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**City National Reduces 2003 Earnings Estimates
Due to California Franchise Tax Board Announcement**

LOS ANGELES, January 7, 2004 — As a result of a December 31, 2003 tax announcement by the California Franchise Tax Board (FTB), City National Corporation (NYSE: CYN) will reverse certain net state tax benefits recorded in the first three quarters of 2003 and take no such benefits in the fourth quarter.

With this adjustment, City National expects record 2003 net income of approximately \$186 million, or \$3.71 a share, 4 percent higher than 2002. Income before tax is expected to be approximately 12 percent higher than the prior year, reflecting strong credit quality and operating results.

The FTB announcement takes the position that certain tax transactions related to real estate investment trusts (REITs) and regulated investment companies (RICs) will be disallowed pursuant to Senate Bill 614 and Assembly Bill 1601, which were signed into law in the fourth quarter of 2003.

As a result of reversing this tax benefit, City National's tax rate is expected to increase by approximately 3 percentage points in 2003. The company does not expect to record any tax benefits relating to these transactions in 2004. The company also believes it is appropriately reserved for prior-year benefits previously recognized.

As previously disclosed, City National Corporation created two REITs (one of which was previously formed as a RIC) through which preferred stock was offered to private investors, to raise capital for its subsidiary bank in accordance with the laws and regulations in effect at the time. The principal business purpose of these entities was to provide an efficient and economical means to raise capital. They also provided state tax benefits beginning in 2000. City National and its financial advisors believe that the company's position has merit and City National will pursue its tax claims and defend its use of these entities and transactions.

CONFERENCE CALL

City National Corporation's Chief Financial Officer, Frank Pekny, will hold a brief conference call today at 5:00 p.m. Eastern time (2:00 p.m. Pacific time). The dial-in number is (877) 313-6466. Analysts and investors may participate in the question/answer session. A listen-only live broadcast of the call also will be available on the company's website.

2003 FINANCIAL RESULTS

City National also announced that it will release fourth-quarter and year-end earnings after the close of market on Wednesday, January 14, 2004. At 5:00 p.m. Eastern time (2:00 p.m. Pacific time) on the same day, the company will host a conference call to discuss highlights of its financial results.

The dial-in number for that call also will be (877) 313-6466. A listen-only live broadcast of the call will be available on the company's website.

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 market, (4) other-than-expected credit losses, (5) earthquake or other natural disasters impacting the condition of real estate collateral, (6) the effect of acquisitions and integration of acquired businesses, (7) the impact of proposed and/or recently adopted changes in regulatory, judicial, or legislative tax treatment of business transactions, particularly recently enacted California tax legislation and the subsequent Dec. 31, 2003, announcement by the Franchise Tax Board regarding the taxation of REITs and RICs; and (8) unknown economic impacts caused by the State of California's budget issues. Management cannot predict at this time the severity or duration of the effects of the recent business slowdown on our specific business activities and profitability. Weaker or a further decline in capital and consumer spending, and related recessionary trends 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 September 30, 2003, 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."

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