



**CITY NATIONAL
BANK**

The way up.®



City National Investor and Analyst Day
June 17, 2016

Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States *Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation and in the accompanying management’s comments and responses to questions during the June 17, 2016 investor day, in filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our financial performance objectives, including City National 5 year growth targets, vision and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. 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, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2015 Annual Report and the Risk management section of our Q2/2016 Report to Shareholders; weak oil and gas prices; the high levels of Canadian household debt; exposure to more volatile sectors such as lending related to commercial real estate and leveraged finance; cybersecurity; anti-money laundering; the business and economic conditions in Canada, the U.S. and certain other countries in which we operate; the effects of changes in government fiscal, monetary and other policies; tax risk and transparency; and environmental risk.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking-statements contained in this presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2015 Annual Report, as updated by the Overview and outlook section in our Q2/2016 Report to Shareholders. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management and the Overview of other risks sections in our 2015 Annual Report and the Risk management section of our Q2/2016 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this presentation. All references in this presentation to websites are inactive textual references and are for your information only.

All financial information contained herein is in U.S. dollars unless otherwise noted. Our 2015 Annual Report, Q2/2016 Report to Shareholders, and Q2/2016 Supplementary Financial Information are available on our website at rbc.com/investorrelations.

City National Investor and Analyst Day Agenda



Welcome and Opening Remarks

Dave McKay

President & CEO, RBC

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City National Overview & Growth Initiatives

Russell Goldsmith

Chairman & CEO of City National Bank &

Chairman of RBC U.S. Wealth Management

15

Chris Carey

EVP & CFO of City National Bank

Clear Path to Success & Closing Remarks

Janice Fukakusa

CAO & CFO, RBC

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9:00 AM

Q&A

10:30 AM

Welcome and Opening Remarks

Dave McKay

President and Chief Executive Officer, RBC

Diversified business model with leading client franchises

Size and scale to deliver an exceptional client experience

Disciplined approach to driving sustainable growth

Focused strategy in our key markets

Diversified business model with leading client franchises

Capital Markets

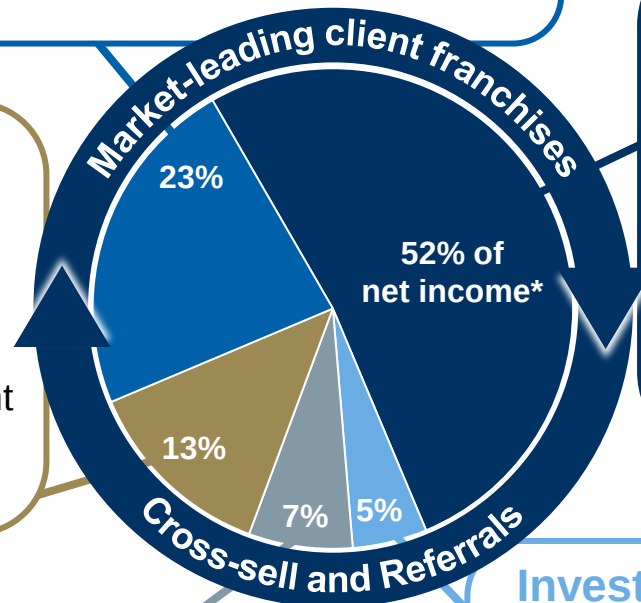
- Premier North American investment bank with select global reach
- 10th largest global investment bank by fees⁽¹⁾
- Full suite of integrated Corporate & Investment Banking and Global Markets services

Wealth Management

- Top 5 Global Wealth Manager by assets⁽²⁾
- Leading private and commercial bank with City National
- Recognized for outstanding client service and engagement⁽³⁾

Insurance

- A market leader with broad suite of products and strong distribution network
- #1 global banking-based insurance brand⁽⁶⁾



Personal & Commercial Banking

- #1 or #2 market share in all key product categories
- Largest sales force in Canada
- Superior cross-sell ability
- Global Retail Bank of the Year⁽⁴⁾
- 2nd largest bank by assets in English Caribbean⁽⁵⁾

Investor & Treasury Services

- Specialist provider of asset services, custody, payments and treasury services
- Rated by clients as the #1 global custodian for six consecutive years⁽⁷⁾
- Leading global custodian by AUA

Market leading client franchises enable cross-sell and deep client relationships

*Pie chart reflects earnings contribution by segment for the latest twelve months ended April 30, 2016 (excluding Corporate Support). This is a non-GAAP measure. For further information see slide 52.

(1) Thomson Reuters for the time period January 1- March 31, 2016; (2) Scorpio Partnership Global Private Banking Benchmark 2015; (3) Private Banker International; (4) Retail Banker International; (5) Based on average balances; (6) Brand Finance; (7) Global Investor/ISF magazine's Global Custody Survey 2016.

Size and scale to deliver an exceptional client experience



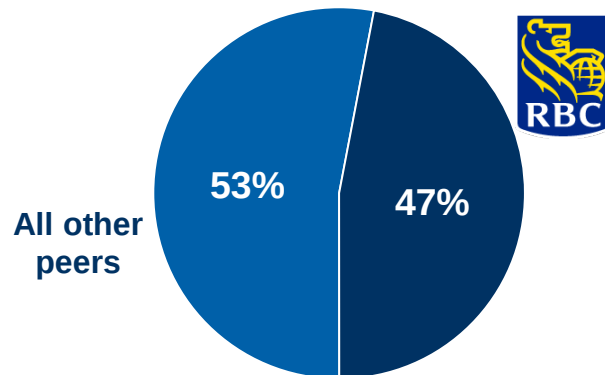
RBC's key strengths

- ✓ Trustworthy advice delivered by our experienced people
- ✓ Simple and compelling digital experience
- ✓ Breadth of data to know our clients better and add value
- ✓ Seamless, integrated experience across physical and digital channels



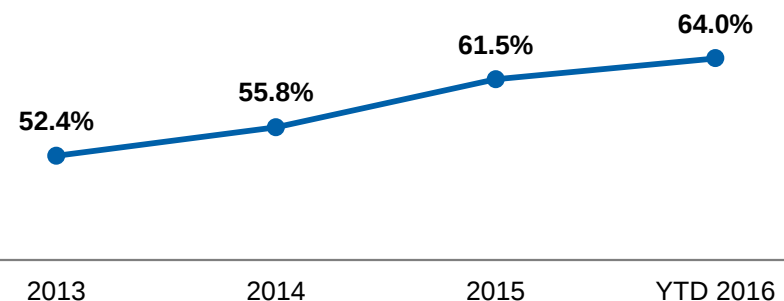
Leading digital share

Digital sales volumes in Canada⁽¹⁾



Increasing client satisfaction

Personal net promoter score⁽²⁾



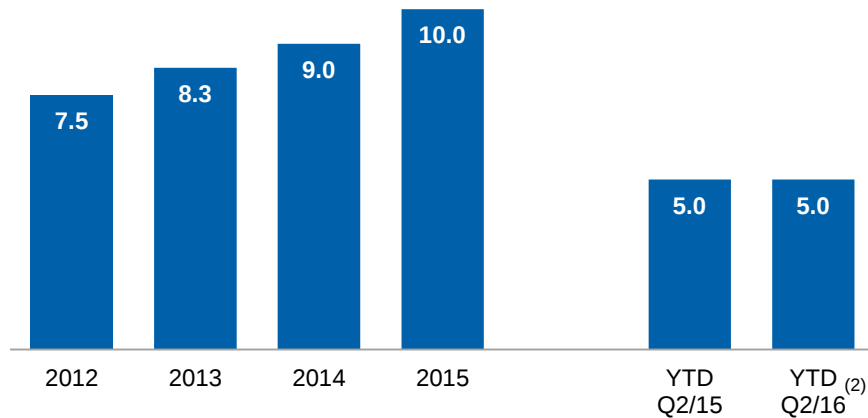
Leveraging our strengths to enhance our clients' experience

(1) Finalta, 2015 Digital and Multichannel Banking Benchmark Study; (2) Reflects personal net promoter score in Canadian Banking. RBC estimates.

Strong track record of growth

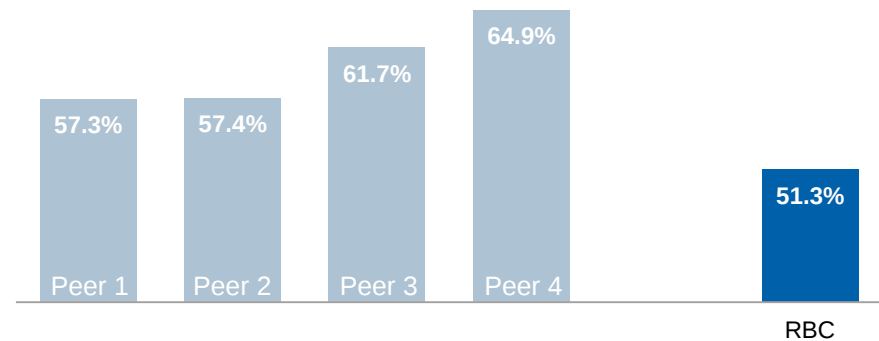
Consistent earnings growth⁽¹⁾

Net income (C\$BN)

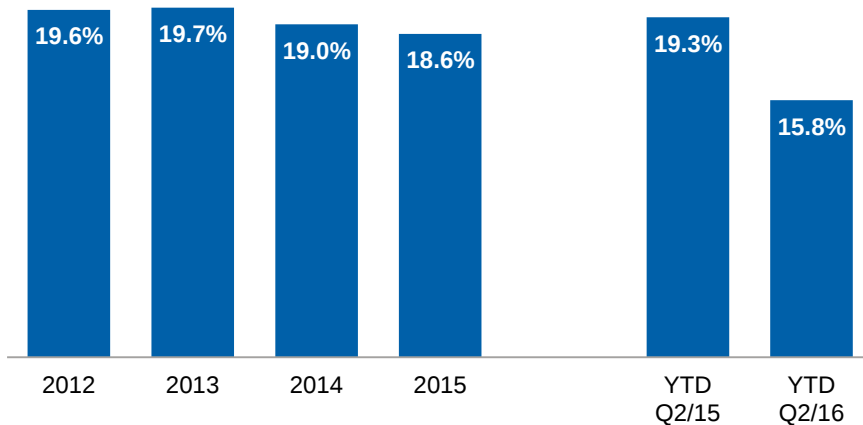


Most efficient Canadian bank⁽³⁾

Efficiency ratio (%)



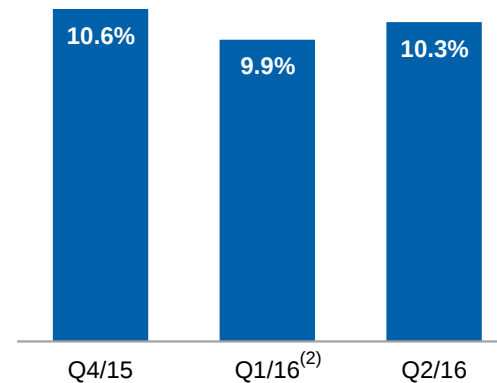
Strong Return on Equity⁽⁴⁾



Strong capital position and credit ratings amongst the highest globally

Common Equity Tier 1 (CET1)⁽⁵⁾

Long-term senior debt ratings⁽⁶⁾



Moody's	Aa3 Negative
S&P	AA- Negative
Fitch	AA Negative
DBRS	AA Negative

Financial and capital strength underpinned by prudent risk and cost management

(1) As reported under IFRS; (2) Includes impact of closing City National transaction; (3) As measured by efficiency ratio = non-interest expense divided by revenue. As at April 30, 2016; (4) ROE may not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For additional information, see slide 52; (5) Capital calculated to include all regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-qualifying capital. Refer to the Capital Management section of our Q2/2016 Report to Shareholders for details; (6) Based on long-term senior debt ratings as of June 7, 2016.

