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**Contacts:**

Financial/Investors  
Christopher J. Carey, City National, 310.888.6777  
[Chris.Carey@cnb.com](mailto:Chris.Carey@cnb.com)

**Conference Call:**

Today 2:00 p.m. PDT  
800.573.4842  
Pass Code 55871547

**Media**

Cary Walker, City National, 213.833.4715  
[Cary.Walker@cnb.com](mailto:Cary.Walker@cnb.com)

**City National Corporation Reports Record Earnings  
Of \$57.7 Million, or \$1.13 Per Share**

*Second-Quarter Revenue and Net Income Rise 11 Percent*

**LOS ANGELES** – City National Corporation (NYSE: CYN), parent company of wholly owned City National Bank, today reported second-quarter net income of \$57.7 million, an increase of 11 percent from the same period last year and 4 percent from the first quarter of 2005.

Earnings per share reached \$1.13, up 10 percent from the second quarter of 2004 and 4 percent from the first quarter of this year.

Year to date, City National has earned net income of \$113.2 million, or \$2.22 per share.

**HIGHLIGHTS**

- Second-quarter revenue rose 11 percent over the second quarter of 2004.
- Average loans grew to \$8.8 billion, up 9 percent from the second quarter of 2004.
- Credit quality was again strong. Nonaccrual loans fell to \$22.2 million, a 47 percent decline from June 30, 2004. The company required no provision for credit losses, remaining adequately reserved at 1.66 percent of total loans.
- Average deposits for the second quarter reached \$11.7 billion, up 5 percent from the same period last year.
- The second-quarter net interest margin was 4.73 percent, compared with 4.49 percent for the same period last year, and 4.75 percent for the first quarter of 2005.

## City National Corp. Reports Record Earnings for Second Quarter 2005

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"City National performed well in the second quarter," said Chief Executive Officer Russell Goldsmith. "Double-digit revenue, income and EPS growth primarily reflect encouraging growth in loans and net interest income, excellent credit quality and further increases in our wealth management and other noninterest income. With rising interest rates, a solid California economy, a growing organization and our successful leadership transition in this quarter, City National is well-positioned to achieve its goals in 2005 and beyond."

<i>Dollars in millions, except per share</i>	<i>For the three months ended</i>			<i>For the three months ended</i>	
	<i>June 30,</i>		<i>%</i>	<i>March 31, 2005</i>	<i>%</i>
	<i>2005</i>	<i>2004</i>	<i>Change</i>		<i>Change</i>
<i>Earnings Per Share</i>	\$ 1.13	\$ 1.03	10	\$ 1.09	4
<i>Net Income</i>	57.7	52.2	11	55.5	4
<i>Average Assets</i>	14,040.6	13,223.4	6	13,873.4	1
<i>Return on Average Assets</i>	1.65 %	1.59 %	4	1.62 %	2
<i>Return on Average Equity</i>	17.03	17.07	0	16.63	2

### OUTLOOK

Based on current economic conditions and business indicators, management continues to expect earnings per share for 2005 to be approximately 11 percent to 14 percent higher than earnings per share for 2004.

### ASSETS

Total assets at June 30, 2005 reached \$14.5 billion, up 7 percent from the second quarter of last year, primarily because of loan growth. Total assets grew 4 percent from the first quarter of 2005.

### REVENUE

Second-quarter revenue (net interest income plus noninterest income) grew to \$201 million, up 11 percent from the second quarter of 2004 and 2 percent from the first quarter of this year.

### NET INTEREST INCOME

Fully taxable-equivalent net interest income reached \$152.7 million, a 13 percent increase over the second quarter of 2004, and 2 percent higher than the first quarter of this year.

Net interest income increased approximately \$3 million from the first quarter of this year, even though City National's net interest margin declined 2 basis points. The margin narrowed primarily because average loans grew faster than average deposits and the yield on the company's securities portfolio fell 13 basis points.

## City National Corp. Reports Record Earnings for Second Quarter 2005

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The bank's prime rate was 6.25 percent on June 30, up from 4.25 percent at the same time last year, and 5.75 percent on March 31, 2005.

<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,</i>			<i>March 31, 2005</i>	
	<i>2005</i>	<i>2004</i>			<i>% Change</i>
<i>Average Loans</i>	\$ 8,762.4	\$ 8,053.9	9	\$ 8,585.2	2
<i>Average Securities</i>	4,071.5	3,601.0	13	4,115.4	(1)
<i>Average Earning Assets</i>	12,950.3	12,137.3	7	12,798.5	1
<i>Average Deposits</i>	11,678.5	11,121.5	5	11,572.4	1
<i>Average Core Deposits</i>	10,781.6	10,310.7	5	10,628.3	1
<i>Fully Taxable-Equivalent</i>					
<i>Net Interest Income</i>	152.7	135.6	13	149.9	2
<i>Net Interest Margin</i>	4.73 %	4.49 %	5	4.75 %	(0)

Second-quarter average loan balances increased 9 percent over the same period last year. Residential mortgage loans grew 16 percent, while commercial loans and commercial real estate mortgage loans each rose 6 percent. Real estate construction loans fell 5 percent, primarily as the result of accelerated repayments due to the fast pace of new home sales and early refinancing by income property developers taking advantage of low interest rates. Compared with the first quarter of this year, average loans increased in all categories except real estate construction.

Year to date, the company's average loan balances increased 9 percent over the first six months of 2004.

Total loan balances at June 30, 2005 were \$300 million higher than they were at March 31, 2005, reflecting the growth of commercial lending and most real estate-related loan categories.

City National's average deposits reached \$11.7 billion in the second quarter, up 5 percent from the same period last year and 1 percent from the first quarter of 2005.

Period-end deposits were 3 percent higher than they were at March 31 of this year.

Year to date, the company's average deposits grew 7 percent over the first six months of 2004.

