NEWS

CITY NATIONAL CORPORATION

July 18, 2013

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City National Corporation Grows Second-Quarter 2013 Net Income To $59.7 Million, Up 9 Percent From Second-Quarter 2012; First-Half 2013 Net Income Totals $111.3 Million, up 10 Percent

Average loan balances reach record $15.4 billion, up 18 percent, with commercial loans up 25 percent

Assets and deposits grow at double-digit rates year-over-year

Trust and investment fees up 46 percent from a year ago

LOS ANGELES – City National Corporation (NYSE: CYN), the parent company of wholly owned City National Bank, today reported second-quarter 2013 net income of $59.7 million, up 9 percent from $54.8 million in the year-ago period. Earnings per share were $1.04, compared with $1.01 per share in the second quarter of 2012.

City National's net income in the first half of this year totaled $111.3 million, up 10 percent from $101.0 million in the first half of 2012. Earnings per share were $1.94, up 4 percent from $1.87 in the first half of last year.

City National also announced today that its Board of Directors has maintained and approved a quarterly common stock cash dividend of $0.25 per share, payable on August 21, 2013 to stockholders of record on August 7, 2013. The Board has also authorized a quarterly cash dividend of $13.75 per share on the 5.50 percent Non-Cumulative Perpetual Preferred Stock, Series C (equivalent to $0.34375 per related depositary share), payable on August 13, 2013 to shareholders of record on July 29, 2013.

SECOND-QUARTER 2013 HIGHLIGHTS

- Period-end loans and leases, excluding loans covered by City National's acquisition-related loss-sharing agreements with the Federal Deposit Insurance Corporation (FDIC), reached a record $15.8 billion, up 17 percent from June 30, 2012 and up 4 percent from March 31, 2013. Average second-quarter loan and lease balances, excluding FDIC-covered loans, grew to $15.4 billion, up 18 percent from the second quarter of last year. Average commercial loans were up 25 percent from the same period in 2012.

- Second-quarter deposit balances averaged $23.1 billion, up 10 percent from the second quarter of 2012. Average core deposits, which equal 97 percent of total balances, were up 11 percent from the second quarter of last year.

- City National's assets under management or administration grew to $59.1 billion, up 18 percent from the second quarter of 2012. Trust and investment fees were $49.8 million, up 46 percent from the second quarter of 2012.

- Net loan recoveries in the second quarter of 2013 totaled $7.5 million, up from $4.8 million in the first quarter. Excluding FDIC-covered loans, second-quarter 2013 results included no provision for loan and lease losses. City National recorded a $1.0 million provision in the second quarter of 2012 and no provision in the first quarter of 2013. The company remains appropriately reserved at 1.83 percent of total loans, excluding FDIC-covered loans.

- City National remains well-capitalized. Under Basel I capital rules, the company's Tier 1 common shareholders' equity ratio was 8.8 percent at June 30, 2013.[1] Under Basel III rules, its estimated Tier 1 common equity ratio was 8.6 percent.[2] All of the company's pro-forma capital ratios are comfortably above the Basel III rules, which were approved by the Federal Reserve on July 2, 2013. These rules are not scheduled to be fully required until 2019.

"City National delivered another solid performance in the second quarter – its 81st consecutive profitable quarter – achieving double-digit growth in assets, loans, deposits, and wealth management fee income, while strategically investing in, expanding, and benefiting from new talent, offices, products and technologies to better serve our clients and grow our business," said President and CEO Russell Goldsmith. "Our strong credit quality improved further. The company continued to add both new clients and more assets and income from existing clients.

"City National also added two new banking offices in the second quarter – one in San Francisco's East Bay area and, after 11 years in New York City, the bank's first ground-floor branch in Manhattan. This month, City National also expanded its commitment, capabilities and opportunities to serve the technology industry and its entrepreneurs and investors by opening a loan production office in Boston, led by an experienced technology banking team."

Dollars in millions, except per share data	*For the three months ended June 30, 2013*	*2012*	*% Change*	*For the three months ended March 31, 2013*	*% Change*
Earnings Per Common Share	*$ 1.04*	*$ 1.01*	*3*	*$ 0.90*	*16*
Net Income Attributable to CNC	*59.7*	*54.8*	*9*	*51.5*	*16*
Net Income Available to Common Shareholders	*57.3*	*54.8*	*5*	*49.1*	*17*
Average Assets	*$ 27,469.6*	*$ 24,362.5*	*13*	*$ 27,709.2*	*(1)*
Return on Average Assets	*0.87 %*	*0.90 %*	*(3)*	*0.75 %*	*16*
Return on Average Common Equity	*9.53 %*	*9.86 %*	*(3)*	*8.43 %*	*13*
Return on Average Tangible Common Equity	*13.60 %*	*13.42 %*	*1*	*12.17 %*	*12*

ASSETS

Total assets at June 30, 2013 were $27.4 billion, up 10 percent from the second quarter of 2012, but virtually unchanged from the first quarter of 2013. The increase from the year-ago period reflects higher loan balances, as well as growth in the company's securities portfolio.

NET INTEREST INCOME

Fully taxable-equivalent net interest income was $208.4 million in the second quarter of 2013, down 6 percent from the same period of 2012 but up 1 percent from the first quarter of this year. Fully taxable-equivalent net interest income for the first half of 2013 was $414.7 million, down 3 percent from $426.8 million in the year-ago period.

Average second-quarter deposits were $23.1 billion, up 10 percent from the year-ago period and 3 percent higher than the first quarter of 2013. Average deposits for the first half of 2013 totaled $22.8 billion, up 11 percent from the first half of 2012. Period-end deposits totaled $23.7 billion, up 12 percent from June 30, 2012 and up 3 percent from March 31, 2013.

Average core deposits were $22.4 billion in the second quarter of 2013, up 11 percent from the same period of 2012 and up 3 percent from the first quarter of this year. First-half 2013 average core deposits grew 11 percent from the year-ago period to $22.1 billion.

Second-quarter 2013 average noninterest-bearing deposits were up 17 percent from the same period of 2012 and 4 percent higher than the first quarter of 2013. Average noninterest-bearing balances in the first half of 2013 were up 19 percent from the same period last year.

Treasury Services deposit balances, which consist primarily of title, escrow and property management deposits, averaged $2.6 billion in the second quarter of 2013, up 21 percent from the same period of last year and up 14 percent from the first quarter of 2013. For the first six months of 2013, Treasury Services deposit balances averaged $2.4 billion, up 18 percent from the first half of 2012. The increases were due primarily to a continued increase in residential refinance activity, as well as existing home sales.

Second-quarter average loan balances, excluding FDIC-covered loans, were $15.4 billion, up 18 percent from the second quarter of 2012 and up 4 percent from the first quarter of 2013. For the first six months of 2013, City National's average loans, excluding FDIC-covered loans, were $15.1 billion, up 18 percent from the year-ago period.

Second-quarter average commercial loans were up 25 percent from the same period in 2012 and 6 percent higher than the first quarter of 2013.

Average balances for commercial real estate mortgages were up 29 percent from the second quarter of 2012, and they increased 3 percent from the first quarter of 2013. Average balances for commercial real estate construction loans declined 23 percent from the second quarter of 2012, but were up 2 percent from the first quarter of 2013.

Average balances for single-family residential mortgage loans were up 7 percent from the year-ago period and 3 percent higher than the first quarter of 2013.

Average securities for the second quarter of 2013 totaled $8.9 billion, up 14 percent from the second quarter of 2012 but down 9 percent from the first quarter of 2013. Total available-for-sale securities amounted to $7.0 billion at June 30, 2013, up from $6.9 billion at the end of the second quarter of 2012 but down from $7.7 billion at March 31, 2013.

The average duration of available-for-sale securities at June 30, 2013 was 3.2 years, up from 2.5 years at June 30, 2012 and 2.8 years at the end of the first quarter of 2013. These increases largely reflect higher long-term interest rates, which have slowed down mortgage prepayment expectations and increased the anticipated duration of mortgage-backed securities.

City National's net interest margin in the second quarter of 2013 averaged 3.24 percent, compared with 3.21 percent in the first quarter of 2013. The modest increase was due to strong loan growth and a reduction of short-term borrowings. For the first six months of 2013, City National's net interest margin averaged 3.22 percent, down from 3.83 percent in the previous year.

Second-quarter net interest income included $15.9 million from FDIC-covered loans that were repaid or charged off during the quarter. This compares with $27.4 million in the second quarter of 2012 and $15.6 million in the first quarter of 2013.

At June 30, 2013, City National's prime lending rate was 3.25 percent, unchanged from both June 30, 2012 and March 31, 2013.

Dollars in millions	*For the three months ended June 30, 2013*	*2012*	*% Change*	*For the three months ended March 31, 2013*	*% Change*
Average Loans and Leases, excluding Covered Loans	*$ 15,434.1*	*$ 13,125.9*	*18*	*$ 14,809.3*	*4*
Average Covered Loans	*909.7*	*1,341.0*	*(32)*	*989.5*	*(8)*
Average Total Securities	*8,866.9*	*7,755.3*	*14*	*9,796.3*	*(9)*
Average Earning Assets	*25,819.9*	*22,769.1*	*13*	*26,046.6*	*(1)*
Average Deposits	*23,118.8*	*20,948.2*	*10*	*22,411.0*	*3*
Average Core Deposits	*22,447.5*	*20,215.2*	*11*	*21,815.2*	*3*
Fully Taxable-Equivalent Net Interest Income	*208.4*	*221.4*	*(6)*	*206.3*	*1*
Net Interest Margin	*3.24 %*	*3.91 %*	*(17)*	*3.21 %*	*1*

COVERED ASSETS

Loans and other real estate owned (OREO) assets acquired in City National's FDIC-assisted bank acquisitions totaled $885.4 million at the end of the second quarter of 2013, compared to $1.3 billion at June 30, 2012 and $953.3 million at March 31, 2013.