Disciplined approach to delivering sustainable growth

Medium-term financial performance objectives

Diluted EPS Growth	7%+
Return on Equity	18%+
CET1	Strong
Dividend Payout Ratio	40% - 50%

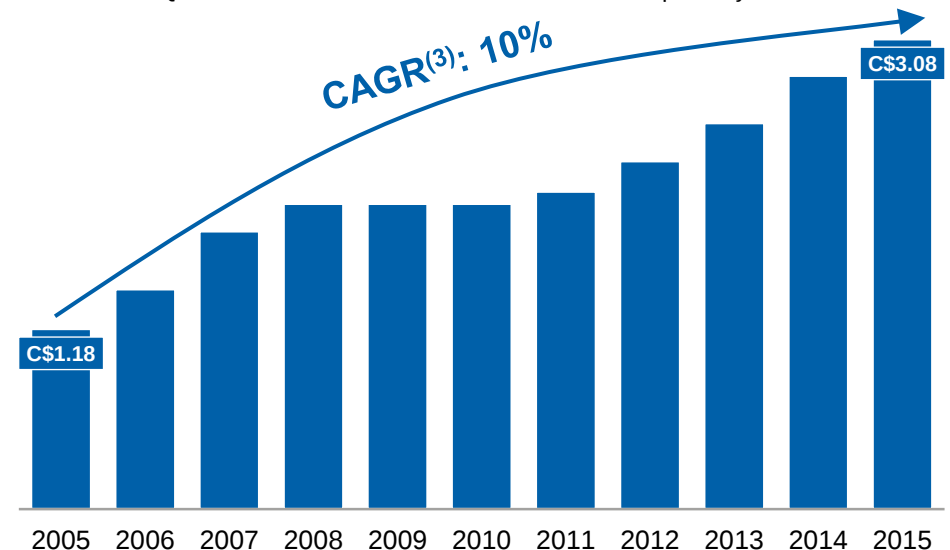


Total Shareholder Returns⁽¹⁾

	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
RBC	14%	12%	10%
<i>Peer Group Average⁽¹⁾</i>	<i>11%</i>	<i>11%</i>	<i>7%</i>

Strong dividend growth⁽²⁾

In Q2/2016, we announced a 3% increase to our quarterly dividend



Disciplined approach drives long-term shareholder value

(1) Annualized TSR is calculated based on the TSX common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at June 9, 2016. RBC is compared to our global peer group. The peer group average excludes RBC; for the list of peers, please refer to our 2015 Annual Report; (2) Dividends declared per common share; (3) Compound annual growth rate (CAGR).

Focused strategy in our key markets



In Canada, to be the undisputed leader in financial services

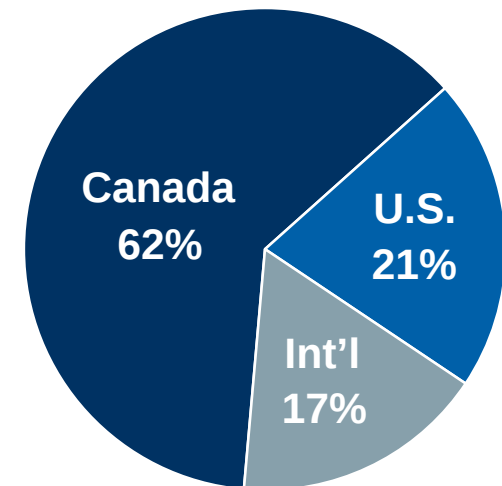


In the U.S., to be the preferred partner to corporate, institutional and high net worth clients and their businesses



In select global financial centres, to be a leading financial services partner valued for our expertise

Revenue by Geography ⁽¹⁾



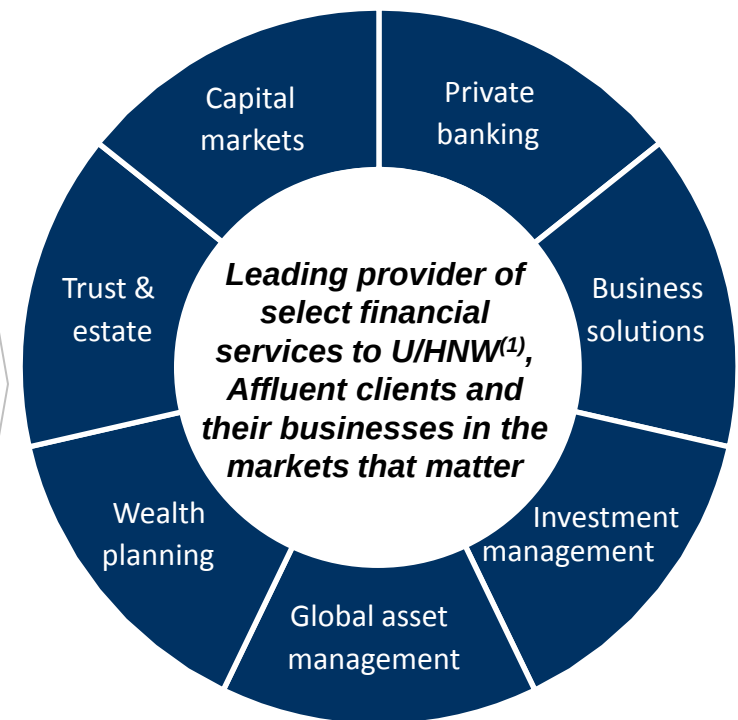
Focused on deepening client relationships in our targeted markets

(1) For the six months ended April 30, 2016. Amounts include City National. As reported under IFRS. These are non-GAAP measures. For further information, see the Business segment results and Results by geographic segment sections of our Q2/2016 Report to Shareholders.

RBC U.S. Businesses



10 year vision in the U.S.



(1) High net worth (HNW) individuals are defined as those having investable assets of US\$1MM or more, excluding primary residence, collectibles, consumables and consumer durables.

City National enhances RBC's U.S. presence & accelerates growth



- ✓ Aligns with RBC's strategic goals
- ✓ High quality franchise well positioned for growth
- ✓ Clear path to deliver on synergies
- ✓ Creates a platform for long-term growth in the U.S.

History of City National Bank



City National Overview & Growth Initiatives

Russell Goldsmith

Chairman and Chief Executive Officer of City National Bank,
Chairman of RBC U.S. Wealth Management

Unique market position

Attractive client segments

Diversified business model with scalable platforms

Strong Wealth Management capabilities

Opportunities for growth both in-market and out of market

City National – Premier U.S. private & commercial bank

Highlights

- Founded in 1954 and headquartered in Los Angeles, California with ~US\$42BN in assets⁽¹⁾
- Quarterly profits for the past 23 consecutive years
- Relationship-based, high-touch service model with unique client focus
 - Light-branch model with 75 offices across 5 states

Overview of capabilities

Private Banking & Commercial Banking

- Customized banking and credit solutions
- Expertise in targeted industry verticals such as entertainment and technology
- National lending platforms include equipment lending, QSR⁽²⁾ franchise finance and asset-based lending capabilities
- Strong credit culture

Wealth and Asset Management

- Growing provider of investment management and advisory services with AUA/AUM of over US\$55BN⁽¹⁾

Key Markets⁽³⁾

			
Greater Los Angeles	San Francisco Bay Area	Orange County/ San Diego	New York City
Population: 15.5MM	Population: 6.2MM	Population: 6.4MM	Population: 8.5MM
Businesses: 557,000	Businesses: 285,782	Businesses: 295,000	Businesses: 121,066
Branches: 37	Branches: 11	Branches: 14	Branches: 2
Loans & Deposits: US\$38.9BN	Loans & Deposits: US\$5.8BN	Loans & Deposits: US\$3.9BN	Loans & Deposits: US\$5.5BN

(1) As at April 30, 2016; (2) Quick serve restaurant (QSR); (3) United States Census Bureau, InfoGroup, City National Bank. As at Apr 30, 2016.

