



News

400 North Roxbury Drive
Beverly Hills, California 90210

NEWS RELEASE FOR IMMEDIATE RELEASE

Contacts:

Financial/Investors

Vern Kozlen (City National) 310/888-6306

Heng Chen (City National) 213/347-2646

Ian Campbell (The Abernathy MacGregor Group) 213/630-6550

Media

Kim George (City National) 213/833-4715

Denis Wolcott (Stoorza Communications) 213/891-2822 / 213-422-4930 (cell)

City National Corporation to Acquire \$1.1 Billion Investment Management Firm Based in Los Angeles

Acquisition Expands City National's Investment Management Expertise

LOS ANGELES, Tuesday, October 31, 2000 — City National Corporation (NYSE: CYN), parent company of City National Bank, today announced that it signed a definitive agreement to acquire the Los Angeles-based investment management firm of Reed, Conner & Birdwell for a payment at closing of a combination of CYN stock and notes. The notes, payable over five years, are valued on the basis of the firm's future growth and profitability. Reed, Conner & Birdwell has approximately \$1.1 billion in client assets under management. Upon completion, which management expects to occur prior to year-end, the transaction will boost to more than \$17.8 billion the assets under management or administration by City National Corporation, including those funds managed or administered by City National Bank's trust and investment division, City National Investments.

Under terms of the agreement, Reed, Conner & Birdwell will operate as an independent subsidiary, retaining the Reed, Conner & Birdwell name and continuing to operate out of its current West Los Angeles offices. In addition, the investment management firm's four principals will sign employment agreements ensuring their active management of the firm, its investment policies and practices, and its client relationships, and granting them substantial interests in its future profitability.

City National Corporation to Acquire \$1.1 Billion Investment Management Firm

“We are extremely pleased that Reed, Conner & Birdwell, a distinguished Southern California company, and its outstanding colleagues and clients are joining City National to form this new, mutually beneficial relationship,” said City National Corporation CEO Russell Goldsmith. “Given our strong focus on growing stable asset management income and expanding our investment products and services for our clients, this is a logical and positive step forward for City National and its private banking, asset management and trust businesses. In particular, Reed, Conner & Birdwell’s specialization in value equity investing complements our traditional investment focus.”

Added Donn Conner, president of Reed, Conner & Birdwell, “Our association with City National will benefit our firm on many fronts. We will take advantage of the strength and resources of California’s premier private and business bank, while maintaining the management team and the investment style we have developed over the years, ensuring continuity of service to our many long-term clients as well as to future generations of clients. And, we now will be able to offer our clients wealth management service packages tailored specifically to their needs, offering greater convenience and value, and adding depth to our relationship with them.”

Vernon C. Kozlen, executive vice president and head of City National Investments, indicated that certain private banking clients wish to diversify their holdings among different types of investment managers. “Our affiliation with Reed, Conner & Birdwell helps us address those opportunities and gives us new strategic capabilities,” said Kozlen. “We are looking forward to working with Donn Conner, Jim Reed, Jim Birdwell, Jeffrey Bronchick and their whole team of fine professionals.”

The transaction is expected to reduce City National’s earnings per share by less than 1 percent in 2001, and be accretive in 2003.

About City National Corporation

City National Corporation is a publicly owned corporation with \$8.9 billion in total assets whose stock is traded on the New York Stock Exchange under the symbol "CYN." The Corporation's wholly owned subsidiary, City National Bank, is California’s premier private and business bank and provides banking, trust, and investment services through its 50 California offices located throughout Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara and Ventura counties.

Over the past five years, City National Bank’s trust and investment department, City National Investments, has grown from \$6.5 billion in assets under management or administration to the current \$16.7 billion. Assisting successful entrepreneurs, businesses, foundations, municipal agencies and families for more than 30 years, City National Investments’ staff of more than 200 professionals provides a broad range of expertise in investment and wealth management, employee benefit programs, estate and financial planning, securities sales and trading.

For more information about City National Corporation, please visit our web page at www.cnb.com.

About Reed, Conner & Birdwell

Reed, Conner & Birdwell was founded in 1959 and manages \$1.1 billion in assets for high-net-worth clients and institutions such as foundations, endowments and retirement funds. Based in West Los Angeles, the principals include portfolio managers Donn B. Conner, President, James C. Reed and James P. Birdwell, Jr., Executive Vice Presidents, and Jeffrey

City National Corporation to Acquire \$1.1 Billion Investment Management Firm

Bronchick, Chief Investment Officer. Other professionals are Daryl Ann Weber, Senior Vice President, Business Development and Client Servicing, Victor Hawley and Tom Kerr, Vice Presidents of Research and Portfolio Management, and Daniele Beasley, Chief Administrative Officer.

Reed, Conner & Birdwell employs a focused, value-oriented approach toward investment management. It separately manages its accounts in four distinct styles: Mid-to-Large Cap Value, Small Cap Value, All Cap Value and Balanced. It also manages two equity mutual funds for smaller pools of assets.

Forward-Looking Statements

This news release contains forward-looking statements about City National Corporation for which the Corporation claims the protection of the safe harbor 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 Corporation's possible or assumed future financial condition, and its results of operations and business. Forward-looking statements are subject to risks and uncertainties. A number of factors, some of which are beyond the Corporation'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) an economic slowdown in California, (2) changes in interest rates, (3) significant changes in banking laws or regulations, (4) increased competition in the Corporation's market, (5) higher than expected credit losses (6) possible changes in the plans for the registered investment company subsidiary and (7) the future profitability of Reed, Conner & Birdwell.

For a more complete discussion of risks and uncertainties, see City National Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, 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."

###