In the second quarter of 2013, City National recorded a $1.5 million non-cash net expense to reflect results of the quarterly update of cash-flow projections for the FDIC-covered loans, compared to a $0.1 million expense recorded in the first quarter of 2013. Due to improvements in the portfolio's credit quality and general market conditions, the company recorded an $11.9 million reversal of its allowance for covered loans in the second quarter of 2013. The reversal of the allowance was offset by the expense on the related indemnification asset.

In addition to the $1.5 million non-cash net expense for the quarter, the company recognized $0.5 million of other covered assets expense.

City National will continue to update cash-flow projections for covered loans on a quarterly basis. Due to the uncertainty in the future performance of the covered loans, additional impairments may be recognized in the future.

OREO assets acquired by City National in its FDIC-assisted bank acquisitions and subject to loss-sharing agreements totaled $41.8 million at June 30, 2013, compared to $82.8 million at the end of the second quarter of 2012 and $43.8 million at March 31, 2013.

NONINTEREST INCOME

Noninterest income was $82.2 million in the second quarter of 2013, up 10 percent from the second quarter of 2012 but down 12 percent from the first quarter of 2013.
City National's noninterest income for the first half of 2013 was up 17 percent from the same period of 2012.

The increases in noninterest income from the year-earlier periods were due largely to City National's acquisition of Rochdale. The decrease from the first quarter of 2013 was primarily attributable to higher FDIC loss-sharing expense, which was partly offset by increases in lease income and income from client swap transactions. Results for the second quarter of 2013 also included a $5.6 million net gain on securities, compared with a net loss of $0.5 million in the second quarter of 2012 and a net gain of $1.0 million in the first quarter of this year.

In the second quarter of 2013, noninterest income accounted for 29 percent of City National's total revenue, compared to 26 percent in the second quarter of 2012 and 32 percent in the first quarter of 2013.

Wealth Management

City National's assets under management or administration totaled $59.1 billion as of June 30, 2013, up 18 percent from the same period of 2012 but virtually unchanged from the first quarter of 2013.

Trust and investment fees were $49.8 million, up 46 percent from the second quarter of 2012 and 7 percent higher than the first quarter of 2013. First-half 2013 trust and investment fee income was up 42 percent from the same period last year.

Brokerage and mutual fund fees totaled $8.1 million, up 53 percent from the year-earlier period and 1 percent higher than the first quarter of 2013. Brokerage and mutual fund fee income was $16.2 million in the first six months of this year, up 57 percent from the first half of 2012.

The year-over-year increases in assets under management, trust and investment fees, and brokerage and mutual fund fees were due to the Rochdale acquisition, additional client assets, and market appreciation.

	At or for the three months ended June 30,			***At or for the three months ended***	
Dollars in millions	***2013***	***2012***	***% Change***	***March 31, 2013***	***% Change***
Trust and Investment Fee Revenue	*$ 49.8*	*$ 34.1*	*46*	*$ 46.7*	*7*
Brokerage and Mutual Fund Fees	*8.1*	*5.3*	*53*	*8.1*	*0*
Assets Under Management (1)	*40,634.4*	*32,105.1*	*27*	*39,693.5*	*2*
Assets Under Management or Administration (1)(2)	*59,133.1*	*50,040.1*	*18*	*59,040.8*	*0*

(1) Excludes $25.1 billion, $24.8 billion and $18.4 billion of assets under management for asset managers in which City National held a noncontrolling ownership interest as of June 30, 2013, March 31, 2013 and June 30, 2012, respectively.

(2) Assets under administration were revised to exclude City National's investments that were held in custody and serviced by the company's wealth management business. Prior period balances were reclassified to conform to current period presentation.

Other Noninterest Income

Second-quarter income from cash management and deposit transaction fees was $12.9 million, up 12 percent from the second quarter of 2012 but down 1 percent from the first quarter of 2013. For the first six months of 2013, cash management and deposit transaction fee income was $25.9 million, up 14 percent from the first half of 2012. The year-over-year increases were due largely to higher sales volume and growth in transaction volumes among existing clients.

Fee income from foreign exchange services and letters of credit totaled $10.9 million in the second quarter of 2013, up 9 percent from the second quarter of 2012 and up 13 percent from the first quarter of 2013. First-half 2013 foreign exchange services and letters of credit fee income totaled $20.5 million, up 9 percent from the same period last year. The increases were due primarily to increased client activity and the addition of new clients.

Other income was $20.4 million in the second quarter of 2013, up 17 percent from the second quarter of 2012 and 11 percent higher than the first quarter of 2013. Other income in the first half of this year was $38.8 million, up 25 percent from the year-ago period. The increases from the year-ago periods were due primarily to higher lease income and higher income from client swap transactions. Second-quarter 2012 results included only two months of lease income from the April 30, 2012, acquisition of First American Equipment Finance.

NONINTEREST EXPENSE

City National's second-quarter 2013 noninterest expense amounted to $211.4 million, up 9 percent from the second quarter of 2012. Excluding the acquisitions of Rochdale and First American Equipment Finance, noninterest expense was up 2 percent from the second quarter of last year.[1] Noninterest expense was virtually unchanged from the first quarter of 2013.

Noninterest expense for the first six months of 2013 amounted to $422.8 million, up 7 percent from the first half of last year.

CREDIT QUALITY

The following credit quality information excludes loans subject to loss-sharing agreements involving City National's FDIC-assisted transactions:

Net recoveries in the second quarter of 2013 totaled $7.5 million, or 0.20 percent of total loans and leases on an annualized basis. The company realized net recoveries of $2.7 million, or 0.08 percent, in the second quarter of 2012 and net recoveries of $4.8 million, or 0.13 percent, in the first quarter of 2013. Net recoveries for the first half of 2013 were $12.3 million, or 0.16 percent of total loans and leases. This compares with net recoveries of $7.2 million, or 0.11 percent, in the first half of last year.

At June 30, 2013, nonperforming assets amounted to $96.3 million, or 0.61 percent of the company's total loans and leases and OREO, compared to $133.3 million, or 0.98 percent, at June 30, 2012 and $103.1 million, or 0.68 percent, at March 31, 2013.

Nonaccrual loans at June 30, 2013 were $76.7 million, compared to $98.7 million at June 30, 2012 and $83.3 million at March 31, 2013. Criticized and classified loans declined from the first quarter of 2013, and overall credit trends remain favorable.

	As of June 30, 2013		*As of March 31, 2013*		*As of June 30, 2012*	
Period-end Loans (in millions)	***Total***	***Nonaccrual***	***Total***	***Nonaccrual***	***Total***	***Nonaccrual***
Commercial	*$ 7,497.1*	*$ 11.7*	*$ 7,170.4*	*$ 7.3*	*$ 6,087.0*	*$ 19.0*
Commercial Real Estate Mortgages	*3,101.2*	*22.4*	*2,937.5*	*23.1*	*2,424.3*	*28.8*
Residential Mortgages	*4,153.1*	*10.6*	*4,027.7*	*9.1*	*3,822.6*	*14.1*
Real Estate Construction	*217.8*	*25.7*	*247.1*	*39.6*	*301.8*	*29.7*
Home Equity Loans and Lines of Credit	*700.7*	*6.3*	*696.7*	*4.1*	*741.3*	*6.5*
Other Loans	*149.4*	*0.0*	*137.5*	*0.1*	*130.2*	*0.6*
Total Loans (1)	*$ 15,819.3*	*$ 76.7*	*$ 15,216.9*	*$ 83.3*	*$ 13,507.2*	*$ 98.7*
Other Real Estate Owned (1)		*19.6*		*19.8*		*34.6*
Total Nonperforming Assets, excluding Covered Assets		*$ 96.3*		*$ 103.1*		*$ 133.3*

(1) Excludes covered loans, net of allowance, of $843.6 million, $909.6 million and $1.2 billion at June 30, 2013, March 31, 2013 and June 30, 2012, respectively, and covered other real estate owned of $41.8 million, $43.8 million and $82.8 million at June 30, 2013, March 31, 2013 and June 30, 2012, respectively.

In light of improving credit metrics across the board and net recoveries, the company recorded no provision for credit losses in the second quarter of 2013. The company recorded a $1.0 million provision in the second quarter of 2012 and no provision in the first quarter of 2013.

At June 30, 2013, City National's allowance for loan and lease losses totaled $289.9 million, or 1.83 percent of total loans and leases. That compares with $269.5 million, or 2.00 percent, at June 30, 2012 and $282.3 million, or 1.86 percent, at the end of the first quarter of 2013. The company also maintains an additional $25.1 million in reserves for off-balance-sheet credit commitments.

Commercial Loans

Commercial loan net recoveries were $2.9 million in the second quarter of 2013. This compares to net recoveries of $8.1 million in the year-earlier period and net recoveries of $2.2 million in the first quarter of 2013. Net recoveries in the first half of 2013 amounted to $5.0 million, compared to net recoveries of $13.4 million in the first half of last year.

Commercial loans on nonaccrual totaled $11.7 million in the second quarter of 2013, compared to $19.1 million at June 30, 2012 and $7.3 million at March 31, 2013.

Real Estate Construction Loans

City National's $217.8 million commercial real estate construction portfolio includes secured loans to developers of residential and nonresidential properties. This portfolio represents less than 2 percent of the company's total loans.

Second-quarter net recoveries of construction loans were $2.7 million, compared to net charge-offs of $4.8 million in the second quarter of 2012 and net recoveries of $2.7 million in the first quarter of 2013. Net recoveries amounted to $5.3 million in the first half of 2013, compared with net charge-offs of $4.7 million in the first half of last year.