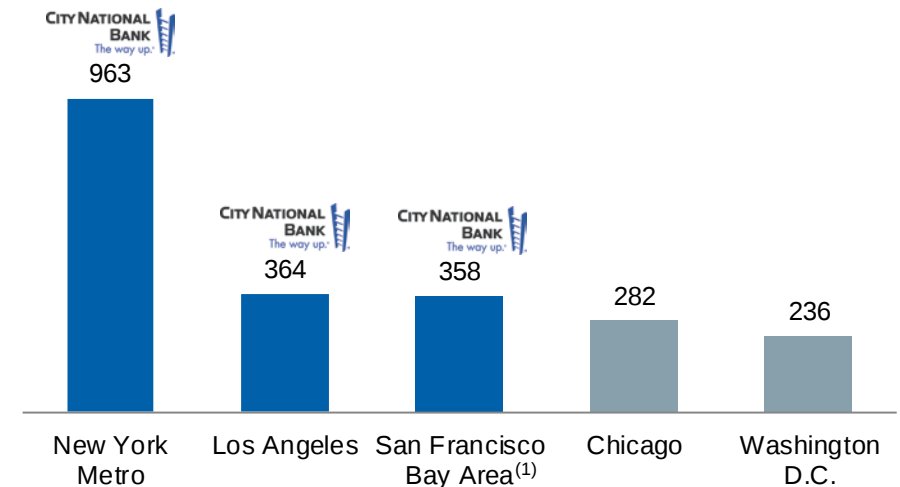
Unique market position

Highlights

- City National is in the top 3 U.S. markets with the highest number of HNW households
- Leading franchise in Los Angeles, growing presence in New York and San Francisco Bay Area⁽¹⁾
 - California is the 6th largest economy in the world⁽²⁾
 - New York metro is the 12th largest economy in the world with the highest HNW population in the U.S.⁽²⁾⁽³⁾

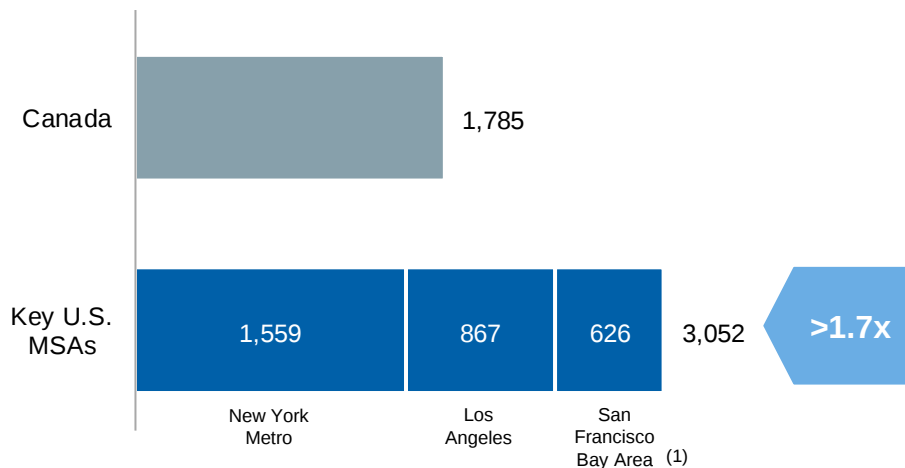
Positioned in top 3 U.S. markets

HNW population (2014; in 000s) by MSA⁽³⁾



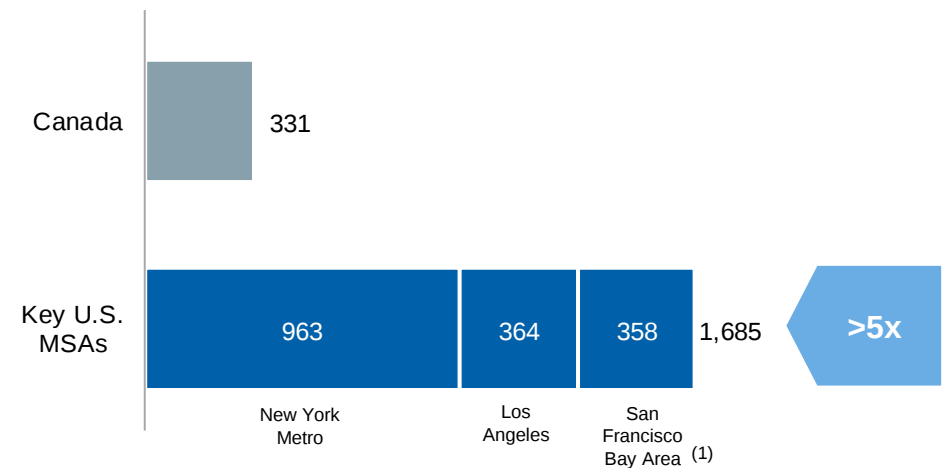
GDP of key markets 1.7x larger than Canada⁽²⁾

Total GDP (2014; in US\$BN)



Key U.S. HNW markets 5x larger than Canada⁽³⁾

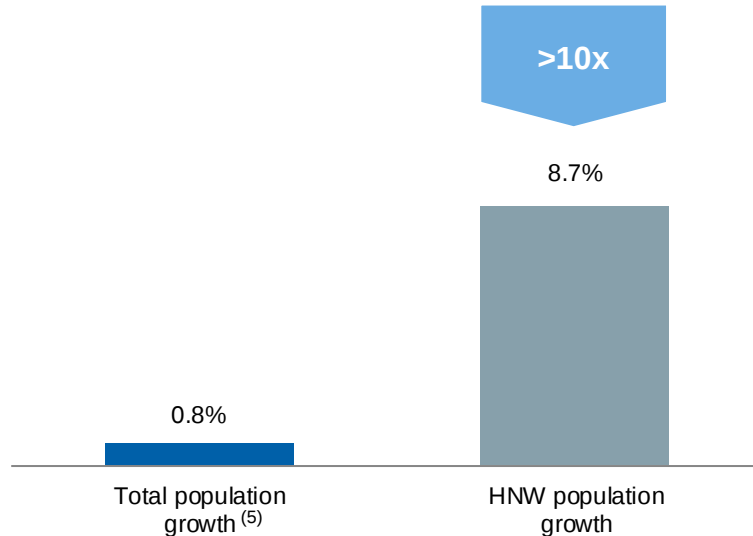
HNW population (2014; in 000s)



(1) San Francisco Bay Area includes San Francisco and San Jose MSAs; (2) International Monetary Fund, U.S. Bureau of Economic Analysis; (3) RBC Wealth Management / Capgemini World and U.S. Wealth Reports, 2015.
MSA – metropolitan statistical area: Geographic entities defined by the U.S. Office of Management and Budget.

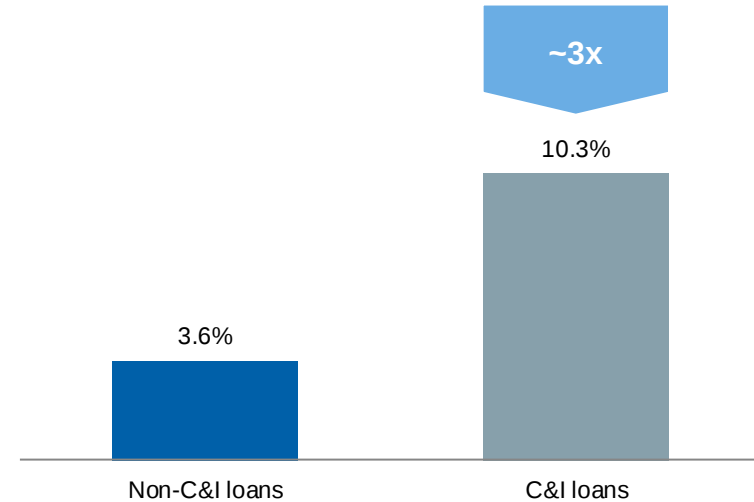
Attractive client segments

Fast growing HNW population⁽¹⁾



- U.S. HNW population has grown over 10x faster than total U.S. population⁽¹⁾
- HNW households own the majority of U.S. financial assets⁽²⁾

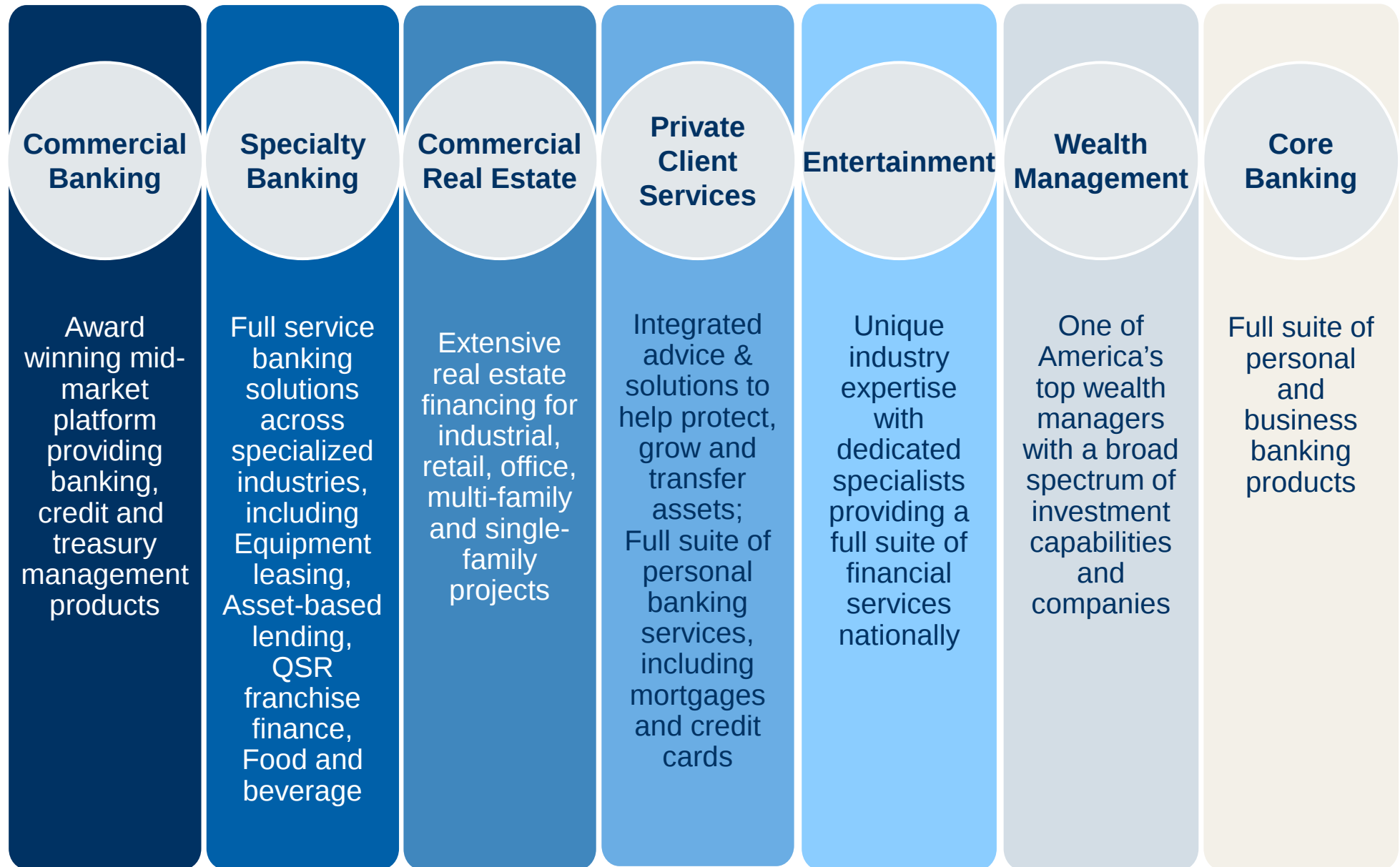
Strong commercial loans growth⁽³⁾



- Growth of Commercial & Industrial (C&I) loans has been ~3x faster than other loans across the industry⁽³⁾
- Strong U.S. corporate client balance sheets supporting annual fixed asset growth rate of 7%⁽⁴⁾

(1) U.S. Census Bureau, RBC Wealth Management / Capgemini U.S. Wealth Report, 2015. 5-year CAGR (2009-2014); (2) U.S. Federal Reserve's Survey of Consumer Finances, 2013; (3) U.S. Federal Reserve's H8 data. 5-year CAGR (2010-2015); (4) U.S. Bureau of Economic Analysis. 5-year CAGR (2019-2014) of corporate investment in private non-residential fixed assets; (5) U.S. population age 18 and over.