As part of its long-standing asset-liability management strategy, the company uses "plain-vanilla" interest-rate swaps to hedge loans, deposits and borrowings. The notional value of these swaps was \$1.4 billion at June 30, 2005, up \$0.3 billion from the second quarter of last year but unchanged from the first quarter of this year.

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### NONINTEREST INCOME

Second-quarter 2005 noninterest income of \$51.4 million was 6 percent higher than the second quarter of 2004, due primarily to higher trust and investment fees. Noninterest income was 26 percent of total revenue in the second quarter of 2005, unchanged from the second quarter of last year and the first quarter of this year.

#### *Wealth Management*

Trust and investment fees increased 18 percent over the second quarter of 2004, due primarily to an increase in balances under management or administration. Assets under direct management grew more than 18 percent from the same period last year, largely as the result of new business, a strong relative investment performance and higher market values. Increases in market values are reflected in fee income primarily on a trailing-quarter basis.

<i>Dollars in millions</i>	<i>At or for the three months ended June 30,</i>			<i>At or for the three months ended</i>		
	<i>2005</i>	<i>2004</i>	<i>% Change</i>	<i>March 31, 2005</i>	<i>% Change</i>	
<i>Trust and Investment Fee Revenue</i>	\$ 19.6	\$ 16.7	18	\$ 19.4	1	
<i>Brokerage and Mutual Fund Fees</i>	9.9	9.4	6	9.9	1	
<i>Assets Under Management (1)</i>	17,257.5	14,567.2	18	16,378.8	5	
<i>Assets Under Management or Administration</i>	36,972.9	31,749.9	16	35,829.2	3	

(1) Excludes \$5,539, \$3,275, and \$6,071 million of assets under management for the CCM minority-owned asset managers as of June 30, 2005, June 30, 2004, and March 31, 2005, respectively

#### *Other Noninterest Income*

Second-quarter cash management and deposit transaction fees fell 19 percent from the same period last year and 2 percent from the first quarter of 2005, due largely to a higher earnings credit for clients who maintain deposit balances to pay for services.

International service fees for the second quarter of 2005 grew 17 percent from the same period last year and 21 percent from the first quarter of this year. Behind this growth were sharp increases in the demand for foreign exchange and standby letters of credit.

Other income was 15 percent higher in the second quarter of 2005 than it was for the same period one year ago. However, it fell 11 percent from the first quarter of 2005, reflecting a decline in the fees collected for participating mortgage loans and other loan-related services.

In the second quarter of 2005, the company recorded \$1 million in gains on the sale of assets and securities, compared with gains of \$0.9 million for the second quarter of 2004 and \$0.3 million in for the first quarter of this year.

## **City National Corp. Reports Record Earnings for Second Quarter 2005**

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### **NONINTEREST EXPENSE**

Second-quarter noninterest expense amounted to \$109 million, up 12 percent from the same period last year and 1 percent from the first quarter of 2005. Noninterest expense is up 13 percent year to date.

Legal and professional fees increased \$3.4 million, or 47 percent, from the second quarter of 2004 and 24 percent from the first quarter of this year. These increases reflect costs associated with the company's commitment to further strengthen compliance with the Bank Secrecy Act and the USA Patriot Act.

Staffing expenses were 8 percent higher than they were one year ago, due to the addition of new sales, business development, regulatory compliance and risk management personnel. However, these expenses fell 4 percent from the first quarter of 2005.

The company's second-quarter efficiency ratio was 53.39 percent, compared with 52.72 percent for the second quarter of 2004, and 54.10 percent for the first quarter of this year.

### **CREDIT QUALITY**

For the eighth consecutive quarter, City National made no provision for credit losses. This decision reflected strong credit quality, management's ongoing assessment of the loan portfolio, loan growth and an improving economic environment. Net loan recoveries in the second quarter amounted to \$1.2 million, compared with \$0.04 million for the second quarter of 2004 and \$0.20 million for the first quarter of this year. Nonaccrual loans at June 30, 2005 were \$22.2 million, down 47 percent from June 30, 2004 and 26 percent from March 31, 2005. They now amount to 25 basis points of total loans.

At June 30, 2005 the allowance for loan losses was \$148 million or 1.66 percent of total loans. The reserve for unfunded credit commitments was \$13.8 million.

### **INCOME TAXES**

The company's effective tax rate for the second quarter was 37.3 percent, compared with 37.4 percent for all of 2004. As previously reported, the California Franchise Tax Board has taken the position that certain real estate investment trust and registered investment company tax deductions shall be disallowed under 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 the disputed 2000-through-2002 tax years, and permitting the company to claim a refund for these years while avoiding certain potential penalties.

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City National has elected to proceed with its claim for refund as allowed by law. The company's strategic and financial positions remain unchanged from the first quarter of this year. Its receivable related to the disputed taxes is \$23.7 million, net of previously established reserves.

### **CAPITAL LEVELS**

The company remains well-capitalized. Total risk-based capital and Tier 1 risk-based capital ratios at June 30, 2005 were 15.45 percent and 11.91 percent, compared with the minimum regulatory standards of 10 percent and 6 percent, respectively, for "well-capitalized" institutions. The company's Tier 1 leverage ratio at June 30, 2005 was 8.39 percent, well above the regulatory minimum ratio of 5 percent.

At March 31, 2005 total risk-based capital, Tier 1 risk-based capital and the Tier 1 leverage ratios were 15.27 percent, 11.69 percent and 8.12 percent, respectively.

Shareholders' equity to assets at June 30, 2005 was 9.68 percent, compared with 9.10 percent at the same time last year and 9.49 percent at March 31 of this year.

The accumulated other comprehensive loss at June 30, 2005 was \$12.9 million, compared with \$38.4 million at the same time last year and \$43.3 million at March 31, 2005. The average duration of total available-for-sale securities at June 30 was 3.1 years, compared with 3.8 years at the same time last year and 3.5 years at March 31, 2005.