At June 30, 2013, construction loans on nonaccrual totaled $25.7 million, compared to $29.7 million at June 30, 2012 and $39.6 million at March 31, 2013.

Commercial Real Estate Mortgage Loans

Second-quarter net recoveries in the company's $3.1 billion commercial real estate mortgage portfolio were $1.0 million compared to net recoveries of $1.1 million in the second quarter of 2012 and a small net recovery in the first quarter of 2013. Net recoveries amounted to $1.0 million in the first-half of 2013, compared with net recoveries of $0.4 million in the first half of last year.

Commercial real estate mortgage loans on nonaccrual totaled $22.4 million, compared to $28.8 million at June 30, 2012 and $23.1 million at March 31, 2013.

Residential Mortgage Loans and Equity Loans and Lines of Credit

City National's $4.2 billion residential mortgage portfolio and $0.7 billion home equity portfolio continued to perform exceptionally well. Together, they accounted for $0.4 million in net recoveries in the second quarter of 2013, compared to net charge-offs of $1.4 million at June 30, 2012 and net charge-offs of $0.2 million at March 31, 2013. Net recoveries amounted to $0.2 million in the first half of 2013, compared with net charge-offs of $2.0 million in the same period of last year.

Residential mortgage loans and home equity loans and lines of credit on nonaccrual were $16.8 million in the second quarter of 2013, compared to $20.6 million in the second quarter of 2012 and $13.2 million in the first quarter of 2013.

INCOME TAXES

City National's effective tax rate for the second quarter of 2013 was 29.7 percent, compared to 33.1 percent in the year-earlier period. For the first half of 2013, City National's effective tax rate was 29.4 percent, compared to 32.5 percent in the prior-year period.

CAPITAL LEVELS

City National remains well-capitalized. Under Basel I capital rules, the company's Tier 1 common shareholders' equity ratio was 8.8 percent at June 30, 2013.[1] The company's Tier 1 common shareholders' equity ratio was 9.6 percent at June 30, 2012 and 8.7 percent at March 31, 2013.[1] The change from the year-earlier period is a reflection of asset growth and the acquisition of Rochdale.

Under Basel III rules, City National's estimated Tier 1 common equity ratio was 8.6 percent.[2] All of the company's pro-forma capital ratios are comfortably above the Basel III rules, which were approved by the Federal Reserve on July 2, 2013. The new rules will begin a phase-in period for banks with less than $250 billion in assets, including City National, on January 1, 2015 and are expected to be fully implemented by January 1, 2019.

City National's Basel I total risk-based capital and Tier 1 risk-based capital ratios at June 30, 2013 were 12.8 percent and 9.7 percent, respectively. The company's Tier 1 leverage ratio at June 30, 2013 was 7.0 percent.

Basel I total risk-based capital, Tier 1 risk-based capital and Tier 1 leverage ratios at June 30, 2012 were 12.9 percent, 9.6 percent and 6.7 percent, respectively.

Basel I period-end ratio of equity to total assets at June 30, 2013 was 9.3 percent, compared to 9.1 percent at June 30, 2012 and 9.3 percent at March 31, 2013.

2013 OUTLOOK

Management continues to expect net income growth in 2013 to be modest. Nonetheless, loan and deposit balances are expected to increase, and credit quality should remain strong, though rising loan balances may require some modest loan-loss provision. The current low short-term interest rate environment and relatively flat yield curve will continue to put pressure on the company's net interest margin. This outlook reflects management's expectations for moderate economic growth throughout 2013 and does not take into account the effect that any changes in monetary policy could have on short-term interest rates.

CONFERENCE CALL

City National Corporation will host a conference call this afternoon to discuss second-quarter 2013 financial results. 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 (866) 393-6804 and enter Conference ID 93427620. 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, provides banking, investment and trust services through 78 offices, including 16 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada, New York City, Nashville and Atlanta. The corporation and its investment affiliates manage or administer $59.1 billion in client investment assets, including more than $40 billion under direct management.

For more information about City National, visit the company's Website at 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.

A number of factors, many 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 general economic, political, or industry conditions and the related credit and market conditions and the impact they have on the company and its customers, including changes in consumer spending, borrowing and savings habits; (2) the impact on financial markets and the economy of the level of U.S. and European debt; (3) the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Board of Governors of the Federal Reserve System; (4) continued delay in the pace of economic recovery and continued stagnant or decreasing employment levels; (5) the effect of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations to be promulgated by supervisory and oversight agencies implementing the new legislation, taking into account that the precise timing, extent and nature of such rules and regulations and the impact on the company is uncertain; (6) the impact of revised capital requirements under Basel III; (7) significant changes in applicable laws and regulations, including those concerning taxes, banking and securities; (8) volatility in the municipal bond market; (9) changes in the level of nonperforming assets, charge-offs, other real estate owned and provision expense; (10) incorrect assumptions in the value of the loans acquired in FDIC-assisted acquisitions resulting in greater than anticipated losses in the acquired loan portfolios exceeding the losses covered by the loss-sharing agreements with the FDIC; (11) changes in inflation, interest rates, and market liquidity which may impact interest margins and impact funding sources; (12) the company's ability to attract new employees and retain and motivate existing employees; (13) increased competition in the company's markets and our ability to increase market share and control expenses; (14) changes in the financial performance and/or condition of the company's customers, or changes in the performance or creditworthiness of our customers' suppliers or other counterparties, which could lead to decreased loan utilization rates, delinquencies, or defaults and could negatively affect our customers' ability to meet certain credit obligations; (15) a substantial and permanent loss of either client accounts and/or assets under management at the company's investment advisory affiliates or its wealth management division; (16) soundness of other financial institutions which could adversely affect the company; (17)

protracted labor disputes in the company's markets; (18) the impact of natural disasters, terrorist activities or international hostilities on the operations of our business or the value of collateral; (19) the effect of acquisitions and integration of acquired businesses and de novo branching efforts; (20) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies; (21) the impact of cyber security attacks or other disruptions to the company's information systems and any resulting compromise of data or disruptions in service; and (22) the success of the company at managing the risks involved in the foregoing.

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, please refer to the company's Annual Report on Form 10-K for the year ended December 31, 2012.

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[1] *For notes on non-GAAP measures, see pages 15 and 16 of the Selected Financial Information.*
[2] *Estimated based on management's interpretation of final rules adopted July 2, 2013, by the Federal Reserve Board establishing a new comprehensive capital framework for U.S. banking organizations that would implement the Basel III capital framework and certain provisions of the Dodd-Frank Act. See page 15 of the Selected Financial Information.*

CITY NATIONAL CORPORATION

Selected Financial Information
June 30, 2013

(unaudited)

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CITY NATIONAL CORPORATION
FINANCIAL HIGHLIGHTS
(unaudited)

For The Period Ended June 30,	Three Months 2013	Three Months 2012	Three Months % Change	Six Months 2013	Six Months 2012	Six Months % Change
Per Common Share						
Net income available to common shareholders						
Basic	$ 1.05	$ 1.02	3	$ 1.95	$ 1.88	4
Diluted	1.04	1.01	3	1.94	1.87	4
Dividends	0.25	0.25	-	0.25	0.50	(50)
Book value				44.16	42.70	3
Results of Operations: (In millions)						
Interest income	$ 217	$ 230	(6)	$ 433	$ 443	(2)
Interest expense	14	14	5	29	26	10
Net interest income	203	216	(6)	404	417	(3)
Net interest income (Fully taxable-equivalent)	208	221	(6)	415	427	(3)
Total revenue	285	291	(2)	580	568	2
Provision for credit losses on loans and leases, excluding covered loans	-	1	(100)	-	1	(100)
Provision for losses on covered loans	(12)	13	(190)	(2)	21	(110)
Net income attributable to City National Corporation	60	55	9	111	101	10
Net income available to common shareholders	57	55	5	106	101	5
Financial Ratios:						
Performance Ratios:						
Return on average assets	0.87 %	0.90 %		0.81 %	0.85 %	
Return on average common equity	9.53	9.86		8.99	9.23	
Return on average tangible common equity (1)	13.60	13.42		12.90	12.50	
Period-end equity to period-end assets				9.29	9.09	
Net interest margin	3.24	3.91		3.22	3.83	
Expense to revenue ratio	71.51	63.28		70.21	65.23	
Capital Adequacy Ratios (Period-end):						
Tier 1 leverage				7.00	6.74	
Tier 1 risk-based capital				9.74	9.58	
Total risk-based capital				12.78	12.91	
Asset Quality Ratios:						
Allowance for loan and lease losses to:						
Total loans and leases, excluding covered loans				1.83 %	2.00 %	
Nonaccrual loans				378.12	273.21	
Nonperforming assets, excluding covered assets, to:						
Total loans and leases and other real estate owned, excluding covered assets				0.61	0.98	
Total assets				0.35	0.54	
Net recoveries to average total loans and leases, excluding covered loans (annualized)	0.20 %	0.08 %		0.16 %	0.11 %	
Average Balances: (In millions)						
Loans and leases, excluding covered loans	$ 15,434	$ 13,126	18	$ 15,123	$ 12,779	18
Covered loans	910	1,341	(32)	950	1,390	(32)
Securities	8,867	7,755	14	9,329	7,842	19
Interest-earning assets	25,820	22,769	13	25,933	22,436	16
Assets	27,470	24,363	13	27,589	24,004	15
Core deposits	22,448	20,215	11	22,133	19,868	11
Deposits	23,119	20,948	10	22,767	20,583	11
Interest-bearing liabilities	10,549	9,868	7	10,984	9,999	10
Common shareholders' equity	2,412	2,234	8	2,388	2,202	8
Total shareholders' equity	2,582	2,234	16	2,558	2,202	16
Period-End Balances: (In millions)						
Loans and leases, excluding covered loans				$ 15,819	$ 13,507	17
Covered loans				868	1,260	(31)
Securities				8,597	8,029	7
Assets				27,380	24,802	10
Core deposits				23,004	20,342	13
Deposits				23,652	21,109	12
Common shareholders' equity				2,375	2,255	5
Total shareholders' equity				2,545	2,255	13
Wealth Management: (In millions) (2)						
Assets under management				$ 40,634	$ 32,105	27
Assets under management or administration (3)				59,133	50,040	18

(1) Return on average tangible common equity is a non-GAAP measure. Refer to page 15 for further discussion of this non-GAAP measure.