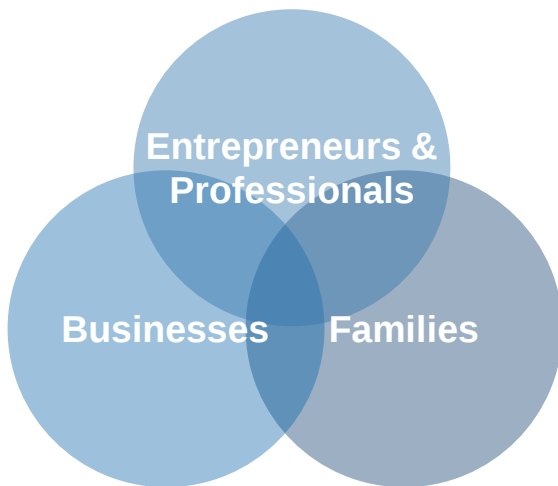
Diversified business model with scalable platforms



Business model of high-touch service, solutions and advice



9 of 10 clients surveyed said they would likely refer City National to others⁽¹⁾



- Business loans and lines of credit
- Key industry specialties
- Private banking
- Asset management
- Mortgages
- Credit cards
- Cash management
- FX and letters of credit
- Trust and estate services

Almost half of City National's key clients have 5 or more products⁽²⁾

(1) Greenwich Associates, 2015; (2) City National estimates.

Business model of high-touch service, solutions and advice



Combination of our strong Wealth Management capabilities

U.S. Wealth Management (ex-CNB)

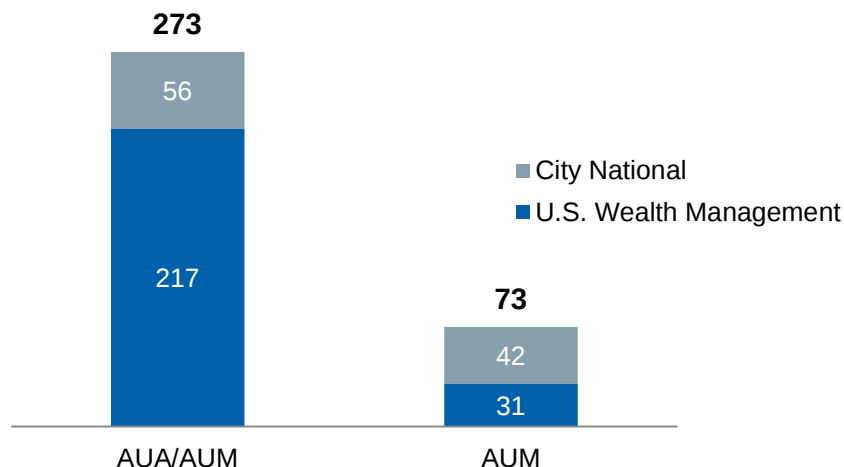
- National franchise
 - 1,800+ financial advisors across 41 states in ~185 branches
- 7th largest full service advisory firm in the U.S.⁽¹⁾
- ~325,000 U.S. households with top 10% having >US\$1MM in assets
- Best Private Banking services overall⁽²⁾
- Leverage to higher rates
 - 25 bps increase in Year 1: ~+US\$15MM pre-tax net interest income⁽³⁾

City National Wealth Management

- Ranked by Barron's as one of the top wealth managers in the U.S. for the past 15 years⁽⁴⁾
- Broad spectrum of investment capabilities serving HNW and institutional clients
 - Personalized investment solutions of City National Rochdale, ~US\$29BN AUM⁽⁵⁾
 - Top U.S. mutual fund focused on Asia at Matthews International (18% ownership stake), ~US\$29BN AUM⁽⁵⁾

Over US\$270BN in combined AUA/AUM

As at April 30, 2016 (in US\$BN)



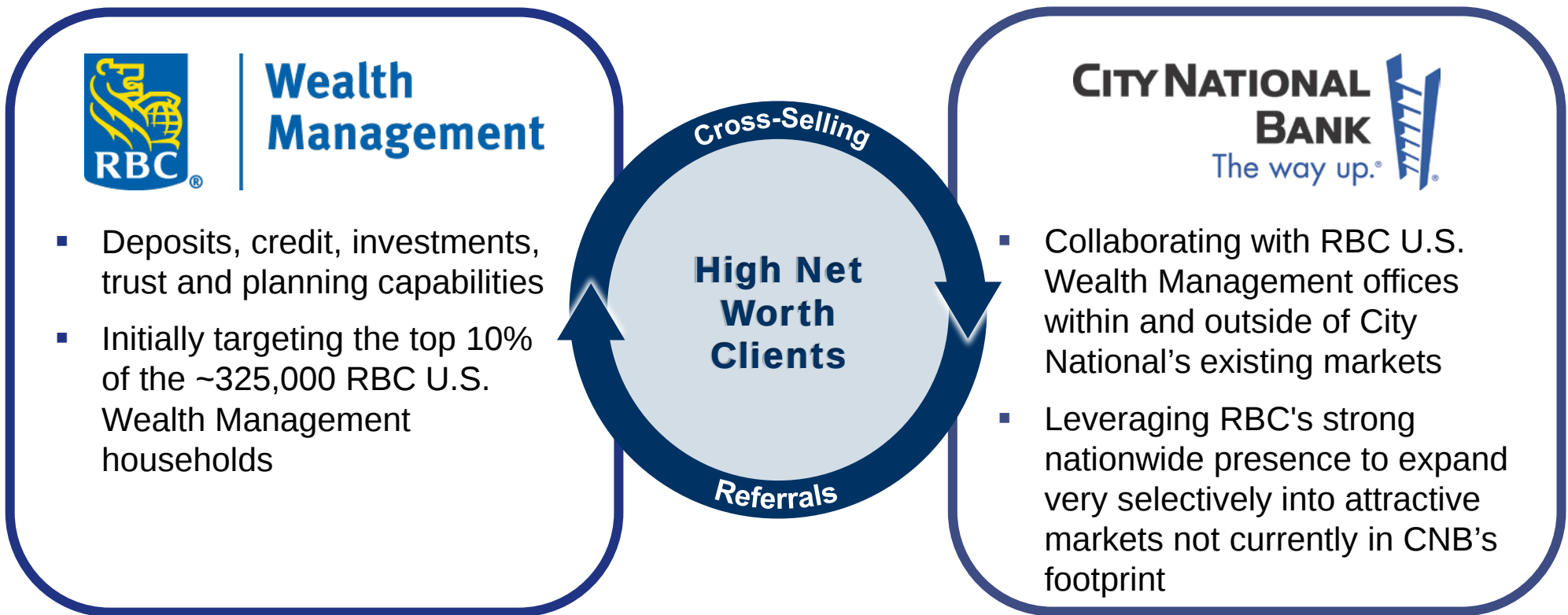
Combination is about collaboration

- Attractive and complementary client base and value propositions
- Commitment to same strong standards
- Continuing to execute on business strategy
 - Recent appointments of new CEO and President of RBC U.S. Wealth Management
- Solid collaboration and exploration of synergies

(1) Based on client assets as at March 31, 2016; (2) 2016 Euromoney Private Banking and Wealth Management Survey; (3) RBC estimates; (4) Barron's Magazine (2001-2014). Based on AUM as at June 30; (5) As at April 30, 2016.



Expanding product offerings to select high net worth clients



Leveraging the combined platform for commercial clients



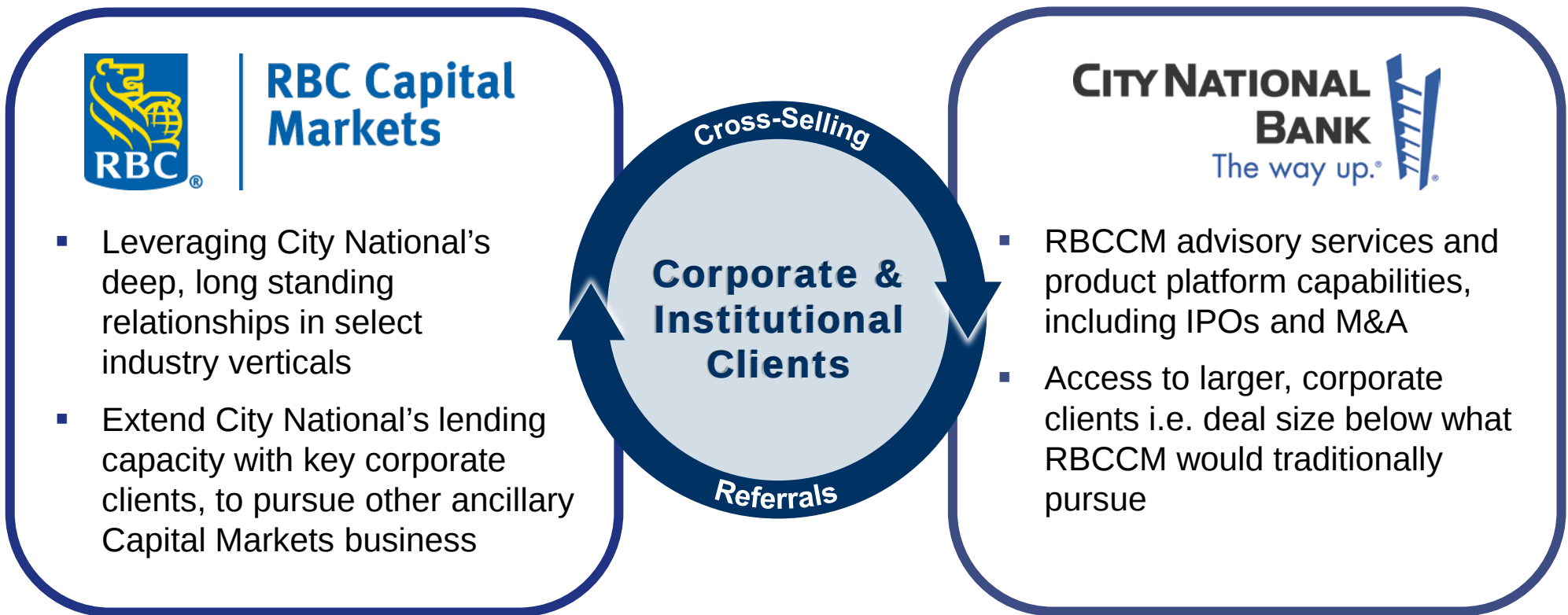
Royal Bank

- Enhanced offering including, banking, credit and treasury needs in the U.S.
- ~82,000 RBC Canadian cross-border commercial clients; ~90% conduct business in the U.S.