### **CONFERENCE CALL**

*City National Corporation will host a conference call this afternoon to discuss results for the second quarter of 2005. 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) 573-4842 and enter pass code 55871547. 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](http://cnb.com). There, it will be archived and available for 12 months.*

### **ABOUT CITY NATIONAL**

City National Corporation is a financial services company with \$14.5 billion in total assets. Its wholly owned subsidiary, City National Bank, is California's Premier Private and Business Bank<sup>®</sup>. The bank provides banking, investment, and trust services through 53 offices, including 12 full-service regional centers, in Southern California, the San Francisco Bay Area and New York City. City National and its affiliates manage or administer approximately \$37 billion in client trust and investment assets, including more than \$17 billion under direct management.

City National is in the process of opening four new branches in Southern California and relocating three more. The company, which is celebrating its 30<sup>th</sup> anniversary in Orange County, added a new office in Anaheim on July 18. In two weeks, it will open another one in Newport Beach.

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In May, the company announced that Chief Credit Officer Chris Warmuth would become President of City National Bank. He succeeded George H. Benter, Jr., who became Vice Chairman of the bank. The company also announced that former Regional Manager Dallas Haun had been promoted to a newly created position as the leader of regional private and commercial banking.

For more information about City National, visit the company's Website at [cnb.com](http://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.

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 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 (7) 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 report on Form 10-Q for the quarter ended March 31, 2005, and its Annual Report on Form 10-K for the year ended December 31, 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."

# CITY NATIONAL CORPORATION



## Selected Financial Information

June 30, 2005

(unaudited)

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**CITY NATIONAL CORPORATION**  
**FINANCIAL HIGHLIGHTS**  
(unaudited)

For The Period Ended June 30,	Three Months			Six Months		
	2005	2004	% Change	2005	2004	% Change
<b>Per Common Share</b>						
Net Income						
Basic.....	\$ 1.18	\$ 1.07	10	\$ 2.30	\$ 2.11	9
Diluted.....	1.13	1.03	10	2.22	2.03	9
Dividends.....	0.36	0.32	13	0.72	0.64	13
Book value.....				28.51	25.05	14
<b>Results of Operations: (In millions)</b>						
Net interest income.....	\$ 150	\$ 132	13	\$ 296	\$ 263	12
Net interest income (Fully tax-equivalent).....	153	136	13	303	270	12
Total revenue.....	201	181	11	398	358	11
Provision for credit losses.....	-	-	-	-	-	-
Net income.....	58	52	11	113	103	10
<b>Financial Ratios:</b>						
Performance Ratios:						
Return on average assets .....	1.65 %	1.59 %		1.64 %	1.60 %	
Return on average shareholders' equity.....	17.03	17.07		16.83	16.91	
Average shareholders' equity to average assets.....	9.68	9.30		9.71	9.42	
Net interest margin.....	4.73	4.49		4.74	4.54	
Efficiency ratio.....	53.39	52.72		53.74	53.05	
Capital Adequacy Ratios (Period end):						
Shareholders' equity to total assets.....				9.68	9.10	
Tier 1 leverage.....				8.39	7.68	
Tier 1 risk-based capital.....				11.91	11.08	
Total risk-based capital.....				15.45	14.77	
<b>Asset Quality Ratios:</b>						
Allowance for loan losses to:						
Total loans.....				1.66 %	1.89 %	
Nonaccrual loans.....				667.52	366.39	
Nonperforming assets to:						
Total loans and nonperforming assets.....				0.25	0.51	
Total assets.....				0.15	0.31	
Net (charge-offs)/recoveries to						
Average total loans (annualized).....	0.05 %	n/m %		0.03	(0.02)	
<b>Average Balances: (In millions)</b>						
Loans.....	\$ 8,762	\$ 8,054	9	\$ 8,674	\$ 7,970	9
Interest-earning assets.....	12,950	12,137	7	12,875	11,870	8
Assets.....	14,041	13,223	6	13,957	12,920	8
Core deposits.....	10,782	10,311	5	10,706	9,966	7
Deposits.....	11,679	11,122	5	11,626	10,828	7
Interest-bearing liabilities.....	6,527	6,402	2	6,589	6,316	4
Shareholders' equity.....	1,359	1,230	10	1,356	1,226	11
<b>Period-End Balances : (In millions)</b>						
Loans.....	\$ 8,886	\$ 8,125	9	\$ 8,886	\$ 8,125	9
Assets.....	14,476	13,486	7	14,476	13,486	7
Core deposits.....	11,141	10,664	4	11,141	10,664	4
Deposits.....	12,152	11,455	6	12,152	11,455	6
Shareholders' equity.....	1,401	1,228	14	1,401	1,228	14
<b>Wealth Management: (In millions) (1)</b>						
Assets under management.....	\$ 17,258	\$ 14,567	18	\$ 17,258	\$ 14,567	18
Assets under management and administration.....	36,973	31,750	16	36,973	31,750	16

(1) Excludes \$5,539 and \$3,275 million of assets under management for the Convergent Capital Management minority-owned asset managers as of June 30, 2005 and June 30, 2004, respectively

