NEWS

CITY NATIONAL CORPORATION

October 19, 2004

Contacts
Financial/Investors
Christopher J. Carey (City National) 310-888-6777

Media
Cary Walker (City National) 213-833-4715

Conference Call
Today 2:00 p.m. PDT
(800) 599-9816
Pass code 36903977

City National Corporation Reports Third-Quarter 2004 Net Income of $53.5 Million or $1.04 Per Share

Total assets reach $14.0 billion at September 30, 2004

LOS ANGELES — City National Corporation (NYSE: CYN), parent company of wholly owned City National Bank, today reported net income of $53.5 million, or $1.04 per share, for the third quarter of 2004 compared with $52.5 million, or $1.05 per share, for the third quarter of 2003 and $52.2 million, or $1.03 per share, for the second quarter of 2004 on a greater number of shares outstanding. Third-quarter 2003 results included $2.6 million in net income, or $0.05 per share, from tax benefits of the company's two real estate investment trusts ("REITS"). As previously disclosed, in 2004 the company is continuing its practice, adopted in the fourth quarter of 2003, of not recognizing tax benefits associated with its REITS.

For the first nine months of 2004, City National Corporation recorded net income of $156.6 million, or $3.07 per share, compared with $142.2 million, or $2.85 per share, reported for the first nine months of 2003. First-nine-months 2003 results included $8.1 million in net income, or $0.16 per share, from tax benefits of the company's two REITS.

The following table shows the growth of earnings per share with and without the 2003 REITS tax benefits:

	For the three months ended September 30,		*%*	*For the nine months ended September 30,*		*%*
	2004	*2003*	*Change*	*2004*	*2003*	*Change*
Without REIT tax benefits	*$ 1.04*	*$ 1.00*	*4*	*$ 3.07*	*$ 2.69*	*14*
With REIT tax benefits	*1.04*	*1.05*	*(1)*	*3.07*	*2.85*	*8*

HIGHLIGHTS

- Average deposits were up 11 percent with average core deposits up 15 percent for the third quarter of 2004 from the third quarter a year ago due to continued bank-wide growth. Average core deposits represented 93 percent of the total average deposit base for the third quarter of 2004, compared with 90 percent for the third quarter of 2003 and 93 percent for the second quarter of 2004. New clients contributed to the year-over-year growth of deposits.

- Third-quarter average loans were up 8 percent from the same period last year. Period-end loan balances at September 30, 2004 of $8.2 billion increased $291.4 million, or 4 percent from $7.9 billion at December 31, 2003 primarily due to an increase in real estate-related loans.

- No provision for credit losses was recorded for the third quarter of 2004, a result of continued strong credit quality and an adequate current level of allowance for credit losses. There was no provision for credit losses in the year-ago quarter. Nonaccrual loans as of September 30, 2004 were $35.3 million, down 35 percent from September 30, 2003, and down 16 percent from June 30, 2004.

- Average securities for the third quarter of 2004 were up 16 percent from the same period a year ago as deposit growth outpaced loan growth. Third-quarter average securities increased 2 percent from the second quarter of 2004, and period-end securities increased $282.9 million from June 30, 2004 to September 30, 2004 due partially to a $72.7 million improvement in the mark-to-market adjustment.

- Revenue for the third quarter of 2004 rose 6 percent over the same period a year ago and 2 percent over the second quarter of 2004.

"Higher revenues, sound credit quality and strong growth in deposits continued to produce double-digit net income growth for the first nine months of this year and enabled City National to reach total assets of $14 billion for the first time, a milestone that underscores the bank's position as California's Premier Private and Business Bank," said Chief Executive Officer Russell Goldsmith.

City National Corporation Reports Net Income of $53.5 Million for the Third Quarter of 2004

Dollars in millions, except per share	*For the three months ended September 30, 2004*	*2003*	*% Change*	*For the three months ended June 30, 2004*	*% Change*
Earnings Per Share	*$ 1.04*	*$ 1.05*	*(1)*	*$ 1.03*	*1*
Net Income	*53.5*	*52.5*	*2*	*52.2*	*2*
Average Assets (1)	*13,612.4*	*12,428.3*	*10*	*13,223.4*	*3*
Return on Average Assets (1)	*1.56 %*	*1.68 %*	*(7)*	*1.59 %*	*(2)*
Return on Average Equity	*16.80*	*18.28*	*(8)*	*17.07*	*(2)*

(1) As of September 30, 2004, the company has reclassified the reserve for unfunded credit commitments from the allowance for credit losses to other liabilities. Amounts presented prior to the third quarter of 2004 have been reclassified to conform to the presentation in the third quarter of 2004.