(2) Excludes $25.1 billion and $18.4 billion of assets under management for asset managers in which City National held a noncontrolling ownership interest as of June 30, 2013 and June 30, 2012, respectively.

(3) Assets under administration were revised to exclude City National's investments that were held in custody and serviced by the company's wealth management business. Prior period balances were reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

(Dollars in thousands except per share data)	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	% Change	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	% Change
Interest income	$ 216,995	$ 229,889	(6)	$ 432,795	$ 443,481	(2)
Interest expense	14,076	13,410	5	28,803	26,289	10
Net interest income	202,919	216,479	(6)	403,992	417,192	(3)
Provision for credit losses on loans and leases, excluding covered loans	-	1,000	(100)	-	1,000	(100)
Provision for losses on covered loans	(11,927)	13,293	(190)	(2,035)	20,759	(110)
Noninterest income						
Trust and investment fees	49,830	34,067	46	96,483	67,721	42
Brokerage and mutual fund fees	8,107	5,293	53	16,173	10,321	57
Cash management and deposit transaction fees	12,880	11,475	12	25,889	22,643	14
International services	10,911	10,017	9	20,530	18,802	9
FDIC loss sharing expense, net	(26,477)	(6,026)	339	(30,829)	(5,160)	497
Gain on disposal of assets	949	3,011	(68)	2,063	5,202	(60)
Gain (loss) on securities	5,608	(457)	1,327	6,654	(8)	83,275
Other	20,401	17,388	17	38,774	30,947	25
Total noninterest income	82,209	74,768	10	175,737	150,468	17
Noninterest expense						
Salaries and employee benefits	127,168	115,035	11	255,363	235,280	9
Net occupancy of premises	16,205	14,056	15	32,194	27,742	16
Legal and professional fees	13,163	11,359	16	24,775	23,239	7
Information services	9,183	8,539	8	18,574	16,688	11
Depreciation and amortization	8,249	8,013	3	16,421	15,441	6
Amortization of intangibles	1,931	1,518	27	3,863	3,404	13
Marketing and advertising	8,644	7,597	14	16,960	14,413	18
Office services and equipment	5,034	4,492	12	9,980	8,440	18
Other real estate owned	4,385	7,541	(42)	9,635	19,635	(51)
FDIC assessments	3,663	4,523	(19)	9,144	9,002	2
Other	13,804	11,843	17	25,860	21,952	18
Total noninterest expense	211,429	194,516	9	422,769	395,236	7
Income before taxes	85,626	82,438	4	158,995	150,665	6
Applicable income taxes	25,422	27,271	(7)	46,683	48,990	(5)
Net income	$ 60,204	$ 55,167	9	$ 112,312	$ 101,675	10
Less: Net income attributable to noncontrolling interest	463	409	13	1,048	652	61
Net income attributable to City National Corporation	$ 59,741	$ 54,758	9	$ 111,264	$ 101,023	10
Less: Dividends on preferred stock	2,406	-	NM	4,812	-	NM
Net income available to common shareholders	$ 57,335	$ 54,758	5	$ 106,452	$ 101,023	5
Other Data:						
Earnings per common share - basic	$ 1.05	$ 1.02	3	$ 1.95	$ 1.88	4
Earnings per common share - diluted	$ 1.04	$ 1.01	3	$ 1.94	$ 1.87	4
Dividends paid per common share	$ 0.25	$ 0.25	-	$ 0.25	$ 0.50	(50)
Common dividend payout ratio	23.81 %	24.57 %	(3)	12.85 %	26.56 %	(52)
Return on average assets	0.87 %	0.90 %	(3)	0.81 %	0.85 %	(5)
Return on average common equity	9.53 %	9.86 %	(3)	8.99 %	9.23 %	(3)
Return on average tangible common equity	13.60 %	13.42 %	1	12.90 %	12.50 %	3
Net interest margin (Fully taxable-equivalent)	3.24 %	3.91 %	(17)	3.22 %	3.83 %	(16)
Full-time equivalent employees	3,551	3,330	7			

CITY NATIONAL CORPORATION
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME
(unaudited)

(Dollars in thousands except per share data)	2013 Second Quarter	2013 First Quarter	2013 Year to Date
Interest income	$ 216,995	$ 215,800	$ 432,795
Interest expense	14,076	14,727	28,803
Net interest income	202,919	201,073	403,992
Provision for credit losses on loans and leases, excluding covered loans	-	-	-
Provision for losses on covered loans	(11,927)	9,892	(2,035)
Noninterest income			
Trust and investment fees	49,830	46,653	96,483
Brokerage and mutual fund fees	8,107	8,066	16,173
Cash management and deposit transaction fees	12,880	13,009	25,889
International services	10,911	9,619	20,530
FDIC loss sharing expense, net	(26,477)	(4,352)	(30,829)
Gain on disposal of assets	949	1,114	2,063
Gain on securities	5,608	1,046	6,654
Other	20,401	18,373	38,774
Total noninterest income	82,209	93,528	175,737
Noninterest expense			
Salaries and employee benefits	127,168	128,195	255,363
Net occupancy of premises	16,205	15,989	32,194
Legal and professional fees	13,163	11,612	24,775
Information services	9,183	9,391	18,574
Depreciation and amortization	8,249	8,172	16,421
Amortization of intangibles	1,931	1,932	3,863
Marketing and advertising	8,644	8,316	16,960
Office services and equipment	5,034	4,946	9,980
Other real estate owned	4,385	5,250	9,635
FDIC assessments	3,663	5,481	9,144
Other	13,804	12,056	25,860
Total noninterest expense	211,429	211,340	422,769
Income before taxes	85,626	73,369	158,995
Applicable income taxes	25,422	21,261	46,683
Net income	$ 60,204	$ 52,108	$ 112,312
Less: Net income attributable to noncontrolling interest	463	585	1,048
Net income attributable to City National Corporation	$ 59,741	$ 51,523	$ 111,264
Less: Dividends on preferred stock	2,406	2,406	4,812
Net income available to common shareholders	$ 57,335	$ 49,117	$ 106,452
Other Data:			
Earnings per common share - basic	$ 1.05	$ 0.90	$ 1.95
Earnings per common share - diluted	$ 1.04	$ 0.90	$ 1.94
Dividends paid per common share	$ 0.25	$ -	$ 0.25
Common dividend payout ratio	23.81 %	- %	12.85 %
Return on average assets	0.87 %	0.75 %	0.81 %
Return on average common equity	9.53 %	8.43 %	8.99 %
Return on average tangible common equity	13.60 %	12.17 %	12.90 %
Net interest margin (Fully taxable-equivalent)	3.24 %	3.21 %	3.22 %
Full-time equivalent employees	3,551	3,496	

CITY NATIONAL CORPORATION
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME
(unaudited)

(Dollars in thousands except per share data)	2012 Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Year to Date
Interest income	$ 218,302	$ 224,768	$ 229,889	$ 213,592	$ 886,551
Interest expense	14,580	14,846	13,410	12,879	55,715
Net interest income	203,722	209,922	216,479	200,713	830,836
Provision for credit losses on loans and leases, excluding covered loans	7,000	2,000	1,000	-	10,000
Provision for losses on covered loans	6,498	18,089	13,293	7,466	45,346
Noninterest income					
Trust and investment fees	44,026	43,477	34,067	33,654	155,224
Brokerage and mutual fund fees	8,424	9,059	5,293	5,028	27,804
Cash management and deposit transaction fees	11,480	11,526	11,475	11,168	45,649
International services	11,342	9,819	10,017	8,785	39,963
FDIC loss sharing (expense) income, net	(2,524)	1,667	(6,026)	866	(6,017)
Gain on disposal of assets	2,892	3,199	3,011	2,191	11,293
Gain (loss) on securities	13	817	(457)	449	822
Other	24,225	27,693	17,388	13,559	82,865
Total noninterest income	99,878	107,257	74,768	75,700	357,603
Noninterest expense					
Salaries and employee benefits	123,812	120,210	115,035	120,245	479,302
Net occupancy of premises	17,554	16,238	14,056	13,686	61,534
Legal and professional fees	17,844	11,757	11,359	11,880	52,840
Information services	8,896	8,660	8,539	8,149	34,244
Depreciation and amortization	8,720	8,324	8,013	7,428	32,485
Amortization of intangibles	1,932	1,932	1,518	1,886	7,268
Marketing and advertising	9,111	7,141	7,597	6,816	30,665
Office services and equipment	4,735	4,673	4,492	3,948	17,848
Other real estate owned	9,869	8,749	7,541	12,094	38,253
FDIC assessments	4,499	4,616	4,523	4,479	18,117
Other	15,044	15,586	11,843	10,109	52,582
Total noninterest expense	222,016	207,886	194,516	200,720	825,138
Income before taxes	68,086	89,204	82,438	68,227	307,955
Applicable income taxes	20,780	29,052	27,271	21,719	98,822
Net income	$ 47,306	$ 60,152	$ 55,167	$ 46,508	$ 209,133
Less: Net income attributable to noncontrolling interest	60	372	409	243	1,084
Net income attributable to City National Corporation	$ 47,246	$ 59,780	$ 54,758	$ 46,265	$ 208,049
Other Data:					
Earnings per common share - basic	$ 0.87	$ 1.10	$ 1.02	$ 0.86	$ 3.85
Earnings per common share - diluted	$ 0.87	$ 1.10	$ 1.01	$ 0.86	$ 3.83
Dividends paid per common share	$ 0.75	$ 0.25	$ 0.25	$ 0.25	$ 1.50
Common dividend payout ratio	86.16 %	22.63 %	24.57 %	28.91 %	38.96 %
Return on average assets	0.69 %	0.93 %	0.90 %	0.79 %	0.82 %
Return on average common equity	8.03 %	10.35 %	9.86 %	8.58 %	9.20 %
Return on average tangible common equity	11.66 %	15.05 %	13.42 %	11.57 %	12.92 %
Net interest margin (Fully taxable-equivalent)	3.27 %	3.58 %	3.91 %	3.74 %	3.61 %
Full-time equivalent employees	3,472	3,439	3,330	3,235	

