

## City National: Safe, Sound, Strong & Well-Capitalized

The federal government recently conducted an unprecedented review of the nation's 19 largest banks to gauge their stability. City National was not included in these "stress tests." However, we believe that our company has the capital, liquidity and the conservative risk profile needed to guard against any anticipated further deepening of this recession.

With assets of nearly \$17 billion, our company has an exceptional deposit base, a premier clientele and a strong balance sheet. It is:

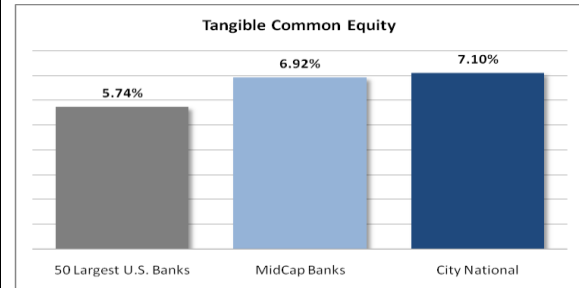
- Well-capitalized
- Double-A rated (Moody's, Aa3)
- Consistently profitable
- FDIC-insured

### Capital

One key measure of a bank's financial strength is its capital ratios. A strong capital position can enable a bank to withstand the kinds of economic challenges we see today. At March 31, 2009, City National had \$2 billion in capital and capital ratios that easily exceeded the regulatory standards that define a well-capitalized institution.

The company's Tier 1 common risk-based ratio – a key measure of any bank's financial condition – now stands at 9.7%\*, more than twice the minimum regulatory requirement of 4.0%.

### Strong Capital Position



City National's Total Common Equity Ratio ranked the fifth highest among the nation's 50 largest banks at March 31, 2009.

### Credit Ratings

Another important measure of any bank's financial strength is its credit ratings. City National's credit ratings remain strong. In fact, less than 1% of the nation's banks can claim a double-A rating from Moody's Investors Service – and City National is one of them. Another ratings agency, Standard & Poor's, recently lowered City National's counterparty and debt ratings by one notch in an industry review of large banking companies. S&P said that its downgrade reflects the increasing credit pressure that banking companies are experiencing generally. S&P also said that it continues to view favorably City National's capital position, revenue diversification and funding profile.

### Capital Ratios Exceed Well-Capitalized Standards

	Total Risk-Based	Tier 1 Risk-Based	Tier 1 Leverage	Tier 1 Common Risk-Based
<b>City National Corp.</b> <i>As of March 31, 2009</i>	<b>13.7%</b>	<b>12.0%</b>	<b>10.3%</b>	<b>9.7%*</b>
Well-Capitalized <i>Minimum regulatory requirement</i>	10.0%	6.0%	5.0%	4.0%

\* Pro-forma including proceeds from City National's May 4, 2009, common stock offering; at March 31, 2009, the company's Tier 1 common risk-based ratio was 8.8%.

## Conservative Management

City National has avoided the highly publicized problems affecting other financial institutions. We have:

- No subprime mortgages
- No subprime collateralized debt obligations
- No credit default swaps
- No significant concerns about auto loans, consumer credit card debt, home equity lines or residential mortgage debt

## Successful Equity Offering

Wall Street's enthusiastic response to City National's equity offering in early May signals strong investor confidence in the company's value proposition and prospects for growth. Our underwriters said it was perhaps the most successful stock offering they have seen this year, with demand reaching nearly six times the number of shares offered for sale by the company.

Proceeds from the offering will exceed \$100 million, and while our capital ratios – even before the offering – easily exceeded government standards for a well-capitalized institution, they will further strengthen the company's fortress-like balance sheet. It's also an important step toward the company's objective of redeeming preferred

shares and warrants held by the U.S. Treasury Department. The department purchased \$400 million of these securities from City National late last year through its Capital Purchase Program. *Redemption of the government's preferred investment is subject to regulatory approval, and City National has not yet submitted an application.*

## Industry Rankings

City National has earned a strong reputation as a company that is safe and sound, conservatively managed, consistently profitable and well-capitalized. City National is:

- The 33<sup>rd</sup> largest U.S. bank with assets of nearly \$17 billion.
- The second largest publicly traded bank based in California – the largest in Southern California.
- Ranked in the top quartile of the nation's 150 largest banks based on performance for four consecutive years by *Bank Director* magazine.
- Recognized by *Barron's* as one of America's top wealth managers eight years in a row.
- Recognized for excellence in both small-business and middle-market banking by Greenwich Associates.

Strong Credit Ratings				
City National Corporation				
<i>As of May 8, 2009</i>	Moody's	Fitch	Standard & Poor's	DBRS
Issuer / Senior Debt	A1	A-	BBB+	A
Short Term	--	F1	A-2	R-1 (low)
City National Bank				
	Moody's	Fitch	Standard & Poor's	DBRS
Long-Term Deposits	Aa3	A	--	A (high)
Issuer	Aa3	A-	A-	A (high)
Subordinated Debt	A1	BBB+	BBB+	A
Short-Term	P-1	F1	A-2	R-1 (medium)

*This document 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. Such statements involve risks and uncertainties, and future activities and results may differ materially from these expectations. For a more complete discussion of the risks and uncertainties that may cause actual results to differ materially from expected results, see the company's Annual Report on Form 10-K for the year ended December 31, 2008.*