2015 ANNUAL DODD-FRANK ACT

STRESS TEST RESULTS

June 2015

OVERVIEW

The Dodd-Frank Act Stress Test (DFAST) results provided herein are based on the hypothetical severely adverse scenario provided by the Federal Reserve Board (FRB) and the Office of the Comptroller of the Currency (OCC).

IMPORTANT CONSIDERATIONS

The stress test results included in this report have been prepared in accordance with the DFAST requirements and present certain projected financial measures for City National Bank and City National Corporation under hypothetical economic and financial conditions, market scenarios and other assumptions described herein.

This report includes forward-looking statements, including projections of City National's financial results and conditions under a hypothetical scenario prescribed by the FRB and the OCC. These projections do not reflect City National's forecast of expected future economic conditions or financial results. Factors that might cause City National's stress test results to change include changes to the underlying economic assumptions that drive these results.

City National's future financial results and conditions will be influenced by actual economic and financial conditions and other factors described in City National's Annual Report on Form 10-K for the year ended December 31, 2014, and in subsequent quarterly reports filed with the Securities and Exchange Commission.

In addition, the regulations establishing DFAST require City National to disclose certain projected financial measures that have not been prepared under U.S. generally accepted accounting principles.

Each bank holding company subject to DFAST is responsible for developing its own internal stress testing process. Therefore, City National's DFAST results may not be directly comparable to those of other bank holding companies.

ABOUT CITY NATIONAL

City National Corporation is a bank holding company with $32.7 billion in assets.

Its wholly owned subsidiary, City National Bank, provides banking, investment and trust services through 75 offices, including 16 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada, New York City, Nashville and Atlanta. City National and its investment affiliates manage or administer $62.0 billion in client investment assets, including $48.4 billion under direct management.

City National's principal client base consists of small to mid-size businesses, entrepreneurs, professionals and affluent individuals. The company seeks to provide the ultimate banking experience through depth of expertise, breadth of resources, focus and location, dedication to complete solutions, a relationship banking model and an integrated team approach. Through the use of private and commercial banking teams, product specialists and investment advisors, City National facilitates the use by the client, where appropriate, of multiple services and products. The company offers a broad range of lending, deposit, cash management, international banking, equipment financing, wealth management and other products and services.

On January 22, 2015, City National announced plans to merge with Royal Bank of Canada. The transaction is expected to close in the fourth quarter of calendar year 2015, pending regulatory approval and other customary closing conditions.

STRESS TESTING OBJECTIVES

The City National DFAST process encompasses the following goals and objectives:

- Providing a key management tool in the normal course of business for decisions regarding capital planning, assessment of capital adequacy and risk management practices of the company;

- Understanding fully the company's risks, key vulnerabilities and the potential impact of stressful events and circumstances on its financial condition;

- Ensuring that the company has sufficient capital to support its operations through periods of stress;

- Supporting capital, dividend and distribution plans;

- Adjusting strategies and appropriately planning for and maintaining adequate capital levels to ensure that the company has sufficient enduring core capital;

- Quantifying the risks of loan and investment portfolios; and

- Maintaining and supporting a high credit rating.

THE SEVERELY ADVERSE SCENARIO

The severely adverse scenario provided by the FRB and the OCC is not a forecast, but rather a hypothetical set of events designed to assess the strength and resilience of banking organizations.

This scenario is characterized by a substantial weakening of economic activity accompanied by large reductions in asset and equity prices in conjunction with high unemployment and widening corporate bond spreads. Under this scenario, the U.S. corporate sector experiences significantly more financial distress than would be expected in a severe recession.

- Equity prices fall nearly 60 percent over the course of the recession, and the equity market volatility index more than quadruples at its peak.

- Housing prices decline approximately 25 percent while commercial real estate prices fall nearly 35 percent.

- Short-term interest rates remain near zero.

- The yield on the long-term Treasury bond falls below 1 percent before edging up approximately 1 percentage point by the end of 2016.

- Real gross domestic product growth declines by 6.1 percent in the first quarter of 2015.

- Unemployment hits a peak of 10.1 percent in the second quarter of 2016.

RISKS INCLUDED IN THE STRESS TEST

In conducting business, City National assumes certain risks. The company takes into account risks that are defined in the OCC Comptroller's Handbook and the FRB Commercial Bank Examination Manual, respectively, grouping them into four broad risk groups:

1) CREDIT RISK

Credit risk is defined as the exposure to a borrower's or counterparty's inability to honor its obligations, including loan and settlement risk exposure or other exposure arising from transactions or contractual arrangements.

2) MARKET RISK

The risk of variability of future cash flows and earnings due to market changes, including:

- **Interest Rate Risk –** The risk to current or anticipated earnings or capital arising from movements in interest rates. For stress testing purposes, this is measured as the change in net interest margin.