CITY NATIONAL CORPORATION
CONSOLIDATED PERIOD END BALANCE SHEET
(unaudited)

	2013	
(In thousands)	**Second Quarter**	**First Quarter**
Assets		
Cash and due from banks	$ 146,338	$ 144,290
Due from banks - interest-bearing	156,221	123,146
Federal funds sold and securities purchased under resale agreements	200,000	219,500
Securities available-for-sale	7,044,571	7,738,051
Securities held-to-maturity	1,503,973	1,400,890
Trading securities	48,655	53,526
Loans and leases:		
Commercial	7,497,105	7,170,370
Commercial real estate mortgages	3,101,169	2,937,457
Residential mortgages	4,153,051	4,027,741
Real estate construction	217,808	247,114
Home equity loans and lines of credit	700,681	696,679
Installment	149,438	137,545
Loans and leases, excluding covered loans	15,819,252	15,216,906
Allowance for loan and lease losses	(289,914)	(282,328)
Loans and leases, excluding covered loans, net	15,529,338	14,934,578
Covered loans, net (1)	843,582	909,563
Net loans and leases	16,372,920	15,844,141
Premises and equipment, net	162,535	152,389
Goodwill and other intangibles	686,897	688,829
Other real estate owned (2)	61,477	63,537
FDIC indemnification asset	117,295	142,906
Other assets	878,620	862,549
Total assets	$ 27,379,502	$ 27,433,754
Liabilities		
Deposits:		
Noninterest-bearing	$ 14,288,001	$ 13,800,017
Interest-bearing	9,363,756	9,137,569
Total deposits	23,651,757	22,937,586
Short-term borrowings	2,675	806,760
Long-term debt	706,537	702,967
Other liabilities	433,822	388,439
Total liabilities	24,794,791	24,835,752
Redeemable noncontrolling interest	39,943	41,113
Shareholders' equity		
Preferred stock	169,920	169,920
Common stock	54,274	54,133
Additional paid-in capital	507,560	496,013
Accumulated other comprehensive income	6,585	74,222
Retained earnings	1,831,725	1,788,041
Treasury shares	(25,296)	(25,440)
Total common shareholders' equity	2,374,848	2,386,969
Total shareholders' equity	2,544,768	2,556,889
Total liabilities and shareholders' equity	$ 27,379,502	$ 27,433,754

(1) Covered loans are net of $24.4 million and $42.4 million of allowance for loan losses as of June 30, 2013 and March 31, 2013, respectively.

(2) Other real estate owned includes $41.8 million and $43.8 million covered by FDIC loss share at June 30, 2013 and March 31, 2013, respectively.

CITY NATIONAL CORPORATION
CONSOLIDATED PERIOD END BALANCE SHEET
(unaudited)

	2012			
(In thousands)	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Assets				
Cash and due from banks	$ 151,969	$ 235,038	$ 162,894	$ 210,799
Due from banks - interest-bearing	246,336	335,300	106,109	101,375
Federal funds sold	17,100	19,500	162,000	156,000
Securities available-for-sale	9,205,989	7,872,064	6,865,881	6,838,710
Securities held-to-maturity	1,398,403	1,174,161	1,100,229	996,613
Trading securities	115,059	64,749	62,585	82,589
Loans and leases:				
Commercial	6,949,073	6,264,562	6,086,947	5,573,782
Commercial real estate mortgages	2,829,694	2,463,664	2,424,333	2,213,114
Residential mortgages	3,962,205	3,897,690	3,822,630	3,805,807
Real estate construction	222,780	242,137	301,829	313,409
Home equity loans and lines of credit	711,750	718,966	741,270	715,997
Installment	142,793	137,632	130,200	125,793
Loans and leases, excluding covered loans	14,818,295	13,724,651	13,507,209	12,747,902
Allowance for loan and lease losses	(277,888)	(268,440)	(269,534)	(266,077)
Loans and leases, excluding covered loans, net	14,540,407	13,456,211	13,237,675	12,481,825
Covered loans, net (1)	986,223	1,099,359	1,216,988	1,335,685
Net loans and leases	15,526,630	14,555,570	14,454,663	13,817,510
Premises and equipment, net	149,433	147,621	147,245	143,238
Goodwill and other intangibles	690,761	691,765	589,114	521,717
Other real estate owned (2)	79,303	110,673	117,501	107,530
FDIC indemnification asset	150,018	160,991	170,654	185,392
Other assets	887,491	884,096	863,098	877,016
Total assets	$ 28,618,492	$ 26,251,528	$ 24,801,973	$ 24,038,489
Liabilities				
Deposits:				
Noninterest-bearing	$ 14,264,797	$ 13,432,413	$ 12,187,075	$ 11,550,000
Interest-bearing	9,237,558	9,079,903	8,921,977	9,237,737
Total deposits	23,502,355	22,512,316	21,109,052	20,787,737
Short-term borrowings	1,423,798	211,739	322,077	222,776
Long-term debt	706,051	706,035	712,280	482,024
Other liabilities	439,858	449,728	361,300	302,951
Total liabilities	26,072,062	23,879,818	22,504,709	21,795,488
Redeemable noncontrolling interest	41,112	41,386	41,899	43,436
Shareholders' equity				
Preferred stock	169,920	-	-	-
Common stock	53,886	53,886	53,886	53,886
Additional paid-in capital	490,339	485,975	491,439	489,717
Accumulated other comprehensive income	86,582	93,924	82,807	81,342
Retained earnings	1,738,957	1,732,417	1,686,163	1,644,861
Treasury shares	(34,366)	(35,878)	(58,930)	(70,241)
Total common shareholders' equity	2,335,398	2,330,324	2,255,365	2,199,565
Total shareholders' equity	2,505,318	2,330,324	2,255,365	2,199,565
Total liabilities and shareholders' equity	$ 28,618,492	$ 26,251,528	$ 24,801,973	$ 24,038,489

(1) Covered loans are net of $44.8 million, $45.0 million, $43.1 million and $61.5 million of allowance for loan losses as of December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

(2) Other real estate owned includes $58.3 million, $83.6 million, $82.8 million and $78.5 million covered by FDIC loss share at December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

CITY NATIONAL CORPORATION
CREDIT LOSS EXPERIENCE
(unaudited)

(Dollars in thousands)	2013 Second Quarter	2013 First Quarter	2013 Year To Date	2012 Fourth Quarter	2012 Third Quarter	2012 Second Quarter	2012 First Quarter	2012 Year To Date
Allowance for Loan and Lease Losses, Excluding Covered Loans								
Balance at beginning of period	$ 282,328	$ 277,888	$ 277,888	$ 268,440	$ 269,534	$ 266,077	$ 262,557	$ 262,557
Net recoveries/(charge-offs):								
Commercial	2,855	2,173	5,028	2,002	(4,936)	8,092	5,283	10,441
Commercial real estate mortgages	1,034	3	1,037	(290)	(241)	1,113	(666)	(84)
Residential mortgages	37	(68)	(31)	(7)	(535)	(543)	(494)	(1,579)
Real estate construction	2,682	2,666	5,348	170	3,105	(4,839)	104	(1,460)
Home equity loans and lines of credit	375	(112)	263	(169)	(32)	(808)	(154)	(1,163)
Installment	522	146	668	319	454	(274)	417	916
Total net recoveries/(charge-offs)	7,505	4,808	12,313	2,025	(2,185)	2,741	4,490	7,071
Provision for credit losses	-	-	-	7,000	2,000	1,000	-	10,000
Transfers from (to) reserve for off-balance sheet credit commitments	81	(368)	(287)	423	(909)	(284)	(970)	(1,740)
Balance at end of period	$ 289,914	$ 282,328	$ 289,914	$ 277,888	$ 268,440	$ 269,534	$ 266,077	$ 277,888
Net Recoveries/(Charge-offs) to Average Total Loans and Leases, Excluding Covered Loans (annualized):								
Commercial	0.16 %	0.13 %	0.14 %	0.12 %	(0.32) %	0.56 %	0.40 %	0.18 %
Commercial real estate mortgages	0.14 %	0.00 %	0.07 %	(0.04) %	(0.04) %	0.20 %	(0.12) %	(0.00) %
Residential mortgages	0.00 %	(0.01) %	(0.00) %	(0.00) %	(0.06) %	(0.06) %	(0.05) %	(0.04) %
Real estate construction	4.51 %	4.60 %	4.55 %	0.29 %	4.65 %	(6.26) %	0.13 %	(0.52) %
Home equity loans and lines of credit	0.21 %	(0.06) %	0.07 %	(0.09) %	(0.02) %	(0.44) %	(0.09) %	(0.16) %
Installment	1.44 %	0.42 %	0.94 %	0.91 %	1.34 %	(0.85) %	1.30 %	0.69 %
Total loans and leases, excluding covered loans	0.20 %	0.13 %	0.16 %	0.06 %	(0.06) %	0.08 %	0.15 %	0.05 %
Reserve for Off-Balance Sheet Credit Commitments								
Balance at beginning of period	$ 25,205	$ 24,837	$ 24,837	$ 25,260	$ 24,351	$ 24,067	$ 23,097	$ 23,097
Transfers (to) from allowance	(81)	368	287	(423)	909	284	970	1,740
Balance at end of period	$ 25,124	$ 25,205	$ 25,124	$ 24,837	$ 25,260	$ 24,351	$ 24,067	$ 24,837
Allowance for Losses on Covered Loans								
Balance at beginning of period	$ 42,354	$ 44,781	$ 44,781	$ 44,978	$ 43,147	$ 61,471	$ 64,565	$ 64,565
Provision for losses	(11,927)	9,892	(2,035)	6,498	18,089	13,293	7,466	45,346
Reduction in allowance due to loan removals	(6,013)	(12,319)	(18,332)	(6,695)	(16,258)	(31,617)	(10,560)	(65,130)
Balance at end of period	$ 24,414	$ 42,354	$ 24,414	$ 44,781	$ 44,978	$ 43,147	$ 61,471	$ 44,781