The Bank's prime rate was 4.75 percent as of September 30, 2004, an increase of 75 basis points over last year.

ASSETS

Average assets for the third quarter of 2004 were higher than the third quarter of 2003, primarily due to an increase in average federal funds sold, securities, and loans. Total assets at September 30, 2004 increased 9 percent to $14.0 billion from $12.8 billion at September 30, 2003, and 4 percent from $13.5 billion at June 30, 2004.

REVENUES

Revenues (net interest income plus noninterest income) for the third quarter of 2004 increased 6 percent to $185.0 million compared with $173.9 million for the third quarter of 2003 due to higher net interest income and wealth management fees. Revenues were up 2 percent from the second quarter of 2004, or 10 percent annualized.

NET INTEREST INCOME

Fully taxable-equivalent net interest income for the third quarter of 2004 of $140.8 million was up 6 percent from $132.4 million for the third quarter of 2003. Compared to the second quarter of 2004, net interest income was up 4 percent or 15 percent annualized from $135.6 million. This was due to an increase in loan yields of 17 basis points, and increased holdings of liquid assets. The net interest margin was 3 basis points lower than the second quarter of 2004. The decline was due to increased holdings of lower yielding federal funds sold and securities as strong deposit growth continued to exceed the demand for loans, and a 4-basis-point increase in the average cost of total deposits. The change from the third quarter of 2004 compared to the same quarter a year ago was also due to the holding of lower yielding federal funds sold and securities as strong deposit growth continued to exceed the demand for loans.

Dollars in millions	For the three months ended September 30, 2004	For the three months ended September 30, 2003	% Change	For the three months ended June 30, 2004	% Change
Average Loans	*$ 8,173.9*	*$ 7,558.8*	*8*	*$ 8,053.9*	*1*
Average Securities	*3,677.0*	*3,180.5*	*16*	*3,601.0*	*2*
Average Deposits	*11,496.7*	*10,320.8*	*11*	*11,121.5*	*3*
Average Core Deposits	*10,685.8*	*9,323.5*	*15*	*10,310.7*	*4*
Fully Taxable-Equivalent Net Interest Income	*140.8*	*132.4*	*6*	*135.6*	*4*
Net Interest Margin	*4.46 %*	*4.61 %*	*(3)*	*4.49 %*	*(1)*

Period-end September 30, 2004 loans increased $48.6 million from June 30, 2004, reflecting modest growth in real estate-related loans.

Compared with the prior-year third-quarter averages, residential mortgage loans rose 22 percent, real estate construction loans rose 24 percent, commercial real estate mortgage loans rose 7 percent, and commercial loans decreased 3 percent partially due to the payoff of several dairy loans. Compared with the prior quarter, commercial loans decreased slightly while all other categories increased.

The company's "plain vanilla" interest rate swaps which are part of its long-standing asset-liability management strategy of hedging loans, deposits and borrowings were $1.0 billion in notional value, which was down $0.1 billion from the notional value at June 30, 2004 and September 30, 2003.

NONINTEREST INCOME

Third-quarter 2004 noninterest income was 5 percent higher than the third quarter of 2003 due primarily to higher wealth management income. However, it fell 1 percent from the second quarter of 2004. As a percentage of total revenues, noninterest income was 26 percent for the third quarter of 2004, compared with 26 percent and 27 percent for the third quarter of 2003 and the second quarter of 2004, respectively.

Wealth Management

Trust and investment fees increased 19 percent over the third quarter of 2003 primarily due to higher balances under management or administration. Assets under management at September 30, 2004 also increased 19 percent from the same period last year primarily due to new business, strong relative investment performance and higher market values. Increases in market values are reflected in fee income primarily on a trailing-quarter basis.