**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,		
	2005	2004	% Change	2005	2004	% Change
Net Interest Income	\$ 149,646	\$ 132,275	13	\$ 296,072	\$ 263,247	12
Provision for Credit Losses	-	-	-	-	-	-
Noninterest Income						
Trust and investment fees	19,632	16,664	18	39,069	32,252	21
Brokerage and mutual fund fees	9,928	9,367	6	19,796	18,093	9
Cash management and deposit transaction fees	8,874	10,942	(19)	17,884	22,040	(19)
International services	5,908	5,042	17	10,796	10,168	6
Bank-owned life insurance	652	715	(9)	1,516	1,546	(2)
Other service charges and fees	5,359	4,665	15	11,372	9,237	23
Gain (loss) on sale of assets	162	-	n/m	185	-	n/m
Gain (loss) on sale of securities	844	871	(3)	1,099	1,500	(27)
Total noninterest income	<u>51,359</u>	<u>48,266</u>	6	<u>101,717</u>	<u>94,836</u>	7
Noninterest Expense						
Salaries and employee benefits	63,839	59,306	8	130,471	118,982	10
Net occupancy of premises	8,727	7,020	24	16,343	13,662	20
Legal and professional fees	10,791	7,359	47	19,505	14,131	38
Information services	5,010	4,588	9	10,176	9,110	12
Depreciation	3,540	3,274	8	7,155	6,502	10
Amortization of intangibles	1,441	1,760	(18)	2,882	3,519	(18)
Marketing and advertising	3,943	3,812	3	7,517	7,319	3
Office services	2,688	2,487	8	5,177	4,906	6
Equipment	646	636	2	1,195	1,401	(15)
Minority interest expense	1,532	1,306	17	3,343	2,906	15
Other	6,796	5,413	26	13,504	10,654	27
Total noninterest expense	<u>108,953</u>	<u>96,961</u>	12	<u>217,268</u>	<u>193,092</u>	13
Income Before Taxes	92,052	83,580	10	180,521	164,991	9
Applicable Income Taxes	<u>34,345</u>	<u>31,380</u>	9	<u>67,353</u>	<u>61,893</u>	9
Net Income	<u>\$ 57,707</u>	<u>\$ 52,200</u>	11	<u>\$ 113,168</u>	<u>\$ 103,098</u>	10
Other Data:						
Earnings per common share - basic	\$ 1.18	\$ 1.07	10	\$ 2.30	\$ 2.11	9
Earnings per common share - diluted	\$ 1.13	\$ 1.03	10	\$ 2.22	\$ 2.03	9
Dividends paid per common share	\$ 0.36	\$ 0.32	13	\$ 0.72	\$ 0.64	13
Dividend payout ratio	30.85 %	30.06 %	3	31.43 %	30.38 %	3
Return on average assets	1.65 %	1.59 %	4	1.64 %	1.55 %	6
Return on average shareholders' equity	17.03 %	17.07 %	-	16.83 %	16.42 %	2
Net interest margin (Fully taxable-equivalent)	4.73 %	4.49 %	5	4.74 %	4.57 %	4
Full-time equivalent employees	2,477	2,346	6			

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED QUARTERLY STATEMENTS OF INCOME**  
(unaudited)

(Dollars in thousands except per share data)	2005		
	Second Quarter	First Quarter	Year to Date
Net Interest Income	\$ 149,646	\$ 146,426	\$ 296,072
Provision for Credit Losses	-	-	-
Noninterest Income			
Trust and investment fees	19,632	19,437	39,069
Brokerage and mutual fund fees	9,928	9,868	19,796
Cash management			
deposit transaction fees	8,874	9,010	17,884
International services	5,908	4,888	10,796
Bank-owned life insurance	652	864	1,516
Other service charges and fees	5,359	6,013	11,372
Gain on sale of assets	162	23	185
Gain on sale of securities	844	255	1,099
Total noninterest income	51,359	50,358	101,717
Noninterest Expense			
Salaries and employee benefits	63,839	66,632	130,471
Net occupancy of premises	8,727	7,616	16,343
Legal and professional fees	10,791	8,714	19,505
Information services	5,010	5,166	10,176
Depreciation	3,540	3,615	7,155
Amortization of intangibles	1,441	1,441	2,882
Marketing and advertising	3,943	3,574	7,517
Office services	2,688	2,489	5,177
Equipment	646	549	1,195
Minority interest expense	1,532	1,811	3,343
Other	6,796	6,708	13,504
Total noninterest expense	108,953	108,315	217,268
Income Before Taxes	92,052	88,469	180,521
Applicable Income Taxes	34,345	33,008	67,353
Net Income	\$ 57,707	\$ 55,461	\$ 113,168
Other Data:			
Earnings per common share - basic	\$ 1.18	\$ 1.13	\$ 2.30
Earnings per common share - diluted	\$ 1.13	\$ 1.09	\$ 2.22
Dividends paid per common share	\$ 0.36	\$ 0.36	\$ 0.72
Dividend payout ratio	30.85 %	32.02 %	31.43 %
Return on average assets	1.65 %	1.62 %	1.64 %
Return on average shareholders' equity	17.03 %	16.63 %	16.83 %
Net interest margin (Fully taxable-equivalent)	4.73 %	4.75 %	4.74 %
Full-time equivalent employees	2,477	2,445	

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED QUARTERLY STATEMENTS OF INCOME**

(unaudited)