- Enhanced offering to existing clients
- Banking services to City National clients operating in Canada
- Collaborate to broaden and deepen City National's middle-market and new venture platform

Extending industry verticals with RBCCM expertise in the U.S.



Examples of success within first 180 days of transaction close⁽¹⁾

- ~US\$4.5BN of City National balance sheet growth
 - ~US\$3BN of U.S. Wealth Management sweep deposit balances
 - ~US\$140MM of loan growth; additional ~US\$380MM in potential credit opportunities identified to-date
 - ~US\$130MM deposits growth
- Over 500 client referrals to date, pipeline remains strong
- Success of initial Wealth Management cross-sell pilots led to further California market roll-outs
 - ~500 financial advisor/banker meetings to date
- Co-branded credit card program recently launched

Leveraging CNB and RBC client relationships to maximize client awareness, sponsorship and product offering across North America

(1) As at April 30, 2016.

Collaboration success stories



Significant growth potential in footprint

Over US\$6.1TN⁽¹⁾ in HNW Investable Wealth



■ New York Metro

- Largest pool of HNW wealth in the U.S.⁽¹⁾
- Home to ~3x the number of HNW individuals in Canada⁽⁴⁾
- Opening a branch in World Financial Centre and expanding New York presence in August 2016
- Builds on existing City National branches with US\$1.9BN loans and US\$3.5BN deposits⁽⁵⁾
 - Enhances offering to ~2,300 RBCCM colleagues and their ~3,500 clients

■ California

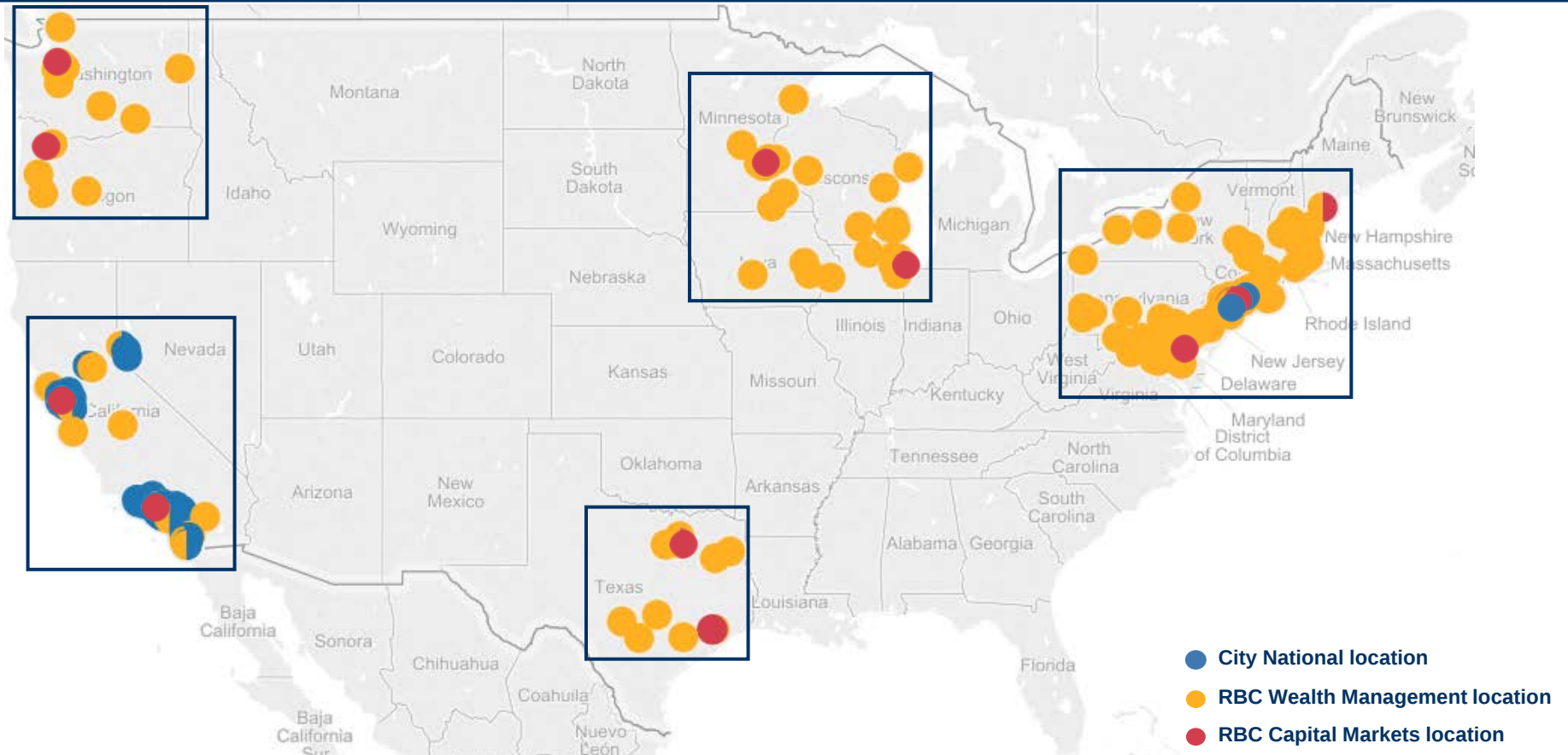
- Bigger economy than Canada
- Home to 1 of 8 people who live in the U.S.⁽⁶⁾
- ~30% of U.S. GDP growth and ~20% of new jobs created since April 2015⁽⁷⁾
- Nationwide leader in patents⁽⁷⁾
- #1 U.S. exporter of technology, agricultural products, films and TV shows, management and consulting services, manufacturing and R&D⁽⁷⁾

Well positioned in top U.S. markets

(1) RBC Wealth Management / Capgemini U.S. Wealth Report, 2015; (2) As measured by share of deposits. SNL Financial. As at December 31, 2015; (3) San Francisco Bay Area includes San Francisco and San Jose MSAs; (4) RBC Wealth Management / Capgemini World and U.S. Wealth Reports, 2015; (5) As at April 30, 2016; (6) U.S. Census; (7) Dun and Bradstreet.

Strategic expansion to potential U.S. markets

The top 10 U.S. MSAs account for almost 2/3 of HNW/Affluent households⁽¹⁾



■ Evaluating markets for expansion

- Market opportunity for private and businesses banking
- Cross sell opportunity with RBC's HNW client base
- Market growth
- Competitive landscape

* Only core markets depicted. (1) RBC Wealth Management / Capgemini U.S. Wealth Report, 2015.

City National Financial Performance

Chris Carey

Executive Vice President and Chief Financial Officer, City National Bank

Track record of outpacing the industry

Leading deposit franchise well positioned for rising rates

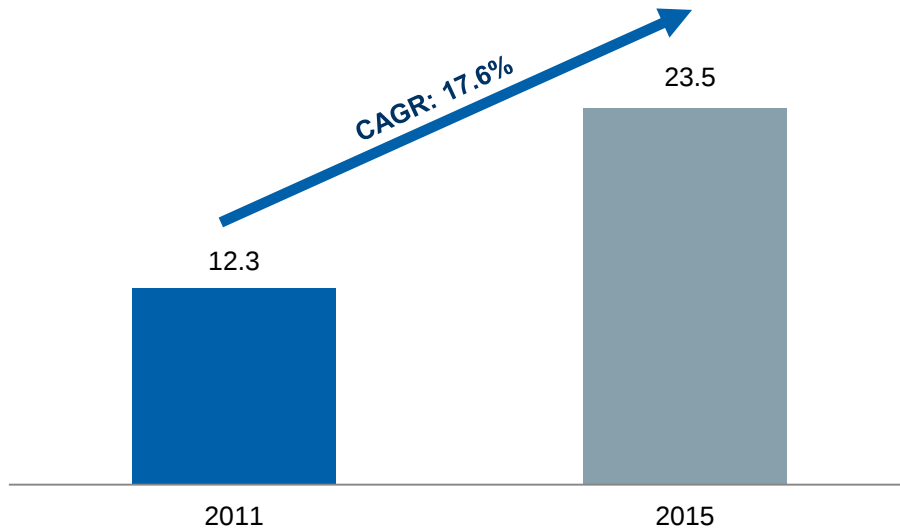
Well diversified and high quality loan portfolio

Strong financial performance with momentum continuing in 2016

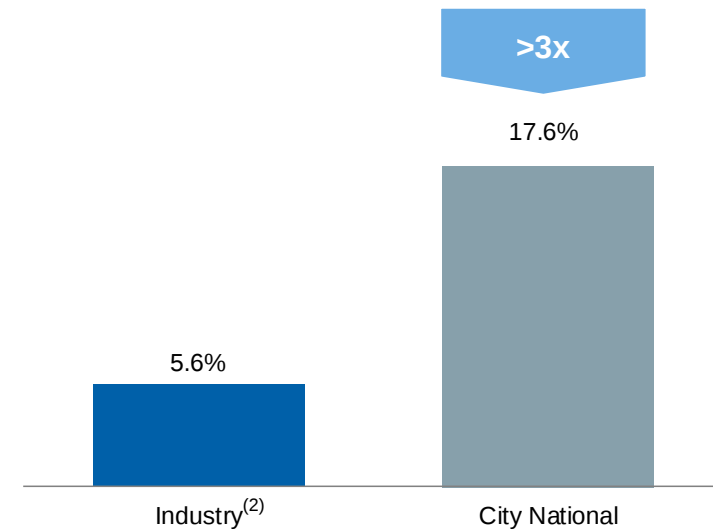
Track record of outpacing the industry⁽¹⁾⁽²⁾

Strong loan growth⁽³⁾...

