



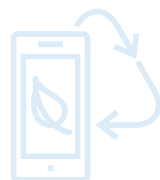
CREATING VALUE for our **STAKEHOLDERS**

2016 Corporate Social Responsibility Report



CITY NATIONAL BANK

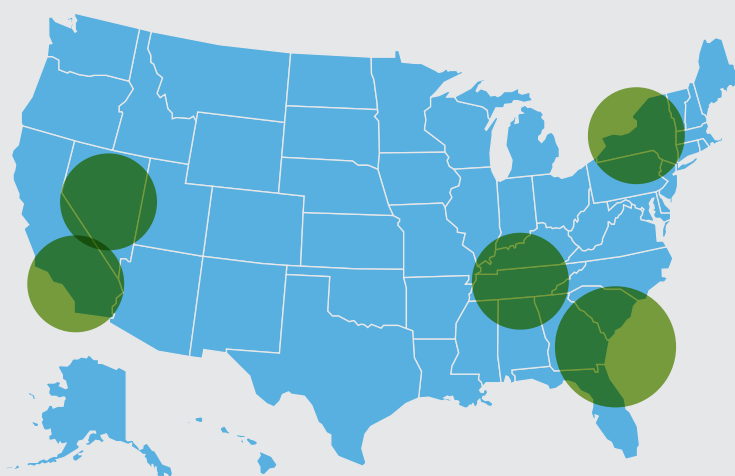
 AN RBC COMPANY





ABOUT
City National

With \$45.1 billion in assets, City National Bank provides banking, investment and trust services through 72 offices, including 16 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada, New York City, Nashville and Atlanta.



In addition, the company and its investment affiliates manage or administer \$55.5 billion in client investment assets. City National is a subsidiary of Royal Bank of Canada (RBC), one of North America’s leading diversified financial services companies. RBC serves more than 16 million personal, business, public sector and institutional clients through offices in Canada, the United States and 35 other countries. **Reporting period:** All data contained in this report reflect activities undertaken during the 2016 fiscal year (November 1, 2015 – October 31, 2016), unless otherwise noted. In many cases, we have provided data for 2016 as well as the two preceding years to provide readers with a view of trends in our performance over a three-year period.

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For more information about City National, visit the company’s website at cnb.com.

A Word from our Chairman & CEO on Value Creation



**RUSSELL
GOLDSMITH**

Chairman &
Chief Executive Officer

City National is fortunate to serve some of the most dynamic, urban communities in the United States. As such, it is important that we support, foster and give back to the communities in which we live and work. We firmly believe that we have an important role to play in contributing to the betterment of society.

We see this effort – typically described as Corporate Social Responsibility (CSR) – as a part of our commitment to help others on *The way up*[®] and to deliver value for our clients, colleagues and our communities as well as our shareholders. We do this through a wide variety of programs, activities and organizations that foster multicultural harmony, financial and general literacy, affordable housing, small businesses, economic development and volunteerism by our colleagues across a broad spectrum of worthy causes and compelling needs.

City National has been dedicated to its clients and communities since its founding in 1954. The company has always had a profound appreciation both for achievement and for giving back, important elements in our culture to this day.

In 2016, we continued to build on our legacy of supporting our communities. We are especially proud of our colleagues and the many contributions they have made of their time and money toward a stronger, better future.

This report provides us with an opportunity to document and salute the many initiatives that the Bank and its colleagues undertake every year.

Looking at all the ways we serve our communities instills great pride in our colleagues and our past as well as considerable confidence in them and our future.

Thank you for your efforts in this important work and for your interest in what we are all contributing together. Please share with us any thoughts or suggestions you have regarding our CSR activities and how we can do better.

To give your input, please contact us at **CNBGives@cnb.com**.



Value for **COMMUNITY**

We take seriously our obligation to be a force for good in our communities

At City National, we believe we must play an active role in the communities we serve. Strong, vibrant communities make for attractive business opportunities for our enterprise. The operating philosophies that we bring to these communities must have positive social and economic impact for the bank to flourish.