(Dollars in thousands except per share data)	2004				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Net Interest Income	\$ 145,300	\$ 137,341	\$ 132,275	\$ 130,972	\$ 545,888
Provision for Credit Losses	-	-	-	-	-
Noninterest Income					
Trust and investment fees	19,264	16,850	16,664	15,588	68,366
Brokerage and mutual fund fees	9,909	9,675	9,367	8,726	37,677
Cash management deposit transaction fees	9,024	10,322	10,942	11,098	41,386
International services	5,425	5,191	5,042	5,126	20,784
Bank-owned life insurance	678	588	715	831	2,812
Other service charges and fees	5,204	4,678	4,665	4,572	19,119
Gain on sale of assets	-	9	-	-	9
Gain (loss) on sale of securities	(7,715)	327	871	629	(5,888)
Total noninterest income	41,789	47,640	48,266	46,570	184,265
Noninterest Expense					
Salaries and employee benefits	60,926	59,675	59,306	59,676	239,583
Net occupancy of premises	9,454	7,513	7,020	6,642	30,629
Legal and professional fees	11,938	8,193	7,359	6,772	34,262
Information services	5,170	4,522	4,588	4,522	18,802
Depreciation	3,503	3,614	3,274	3,228	13,619
Amortization of intangibles	1,798	1,763	1,760	1,759	7,080
Marketing and advertising	4,513	3,666	3,812	3,507	15,498
Office services	2,955	2,444	2,487	2,419	10,305
Equipment	581	478	636	765	2,460
Minority interest expense	584	1,502	1,306	1,600	4,992
Other	6,625	5,893	5,413	5,241	23,172
Total noninterest expense	108,047	99,263	96,961	96,131	400,402
Income Before Taxes	79,042	85,718	83,580	81,411	329,751
Applicable Income Taxes	29,296	32,240	31,380	30,513	123,429
Net Income	\$ 49,746	\$ 53,478	\$ 52,200	\$ 50,898	\$ 206,322
Other Data:					
Earnings per common share - basic	\$ 1.01	\$ 1.09	\$ 1.07	\$ 1.04	\$ 4.21
Earnings per common share - diluted	\$ 0.97	\$ 1.04	\$ 1.03	\$ 1.00	\$ 4.04
Dividends paid per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 1.28
Dividend payout ratio	31.81 %	29.51 %	30.06 %	30.71 %	30.50 %
Return on average assets	1.40 %	1.56 %	1.59 %	1.62 %	1.54 %
Return on average shareholders' equity	14.87 %	16.80 %	17.07 %	16.75 %	16.34 %
Net interest margin (Fully taxable-equivalent)	4.54 %	4.46 %	4.49 %	4.66 %	4.54 %
Full-time equivalent employees	2,347	2,348	2,346	2,341	

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED PERIOD END BALANCE SHEET**

(unaudited)

<b>(In thousands)</b>	<b>2005</b>	
	<b>Second Quarter</b>	<b>First Quarter</b>
<b>Assets</b>		
Cash and due from banks	\$ 406,709	\$ 386,999
Federal funds sold	400,000	190,000
Due from banks - interest-bearing	34,676	36,982
Securities-available-for-sale	4,057,267	4,018,969
Trading account securities	22,337	37,490
Loans:		
Commercial	3,320,836	3,082,663
Commercial Real estate mortgages	1,892,187	1,919,788
Residential mortgages	2,398,627	2,323,879
Real estate construction	741,486	772,000
Equity lines of credit	310,101	274,735
Installment	223,029	212,398
Total loans	<u>8,886,266</u>	<u>8,585,463</u>
Allowance for loan losses	<u>(147,930)</u>	<u>(147,607)</u>
Net loans	8,738,336	8,437,856
Premises and equipment, net	73,169	68,354
Goodwill	251,494	251,494
Other assets	491,610	489,894
Total assets	<u><u>\$ 14,475,598</u></u>	<u><u>\$ 13,918,038</u></u>
<b>Liabilities:</b>		
Deposits:		
Noninterest-bearing	\$ 6,468,339	\$ 6,069,061
Interest-bearing	5,683,869	5,693,563
Total deposits	<u>12,152,208</u>	<u>11,762,624</u>
Federal funds purchased and securities sold under repurchase agreement	204,052	155,645
Other short-term borrowed funds	27,678	125
Subordinated debt	285,771	280,068
Other long-term debt	233,290	224,829
Minority Interest	25,400	25,525
Other liabilities	146,311	149,039
Total liabilities	<u>13,074,710</u>	<u>12,597,855</u>
<b>Shareholders' Equity</b>		
Common stock	50,640	50,712
Additional paid-in capital	415,802	419,505
Retained earnings	1,035,589	995,688
Accumulated other comprehensive loss	(12,948)	(43,288)
Deferred equity compensation	(16,821)	(19,893)
Treasury shares	(71,374)	(82,541)
Total shareholders' equity	<u>1,400,888</u>	<u>1,320,183</u>
Total liabilities and shareholders' equity	<u><u>\$ 14,475,598</u></u>	<u><u>\$ 13,918,038</u></u>

**CITY NATIONAL CORPORATION**  
**CONSOLIDATED PERIOD END BALANCE SHEET**

(unaudited)

(In thousands)	2004			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<b>Assets</b>				
Cash and due from banks	\$ 240,492	\$ 410,694	\$ 485,208	\$ 472,541
Federal funds sold	427,000	890,000	595,000	519,000
Due from banks - interest-bearing	236,362	37,890	76,890	34,570
Securities-available-for-sale	4,114,298	3,780,750	3,518,757	3,612,173
Trading account securities	75,878	49,752	28,893	39,549
Loans:				
Commercial	3,030,363	2,912,703	2,981,806	3,086,307
Commercial Real estate mortgages	2,248,742	1,852,472	1,842,956	1,807,591
Residential mortgages	1,892,823	2,167,623	2,114,335	1,977,952
Real estate construction	847,364	797,109	782,435	741,637
Equity lines of credit	255,194	242,050	214,533	197,269
Installment	219,701	202,180	189,431	156,883
Total loans	8,494,187	8,174,137	8,125,496	7,967,639
Allowance for loan losses	(148,568)	(148,056)	(153,271)	(154,498)
Net loans	8,345,619	8,026,081	7,972,225	7,813,141
Premises and equipment, net	68,624	63,097	60,488	60,175
Goodwill	253,740	253,817	253,736	253,737
Other assets	469,500	469,319	494,549	426,212
Total assets	<u>\$ 14,231,513</u>	<u>\$ 13,981,400</u>	<u>\$ 13,485,746</u>	<u>\$ 13,231,098</u>
<b>Liabilities:</b>				
Deposits:				
Noninterest-bearing	\$ 6,026,428	\$ 5,922,689	\$ 5,809,241	\$ 5,525,627
Interest-bearing	5,960,487	5,942,864	5,645,678	5,609,050
Total deposits	11,986,915	11,865,553	11,454,919	11,134,677
Federal funds purchased and securities				
sold under repurchase agreement	204,654	71,570	94,898	88,063
Other short-term borrowed funds	125	50,125	50,125	50,125
Subordinated debt	288,934	291,073	286,896	300,758
Other long-term debt	230,416	231,882	224,488	239,804
Minority Interest	26,362	27,180	27,180	27,180
Other liabilities	145,572	130,790	119,431	150,561
Total liabilities	12,882,978	12,668,173	12,257,937	11,991,168
<b>Shareholders' Equity</b>				
Common stock	50,589	50,585	50,578	50,583
Additional paid-in capital	410,216	409,597	408,463	409,235
Retained earnings	957,987	924,066	886,367	849,859
Accumulated other				
comprehensive income (loss)	(1,352)	3,683	(38,418)	32,237
Deferred equity compensation	(12,262)	(13,355)	(13,343)	(14,343)
Treasury shares	(56,643)	(61,349)	(65,838)	(87,641)
Total shareholders' equity	<u>1,348,535</u>	<u>1,313,227</u>	<u>1,227,809</u>	<u>1,239,930</u>
Total liabilities and shareholders' equity	<u>\$ 14,231,513</u>	<u>\$ 13,981,400</u>	<u>\$ 13,485,746</u>	<u>\$ 13,231,098</u>

