	1,458	1,417	3			
Wealth Management: (In millions) (1)						
Assets under management.....	\$ 27,381	\$ 18,366	49			
Assets under management or administration.....	48,488	38,784	25			

(1) Excludes \$7,808 and \$6,543 million of assets under management for the Convergent Capital Management asset managers in which City National holds minority ownership interests as of September 30, 2006 and September 30, 2005, respectively.

CITY NATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

(Dollars in thousands except per share data)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2006	2005	% Change	2006	2005	% Change
Interest income	\$ 208,347	\$ 184,710	13	\$ 612,743	\$ 526,625	16
Interest expense	59,625	28,396	110	157,617	74,239	112
Net Interest Income	148,722	156,314	(5)	455,126	452,386	1
Provision for Credit Losses	-	-	-	(610)	-	-
Noninterest Income						
Trust and investment fees	30,002	20,494	46	76,685	60,457	27
Brokerage and mutual fund fees	13,096	10,946	20	37,049	30,754	20
Cash management and deposit transaction fees	7,967	8,370	(5)	23,722	26,254	(10)
International services	6,829	6,107	12	19,688	16,903	16
Bank-owned life insurance	685	1,017	(33)	2,296	2,533	(9)
Other service charges and fees	6,303	5,573	13	18,968	16,039	18
Gain (loss) on sale of assets	268	801	(67)	268	986	(73)
Gain (loss) on sale of securities	(362)	241	(250)	(370)	1,340	(128)
Total noninterest income	64,788	53,549	21	178,306	155,266	15
Noninterest Expense						
Salaries and employee benefits	75,318	66,467	13	220,652	196,938	12
Net occupancy of premises	10,207	8,666	18	28,679	25,009	15
Legal and professional fees	9,120	10,672	(15)	27,706	30,177	(8)
Information services	4,932	4,471	10	13,959	12,697	10
Depreciation	4,832	4,551	6	14,154	13,656	4
Amortization of intangibles	(37)	1,852	(102)	3,828	4,734	(19)
Marketing and advertising	4,495	4,182	7	13,501	11,699	15
Office services	2,623	2,578	2	7,863	7,755	1
Equipment	514	578	(11)	1,769	1,773	(0)
Minority interest expense	1,808	1,761	3	4,249	5,104	(17)
Other	6,857	6,862	(0)	18,804	20,366	(8)
Total noninterest expense	120,669	112,640	7	355,164	329,908	8
Income Before Taxes	92,841	97,223	(5)	278,878	277,744	0
Applicable Income Taxes	33,847	37,413	(10)	103,911	104,766	(1)
Net Income	\$ 58,994	\$ 59,810	(1)	\$ 174,967	\$ 172,978	1
Other Data:						
Earnings per common share - basic	\$ 1.23	\$ 1.22	1	\$ 3.59	\$ 3.52	2
Earnings per common share - diluted	\$ 1.20	\$ 1.17	3	\$ 3.47	\$ 3.39	2
Dividends paid per common share	\$ 0.41	\$ 0.36	14	\$ 1.23	\$ 1.08	14
Dividend payout ratio	33.64 %	29.82 %	13	34.57 %	30.87 %	12
Return on average assets	1.61 %	1.66 %	(3)	1.59 %	1.65 %	(3)
Return on average shareholders' equity	16.30 %	16.74 %	(3)	16.06 %	16.80 %	(4)
Net interest margin (Fully taxable-equivalent)	4.53 %	4.80 %	(6)	4.60 %	4.76 %	(3)
Full-time equivalent employees	2,672	2,516	6			

CITY NATIONAL CORPORATION
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME
(unaudited)