Dollars in millions	*At or for the three months ended September 30, 2004*	*2003*	*% Change*	*At or for the three months ended June 30, 2004*	*% Change*
Trust and Investment Fee Revenue	*$ 16.9*	*$ 14.1*	*19*	*$ 16.7*	*1*
Brokerage and Mutual Fund Fees	*9.7*	*9.3*	*4*	*9.4*	*3*
Assets Under Administration	*33,171.1*	*27,485.8*	*21*	*31,749.9*	*4*
Assets Under Management (1)(2)	*15,101.1*	*12,653.0*	*19*	*14,567.2*	*4*

(1) Included above in assets under administration
(2) Excludes $3,603 and $3,275 million of assets under management for the CCM minority owned asset managers as of September 30, 2004 and June 30, 2004, respectively

Other Noninterest Income

Cash management and deposit transaction fees decreased 5 percent for the third quarter of 2004 from the same quarter last year. Compared with the second quarter of 2004, third-quarter 2004 cash management and deposit transaction fees decreased 6 percent due primarily to an increase in the earnings credit for deposits under analysis.

International service fees for the third quarter of 2004 were 7 percent higher over the prior-year quarter and increased 3 percent from the second quarter of 2004 primarily due to higher letter of credit fees.

Other income for the third-quarter of 2004 was 12 percent lower than the third quarter of 2003 primarily due to the absence of participating mortgage loan fees in the current quarter and was essentially unchanged from the second quarter of 2004. Participating mortgage loan fees are earned upon completion and repayment of debt of certain real estate construction projects. In these cases, City National participates in the profits of the project by funding a portion of the equity requirement.

For the third quarter of 2004, the company recorded $0.3 million in gains on the sale of loans, assets and debt repurchase and gains on the sale of securities, compared to essentially no gain or loss for the third quarter of 2003 and $0.9 million in gains for the second quarter of 2004.

NONINTEREST EXPENSE

Third-quarter 2004 noninterest expense of $97.8 million was up 6 percent compared to $92.3 million for the third quarter of 2003 and up 2 percent from $95.7 million for the second quarter of 2004. The year-over-year increase primarily related to higher staff costs. Compared with the prior quarter, the increase was due primarily to higher net occupancy of premises and higher professional fees.

For the third quarter of 2004, the efficiency ratio was 52.68 percent compared with 52.92 percent for the third quarter of 2003, and 52.72 percent for the second quarter of 2004.

INCOME TAXES

The third-quarter 2004 effective tax rate was 37.6 percent, compared with 36.6 percent for all of 2003. The effective tax rate reflects changes in the mix of tax rates applicable to income before tax. Quarterly comparisons with the first three quarters of 2003 were affected by the real estate investment trust ("REIT") state tax benefits which were included in net income in the first three quarters of 2003 and were reversed in the fourth quarter of 2003.

As previously reported, the California Franchise Tax Board ("FTB") has taken the position that certain REIT and registered investment company ("RIC") tax deductions will be disallowed under new California law adopted in the fourth quarter of 2003. While management continues to believe that the tax benefits realized in previous years were appropriate, the company deemed it prudent to participate in the statutory Voluntary Compliance Initiative–Option 2, requiring payment of all California taxes and interest on these disputed 2000 through 2002 tax benefits, and permitting the company to claim a refund for these years while avoiding certain potential penalties. The company's strategic and financial positions remain unchanged from the previously reported period.

FIRST-NINE-MONTHS NET INCOME

First-nine-months 2004 net income of $156.6 million, or $3.07 per share, rose from $142.2 million, or $2.85 per share, in the first nine months of 2003 attributable to the following:

- Average deposits grew 12 percent and core deposits went up 16 percent.

- Average loans increased by $267.7 million, or 3 percent. Residential mortgage loans rose 17 percent, commercial real estate mortgage loans rose 5 percent, real estate construction loans rose 14 percent and commercial loans decreased 7 percent partially due to the payoff of dairy loans previously announced.

- Revenues increased 6 percent attributable to the rise of both net interest income and noninterest income. The margin for the first nine months of 2004 declined to 4.54 percent from 4.82 percent for the same period a year ago due to the holding of lower yielding federal funds sold and securities as strong deposit growth continues to exceed the demand for loans.

- No provision for credit losses was recorded for the first nine months of 2004 due to continued strong credit quality compared with $29.0 million for the first nine months of 2003.