**CITY NATIONAL CORPORATION**  
**CREDIT LOSS EXPERIENCE**

(unaudited)

<b>(Dollars in thousands)</b>	<b>2005</b>			<b>2004</b>				
	<b>Second Quarter</b>	<b>First Quarter</b>	<b>Year To Date</b>	<b>Fourth Quarter</b>	<b>Third Quarter</b>	<b>Second Quarter</b>	<b>First Quarter</b>	<b>Full Year</b>
<b>Allowance for Loan Losses</b>								
Balance at beginning of period	\$ 147,607	\$ 148,568	\$ 148,568	\$ 148,056	\$ 153,271	\$ 154,498	\$ 156,015	\$ 156,015
Net (charge-offs)/recoveries:								
Commercial	1,067	2,117	3,184	1,280	(3,030)	(955)	68	(2,637)
Commercial real estate mortgages	7	(1,893)	(1,886)	(1,274)	(1,705)	975	(870)	(2,874)
Residential mortgages	1	2	3	(3)	14	-	-	11
Real estate construction	71	23	94	34	19	18	29	100
Equity lines of credit	39	1	40	1	-	1	1	3
Installment	5	(18)	(13)	(70)	(64)	6	(142)	(270)
Total net (charge-offs)/recoveries	1,190	232	1,422	(32)	(4,766)	45	(914)	(5,667)
Provision charged to expense	-	-	-	-	-	-	-	-
Provision allocated (to) from reserve for off-balance sheet commitments	(867)	(1,193)	(2,060)	544	(449)	(1,272)	(603)	(1,780)
Balance at end of period	<u>\$ 147,930</u>	<u>\$ 147,607</u>	<u>\$ 147,930</u>	<u>\$ 148,568</u>	<u>\$ 148,056</u>	<u>\$ 153,271</u>	<u>\$ 154,498</u>	<u>\$ 148,568</u>

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

Commercial	0.13 %	0.28 %	0.20 %	0.16 %	(0.39) %	(0.12) %	0.01 %	(0.09)
Commercial real estate mortgages	0.00 %	(0.41) %	(0.20) %	(0.28) %	(0.37) %	0.22 %	(0.19) %	(0.16)
Residential mortgage	0.00 %	0.00 %	0.00 %	(0.00) %	0.00 %	0.00 %	0.00 %	0.00
Real estate construction	0.04 %	0.01 %	0.02 %	0.02 %	0.01 %	0.01 %	0.02 %	0.01
Equity lines of credit	0.05 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00
Installment	0.01 %	(0.03) %	(0.01) %	(0.30) %	(0.28) %	0.03 %	(0.70) %	(0.15)
Total loans	0.05 %	0.01 %	0.03 %	(0.00) %	(0.23) %	0.00 %	(0.05) %	(0.07)

**Reserve for Off-Balance Sheet Credit Commitments**

Balance at beginning of period	\$ 12,944	\$ 11,751	\$ 11,751	\$ 12,295	\$ 11,846	\$ 10,574	\$ 9,971	\$ 9,971
Provision for credit losses	867	1,193	2,060	(544)	449	1,272	603	1,780
Balance at end of period	<u>\$ 13,811</u>	<u>\$ 12,944</u>	<u>\$ 13,811</u>	<u>\$ 11,751</u>	<u>\$ 12,295</u>	<u>\$ 11,846</u>	<u>\$ 10,574</u>	<u>\$ 11,751</u>