We take seriously our obligation to be a force for good in our communities and we use our annual Corporate Social Responsibility Report to document our achievements for our various stakeholders. As previously stated, our first

mandate as a commercial enterprise is to be a profitable corporation so our primary business activities – lending, business and private banking, savings, and investments – must operate in a viable fashion. However, as a socially responsible bank we do more than this. We identify and address community needs through community lending and investment, philanthropy and volunteerism.

These are the tools through which we bring value to our community.

Economic Contribution

\$26.9 BILLION
IN LOAN BALANCES AT THE END OF 2016

\$6.4 BILLION
IN NEW LOANS

\$3.0 BILLION
IN COMMERCIAL AND INDUSTRIAL LOANS

\$1.4 BILLION
IN RESIDENTIAL MORTGAGES

The availability of capital is vital to the health and growth of any community. City National's practice of lending capital to businesses and individuals is a key part of this equation. Our primary focus is on serving entrepreneurs, small- and mid-sized businesses, professionals and their families. These are the types of women and men who generate jobs and economic value in communities across the nation.

Loan balances at the end of 2016 totalled \$26.9 billion. During 2016, City National originated \$6.4 billion in new loans, including \$3 billion in commercial and industrial loans and \$1.4 billion in residential mortgages.





Community Investment

Loans and investments are financial tools designed to serve the purposes outlined in federal banking law, including the Community Reinvestment Act (CRA). Objectives of the CRA include: the promotion of economic development through the financing of businesses with annual revenues of \$1 million or less; the revitalization of low- to moderate-income communities, and lending support for low- to moderate-income individuals and families.

Community Lending Action



During 2013, 2014 and 2015, the first three years of the most recent CRA exam cycle, City National has qualified \$2.4 billion in community development loans, including:

Loans totalling \$10.3 million to two charter schools, one in Nashville, Tennessee, and the other in San Jose, California. The students in both of these K-5 schools are primarily English language learners, and more than 75% of the students qualify for free and reduced-price meals.

We are proud of our long history of making community development loans and equity investments in projects that strength local neighborhoods and generate value. Through small business lending and the creation of affordable housing, we focus our support on community organizations that foster economic expansion.

On April 23, 2015, the company, in consultation with many of its community partners in California, put forth an **\$11 billion, five-year commitment for community lending and investment**, and other activities outlined in the Community Investment Act.

\$11 BILLION, FIVE YEAR COMMITMENT

Small business loans	\$4.2 billion
Community development loans	\$4.4 billion
Other qualified investments	\$1.6 billion
Residential mortgages funded for low- and moderate-income borrowers	\$700 million

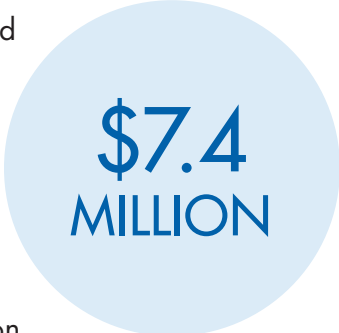
This includes \$4.2 billion in small business loans, \$4.4 billion in community development loans, \$1.6 billion in other qualified investments, and the purchase of \$700 million in residential mortgages funded for low- and moderate-income borrowers. This commitment replaced a 10-year, \$17.5 billion commitment made in 2007 – one that we were on track to fulfill despite the challenges of the 2008 recession.

Company Giving

Our recent merger with Royal Bank of Canada (RBC) will enable us to do more for our service areas. RBC fully supports our continued support to our communities.

Community development loan originations in 2016 totalled \$920 million. This total includes \$23 million in affordable housing loans, \$462 million in economic development loans and \$435 million in community services organizations. In addition to its extensive community development lending, City National reported \$740 million in small business loans during 2016.

City National makes direct grants to charitable and civic organizations that work to create positive change. Corporate giving in 2016 totalled \$7.4 million, up 2.5 million from \$4.9 million in 2015. Since 2001, the company has made grants totaling \$58.7 million. Our total charitable contributions goal over five years is \$30 million, part of the \$11 billion commitment outlined above.



2016 COMMUNITY DEVELOPMENT LOAN ORIGINATIONS	=	\$920 MILLION
Affordable housing loans		\$23 million
Economic development loans		\$462 million
Community services organizations		\$435 million
Small business loans: 2016		\$740 million



In 2016, Century City Chamber of Commerce named City National their Corporate Citizen of the Year. Also in 2016, received the Business Partner of the Year Award from Enterprise Community Partners.