CITY NATIONAL CORPORATION
NONPERFORMING ASSETS
(unaudited)

(Dollars in thousands)	2013 Second Quarter	2013 First Quarter	2012 Fourth Quarter	2012 Third Quarter	2012 Second Quarter	2012 First Quarter
Nonperforming assets, excluding covered assets						
Nonaccrual loans, excluding covered loans						
Commercial	$ 11,679	$ 7,292	$ 9,207	$ 18,848	$ 19,056	$ 19,584
Commercial real estate mortgages	22,433	23,066	33,198	36,580	28,780	21,071
Residential mortgages	10,580	9,136	9,603	11,680	14,064	13,628
Real estate construction	25,718	39,608	40,882	28,963	29,676	48,964
Home equity loans and lines of credit	6,239	4,103	6,424	6,946	6,505	8,831
Installment	24	70	473	477	575	729
Total nonaccrual loans, excluding covered loans	76,673	83,275	99,787	103,494	98,656	112,807
Other real estate owned, excluding covered OREO	19,676	19,786	21,027	27,055	34,667	29,074
Total nonperforming assets, excluding covered assets	$ 96,349	$ 103,061	$ 120,814	$ 130,549	$ 133,323	$ 141,881
Nonperforming covered assets						
Nonaccrual loans	$ -	$ -	$ -	$ -	$ 422	$ 422
Other real estate owned	41,801	43,751	58,276	83,618	82,834	78,456
Total nonperforming covered assets	$ 41,801	$ 43,751	$ 58,276	$ 83,618	$ 83,256	$ 78,878
Loans 90 days or more past due on accrual status, excluding covered loans	$ 643	$ 1,688	$ 981	$ 433	$ 2,065	$ 654
Covered loans 90 days or more past due on accrual status	$ 89,439	$ 102,268	$ 112,396	$ 140,041	$ 190,005	$ 265,175
Allowance for loan and lease losses as a percentage of:						
Nonaccrual loans	378.12 %	339.03 %	278.48 %	259.38 %	273.21 %	235.87 %
Total nonperforming assets, excluding covered assets	300.90 %	273.94 %	230.01 %	205.62 %	202.17 %	187.54 %
Total loans and leases, excluding covered loans	1.83 %	1.86 %	1.88 %	1.96 %	2.00 %	2.09 %
Nonaccrual loans as a percentage of total loans, excluding covered loans	0.48 %	0.55 %	0.67 %	0.75 %	0.73 %	0.88 %
Nonperforming assets, excluding covered assets, as a percentage of:						
Total loans and other real estate owned, excluding covered assets	0.61 %	0.68 %	0.81 %	0.95 %	0.98 %	1.11 %
Total assets	0.35 %	0.38 %	0.42 %	0.50 %	0.54 %	0.59 %

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

	2013					
	Second Quarter		First Quarter		Year to Date	
(Dollars in millions)	**Average Balance**	**Average Rate**	**Average Balance**	**Average Rate**	**Average Balance**	**Average Rate**
Assets						
Interest-earning assets						
Loans and leases						
Commercial	$ 7,301	3.58 %	$ 6,876	3.71 %	$ 7,089	3.64 %
Commercial real estate mortgages	2,962	4.01	2,865	4.00	2,914	4.00
Residential mortgages	4,083	3.72	3,981	3.83	4,032	3.77
Real estate construction	239	4.25	235	4.64	237	4.44
Home equity loans and lines of credit	704	3.60	712	3.68	708	3.64
Installment	145	4.69	140	4.22	143	4.46
Total loans and leases, excluding covered loans	15,434	3.72	14,809	3.83	15,123	3.78
Covered loans	910	14.34	990	12.98	950	13.64
Total loans and leases	16,344	4.32	15,799	4.42	16,073	4.36
Due from banks - interest-bearing	236	0.27	193	0.24	215	0.25
Federal funds sold and securities purchased under resale agreements	277	2.25	154	2.99	216	2.51
Securities	8,867	1.98	9,796	1.91	9,329	1.94
Other interest-earning assets	96	4.48	105	3.72	100	4.09
Total interest-earning assets	25,820	3.46	26,047	3.44	25,933	3.45
Allowance for loan and lease losses	(325)		(328)		(327)	
Cash and due from banks	129		129		129	
Other non-earning assets	1,846		1,861		1,854	
Total assets	$ 27,470		$ 27,709		27,589	
Liabilities and Equity						
Interest-bearing deposits						
Interest checking accounts	$ 2,173	0.07 %	$ 2,217	0.08 %	$ 2,195	0.07 %
Money market accounts	5,759	0.11	5,692	0.11	5,725	0.11
Savings deposits	415	0.10	419	0.11	417	0.10
Time deposits - under $100,000	229	0.31	209	0.35	219	0.33
Time deposits - $100,000 and over	671	0.41	596	0.43	634	0.42
Total interest-bearing deposits	9,247	0.13	9,133	0.13	9,190	0.13
Federal funds purchased and securities sold under repurchase agreements	374	0.13	840	0.13	606	0.13
Other borrowings	928	4.74	1,452	3.21	1,188	3.81
Total interest-bearing liabilities	10,549	0.54	11,425	0.52	10,984	0.53
Noninterest-bearing deposits	13,872		13,278		13,577	
Other liabilities	466		473		470	
Total equity	2,582		2,533		2,558	
Total liabilities and equity	$ 27,470		$ 27,709		$ 27,589	
Net interest spread		2.92 %		2.92 %		2.92 %
Net interest margin		3.24 %		3.21 %		3.22 %
Average prime rate		3.25 %		3.25 %		3.25 %

CITY NATIONAL CORPORATION
AVERAGE BALANCES AND RATES
(unaudited)

	2012									
	Fourth Quarter		Third Quarter		Second Quarter		First Quarter		Year to Date	
(Dollars in millions)	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 and leases										
Commercial	$ 6,395	3.89 %	$ 6,128	3.97 %	$ 5,845	4.16 %	$ 5,319	3.94 %	$ 5,923	3.99 %
Commercial real estate mortgages	2,574	4.34	2,464	4.45	2,295	4.70	2,166	4.87	2,376	4.57
Residential mortgages	3,928	3.95	3,865	4.11	3,815	4.28	3,777	4.36	3,847	4.17
Real estate construction	236	5.33	265	5.67	311	4.31	314	5.33	281	5.13
Home equity loans and lines of credit	711	3.52	731	3.52	731	3.53	727	3.58	725	3.54
Installment	140	4.48	135	4.51	129	4.60	129	4.67	133	4.56
Total loans and leases, excluding covered loans	13,984	4.00	13,588	4.10	13,126	4.27	12,432	4.26	13,285	4.15
Covered loans	1,090	13.09	1,207	13.92	1,341	14.51	1,439	10.63	1,269	12.97
Total loans and leases	15,074	4.65	14,795	4.90	14,467	5.22	13,871	4.93	14,554	4.92
Due from banks - interest-bearing	441	0.26	247	0.26	293	0.24	167	0.22	287	0.25
Federal funds sold and securities purchased under resale agreements	191	0.29	105	0.28	137	0.28	15	0.28	112	0.28
Securities	9,653	1.91	8,631	2.16	7,755	2.37	7,929	2.40	8,496	2.19
Other interest-earning assets	109	3.75	114	2.40	117	2.39	121	2.30	115	2.69
Total interest-earning assets	25,468	3.49	23,892	3.82	22,769	4.15	22,103	3.97	23,564	3.85
Allowance for loan and lease losses	(317)		(319)		(331)		(335)		(326)	
Cash and due from banks	231		184		148		141		176	
Other non-earning assets	1,874		1,898		1,777		1,736		1,822	
Total assets	$ 27,256		$ 25,655		$ 24,363		$ 23,645		$ 25,236	
Liabilities and Equity										
Interest-bearing deposits										
Interest checking accounts	$ 2,098	0.08 %	$ 1,981	0.09 %	$ 1,890	0.10 %	$ 1,952	0.11 %	$ 1,981	0.10 %
Money market accounts	5,907	0.11	5,838	0.11	5,856	0.13	6,018	0.15	5,904	0.13
Savings deposits	384	0.12	371	0.14	360	0.14	358	0.14	368	0.14
Time deposits - under $100,000	210	0.41	220	0.51	228	0.50	242	0.49	225	0.48
Time deposits - $100,000 and over	605	0.44	732	0.41	733	0.45	697	0.51	692	0.45
Total interest-bearing deposits	9,204	0.14	9,142	0.14	9,067	0.16	9,267	0.18	9,170	0.15
Federal funds purchased and securities sold under repurchase agreements	15	0.12	24	0.15	4	0.11	166	0.08	52	0.09
Other borrowings	917	4.97	922	4.97	797	4.97	697	5.09	834	4.99
Total interest-bearing liabilities	10,136	0.57	10,088	0.59	9,868	0.55	10,130	0.51	10,056	0.55
Noninterest-bearing deposits	14,182		12,799		11,881		10,950		12,459	
Other liabilities	506		471		380		396		438	
Total equity	2,432		2,297		2,234		2,169		2,283	
Total liabilities and equity	$ 27,256		$ 25,655		$ 24,363		$ 23,645		$ 25,236	
Net interest spread		2.92 %		3.23 %		3.60 %		3.46 %		3.30 %
Net interest margin		3.27 %		3.58 %		3.91 %		3.74 %		3.61 %
Average prime rate		3.25 %		3.25 %		3.25 %		3.25 %		3.25 %

Note: Certain prior period balances have been reclassified to conform to current period presentation.