(Dollars in thousands except per share data)	2006			
	Third Quarter	Second Quarter	First Quarter	Year to Date
Interest Income	\$ 208,347	\$ 206,204	\$ 198,192	\$ 612,743
Interest Expense	59,625	52,206	45,786	157,617
Net Interest Income	148,722	153,998	152,406	455,126
Provision for Credit Losses	-	(610)	-	(610)
Noninterest Income				
Trust and investment fees	30,002	24,909	21,774	76,685
Brokerage and mutual fund fees	13,096	12,269	11,684	37,049
Cash management and deposit transaction fees	7,967	7,691	8,064	23,722
International services	6,829	6,870	5,989	19,688
Bank-owned life insurance	685	677	934	2,296
Other service charges and fees	6,303	6,888	5,777	18,968
Gain (loss) on sale of assets	268	-	-	268
Gain (loss) on sale of securities	(362)	(716)	708	(370)
Total noninterest income	64,788	58,588	54,930	178,306
Noninterest Expense				
Salaries and employee benefits	75,318	73,718	71,616	220,652
Net occupancy of premises	10,207	9,460	9,012	28,679
Legal and professional fees	9,120	9,169	9,417	27,706
Information services	4,932	4,571	4,456	13,959
Depreciation	4,832	4,662	4,660	14,154
Amortization of intangibles	(37)	1,974	1,891	3,828
Marketing and advertising	4,495	4,990	4,016	13,501
Office services	2,623	2,549	2,691	7,863
Equipment	514	623	632	1,769
Minority interest expense	1,808	1,213	1,228	4,249
Other	6,857	6,243	5,704	18,804
Total noninterest expense	120,669	119,172	115,323	355,164
Income Before Taxes	92,841	94,024	92,013	278,878
Applicable Income Taxes	33,847	35,283	34,781	103,911
Net Income	\$ 58,994	\$ 58,741	\$ 57,232	\$ 174,967
Other Data:				
Earnings per common share - basic	\$ 1.23	\$ 1.20	\$ 1.16	\$ 3.59
Earnings per common share - diluted	\$ 1.20	\$ 1.16	\$ 1.12	\$ 3.47
Dividends paid per common share	\$ 0.41	\$ 0.41	\$ 0.41	\$ 1.23
Dividend payout ratio	33.64 %	34.43 %	35.65 %	34.57 %
Return on average assets	1.61 %	1.59 %	1.57 %	1.59 %
Return on average shareholders' equity	16.30 %	16.20 %	15.68 %	16.06 %
Net interest margin (Fully taxable-equivalent)	4.53 %	4.65 %	4.62 %	4.60 %
Full-time equivalent employees	2,672	2,648	2,570	

CITY NATIONAL CORPORATION
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME
(unaudited)

(Dollars in thousands except per share data)	2005				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest Income	\$ 191,927	\$ 184,710	\$ 174,265	\$ 167,650	\$ 718,552
Interest Expense	31,886	28,396	24,619	21,224	106,125
Net Interest Income	160,041	156,314	149,646	146,426	612,427
Provision for Credit Losses	-	-	-	-	-
Noninterest Income					
Trust and investment fees	20,362	20,494	20,119	19,844	80,818
Brokerage and mutual fund fees	11,174	10,946	9,931	9,877	41,927
Cash management and deposit transaction fees	7,842	8,370	8,874	9,010	34,096
International services	6,256	6,107	5,908	4,888	23,159
Bank-owned life insurance	670	1,017	652	864	3,203
Other service charges and fees	6,591	5,573	4,869	5,597	22,632
Gain on sale of assets	81	801	162	23	1,067
Gain (loss) on sale of securities	(53)	241	844	255	1,287
Total noninterest income	52,923	53,549	51,359	50,358	208,189
Noninterest Expense					
Salaries and employee benefits	66,460	66,467	63,839	66,632	263,398
Net occupancy of premises	10,074	8,666	8,727	7,616	35,083
Legal and professional fees	11,419	10,672	10,791	8,714	41,596
Information services	4,299	4,471	4,015	4,211	16,996
Depreciation	4,778	4,551	4,535	4,570	18,434
Amortization of intangibles	1,865	1,852	1,441	1,441	6,595
Marketing and advertising	4,472	4,182	3,943	3,574	16,171
Office services	2,942	2,578	2,688	2,489	10,697
Equipment	582	578	646	549	2,355
Minority interest expense	571	1,761	1,532	1,811	5,675
Other	6,690	6,862	6,796	6,708	27,060
Total noninterest expense	114,152	112,640	108,953	108,315	444,060
Income Before Taxes	98,812	97,223	92,052	88,469	376,556
Applicable Income Taxes	37,055	37,413	34,345	33,008	141,821
Net Income	\$ 61,757	\$ 59,810	\$ 57,707	\$ 55,461	\$ 234,735
Other Data:					
Earnings per common share - basic	\$ 1.25	\$ 1.22	\$ 1.18	\$ 1.13	\$ 4.77
Earnings per common share - diluted	\$ 1.21	\$ 1.17	\$ 1.13	\$ 1.09	\$ 4.60
Dividends paid per common share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 1.44
Dividend payout ratio	28.89 %	29.82 %	30.86 %	32.02 %	30.35 %
Return on average assets	1.69 %	1.66 %	1.65 %	1.62 %	1.66 %
Return on average shareholders' equity	17.15 %	16.74 %	17.03 %	16.63 %	16.89 %
Net interest margin (Fully taxable-equivalent)	4.85 %	4.80 %	4.73 %	4.75 %	4.79 %
Full-time equivalent employees	2,539	2,516	2,477	2,445	