Workplace Giving

We believe the example we set as a corporation when it comes to charitable giving is not lost on our colleagues. ('Colleague' is the bank's preferred term for employee). Our colleagues support a broad range of initiatives in communities served by the bank, initiatives that provide education, empowerment and caring to those in need.

Organizations supported by City National and its colleagues through our Workplace Giving Campaign include: *American Cancer Society, American Red Cross, Iraq and Afghanistan Veterans of America, Reading is The way up[®], Ronald McDonald House Charities, Save the Children, and United Way.*

88%
COLLEAGUES PARTICIPATED
+
\$1.3 MILLION
DONATED

88% of our colleagues participated in the campaign in 2016. They donated \$1.3 million, up from the \$1.1 million they donated in 2015.

In 2016, City National was given the United Way Corporate Philanthropy Award for its workplace giving campaign.

Volunteerism

In as much as City National Bank is involved in the communities we serve, so too do we encourage our colleagues to become involved in their communities, and they respond with great commitment. To assist colleagues in their efforts, the company offers a variety of volunteer openings throughout the year and is constantly exploring new community involvement opportunities.

Dollars for Doers

A key aspect of this encouragement is our **Dollars for Doers program** through which the bank supports colleagues by providing up to \$500 per year in grants to the nonprofit organization with which the colleague donates 20 or more hours of volunteer service.

Through Dollars for Doers, the bank donated some \$37,000 to nonprofit organizations in 2016. Since 2002 when the program was launched, City National has contributed more than \$561,500 in recognition of colleague volunteer hours.



PRIDE Day

City National colleagues give their volunteer time to a variety of initiatives that include teaching financial literacy, re-building homes, partnering with schools, working with shelters and hospitals, and supporting veterans' organizations.

**26,200
VOLUNTEER
HOURS**

Colleague volunteer hours in 2016 reached 26,200.

Colleague volunteering initiatives at City National drives a multitude of philanthropic activities at the company. In 2016, more than 21,000 school supply items were donated to schools and organizations in communities served by the bank. Colleagues donated 1,400 backpacks filled with much needed school supplies to low- and moderate-income students across our service area.

A bank-wide day of volunteering, PRIDE Day, attracts the participation of our colleagues every year. In 2016, nearly 350 colleagues participated in PRIDE Day and nine community aid projects were coordinated. A total of 1,067 volunteer hours were recorded during the day.



When it comes to volunteering, leadership is very important to the company and to our colleagues.

In 2016, 35% of total volunteer hours were related to service on the boards of nonprofit and community organizations.



FOCUS

Companies like City National have a large role to play in, and benefits to reap from, the fostering of new generations of educated and informed youth. Because of this, literacy is a key area of focus for charitable giving and volunteerism at the bank. City National Bank's vision is for all children to discover the joy of reading and to experience a lifelong love of books. Research confirms that children learn better and are more likely to be literate later in life when they have access to books. The size and quality of a school library is the best predictor of academic achievement.

In 2002, we created Reading is The way up® to provide assistance to public school libraries. Many of these libraries have fallen victim to successive funding crises. They simply do not have the money needed to keep shelves stocked with current, compelling books.

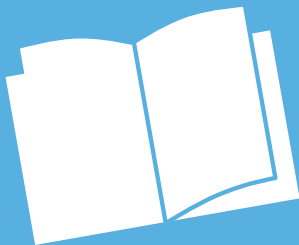
Through the program, books were donated to 40 schools in four states in 2016. Since

the inception of Reading is The way up, City National has donated 500,000 books to public schools and nonprofit organizations. On average, City National works with 16 Barnes and Noble retail stores to assist with the program.