**CITY NATIONAL CORPORATION**  
**NONPERFORMING ASSETS**  
(unaudited)

<b>(Dollars in thousands)</b>	<b>2005</b>		<b>2004</b>			
	<b>Second Quarter</b>	<b>First Quarter</b>	<b>Fourth Quarter</b>	<b>Third Quarter</b>	<b>Second Quarter</b>	<b>First Quarter</b>
Nonaccrual Loans						
Commercial	\$ 17,982	\$ 25,117	\$ 30,334	\$ 28,127	\$ 34,651	\$ 37,457
Commercial real estate mortgages	1,543	1,945	2,255	4,032	3,238	4,811
Residential mortgages	1,990	1,990	94	1,193	2,371	11
Real estate construction	-	-	790	1,163	1,168	-
Equity lines of credit	22	212	380	384	25	25
Installment	624	654	785	370	380	429
Total nonaccrual loans	<u>22,161</u>	<u>29,918</u>	<u>34,638</u>	<u>35,269</u>	<u>41,833</u>	<u>42,733</u>
Other Nonperforming Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonperforming assets	<u>\$ 22,161</u>	<u>\$ 29,918</u>	<u>\$ 34,638</u>	<u>\$ 35,269</u>	<u>\$ 41,833</u>	<u>\$ 42,733</u>
Loans 90 Days or More Past Due on Accrual Status	\$ 103	\$ 807	\$ 142	\$ 3,586	\$ 153	\$ 5,057
Allowance for loan losses as a percentage of:						
Nonaccrual loans	667.52 %	493.37 %	428.92 %	419.79 %	366.39 %	361.54 %
Total nonperforming assets	667.52 %	493.37 %	428.92 %	419.79 %	366.39 %	361.54 %
Total loans	1.66 %	1.72 %	1.75 %	1.81 %	1.89 %	1.94 %
Nonaccrual loans as a percentage of total loans	0.25 %	0.35 %	0.41 %	0.43 %	0.51 %	0.54 %
Nonperforming assets as a percentage of:						
Total loans and other nonperforming assets	0.25 %	0.35 %	0.41 %	0.43 %	0.51 %	0.54 %
Total Assets	0.15 %	0.21 %	0.24 %	0.25 %	0.31 %	0.32 %



**CITY NATIONAL CORPORATION**  
**AVERAGE BALANCES AND RATES**  
(unaudited)

<b>(Dollars in millions)</b>	<b>2005</b>					
	<b>Second Quarter</b>		<b>First Quarter</b>		<b>Year to Date</b>	
	<b>Average Balance</b>	<b>Average Rate</b>	<b>Average Balance</b>	<b>Average Rate</b>	<b>Average Balance</b>	<b>Average Rate</b>
<b>Assets</b>						
Interest-earning assets						
Loans						
Commercial	\$ 3,225	6.06 %	\$ 3,111	5.75 %	\$ 3,169	5.89 %
Commercial real estate mortgages	1,926	6.61	1,877	6.57	1,901	6.59
Residential mortgages	2,354	5.47	2,286	5.56	2,320	5.52
Real estate construction	742	7.23	830	6.63	786	6.92
Equity lines of credit	297	5.70	265	5.42	281	5.57
Installment	218	6.39	216	6.28	217	6.68
Total loans	<u>8,762</u>	6.12	<u>8,585</u>	5.97	<u>8,674</u>	6.05
Due from banks - interest-bearing	37	1.24	65	1.34	51	1.30
Federal funds sold and securities purchased under resale agreements	80	2.76	33	2.59	57	2.71
Securities available-for-sale	4,034	4.25	4,078	4.38	4,056	4.31
Trading account securities	37	3.25	38	2.40	37	2.83
Total interest-earning assets	<u>12,950</u>	5.49	<u>12,799</u>	5.42	<u>12,875</u>	5.46
Allowance for loan losses	(148)		(149)		(148)	
Cash and due from banks	443		441		442	
Other non-earning assets	796		782		788	
Total assets	<u>\$ 14,041</u>		<u>\$ 13,873</u>		<u>\$ 13,957</u>	
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing deposits						
Interest checking accounts	\$ 849	0.08	\$ 858	0.09	\$ 854	0.09
Money market accounts	3,568	1.15	3,690	1.00	3,629	1.08
Savings deposits	199	0.28	205	0.24	202	0.26
Time deposits - under \$100,000	181	2.38	182	2.07	181	2.22
Time deposits - \$100,000 and over	897	2.56	944	2.11	920	2.33
Total interest-bearing deposits	<u>5,694</u>	1.22	<u>5,879</u>	1.05	<u>5,786</u>	1.14
Federal funds purchased and securities sold under repurchase agreements	315	2.88	254	2.33	284	2.64
Other borrowings	518	3.85	519	3.53	519	3.69
Total interest-bearing liabilities	<u>6,527</u>	1.51	<u>6,652</u>	1.29	<u>6,589</u>	1.40
Noninterest-bearing deposits	5,985		5,694		5,840	
Other liabilities	170		175		172	
Shareholders' equity	1,359		1,352		1,356	
Total liabilities and shareholders' equity	<u>\$ 14,041</u>		<u>\$ 13,873</u>		<u>\$ 13,957</u>	
Net interest spread		<u>3.98 %</u>		<u>4.13 %</u>		<u>4.06 %</u>
Net interest margin		<u>4.73 %</u>		<u>4.75 %</u>		<u>4.74 %</u>