CITY NATIONAL CORPORATION
CAPITAL AND CREDIT RATING DATA
(unaudited)

	2013			2012				
	Second Quarter	First Quarter	Year To Date	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Year To Date
Per Common Share:								
Shares outstanding (in thousands):								
Average - Basic	54,105	53,731	53,919	53,566	53,425	53,105	52,741	53,211
Average - Diluted	54,477	54,068	54,280	53,743	53,711	53,373	53,021	53,475
Period-end	53,781	53,638		53,216	53,190	52,822	52,661	
Book value for shareholders	$ 44.16	$ 44.50		$ 43.89	$ 43.81	$ 42.70	$ 41.77	
Closing price:								
High	$ 63.66	$ 59.61	$ 63.66	$ 52.60	$ 54.48	$ 54.63	$ 54.44	$ 54.63
Low	54.36	51.13	51.13	47.27	48.20	46.39	45.39	45.39
Period-end	63.37	58.91		49.52	51.51	48.58	52.47	
Capital Ratios (Dollars in millions):								
Risk-based capital								
Risk-weighted assets (1)	$ 19,256	$ 18,872		$ 18,627	$ 17,174	$ 16,723	$ 15,840	
Tier 1 common equity	$ 1,700	$ 1,643		$ 1,578	$ 1,566	$ 1,597	$ 1,611	
Percentage of risk-weighted assets (2)	8.83 %	8.71 %		8.47 %	9.12 %	9.55 %	10.17 %	
Tier 1 capital	$ 1,875	$ 1,818		$ 1,753	$ 1,571	$ 1,602	$ 1,616	
Percentage of risk-weighted assets	9.74 %	9.64 %		9.41 %	9.15 %	9.58 %	10.20 %	
Total capital	$ 2,461	$ 2,399		$ 2,332	$ 2,133	$ 2,160	$ 2,013	
Percentage of risk-weighted assets	12.78 %	12.71 %		12.52 %	12.42 %	12.91 %	12.71 %	
Tier 1 leverage ratio	7.00 %	6.72 %		6.60 %	6.29 %	6.74 %	6.98 %	
Period-end equity to period-end assets	9.29 %	9.32 %		8.75 %	8.88 %	9.09 %	9.15 %	
Period-end common equity to period-end assets	8.67 %	8.70 %		8.16 %	8.88 %	9.09 %	9.15 %	
Average equity to average assets	9.40 %	9.14 %	9.27 %	8.92 %	8.95 %	9.17 %	9.17 %	9.05 %
Average common equity to average assets	8.78 %	8.53 %	8.66 %	8.59 %	8.95 %	9.17 %	9.17 %	8.96 %
Period-end tangible equity to period-end tangible assets (2)	6.96 %	6.98 %		6.50 %	6.41 %	6.88 %	7.13 %	
Period-end tangible common equity to period-end tangible assets (2)	6.32 %	6.35 %		5.89 %	6.41 %	6.88 %	7.13 %	
Average tangible equity to average tangible assets (2)	7.07 %	6.82 %	6.95 %	6.55 %	6.45 %	7.01 %	7.12 %	6.77 %
Average tangible common equity to average tangible assets (2)	6.44 %	6.19 %	6.32 %	6.21 %	6.45 %	7.01 %	7.12 %	6.68 %

Senior Debt Credit Ratings

For The Period Ended June 30, 2013	Moody's	Fitch	Standard & Poor's	DBRS
City National Bank	A1	A-	A-	A (high)
City National Corporation	A2	A-	BBB+	A

(1) In accordance with applicable bank regulatory guidelines, risk-weighted assets are calculated by assigning assets and credit equivalent amounts of derivatives and off-balance sheet items to one of several broad risk categories according to the obligor, or, if relevant, the guarantor or the nature of the collateral. The aggregate dollar amount in each risk category is then multiplied by the risk weight associated with that category. The resulting weighted values from each of the risk categories are added together for determining risk-weighted assets.

(2) The Tier 1 common equity to risk-weighted assets ratio, tangible equity to tangible assets ratio, and tangible common equity to tangible assets ratio are non-GAAP financial measures. See pages 15 and 16 for notes on non-GAAP measures.

CITY NATIONAL CORPORATION
COMPUTATION OF BASIC AND DILUTED EARNINGS PER COMMON SHARE
(unaudited)

City National applies the two-class method of computing basic and diluted earnings per common share ("EPS"). Under the two-class method, EPS is determined for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. The company grants restricted stock and restricted stock units under a share-based compensation plan that qualify as participating securities. The computation of basic and diluted EPS is presented in the following table:

	2013			2012					2012
(Dollars in thousands, except per share amounts)	**Second Quarter**	**First Quarter**	**Year to Date**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**	**Full Year**	**Year to Date***
Basic EPS:									
Net income attributable to City National Corporation	$ 59,741	$ 51,523	$ 111,264	$ 47,246	$ 59,780	$ 54,758	$ 46,265	$ 208,049	$ 101,023
Less: Dividends on preferred stock	2,406	2,406	4,812	-	-	-	-	-	-
Net income available to common shareholders	$ 57,335	$ 49,117	$ 106,452	$ 47,246	$ 59,780	$ 54,758	$ 46,265	$ 208,049	$ 101,023
Less: Earnings allocated to participating securities	656	637	1,287	652	842	788	738	3,008	1,532
Earnings allocated to common shareholders	$ 56,679	$ 48,480	$ 105,165	$ 46,594	$ 58,938	$ 53,970	$ 45,527	$ 205,041	$ 99,491
Weighted average shares outstanding	54,105	53,731	53,919	53,566	53,425	53,105	52,741	53,211	52,923
Basic earnings per common share	$ 1.05	$ 0.90	$ 1.95	$ 0.87	$ 1.10	$ 1.02	$ 0.86	$ 3.85	$ 1.88
Diluted EPS:									
Earnings allocated to shareholders (1)	$ 56,682	$ 48,484	$ 105,173	$ 46,594	$ 58,941	$ 53,972	$ 45,530	$ 205,050	$ 99,496
Weighted average shares outstanding	54,105	53,731	53,919	53,566	53,425	53,105	52,741	53,211	52,923
Dilutive effect of equity awards	372	337	361	177	286	268	280	264	294
Weighted average diluted shares outstanding	54,477	54,068	54,280	53,743	53,711	53,373	53,021	53,475	53,217
Diluted earnings per common share	$ 1.04	$ 0.90	$ 1.94	$ 0.87	$ 1.10	$ 1.01	$ 0.86	$ 3.83	$ 1.87

* For the six months ended June 30, 2012.

(1) Earnings allocated to shareholders for basic and diluted EPS may differ under the two-class method as a result of adding common stock equivalents for options to dilutive shares outstanding, which alters the ratio used to allocate earnings to shareholders and participating securities for the purposes of calculating diluted EPS.

CITY NATIONAL CORPORATION
SELECTED FINANCIAL INFORMATION ON COVERED ASSETS
(unaudited)

The following table provides selected components of income and expense related to covered assets:

(In thousands)		2013 Second Quarter	2013 First Quarter	2012 Second Quarter
Summary Totals				
Net impairment (expense) income (Sum of A)		$ (1,463)	$ (71)	$ 3,932
Other covered asset (expense) income, net		(520)	(144)	3,388
Total (expense) income, net		**$ (1,983)**	**$ (215)**	**$ 7,320**
Interest income (1)				
Income on loans paid-off or fully charged-off		$ 15,880	$ 15,625	$ 27,402
Provision for losses on covered loans				
Provision for losses on covered loans	**A**	(11,927)	9,892	13,293
Noninterest income related to covered assets				
FDIC loss sharing expense, net				
(Loss) gain on indemnification asset	**A**	$ (13,102)	$ 10,616	$ 17,722
Indemnification asset accretion		(4,746)	(4,899)	(4,133)
Net FDIC reimbursement for OREO and loan expenses		4,995	5,193	6,724
Removal of indemnification asset for loans paid-off or fully charged-off		(7,650)	(6,073)	(10,654)
Removal of indemnification asset for unfunded loan commitments and loans transferred to OREO		(1,163)	(2,569)	(4,773)
Removal of indemnification asset for OREO and net reimbursement to FDIC for OREO sales		(428)	(844)	(1,189)
Loan recoveries shared with FDIC		(4,095)	(4,981)	(9,226)
Increase in FDIC clawback liability	**A**	(288)	(795)	(497)
Total FDIC loss sharing expense, net		(26,477)	(4,352)	(6,026)
Gain on disposal of assets				
Net gain on sale of OREO		616	974	1,486
Other income				
Net gain on transfers of covered loans to OREO		1,445	3,506	6,864
Amortization of fair value on acquired unfunded loan commitments		283	394	413
OREO income		456	826	615
Other		(318)	(334)	(864)
Total other income		1,866	4,392	7,028
Total noninterest income related to covered assets		$ (23,995)	$ 1,014	$ 2,488
Noninterest expense related to covered assets (2)				
Other real estate owned				
Valuation write-downs		$ 2,184	$ 3,035	$ 4,250
Holding costs and foreclosure expense		1,894	1,893	2,796
Total other real estate owned		4,078	4,928	7,046
Legal and professional fees		1,701	2,020	2,200
Other operating expense				
Other covered asset expenses		16	14	31
Total noninterest expense related to covered assets (3)		$ 5,795	$ 6,962	$ 9,277
Total (expense) income, net		**$ (1,983)**	**$ (215)**	**$ 7,320**

(1) Excludes base yield in interest income related to covered loans.