CITY NATIONAL CORPORATION
CONSOLIDATED PERIOD END BALANCE SHEET
(unaudited)

(In thousands)	2006		
	Third Quarter	Second Quarter	First Quarter
Assets			
Cash and due from banks	\$ 457,396	\$ 467,076	\$ 457,156
Federal funds sold	3,300	1,900	-
Due from banks - interest-bearing	65,323	50,416	48,890
Securities-available-for-sale	3,175,230	3,211,590	3,850,173
Trading account securities	116,870	123,418	57,353
Loans:			
Commercial	3,782,781	3,738,361	3,698,614
Commercial real estate mortgages	2,066,373	2,032,698	1,891,517
Residential mortgages	2,830,761	2,769,340	2,700,966
Real estate construction	757,742	723,570	748,696
Equity lines of credit	384,830	364,312	339,348
Installment	197,871	193,474	188,262
Total loans	10,020,358	9,821,755	9,567,403
Allowance for loan and lease losses	(159,063)	(157,580)	(156,482)
Net loans	9,861,295	9,664,175	9,410,921
Premises and equipment, net	88,582	84,802	84,884
Goodwill and other intangibles	298,471	298,004	283,642
Other assets	550,291	575,686	546,365
Total assets	<u>\$ 14,616,758</u>	<u>\$ 14,477,067</u>	<u>\$ 14,739,384</u>
Liabilities:			
Deposits:			
Noninterest-bearing	\$ 5,639,811	\$ 5,880,630	\$ 5,945,485
Interest-bearing	6,252,206	6,098,200	5,963,044
Total deposits	11,892,017	11,978,830	11,908,529
Federal funds purchased and securities sold under repurchase agreements	506,962	234,995	526,920
Other short-term borrowed funds	72,426	143,724	151,522
Subordinated debt	278,031	266,675	269,785
Other long-term debt	209,814	209,864	213,819
Minority interest	28,578	27,985	25,225
Other liabilities	170,710	206,929	164,020
Total liabilities	13,158,538	13,069,002	13,259,820
Shareholders' Equity			
Common stock	50,729	50,735	50,693
Additional paid-in capital	404,163	402,476	399,976
Retained earnings	1,235,959	1,196,812	1,158,290
Accumulated other comprehensive loss	(46,400)	(86,931)	(73,250)
Treasury shares	(186,231)	(155,027)	(56,145)
Total shareholders' equity	1,458,220	1,408,065	1,479,564
Total liabilities and shareholders' equity	<u>\$ 14,616,758</u>	<u>\$ 14,477,067</u>	<u>\$ 14,739,384</u>

CITY NATIONAL CORPORATION
CONSOLIDATED PERIOD END BALANCE SHEET
(unaudited)