US\$BN

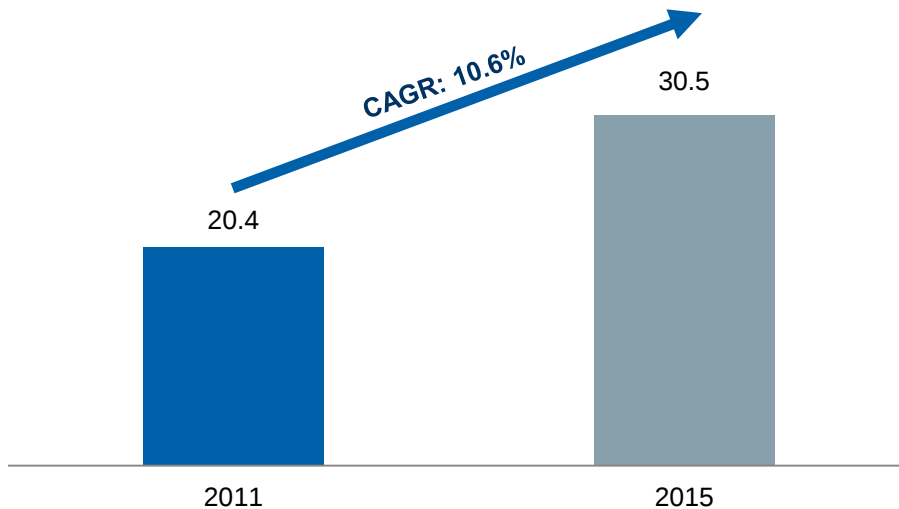


...over 3x the industry growth...

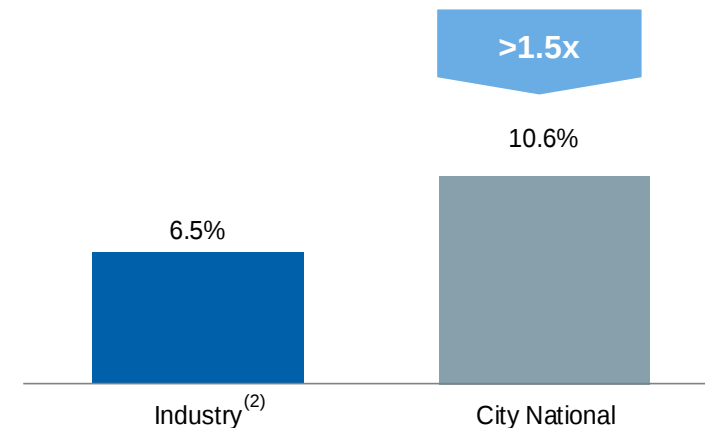


Strong deposit growth...

US\$BN



...over 1.5x the industry growth



(1) 4-year CAGRs (2011-2015); (2) U.S. Federal Reserve's H8 data. Includes all regulated depository institutions in the U.S.; (3) Excludes FDIC-covered loans.

Leading deposit franchise well positioned for rising rates

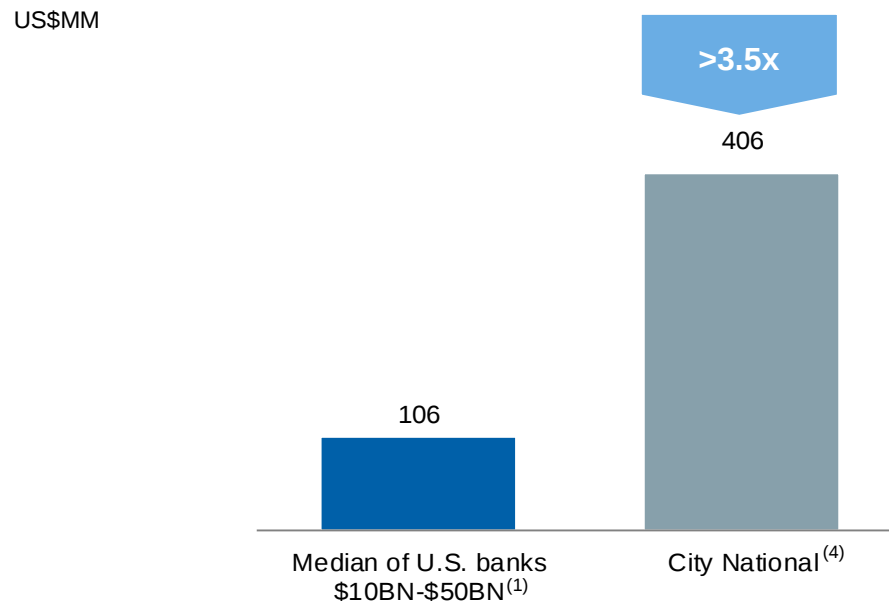
Attractive deposit franchise

- Branch-light footprint with deposits per branch over 3.5x the median of U.S. banks⁽¹⁾
- Low cost of deposits at 3 bps vs. U.S. bank median at 23 bps⁽¹⁾
- Non-interest bearing deposits over 2x the median of U.S. banks⁽¹⁾

Highly interest rate sensitive

- Highly interest rate-sensitive bank, set to benefit from rising interest rates
 - ~60% non-interest bearing deposits
 - ~60% floating rate loans⁽²⁾
 - ~20% adjustable rate loans⁽²⁾
- Leverage to higher rates
 - 25 bps increase in Year 1: ~+US\$35MM pre-tax net interest income⁽³⁾

Deposits per branch

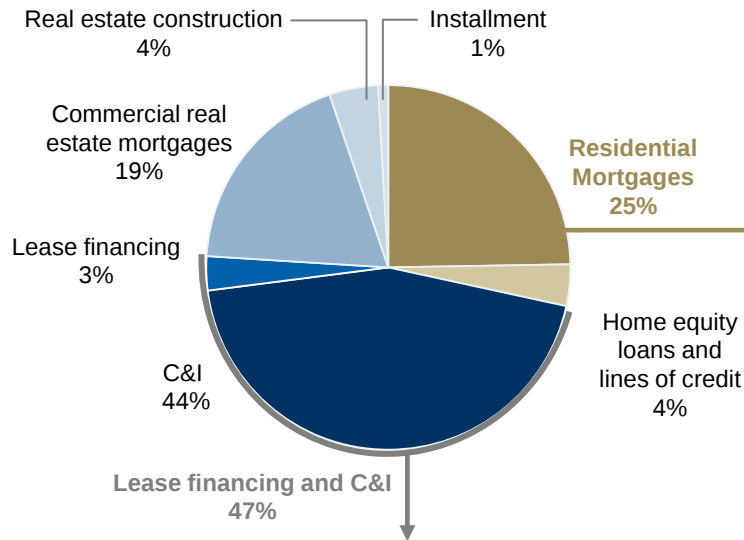


(1) SNL Financial. Median of U.S. banks includes with assets US\$10-50BN. As at December 31, 2015; (2) Excludes FDIC-covered loans; (3) RBC estimates; (4) As at December 31, 2015.

Well diversified and high quality loan portfolio

Highly diversified loan portfolio of US\$24.3BN⁽¹⁾⁽²⁾

Loans: 70% commercial, 30% consumer

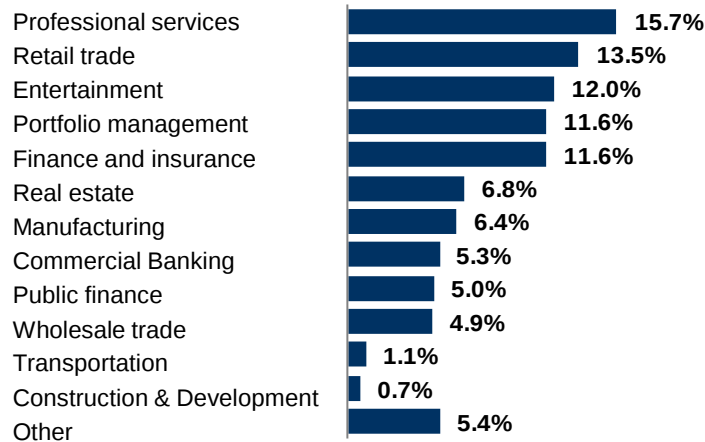


Strong residential mortgage portfolio

Average figures

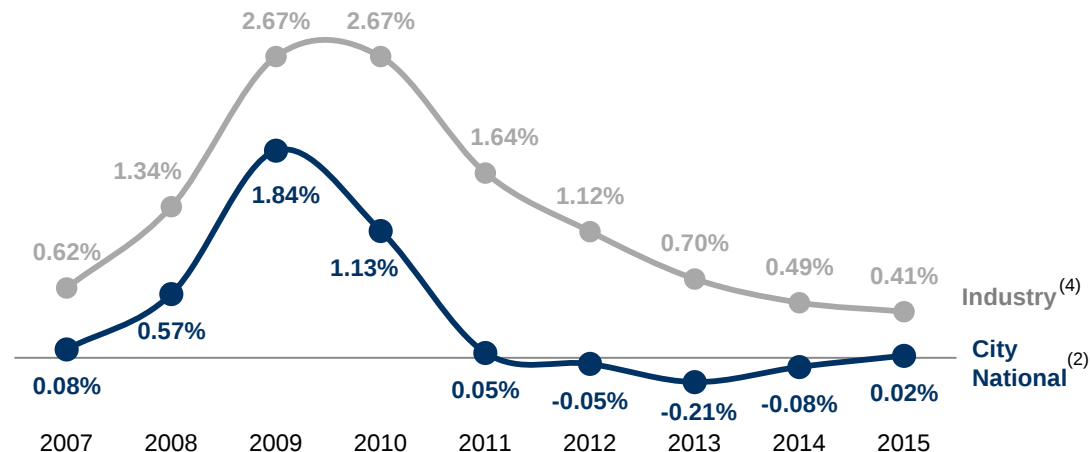
Loan size	US\$1.3MM
FICO score	754
LTV: Property value weighted ⁽³⁾	48%

Multi-industry specialization⁽¹⁾⁽²⁾



Track record of strong credit performance⁽⁴⁾

Net Charge Offs / Average loans



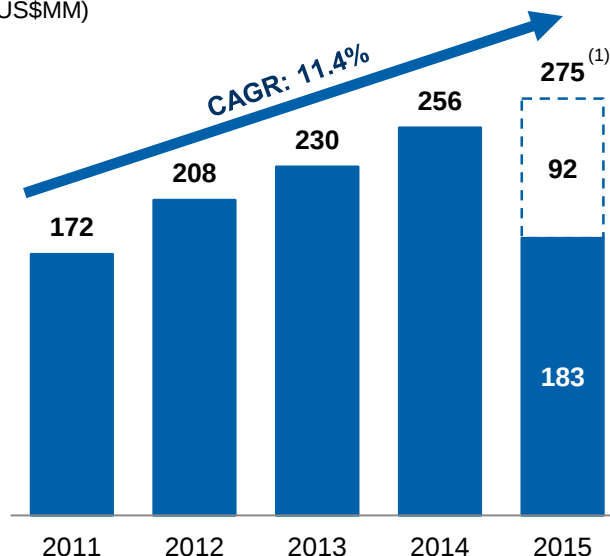
(1) As at April 30, 2016. Average balances; (2) Excludes FDIC-covered loans; (3) Based on outstanding balances; (4) SNL Financial. Includes all regulated depository institutions in the U.S.