(2) OREO, legal and professional fees, and other expenses related to covered assets must meet certain FDIC criteria in order for the expense amounts to be reimbursed. Certain amounts reflected in these categories may not be reimbursed by the FDIC.

(3) Excludes personnel and other corporate overhead expenses that the company incurs to service covered assets and costs associated with the branches acquired in FDIC-assisted acquisitions.

CITY NATIONAL CORPORATION
NON-GAAP FINANCIAL MEASURES
(unaudited)

(a) Noninterest expense, excluding the operating expenses of First American Equipment Finance and Rochdale Investment Management

Noninterest expense for the second quarter of 2013 was $211.4 million, an increase of 9 percent from the second quarter of 2012. Excluding the operating expenses of First American Equipment Finance (acquired at the end of April 2012) and Rochdale Investment Management (acquired in July 2012), noninterest expense for the second quarter of 2013 was $196.1 million, an increase of 2 percent from the second quarter of 2012. Management believes this non-GAAP financial measure enhances the comparability of the financial results with prior periods.

(b) Return on average tangible common equity ratio (annualized)

Return on average tangible common equity is a non-GAAP financial measure that represents the return on average common equity excluding goodwill and other intangible assets and their related amortization expense. Management reviews this measure in evaluating the company's performance and believes that investors may find it useful to evaluate the return on average common equity without the impact of goodwill and other intangible assets. A reconciliation of the GAAP to non-GAAP measure is set forth below:

	2013			2012					2012
(Dollars in thousands)	**Second Quarter**	**First Quarter**	**Year to Date**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**	**Full Year**	**Year to Date***
Net income available to common shareholders	$ 57,335	$ 49,117	$ 106,452	$ 47,246	$ 59,780	$ 54,758	$ 46,265	$ 208,049	$ 101,023
Add: Amortization of intangibles, net of tax	1,123	1,124	2,247	1,124	1,124	883	1,097	4,228	1,980
Tangible net income available to common shareholders (A)	$ 58,458	$ 50,241	$ 108,699	$ 48,370	$ 60,904	$ 55,641	$ 47,362	$ 212,277	$ 103,003
Average common equity	$ 2,412,148	$ 2,363,524	$ 2,387,970	$ 2,341,763	$ 2,296,754	$ 2,234,411	$ 2,168,748	$ 2,260,740	$ 2,201,579
Less: Goodwill and other intangibles	(687,997)	(689,932)	(688,959)	(690,975)	(687,224)	(566,989)	(522,182)	(617,237)	(544,585)
Tangible common equity (B)	$ 1,724,151	$ 1,673,592	$ 1,699,011	$ 1,650,788	$ 1,609,530	$ 1,667,422	$ 1,646,566	$ 1,643,503	$ 1,656,994
Return on average tangible common equity (A)/(B)	13.60%	12.17%	12.90%	11.66%	15.05%	13.42%	11.57%	12.92%	12.50%

* *For the six months ended June 30, 2012.*

(c) Tier 1 common equity to risk-weighted assets

Tier 1 common equity to risk-weighted assets ratio, also known as Tier 1 common ratio, is calculated by dividing (a) Tier 1 capital less non-common components including qualifying perpetual preferred stock, qualifying noncontrolling interest in subsidiaries and qualifying trust preferred securities by (b) risk-weighted assets. Tier 1 capital and risk-weighted assets are calculated in accordance with applicable bank regulatory guidelines. This ratio is a non-GAAP measure that is used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Management reviews this measure in evaluating the company's capital levels and has included this ratio in response to market participants' interest in the Tier 1 common equity to risk-weighted assets ratio.

	2013		2012			
(Dollars in thousands)	**Second Quarter**	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Tier 1 capital	$ 1,874,999	$ 1,818,367	$ 1,753,312	$ 1,570,778	$ 1,602,398	$ 1,616,099
Less: Preferred stock	(169,920)	(169,920)	(169,920)	-	-	-
Less: Trust preferred securities	(5,155)	(5,155)	(5,155)	(5,155)	(5,155)	(5,155)
Tier 1 common equity (A)	$ 1,699,924	$ 1,643,292	$ 1,578,237	$ 1,565,623	$ 1,597,243	$ 1,610,944
Risk-weighted assets (B)	$ 19,255,862	$ 18,872,451	$ 18,627,165	$ 17,174,382	$ 16,722,999	$ 15,839,944
Tier 1 common equity to risk-weighted assets (A)/(B)	8.83%	8.71%	8.47%	9.12%	9.55%	10.17%

Under Basel III capital rules, the Company's estimated Tier 1 common equity ratio was 8.6 percent at June 30, 2013. This ratio was estimated based on management's interpretation of final rules adopted July 2, 2013, by the Federal Reserve Board establishing a new comprehensive capital framework for U.S. banking organizations that would implement the Basel III capital framework and certain provisions of the Dodd-Frank Act. Under management's interpretation of Basel III, estimated Tier 1 common equity was $1.7 billion and estimated risk-weighted assets were $19.9 billion.

(d) Tangible equity and tangible common equity ratios

Tangible equity to tangible assets is a non-GAAP financial measure that represents total equity less identifiable intangible assets and goodwill divided by total assets less identifiable intangible assets and goodwill. Tangible common equity to tangible assets is a non-GAAP financial measure that represents tangible equity less preferred stock divided by total assets less identifiable intangible assets and goodwill. Management reviews both these measures in evaluating the company's capital levels and has included these ratios in response to market participant interest in tangible equity and tangible common equity as a measure of capital. A reconciliation of the GAAP to non-GAAP measure is set forth below:

	2013			2012				
(Dollars in thousands)	**Second Quarter**	**First Quarter**	**Year to Date**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**	**Year to Date**
Period End:								
Total equity	$ 2,544,768	$ 2,556,889		$ 2,505,318	$ 2,330,324	$ 2,255,365	$ 2,199,565	
Less: Goodwill and other intangibles	(686,897)	(688,829)		(690,761)	(691,765)	(589,114)	(521,717)	
Tangible equity (A)	1,857,871	1,868,060		1,814,557	1,638,559	1,666,251	1,677,848	
Less: Preferred stock	(169,920)	(169,920)		(169,920)	-	-	-	
Tangible common equity (B)	$ 1,687,951	$ 1,698,140		$ 1,644,637	$ 1,638,559	$ 1,666,251	$ 1,677,848	
Total assets	$ 27,379,502	$ 27,433,754		$ 28,618,492	$ 26,251,528	$ 24,801,973	$ 24,038,489	
Less: Goodwill and other intangibles	(686,897)	(688,829)		(690,761)	(691,765)	(589,114)	(521,717)	
Tangible assets (C)	$ 26,692,605	$ 26,744,925		$ 27,927,731	$ 25,559,763	$ 24,212,859	$ 23,516,772	
Period-end tangible equity to period-end tangible assets (A)/(C)	6.96%	6.98%		6.50%	6.41%	6.88%	7.13%	
Period-end tangible common equity to period-end tangible assets (B)/(C)	6.32%	6.35%		5.89%	6.41%	6.88%	7.13%	
Average Balance:								
Total equity	$ 2,582,068	$ 2,533,444	$ 2,557,890	$ 2,432,264	$ 2,296,754	$ 2,234,411	$ 2,168,748	$ 2,283,489
Less: Goodwill and other intangibles	(687,997)	(689,932)	(688,959)	(690,975)	(687,224)	(566,989)	(522,182)	(617,237)
Tangible equity (D)	1,894,071	1,843,512	1,868,931	1,741,289	1,609,530	1,667,422	1,646,566	1,666,252
Less: Preferred stock	(169,920)	(169,920)	(169,920)	(90,501)	-	-	-	(22,749)
Tangible common equity (E)	$ 1,724,151	$ 1,673,592	$ 1,699,011	$ 1,650,788	$ 1,609,530	$ 1,667,422	$ 1,646,566	$ 1,643,503
Total assets	$ 27,469,581	$ 27,709,159	$ 27,588,708	$ 27,255,859	$ 25,654,594	$ 24,362,546	$ 23,644,899	$ 25,236,172
Less: Goodwill and other intangibles	(687,997)	(689,932)	(688,959)	(690,975)	(687,224)	(566,989)	(522,182)	(617,237)
Tangible assets (F)	$ 26,781,584	$ 27,019,227	$ 26,899,749	$ 26,564,884	$ 24,967,370	$ 23,795,557	$ 23,122,717	$ 24,618,935
Average tangible equity to average tangible assets (D)/(F)	7.07%	6.82%	6.95%	6.55%	6.45%	7.01%	7.12%	6.77%
Average tangible common equity to average tangible assets (E)/(F)	6.44%	6.19%	6.32%	6.21%	6.45%	7.01%	7.12%	6.68%