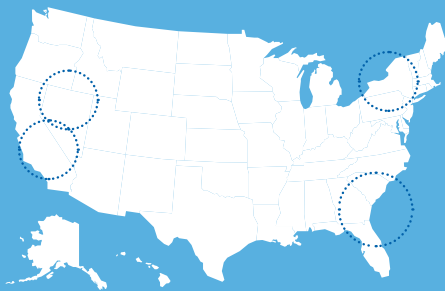
As part of Reading is The way up, City National provides grants to teachers. Since 2005, the program has awarded 1,135 grants totalling more than \$1.4 million to teachers in elementary, middle and high schools. These teachers earn the grants by developing learning projects that are creative, engaging and predicted to have a meaningful impact on student learning and achievement.

Over the years, Reading is The way up has reached more than 600,000 young people.

Reading is The way up has been recognized with numerous awards, including the 2013



500,000 BOOKS
TO PUBLIC SCHOOLS AND
NONPROFIT ORGANIZATIONS



40 SCHOOLS
IN 4 STATES



1,135 GRANTS
TO TEACHERS

Innovations in Reading Prize from the National Book Foundation. In literacy circles, this is one of the most prestigious awards and it is rarely bestowed on a corporation.

Dollars and Sense is a related City National Bank program that is targeted at creating financial literacy among youth. It has curricula designed for school-aged children, teens and young adults. The program serves the belief that the more financially literate a person is, the more likely they are to make sound financial decisions, and ultimately become avid savers, home owners and invested in their own financial health.



In 2016, 195 of our colleagues taught financial literacy to some 22,410 students.



Everfi is an organization that partners with financial institutions to improve consumer and community capability, and improve their bottom line.

The organization gave City National their 2016 Innovation in Financial Education Award.



Valuing the **ENVIRONMENT**

At City National we take steps every year to lessen our environmental impact. We value the health of our environment and view it as a basic human right especially in the face of widespread global climate change and weather events that are testing communities, both financially and socially. Consumers and investors alike rightfully expect companies to embrace strong environmental principles and live by them.

We develop and manage programs that address a range of environmental concerns related to our operations, including energy and water conservation, waste reduction and recycling, and the incorporation of green building techniques into the development of our facilities.

Corporately, City National has set the goal of a 10 percent reduction in green-house gases from current levels by 2019 in addition to what we have already achieved.

Our carbon footprint in 2016 was 11,374 tons in 2016, compared to 11,400 tons in 2015.

Energy

Energy use reduction has been a priority for City National in recent years and we have been able to make meaningful progress through initiatives such as modernizing our air conditioning systems.

Other energy-saving initiatives have included the placement of solar panels at a key Southern California operations center and the installation of daylight harvesting technology which helps provide power for low-energy electronics in our Los Angeles headquarters building.

City National's energy consumption (as measured in estimated leased-building carbon electricity) in 2016 was 22.9 million kilowatt hours. This is an increase over 2015 because a number of new buildings were included in the 2016 calculation.

Natural gas use in 2016 totaled 410,000 therms.

The amount of kilowatt hours derived from green power sources was 84,311 kWh. City National's first solar power system, installed in the last few years at the Riverside and Marina Pacifica retail locations allowed us to avoid 18.4 metric tons of carbon dioxide emissions.

Report from Iron Mountain

During 2016 (calendar year), City National shred and recycled 293 short (US) tons (586,274 pounds) of paper through Iron Mountain.

Other conservation initiatives include the following:



424,462
POUNDS OF EMISSIONS
AVOIDED



8,035,178
GALLONS WATER SAVED



4,918
TREES PRESERVED



1,465
CUBIC YARDS OF LANDFILL
SPACE CONSERVED



662,489
kWh ELECTRICITY SAVED

Water

Recent years have demonstrated just how fragile our water supply can be in California and now more than ever warrants our proactive efforts to conserve it.

In an effort to save roughly one million gallons of water a year, the bank recently installed a new water system at one of its large Southern California locations. 2016 total water use by the company has also been steadily decreasing every year:

TOTAL WATER USE: 2016 (MILLIONS OF GALLONS)



Reductions in our carbon footprint can also come from meaningful efforts to create reliance on public transportation.

In 2016, City National provided \$601,337 (2015: \$507,859) in colleague public transportation subsidies. Available in select locations, these subsidies aim to reduce traffic by rewarding carpooling and the use of public transit. The bank has also installed 26 videoconferencing sites at its various locations to help decrease the need for colleague travel.