- Noninterest income grew 10 percent from $129.3 million to $142.5 million. This increase is attributable to increased trust and investment fees from higher assets under management or administration and the operations of Convergent Capital Management, LLC ("CCM"). Results for 2004 include CCM's operation for the entire nine months while 2003 results only include the operations of CCM beginning April 1, 2003, the date the acquisition was completed. Noninterest income as a percentage of total revenues was 26 percent for the first nine months of 2004 compared with 25 percent for the first nine months of 2003.

- Noninterest expense was up 7 percent from $269.1 million to $287.9 million partly because of the acquisition of CCM.

CREDIT QUALITY

The company made no provision for credit losses in the first nine months of 2004. This was attributable to the continued strong credit quality of its portfolio, low level of net charge-offs, management's ongoing assessment of the credit quality of the portfolio, modest loan growth and an improving economic environment. Nonaccrual loans as of September 30, 2004 were $35.3 million, down 35 percent from September 30, 2003, and down 16 percent from June 30, 2004.

At September 30, 2004, the allowance for loan losses was $148.1 million or 1.81 percent of outstanding loans. This was after the company reclassified $12.3 million for $4.3 billion of unfunded credit commitments from the allowance for loan losses to other liabilities. Unfunded credit commitments increased by approximately $234 million during the third quarter of 2004. The process used in the determination of the adequacy of the reserve for unfunded credit commitments is consistent with the process for the allowance for loan losses. Prior to the reclassification, the allowance for loan losses was $160.4 million or 1.96 percent of outstanding loans. This presentation does not lower the total reserve for credit losses. Management believes the allowance for credit losses is adequate to cover risks in the loan portfolio at September 30, 2004.

Dollars in millions	*At or for the three months ended September 30, 2004*	*2003*	*% Change*	*At or for the three months ended June 30, 2004*	*% Change*
Provision For Credit Losses	$ -	$ -	0	$ -	0
Net Loan Charge-Offs	4.8	4.7	1	-	N/M
Annualized Percentage of Net Charge-offs to Average Loans	0.23 %	0.25 %	(8)	- %	N/M
Nonperforming Assets	$ 35.3	$ 54.7	(35)	$ 41.8	(16)
Percentage of Nonaccrual Loans and ORE to Total Loans and ORE	0.43 %	0.72 %	(40)	0.51 %	(16)
Allowance for Loan Losses (1)	$ 148.1	$ 156.6	(5)	$ 153.3	(3)
Reserve for Off-Balance Sheet Credit Commitments (1)	$ 12.3	$ 9.6	27	$ 11.8	4
Percentage of Allowance for Loan Losses to Outstanding Loans (1)	1.81 %	2.08 %	(13)	1.89 %	(4)
Percentage of Allowance for Loan Losses to Nonaccrual Loans (1)	419.79	286.44	47	366.39	15
Percentage of Allowance for Credit Losses to Nonaccral Loans (2)	454.65	304.08	50	394.71	15

(1) As of September 30, 2004, the company has reclassified the reserve for unfunded credit commitments from the allowance for credit losses to other liabilities. Amounts presented prior to the third quarter of 2004 have been reclassified to conform to the presentation in the third quarter of 2004.

(2) Allowance for credit losses equals allowance for loan losses and reserves for off-balance sheet credit commitments.

At September 30, 2004, approximately 29.4 percent of the nonperforming assets were loans to Northern California clients, and 15.1 percent were 4 dairy credits. At September 30, 2004, the company's loan portfolio included approximately $460.7 million of loans managed in Northern California offices. In addition, the portfolio included approximately $26.7 million in outstanding dairy loans, an industry which, as previously announced, the company expects to exit, at relatively minimal cost, over the next three months.

OUTLOOK

Management now expects the growth of net income per share for 2004 to be approximately 9 to 11 percent higher than net income per share for 2003 compared to its earlier guidance of 8 to 10 percent. This is based on current economic conditions and the outlook for the remainder of 2004, the 25-basis-point increase in interest rates effective September 21, 2004, and the updated business indicators below:

- Average loan growth 4 to 6 percent
- Average deposit growth 9 to 11 percent
- Net interest margin 4.50 to 4.60 percent
- Provision for credit losses $0 million to $5 million
- Noninterest income growth 6 to 8 percent
- Noninterest expense growth 6 to 8 percent
- Effective tax rate 36 to 38 percent

CAPITAL LEVELS

Total risk-based capital and Tier 1 risk-based capital ratios at September 30, 2004 were 14.99 percent and 11.35 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, 2004 was 7.80 percent. Total risk-based capital, Tier 1 risk-based capital and the Tier 1 leverage ratios at June 30, 2004 were 14.77 percent, 11.08 percent and 7.68 percent, respectively which reflect the reclassification of the off-balance sheet credit commitments.

