RBC & CNB MERGER

Client Q&A

On January 22, 2015, City National and Royal Bank of Canada (RBC) announced plans to merge. RBC has agreed to acquire City National for a combination of cash and stock, subject to customary closing conditions. The agreement provides a unique opportunity to leverage City National’s high-touch private and business banking platform with RBC’s U.S. Wealth Management unit to better serve clients. RBC is the largest bank in Canada and one of the world’s leading financial institutions.

1. **Does the combination make sense for the businesses?**
   - This combination is a great fit.
   - Both companies are strong and stable. RBC is one of the highest-rated banks in the world: Moody’s (Aa3), S&P (AA-), Fitch (AA), DBRS (AA).
   - Like City National, RBC has succeeded on the strength of its focus, diversification, client service, and the caliber of its people.
   - With additional resources from RBC, City National will be able to further strengthen its capabilities, products, and lending capacity while also further enhancing its safety and soundness.
   - The addition of City National gives RBC a strong platform for focused growth and expansion in the United States.

2. **Won’t this create disruption for clients?**
   - No. Joining forces with RBC will provide continuity and consistency.
     - City National Bank will remain headquartered in Los Angeles and, as a U.S. bank, will be regulated by the OCC and the Federal Reserve, just as it is today.
     - Russell Goldsmith will remain CEO of City National, and he also will be responsible for RBC’s U.S. Wealth Management unit.
   - You can expect City National to be the same, but stronger, as a result of this merger.
   - With additional resources from RBC, City National will be able to further strengthen its capabilities, products, and lending capacity while also further enhancing its safety and soundness.

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3. How will this move affect City National’s high-touch client service and capabilities?
   - RBC and City National will focus on private and business banking as well as wealth management and capital markets in the United States. If anything, its commitment and resources should enable City National to provide clients with broader capabilities, increased lending capacity and more service locations.

4. What will the new bank be called?
   - For now, City National will continue to operate under its current brand. Over time, the company will work with RBC to leverage its brand strength where it makes sense.

5. Where will it be headquartered?
   - The bank will remain headquartered in Los Angeles.

6. Will I continue to bank with the same relationship manager I have now?
   - Yes, clients will continue to bank with the same people they do today.

7. Will my deposits still be insured by the FDIC?
   - Yes, deposits will remain insured by the FDIC, just as they are today.
   - City National will continue to be regulated by the OCC and the Federal Reserve, the same agencies that now oversee our company.
   - RBC is one of the highest rated banks in the world: Moody’s (Aa3), S&P (AA-), Fitch (AA), DBRS (AA).

8. Will my fees change?
   - Fees are always subject to change in the normal course of business, but we don’t plan to make any fee changes as a result of this acquisition.

9. Will loan approvals and other key decisions now be made in Canada?
   - Loan applications will continue to be reviewed and decided upon at City National Bank’s headquarters in Los Angeles, just as they are today.

10. RBC already has a wealth management business. Will that affect my current wealth management relationship with City National?
    - No, City National’s wealth management business will continue to operate as it does today. Over time, we expect to make available to you even more capabilities and more options from which to choose.

11. Will investment allocation decisions be made in Canada?
    - Those decisions will continue to be made where they are today.

12. How will this move affect City National’s client service?
    - If anything, RBC’s commitment and resources should enable City National to provide clients with more capabilities, products, and lending capacity than we offer today.

13. How many jobs will be eliminated?
    - This combination is about continuity and growth, not cost-savings.
    - We do not expect significant job reductions as a result of this acquisition.
    - City National will continue to drive its high-touch client strategy, and it will be further supported by greater investment levels to grow in its current communities and in selected new ones over time.

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14. Will you close any banking offices?
- We don’t plan to close any banking offices as a result of this merger. The two companies serve very different geographies.

15. Who will lead the new company? Will City National’s management team remain in place?
- City National’s management team is expected to remain in place.
- Russell Goldsmith will remain CEO of City National. He will also be responsible for RBC’s U.S. Wealth Management unit, which administers approximately $270 billion (USD) in assets for 340,000 households in the United States.
- Chris Warmuth will remain president of City National.