Strong financial performance



2015 Highlights

Net income (US\$MM)

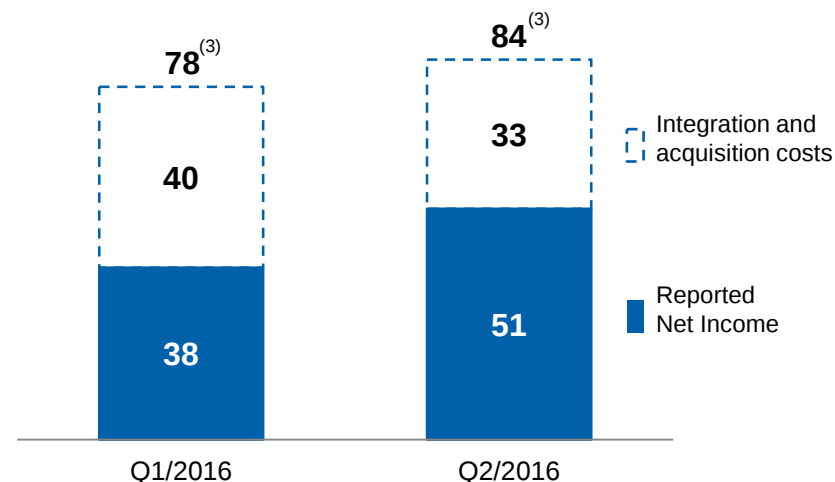


- Assets grew 10% to a record US\$36BN
- Strong loan and deposit growth of 15% and 11%, respectively
 - Record year for new loan commitments, over US\$8BN
- Credit quality remained strong
- Solid growth in key client segments

2016 Results⁽²⁾

Net income (US\$MM)

YTD earnings of US\$89MM
Adjusted YTD earnings of \$US162MM⁽³⁾



As at Q2/2016

- Strong credit quality
 - PCL ratio of 9 bps
- Net interest margin of 2.85%, flat QoQ
 - Adjusted NIM of 2.67%⁽³⁾, up 5 bps QoQ
- YoY loan growth of 15%
- YoY deposit growth of 22%
 - Adjusted YoY deposit growth of 15%⁽³⁾

Momentum continuing in 2016

* Balance sheet figures represent average balances; (1) 2015 adjusted to exclude merger-related expenses of US\$92MM pre-tax. This is a non-GAAP measure. For further information see slide 52; (2) As reported under IFRS; (3) Adjusted net income excludes amortization of intangibles of US\$23MM after-tax in Q1/2016 and US\$22MM after-tax in Q2/2016, and acquisition and integration costs US\$17MM after-tax in Q1/2016 and US\$11MM after-tax in Q2/15. Adjusted NIM excludes FDIC-covered loans of US\$338MM. Adjusted deposit growth excludes sweep balances of US\$3BN from U.S. Wealth Management. These are non-GAAP measures. For further information, see slide 52.

Clear Path to Success

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer, RBC

Continued strong core growth

Deposit & expense synergies

Revenue growth initiatives

Leverage to higher rates

- **Target 10%+ annual City National balance sheet growth through 2020**

- Organic portfolio growth
- Continuing to add to both client facing and support staff headcount
 - As at April 30, 2016, total sales headcount up 14% YoY

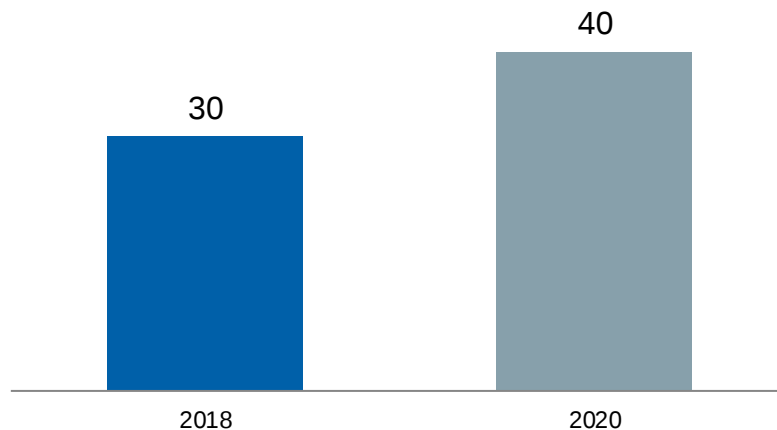
- **Light-touch approach to integration to preserve core value**

- Integration proceeding well
 - Key control functions at City National aligned to RBC on Day 1
- Total transaction and integration costs estimated at US\$130MM to US\$150MM (pre-tax)

Deposit and expense synergies underway

Forecast deposit synergies

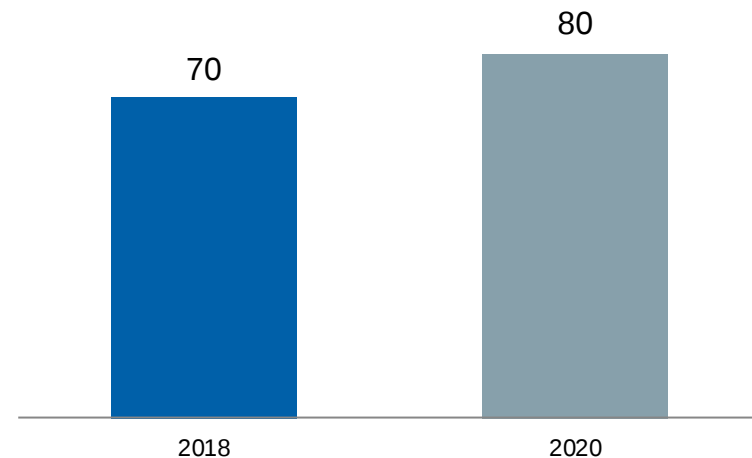
US\$MM, pre-tax



- ~US\$3BN of sweep deposit balances on City National balance sheet as of Q2/2016
- ~US\$5BN of sweep deposit balances expected on City National balance sheet by end of 2016

Forecast expense synergies

US\$MM, pre-tax



- Expense synergies are underway including:
 - Procurement contracts optimization
 - Digitization

Combined target: US\$100MM (pre-tax) in 2018 and US\$120MM (pre-tax) in 2020

- **Cross-sell & collaboration**

- Enhancing offerings to HNW, commercial, cross-border and corporate clients

- **Expansion in market**

- For example, new branch opening in New York City expected in August 2016

- **Expansion out of market**

- Criteria including:
 - Market opportunity for private and businesses banking
 - Cross sell opportunity with RBC's HNW client base
 - Market growth
 - Competitive landscape