(In thousands)	2005			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Assets				
Cash and due from banks	\$ 365,217	\$ 438,786	\$ 406,709	\$ 386,999
Federal funds sold	157,000	185,000	400,000	190,000
Due from banks - interest-bearing	40,803	39,485	34,676	36,982
Securities-available-for-sale	3,999,261	4,030,296	4,057,267	4,018,969
Trading account securities	59,344	42,634	22,337	37,490
Loans:				
Commercial	3,505,576	3,367,607	3,311,059	3,082,663
Commercial real estate mortgages	1,860,262	1,841,111	1,826,379	1,848,512
Residential mortgages	2,644,030	2,571,537	2,485,177	2,405,732
Real estate construction	721,890	711,755	724,895	759,090
Equity lines of credit	333,548	317,703	310,101	274,735
Installment	200,296	195,168	212,064	201,821
Total loans	9,265,602	9,004,881	8,869,675	8,572,553
Allowance for loan and lease losses	(153,983)	(152,920)	(147,930)	(147,607)
Net loans	9,111,619	8,851,961	8,721,745	8,424,946
Premises and equipment, net	82,868	76,754	73,169	68,354
Goodwill and other intangibles	284,124	285,553	289,675	291,116
Other assets	481,624	478,975	470,020	463,182
Total assets	<u>\$ 14,581,860</u>	<u>\$ 14,429,444</u>	<u>\$ 14,475,598</u>	<u>\$ 13,918,038</u>
Liabilities:				
Deposits:				
Noninterest-bearing	\$ 6,562,038	\$ 6,345,907	\$ 6,468,339	\$ 6,069,061
Interest-bearing	5,576,434	5,769,807	5,683,869	5,693,563
Total deposits	12,138,472	12,115,714	12,152,208	11,762,624
Federal funds purchased and securities sold under repurchase agreements	190,190	191,036	204,052	155,645
Other short-term borrowed funds	100,000	26,197	27,678	125
Subordinated debt	275,682	278,076	285,771	280,068
Other long-term debt	219,445	221,168	233,290	224,829
Minority interest	24,351	24,856	25,400	25,525
Other liabilities	175,712	155,220	146,311	149,039
Total liabilities	13,123,852	13,012,267	13,074,710	12,597,855
Shareholders' Equity				
Common stock	50,601	50,601	50,640	50,712
Additional paid-in capital	396,659	398,289	398,981	399,612
Retained earnings	1,121,474	1,077,561	1,035,589	995,688
Accumulated other comprehensive (loss)	(51,551)	(36,879)	(12,948)	(43,288)
Treasury shares	(59,175)	(72,395)	(71,374)	(82,541)
Total shareholders' equity	1,458,008	1,417,177	1,400,888	1,320,183
Total liabilities and shareholders' equity	<u>\$ 14,581,860</u>	<u>\$ 14,429,444</u>	<u>\$ 14,475,598</u>	<u>\$ 13,918,038</u>

CITY NATIONAL CORPORATION
CREDIT LOSS EXPERIENCE
(unaudited)

(Dollars in thousands)	2006				2005				
	Third Quarter	Second Quarter	First Quarter	Year To Date	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Allowance for Loan and Lease Losses									
Balance at beginning of period	\$ 157,580	\$ 156,482	\$ 153,983	\$ 153,983	\$ 152,920	\$ 147,930	\$ 147,607	\$ 148,568	\$ 148,568
Net (charge-offs)/recoveries:									
Commercial	1,912	1,122	1,792	4,826	2,085	4,213	1,067	2,117	9,482
Commercial real estate mortgages	-	11	844	855	7	324	7	(1,893)	(1,555)
Residential mortgages	-	-	-	-	-	-	1	2	3
Real estate construction	18	17	16	51	15	1,192	71	23	1,301
Equity lines of credit	(11)	-	-	(11)	-	-	39	1	40
Installment	10	11	4	25	(11)	13	5	(18)	(11)
Total net (charge-offs)/recoveries	1,929	1,161	2,656	5,746	2,096	5,742	1,190	232	9,260
Provision for credit losses/transfers	(446)	(63)	(157)	(666)	(1,033)	(752)	(867)	(1,193)	(3,845)
Balance at end of period	<u>\$ 159,063</u>	<u>\$ 157,580</u>	<u>\$ 156,482</u>	<u>\$ 159,063</u>	<u>\$ 153,983</u>	<u>\$ 152,920</u>	<u>\$ 147,930</u>	<u>\$ 147,607</u>	<u>\$ 153,983</u>

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

Commercial	0.20 %	0.11 %	0.19 %	0.17 %	0.24 %	0.50 %	0.13 %	0.28 %	0.29 %
Commercial real estate mortgages	0.00 %	0.00 %	0.18 %	0.06 %	0.00 %	0.07 %	0.00 %	(0.41) %	(0.09) %
Residential mortgage	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Real estate construction	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %	0.65 %	0.04 %	0.01 %	0.17 %
Equity lines of credit	(0.01) %	0.00 %	0.00 %	(0.00) %	0.00 %	0.00 %	0.05 %	0.00 %	0.01 %
Installment	0.02 %	0.02 %	0.01 %	0.02 %	(0.02) %	0.02 %	0.01 %	(0.03) %	(0.01) %
Total loans	0.08 %	0.05 %	0.11 %	0.08 %	0.09 %	0.25 %	0.05 %	0.01 %	0.10 %