16. How will the acquisition affect City National’s willingness to lend? For example, will you do more real estate lending, or less? Will you consider loan products and segments that you haven’t considered before now?
- A larger balance sheet will give us opportunities to do more lending – in the area of single-family home mortgages, for example – and selectively to make larger business loans.
- With additional resources from RBC, City National will be able to further strengthen its capabilities, products, and lending capacity while also further enhancing its safety and soundness.

17. Where can I find more information about RBC?
- For more information about RBC, you should go to cnb.com. You’ll find a brief overview that should be helpful. You should also feel free to visit RBC’s website (rbc.com).
CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this communication may be deemed to be forward-looking statements under certain securities laws, including the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements about the expected effects of the acquisition of City National Corporation by Royal Bank of Canada, the expected timing of the acquisition and other statements other than in relation to historical facts. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could”, or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, many of which are outside the control of Royal Bank of Canada and City National Corporation. Forward-looking statements speak only as of the date they are made and, except as required by law, neither party assumes an obligation to update the forward-looking statements contained in this communication. Any annualized, pro forma, projected and estimated numbers in this communication are used for illustrative purposes only, are not forecasts and may not reflect actual results. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors include, but are not limited to, the possibility that the proposed transaction does not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the strength of the economy and competitive factors in the areas where Royal Bank of Canada and City National Corporation do business; the impact of changes in the laws and regulations regulating financial services and enforcement thereof; the effects of competition in the markets in which Royal Bank of Canada and City National Corporation operate; judicial or regulatory judgments and legal proceedings; Royal Bank of Canada’s ability to complete the acquisition and integration of City National Corp. successfully; and other factors that may affect future results of Royal Bank of Canada and City National Corporation including timely development and introduction of new products and services, Royal Bank of Canada’s ability to cross-sell more products to customers and technological changes.

We caution that the foregoing list of important factors is not exhaustive. Additional information about these and other factors can be found in Royal Bank of Canada’s 2014 Annual Report on Form 40-F and City National Corporation’s 2013 Annual Report on Form 10-K, each filed with the U.S. Securities and Exchange Commission (the “SEC”) and available at the SEC’s website (http://www.sec.gov). Royal Bank of Canada’s material general economic assumptions underlying certain of the forward-looking statements in this press release are set out in its 2014 Annual Report under the heading “Overview and Outlook – Economic and market review outlook” and for each business segment under the heading “Outlook and priorities”.

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In connection with the proposed transaction, Royal Bank of Canada will file with the SEC a Registration Statement on Form F-4 that will include a Proxy Statement of City National Corporation and a Prospectus of Royal Bank of Canada, as well as other relevant documents concerning the proposed transaction. The proposed transaction involving Royal Bank of Canada and City National Corporation will be submitted to City National Corporation’s stockholders for their consideration. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. STOCKHOLDERS OF CITY NATIONAL CORPORATION ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Stockholders will be able to obtain a free copy of the definitive proxy statement/prospectus, as well as other filings containing information about Royal Bank of Canada and City National Corporation, without charge, at the SEC’s website (http://www.sec.gov). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus can also be obtained, without charge, by directing a request to Royal Bank of Canada, 200 Bay Street, 4th Floor, North Tower, Toronto, ON, M5J 2W7, Attention: Investor Relations, 416-955-7802 or to City National Corporation, Investor Relations, 555 S. Flower St., 9th Floor, Los Angeles, CA 90071, 213-673-7615.

PARTICIPANTS IN THE SOLICITATION

Royal Bank of Canada, City National Corporation, their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Royal Bank of Canada's directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2014, which was filed with the SEC on December 3, 2014, and its notice of annual meeting and management proxy circular for its 2014 annual meeting of common shareholders, which was furnished to the SEC under cover of a Form 6-K filed with the SEC on January 31, 2014. Information regarding City National Corporation’s directors and executive officers is available in City National Corporation’s proxy statement for its 2014 annual meeting filed on Schedule 14A, which was filed with SEC on March 11, 2014. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of this document may be obtained as described in the preceding paragraph.