Waste and Recycling

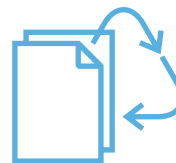
The bank places considerable emphasis on the reduction of waste and the increase in recycling.

eWaste recycling programs in four of our centers led to the recycling of more than 45,774 pounds of electronic equipment compared to 50,393 pounds in 2015 and 52,542 pounds in 2014. All of our paper recycling efforts combined to produce 980 tons, compared to 854 tons in 2015.

The use of online reporting and e-documents resulted in the elimination of more than 14.7 million printed pages during the year, compared to 12 million pages in 2015.



45,774
POUNDS
OF ELECTRONIC EQUIPMENT



980
TONS
OF PAPER



14.7
MILLION
OF PRINTED PAGES
ELIMINATED

Making Buildings **GREENER**

All new building projects at City National are being designed to attain certification under the LEED (Leadership in Energy and Environmental Design) system. LEED was developed by the U.S. Green Building Council with the aim of incorporating sustainability and sound environmental practice into the construction and renovation of buildings.

Green building practices employed in new construction and renovation projects for the bank include initiatives such as increased natural lighting and tinting to mitigate heat gain. Other techniques include the use of motion sensors and recyclable carpeting. These and other measures have saved an estimated 3.2 million kilowatt hours.



Green on Both Coasts

City National has taken the LEED approach bicoastal, creating new green facilities in San Francisco and New York.

LEED, of course, stands for “Leadership in Energy and Environmental Design,” a series of standards developed by the U.S. Green Building Council with the aim of incorporating sustainability and sound environmental practice into the construction or renovation of buildings.

Meeting LEED requirements can be arduous, but it speaks to the strength of our commitment. LEED requirements cover a wide range of qualities relevant to sustainability, including site suitability, energy and water efficiency, materials and resources used, as well as design features.

In late 2013, City National opened its second ground-floor banking office in Manhattan at its New York area headquarters at 400 Park Avenue, expanding the bank’s visibility and accessibility in New York City. A dramatic two-story entrance and contemporary design suggest an “Apple store” more than a bank, perhaps an indication of the high quality of the banking experience available inside, as well as the professional history of the architects who designed it. And it meets LEED requirements.

In 2014, City National opened a new branch in San Francisco’s fast-growing, hi-tech South of Market district. The 2,500 square-foot branch with an open floor plan and sleek client services desk offers 24-hour ATM and night deposit services. It also meets LEED requirements.

City National’s nearby Montgomery Street branch not only meets LEED requirements, but also won the U.S. Green Council’s LEED Award for Commercial Interiors in 2010.



CREATING VALUE in our Workplace & Enterprise

The type of workplace we seek to create and the various hiring programs that we undertake also say a great deal about our company. We seek to build an open and inclusive workplace. We look for ways in which our hiring and promotion practices address social inequities and also create an image of the company that reflects the communities we serve.

We work to ensure that our colleagues are engaged and that they have the opportunity to contribute to their communities.

We believe there is a direct correlation between the sense of satisfaction and fulfillment displayed by our colleagues and the customer service levels and loyalty of our clients.

Diversity & Multiculturalism



More than 50 percent of the bank’s colleagues are ethnic minorities. To provide support to these individuals, City National maintains eight multicultural resource groups. Also in 2016, we hosted a total of 18 panels and workshops that were devoted to multicultural and diversity issues. The purpose of these initiatives is to inculcate a bias towards diversity throughout our corporate culture and our hiring and promotion practices.

COLLEAGUE ETHNICITY	%
Asian	20
Black/African American	9
Hispanic or Latino	22
Native Hawaiian or other Pacific Islander	1
Two or more races	2
White	45

Our multicultural strategy is to become the bank of choice for small business owners and entrepreneurs from every culture and group represented in the communities we serve. To achieve this, we also aim to be the employer of choice for talented financial professionals.

We have five colleague affinity groups at the bank – African American, Asian American, LGBT (lesbian, gay, bisexual and transgender), Latino and women. Each group engages in community outreach through nonprofits, sponsorships, volunteerism, board service and partnerships. They also provide input to City National’s multicultural strategy and related initiatives.