Average shareholders' equity to average assets for the third quarter of 2004 was 9.3 percent compared to 9.2 percent for the third quarter of 2003 and 9.3 percent for the second quarter of 2004.

Accumulated other comprehensive income at September 30, 2004 was $3.7 million compared with income of $21.4 million at September 30, 2003 and a loss of $38.4 million at June 30, 2004. The increase during the third quarter related primarily to the impact of the decrease in long and medium-term interest rates on the securities portfolio during the period. A decrease in long-term securities also contributed to the average duration of total available-for-sale securities at September 30, 2004 decreasing to 3.1 years compared to 3.8 years at June 30, 2004 and 3.2 years at September 30, 2003.

STOCK REPURCHASE

The company has authorization to repurchase 1,009,500 of its outstanding shares as of September 30, 2004. On March 24, 2004, City National Corporation's Board of Directors authorized the repurchase of one million additional shares of City National Corporation stock, following completion of the company's previous buyback initiatives. On January 22, 2003, the Board of Directors had authorized a one-million-share stock buyback program. This program was completed during the first quarter of 2004 with the repurchase of 249,900 shares at an average cost of $58.23 per share. The average cost for the entire one-million-share buyback program was $46.41 per share. On July 15, 2003, the Board of Directors authorized the repurchase of 500,000 additional shares of City National Corporation stock, following completion of the company's January 22, 2003 buyback initiative. Under this plan, 490,500 shares have been repurchased at an average cost of $59.68 per share leaving 9,500 shares remaining for repurchase before the initiation of the new one-million-share program. There were no shares repurchased during the third quarter of 2004. The shares purchased under the buyback programs will be reissued for acquisitions, upon the exercise of stock options, and for other general corporate purposes. There were 1,157,468 treasury shares at September 30, 2004.

CONFERENCE CALL

City National Corporation will host a conference call this afternoon to discuss results for the third quarter of 2004. 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) 599-9816 and enter pass code 36903977. A listen-only live broadcast of the call also will be available on *the investor relations page of the company's website at* www.cnb.com*. There, it will be archived and available for 12 months.*

ABOUT CITY NATIONAL

City National Corporation is a financial services company with $14.0 billion in total assets. Its wholly owned subsidiary, City National Bank, is California's Premier Private and Business Bank[SM]. The bank provides banking, investment, and trust services through 52 offices, including 12 full-service regional centers, in Southern California, the San Francisco Bay Area, and New York City. The company and its affiliates manage or administer more than $33 billion in client trust and investment assets, including more than $15 billion under management.

For more information about City National, visit the company's Web site at cnb.com http://www.cnb.com/.

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) the unknown economic impact of state, county and city budget issues, (2) changes in interest rates, (3) significant changes in banking laws or regulations, (4) the costs associated with the requirements to address Sarbanes-Oxley 404 and Bank Secrecy Act regulatory compliance principles including Anti-Money Laundering, USA Patriot Act and Know Your Client, (5) increased competition in the company's market, (6) other-than-expected credit losses, (7) earthquake or other natural disasters impacting the condition of real estate collateral, (8) the effect of acquisitions and integration of acquired businesses, and (9) the impact of changes in regulatory, judicial, or legislative tax treatment of business transactions. Management cannot predict at this time the extent of the economic recovery, and a slowing or reversal could adversely affect our performance in a number of ways including decreased demand for our products and services and increased credit losses. Likewise, changes in deposit interest rates, among other things, could slow the rate of growth or put pressure on current deposit levels. 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 Quarterly Report on Form 10-Q for the quarter-ended June 30, 2004, and particularly the section of Management's Discussion and Analysis therein titled "Cautionary Statement for Purposes of the 'Safe Harbor' Provisions of the Private Securities Litigation Reform Act of 1995."