Reserve for Off-Balance Sheet Credit Commitments

Balance at beginning of period	\$ 15,206	\$ 15,753	\$ 15,596	\$ 15,596	\$ 14,563	\$ 13,811	\$ 12,944	\$ 11,751	\$ 11,751
Provision for credit losses/transfers	446	(547)	157	56	1,033	752	867	1,193	3,845
Balance at end of period	<u>\$ 15,652</u>	<u>\$ 15,206</u>	<u>\$ 15,753</u>	<u>\$ 15,652</u>	<u>\$ 15,596</u>	<u>\$ 14,563</u>	<u>\$ 13,811</u>	<u>\$ 12,944</u>	<u>\$ 15,596</u>

CITY NATIONAL CORPORATION
NONPERFORMING ASSETS
(unaudited)

(Dollars in thousands)	2006			2005			
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Nonaccrual Loans							
Commercial	\$ 10,416	\$ 6,691	\$ 5,642	\$ 5,141	\$ 14,917	\$ 17,982	\$ 25,117
Commercial real estate mortgages	8,094	3,644	923	923	955	1,543	1,945
Residential mortgages	-	-	-	294	2,259	1,990	1,990
Real estate construction	-	4,617	7,492	7,650	-	-	-
Equity lines of credit	-	-	-	21	22	22	212
Installment	269	49	498	371	401	624	654
Total nonaccrual loans	18,779	15,001	14,555	14,400	18,554	22,161	29,918
Other Nonperforming Assets	-	-	-	-	-	-	-
Total nonperforming assets	\$ 18,779	\$ 15,001	\$ 14,555	\$ 14,400	\$ 18,554	\$ 22,161	\$ 29,918
Loans 90 Days or More Past Due on Accrual Status	\$ 27	\$ 18	\$ -	\$ -	\$ -	\$ 103	\$ 807
Allowance for loan and lease losses as a percentage of:							
Nonaccrual loans	847.03 %	1,050.47 %	1,075.11 %	1,069.33 %	824.19 %	667.52 %	493.37 %
Total nonperforming assets	847.03 %	1,050.47 %	1,075.11 %	1,069.33 %	824.19 %	667.52 %	493.37 %
Total loans	1.59 %	1.60 %	1.64 %	1.66 %	1.70 %	1.67 %	1.72 %
Nonaccrual loans as a percentage of total loans	0.19 %	0.15 %	0.15 %	0.16 %	0.21 %	0.25 %	0.35 %
Nonperforming assets as a percentage of:							
Total loans and other nonperforming assets	0.19 %	0.15 %	0.15 %	0.16 %	0.21 %	0.25 %	0.35 %
Total assets	0.13 %	0.10 %	0.10 %	0.10 %	0.13 %	0.15 %	0.21 %