- **Liquidity Risk –** The risk to earnings or capital arising from the company's inability to meet its obligations when they come due without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned changes in funding sources and the failure to address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

- **Asset Management Risk –** The effect of interest rates, security prices and financial market conditions on the company's wealth management businesses.

3) OPERATIONAL RISK

The risk of financial losses from the failures of systems, people or processes, including:

- **Fraud and Failed Process Risk –** The risk of loss from fraudulent activity or internal control failures.

- **Model Risk –** The risk that models are inaccurate, implemented incorrectly or used for tasks for which they are not appropriate. Models are regularly reviewed and validated.

- **Technology Risk –** The risk of loss resulting from inadequate control over information security, change management, hardware or software failure or delivery of automated services.

4) BUSINESS RISK

Risks not otherwise captured through credit, market or operational risk include:

- **Economic Risk –** This is the risk that changes in global, national and/or state economies could adversely impact earnings or capital.

- **Reputation Risk –** This is the risk to earnings, capital or business operations that could arise from negative public opinion, client feedback or dissatisfaction.

STRESS TEST METHODOLOGIES

City National employed various methodologies for modeling balance sheet, income statement, capital, provision and charge-off projections:

Credit

- The company performed credit loss analysis on its commercial and industrial, commercial real estate and single-family residential portfolios.

- The estimated provision expense includes charge-offs and recoveries.

- In its stress test, the company used the macro-economic variables from the supervisory scenarios.

- City National structured approach around a standard industry expected loss framework that incorporates probability of default, loss given default and exposure at default.

Pre-Provision Net Revenue

- The company's balance sheet (loan and deposit balances) is projected using multivariable regression. The regression determines the most significantly correlated macroeconomic variables.

- Net interest income is calculated by multiplying the expected rates on all interest-earning asset and liability balances by projected interest rates.

- Non-interest income and expense are based primarily on projections of significant line items using historical trends and line-of-business feedback.

- Model results are aggregated and respective capital ratios are calculated based on Basel III standards for risk-weighted assets/capital.

CITY NATIONAL CORPORATION STRESS TEST RESULTS

Below are cumulative results for City National Corporation represented for the nine-quarter planning horizon for the severely adverse scenario. The timeframe covered by the stress test begins on October 1, 2014 and ends on December 31, 2016.

NINE-QUARTER TOTAL – CORPORATION
($ in millions)

Pre-Provision Net Revenue	$ 889.60
Net Income	$ 166.80
Charge-offs	$ 581.20
Loan Loss Provision	$ 693.50

CITY NATIONAL BANK STRESS TEST RESULTS

Below are cumulative results for City National Bank over the prescribed nine-quarter planning horizon for the severely adverse scenario. The timeframe covered by the stress test begins on October 1, 2014 and ends on December 31, 2016.

NINE-QUARTER TOTAL – BANK
($ in millions)

Pre-Provision Net Revenue	$ 918.60
Net Income	$ 199.00
Charge-offs	$ 581.20
Loan Loss Provision	$ 693.50

A SUMMARY OF CITY NATIONAL'S CAPITAL RATIOS

CITY NATIONAL CORPORATION AND BANK		ACTUAL	HYPOTHETICAL SEVERELY ADVERSE STRESSED SCENARIO	
CAPITAL RATIOS		3Q14	4Q16	NINE-QTR LOW*
Bank	Tier 1 Leverage	7.36%	6.12%	6.12%
	Tier 1 Risk-Based	9.28%	8.65%	8.65%
	Total Risk-Based	12.01%	10.59%	10.59%
	Common Equity Tier 1	9.28%	8.65%	8.65%
Corporation	Tier 1 Leverage	7.44%	6.10%	6.10%
	Tier 1 Risk-Based	9.92%	8.57%	8.57%
	Total Risk-Based	12.14%	10.43%	10.43%
	Common Equity Tier 1	8.72%	7.54%	7.54%

* Lowest forecasted level over the nine-quarter horizon.

CAPITAL RATIO EXPLANATIONS

The drivers of the hypothetical decline in capital ratios over the nine-quarter horizon reflects the combined impact of the following:

- An increase in loans over time based on the balance sheet regression, resulting in an increase in total assets and risk-weighted assets;

- The migration from Basel I to Basel III risk-weighted calculations resulted in a significant increase in risk-weighted assets primarily as a result of the treatment of off-balance sheet commitments;

- The predicted level of credit loss provision had a negative impact on retained earnings and capital formation; and

- The company's asset sensitivity and continued low short-term rates depress net interest income as the net interest margin continues to decline.

CITY NATIONAL BANK
The way up.*