Revenue initiatives target: US\$90MM+ (pre-tax) run rate by 2020

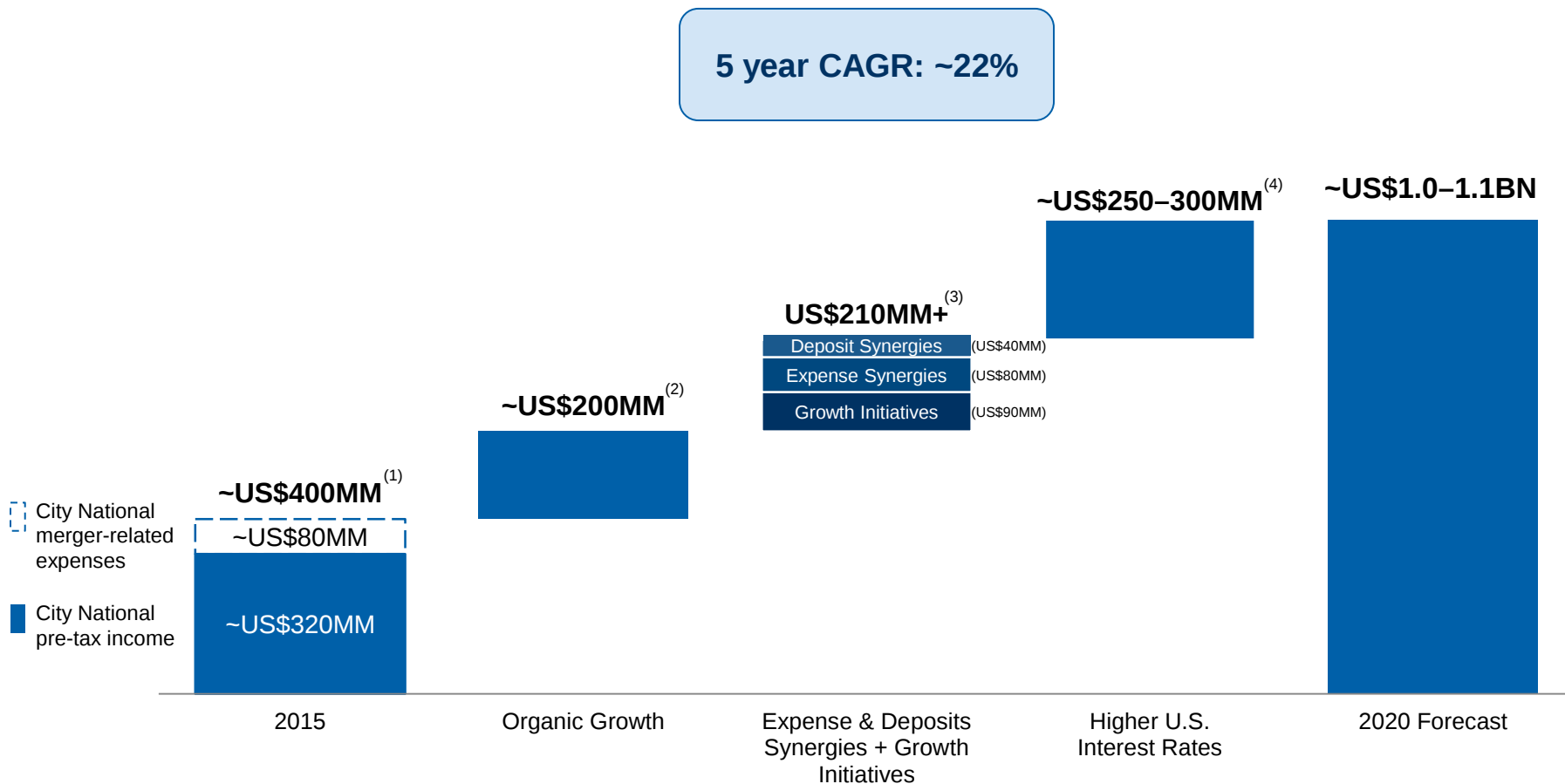
Clear path to success: City National

Continued Strong Core Growth	Deposit & Expense Synergies	Revenue Growth Initiatives	Interest Rate Sensitivity
- Preserve and enable City National's core performance - Light-touch integration	- Utilize low-cost sweep deposit balances to support future loan growth, including jumbo mortgages - Achieving scale benefits in procurement, technology and other functional areas	- Cross-sell to HNW, commercial and corporate & institutional clients - Expansion in existing markets - Expansion to new markets	- Highly interest rate-sensitive bank, set to benefit from rising interest ~60% non-interest bearing deposits ~60% floating rate loans ~20% adjustable rate loans
Target: 10%+ City National balance sheet growth through 2020	Target: US\$100MM in 2018 US\$120MM in 2020 (pre-tax)	Target: US\$90MM+ run rate by 2020 (pre-tax)	25 bps increase in Year 1: ~+US\$35MM

↑ Expected to be achieved ahead of schedule ↑

Clear path to deliver core growth, with synergies and growth initiatives of \$210MM+ by 2020, with upside to rising rates

City National 5-year view (pre-tax income)



City National forecast to more than double earnings and generate over US\$1.0BN (pre-tax) by 2020

* Forecasts do not include the impact of integration or transaction costs, or the amortization of transaction-related intangibles; (1) Based on US GAAP. 2015 results are adjusted to exclude merger-related expenses of ~US\$80MM pre-tax. This is a non-GAAP measure. For further information see slide 52; (2) Assumes that growth in pre-tax income approximates balance sheet growth of 10% annually; (3) Reflects deposit and expense synergies of US\$120MM and growth initiatives of US\$90MM as detailed on slide 42; (4) Based on the U.S. forward interest rate curve as at May 31, 2016.

Closing Remarks

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer, RBC

City National enhances RBC's U.S. presence & accelerates growth



- ✓ Aligns with RBC's strategic goals
- ✓ High quality franchise well positioned for growth
- ✓ Clear path to deliver on synergies
- ✓ Creates a platform for long-term growth in the U.S.



Q&A



Executive Profiles



Dave McKay **President and CEO, RBC**

Dave McKay was appointed President of RBC on February 26, 2014 and Chief Executive Officer and Director of the Board on August 1, 2014.

In his previous role as Group Head, Personal & Commercial Banking, which he held from November 2012 to February 2014, Mr. McKay was responsible for RBC's banking businesses in Canada, the United States, and the Caribbean, including personal and commercial financial services, credit cards and payments, as well as RBC's sales and branch distribution, operations and advice centres.

Prior to this, he served as Group Head of Canadian Banking, Executive Vice President of Personal Financial Services, and Senior Vice President of Financing Products, respectively. Mr. McKay started his career at RBC in 1988, and has held progressively senior roles in Canada and Japan in retail and business banking, group risk management, and corporate banking.

In 2012, Mr. McKay received the "Retail Banker of the Year" Award by Retail Banker International.

Mr. McKay holds an MBA from the Richard Ivey School of Business at University of Western Ontario and a Bachelor of Mathematics from the University of Waterloo. He serves on the Board of Trustees for the Hospital for Sick Children (Sick Kids) in Toronto and is the Chair of the Toronto Region Immigrant Employment Council. He is also a director of The Conference Board of Canada and a member of the Catalyst Canada Advisory Board and the Canadian Council of Chief Executives.

A passionate advocate for helping children to build the confidence to be active and healthy for life, Mr. McKay has also coached children's basketball and hockey for many years.



Janice Fukakusa **CAO & CFO, RBC**

Janice Fukakusa is RBC's Chief Administrative Officer and Chief Financial Officer. As a member of RBC's Group Executive, she is one of eight executives responsible for setting the overall strategic direction of RBC. In addition, she chairs Group Operating Committee, responsible for enabling the integration of governance and overseeing the day to day functional, operating and technology activities across RBC.

Prior to her current role, Ms. Fukakusa was Executive Vice-President, Finance. Her various roles and responsibilities included Vice-President, Portfolio Management, Senior Vice-President, Multinational Banking, Chief Internal Auditor, and Executive Vice-President, Specialized Services, RBC Banking. Since joining RBC in 1985, she has held positions in retail and business banking, corporate banking, account management, corporate finance, treasury, strategic development and corporate functions.

Ms. Fukakusa is a director of various RBC subsidiaries, including RBC Europe Limited, and Symcor Inc. She serves on a number of professional and not-for-profit organizations including Wellspring Cancer Support, The Princess Margaret Cancer Foundation, Ryerson University and Schulich School of Business. In addition, Ms. Fukakusa has been named a Fellow of the Institute of Chartered Professional Accountants of Ontario (FCPA). In 2007 Ms. Fukakusa was inducted into Canada's Most Powerful Women Hall of Fame and, in 2014 she was named one of the 25 Most Powerful Women in Banking by American Banker magazine for the second consecutive year. Ms. Fukakusa was selected as Canada's CFO of the Year by Financial Executives Canada, PwC and Robert Half in 2014.

Prior to joining the bank, Ms. Fukakusa worked at PricewaterhouseCoopers LLP where she obtained the professional designations of Chartered Professional Accountant and Chartered Business Valuator.

Ms. Fukakusa obtained her Bachelor of Arts from University of Toronto and holds a Master of Business Administration from Schulich School of Business.



Russell Goldsmith **Chairman and CEO of City National Bank** **Chairman of RBC U.S. Wealth Management**

Russell Goldsmith is Chairman and Chief Executive Officer of City National Bank, which was acquired by Royal Bank of Canada (RBC) on November 2, 2015.

When Mr. Goldsmith became City National's CEO in 1995, the company had US\$3BN in assets, 1,300 colleagues, and 24 offices in Southern California. Today, it has ~US\$42BN in assets, 3,600 colleagues and 75 offices in five states. It also manages or administers over US\$55BN in client investment assets.

Mr. Goldsmith is active in business and civic affairs. As chairman of the Los Angeles Coalition for the Economy & Jobs, he leads an independent organization of local leaders focused on fostering economic and job growth. From 2006 to 2008, he served as chairman of the Los Angeles Economy & Jobs Committee, which was formed by the city's former mayor, Antonio Villaraigosa.

In 2013, Mr. Goldsmith was named "Business Person of the Year" by the Los Angeles Business Journal, which cited not only his leadership of City National Bank but also his role as an advocate for economic growth and job creation.

From 2008 through 2011, he was a member of the Federal Reserve Board's 12-member Federal Advisory Council, representing the Twelfth Federal Reserve District and serving as its vice president for two years.

In 2010, Mr. Goldsmith founded the Mid-Size Bank Coalition of America, which is composed of more than 50 banks across the United States. He chaired the organization until 2015.

Mr. Goldsmith serves on the board of directors of Cedars-Sinai Hospital in Los Angeles and is a member of the Council on Foreign Relations and the Pacific Council.

From 1986 until it was sold in 1994, Mr. Goldsmith was Chairman and Chief Executive Officer of publicly held Republic Pictures Corporation, a leading global independent entertainment production and distribution company. He was also Vice Chairman of the San Diego Padres Baseball Club from 1990 to 1994. He previously served as Chief Operating Officer and a Director of Lorimar, Inc., a public entertainment company, from 1983 to 1985.

Mr. Goldsmith began his professional career as an entertainment attorney in Los Angeles. He is a graduate of Harvard College and Harvard Law School.



Christopher J. Carey **EVP & CFO of City National Bank**

Christopher J. Carey is Executive Vice President and Chief Financial Officer of City National Bank.

Mr. Carey oversees City National's finance, accounting and treasury functions, as well as asset/liability management, insurance, information services and call center operations, and banking and investment services. He also is a member of the company's Executive Committee and its four-member Strategy and Planning Committee.

Mr. Carey has 30 years of experience as a finance executive in the banking industry. He joined City National in July 2004 from Cincinnati-based Provident Financial Group, Inc., where he had been Executive Vice President and CFO since 1998. Before that, he was the CFO of CoreStates Bank in Philadelphia. He also worked as an Accounting Manager at AEL Industries, Inc., a publicly held manufacturing company in Lansdale, Pennsylvania, and at the Philadelphia offices of Price Waterhouse.

Mr. Carey is a member of the finance committee of the Los Angeles County Economic Development Corporation. He also is active with the United Way of Greater Los Angeles and serves on the organization's board of directors, as well as on the L.A. Business Leaders Task Force on Homelessness.

In addition, Mr. Carey sits on the boards of directors of BrightLine, a leading provider of interactive television marketing services, and Matthews International Capital Management, LLC, the advisor to Matthews Asia Funds, which had ~US\$29BN in assets under management as of April 30, 2016.

Mr. Carey earned a bachelor's degree from Villanova University. He is a certified public accountant in the state of Pennsylvania and a member of the American Institute of Certified Public Accountants.

We use a variety of financial measures to evaluate our performance. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain key performance and non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that key performance measures, such as ROE and non-GAAP measures such as earnings and revenue excluding Corporate Support, City National earnings excluding amortization of intangibles and acquisition and integration costs, net interest margin excluding covered loans, deposit growth excluding sweep balances from U.S. Wealth Management, and net income excluding merger related expense do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other financial institutions.

Additional information about our ROE and non-GAAP measures can be found under the “Key performance and non-GAAP measures” section of our Q2/2016 Report to Shareholders and 2015 Annual Report.

Definitions can be found under the “Glossary” sections in our Q2/2016 Supplementary Financial Information and our 2015 Annual Report.

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