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

(Dollars in millions)	2006							
	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
Assets								
Interest-earning assets								
Loans								
Commercial	\$ 3,827	7.05 %	\$ 3,933	6.85 %	\$ 3,813	6.62 %	3,858	6.84 %
Commercial real estate mortgages	2,055	7.48	1,943	7.58	1,872	7.35	1,957	7.47
Residential mortgages	2,801	5.38	2,737	5.31	2,666	5.27	2,735	5.32
Real estate construction	761	9.37	743	9.14	743	8.58	749	9.04
Equity lines of credit	375	7.91	352	7.63	334	7.17	354	7.59
Installment	194	7.58	195	7.72	197	7.41	195	7.57
Total loans	<u>10,013</u>	6.88	<u>9,903</u>	6.79	<u>9,625</u>	6.59	<u>9,848</u>	6.76
Due from banks - interest-bearing	61	2.55	46	2.31	44	1.98	51	2.31
Federal funds sold and securities purchased under resale agreements	3	7.13	51	4.77	13	4.32	22	4.79
Securities available-for-sale	3,191	4.63	3,529	4.55	3,926	4.47	3,546	4.55
Trading account securities	54	5.22	52	6.61	44	5.26	50	5.70
Total interest-earning assets	<u>13,322</u>	6.30	<u>13,581</u>	6.19	<u>13,652</u>	5.98	<u>13,517</u>	6.16
Allowance for loan and lease losses	(158)		(157)		(155)		(157)	
Cash and due from banks	428		443		439		436	
Other assets	953		915		891		921	
Total assets	<u>\$ 14,545</u>		<u>\$ 14,782</u>		<u>\$ 14,827</u>		<u>\$ 14,717</u>	
Liabilities and Shareholders' Equity								
Interest-bearing deposits								
Interest checking accounts	\$ 706	0.36 %	\$ 757	0.27 %	\$ 808	0.23 %	\$ 757	0.28 %
Money market accounts	3,224	2.57	3,352	2.13	3,388	1.81	3,321	2.17
Savings deposits	163	0.41	174	0.37	179	0.37	172	0.38
Time deposits - under \$100,000	184	3.87	176	3.00	180	2.59	180	3.16
Time deposits - \$100,000 and over	1,999	4.55	1,652	4.07	1,254	3.42	1,638	4.10
Total interest-bearing deposits	<u>6,276</u>	2.93	<u>6,111</u>	2.40	<u>5,809</u>	1.92	<u>6,068</u>	2.43
Federal funds purchased and securities sold under repurchase agreements	401	5.26	546	4.93	809	4.48	584	4.80
Other borrowings	558	5.63	652	5.51	749	5.09	652	5.39
Total interest-bearing liabilities	<u>7,235</u>	3.27	<u>7,309</u>	2.86	<u>7,367</u>	2.52	<u>7,304</u>	2.89
Noninterest-bearing deposits	5,629		5,820		5,779		5,742	
Other liabilities	245		199		200		215	
Shareholders' equity	1,436		1,454		1,481		1,456	
Total liabilities and shareholders' equity	<u>\$ 14,545</u>		<u>\$ 14,782</u>		<u>\$ 14,827</u>		<u>\$ 14,717</u>	
Net interest spread		<u>3.03 %</u>		<u>3.33 %</u>		<u>3.46 %</u>		<u>3.27 %</u>
Net interest margin		<u>4.53 %</u>		<u>4.65 %</u>		<u>4.62 %</u>		<u>4.60 %</u>
Average prime rate		<u>8.25 %</u>		<u>7.90 %</u>		<u>7.43 %</u>		<u>7.86 %</u>

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

(Dollars in millions)	2005									
	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Full Year	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Assets										
Interest-earning assets										
Loans										
Commercial	\$ 3,517	6.48 %	\$ 3,376	6.21 %	\$ 3,215	6.01 %	\$ 3,112	5.75 %	3,306	6.13 %
Commercial real estate mortgages	1,849	7.28	1,829	7.47	1,856	7.01	1,818	7.02	1,838	7.20
Residential mortgages	2,603	5.23	2,519	5.25	2,444	5.19	2,354	5.18	2,481	5.21
Real estate construction	727	8.36	725	7.98	728	7.37	817	6.74	749	7.59
Equity lines of credit	322	6.77	310	6.10	297	5.70	265	5.42	299	6.03
Installment	192	7.19	204	7.05	208	7.12	206	6.28	202	6.93
Total loans	9,210	6.45	8,963	6.34	8,748	6.13	8,572	5.98	8,875	6.23
Due from banks - interest-bearing	44	1.63	41	1.45	37	1.24	65	1.34	47	1.42
Federal funds sold and securities purchased under resale agreements	23	4.23	65	3.70	80	2.76	33	2.59	50	3.22
Securities available-for-sale	4,012	4.37	4,030	4.26	4,034	4.25	4,078	4.38	4,038	4.32
Trading account securities	39	5.13	37	3.95	37	3.25	38	2.40	38	3.71
Total interest-earning assets	13,328	5.80	13,136	5.67	12,936	5.50	12,786	5.43	13,048	5.60
Allowance for loan and lease losses	(153)		(151)		(148)		(149)		(150)	
Cash and due from banks	451		441		443		441		444	
Other assets	842		830		810		795		819	
Total assets	\$ 14,468		\$ 14,256		\$ 14,041		\$ 13,873		\$ 14,161	
Liabilities and Shareholders' Equity										
Interest-bearing deposits										
Interest checking accounts	\$ 813	0.21 %	\$ 795	0.14 %	\$ 849	0.08 %	\$ 858	0.09 %	\$ 828	0.13 %
Money market accounts	3,471	1.49	3,507	1.30	3,568	1.15	3,690	1.00	3,558	1.23
Savings deposits	186	0.29	196	0.29	199	0.28	205	0.24	197	0.27
Time deposits - under \$100,000	189	2.62	183	2.03	181	0.98	182	1.69	184	1.65
Time deposits - \$100,000 and over	1,136	2.78	1,074	2.87	897	2.84	944	2.19	1,013	2.72
Total interest-bearing deposits	5,795	1.56	5,755	1.42	5,694	1.22	5,879	1.05	5,780	1.32
Federal funds purchased and securities sold under repurchase agreements	289	3.79	256	3.25	315	2.88	254	2.33	278	3.08
Other borrowings	552	4.55	545	4.13	518	3.85	519	3.53	534	4.03
Total interest-bearing liabilities	6,636	1.91	6,556	1.72	6,527	1.51	6,652	1.29	6,592	1.61
Noninterest-bearing deposits	6,205		6,104		5,985		5,694		5,999	
Other liabilities	198		178		170		175		180	
Shareholders' equity	1,429		1,418		1,359		1,352		1,390	
Total liabilities and shareholders' equity	\$ 14,468		\$ 14,256		\$ 14,041		\$ 13,873		\$ 14,161	
Net interest spread		3.89 %		3.95 %		3.99 %		4.14 %		3.99 %
Net interest margin		4.85 %		4.80 %		4.73 %		4.75 %		4.79 %
Average prime rate		6.97 %		6.42 %		5.91 %		5.44 %		6.19 %