**CITY NATIONAL CORPORATION**  
**AVERAGE BALANCES AND RATES**  
(unaudited)

(Dollars in millions)	2004									
	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
<b>Assets</b>										
Interest-earning assets										
Loans										
Commercial	\$ 3,028	5.47 %	\$ 2,996	5.30 %	\$ 3,042	5.00 %	\$ 3,104	5.09 %	\$ 3,042	5.21 %
Commercial real estate mortgages	1,850	6.30	1,838	6.14	1,813	6.09	1,808	6.28	1,827	6.24
Residential mortgages	2,198	5.33	2,136	5.40	2,036	5.41	1,952	5.52	2,081	5.41
Real estate construction	826	6.01	787	5.46	779	5.10	678	5.08	768	5.44
Equity lines of credit	246	5.32	221	4.87	204	4.54	194	4.17	216	4.46
Installment	209	5.96	196	6.20	180	6.13	150	6.24	184	6.13
Total loans	<u>8,357</u>	<u>5.68</u>	<u>8,174</u>	<u>5.54</u>	<u>8,054</u>	<u>5.37</u>	<u>7,886</u>	<u>5.47</u>	<u>8,118</u>	<u>5.52</u>
Due from banks - interest-bearing	92	1.84	39	0.86	43	0.86	78	0.72	63	1.17
Federal funds sold and securities										
purchased under resale agreements	579	1.98	659	1.48	439	1.02	175	0.99	464	1.48
Securities available-for-sale	3,980	4.36	3,641	4.30	3,569	4.47	3,433	4.62	3,657	4.43
Trading account securities	32	2.06	36	0.98	32	0.48	30	0.52	32	1.02
Total interest-earning assets	<u>13,040</u>	<u>5.08</u>	<u>12,549</u>	<u>4.94</u>	<u>12,137</u>	<u>4.92</u>	<u>11,602</u>	<u>5.10</u>	<u>12,334</u>	<u>5.01</u>
Allowance for loan losses	(149)		(153)		(155)		(156)		(153)	
Cash and due from banks	446		432		446		447		443	
Other non-earning assets	784		784		795		724		772	
Total assets	<u>\$ 14,121</u>		<u>\$ 13,612</u>		<u>\$ 13,223</u>		<u>\$ 12,617</u>		<u>\$ 13,396</u>	
<b>Liabilities and Shareholders' Equity</b>										
Interest-bearing deposits										
Interest checking accounts	\$ 858	0.08	\$ 834	0.08	\$ 825	0.08	\$ 802	0.08	\$ 792	0.09
Money market accounts	3,910	0.84	3,879	0.76	3,649	0.68	3,421	0.68	3,712	0.75
Savings deposits	206	0.25	208	0.25	212	0.27	205	0.26	249	0.21
Time deposits - under \$100,000	184	1.76	189	1.50	194	1.39	198	1.45	191	1.52
Time deposits - \$100,000 and over	864	1.76	811	1.48	811	1.33	912	1.29	850	1.47
Total interest-bearing deposits	<u>6,022</u>	<u>0.87</u>	<u>5,921</u>		<u>5,691</u>	<u>0.70</u>	<u>5,538</u>	<u>0.71</u>	<u>5,794</u>	<u>0.76</u>
Federal funds purchased and securities										
sold under repurchase agreements	115	1.73	129	1.27	121	0.89	112	0.88	119	1.19
Other borrowings	557	2.77	561	2.30	590	1.91	579	1.97	572	2.23
Total interest-bearing liabilities	<u>6,694</u>	<u>1.05</u>	<u>6,611</u>	<u>0.91</u>	<u>6,402</u>	<u>0.81</u>	<u>6,229</u>	<u>0.83</u>	<u>6,485</u>	<u>0.90</u>
Noninterest-bearing deposits	5,917		5,575		5,431		4,995		5,481	
Other liabilities	179		159		160		171		167	
Shareholders' equity	1,331		1,267		1,230		1,222		1,263	
Total liabilities and shareholders' equity	<u>\$ 14,121</u>		<u>\$ 13,612</u>		<u>\$ 13,223</u>		<u>\$ 12,617</u>		<u>\$ 13,396</u>	
Net interest spread		<u>4.03 %</u>		<u>4.03 %</u>		<u>4.11 %</u>		<u>4.27 %</u>		<u>4.11 %</u>
Net interest margin		<u>4.54 %</u>		<u>4.46 %</u>		<u>4.49 %</u>		<u>4.66 %</u>		<u>4.54 %</u>

**CITY NATIONAL CORPORATION**  
**CAPITAL AND CREDIT RATING DATA**  
(unaudited)

	2005			2004				
	Second Quarter	First Quarter	Year To Date	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
<b>Per Common Share:</b>								
Shares Outstanding (in thousands):								
Average - Basic	49,090	49,162	49,101	49,195	49,076	48,796	48,732	48,950
Average - Diluted	51,043	51,030	51,037	51,385	51,182	50,925	50,679	51,074
Period-End	49,145	48,958		49,238	49,127	49,015	48,553	
Book Value	\$ 28.51	\$ 26.97		\$ 27.39	\$ 26.73	\$ 25.05	\$ 25.54	
Price:								
High	\$ 72.90	\$ 71.35	\$ 72.90	\$ 70.99	\$ 68.65	\$ 65.95	\$ 63.55	\$ 70.99
Low	66.84	67.49	66.84	64.34	61.87	57.36	57.36	57.36
Period-end	71.71	69.82		70.65	64.95	65.70	59.90	

**Capital Ratios (Dollars in millions):**

Risk-based capital								
Risk-adjusted assets	\$ 9,663	\$ 9,410		\$ 9,383	\$ 9,129	\$ 8,947	\$ 8,777	
Tier I capital	\$ 1,151	\$ 1,100		\$ 1,080	\$ 1,036	\$ 991	\$ 935	
Percentage of risk adjusted assets	11.91 %	11.69 %		11.51 %	11.35 %	11.08 %	10.65 %	
Total capital	\$ 1,493	\$ 1,437		\$ 1,418	\$ 1,369	\$ 1,321	\$ 1,265	
Percentage of risk adjusted assets	15.45 %	15.27 %		15.11 %	14.99 %	14.77 %	14.41 %	
Tier I leverage ratio	8.39 %	8.12 %		7.83 %	7.80 %	7.68 %	7.60 %	
Period-end shareholders' equity to total period-end assets	9.68 %	9.49 %		9.48 %	9.39 %	9.10 %	9.37 %	
Period-end tangible shareholders' equity to total period-end tangible assets	7.83 %	7.55 %		7.56 %	7.43 %	7.05 %	7.24 %	
Average shareholders' equity to total average assets	9.68 %	9.75 %	9.71 %	9.42 %	9.31 %	9.30 %	9.69 %	9.42 %
Average tangible shareholders' equity to total average tangible assets	7.77 %	7.80 %	7.78 %	7.48 %	7.28 %	7.20 %	7.46 %	7.36 %

**Senior Debt Credit Ratings**

For The Period Ended June 30, 2005

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