Our new \$11 billion, five-year commitment includes \$80 million to purchase goods and services from minority-owned and women-owned businesses.

Fully 53% of our colleagues are female. In our Leadership group, there are 52 females and there are three women on our Executive Committee. In 2016, the Los Angeles Downtown Women’s Center made City National a Corporate Honoree.

Valuing our Veterans

As an employer we actively recruit and hire veterans of U. S. military service. We believe these brave men and women bring a variety of skills to the workplace, including leadership, teamwork, organizational skills and resilience – all attributes they have honed during the course of their service to our country. We currently have 58 colleagues on staff who have previous military service.

Colleague Engagement

As discussed in the **Value for Community** section, encouraging and supporting our colleagues as they volunteer their time in the community is a driver of employee fulfilment and a dynamic part of the City National work experience. Studies have shown that the emerging millennial workforce is inclined to value the common good and when seeking an employer are drawn to those with solid corporate social responsibility records. Our devotion to social causes and the support we offer to colleagues in their volunteering efforts are considered prerequisites as influential as the salaries we offer and the benefits we provide.

The Digital Bank


Our clients are increasingly demanding “green banking products” that allow them to play a role in the sustainability of our environment, and the bank is responding. We provide ‘green’ checking and savings accounts that minimize paper use and emphasize online banking with bill pay, e-deposits and online statements.



There are a number of initiatives under way at City National to further the concept of the “digital bank” of choice for our customers. This digital evolution is a priority as we move forward.

Dollars for Doers

back on my feet!
New York City



“I was looking for an opportunity to do more than just donate money to an organization. I really wanted to connect with other people.”

When City National Wealth Management’s Kelly McDerby arrives at her New York City office around 8:30 in the morning, she’s already accomplished more than many people will over the course of an entire day.

That’s because Kelly is a team leader with the New York City chapter of **Back on My Feet**, and takes advantage of City National’s Dollars for Doers program (see page 10).

Back on My Feet is a national organization with chapters in 12 major cities coast to coast – Atlanta, Austin, Baltimore, Boston, Chicago, Dallas, Indianapolis, Los Angeles, New York City, Philadelphia, San Francisco, and Washington, D.C. The unique nonprofit’s mission is to combat homelessness through the power of running, community support, and by providing employment and housing resources.

As a Back on My Feet team leader, Kelly – come rain or shine – can be found at New York City’s Bowery Mission every Monday, Wednesday, and Friday. When the clock strikes 5:45 a.m., she – along with a handful of other hearty volunteers – leads a group of 10-to-15 members on a 50-minute run along the East River or other equally-iconic Big Apple routes.

What unites this group is not so much the love of running, but – rather – a deep desire to turn their lives around, leaving homelessness in the rear view mirror and becoming productive members of society.



A long-time runner who completed the New York City Marathon three years ago, Kelly says, “I was looking for an opportunity to do more than just donate money to an organization. I really wanted to connect with other people.”

She’s been doing precisely that for nearly a year now, and – although these pre-dawn runs are daunting – the rewards outweigh the challenges.

As Kelly puts it, “Seeing people succeed and believe in themselves is very fulfilling. And, by doing this first thing in the morning, it starts your day on a positive note.”

In the relatively short period of time she’s been with Back on My Feet, Kelly has seen homeless drug addicts become both clean and employed. “One of the many cool things about this program,” she explains, “is that – after 30 days of 90-percent run attendance – members move into Next Steps, which provides educational support, job-training programs, employment-partnership referrals and housing resources”. Over 80 percent of those who start the program, move into the Next Steps phase.

In addition to three weekday jogs, Back on My Feet also encourages members and team leaders to participate in monthly 5K and 10K runs. Earlier this year, three Bowery Mission Back on My Feet members completed the New York City Marathon.

Commenting on her Back on My Feet involvement, Kelly notes, “It’s not easy to wake up early and go running – especially now that it’s winter – but there’s such a sense of pride in doing it. It’s not so much about running as it is about serving as a support system for people who are truly trying to change their lives.”

www.backonmyfeet.org

Thank you for your interest in our Corporate Social Responsibility reporting.
We welcome your thoughts and suggestions on our CSR activities.

csr@cnb.com

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