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

	2006				2005				
	Third Quarter	Second Quarter	First Quarter	Year To Date	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Per Common Share:									
Shares Outstanding (in thousands):									
Average - Basic	47,919	48,957	49,484	48,786	49,238	49,198	49,090	49,162	49,159
Average - Diluted	49,318	50,654	51,309	50,424	51,053	51,123	51,043	51,030	51,062
Period-End	47,639	48,115	49,535		49,347	49,117	49,145	48,958	
Book Value	\$ 30.61	\$ 29.26	\$ 29.87		\$ 29.55	\$ 28.85	\$ 28.51	\$ 26.97	
Price:									
High	\$ 68.41	\$ 78.25	\$ 78.25	\$ 78.25	\$ 75.12	\$ 76.10	\$ 72.90	\$ 71.35	\$ 76.10
Low	63.69	60.02	71.95	60.02	66.39	68.42	66.84	67.49	66.39
Period-end	67.06	65.09	76.79		72.44	70.09	71.71	69.82	
Capital Ratios (Dollars in millions):									
Risk-based capital									
Risk-adjusted assets	\$ 10,999	\$ 10,811	\$ 10,473		\$ 10,148	\$ 9,802	\$ 9,663	\$ 9,410	
Tier I capital	\$ 1,229	\$ 1,221	\$ 1,295		\$ 1,251	\$ 1,195	\$ 1,151	\$ 1,100	
Percentage of risk adjusted assets	11.18 %	11.29 %	12.36 %		12.33 %	12.19 %	11.91 %	11.69 %	
Total capital	\$ 1,563	\$ 1,552	\$ 1,624		\$ 1,576	\$ 1,539	\$ 1,493	\$ 1,437	
Percentage of risk adjusted assets	14.21 %	14.36 %	15.51 %		15.53 %	15.70 %	15.45 %	15.27 %	
Tier I leverage ratio	8.66 %	8.45 %	8.92 %		8.82 %	8.58 %	8.39 %	8.12 %	
Period-end shareholders' equity									
to total period-end assets	9.98 %	9.73 %	10.04 %		10.00 %	9.82 %	9.68 %	9.49 %	
Period-end tangible shareholders' equity									
to total period-end tangible assets	8.10 %	7.83 %	8.27 %		8.21 %	8.00 %	7.83 %	7.55 %	
Average shareholders' equity									
to total average assets	9.87 %	9.84 %	9.99 %	9.89 %	9.88 %	9.94 %	9.68 %	9.75 %	9.81 %
Average tangible shareholders' equity									
to total average tangible assets	7.99 %	8.04 %	8.23 %	8.09 %	8.07 %	8.08 %	7.77 %	7.80 %	7.93 %

Senior Debt Credit Ratings

For The Period Ended September 30, 2006

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